

THE BEGINNERS GUIDE TO INVESTING IN ICOS

By Picolo Research

The Beginners Guide to Investing in ICOs

Introduction

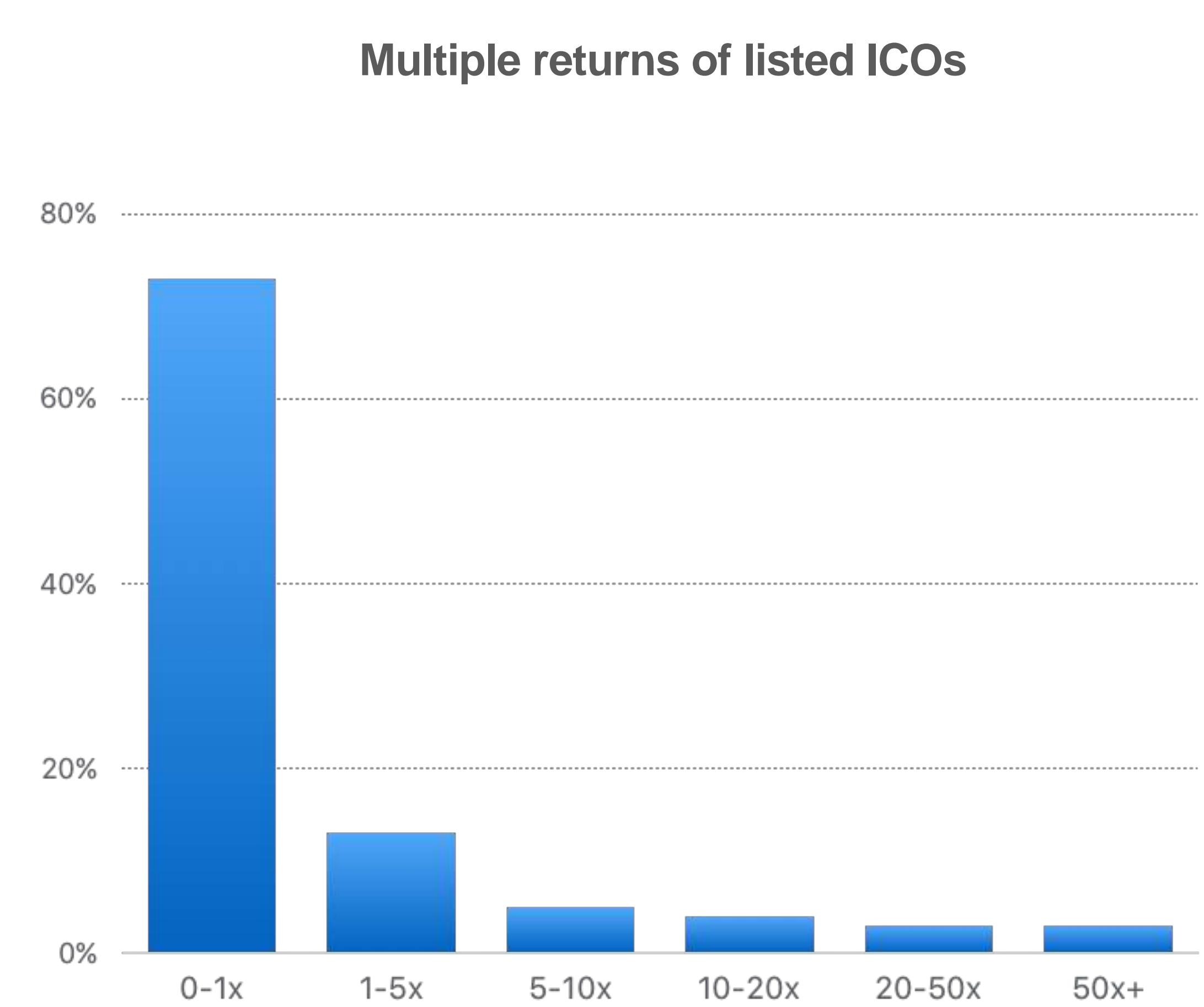
In 2017 the world was introduced to a new method of start-up finance, the ICO. The emergence of the Initial Coin Offering (ICO) has now translated into over US\$1 billion of blockchain funding in less than 12 months.

As a derivative of this astronomical growth, it has also created millionaires around the world in literally months. The flow on effect from increased liquidity, positive market performance, and triple digit growth has now drawn interest from mainstream investors and speculators.

While the ICO market will continue to be a darling of the speculative investment community for years to come, it will not be without a number of failures, scams and underperforming tokens.

Our goal is to arm speculative investors with the tools and knowledge to make educated and analytics-backed decisions before reaching for their wallet.

We hope you enjoy this guide to ICO investing and wish you every success in the market.



Matthew J. Dibb

CEO

Picolo Research Group

About this guide

Who are we?

This guide has been prepared by Picolo Research, a leading blockchain ICO research team with the goal of providing transparency and ratings to the initial coin offering market.

Our philosophy is backed by 12+ years of investment experience across IPO's, equities markets, venture capital and blockchain.

Picolo's humble beginnings started with the emerging companies segment of micro-cap stocks (also known as pink sheets). Pink sheets are early stage companies seeking to list on the equities market and are generally in the infancy of their commercial cycle.

Our experience in these various markets has allowed us to experience a range of analysis and due diligence processes. Applying these same processes to upcoming blockchain ICOs provides a solid foundation of initial analysis and leads to a high conviction ability of pass/fail of the prospective investment.

Our intention with this guide is to empower the wider community of crypto enthusiasts and speculative investors with the ability to conduct their own analysis of Initial Coin Offerings in a simple and efficient manner.

Who is this for?

The Beginners Guide to Investing in ICOs is for any person (technical or not) who seeks to gain exposure to the Initial Coin Offering market. The content of the publication is catered to those seeking a speculative investment into an upcoming ICO and is wanting to gain an understanding of the commercial viability of both the underlying company and the product/service which it is taking to market.

This guide will show you the exact methodology we use to determine whether we (or our clients) invest in a potential ICO.

What will this guide not tell you?

This guide will not go into detail relating to the transactional process of actually investing in the ICO. Depending on the type of investment you are seeking, there are many processes that will differ from each ICO. For information on the physical process of actually transferring currency for tokens, please seek blog posts on Reddit or Steemit.

Table of contents

Introduction	2
About us	3
Filtering the market	5
Information presence	7
Commercial viability & market adoption	9
Capital structure & offer	12
Management & team analysis	14
The white paper	16
Use of proceeds	18
Vesting schedules	20
Commercial plan & roadmap	21
SWOT analysis	22
Pass/fail investment test	24
Concluding summary	27

Filtering the market

As of July 2017, there are over 130 active and upcoming ICOs in the market. It is impossible to screen them all and hence, we have developed a method of filtration to understand where the real opportunities are.

There are a number of different resources that you can use to gain some insight in to which ICOs are the biggest and which of those are attracting the most attention (we will detail these shortly).

So what are you looking for when filtering for potential Initial Coin Offerings?

- ✓ New ventures seeking to raise a minimum of \$5 million of crypto
- ✓ Companies with vast market and product information
- ✓ Those who are being talked about extensively by the crypto community
- ✓ ICO's which are gaining sufficient coverage and exposure by various research houses and media agencies

The preceding methodology is used as it ensures that the filtering process is identifying those opportunities which are backed by the crowd, have a significant amount of informational collateral and are advanced enough to gain exposure through various social and traditional media channels.

Where is the community talking about it?

Reddit ICO Crypto

This subreddit has a user base of approximately 5000 and contains public information from its subscribers regarding active and upcoming ICOs.

<https://www.reddit.com/r/icocrypto/>

Bitcoin Talk (Altcoin)

The Bitcoin Talk sub forum for Altcoins contains a huge amount of information regarding active and upcoming tokens to be issued. There are thousands of posts every day.

