

**Long-Term Investment Research Framework**  
**Exercise Progress: 1 of 49 Steps Completed**  
**Cryptocurrency Chosen: NEO**

Year that NEO was founded: 2014  
 First date NEO was traded: \*Please see below  
 Ticker Symbol for NEO is: NEO  
 Block Time (Time to Create New NEO) is: 18-24 seconds

*\*Initially launched as AntShares in February 2014 and rebranded to NEO in June 2017.*

**STEPS 3-5: NEO Price, Restrictions, Purpose, Your Opinion on Long Term Strategy:**  Check this box when you understand Steps 3-5

<p>Market Capitalization: \$ 4.31B</p> <p>NEO Price: \$ 66.28</p> <p>52 Week Low: \$ 10.21</p> <p>52 Week High: \$ 197.56</p> <p>Country of Origin: China</p>	<p><b>STEP 4: What is the Brief Purpose of NEO (What Problem is it Solving)?</b>                  NEO is known as China's form of Ethereum. It is an ecosystem for smart contracts and allows users to store and exchange digital assets.</p> <p><b>STEP 5: What is Your Brief Opinion On the Long-Term Strategy of NEO ?</b>                  Because NEO is the largest cryptocurrency in China and is not just a coin but an ecosystem, the long-term strategy is very promising and exponentially more promising if they continue to work hand in hand with the Chinese government.</p>
<p><b>STEP 3: Any Restrictions for NEO in:</b> <a href="#">Canada</a> <a href="#">(Click me)?</a></p> <p>(Click me to answer)</p>	

**STEPS 6-17: NEO Sources to Read/Review/Research and Stay on Top of:** Please click on the green cells below to mark each as Done or N/A.

**Click the Green Shaded Cells Below to Select Done, Not Done or Not Applicable**

<b>STEP 6:</b>	Not Done	<a href="#">Did you sign up for NEO Google Alerts at alerts.google.com? Click me to go to alerts.google.com.</a>
<b>STEP 7:</b>	Not Done	<a href="#">Did you read the whitepaper for NEO? Click me to access the NEO whitepaper.</a>
<b>STEP 8:</b>	Not Done	<a href="#">Did you sign up for Meetup.com meetings in Canada for NEO? Click me to access local meetups in Canada for NEO (if available).</a>
<b>STEP 9:</b>	Not Done	<a href="#">Using Twitter, have you followed official NEO Twitter feed? Click me to access Twitter to follow the official NEO Twitter feed.</a>
<b>STEP 10:</b>	Not Done	Have you tried the product (meaning have you bought or sold fractions of or an entire NEO)? If not, please watch the lesson in Part 2 of the course on how to buy NEO.
<b>STEP 11:</b>	Not Done	<a href="#">(Optional) Have you used Github.com to research NEO? Click me to access Github.com and read about/research NEO</a>
<b>STEP 12:</b>	Not Done	<a href="#">(Optional) Have you used Reddit.com to research NEO? Click me to access Reddit.com and read about/research NEO</a>
<b>STEP 13:</b>	Not Done	<a href="#">(Optional) Have you used YouTube to research NEO? Click me to access YouTube.com and read about/research NEO</a>
<b>STEP 14:</b>	Not Done	<a href="#">Have you reviewed the contents and resources on the NEO website? Click me to access the official website for NEO</a>
<b>STEP 15:</b>	Not Done	<a href="#">(Optional) Have you reviewed the Wiki website contents and resources for NEO? Click me to access a helpful Wiki resource for NEO</a>
<b>STEP 16:</b>	Not Done	<a href="#">Have you reviewed the non-editorial articles for NEO on Coindesk.com? Click me to access Coindesk.com articles for NEO</a>
<b>STEP 17:</b>	Not Done	<a href="#">Have you analyzed how Google search trends have changed for NEO? Click me to access Google search trends for NEO .</a> Optional: enter your thoughts in the space below on the change in search interest over the past 12 months.

**STEPS 18-21: NEO Qualitative Investment Research Comments (Background + Pros & Cons):**  Check this box when you understand Steps 18-21.

**STEP 18: What is NEO? This is similar to Step 4, with much more detail on the background of NEO.**  
 NEO is a non-profit community-based blockchain project that automates the storage and exchange of digital assets using smart contract technology. NEO is often referred to as the "Chinese Ethereum" or "Ethereum's killer". NEO is the first decentralized, open-source cryptocurrency and blockchain platform ever to be launched in China. Aside from the NEO cryptocurrency, NEO has one additional crypto-token called GAS, which is the coin used for transactions such as paying to deploy and run smart contracts on the NEO platform. The NEO token acts as the investment token of the NEO blockchain, whereas GAS is for fueling transactions in the NEO ecosystem.

