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Triple Play: What should investors do with the Fed holding the line?

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Suzanne M. Akian

Triple Play is a weekly NJBIZ feature that asks top executives in New Jersey to talk about three things related to their industry.

Suzanne M. Akian, a Hoboken resident, is a financial adviser with the global wealth management division of Morgan Stanley.

We asked Suzanne about the top three things investors should do now, following the Federal Reserve's recent decision to hold off on increasing interest rates.

1 We continue to recommend that investors consider equities rather than fixed income securities. This view takes into account avoidance of economic recession, strong central bank policy support around the world and lower risk of financial contagion in the global banking system than originally feared.

2 For high tax bracket investors, don’t entirely neglect municipal bonds. Consider solid bonds with durations of up to 10 years. While the interest rate will be low, the after-tax yield may be competitive with other choices. Consider building a 10-year “ladder of bonds,” or bonds that mature periodically over that time frame, thereby helping to take advantage of interest changes that may occur.

3 Remember to look at the whole picture when assessing your next financial move. Don’t be distracted by just one or two economic barometers. Be certain your portfolio continues to reflect your long-term financial objectives. Some tweaking may be needed if you have too many financial eggs in one basket.