ST. LOUIS
BUSINESS JOURNAL

12 investment tips for topsy-turvy times from a St. Louis money manager

GREG EDWARDS
REPORTER
ST. LOUIS BUSINESS JOURNAL

founded Archford Capital Strategies in 2013 and has grown it to $660 million in assets under management and 600 clients, with two divisions: wealth management, with 20 employees, and accounting, with 14 employees. Archford Accounting launched Jan. 1 as a result of the acquisition of Deck & Co. in Edwardsville and Tragesser & Associates in O'Fallon, Illinois.

Maher is a graduate of the University of Missouri - Columbia, earning a bachelor's degree in 1988 and a law degree in 1991. He previously worked at Merrill Lynch and Edward Jones.

We asked him what investors should be doing in the current economic environment.

1. Convert an IRA to Roth IRA. The balance of your current IRA is probably lower compared with the beginning of the year. You can convert some, or all, of the investments inside your traditional IRA to a Roth IRA. Those investments should have time to recover inside a Roth IRA, where that appreciation would be tax-free. Note: You will have to pay ordinary income taxes on the value of the investments on the day the traditional IRA is converted to a Roth.

2. Consider reducing the long-end of a bond ladder (and timing). Most long-term bonds have seen a jump in value. It's hard to imagine there is much upside room given where interest rates are. Also, consider margins against these if you need liquidity short-term as rates are low. There are a lot of bonds being sold, so pricing should be better in a couple months.

3. Reduce or eliminate high-yield bonds. These are the companies that could have a difficult time paying their debt with

significant business interruption. This also assumes you view high-yield bonds as a risk-reduction element in your portfolio. We do not like them currently as a yield enhancer to fixed income portfolios because of principal risk. If you are using them in a portfolio, then consider them as equity risk.

4. Quicken the pace of your dollar-cost-average investment plan. If you have a plan to invest cash over the next 12 months, consider speeding that up.

5. Refinance your home or other debt. Review the interest rate on your mortgage to see if it makes sense to refinance. I have a feeling many people are doing this right now, so you may need to be patient with the lender. Also, business owners should look into new SBA lending programs.

6. Increase retirement amounts. Consider accelerating the funding of retirement accounts (SEP, 401(k), IRA) or Education Savings Plans, if you normally contribute to these.

7. Tax extension. The IRS has extended the April 15 deadline to July 15. Preserve your cash, if you owe, until the filing date.

8. Family gifting. Remember not to give family members assets with a loss. It's better to sell the asset yourself so you can preserve the tax loss, then give the money. Note: If you are giving assets to family members when the market is down, then you can give more shares of the security.

9. Charitable giving. If you or your spouse are over 70-and-a-half years of age, use your traditional IRA for charitable gifts. If you are over 70-and-a-half years of age and know your children are philanthropic, this may be a good year to contribute on behalf of your child to their charity. Again, you should never give a security to a charity if you have a loss. Sell it first and realize the loss for tax purposes.

10. Pull cash from your line of credit even if you don't yet need it. We have seen banks reduce lines of credit in the past on the unused portion at a time when you could need it most.

11. A business' bottom line. If your business income will be down, then review the new marginal tax rates to potentially make additional strategic tax moves.

12. Business property. If you own your building, take a hard look at a sale lease back, especially with the current interest rate environment. A sale lease back is when you sell the building that your business occupies and then sign a long-term lease to rent it back. This could provide additional liquidity that could be put to work in other areas of your business. It also can help diversify the overall percentage of assets you have tied directly to the business.