**STEP 19: Why does NEO exist?**  
 NEO was created to shift our traditional economy into evolving to become a "smart economy" with a distributed network. NEO's goal is to be the industry leader in building a smart economy made up of (=) digital assets + digital identity + smart contracts. NEO is very similar to Ethereum with its foothold in China rather than the western world. One unique thing about NEO, unlike other cryptocurrencies like Bitcoin or Ethereum, is that it is not divisible and the smallest unit will always be 1.

**STEP 20: What are the pros (positive attributes of) NEO ?**  
 NEO is positioned as the Chinese form of Ethereum. The recent interest in smart contracts is a big plus for NEO as it has a strong development team building its smart contract technology. While its technology and value proposition is nearly the same as Ethereum's, it is likely to be more widely adopted in China, which is the largest cryptocurrency market in the world. This puts NEO in a significantly positive position to take advantage of the smart contract market as it has already begun supporting a large amount of other cryptos on its network.

**STEP 21: What are the cons (negative attributes of) NEO ?**  
 The main disadvantage for NEO is the legislative unknowns associated with developing technology that could potentially take away power from the government. Without partnership, NEO and any other currencies built in the strict governmental system of China are bound to have problems succeeding.

**STEPS 22-24: NEO Management Team, Investors, Developers, Partners, Customers:**  Check this box when finished with Steps 22-24.

**STEP 22: What is the management team like for NEO? Include information like your thoughts on the quality of the CEO, the quality of the developers that work there, the quality of board, the quality of investors etc (check out crunchbase.com and comment on VC investors if applicable).**

The creators of NEO, Da Hongfei and Erik Zhang, created AntShares (rebranded to NEO in 2017) which is widely regarded as China's first blockchain platform. They've been immensely successful in the blockchain space and continue to work with the Chinese government to ensure long-term success for crypto in China.

[Click me to go to the Crunchbase page for NEO in order to view the investor profiles, the management team profiles and the background of the board \(if available\). The free content on Crunchbase is all we need...no need to pay for a subscription.](#)

**STEP 23: What is the developer community like for NEO? Include information like do you think they seem committed to improving the cryptocurrency or are they opensource or not, etc.?**

NEO has a strong developer community, but when compared to its main competitor, Ethereum, NEO is lagging a bit. This could also be due to the fact that NEO is based in China so most of its developer community is using browsers and forums only accessible in China.

**STEP 24: Does NEO have any notable reference customers or partners (i.e., large companies or government agencies that use or have positive things to say about NEO)?**

Unlike some of the successful US-based cryptocurrencies, NEO doesn't have a long list of brand-name companies as partners or customers. However, they do have partnerships with some big names in crypto and blockchain including Bancor, Coindash, Agrello, Elastos, and HPB.

**STEPS 25-26: NEO Security & Differentiation Versus the Competition:**  Check this box when finished with Steps 25-26.

**STEP 25: Please comment on the strength of the security of NEO when compared to other cryptocurrencies.**

The security of NEO is similar to Ethereum, however, from the white paper it seems to focus more on smart economy and a broad description of smart contract technology rather than NEO's platform.

**STEP 26: How is NEO different from other cryptocurrencies (in addition to differences in security protocols if applicable)?**

NEO uses Proof of Stake and touts itself as the platform for the smart economy. It also is based in China and has been able to grow enormously despite the environment of Chinese crypto regulation.

**STEPS 27-28: Wallets and Exchanges that Support NEO:**  Check this box when finished with Steps 27-28.

**STEP 27: Of the 6 exchanges discussed in this course, can you transact in NEO on all 6 of these exchanges: GDAX, POLONIEX, KRAKEN, BITTREX, GEMINI, and BINANCE? If not, which of the 6 aforementioned exchanges do not currently accept NEO?**

Of the 6 exchanges discussed in the course, Poloniex, Bittrex and Binance support NEO.

**STEP 28: Of the 8 wallets discussed in this course, can you use NEO with all 8 of these wallets: QR CODE PAPER BASED WALLET, TREZOR, LEDGER NANO S, DIGITALBITBOX, KEEPKEY, COINBASE, ELECTRUM AND BLOCKCHAIN? If not, which of the 8 aforementioned wallets do not currently accept NEO?**

Of the 8 wallets discussed in the course, paper wallets, Trezor, and the Ledger Nano S are the only ones that seem to support NEO.

