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The first half of the year has been unkind to most portfolios. Bonds which had been the "conservative portion" of most investors' portfolios were down about 14% through the first two-thirds of June. Stocks were down about 23%, public REITs were down about 24%. Even "less risky" assets like preferred stocks, down about 18%, and high-yield bonds, down about 15.5%, provided little safety.

If your portfolio consists largely of the traditional stock-and-bond model, it may feel like there was no place to hide this year. However, there were several less widely used asset classes that have held up well. Private real estate funds continue to outperform its public counterparts.

One of the largest private REITs in the country, Blackstone Real Estate Income Trust (BREIT), is up 8% this year. Private REITs typically create tax favored income for investors as well.

Private credit funds, an alternative to traditional bonds made of floating rate loans, are up slightly this year. Which is better than publicly traded bonds while offering higher yields than traditional bonds.

Private preferred stocks, which can pay a fixed interest rate of 5.5% to 6%, are up because their values don't fluctuate. Many private equity funds are positive as well or at least have had much less drawdown than publicly traded stocks.

For the safe part of one's portfolio, index annuities are probably not making any interest this year, but they are not losing any value either. Any investment that hasn't lost value this year has performed better than most.

Finally, properly designed no load insurance contracts are also principal protected and even in a down year like this are still positive. Many investors with the traditional stock/bond portfolio could easily be down 20% or more. However, many savvy investors who have included alternative investments into their portfolio have either increased or at least maintained their value in a tumultuous 2022 and have been able to mitigate their losses while sleeping well at night.

Source: Yahoo Finance