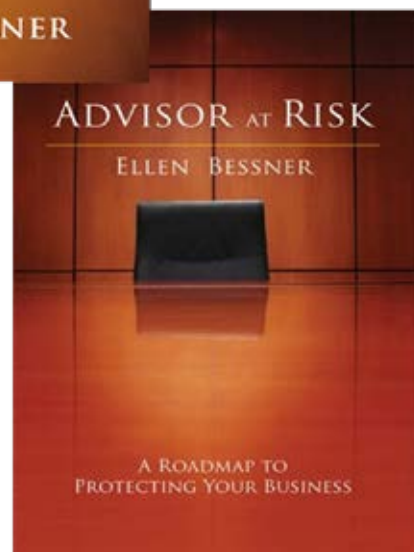
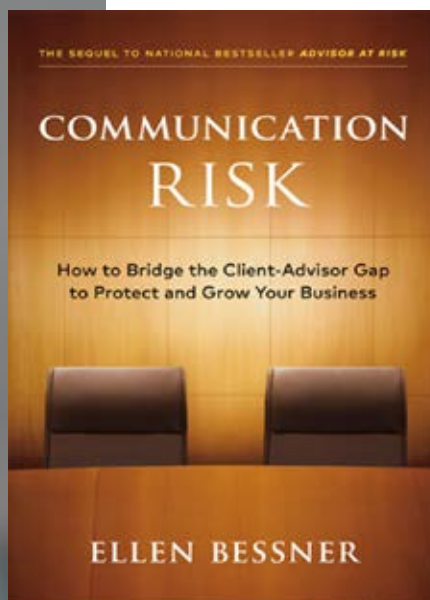


SUITABILITY RISK CHEAT SHEET



AVAILABLE:

Amazon.ca and chapters.indigo.ca
(<https://www.babinbessnerspry.com/book.html>)

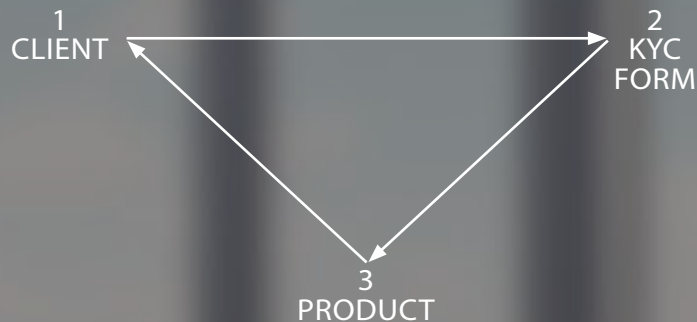
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SUITABILITY RISK

SUITABILITY TRIANGLE



TO DETERMINE CLIENT RISK PROFILE:

1. Client's own perception of their appetite for risk
2. Client's ability to afford to take risks
3. How much can client lose before triggering emotional response
4. How will client react to market correction/crash
5. What risk clients (or their planners) think they need to obtain the return required

ELEMENTS AFFECTING SUITABILITY:

- Clients change
- Markets change
- Underlying securities change

KNOW PRODUCT:

- Features
- Risks
- Explain with balanced approach

OVER-CONCENTRATION:

- Don't put all clients' assets into single product, sector, industry

NEED PROOF – PAPER TRAIL:

- What was explained
- Proof client was able to understand

5 C's OF DOCUMENTATION:

Correct

Complete

Current

Consistent

Contemporaneous

(at the same time as telephone call or meeting)



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This is not legal advice; kindly consult a lawyer for advice required.

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