



A guide to our investment risk profiles

For international clients

Canaccord
WEALTH

Everybody takes risks every day. Crossing the road involves risk. The amount of risk you take will be influenced by both your personality and the amount you could gain by taking the risk.

In an investment context, risk is a measure of the extent by which investment returns may deviate from expectations. As it is impossible to predict future events with any certainty, all investment involves risk.

When you join us as a client, we spend time getting to know you and finding out about your attitude to investing and your long-term objectives and wishes. This enables us to discuss and agree the appropriate level of investment risk for your circumstances. Generally, the greater the risk you are prepared to take, the greater the potential return you may make, but the greater the potential loss you could sustain.

We want to ensure you are comfortable with the level of risk you are taking and that you understand how much your investments might fall in return for the potential for increased returns. This short guide provides an overview of our investment risk framework and, based on past performance, outlines what you might expect for each risk level. In particular, we demonstrate the three key variables for each type of investment portfolio based on its risk profile:

1. Investment past performance
2. Drawdown* – including an investment's maximum historic loss
3. Volatility†

It is important to remember that the income from investments can go down as well as up and you may not get back the amount originally invested. Past performance does not necessarily dictate what will happen in the future.





* **Drawdown** helps determine an investment's financial risk. A drawdown from an investment's high to its low is considered its 'drawdown amount'. It is usually recorded during a specific period and quoted as the percentage between the peak and the subsequent trough.

Drawdowns present a significant risk to investors when considering the uptick in investment value/price needed to overcome a drawdown. The greater the loss, the more needed to recover. For example, it may not seem like much if an investment loses 1%, as it only needs an increase of 1.01% to recover to its previously held position. However, a drawdown of 20% requires a 25% return, while a 50% drawdown – seen during the 2008 to 2009 Great Recession – requires a whopping 100% increase to recover the same position.

The **maximum historic loss** is the maximum loss from peak to trough in an investment's history.

† **Annualised volatility** is a measure of how much the price or return of an investment fluctuates over a certain period. High volatility means the value of an investment is likely to change dramatically over a short time frame, while low volatility indicates an investment's value will be relatively stable.

Risk profile 1

This risk profile, referred to as risk profile 1, is provided as a reference and is not currently offered as an investment portfolio for clients at Canaccord Wealth. We have included it solely to help you understand and assess the level of investment risk you are comfortable with.

If you are an investor whose priority is keeping your money safe and protected and you are not prepared to tolerate any capital loss, this risk profile may be of interest to you. Please note that the returns from this strategy are closely tied to short-term interest rates.

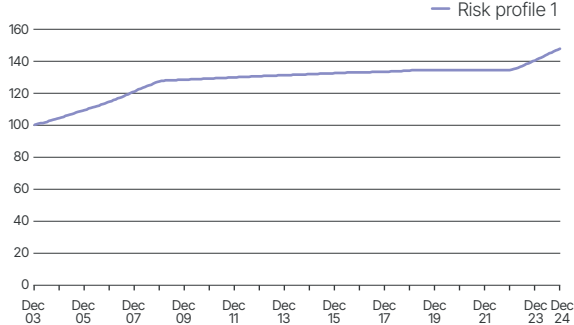
The asset allocation for our central process for this risk profile falls within the following ranges:		
Asset class	Minimum	Maximum
Global bonds	—	—
Global equities	—	—
Alternatives	—	—
Cash	100%	100%

To illustrate the performance and characteristics of this risk profile we show the performance of our selected cash benchmark which has not suffered a historic loss.

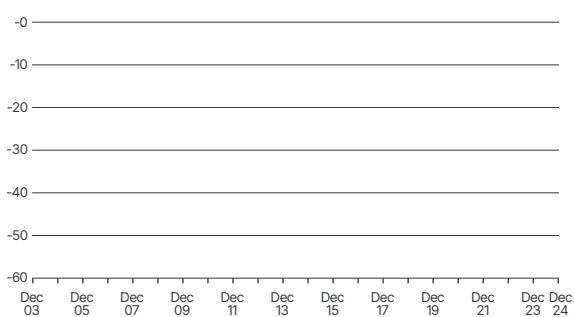
If you had tracked this index from 31 December 2003 to 31 December 2024, an investment of £100 would have grown to £148, representing a compound annual growth rate† of 1.88%.

