

Tiger 21: Investors Lean To Long-Term Holdings

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High-net-worth investors that have been burned by the recent economic downturn want to lessen their exposure to complex instruments like CDOs, auction rate securities and structured products as they never fully understood these positions and how they played into their overall portfolios, according to Michael Sonnenfeldt, founder of Tiger 21. Instead, clients are leaning towards long-term, simplified portfolios.

Investors are thinking long-term with non-dollar dominated international exposure, noted Sonnenfeldt. He suggests targeting growth prospects for earnings in the developing world, particularly Asia. These types of investments perform far greater over a long period of time than domestic plays, added Sonnenfeldt. Other favorable opportunities lie in investing U.S. companies with major business in those economies, buying funds geared toward BRIC markets, foreign currencies, gold or even direct investments.