

Investment Risk Disclosure Letter

Date: [Insert Date]

To: [Client's Name]

[Client's Address]

Dear [Client's Name],

As your investment advisor, it is my responsibility to inform you about the potential risks associated with investing. This letter aims to provide you with an overview of the risks you may face when investing in various financial instruments.

1. Market Risk

Investments can fluctuate in value. The market may experience downturns, which could affect your investment portfolio's performance.

2. Credit Risk

There is a possibility that a borrower may not fulfill their financial obligations, affecting your investment return.

3. Liquidity Risk

Some investments may be hard to sell or may require selling at a lower price, impacting your ability to access funds when needed.

4. Inflation Risk

Rising inflation may erode the purchasing power of your investment returns over time.

5. Regulatory Risk

Changes in laws or regulations can affect investment returns and strategies.

Please review this information carefully. It's essential to understand these risks before proceeding with any investment decisions. Should you have any questions or wish to discuss your investment strategy further, feel free to contact me at your convenience.

Thank you for trusting me with your investment needs.

Sincerely,

[Your Name]

[Your Title]

[Your Company]

[Your Contact Information]