Over the last 10 years the compound growth rate is 1.15%.

Performance rebased to 100

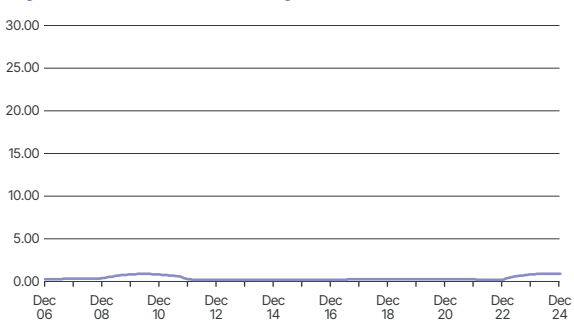


Drawdown* %



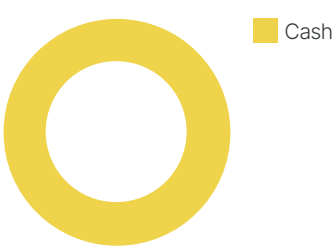
This benchmark has experienced no historic loss.

3-year annualised volatility† %



Volatility†	
Minimum 3-year rolling volatility†	0.00
Maximum 3-year rolling volatility†	0.70
Last reading over 3 years to 31 December 2024	0.70

Benchmark allocation



† See Glossary on page 11 for full details.
Source: Bloomberg and Canaccord Wealth.

Past performance is simulated, although using actual data with no assumptions made.
Past performance is not a reliable indicator of future returns.

Risk profile 2

This risk profile, referred to as risk profile 2, is provided as a reference and is not currently offered as an investment option for clients at Canaccord Wealth. We have included it solely to help you understand and assess the level of investment risk you are comfortable with.

If you are an investor whose priority is keeping your money safe and protected but are willing to take a small amount of risk that could result in potential return, this risk profile may be of interest to you. Please note that the returns from this risk profile are closely tied to short-term interest rates.

The asset allocation for our central process for this risk profile falls within the following ranges:			
Asset class	Minimum	Neutral	Maximum
Global bonds	30.0%	35.0%	40.0%
Global equities	0.0%	0.0%	5.0%
Alternatives	0.0%	0.0%	5.0%
Cash	60.0%	65.0%	70.0%

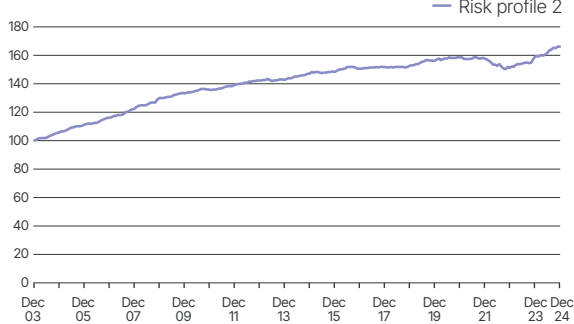
The illustrated asset allocation reflects Canaccord Wealth’s intended outcome for a portfolio with a risk profile 2.

To illustrate the performance and characteristics of risk profile 2, we have created a composite benchmark index since the end of 2003 using the neutral asset allocation stated in the above table. Performance, drawdown and volatility are illustrated in the charts opposite.

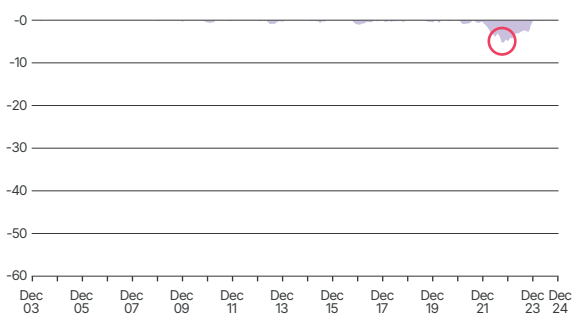
If you had tracked this index from 31 December 2003 to 31 December 2024, an investment of £100 would have grown to £166, representing a compound annual growth rate† of 2.44%.

