

# Types of investment risk

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Seven risks that can impact your investment

**Market risk** (a market correction or crash) causes your investment to fall in value.

**Interest rate risk** if you hold cash or bonds, a change in rates can cause their value to fall.

**Currency risk** if your investment relies on overseas assets and the dollar weakens.

**Liquidity risk** assets may have to be sold quickly at a low price (a "fire sale").

**Concentration risk** too much in one asset or type of asset — your risk is not spread.

**Inflation risk** inflation reduces the buying power of your investment over time.

**Credit risk** the borrower behind your investment may not repay what they owe.

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This is general information only and does not take into account your personal circumstances. Consult a licensed adviser before making any decision.

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