<https://bitcointalk.org/index.php?board=67.0>

Filtering the market

Where can you gain insight into research?

Picolo Research

A shameless plug of our independent research portal providing you with transparent and easily digestible information + ratings on upcoming ICOs.

www.picoloreresearch.com

Picolo Research

Smith + Crown

An established research house that selectively produces reports on upcoming ICOs.

www.smithandcrown.com

 **SMITH + CROWN**

ICO Rating

A rating agency for ICOs that provides a Stable/Risky analysis of select upcoming token offerings.

www.icorating.com



How do I know if they have enough information?

There are a number of things each new ICO should have. If this list falls short, think again.

- ✓ A professional looking website
- ✓ An available white paper and explanation of the project ICO details
- ✓ Management information

We will be explaining shortly what you do with this collateral when you find it, but for the time being, ensure that you can tick the box before spending any more time on it.

Information presence & quality

The presence of information and the ‘professionalism’ in the way in which it is executed is extremely important.

As with any business, those who are releasing information including websites, white papers and any other collateral that are, in your opinion ‘sub-par,’ should be questioned.

Companies that are raising \$5 million from the market, would usually put in the time to ensure that nothing has been compromised on when it comes to the basics of their offering.

It should be said that there has been a huge influx of ICOs from Russia and the Ukraine, and as English is not their first language, a certain level of leniency should be applied.

In light of this, we have provided a checklist of certain things you need to look for (all published at a high standard).

1. Quality website with contact information

The website is effectively the face of the company. If it appears that a ‘drag and drop’ one-page Wix template has been used for a company raising \$200m to develop the next ground breaking technology - you would expect them to put some effort into a clean and simple website?

The information held on the website needs to communicate clearly what the company does, their goals and sufficient details regarding the coin offering.

In addition to this, contact information is a must. Many ICOs are now even providing public Slack channels which is a great addition in the communication realm.

2. Active Github repositories (for some)

This doesn't apply to all companies, however, some who are developing based on an open-source protocol may also provide information which is hosted on Github. Check to make sure it is real and any comments associated with it.

3. White Paper

White papers are historically quite an unflattering document so please don't be put off by the design or visual aesthetic.

Ensure that the white paper is lengthy (not 3 pages) and has an abundant amount of information contained within it.

Information presence & quality

4. Active on social media

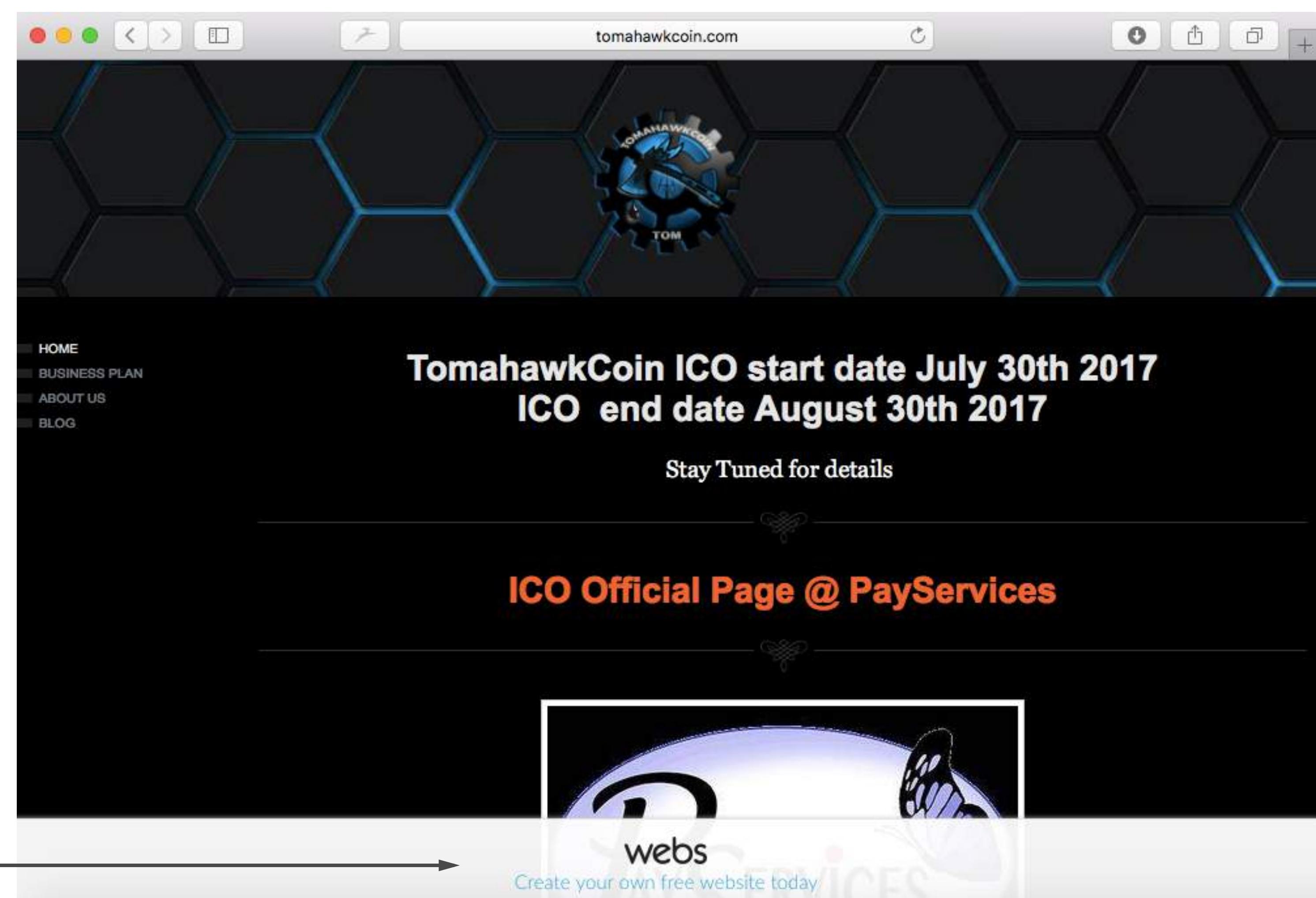
Those companies that have information spread across the previous resources, will also typically be active on other platforms such as Reddit, Twitter and Bitcoin Talk to share more high-quality information (sometimes more than what is hosted on their website).

As a side note, don't judge the potential success of an ICO based on their followers on Twitter etc. There are a significant amount of companies that are buying followers and likes for the purpose of market perception.

Ensure that all of the above information is freely available and maintains a high standard of quality and professionalism.

Bad example of information presence: Tomohawkcoin

- Terrible design
- Non-responsive
- No information
- Dead links
- Built using a free website editor



Commercial viability & market adoption

Market adoption is a broad segment that asks a simple question: “**Do you believe that the company’s product or service will be a commercial success?**”

In many instances, for those speculative investors who are only seeking upside in the market and don't really care about the underlying value proposition of the company, this can be a tough question to overcome. This also highlights the fundamental rule of every investment - only put money into something that you understand.

If you get to the end of reading the white paper, a few forums and a blog post or two and still can't understand what the company does - it's best to cut ties and move on to the next. Chances are that if you can't understand the main offering even after spending some time doing research, there are many others in the same boat.

If you do understand the technology and the underlying principal of the company - then it is time to ask yourself some hard questions.

- ? Do you see this technology being used in the future by the target market?
- ? What are the big road blocks associated with it?
- ? Are there competitors doing the same thing?
- ? Is the market actually ready for this?
- ? Do you think the company can actually build and deliver what they are saying?
- ? What are the threats associated with it?

Let's do a case study on a recent ICO called Dent Wireless (DENT).

Dent Wireless is a company seeking to create a global roaming exchange where consumers can trade their leftover cell phone data on a P2P exchange. The platform is anticipated to be blockchain backed. The company has not begun development and is raising \$40m to develop and commercialize the business.

