Achievable

NASAA SERIES 65 / 66 DUMP SHEET

Suitability

Preservation of capital

- Little to no risk of losing money
- Short-term, high-quality investment
- Typical securities:
  - Money market fund
  - Treasury bill
  - Certificates of deposit (CDs)

Safety of principal

- Willing to take a small amount of risk
- Longer-term, high-quality income investment
- Typical securities:
  - Treasury note
  - Treasury bond
  - TIPS

Aggressive growth

- Taking considerable risk in return for high growth
- Typical securities:
  - Small-cap / start-up common stock
  - Sector fund
  - Emerging market securities

Moderate income

- Taking some risk in return for higher income
- Typical securities:
  - Investment grade corporate bond
  - Preferred stock
  - Dividend-paying common stock

Moderate growth

- Taking some risk in return for higher growth
- Typical securities:
  - Large and mid-cap growth stock
  - Defensive stocks

Speculation

- Betting on price movement
- Significant risk involved
- Typical securities:
  - Option
  - Penny stock
  - Leveraged and inverse ETFs

Tax-advantaged income

- Income-based investments with tax benefit
- Typical securities:
  - Municipal bond
  - Preferred stock

High yield income

- Taking considerable risk in return for high yield
- Typical securities:
  - Speculative (junk) bond
  - Preferred stock

Fiduciary standard

Fiduciary duty
Put the client's interest above your own, always

Owed by
Investment advisers and IARs

Not owed by
BDs and agents on unsolicited trades

Financial consideration

- Suitability factors directly relating to money
- Includes:
  - Annual income
  - Net worth
  - Tax status
  - Liquidity needs

Non-financial consideration

- Suitability factors not directly relating to money
- Includes:
  - Stage in life
  - Investment objective
  - Risk tolerance
  - Investment experience
  - Investment goals

Investor profile

20—30s
High risk • Long-term growth

40—50s
Moderate risk • Sustained growth

60+
Low risk • Preservation of capital