Over the last 10 years the compound growth rate is 1.21%.

Performance rebased to 100

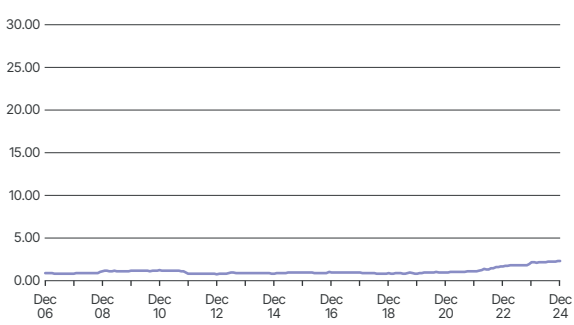


Drawdown* %



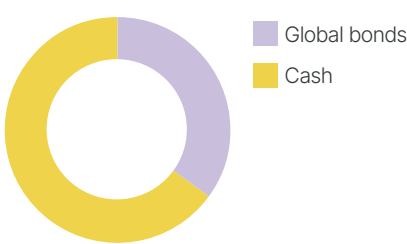
As at the end of December 2024 the maximum historic loss for this benchmark has been 5%. The longest recovery from a drawdown was 14 months after the 2021/22 loss.

3-year annualised volatility† %



Volatility†	
Minimum 3-year rolling volatility†	0.80
Maximum 3-year rolling volatility†	2.30
Last reading over 3 years to 31 December 2024	2.30

Benchmark allocation



† See Glossary on page 11 for full details.
Source: Bloomberg and Canaccord Wealth.

Past performance is simulated, although using actual data with no assumptions made.
Past performance is not a reliable indicator of future returns.

Risk profile 3

Our objective over a five-year rolling period is for this risk profile to generate returns of inflation +2%. We have assumed that UK Consumer Price Inflation over the long term will average at 2.5% per annum.

As an investor with a risk profile 3, you understand the importance of the minimum recommended five-year holding period in order to maximise the benefits of this discretionary managed service. You also recognise that occasional capital losses may occur, but you are willing to accept them in order to generate higher returns compared to short-term interest rates. Your low tolerance for risk allows you to handle potential losses during market downturns.

You are comfortable with a significant proportion of the portfolio allocated to fixed income assets[†] which usually provide stability and income generation. Additionally, you are comfortable with smaller allocations to equities and alternatives in order to enhance diversification and provide opportunities for growth.

The asset allocation for our central process for this risk profile falls within the following ranges:

Asset class	Minimum	Neutral	Maximum
Global bonds	55.0%	60.0%	65.0%
Global equities	15.0%	20.0%	25.0%
Alternatives	10.0%	15.0%	20.0%
Cash	0.0%	5.0%	10.0%

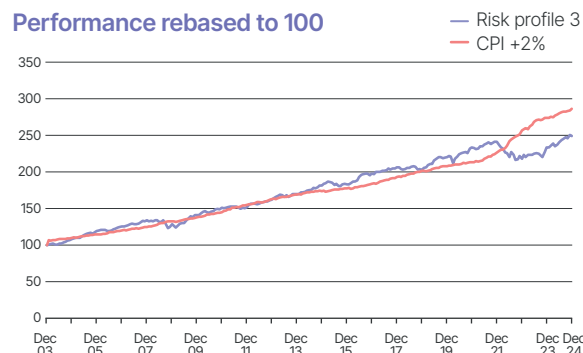
The illustrated asset allocation reflects Canaccord Wealth's intended outcome for a portfolio with a risk profile 3.

To illustrate the performance and characteristics of risk profile 3, we have created a composite benchmark index since the end of 2003 using the neutral asset allocation stated in the above table. Performance, drawdown and volatility are illustrated in the charts opposite.

