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*Senior Portfolio Manager & Investment Advisor Representative
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With over 20 years of experience in the investment management industry, Conrad provides clients with tailored investment portfolios. His extensive background in financial analysis and accounting enhances his stock selection and portfolio construction processes. He personally works with each client to integrate their investment strategy and financial planning objectives.

Prior to joining Pacific Global in 2017, Conrad spent nearly 10 years as an institutional Senior Equity Analyst, most recently at B. Riley Financial. He also managed repurchase agreements and fixed-income trading for Seagate Global Advisors, a global fixed-income fund overseeing nearly \$2 billion in mortgage-backed securities, U.S. Treasuries, various foreign government bonds, and currency swap contracts. Earlier in his career, he joined Deloitte's consulting practice where he conducted market and financial feasibility studies for stadiums, arenas and convention centers. He received B.S. degrees in Finance and Accounting from Cal State University Northridge.

Defensive Investing: *Prioritizing Preservation*

By Conrad Lyon

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Every financial journey comes to a crucial juncture: transitioning from an emphasis on growth to prioritizing preservation. Evolving from a growth-oriented strategy to a more defensive approach can help ensure your portfolio aligns with your changing needs and goals. This approach becomes particularly critical as you near retirement or prepare to rely on your investments for income.

A defensive investment strategy seeks to:

- **Reduce risk and protect accumulated wealth**
- **Generate steady income**
- **Minimize the impact of market and interest rate volatility**

A strategy focused on capital preservation, consistent income and risk mitigation can help achieve and then maintain financial independence throughout retirement.

An Integrated Approach

Our **distinctive approach tailors investment portfolios** to each client's specific objectives. **Engaging with our financial planners to work alongside your portfolio manager** enhances our ability to provide an investment strategy that continues to effectively meet your goals as circumstances and needs change.

Key Principles

Protection First, Growth Second

A defensive investment strategy seeks to preserve capital and protect against significant losses. This doesn't mean abandoning growth entirely, but rather striking a balance between risk and return that aligns with your needs.

Minimizing Volatility & Losses

Defensive investing aims to mitigate the impact of market and interest rate volatility as well as limit portfolio losses during economic slumps or market downturns. The strategy can be crucial for retirees, those with limited capital and others who would have difficulty recovering from significant losses.

Suitable for Conservative Investors

A defensive approach can serve conservative investors at any stage of life who are particularly averse to volatility and risk. Investors should consider a defensive strategy if they:

- Have a low tolerance for losing money on investments
- Are uncomfortable with significant market swings
- Depend on their investments for regular income
- Need to prioritize asset preservation over maximizing growth

Implementation

Investment Selection

Investments focus on **equities** that have historically demonstrated stability during economic downturns and high-quality **fixed income** holdings:

- Dividend-paying stocks
- Investment grade corporate bonds
- Companies in sectors such as *Utilities* and *Healthcare* which are less susceptible to the economy
- U.S. Treasuries
- Cash and cash equivalents

Diversification

We aim to reduce volatility and minimize the impact of economic or market downturns by selecting investments in a variety of sectors primarily in large and mid-cap companies. Depending on your risk tolerance and investment horizon, a portfolio may include a mix of stocks, bonds, and potentially real estate or other investments.

Risk Management

Effective risk management includes:

- Managing and allocating a selection of individual stocks and bonds based on your investment objectives and risk tolerance
- Actively managing bond maturities based on our interest rate outlook
- Considering the credit quality of bonds as well as financial analysis of the underlying companies
- Employing a sell discipline to manage risk
- Periodically reassessing your financial goals and investment objectives
- Refining your investment strategy as your needs change

Benefits

- **Reduced volatility:** Seeks to stabilize portfolio valuations by focusing on investments less sensitive to market fluctuations.
- **Capital preservation:** Crucial for those nearing retirement or averse to volatility and risk.
- **Income generation:** Investments selected to provide steady income which becomes particularly important to support regular account distributions.
- **Peace of mind:** Reduce stress caused by market volatility.

Our team is here to guide you through every transition in your financial journey: setting goals, planning next steps, and rebalancing your portfolio to help achieve your financial goals.

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