To invest or not to invest

LATELY, a lot of the phone calls I've been getting are from nervous retirees. They're nervous for two reasons: One, many of my clients have seen their accounts go up by quite a bit. After all, the US stock market is showing all-time highs. If clients just purchased the ETF of the S&P 500, they're up 17% in the past year.

For those that might have been more aggressive and purchased a stock like Facebook, they've made over 100% on their money. Here's the chart for shares of Facebook and you can see that if you bought it at any time, you've made money this year.

A year ago, when Facebook was trading at US$25, it was a no-brainer investment for me. I use it every day and many expats that I know use it stay in touch with their families. The average Facebook user spends about 40 minutes a day on it. The company now accounts for $1 of every $5 spent on mobile advertising.

The reason shares had sold off after the IPO was that investors were concerned that more users were logging into Facebook on mobile devices and that Facebook would not be able to monetize mobile. Well, a year ago, Facebook CEO Mark Zuckerberg came out and said that he will win the war for mobile ad dollars. Boy, did he deliver.

The problem now is that the Chairman of the Federal Reserve, Janet Yellen, issued a cautionary statement on social media and biotech stocks in the middle of July. The Fed said that share prices of certain sectors "do appear substantially stretched." When the Fed speaks, I listen.

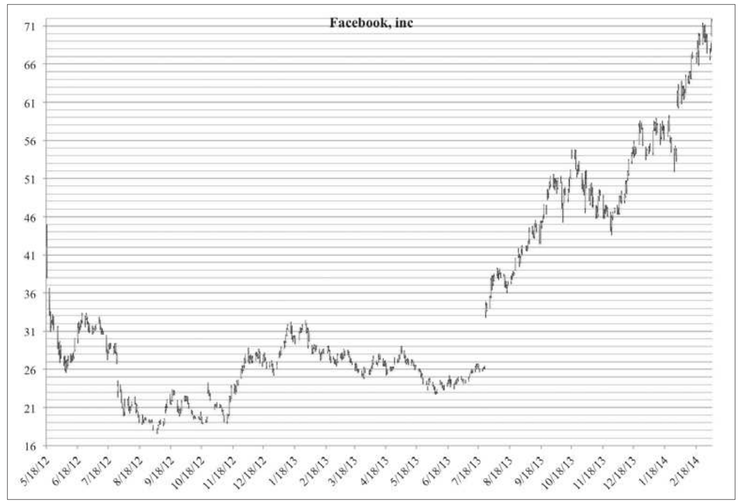
This leads me to the second reason many of my callers are nervous. Many are seeing these headlines and have not invested in the stock market yet. They're fearful that the market is going to crash and they don't want to be investing at a market top. Remember, it's buy low and sell high and not buy high and sell low.

So the question facing many investors today is, "what do I do next?" If you're already invested, do you sell and get out of the market? And if you haven't invested yet, how do I start after the market has gone up so much?

Well, there's no clear answer to these questions. A lot depends on your individual situation. For instance, some of my clients are offshore oil workers. They generate good income every month and they can invest through the market's ups and downs. Over the long-run, blue chip stocks and equities have proven to be the best investment for retirement.

For those that haven't invested yet and don't have the income of an offshore oil worker, they have to get defensive. What do I mean by this? Well, you want to be in stocks that will do well no matter what.

Two of my favorite defensive stocks are McDonald's and Coca-Cola. People all over the world are going to continue eating McDonald's and drinking Coca-Cola. Just go to our local McDonald's here in Phuket and we can see all the Chinese and Russian tourists choosing to eat a Big Mac and fries over our delicious Thai food. And what's the beverage of choice at McDonald's? It's a Coke.



Those investors who have been more aggressive and purchased a dynamic stock like Facebook, could have made over 100% on their money. Graphic: Joseph A. Rinaldi

Why I like these two stocks is that the Great Depression of our lifetime was in 2008 and 2009. This was when the global economy almost collapsed, but shares of McDonald's and Coca-Cola held up better than other stocks. Throughout this period, both McDonald's and Coca-Cola paid their dividends and investors got a 3% dividend yield. McDonald's and Coca-Cola's businesses are so strong that it's like putting your money in the bank and collecting 3%. They're not going out of business tomorrow.

