**What’s Your Risk Profile? Test #1**  
This test contains language you should be familiar with as an investor. If you are not familiar with specific terms such as “diversification” or “capital,” it means you are currently a relatively inexperienced investor. For any question that has language you do not understand, you should automatically choose “a” as your answer.

1. I know my overall income will increase in the future.

a) No way

b) Maybe not

c) Maybe

d) Probably

e) Definitely

2. I like the idea of a guaranteed return and stability.

a) Definitely

b) Probably

c) Maybe

d) Maybe not

e) No way

3. Investing in the stock market is like gambling. There’s no way you can win.

a) Definitely

b) Probably

c) Maybe

d) Maybe not

e) No way

4. I want investments that are on the leading edge: high tech, pharmaceuticals, emerging countries.

a) No way

b) Maybe not

c) Maybe

d) Probably

e) Definitely

5. In choosing an investment for my son’s or daughter’s post-secondary education fund, I’d stick with:

a) GICs

b) Government bonds and insured mortgage-backed securities

c) Corporate bonds

d) Stocks or equity mutual funds

e) Speculative investments

6. I think the professional money management and added diversification provided by mutual funds make them a smarter investment than individual stocks.

a) Definitely

b) Probably

c) Maybe

d) Maybe not

e) No way

7. I have too much debt.

a) Definitely

b) Probably

c) Maybe

d) Maybe not

e) No way

8. I’m happy to settle for less return if I know my capital is completely safe.

a) Definitely

b) Probably

c) Maybe

d) Maybe not

e) No way

9. I have:

a) Four or more dependants

b) Three dependants

c) Two dependants

d) One dependant

e) No dependents

10. I plan to retire in about:

a) Currently retired

b) 1 to 5 years

c) 5 to 9 years

d) 10 to 19 years

e) 20 years or more

11. My net worth is:

a) Under $15,000

b) $15,001–$50,000

c) $50,001–$150,000

d) $150,001–$350,000

e) More than $350,000

12. My emergency fund is equal to:

a) 1 to 2 months’ salary or less

b) 3 to 6 months’ salary

c) 7 to 9 months’ salary

d) 10 months’ to one year’s salary

e) More than one year’s salary

**Score Your Test**

Score one point for every “a” answer, two for every “b,” three for every “c,” four for every “d,” and five for every “e.”

If you scored:

More than 45: Very High-Risk Investor. You likely have both the inclination and the money to take on more risk. You could look at aggressive-growth stocks, start-up companies, commodities, options, and investment real estate. But don’t go overboard on the risk side. You’ll still need to allocate at least a portion of your portfolio to lower-risk investments or your high risk tolerance could put you at high risk to lose it all.

Between 41 and 45: Moderately High-Risk Investor. You can stomach a pretty high level of risk. Combined with enough time and income to cover your losses, you can afford to incorporate investment equities to create an aggressive portfolio.

Between 36 and 40: Average-Risk Investor. While you have some tolerance for risk, you like to keep control over your investments too. Create a mix of long-term investments that have a history of strong and steady performance. Blue-chip stocks, high-grade corporate bonds, and mutual funds with low levels of volatility will all appeal to your investment personality.

Between 31 and 35: Low-Risk Investor. You don’t much fancy risk. Maybe you’re getting closer to retirement. Maybe you’ve suffered some familial instability. Or maybe your income has fluctuated somewhat in the recent past. To be comfortable, you must stick with high-quality investments that are pretty secure: a home, high-quality bonds, government-backed securities.

Less than 31: Very Low-Risk Investor. You hate the idea of assuming any risk. Stick with certificates of deposit, government bonds, and high-paying savings accounts.