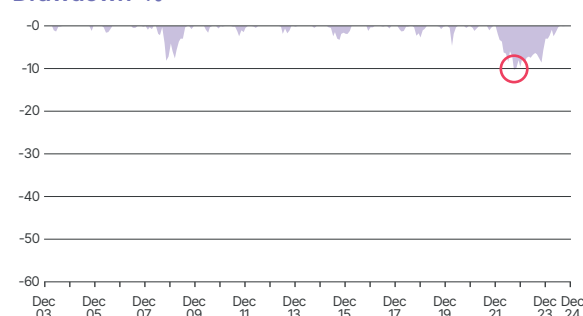
If you had tracked this index from 31 December 2003 to 31 December 2024, an investment of £100 would have grown to £249, representing a compound annual growth rate[‡] of 4.45%.

Over the last 10 years the compound growth rate is 3.24%.

Performance rebased to 100



Drawdown* %



As at the end of December 2024 the maximum historic loss for this benchmark has been 10%. The longest recovery from a drawdown was 22 months after the 2021/22 loss.

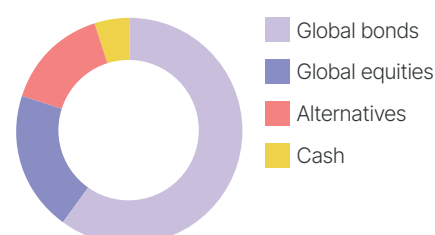
3-year annualised volatility* %



Volatility[‡]

Minimum 3-year rolling volatility [‡]	2.50
Maximum 3-year rolling volatility [‡]	5.80
Last reading over 3 years to 31 December 2024	5.50

Benchmark allocation



[‡] See Glossary on page 11 for full details.
Source: Bloomberg and Canaccord Wealth.

Past performance is simulated, although using actual data with no assumptions made.
Past performance is not a reliable indicator of future returns.

Risk profile 4

Our objective over a seven-year rolling period is for this risk profile to generate returns of inflation +3%. We have assumed that UK Consumer Price Inflation over the long term will average at 2.5% per annum.

As an investor with a risk profile 4, you understand the importance of the minimum recommended seven-year holding period in order to maximise the benefits of this discretionary managed service. You also recognise that occasional capital losses may occur, but you are willing to accept them in order to generate higher returns. Your low to moderate tolerance for risk allows you to handle potential losses during market downturns.

You are comfortable with a significant proportion of the portfolio allocated to fixed income assets[†] which provide stability and income generation. Additionally, you are comfortable with an increased allocation to equities and some exposure to alternatives in order to enhance diversification and provide opportunities for growth.

The asset allocation for our central process for this risk profile falls within the following ranges:

Asset class	Minimum	Neutral	Maximum
Global bonds	42.5%	47.5%	52.5%
Global equities	35.0%	40.0%	45.0%
Alternatives	5.0%	10.0%	15.0%
Cash	0.0%	2.5%	7.5%

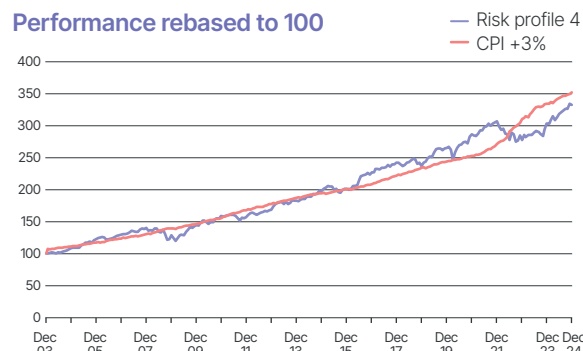
The illustrated asset allocation reflects Canaccord Wealth's intended outcome for a portfolio with a risk profile 4.

To illustrate the performance and characteristics of risk profile 4, we have created a composite benchmark index since the end of 2003 using the neutral asset allocation stated in the above table. Performance, drawdown and volatility are illustrated in the charts opposite.

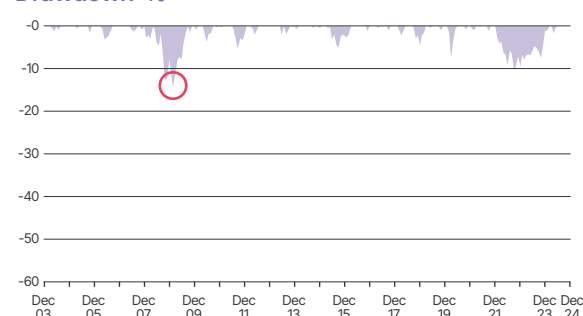
If you had tracked this index from 31 December 2003 to 31 December 2024, an investment of £100 would have grown to £331, representing a compound annual growth rate[‡] of 5.87%

Over the last 10 years the compound growth rate is 5.33%.