Commercial viability & market adoption

What are our first assumptions when thinking about the Dent Wireless venture?

Assumption 1: The global roaming market is huge. There must be a lot of money in it.

Assumption 2: Why aren't telcos already doing it?

Assumption 3: Wait.. what benefit would there be for telcos to agree to this? Don't they make a lot of money when users credit expires?

Assumption 4: Can Dent actually do it without having a telco (if not numerous) telcos on board or as partners?

Assumption 5: Wait - for it to be a global exchange, wouldn't they need every telco in the world to agree to this?

This should be a typical thought process when analyzing any business. It is important to be critical and not assume that just because a company is raising \$xx million - that they actually know what they are doing.

On the other hand, your first assumptions may be very different and you may believe that the global roaming market is ready for disruption. If this is the case, it's time for you to move on to phase 2 to ask "is this the team and technology that will successfully disrupt this market?"

And so the analysis continues...

Here are a few other questions you should be asking:

- Would I actually use this product?
- Would your friends use this product?
- Would I actually pay for it?
- Is there a cheaper or established alternative that is not on the blockchain?

Answering the above and being truthful to yourself is the fundamental basis of successful speculation.

Commercial viability & market adoption

If you can do the preceding without bias, and the answer is positive, it is a green light to continue your research.

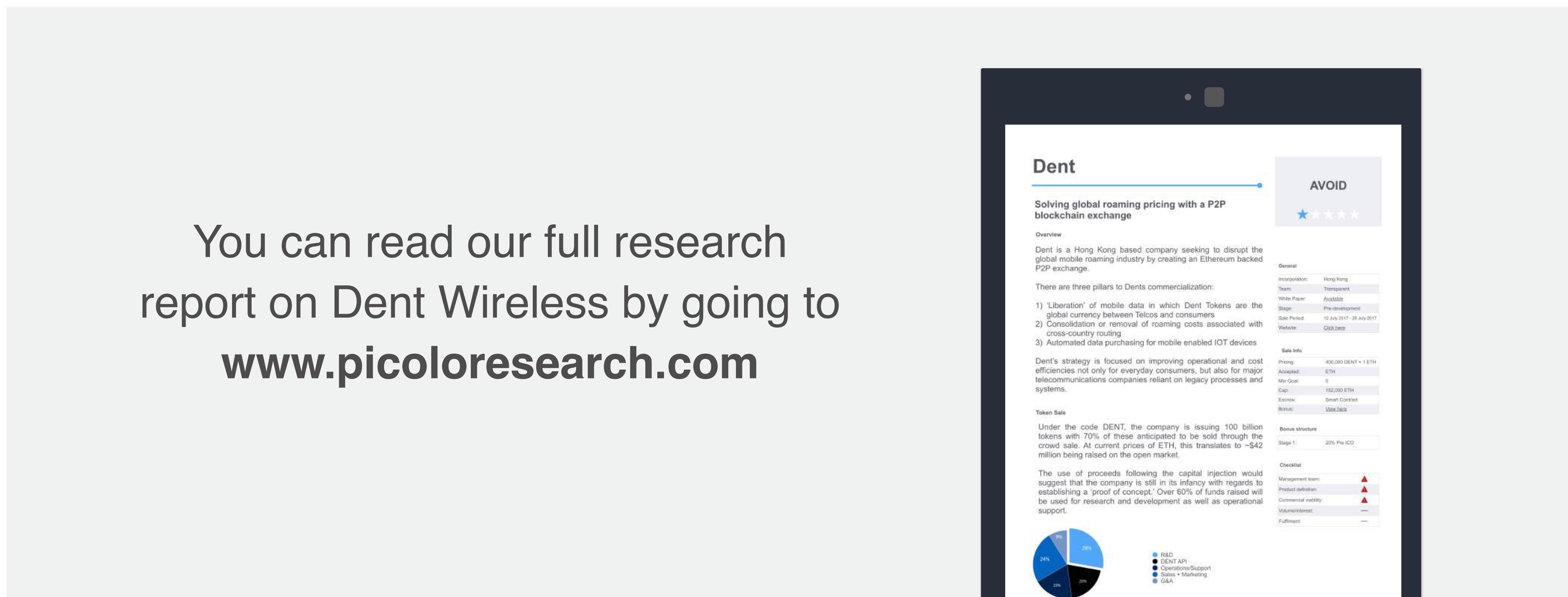
Also remember that whilst blockchain is an amazing technology that is changing the world - it isn't going to disrupt everything. There are many solutions, products, and services available in the market that will never need or benefit from blockchain. Keep this in the back of your mind when thinking about market adoption.

In reference to the above case study, many telcos have already implemented low-cost direct debit and recharge facilities that would mean very little waste of expiring data. Further to this, Google Pixel has just come out with low-cost global roaming plans better than anyone else in the market.

Are these solutions sufficient or do we need a concept stage P2P blockchain exchange that will take a few years to hit the market (if ever)?

I will let you decide.

You can read our full research report on Dent Wireless by going to
www.picoloreresearch.com



The image consists of two side-by-side screenshots. On the left, a mobile phone screen shows a research report for 'Dent'. The report title is 'Solving global roaming pricing with a P2P blockchain exchange'. It discusses the company's focus on disrupting the global mobile roaming industry through an Ethereum-backed P2P exchange. Three pillars of commercialization are outlined: 1) Liberation of mobile data, 2) Consolidation or removal of roaming costs, and 3) Automated data purchasing for mobile enabled IoT devices. The report also mentions the issuance of 100 billion tokens (DENT) at a rate of 1 ETH per 400,000 DENT. On the right, a laptop screen displays a rating for 'Dent' on a platform. The rating is 'AVOID' with a 1-star rating. The rating is based on several factors: General (Incorporation: Hong Kong, Status: Transparent), Sale Info (Invested: 0 ETH, Min Goal: 0 ETH, Cap: 182,000 ETH, Escrow: Smart Contract, Bonus: Max 2%), Token Sale (Under the code DENT, 100 billion tokens are issued at 1 ETH per 400,000 DENT, raising approximately \$42 million), and a Checklist (Management team: Product definition: ▲▲, Commercial viability: —, Volume/Interest: —, Fulfillment: —). A pie chart at the bottom of the laptop screen indicates token distribution: 24% for DENT API, 23% for Operations/Support, 23% for R&D, 10% for Sales + Marketing, and 10% for GAA.

Capital structure & offer

The upper cap

In recent months, there have been several high profile ICOs that have established what we call ‘no cap’ or a ‘soft cap.’

What this means is that whilst the company may seek to raise \$5 million, they will take \$50 million if they can get it. This is quite similar to the crowdfunding (Kickstarter) campaigns that get over funded and go bust.

The question you must ask yourself (and of the company) is, “If your goal is to raise \$5 million, and your budget says that this amount will get you through to commercial success, then what would you do with the extra \$45 million?”

This is a fair question and ironically, does not happen in IPO or any other market. There is no instance where a VC says to a startup - “I think I want to give you even more money at a lower valuation so we dilute ourselves.”

These ‘caps’ must be taken into consideration, however, there are a few caveats.

- ❗ Some ICOs (such as managed funds or investment vehicles) will benefit from as much money as they can get, providing the expenditure on operating costs remains proportionally the same.
- ❗ Some ICOs who raise significantly more than expected will still perform relatively well in the short term based on market demand/hype. These are still an opportunity for those seeking short-term investment.

Minimum funding goal

Some companies set a minimum funding goal (similar to a Kickstarter) to ensure that a lower limit of funds is raised otherwise, they are returned to the investor if the goal is not met.

This is a good sign, however, more analysis is needed.

