

## The RIA's Case for Protective Investments

2022 has kicked off by shaking investors' psyches. The weekly survey taken by the [American Association of Individual Investors](#) reveals that, on average, investors are the most "net bearish" they've ever been since the survey began in [1987](#).

Why are investors so glum? Risks are everywhere. Here are the Big Three:

1. **Inflation:** The rate of increase in consumer prices is the highest in four decades. That unsettling economic reality prompted the U.S. Federal Reserve to hike its policy rate earlier this month for the first time since 2018, leading some to anticipate a string of rate hikes through much of 2023.
2. **Inversion:** The Treasury yield curve has inverted at some maturities. After the Fed meeting on March 16, the U.S. 5-year yield climbed above the 10-year rate for a time.
3. **Invasion:** Putin's invasion of Ukraine has to hurt the global economy at a particularly vulnerable moment, what with ongoing supply chain issues and rising commodity prices.

All these factors cast an ominous shadow over the traditional investment universe of stocks and bonds. According to [Bloomberg](#), the cookie-cutter 60/40 equity-fixed income portfolio is on pace for its worst year since the 2008 Great Financial Crisis. Moreover, Q1 2022 is shaping up to be [one of the worst quarters](#) for portfolios composed of 50% S&P 500 shares and 50% U.S. 10-year Treasury notes.

## Halo's Protective Investing Playbook

Amid stock market declines, rising (but still low) interest rates, and high volatility, investors must adjust to what could become the new normal. Protective investments and defined outcome solutions can help individual investors navigate through stormy days ahead. Halo Investing's new Protective Playbook includes:

- **Developing a Game Plan:** Structured products and defined-outcome strategies can be used alongside a typical stock & bond portfolio. Investors are already coming to this conclusion—evidenced by growing interest. [Bloomberg](#) reports that as of late 2019, the global structured product market climbed to more than \$7 trillion in assets.
- **Forming a Scouting Report:** Just as when eyeing a hot rookie in baseball, investors can seek multi-tool investments and portfolios. Assets with low correlation to each other featuring durable sources of income that mix offense and defense can be invaluable. We assert that Halo's suite of protective investments should earn a spot in an RIA's lineup.
- **Understanding Timing and Sequence of Returns Risk:** The U.S. Census Bureau tells us that 10,000 baby boomers retire each day. The most perilous part of their financial

future lies in the first handful of retirement years, and steep stock market losses in the coming years could land millions of retirees in a tough spot. Protecting wealth early in retirement can be of paramount importance.

- **Playing Defense:** Wide-moat stocks and quality beta can offer stock market exposure with lower risk than other styles. A growing number of investors are looking to risk mitigation strategies to offset the market's many uncertainties.
- **Selective and Strategic Offense:** Advisors today can offer leveraged market exposure through inexpensive funds focused on risk management while still aiming to achieve strong returns. Halo's Protective Investing Playbook outlines how this can be done in a cost-conscious manner.

So, if you're looking for unique strategies to help investors get over their wall of worry, Halo Investing's complete Protective Investing Playbook is now available for download.

[Click here to take a look.](#)

[link: <https://page.haloinvesting.com/protective-investing-playbook>]

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