Performance rebased to 100



Drawdown* %



As at the end of December 2024 the maximum historic loss for this benchmark has been 14%. The longest recovery from a drawdown was seven months after the 2008/09 loss.

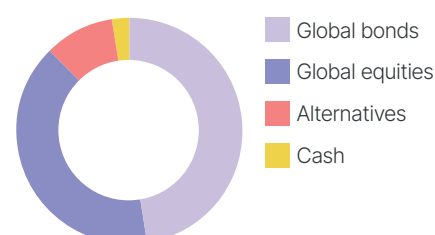
3-year annualised volatility* %



Volatility*[‡]

Minimum 3-year rolling volatility [‡]	3.80
Maximum 3-year rolling volatility [‡]	9.40
Last reading over 3 years to 31 December 2024	6.70

Benchmark allocation



[‡] See Glossary on page 11 for full details.
Source: Bloomberg and Canaccord Wealth.

Past performance is simulated, although using actual data with no assumptions made.
Past performance is not a reliable indicator of future returns.

Risk profile 5

Our objective over a 10-year rolling period is for this risk profile to generate returns of inflation +4%. We have assumed that UK Consumer Price Inflation over the long term will average at 2.5% per annum.

As an investor with a risk profile 5, you understand the importance of the minimum recommended 10-year holding period in order to maximise the benefits of this discretionary managed service. You recognise that as risk increases so does the potential for capital losses, however you are willing to accept them in order to generate higher returns.

You are comfortable with a significant proportion of the portfolio allocated to equities and some exposure to alternatives in order to enhance diversification and provide opportunities for growth. You welcome a reasonable allocation to fixed income assets† which provide stability and income generation.

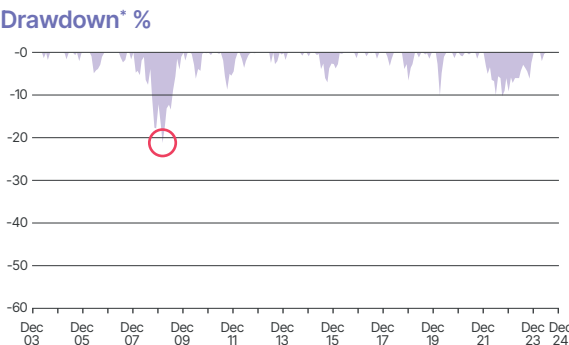
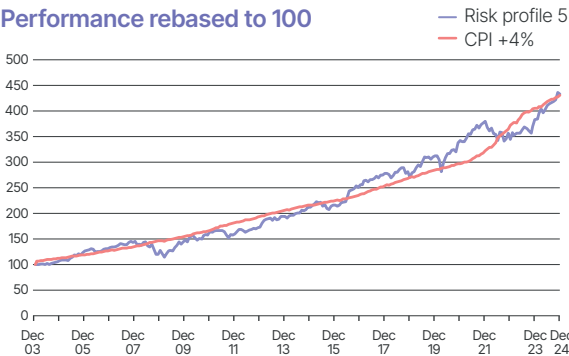
The asset allocation for our central process for this risk profile falls within the following ranges:			
Asset class	Minimum	Neutral	Maximum
Global bonds	27.5%	32.5%	37.5%
Global equities	55.0%	60.0%	65.0%
Alternatives	0.0%	5.0%	10.0%
Cash	0.0%	2.5%	7.5%

The illustrated asset allocation reflects Canaccord Wealth's intended outcome for a portfolio with a risk profile 5.

To illustrate the performance and characteristics of risk profile 5, we have created a composite benchmark index since the end of 2003 using the neutral asset allocation stated in the above table. Performance, drawdown and volatility are illustrated in the charts opposite.

If you had tracked this index from 31 December 2003 to 31 December 2024, an investment of £100 would have grown to £432, representing a compound annual growth rate† of 7.21%.

