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The Examiner

Prudent Portfolio: Despite Market's Travails, Investing Need Not Be Spooky

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By Peter Chieco

Remember the Addams Family? The oddly elegant Morticia, peculiar children Pugsley and Wednesday, bizarre butler Lurch and freaky Uncle Fester, all living in a macabre mansion? Perhaps it was the eccentric and ghoulish Gomez, master of the household, swooning husband and billionaire, who was most memorable.

Gomez was extraordinarily wealthy through a significant inheritance and extensive investments. He darkly joked that it was possible to "make a killing in the stock market" and played the markets with gusto. He even kept a tickertape machine in the living room.

An extravagant spender, Gomez invested lavishly in odd schemes that inadvertently paid off big. He purchased swamp land under which oil was discovered; a mummified hand he picked up at a flea market was later identified as the priceless remains of an Egyptian pharaoh. He owned businesses around the world including a crocodile farm, a buzzard farm, a salt mine, a tombstone factory, a uranium mine and many others.

In Forbes' 2007 "Fictional 15" list of the richest fictional characters, he was ranked #12 with a net worth of $2 billion.

Unless you are Gomez Addams, with unlimited funds at your fingertips, you may not want to invest in such far-fetched schemes as buzzard farming. But Gomez can teach us a valuable lesson: a certain amount of your funds exposed to growth – if tempered with good judgment and solid information – can be hugely rewarding over time.

It's not too late to get into the stock market. If you have been sitting on the sidelines until now, being ultraconservative, you missed out on stock market declines that offered buying opportunities.

Where are Americans looking to place their investments right now? A recent Morgan Stanley poll of high net worth investors in the New York area showed that of personal investment allocations at the beginning of 2016, stocks or equities (42 percent) are expected to comprise the biggest part of HNW investors' portfolios. Along these lines, dividend-bearing stocks (49 percent) and actively managed mutual funds (48 percent) top the list of promising 2016 investments. One in five or more HNW investors view international stocks and mutual funds (22 percent), gold and bond funds (each 20 percent) and annuities (19 percent) as "bad" investments for 2016.

Here's what the HNW investors had to say about where to invest: the U.S. (63 percent), followed distantly by Japan (35 percent), China (34 percent) and India (33 percent) are viewed as the strongest investment areas for 2016. Ukraine, Russia and the Middle East, on the other hand, are rated by majorities as "bad" investments.

Regardless of any investor's opinion or analyst's prediction, the future is always uncertain. Nevertheless, being too conservative can be costly, as even modest inflation will take a bite out of your buying power. I believe that now may be the time for even the most cautious investors to dip their toes back into the financial waters. There may be higher-yielding investments that offer interesting options for the rest of 2015. Other industries worthy of consideration include tech companies and those related to an improved housing market.

"Creepy and kooky" approaches to investing should be left to fictional characters like Gomez Addams. In the real world, tread carefully, but this Halloween season don't miss a great opportunity either.

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