Market Turbulence Underway: 3 Ways to Protect Your Investment Portfolio

Top Securities Law Firm Offers Investors Free Portfolio Reviews Amid Market Conditions

NEW YORK, NY, UNITED STATES, April 8, 2025 /EINPresswire.com/ -- With market turbulence underway, investment portfolios are top of mind for national securities law firm KlaymanToskes. The firm has witnessed investment losses in the portfolios of thousands of investors throughout the dot-com bubble, the financial crisis of 2008, and most recently, the COVID decline. Investors with concentrated, leveraged, or illiquid portfolios, are usually hit the hardest. KlaymanToskes is offering investors their insights into protecting their assets, and free portfolio reviews for full-service brokerage firm customers that seek to recover their financial lifestyle after a significant investment loss.

Economist and founding partner of KlaymanToskes, attorney Lawrence Klayman states, “These are uncertain times. Under Regulation BI, financial advisors should construct a portfolio in your best interest. That includes considering the possibility of market turbulence.” If your financial advisor failed to act in your best interest causing you investment losses of $100,000 or more, please contact attorney Lawrence Klayman at (888) 997-9956 or lawrence@klaymantoskes.com.

Here are 3 ways to protect investment portfolios:

1
Diversification

Diversification is a core principle of risk management. A concentrated position is the opposite — high exposure to a single company's performance. Securities concentrations exist to the extent that any portion of a portfolio's holding exceeds 10% of the portfolio's value. Financial advisors have a responsibility to recommend risk management strategies such as diversification and rebalancing of a portfolio to protect your assets. If your portfolio had more than 10% in any one position or sector (technology, energy, healthcare, etc.) and you suffered significant losses, you may be entitled to compensation through a FINRA arbitration claim.

To learn more about securities concentrations and the importance of diversification, click here.

2
Hedging

Investors may hold concentrated stock positions for a number of reasons, including employee stock options, tax liabilities or emotional reasons. Regardless of the reason, a financial advisor can help an investor protect their stock by recommending to hedge the position using one of these common strategies:

- Stop Loss Limit Orders
- Protective Puts
- Zero-Cost Option Collars
- OTC Option Collars (European Style)
- Synthetic “Proxy” Hedge Transactions
- Variable Prepaid Forward Contracts
- Equity Swaps

KlaymanToskes can help you determine whether an investment loss is the result of a failure to recommend or implement risk management strategies for concentrated stock positions in a brokerage account. If an investor suffers losses as a result of securities concentration they may be able recover their losses in a FINRA arbitration claim for damages.

3
Liquidity

It is important that your financial advisor plans for changes in market conditions and your liquidity needs when constructing your investment portfolio. Liquidity can provide control and flexibility in volatile markets. KlaymanToskes often sees investors of retirement age locked into illiquid products, restricting them from accessing their principal investments. During a market downturn, raising cash from these assets can be difficult, as they are either challenging to liquidate or may need to be sold at significantly reduced prices.

If you believe your financial advisor unsuitably recommended illiquid investments, contact KlaymanToskes today for a free consultation at (888) 997-9956 or investigations@klaymantoskes.com.

Filing a FINRA Arbitration Claim

If you've experienced significant financial losses because your advisor failed to protect your portfolio from volatile market conditions, you may be entitled to take legal action. Many investors are unaware that they can pursue claims through the Financial Industry Regulatory Authority (FINRA) arbitration process.

FINRA arbitration offers a formal avenue for investors to seek recovery if they believe their financial professional acted improperly. Common types of advisor misconduct that may qualify for arbitration include:

- Failure to properly diversify a portfolio

- Recommending investments that were unsuitable for the investor’s risk tolerance, time horizon or financial goals

- Providing misleading information or failing to disclose important facts

The securities attorneys at KlaymanToskes bring the experience you need and can trust to effectively advocate for your interests in FINRA arbitration. Contact our team today at (888) 997-9956 or by email at investigations@klaymantoskes.com.

About KlaymanToskes

KlaymanToskes is a leading national securities law firm which practices exclusively in the field of securities arbitration on behalf of retail and institutional investors throughout the world in large and complex securities matters. The firm has helped recover over $600 million for investors. KlaymanToskes has office locations in California, Florida, New York, Nebraska and Puerto Rico.

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