



Checklist of questions to ask yourself to help in making good financial decisions.

The following checklist is aimed at providing you with a framework to help in making sound and prudent decisions about financial investments that are to your ultimate benefit.

Often when we are looking at a financial decision, emotion (including excitement) can be a factor; and whilst this can be a good thing, it is important to ensure that a balance of relevant and prudent factors is considered.

Here is a check list of questions to ask yourself with any investment:

Relevant Facts

- Do the potential financial outcomes assist me in working towards my own financial goals?
- What are the costs that are associated with this investment?
- What about the people involved in this investment, are they of sound character, reputable and to be relied on?
- Do I have all relevant information to make a good decision? Do I need to seek specialist advice to help me in doing so?
- How long am I willing to hold this investment?

Upside potential

- What are the likely financial outcomes, what can I reasonably expect out of this?
- Do the economic conditions of the current time and in the next five years (and beyond) support this investment giving a good long term return?

Downside and risks

- What are the downside risks that I need to consider? What is the worst case scenario?
- Am I comfortable with the level of borrowing associated with this investment? Am I comfortable that I am not taking on too much gearing? Remember the more you borrow, the more risk there is.
- Have I got a contingency buffer factored in (very good idea)?

Deciding

- Specifically why is it a good idea that I invest in this particular asset now?
- What are the psychological and emotional factors relevant to this investment for me? Am I giving them the right amount of weight or too much, too little?

Having gone through the process, actively decide if it is something you wish to pursue or not.