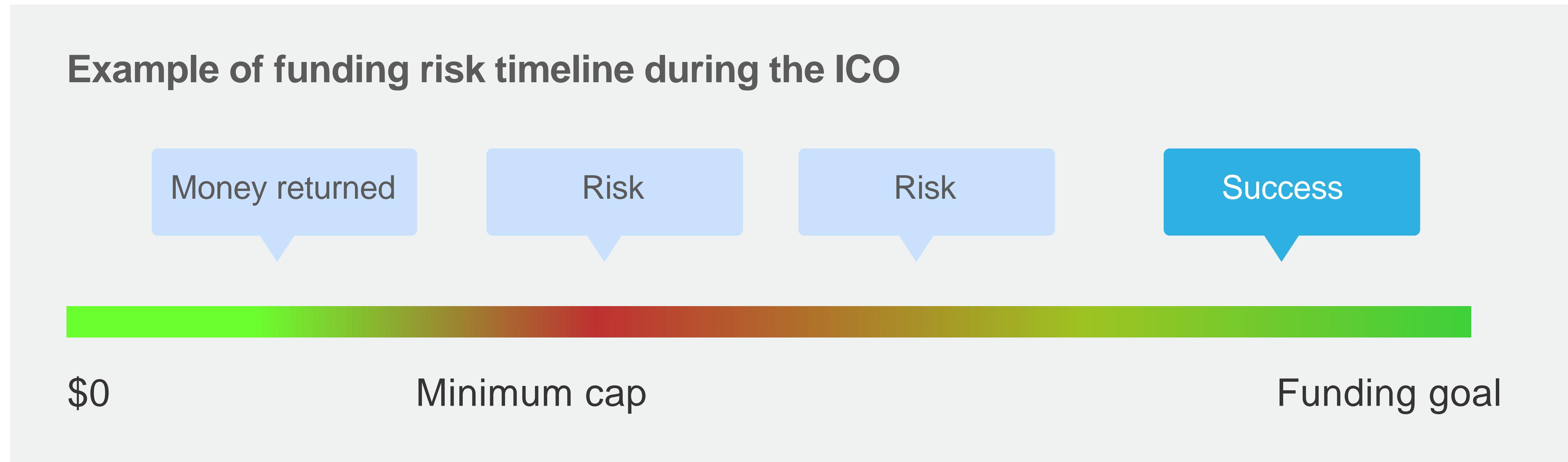
*Example

Company ‘X’ is raising \$50 million for a project and has a lower minimum goal of \$1 million. When looking through their expenditure, however, it will cost them \$10 million to develop and commercialize the business.

Capital structure & offer

If at the end of ICO the company raises \$2million (therefore achieving the minimum goal) but falls short of their development costs by \$8 million - how are they expected to still be successful?

This has been a significant oversight by the investment community and will result in several ICOs running out of money.



So what are you looking for in the capital structure and offer?

- Companies with a defined maximum cap (if they are not an investment related token)
- Companies with a minimum cap that is approximately ~20% within their expected operating and development costs.

These are two very strong signs that the ICO in question has thought diligently about their expenditure and what it will truly take to make their business a commercial success.

Another additional element that may exist when analyzing the capital structure is evidence of private equity funding. In some instances, the ICO may have previously raised capital from VC's, angels or private equity firms in exchange for company shares.

This is usually a good sign which illustrates investment appetite from the private funding sector and hence increases confidence in the company's value proposition.

Note; finding previous funding of companies can be difficult. The best place to start is by searching them on www.crunchbase.com

Management & team analysis

The ICO market has brought about a significant amount of opportunistic entrepreneurs and to some extent ‘scammers’ seeking to capitalize on easy financing.

To gain a true reflection of the company’s intention, some analysis on key team members absolute must.

So how do you access it?

- ✓ Ensure that they have bio's and information on their website and white paper
- ✓ Study their profiles on professional network sites such as LinkedIn
- ✓ Explore their Twitter or Instagram accounts or other social channels

What are you looking for?

- ✓ Any information relating to their previous work history and start-ups
- ✓ Length of time in different industries and technology
- ✓ Validation that they know the industry they are currently in

Here is an example.

Company X is developing a new blockchain protocol in the telecommunications and roaming industry to make cross border data transfers simply and efficiently at low cost.

The technology being developed is new, innovative and requires a lot of experience in the telecommunications industry, not to mention existing relationships with roaming partners.

The bios of the management team, however, reflect a team that has no experience working with telecommunications, roaming, VOIP or any other communication technology in any way.

Would you have faith in a company missing this expertise?

[this is a real example; access our research report by [clicking here](#)]

Management & team analysis

Here is a checklist to validate the management team:

- The team are transparent and I can find history on them
- The ICO venture matches the history and experience of the management team
- The management have sufficient knowledge in their specific industry or market segment
- There is a balance of technical, entrepreneurial and commercial minds involved

Ensure that you can tick these boxes. As VC's say, "we invest in teams, not projects." There is a lesson to be learned from this saying and should be a top priority when seeking to invest in ICOs.

The white paper

White papers are a standard of every ICO. In some instances, they are also called ‘information memorandums.’

As stated in the aforementioned chapters, White Papers are historically visually unappealing, so don't let the color scheme fool you.

White papers are generally a highly detailed document consisting of the following segments

- ✓ Overview of the company and operations
- ✓ Macro and micro market analysis
- ✓ Unique value proposition
- ✓ How it works
- ✓ Commercialization (market) strategy
- ✓ Product roadmap
- ✓ Use of proceeds
- ✓ Management and team bio
- ✓ Structure of token offering
- ✓ Links to previous work, GitHub etc

Every white paper should have a blend of the elements above. If they don't, you should be seeking some more transparency and information from management.

The process of analyzing a white paper can, at times, be difficult. Those that are extremely technically focused may be confusing for some, however, it is worth doing some research and taking some time to get an understanding of what they are trying to achieve.

So what are you looking for in this huge document?

A clear and concise explanation of what the business does.

The document shouldn't entirely seem like a puzzle (despite how technical it is). Remember that every good business concept should be able to be communicated or explained in less than two sentences. At some point in time within the document, you should be able to understand what the business goals are, how they are developing it and what they need to get there.

The white paper

A roadmap

Unless the company has launched and is deep into the commercialization stage, you should be provided with a roadmap. Where is the company going? When is the next tech update? When do they expect to secure channels of distribution?

A timeline and roadmap give confidence as to where your money is going.

