

Giving Each Investment a Role

Building an investment toolkit by purpose

Different investment categories do different jobs. The objective is not to own everything. It is to understand what role cash, bonds, equities and other assets can play in your plan.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- the investment categories you currently use or are considering
- the purpose each category serves
- its expected return and main risks in broad terms
- how easily it can be converted into cash
- whether you understand how it behaves

After completing the exercise

- Which assets are there for liquidity?
- Which are there for stability or income?
- Which are there for long-term growth?
- Do any holdings have no clear role?
- Are complexity and cost justified by a genuine need?

A complexity pause

If you cannot explain what an investment is for, what could make it lose money and when you may need to sell it, pause before adding it to your plan.

My takeaway

The investment category whose role I understand least clearly is

because _____

Giving Each Investment a Role

Investment Role Map

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Category	Role in my plan	Main risk	Liquidity	My understanding	Keep/review?
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

A useful resource does not tell you what decision to make. It helps you see the decision more clearly.