Buying McDonald's and Coca-Cola is not for everyone. Some may not like their businesses and think that the trend is towards healthier foods and beverages.

The point is that McDonald's and Coca-Cola are just two options when it comes to getting defensive with your investments. There are a number of ETFs, MLPs, REITS, utilities, and other consumer companies that do just as well in a down market. They also pay the nice dividends that we retirees need to live on here in Thailand. (Stay tuned for my next article on the Vanguard Real Estate Investment Trust ETF which pays a nice dividend.)

"The first step towards financial freedom is realizing that you need a plan and then making the call and devising that plan. So give me a call and we can discuss what options are right for you. We can tailor a plan that fits your needs and that's what's important.

Don Freeman is president of Freeman Capital Management, a Registered Investment Adviser with the US Securities Exchange Commission (SEC), based in Phuket, Thailand. He has over 15 years experience and provides personal financial planning and wealth management to expatriates. Specializing in UK and US pension transfers. Call 089-970 5795 or email: freemancapital@gmail.com.

Impiana welcomes new general manager and executive chef

New general manager of Impiana Resort David Xavier. Photos: Supplied

Impiana's new executive chef Christoph Lindner.

IMPIANA Resort Phuket recently announced the appointment of its new General Manager David Xavier and its new Executive Chef Christoph Lindner.

French national Mr. Xavier comes to Phuket following a tenure as general manager for Impiana in Chaweng Noi Koh Samui, director of food and beverage at Impiana KLCC and banquet and catering manager at Pan Pacific KLIA. Mr Xavier holds a masters degree in International Hospitality Management from the University of Toulouse le Mirail in France.

A native of Germany, Mr. Lindner comes to Impiana with more than eight years in various positions in the food and beverage industry, including his previous post as executive chef at the Akaryn Boutique Resort and Spa in Koh Samui. Mr Lindner holds a bachelor degree in International Hospitality and Restaurant Management from the Paul Bocuse Institute in France.

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Beachgoers speak up

EXPEDIA, one of the world's largest full-service online travel sites, recently released the results of the 2014 Expedia Flip Flop Report, an annual study of behavior and preferences among beachgoers.

The 2014 Expedia Flip Flop Report was commissioned by Expedia and conducted online by Northstar, a global research and consulting firm. The study was conducted among 11,165 adults 18 years of age and older, across 24 countries in five continents.

For the third year running, Germans were the likeliest to sunbathe fully nude at the beach. However, this year – for the first time – Austrians tied their German peers in that regard with 28% reporting having spent a day at the beach in the buff.

Asian beachgoers are typically more modest; only 2% of Japanese, 3% of South Koreans and 4% of Thai beachgoers have sunbathed nude.

The beach itself is the most popular travel destination for the world's travellers. More than half (56%) of the study's respondents took a beach vacation in the past year. A full three quarters (75%) of global travellers indicate that they are "very" or "somewhat" likely to take a beach vacation in the next 12 months.

Over 11,000 beachgoers took part in the worldwide survey. Photo: Kallerna

In pursuit of such happiness, beach lovers will make sacrifices. The report revealed that 29% would "work weekends for a month" in exchange for just one extra beach vacation per year; 25% would give up a week's salary; and 11% would be willing to experience influenza for a full 48 hours.

Seventy-four per cent of worldwide respondents consider speedo-style briefs to be acceptable beach attire. A full 95% of Brazilians approve while only 40% of Norwegians find the scanty swimwear stylish.

A full 50% of beachgoers report that they are afraid to swim at the beach due to sharks, though 35% of that group will swim regardless.

Such fears remain a prevailing concern for beachgoers despite the relative rarity of a shark encounter: The University of Florida's "International Shark Attack File Report" reveals that a mere 72 "unprovoked" shark bite incidents took place in 2013, worldwide.

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