Risk Profile Definitions

The following is a description of the five Risk Profiles on the Investment Advisor Group Risk Profile Questionnaire. These descriptions focus on short-term volatility and chance of loss, investor risk aversion and the related ability to stay the course, as well as wealth protection and real growth measured by the potential of an investment to outpace inflation in both the short and long run.

Profile 1
An investor who selects Profile 1 seeks current income and is primarily concerned with preservation of capital. This investor is willing and able to accept lower long-term expected returns in exchange for smaller and less frequent changes in portfolio value. This investor has a short investment time horizon (5 years or less).

Profile 2
An investor who selects Profile 2 seeks a combination of conservative expected returns and current income and is willing and able to tolerate moderate levels of short-term changes in portfolio value. This investor has a medium investment time horizon (6-10 years).

Profile 3
An investor who selects Profile 3 seeks a combination of moderate expected returns and current income and is willing and able to tolerate moderate levels of short-term changes in portfolio value. This investor has a medium investment time horizon (6-10 years).

Profile 4
An investor who selects Profile 4 seeks to maximize long-term expected returns and does not depend on the portfolio to fulfill short-term cash requirements. This investor is willing and able to tolerate short-term changes in portfolio value and has a medium to long investment time horizon (more than 11 years).

Profile 5
An investor who selects Profile 5 seeks to maximize long-term expected returns and does not depend on the portfolio to fulfill short-term cash requirements. In exchange for a higher return, this investor is willing and able to accept and tolerate large changes in portfolio value over the short term. This investor has a long investment time horizon (more than 11 years).

The information provided is used as a general guide to help you assess your current risk profile and is not intended to be construed as a representation by us as an offer to sell or a solicitation of an offer to buy any products or services.

RBC Wealth Management®