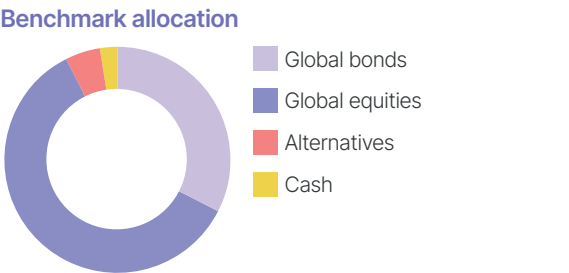
Over the last 10 years the compound growth rate is 7.43%.



As at the end of December 2024 the maximum historic loss for this benchmark has been 21%. The longest recovery from a drawdown was 10 months after the 2008/09 loss.



Volatility†	
Minimum 3-year rolling volatility†	5.20
Maximum 3-year rolling volatility†	13.20
Last reading over 3 years to 31 December 2024	8.00



† See Glossary on page 11 for full details.
Source: Bloomberg and Canaccord Wealth.

Past performance is simulated, although using actual data with no assumptions made.
Past performance is not a reliable indicator of future returns.

Risk profile 6

Our objective over a 10-year rolling period is for this risk profile to generate returns of inflation +4.5%. We have assumed that UK Consumer Price Inflation over the long term will average at 2.5% per annum. We estimate this should generate a total return equivalent to 80% of the equity benchmark.

As an investor with a risk profile 6, you understand the importance of the minimum recommended 10-year holding period in order to maximise the benefits of this discretionary managed service. You have a high tolerance for risk and are willing to accept the possibility of significant losses during market downturns. In the worst historic period over the last 21 years this equated to 28%.

You are comfortable with a significant proportion of the portfolio allocated to equities and some exposure to fixed income† in order to enhance diversification, and provide stability and income generation.

The asset allocation for our central process for this risk profile falls within the following ranges:

Asset class	Minimum	Neutral	Maximum
Global bonds	12.5%	17.5%	22.5%
Global equities	75.0%	80.0%	85.0%
Alternatives	0.0%	0.0%	5.0%
Cash	0.0%	2.5%	7.5%

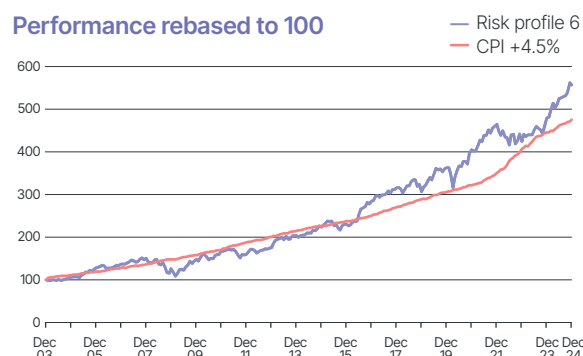
The illustrated asset allocation reflects Canaccord Wealth's intended outcome for a portfolio with a risk profile 6.

To illustrate the performance and characteristics of risk profile 6, we have created a composite benchmark index since the end of 2003 using the neutral asset allocation stated in the above table. Performance, drawdown and volatility are illustrated in the charts opposite.

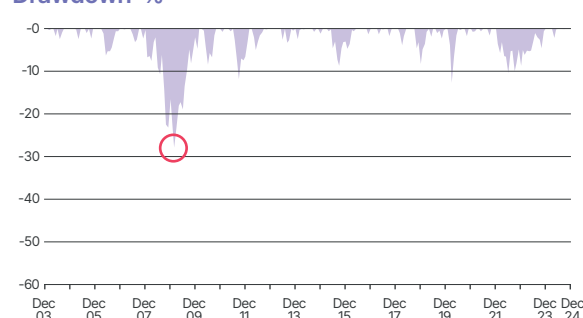
If you had tracked this index from 31 December 2003 to 31 December 2024, an investment of £100 would have grown to £556, representing a compound annual growth rate† of 8.52%.

Over the last 10 years the compound growth rate is 9.51%.

Performance rebased to 100



Drawdown* %



As at the end of December 2024 the maximum historic loss for this benchmark has been 28%. The longest recovery from a drawdown was 12 months after the 2008/09 loss.

