We’re excited to bring you the latest Investments & Wealth Monitor, which is focused on portfolio construction. This is a particularly timely and relevant topic given the challenges we are facing in today’s market environment—increasing interest rates, persistent volatility, high inflation, and lower expected equity returns. So here we cover portfolio construction from a number of different angles, highlighting the tools and techniques that alternative investments make available to meet client needs.

We begin with some informative research from Daniil Shapiro that explores the role and adoption of alternative investments, “2022: Markets in Turmoil.” We then follow up with two foundational pieces that describe how to use alternative investments: frequent contributor Aaron Filbeck’s article, “Nailing Alternative Investment Portfolio Construction,” and Stephen Beck, Darby Nielson, and Sumit Sharma’s article, “Portfolio Construction in an Inflationary World.”

Continuing with the alternative investment theme, Sarah Abernathy explores “A Framework for Approaching Illiquid Alternatives,” and frequent contributor Rick Bookstaber and his colleague Dhruv Sharma examine “Portfolio Construction and Rebalancing for Individuals.” IWM editorial advisory board member Michael Andrews shares information about alternative products available in the marketplace in “Alternative Investments: REITs, MLPs, BDCs, and Interval Funds.”

Given the recent volatility in the markets, we revisit cryptocurrency’s role in a portfolio with Matthew Hougan and Gayatri Choudhury’s article, “Bitcoin’s Potential Role in an Institutional Portfolio.” Frequent contributor Herman Brodie also shares some stunning research in “Behavioral Pitfalls of Selecting Managers, Essayists, or Otherwise.” We close with my far-reaching Q&A with Neil Bathan as we consider “Direct Indexing and Personalization.”

At Investments & Wealth Institute, we understand the market environment is challenging. Fortunately, we also know that we have more tools at our disposal than ever before. We hope that the articles in this issue of IWM, and the ones published throughout the year, can help you meet your own goals as well as those of your clients.

Anthony B. Davidow
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