**STEPS 29-30: Current and Maximum Supply # and Date of Maximum Supply of NEO:**  Check this box when finished with Steps 29-30.

**STEP 29: What is the current supply of shares of NEO available today?**

65 million

**STEP 30: What will be the maximum supply of shares of NEO available AND what approximate year will the maximum supply be at (ie 2040)?**

100 million and roughly estimate 2039 as max supply date.

**STEPS 31-33: Country, Accounting and Bug Risks of Investing in NEO:**  Check this box when finished with Steps 31-33.

**STEP 31: If applicable, who is the auditor of NEO and are they reputable/well known in their country of origin or country of incorporation?**

N/A

**STEP 32: Are there any notable country or regulatory risks when it comes to NEO that might hurt the ability of NEO to be successful in the long-run when compared to other cryptocurrencies?**

NEO was established to develop blockchain solutions that meet the requirements of government regulators and companies. NEO is based in Shanghai and is both well-positioned to inform and cooperate with Chinese government oversight as much as it is vulnerable to potential regulations.

**STEP 33: Are there any code bugs for NEO that are a concern for investors?**

There have been bug issues in the NEO wallet and Ledger Nano S causing some owners to lose NEO and GAS. However, there's not too much accessible information available on NEO code bugs that exist.

**STEPS 34-35: What would make you MUCH MORE or MUCH LESS positive on NEO?**  Check this box when finished with Steps 34-35

**STEP 34: What would make you MUCH MORE positive on NEO (meaning what news development, contract, etc would make you much more positive)?**

I would be much more positive on NEO if the Chinese government fully supported and even financially backed NEO.

**STEP 35: What would make you MUCH LESS positive on NEO (meaning what news development, contract, etc would make you much less positive)?**

I would be much less positive on NEO if the Chinese government strongly regulated NEO into a position rendering the NEO ecosystem much less decentralized.

**STEPS 36-39: Mining Incentives, Reddit & Twitter Followers for NEO:**  Check this box when finished with Steps 36-39

**STEP 36: Is there an economic incentive for people to improve NEO (ie through mining etc? Please explain)**

Because NEO is Proof of Stake, instead of people mining the coin for rewards, people who already possess NEO are verifying the transactions and receive GAS as a reward.

**STEP 37: How many Reddit readers does NEO have?**

NEO has 90,535 Reddit readers, compared to an average of 192,950 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

**STEP 38: How many Twitter readers does NEO have?**

NEO has 310,000 Twitter readers/subscribers, compared to an average of 363,890 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

**STEP 39: [Optional] Write in the space below the name of another social media company like Twitter that is worth tracking in your country when doing research on NEO and comment on the metrics relative to other cryptocurrencies similar to what you have done in Step 38.**

**STEPS 40-43\*: Quantifying an Estimate on the Long-Term Target Price for NEO:**  Check this box when finished with Steps 40-43\*

In this step, we will use several assumptions for coming up with an approximate long term target price on NEO. Please answer questions 40-43 in order to arrive at a target price based on your assumptions. This is meant as a guideline for one way we can think about quantifying a target price. Please read the 6 facts below before answering the questions; thanks:

\* Please note that the source of the data for the size of markets used in the facts below are at this website (click me to go there): [money.visualcapitalist.com/worlds-money-markets-one-visualization-2017/](http://money.visualcapitalist.com/worlds-money-markets-one-visualization-2017/)

**Fact #1: Stock Market Combined Value: The value of all stocks added up (meaning the combined global market cap of stocks) is in US \$:** \$73,000,000,000,000

[Please note that \\$73,000,000,000,000 US dollars in Canadian dollars is 93,934,940,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

**Fact #2: The World's Largest Stock Value: The value of the largest company in the world on the stock market (which is Apple) is:** \$865,000,000,000

[Please note that \\$865,000,000,000 US dollars in Canadian dollars is 1,113,064,700,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

**Fact #3: % of the Stock Market Value in the Largest Stock: The % value of the largest stock as a % of the world's market cap is about:** 1%

**Fact #4: The Value of the World's Money Supply: The total of all of the money supply added up in the world is:** \$90,000,000,000,000

[Please note that \\$90,000,000,000,000 US dollars in Canadian dollars is 115,810,200,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

**Fact #5: According to [www.CoinMarketCap.com](http://www.CoinMarketCap.com), the market cap of all cryptocurrencies is:** \$422,000,000,000

[Please note that \\$422,000,000,000 US dollars in Canadian dollars is 543,021,160,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

[Click me to get this fact by scrolling down to the bottom of this page for the data source: https://coinmarketcap.com/all/views/all/](https://coinmarketcap.com/all/views/all/)

**Fact #6: The percent of the market cap of all cryptocurrencies as a percent of all money supply in the world is:** 0.47%

Please note, the target price (below this box) is just a sample, please watch the video associated with this called **(A) Using My Investment Framework to Analyze NEO** for more details.

