

⚙️ 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
 - Tax status
 - Net worth
 - 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