[Date]

[Client Name]
[Client Address]
[City, State, Zip Code]

Subject: Strategy for Investment Portfolio Risk Mitigation

Dear [Client Name],

I am writing to provide an update regarding your current investment portfolio and to outline the specific steps we are taking to mitigate potential market risks. Given recent market volatility and shifts in the global economic landscape, we believe it is prudent to adjust our strategy to protect your capital while maintaining long-term growth objectives.

Our risk mitigation approach currently includes the following actions:

- **Asset Rebalancing:** Adjusting the ratio of equities, fixed income, and cash to align with your target risk tolerance.
- **Diversification:** Increasing exposure to non-correlated assets and defensive sectors to reduce impact from specific market downturns.
- **Stop-Loss Implementation:** Setting predefined exit points on volatile positions to limit potential downside exposure.
- **Hedging Strategies:** Utilizing specific financial instruments to offset potential losses in core holdings.

We have reviewed your current risk profile, and these adjustments are designed to ensure your portfolio remains resilient against short-term fluctuations without compromising your long-term financial goals.

Attached to this letter is a detailed report showing the proposed structural changes to your holdings. Please review this information, and we will schedule a call for [Date/Time] to discuss these adjustments in detail.

Should you have any immediate questions or concerns, please do not hesitate to contact me directly.

Sincerely,

[Your Name]
[Your Title]
[Company Name]
[Phone Number]
[Email Address]