



Alternative Investment Evaluator

Assess the suitability of alternative investments for your portfolio



Real Estate Investment Evaluation

Types: Rental properties, REITs, real estate crowdfunding, fix-and-flip

Typical Returns: 8-12% annually (varies widely)

Liquidity: Low (physical property) to Medium (REITs)

1. Investment Capital Available

How much capital do you have for initial investment (down payment, closing costs)?

2. Time Commitment

Can you dedicate time to property management or research?

3. Risk Tolerance

Comfort with property value fluctuations, vacancy risk, maintenance costs?

4. Knowledge & Experience

Understanding of real estate markets, financing, property management?

5. Liquidity Needs

How quickly might you need to access this money?

Evaluation Results

0

out of 15 points

Considerations:

- REITs offer easier entry with higher liquidity
- Physical property requires active management or property manager fees (8-10%)
- Consider location, market trends, and local regulations
- Tax benefits: depreciation, mortgage interest deduction

B Cryptocurrency Investment Evaluation

Types: Bitcoin, Ethereum, altcoins, DeFi, NFTs

Typical Returns: Highly volatile (-50% to +500% annually)

Liquidity: High (major exchanges)

1. Risk Tolerance

Comfort with extreme volatility (50%+ swings common)?

2. Technical Understanding

Understanding of blockchain, wallets, security, protocols?

3. Investment Horizon

Willing to hold long-term through volatility?

4. Portfolio Allocation

What percentage of portfolio would this represent?

5. Regulatory Awareness

Understanding of tax implications and evolving regulations?

Evaluation Results

0

out of 15 points

Considerations:

- Extremely high risk—only invest what you can afford to lose
- Security critical: use hardware wallets for large amounts
- Tax reporting required for all transactions (including trades)
- Regulatory landscape rapidly evolving



Commodities Investment Evaluation

Types: Gold, silver, oil, agricultural commodities

Purpose: Inflation hedge, portfolio diversification

Liquidity: High (ETFs, futures)

Use similar evaluation criteria as above. Commodities are typically used as portfolio diversifiers (5-10% allocation) rather than primary investments.

Key Points:

- No inherent yield (no dividends/interest)
- Storage costs for physical commodities
- ETFs/futures avoid storage issues
- Excellent inflation hedge historically



Private Equity Investment Evaluation

Types: Venture capital, private equity funds, angel investing

Minimum Investment: Often \$25,000-\$1,000,000+

Liquidity: Very Low (7-10 year lock-ups common)

Private equity typically requires accredited investor status (\$200K+ income or \$1M+ net worth excluding primary residence).

Key Points:

- High barriers to entry (capital, accreditation)
- Potential for very high returns (15-25%+)
- Extremely illiquid—capital locked for years
- High fees (2% management + 20% performance)
- Limited transparency compared to public markets



Collectibles Investment Evaluation

Types: Art, wine, classic cars, rare coins, sports memorabilia

Returns: Highly variable and unpredictable

Liquidity: Very Low

Collectibles are passion investments—buy what you love, not primarily for returns.

Key Points:

- No income generation (no dividends/interest)
- Storage and insurance costs
- Authentication and condition critical
- Highly illiquid—may take months/years to sell
- Transaction costs can be 20%+ (auction fees, commissions)
- Collectibles tax rate: 28% maximum on gains