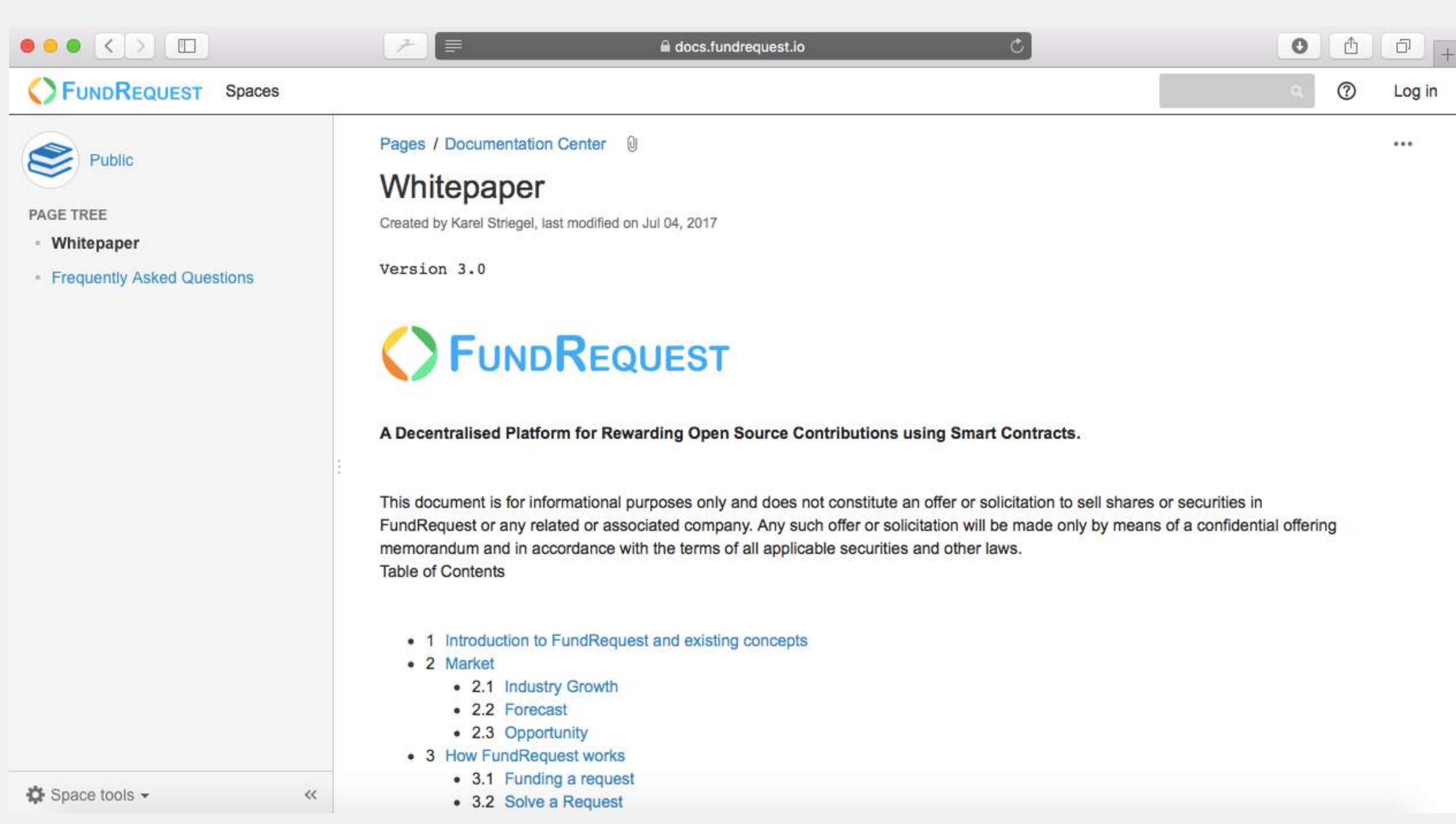
Use of proceeds

We explain more about the use of proceeds in later chapters, however, it is important that there is mention as to how the money raised will actually be spent.

Raising \$50 million for a company and not letting anyone know how it is being spent is a big red flag.

Ensure that either in the white paper or the website, there is a concise overview regarding budget, capital allocation, and operating expenses.

The three preceding points should be the basis of the checklist in analyzing any white paper.



The screenshot shows a Mac OS X desktop with a whitepaper from FundRequest. The window title is "FUNDREQUEST Spaces". The left sidebar shows a "PAGE TREE" with "Public" and two items under "Whitepaper": "Whitepaper" and "Frequently Asked Questions". The main content area is titled "Whitepaper" and includes the following text:
"Created by Karel Stiegel, last modified on Jul 04, 2017"
"Version 3.0"

The FundRequest logo is displayed, followed by the tagline "A Decentralised Platform for Rewarding Open Source Contributions using Smart Contracts."

A note states: "This document is for informational purposes only and does not constitute an offer or solicitation to sell shares or securities in FundRequest or any related or associated company. Any such offer or solicitation will be made only by means of a confidential offering memorandum and in accordance with the terms of all applicable securities and other laws."

A "Table of Contents" is listed:

- 1 Introduction to FundRequest and existing concepts
- 2 Market
 - 2.1 Industry Growth
 - 2.2 Forecast
 - 2.3 Opportunity
- 3 How FundRequest works
 - 3.1 Funding a request
 - 3.2 Solve a Request

Use of proceeds

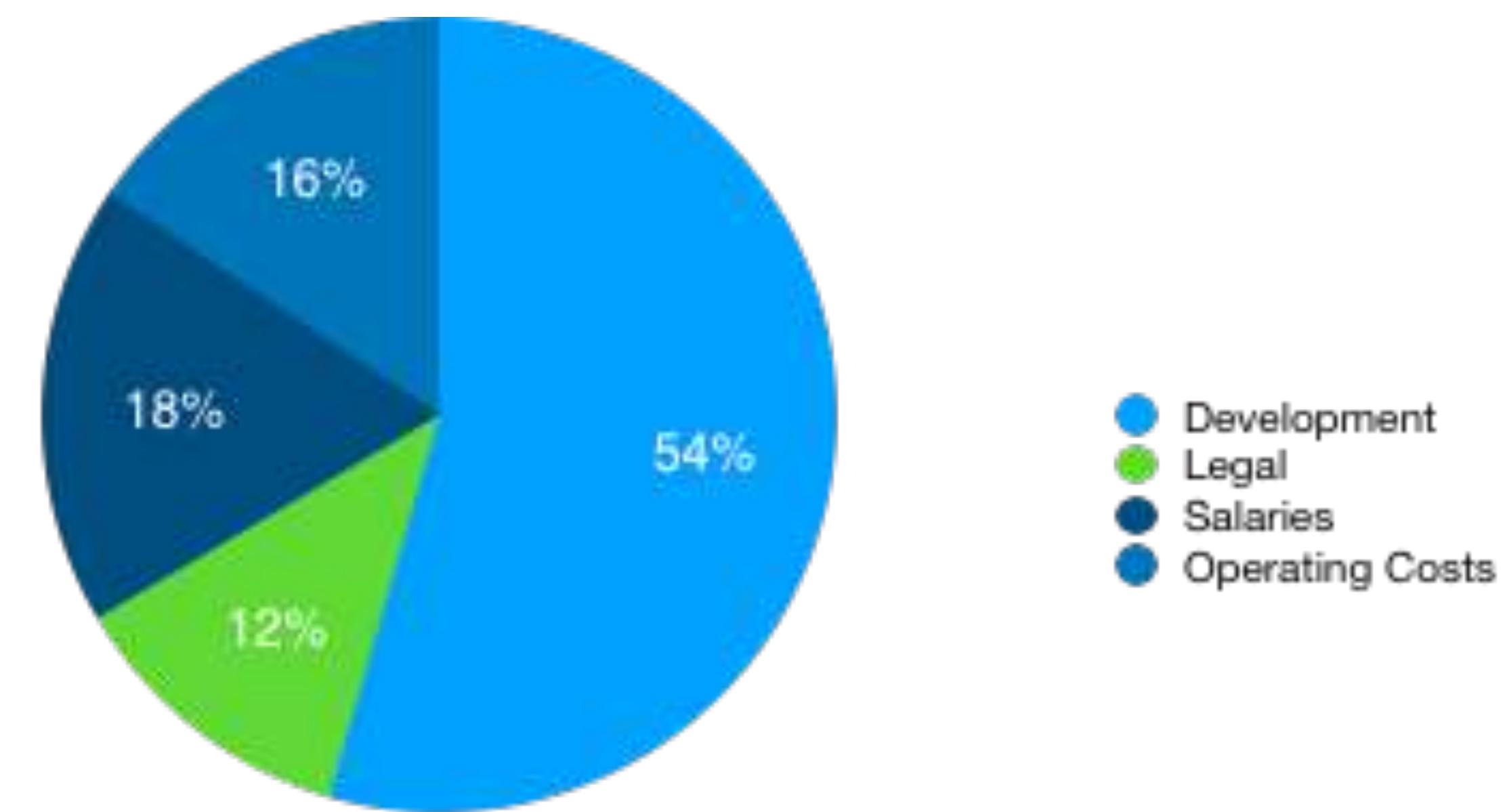
The use of proceeds is effectively the ‘company budget.’

It is important to spend some serious time analyzing this to understand exactly where the money that the company is raising through ICO is actually going. Furthermore, the use of proceeds will also be able to paint a picture of exactly what stage the company is at.

