Everyone wants to start investing but we seldom understand the risk-reward balance. Every investor is different and at a different stage in their investment cycle. So naturally, when it comes to investments, what’s good for me may not be good for you!

Here’s how understanding your risk profile can help you be a more successful investor

Conservative
Your top priority is safety of capital with minimal risk and therefore minimum or low returns

Moderately Conservative
You are willing to accept a small level of risk for some potential returns over the medium to long term

Moderate
You can tolerate modest level of risk for relatively higher returns over the medium to long term

Moderately Aggressive
You are able to accept high risk in order to maximise the potential returns over the medium to long term

Aggressive
You are willing to take significant risks to maximise potential returns over the long term and are aware that you may lose a large part of capital

Based on the above risk profiles and time horizon you can determine what proportion of your portfolio should be invested in which asset class.

So before investing, speak to your financial advisor to assess your risk appetite!