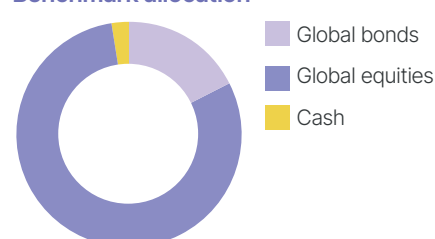
3-year annualised volatility† %



Volatility†

Minimum 3-year rolling volatility†	6.60
Maximum 3-year rolling volatility†	17.00
Last reading over 3 years to 31 December 2024	9.30

Benchmark allocation



† See Glossary on page 11 for full details.
Source: Bloomberg and Canaccord Wealth.

Past performance is simulated, although using actual data with no assumptions made.
Past performance is not a reliable indicator of future returns.

Risk profile 7

Our objective over a 10-year rolling period is for this risk profile to generate returns of inflation +5%. We have assumed that UK Consumer Price Inflation over the long term will average at 2.5% per annum.

As an investor with a risk profile 7, you understand the importance of the minimum recommended 10-year holding period in order to maximise the benefits of this discretionary managed service. You have a high tolerance for risk and are willing to accept the potential of very significant losses during market downturns. In the worst historic period of the last 21 years this equated to 34%.

You are prepared to accept full exposure to equity risk which means that you are open to the potential for significant losses of capital during market downturns.

The asset allocation for our central process for this risk profile falls within the following ranges:

Asset class	Minimum	Neutral	Maximum
Global bonds	0.0%	0.0%	5.0%
Global equities	92.5%	97.5%	100.0%
Alternatives	0.0%	0.0%	5.0%
Cash	0.0%	2.5%	7.5%

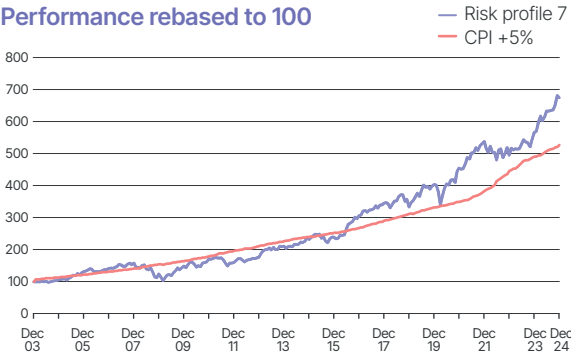
The illustrated asset allocation reflects Canaccord Wealth’s intended outcome for a portfolio with a risk profile 7.

To illustrate the performance and characteristics of risk profile 7, we have created a composite benchmark index since the end of December 2003. 97.5% of the benchmark comprises global equities (including UK) with the balance in cash.

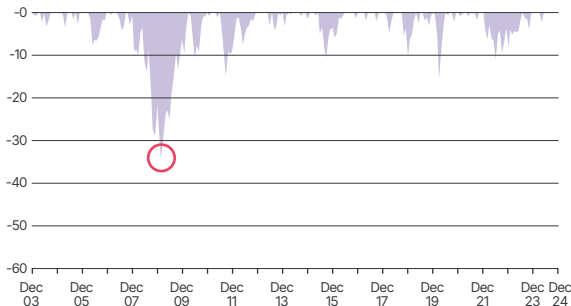
If you had tracked this index from 31 December 2003 to 31 December 2024, an investment of £100 would have grown to £675, representing a compound annual growth rate† of 9.52%.

Over the last 10 years the compound growth rate is 11.30%.

Performance rebased to 100



Drawdown* %



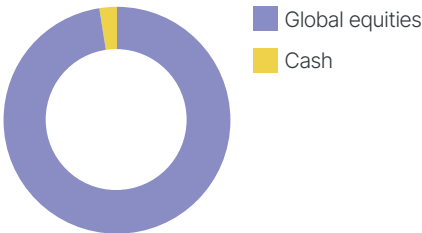
As at the end of December 2024 the maximum historic loss for this benchmark has been 34%. The longest recovery from a drawdown was 13 months after the 2008/09 loss.