Let’s break this down a little further to understand exactly what a ‘concept’ or ‘startup’ ICO looks like as opposed to an established business.

Example of a **concept stage business**:

When analyzing this chart, we can determine that the business is in its infancy and has limited intellectual property associated with it.



- ❗ Over half of the money raised is to build the actual technology (that doesn't exist)
- ❗ Legal services make up 12%, meaning the company likely hasn't incorporated, completed trademarking or set up the token legal structure
- ❗ Operating costs and salaries make up the remainder, implying that the team has a long path to commercialisation and requires a capital injection to keep them afloat

These types of ICOs are commonplace, and it doesn't necessarily mean that it is a bad investment opportunity.

Another level of analysis is needed.

For example, let's say that the company is raising US\$30m for the project and anticipates hiring 6 developers for the build. This would equate to over \$15,000,000 of capital allocated to six developers + infrastructure costs (hosting etc).

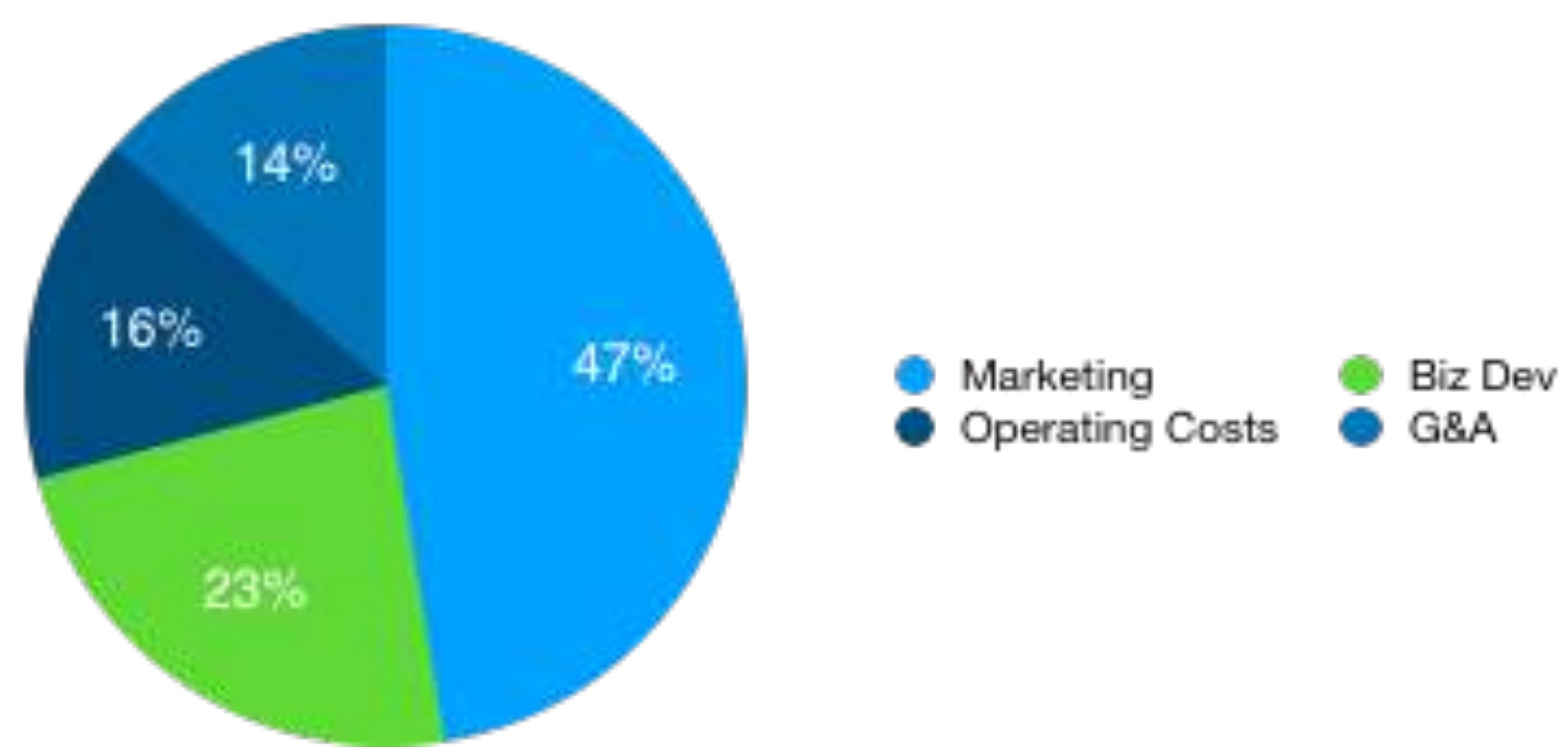
Does this sound right to you?

Furthermore, if \$15,000,000 is being allocated to developers, we would assume that this is for their salaries. In this case, why is there a further 18% of the funds allocated towards extra salary?

It’s important to take a realistic approach and think of the capital allocation exactly as a company budget. The more detailed - the better.

Use of proceeds

Example of an established business:



The above capital allocation is a good example of an established project/business which is moving towards market penetration and commercial launch stage.

- ✓ Almost half of the funds are allocated to marketing the project or existing technology to get more sales and market awareness
- ✓ Business development to secure strategic relationships and contracts accounts for over 20% of the budget
- ✓ Operating costs + G&A (General & administration) receive an allocation of roughly 30%

Depending on the commercialization stage of the product/service, this would suggest that the company is entering either the growth or the expansion stage, where most of the technical IP has already been developed, and the next catalyst for success is market adoption.

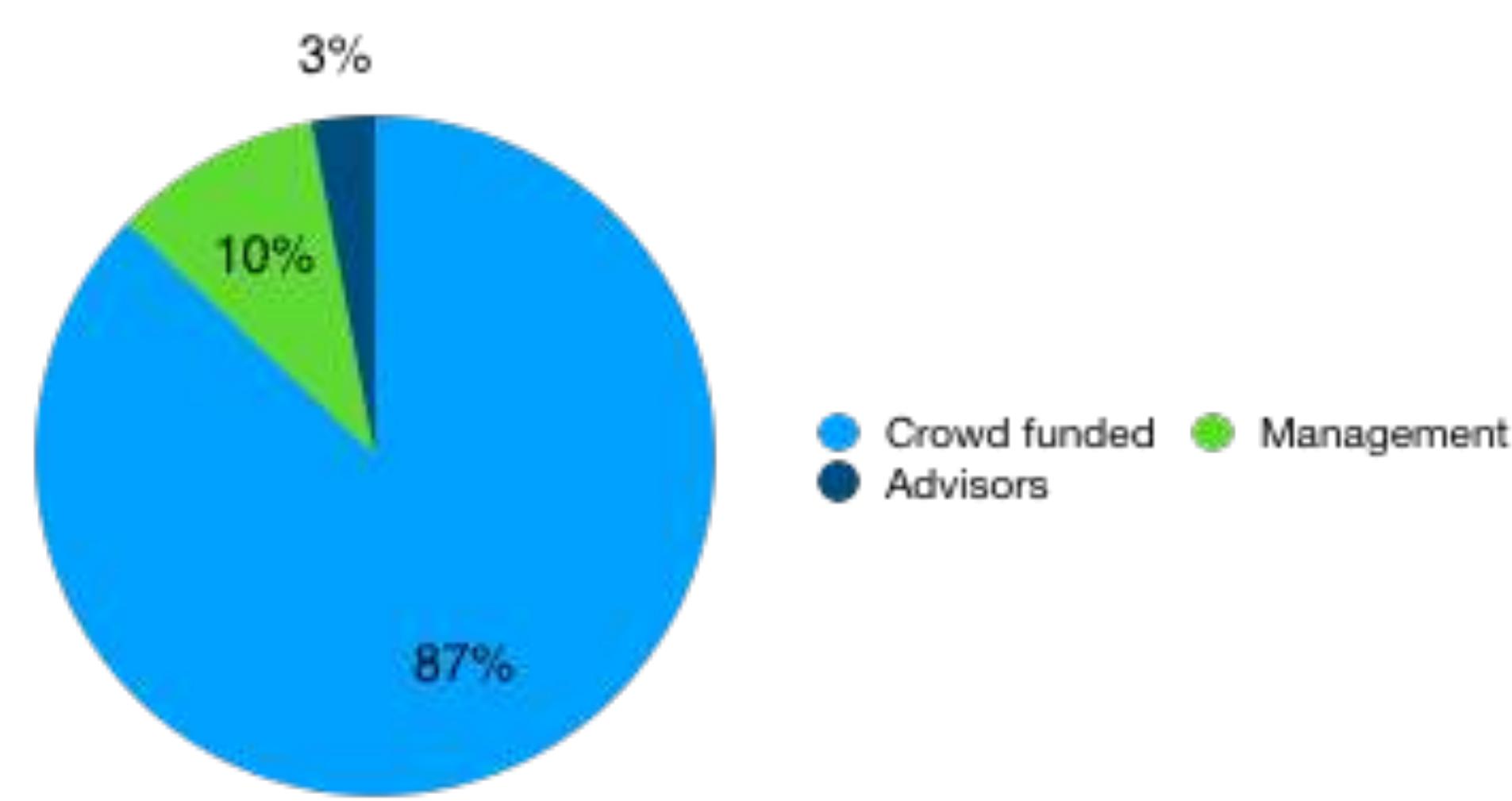
Both of the above examples need to be analyzed in conjunction with the company's roadmap and commercial timeline to truly understand the reason for the capital allocation. Notwithstanding this, analyzing the use of proceeds is a great way to gain an understanding of where the company is at in their development cycle and the level of risk that is associated with it.

