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JANUARY-MARCH 2020
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Sun Life brand ambassadors are joined onstage by some of the entertainment industry's finest talents to celebrate Sun Life Philippines' 125th anniversary at a concert musical entitled "Beyond Lifetimes," which showcased the remarkable stories of Sun Life clients, advisors, and employees.

Sun Life celebrates 125 years in the Philippines

Sun Life of Canada (Philippines), Inc. ("Sun Life"), the first and longest-standing life insurer in the Philippines, celebrated its 125th anniversary in the country by mounting back-to-back events with the theme "Beyond Lifetimes," reiterating its purpose and commitment to help clients achieve lifetime financial security and live healthier lives.

Sun Life kicked off its celebration by unveiling its 125th anniversary marker at the Sun Life Centre in Bonifacio Global City, Taguig, to serve as a testament to its longevity in the country. The event was graced by *Insurance Commissioner Dennis Funa*, *Sun Life Philippines CEO & Country Head Benedict C. Sison*, *Sun Life Asia President Leo Grepin*, and *Sun Life Financial Global President & CEO Dean Connor*.



Sun Life Philippines unveils its 125th anniversary marker in the presence of Sun Life Philippines CEO & Country Head Benedict Sison, Insurance Commissioner Dennis Funa, Sun Life Asia President Leo Grepin, and Sun Life Financial Global President & CEO Dean Connor.

Meanwhile, an art exhibit entitled "Portraits Beyond Lifetimes" was also launched. The exhibit showcased the stories of Sun Life clients, advisors, and employees that highlighted the authenticity of its purpose. Among the stories turned visual artworks were: "Beyond Promise," the story of the late President Manuel Quezon's widow, Aurora, who was one of the beneficiaries whom Sun Life paid claims to after World War II despite the absence of documents; "Beyond Passion," the story of Sixto Sandejas, an exemplary advisor who became the first Filipino member of the prestigious Macaulay Club; "Beyond Commitment," the story of the oldest active Sun Life advisor Carlos Medina, who still serves his clients at 93 years old; "Beyond Love," the story of rookie

financial advisor Rochelle Ilao-Dolor, whose first death claim was that of her very own father, Nestor Ilao; and "Beyond Trust," the story of the Sy Family of Cagayan de Oro, a six-generation client, who counts only on Sun Life to secure their future.



The "Portraits Beyond Lifetimes" art exhibit turned the extraordinary stories of Sun Life's clients, advisors, and employees into stunning visual art pieces that highlighted the authenticity of the company's purpose.

These stories and more were likewise featured in "Beyond Lifetimes," a concert-musical held at the SMX Convention Center in Pasay. Sun Life clients, partners, advisors, and employees were treated to brilliant performances by an all-star cast led by Rachele Ann Go, Ben & Ben, Morissette Amon, Aicelle Santos, Frenchie Dy, Philippine Madrigal Singers, Acapellago, Gian Magdangal, Baihana, Radha, Katrina Velarde, Gabriella Pangilinan, and with special participation of Sun Life brand ambassadors Charo Santos-Concio, Judy Ann Santos-Agoncillo, Enchong Dee, Matteo Guidicelli, Inigo Pascual, and Piolo Pascual.

"The theme of this year's celebration speaks of the generations of clients we have served, the promises we have kept, the dreams we have fulfilled, and the lives that we have made brighter," Sison said. "Helping Filipinos secure a brighter future has always been our focus, and no matter what the future holds for us, every decision shall revolve around serving them not only in the present but even beyond lifetimes."

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“No other investment yields as great a return as the **investment in education**. An educated workforce is the **foundation** of every **community** and the **future** of every economy.”
— BRAD HENRY

“**Knowledge is power**. Information is liberating. **Education** is the premise of **progress**, in every society, in every family.”
— KOFI ANNAN

“An **investment** in knowledge pays the **best interest**.”
— BENJAMIN FRANKLIN

“Knowing the **right detail** gets you a **great return**. Ignore them and you just **crash and burn**.”
— ROBERT ROLIH

“The **individual investor** should act consistently **as an investor** and not as a speculator.”
— BEN GRAHAM

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Spreading Your Risk

When it comes to investing, we often consider only one thing: returns. Whether it's interest rates, capital gains, or business profits, we just look at the reward and ignore the risk. But investing is as much about managing risk as optimizing returns.