You can update your version of the target price in the upcoming lecture, called: **(A) An Exercise on Creating YOUR Version of the NEO Investment Framework**. For more details, please watch **(A) An Exercise on Creating YOUR Version of the NEO Investment Framework**. Thanks

**STEP 41: What percent of the ENTIRE cryptocurrency market do you think NEO will have in cryptocurrencies in 20 years? Use the grey up and down arrows on the right to select your answer in the green box...or just type your answer in the green box:**

10 %
 

▲  
▼

Based on your answer of 10%, this implies that your 20 year estimate of the value of the market cap of NEO will be **900,000,000,000 US dollars.**

[Please note that \\$900,000,000,000 US dollars in Canadian dollars is 115,810,200,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

**STEP 42: What do you think the supply of coins for NEO will be in 20 years? Use the grey up and down arrows on the right to select your answer in the orange box...or just type your answer in the orange box. You can use the answers in Steps 29 and 30 if you want to:**

20 Million coins
 

▲  
▼

Based on your answer of 20 million coins, this implies that your 20 year estimate of the value of the price of NEO will be

Please note, the target price (below this box) is just a sample, please watch the video associated with this called **(A) Using My Investment Framework to Analyze NEO** for more details.

You can update your version of the target price in the upcoming lecture, called: **(A) An Exercise on Creating YOUR Version of the NEO Investment Framework**. For more details, please watch **(A) An Exercise on Creating YOUR Version of the NEO Investment Framework**. Thanks

WHAT ABOUT DISCOUNTING THE FUTURE VALUE? You might now be thinking that if we are forecasting what the target price will be in the future, then we should discount that future price into today's amount as a dollar that we receive in the future is worth less than a dollar that we receive today (if that sounds confusing, please make sure to watch the lecture called "(A+B) Steps 40-43: Estimating on the Long-Term Target Price on the Crypto"....and think of the reverse logic....meaning if we invested \$1 in the bank today, it would be worth more in the future because of interest that we would make in our bank account...so we would prefer to get that \$ today rather than in the future. The math below will clear this up).

**[Optional] STEP 43:** If you wanted to discount the future price into today's value using your own discount number of years and your own interest rate, then please plug those 2 parameters into the boxes on the right to get a more conservative discounted price as of today.

Enter Discount # of Years: <b>20</b>	Enter Discount Interest Rate: <b>10%</b>
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**Based on all of the assumptions listed above, and using a discount time period of 20 years and using a discount interest rate of 10%, the target price for NEO is \$6,689**

**STEPS 44-49: Technical Analysis for NEO:**  Check this box when finished with Steps 44-49

Please watch the lesson mentioned in the yellow box on the left before looking at the technical analysis concepts below. Please note that the aforementioned lesson will explain how to look at charts when you do your technical analysis (please please please focus much more time on your long term fundamental analysis instead of technical analysis).

NEO Price: **66.28**

**STEP 44: AVERAGE 3 MONTH VOLUME DATA:**

Average 3 Month Daily Volume for NEO: 19.04M  
 Avg. 3 Month Daily Volume for NEO in US \$: \$1,262M US Dollars  
 3 Month Daily Volume for NEO in Canadian dollars: 1,624M Canadian dollars

Please look at the average 3 month volume of NEO in the data for Step 44. Is this cryptocurrency liquid enough for you to easily buy or sell in 1 trading day? Please enter your comment below.

In most cases, the cryptocurrency volume is high enough for us to be able to get in or out of within 1 day if needed. I want to put this concept on your radar screen now so that you can better assess the volume characteristic if you ever transact in less liquid cryptocurrencies as illiquid investments own us in a bad market (rather than vice versa).

**STEP 45: 52 WEEK HIGH DATA:**

52 Week High: 197.56  
 \$ Change from 52 Week High: -131.28  
 % Change from 52 Week High: -66%

Please look at the price of the 52 week high for NEO in the data for Step 45 and comment on the data below.