Vesting schedules

In most instance of an ICO, the management team and their advisors will allocate a certain amount of tokens to be held by them as a bonus for launching and commercializing the business.

This is quite standard in the ICO market, however it is important to identify any red flags.

A common allocation of tokens will look like the below:



In this instance, over 87% of tokens are being sold via the crowd raising with a 10% allocation being kept by management as a bonus and a further 3% to advisors assisting with the strategic growth of the company.

In the event that you see the token allocation to management of +15%, you should flag this and ask why such a high portion is kept by management.

To take the analysis to the next level, we have to understand the companies 'vesting schedule.' The token vesting schedule determines either when the management team get the tokens, and more specifically when they can liquidate the tokens for their own capital gain.

A good management vesting schedule will look like the below:

Portion	Vesting
First 33% of tokens	6-12 months
Second 33% of tokens	18-24 months
Third 33% tokens	36-48 months

What the above is telling us is that the management team doing the ICO can't immediately sell out and liquidate the tokens and are bound by a schedule which locks them into the company for a number of years.

If you identify an ICO which stipulates a vesting schedule where the majority of tokens can be offloaded in the first 12 months, consider this a red flag.

In the current market, it is not uncommon to find opportunistic entrepreneurs and management teams that are seeking a quick personal and financial gain from the proceeds of the raising or the liquidation of tokens.

Commercial plan & roadmap

With the amount of blockchain startups currently in operation and listing for ICO, it is vitally important that the business plan highlights not only the technical strategy planned, but also the commercial and market strategy.

Put simply, building unique and complicated blockchain technology by itself is simply not enough.

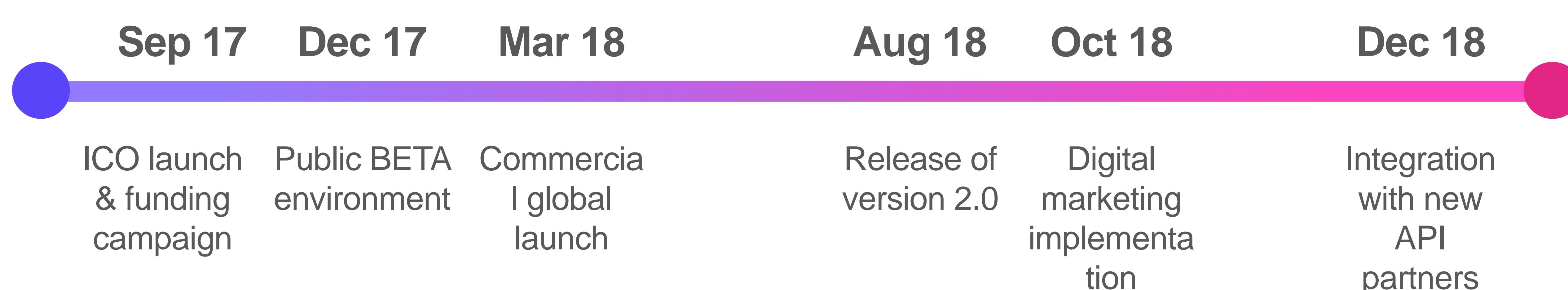
What we need to know is:

- ? when is it going to launch?
- ? how are they going to market it?
- ? how are they going to get their first 10,000 users or customers?
- ? what is their distribution plan like?
- ? is there a marketing strategy?
- ? are they seeking strategic partners to boost the market adoption of the business?

Conversely, it is also an imbalance for a company to have zero emphasis on technology and all on market strategy.

There must be a well thought-out roadmap that incorporates plans for technical development, commercial launch and eventually, a road to market penetration.

The below is a vague but common example of a commercial roadmap which illustrates the full cycle of successful commercialization.



While no-one can ever be sure that the above roadmap will be executed in its entirety, the fact that a healthy balance of thought has been placed into the timeline counts for a lot and shows that the team have intentions of not just building, but also enhancing, upgrading, marketing and penetrating the target market.

Not all timelines and roadmaps are the same, however the principle remains consistent. If the ICO you are analyzing mentions no future plans of commercialization (or anything post the actual listing), consider this to be a major risk.

SWOT Analysis

A SWOT is an unbiased representation of the Strengths, Weaknesses, Opportunities and Threats associated with a business.

After completing the last nine steps of analysis, it is time for you to put some serious and honest thought into the positives and negatives of the ICO.

Let's have a look at a hypothetical example of a SWOT analysis:

Strengths

- Large addressable market
- Good advisory team
- Company established for 2 years
- Development has begun
- Experience in the market

Weaknesses

- Team lacks focus and tech experience
- Uncapped raising
- High operating costs
- Product still 1.5 years from launch

Opportunities

- May form big strategic partnerships
- Technology can be applied to other verticals
- High demand may lead to short term capital gain

Threats

- Team may run out of money
- Possible delays in development
- New competition may arise
- May not hit their upper cap

SWOT Analysis

As we can see in this quick study, we have identified what may be the roadblocks associated with the business as well as the range of current strengths and future opportunities of the venture.

This type of analysis simply serves as a snapshot and a summary of where you feel the imbalances of the company are.

You will be applying this in the next section of Pass/Fail Investment.

Pass/Fail investment test

The pass/fail test can never be an exact science. It is simply a guide to give a personal conviction rating as to whether or not a potential opportunity is investment worthy or not.

There are thousands of different algorithms, financial and ratings models out there that can be applied to company analysis, however, for the purpose of an efficient and digestible process, we have made this into ten simple questions to ask yourself.

Pass/Fail Analysis Questionnaire

Question 1: Do you believe that the broader market will use the product/service in question?

Yes = 1 No = 0

Question 2: Do you think the management team can actually deliver what they are saying?

Yes = 1 No = 0

Question 3: Does the management team have a balanced blend of technical (if needed) and commercial expertise as well as a related track record in the industry?

Yes = 1 No = 0

Question 4: Are the company materials including website, white paper and all other collateral prepared at a high standard?

Yes = 1 No = 0

Pass/Fail investment test

Question 5: How fair is the capital structure (token offering) by the company?
(Remember to look at the caps)

Yes = 1 No = 0

Question 6: Can the use of proceeds be justified and are they an accurate representation of costs?

