

THE INVESTMENT SCORECARD

A Unique Thought Tool For Making Investment Decisions

Investment Name Or Description

	INVESTING ESSENTIALS	Your Potential Score	Score For THIS Investment	Score For Your IDEAL Investment
1	Simple vs. Complex How many moving parts are involved?? Are there a large number of variables in play??	1 – Very Simple 10 – High Complex		
2	Low Cost vs. High Cost Are the transaction costs of buying and selling low or high?? Are the total costs of ownership low or high??	1 – Low Cost 10 – High Cost		
3	High Transparency vs. Low Transparency Can you determine the value of your investment on a periodic basis?? Is there a readily available market of buyers and sellers??	1 – High Transparency 10 – Low Transparency		
4	High Liquidity vs. Low Liquidity How quickly can you convert your investment into cash?? Does the investment pay income on a regular basis??	1 – High Liquidity 10 – Low Liquidity		
5	High Understandability vs. Low Understandability Do you understand how the investment works?? Does the investment require a special language or license??	1 – Easy to Understand 10 – Difficult to Understand		
6	Ease and Convenience vs. Hard Work How much work is involved in making the investment?? Does the investment require low or high levels of maintenance??	1 – Easy To Implement 10 – Hard Work To Implement		
7	Few Choices vs. Many Choices Do you have a small number of simple alternatives?? Do you have a large number of difficult options??	1 – Small Number of Choices 10 – Large Number of Choices		
8	Saving vs. Investing Does saving AND investing at the same time appeal to you?? Do you want to save and invest separately??	1 – Save/Invest at the same time 10 – Save/invest separately		
9	Type Of Money Used What type of money will you use for this investment??	Taxable Tax-Deferred Tax-Free		
10	The 4 Critical Questions Do you have an entry AND an exit strategy in place??	Yes/No		
11	Diversification vs. Concentration Do you like the idea of diversification, buy and hold and no active risk management? Do you like the idea of concentration and active risk management?	1 – Large Number of Pieces 10 – Small Number of Pieces		