NEO is 66.45% below the 52 week high price of 197.56. Most of the time, the price will be below the 52 week high. If the % below the 52 week high is material, then this could indicate that sentiment is negative given a negative news item or negative sentiment on the entire crypto market or another reason.

**STEP 46: 52 WEEK LOW DATA:**

52 Week Low: 10.21  
 \$ Change from 52 Week Low: 56.07  
 % Change from 52 Week Low: 549%

Please look at the price of the 52 week low for NEO in the data for Step 46 and comment on the data below.

NEO is 549.17% above the 52 week low price of 10.21. Most of the time, the price will be above the 52 week low. If the % above the 52 week low is material, then this could indicate that sentiment is positive given a positive news item or positive sentiment on the entire crypto market or another reason.

**STEP 47: 50 DAY MOVING AVERAGE DATA:**

50 Day Moving Average: 67.15  
 \$ Change from 50 Day: -.87  
 % Change from 50 Day: -7718.39%

Please look at the price of the 50 day moving average for NEO in the data for Step 47 and comment on the data below.

NEO is -7718.39% above the 50 day moving average of 67.15, which indicates that sentiment may be positive on NEO. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be very positive and vice versa.)

**STEP 48: 200 DAY MOVING AVERAGE DATA:**

200 Day Moving Average: 76.95  
 \$ Change from 200 Day: -10.67  
 % Change from 200 Day: -721.18%

Please look at the price of the 200 day moving average for NEO in the data for Step 48 and comment on the data below.

NEO is -721.18% above the 200 day moving average of 76.95, which indicates that sentiment may be positive on NEO. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be very positive and vice versa.)

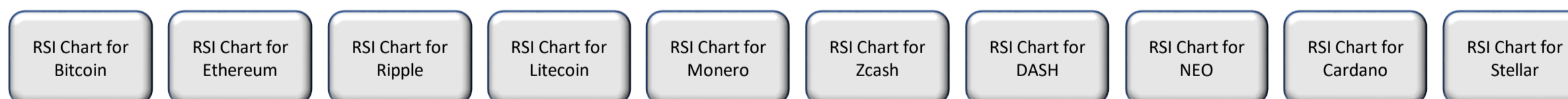
**STEP 49: RELATIVE STRENGTH INDEX (RSI):**

**What is the RSI and How Should I Consider Using the RSI Data?** If you want, please watch the lesson mentioned in the yellow shaded column on the left before starting before reading the rest of Step 49. The Relative Strength Index (RSI) can indicate if too many people have been buying or selling and a technical mean reversion chart movement could occur (I generally love buying when everyone else is selling and vice versa as long as I love the underlying long term fundamentals on the underlying cryptocurrency).

**Potential Buy Indication Using the RSI:** An RSI close to 20, indicates that the cryptocurrency may be oversold, which is a great buy signal if you love the long term fundamentals.

**Potential Sell Indication Using the RSI:** If the RSI is close to 80, then this could indicate that you might want sell and book a little bit of profit and hopefully buy the cryptocurrency back at a lower level (when it is no longer overbought). There is nothing wrong will booking a little bit of profit by trading every now and then...but we are more focused on being long-term investors.

Click any cryptocurrency button below to see its RSI chart. If you don't see RSI at the bottom of the chart after clicking on one of the buttons below, then click on INDICATOR in the top left hand corner after you click the button and add the RSI. Make sure you are using the most recent dates on the chart. If you get an error message in your browser, go to finance.yahoo.com and create the chart for whatever crypto you are using. Thanks



If you want, please enter your thoughts on the RSI chart that you looked at in the space below:

Here is an example on how to complete this RSI comment: "oversold now at an RSI near 20 (means a buy indication ONLY IF you are long term positive on the fundamentals of this cryptocurrency based on your research in the many many steps completed above me on this report" ....or.... "overbought now at an RSI near 80 (means I might consider taking a bit of profit if I own this cryptocurrency and buy that small amount back at a lower RSI....or if you want to start a position, then it might not be the right time given how overbought the RSI indicator suggests." [Please read the contents of the yellow box below thanks.]

I have to stress again, that in general, please be more long term-focused so we can be long-term owners and not merely "tourists" or "renters" of any investment. If we do our thorough research on any investment, then we are more likely to be longer-term focused (if we like the fundamentals based on our research process). This will ensure that we don't sell at the worst time and vice versa like most investors do (which often creates opportunities for the better informed investors to profit in the long run). Of course, and as a disclosure, positive returns are not guaranteed by this course...I just want to help you understand how to research investments. Thanks