Yes = 1 No = 0

Question 7: Are the strengths of the company and their technology significant enough to either be profitable or a game-changer?

Yes = 1 No = 0

Question 8: Are the weaknesses and threats so significant that they can inhibit the future success of the company?

Yes = 1 No = 0

Question 9: Is there a sufficient amount of awareness and support for the ICO publicly?

Yes = 1 No = 0

Question 10: If you could make one investment for the next three months, would this be it?

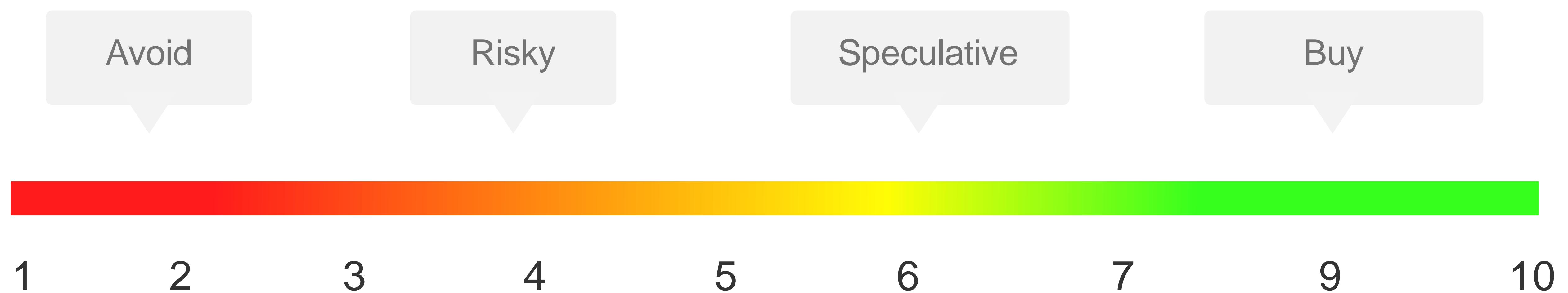
Yes = 1 No = 0

Pass/Fail investment test

Once you have completed your analysis, it's time to tally up the points via the scoring system and get the pass/fail result.

Below is a simple guide that shows conviction ratings of the different scoring ranges.

Simple scoring and ratings scale



[Explanation]

The above ratings scale gives a self-explanatory approach based on ten significant analytical assumptions.

Avoid/Risky classes companies that are deemed as having too much internal and external risk associated with them to warrant investment. Speculative investment may occur with large upside, however this will be balanced by an overwhelming amount of perceived risk.

Speculative rated opportunities are for those investors who have a high appetite for risk. The company in question has a number of factors to its advantage, but is paired with several weaknesses which may inhibit commercial success.

Buy rated opportunities are derived from high conviction analysis and scoring. It represents a company that fulfills all basic requirements and has significant opportunity for growth. Furthermore, it gains the approval rating from the analyst/investor via their own personal preferences and circumstances.

Conclusion

Investment into Initial Coin Offerings will continue to be a significantly speculative and profitable way for investors to gain access to new and innovative markets within the cryptocurrency ecosystem.

While any speculator can take a ‘tip’ or a ‘recommendation’ from a third party, it is in the investors best interest to gain a true and complete understanding themselves as to where they are putting their money.

Company analysis is not a long and tiresome process, however it does require some learning and practice. The ability to filter, screen and analyze such opportunities to this basic extent will prove to be a profitable and high performance driven process for those who put their mind to it.

We hope that you have enjoyed our first ebook. If you take just one thing away from it or it helps you make just one decision better in the crypto markets - we consider it a success.

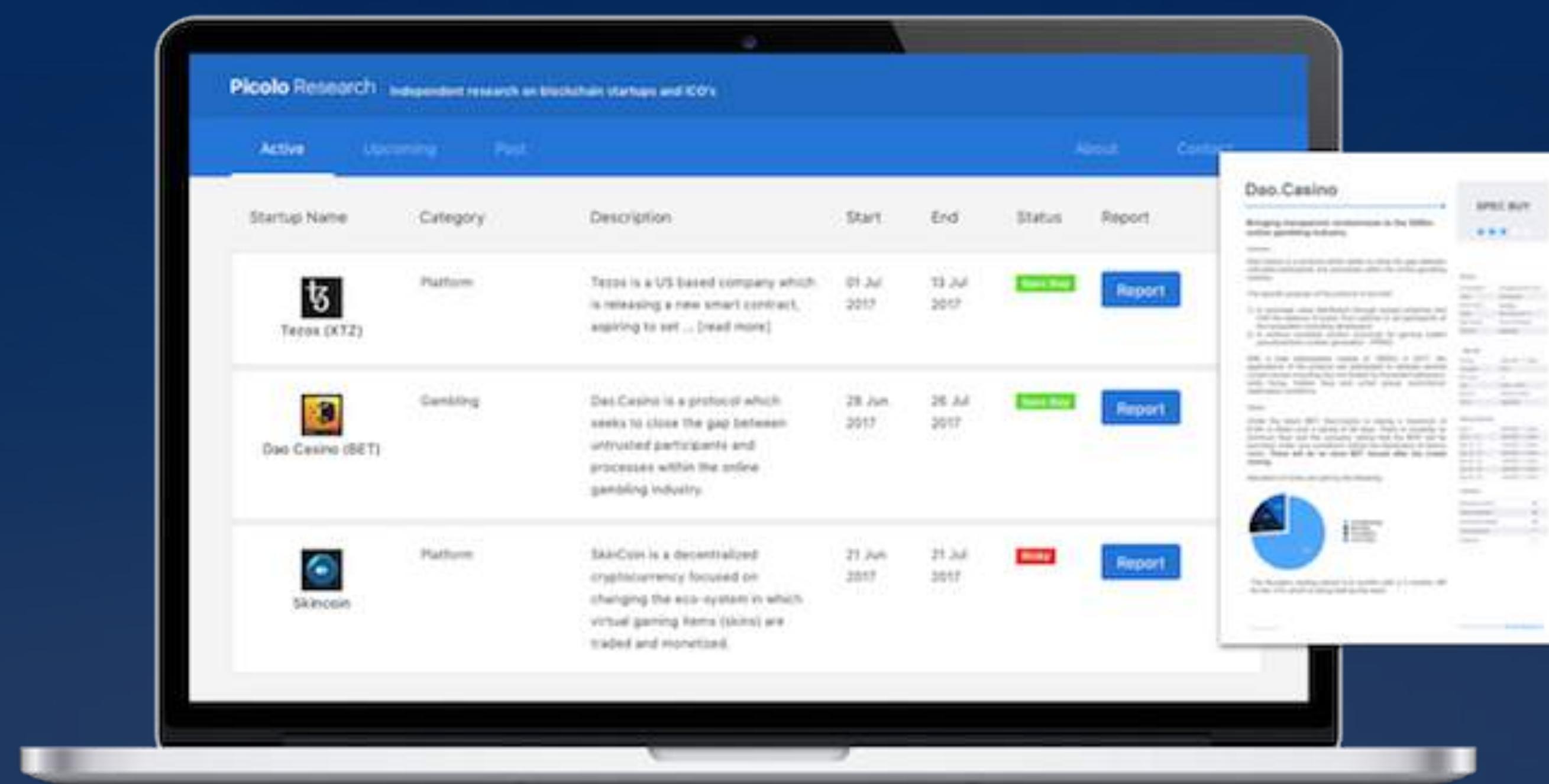
Best of luck,

A handwritten signature in black ink that reads "Matthew J. Dibb". The signature is fluid and cursive, with "Matthew" on the top line and "J. Dibb" on the bottom line.

Picolo Research

www.picoloreresearch.com

WANT THE ANALYSIS DONE FOR YOU?



Sign up for free weekly reports at www.picoloreresearch.com