Risk vs. Return:

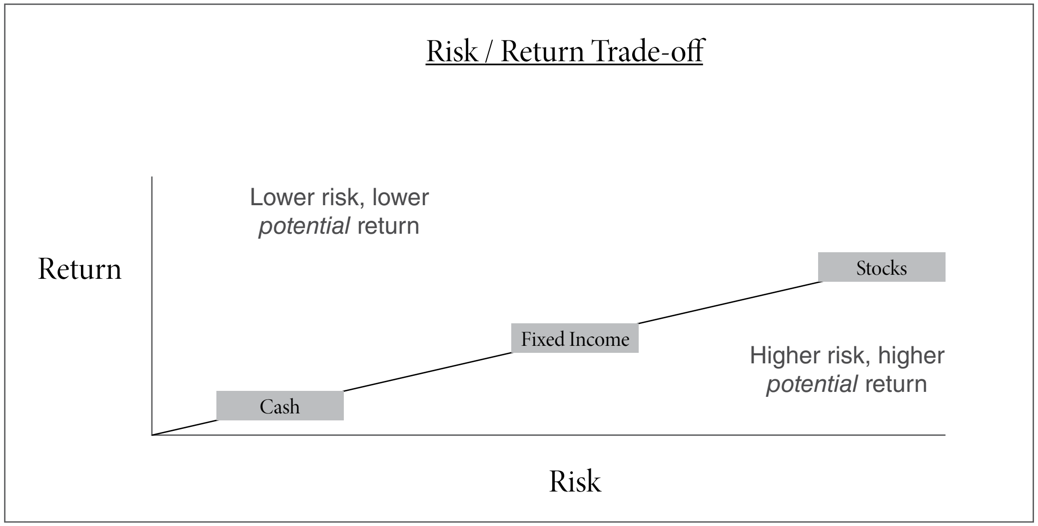
Does Higher Risk = Higher Return?

It is a common misconception that higher risk *equals* higher returns. This is not always the case, as the risk/return trade-off graphic to the left illustrates.

More accurately, higher risk means the *potential* for higher returns.

For example, a high interest bank savings account might offer you a 1% rate. The risk, inflation aside, for this 1%? It's next to nothing, as even if your bank went bankrupt, you are covered by CDIC insurance (up to $100,000).

If you invest in the shares of a smaller, upstart technology company, it's possible you could double your money in a year or two. Or, you could lose it all if the company folds.



**This graphic is for illustrative purposes only*

The most important thing when choosing investments is knowing what your risk tolerance and time frame is as an investor. How much are you prepared to lose? How long before you need to access these funds?

The answer to these questions will help determine how far along the above scale you should be investing.