3-year annualised volatility† %



Volatility†	
Minimum 3-year rolling volatility†	7.90
Maximum 3-year rolling volatility†	20.50
Last reading over 3 years to 31 December 2024	10.50

Benchmark allocation



† See Glossary on page 11 for full details.
Source: Bloomberg and Canaccord Wealth.

Past performance is simulated, although using actual data with no assumptions made.
Past performance is not a reliable indicator of future returns.

‡ Glossary

Compound annual growth rate

A compound annual growth rate (CAGR) represents the rate at which your investment would grow if it had a steady rate of growth i.e. it is an average annual growth rate to show you smoothed annualised returns. For example, an investment may increase in value by 8% in one year, decrease in value by 2% the following year and increase in value by 5% in the next. With this inconsistent annual growth, a CAGR of 3.6% may be used to give a broader picture of an investment's progress.

Fixed income assets

Fixed income/interest investing – often referred to as investing in bonds – provides a fixed amount of annual income for the investor, which is usually a fixed percentage of the nominal amount purchased. The largest sector of the fixed income market is made up of bonds issued either by governments ('gilts' or US treasury bonds) or by companies (corporate bonds).

Volatility

Volatility is a measure of how far a range of values moves from its average value over a set period of time. We show a three-year period to calculate this since we believe this represents the most appropriate time scale over which to capture the characteristics of the indices used in this document. We use a rolling measure, calculated on a monthly basis, which means we use the previous 36 months of data at any given point in time. The greater the range of returns, the higher the volatility and thus the higher the potential risk of the strategy.

For further explanations of any terms used in this document, please see our glossary of investment terms at canaccord-wealth.com/glossary.

Discover our can-do approach

To find out more about how we go above and beyond to understand your wealth management needs and aspirations – and empower you to achieve them – get in touch. We'll be delighted to answer your questions and provide further details of our services.

E: CGWM_international@canaccord.com

Guernsey

Dorey Court
Elizabeth Avenue
St. Peter Port
Guernsey
GY1 2HT
T: +44 1481 733 900

Isle of Man

55 Athol Street
Douglas
Isle of Man
IM1 1LA
T: +44 1624 690 100

Jersey

37 Esplanade
St. Helier
Jersey
JE4 0XQ
T: +44 1534 708 090

Important information

Investment involves risk. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. The investments described in this document may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment adviser.

This document is for information only and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This has no regard for the specific investment objectives, financial situation or needs of any specific investor.

Canaccord Wealth is a trading name of Canaccord Genuity Wealth (International) Limited (CGWIL) and Canaccord Asset Management (International) Ltd (CAMIL), which are subsidiaries of Canaccord Genuity Group Inc.

CGWIL is licensed and regulated by the Guernsey Financial Services Commission, the Isle of Man Financial Services Authority and the Jersey Financial Services Commission. CGWIL is authorised by the Financial Sector Conduct Authority ("FSCA") as a financial services provider in South Africa, FSP no. 48055. CGWIL is registered in Guernsey at Dorey Court, Elizabeth Avenue, St. Peter Port, Guernsey, GY1 2HT (number 22761).

CAMIL is licensed and regulated by the Jersey Financial Services Commission. Its Guernsey branch is licensed and regulated by the Guernsey Financial Services Commission and its Isle of Man branch is licensed and regulated by the Isle of Man Financial Services Authority. It is authorised by the Financial Sector Conduct Authority ("FSCA") as a financial services provider in South Africa. Registered in Jersey No: 143275. Registered office: Third Floor, No 1 Grenville Street, St. Helier, Jersey, JE2 4UF.

Canaccord Wealth does not make any warranties, expressed or implied, that the products, securities or services mentioned are available in your jurisdiction. Accordingly, if it is prohibited to advertise or make the products, securities or services available in your jurisdiction, or to you (by reason of nationality, residence or otherwise) then such products, securities or services are not directed at you.

The products and services offered by Canaccord Wealth in the UK may differ from those offered by other Canaccord Genuity Group Inc. offices.

Risk profiles 1 and 2 are provided as a reference and are not currently offered as an investment option for clients at Canaccord Wealth. We have included them solely to help you understand and assess the level of investment risk you are comfortable with.