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Investment Thesis Template

Before You Invest

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Before You Invest

The biggest investing mistakes usually happen before money is invested. They rarely begin after.

This worksheet is designed to slow your thinking down. It forces you to explain your investment before emotion takes over.

Good investors don't just buy good companies.

They buy them for the right reasons, at the right price, with the right expectations.

Investment Summary

Company:

Ticker:

Date:

Current Price:

Target Allocation:

Expected Holding Period:

Investment Type:

- ☐ Growth
- ☐ Value
- ☐ Income
- ☐ ETF
- ☐ Crypto
- ☐ Other

Why This Investment?

In one paragraph, explain why you are interested in this investment.

What opportunity does the market appear to be missing?

Investment Thesis

Complete the sentence:

“I believe this investment will outperform because...”

Competitive Advantage

Does the business have an advantage competitors struggle to copy?

- ☐ Brand
- ☐ Network Effects
- ☐ Cost Advantage
- ☐ Switching Costs
- ☐ Scale
- ☐ Intellectual Property
- ☐ None

Notes

Financial Quality

Revenue Growth

Operating Margin

Free Cash Flow

Debt Level

Low / Medium / High

Return on Equity

Comments

Valuation

Current Price

Estimated Fair Value

Margin of Safety

Would you still buy if it increased 20%?

☐ Yes

☐ No

Why?

Risks

What could make this investment fail?

Risk 1

Risk 2

Risk 3

Probability

Low / Medium / High

Position Size

How much of your portfolio should this represent?

Target %

Maximum %

Why?

What Would Make You Sell?

Choose objective reasons.

- ☐ Thesis broken
- ☐ Better opportunity
- ☐ Overvalued
- ☐ Management deteriorates
- ☐ Financial performance weakens
- ☐ Risk changes

Other

Decision

Will you invest?

☐ Yes

☐ No

☐ Wait

Reason

Review

Review Date

What has changed?

Is the original thesis still valid?

☐ Yes

☐ No

Would you buy again today?

☐ Yes

☐ No

Notes

Final Reminder

A good investment is not simply a good company.

It is a good company, bought at a sensible price, for reasons that remain true over time.

Write your thesis before you invest.

Read it again before you sell.