Right now, the property market is booming, thanks to the office segment, driven by POGOs and BPOs. But the stock market? In the doldrums. If you are solely in equities, too bad. That is why diversification is critical to your portfolio.

In this issue—our annual Investing edition—we cover various asset classes. Our feature article “Where to Invest in 2020” (p. 49) is a comprehensive outlook on the economy, financial markets, and real estate sector. The conclusion: “Invest not just in different asset classes (equities, bonds, fixed income, real estate), but in geographies (Philippines, Asia, US, Europe) and flavors (Emerging Market, Developed Markets).”

So, spread your risk by investing in these investment vehicles:

1 EQUITIES

Stocks, including equity funds, are the easiest, most affordable, and low barrier-to-entry investment class. We compare “Index Funds Vs. Actively Managed Funds” (p. 16), present “20 Stock Picks for 2020” (p. 57), and show “How to Effectively Set Up Trades” (p. 62).

2 REAL ESTATE

Property investments offer long-term capital appreciation and regular cash flow. We tell you “How to Make Money in Real Estate” (p. 53) and the “Best Real Estate Markets Outside Metro Manila” (p. 11). If you plan to get in rental properties, we have an article on “Drafting a Solid Lease Agreement” (p. 64). Or if you want to list your unit Airbnb, we have an interview with an experienced host (p. 20). If you're in the market and need financing, we also show you “How to Apply for a Mortgage” (p. 8).

3 BUSINESS

A business is one of the best investments you can make. It offers greater control, creative expression, social and economic contributions, and cash flow for the rest of your life—even beyond. Take, for instance, the family behind the Rex Group of Companies (p. 34). By investing in the growth and evolution of their company, the business has generated a steady, though not risk-free, source of income for two generations for the last seven decades.

4 EDUCATION

The Rex Group of Companies is committed to the 21st century education for Filipino learners. Investing in human capital is key to the growth of a society. It is exactly the same thing in the individual level. You can spread your risk by investing in yourself. Expand your skills and commit to lifelong learning and you will not just survive but thrive in your career or business.

5 ART

Investing in artwork is not just for the rich. If you enjoy art and have a knack for spotting up-and-coming artists, you can make money from it. We have a primer on “Investing in Art” (p. 24) that offers a great guide.

6 HEALTH

We usually don't think of our own health as an investment, but it is exactly what it is. What would happen if you become critically ill? You can lose a lot of money spending on hospital bills, treatments, and medicines. You will lose income from not being able to work. We have an article on “Choosing the Right Fitness Club for You” (p. 66), which will help you invest in your health and wellness.

In truth, your best investment is in yourself. There is no better cash flow generator and market value creator than you. So, take care of yourself, invest in yourself, and enjoy reading this issue! ^{MS}

Heinz Bulos

Editor-in-Chief
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How to Apply for a Mortgage

BY EXCEL V. DYQUIANGCO

A mortgage is a legal contract by which a bank or other creditor lends money at interest in exchange for taking the title of the debtor's property such as real estate, inventory, machinery and equipment with the condition that the conveyance of title becomes void upon the payment of the debt.

"When applying for a mortgage, it is a must to compare interest rates of banks to get the lowest interest rate offer," says Bank of the Philippine Islands (BPI) Strategy Officer Tyrone Charles Solee. "Once you've identified the bank to get your mortgage, then the mortgage process begins."

Below are the steps in applying for a mortgage:

PRE-APPROVAL. Banks will ask your documents as a proof of your capacity to pay. This includes your recent bank statements, pay slips, certificate of employment, latest income tax return, and other documents.

“When applying for a mortgage, it is a must to **compare interest** rates of banks to get the **lowest interest rate offer.**”

APPRAISAL. Next step is the appraisal of your collateral. You have to pay the appraisal fee for this. Collateral can be a real estate property such as a house and lot or a condominium in case of a home loan.

Or it can be inventory or machinery and equipment in the case of chattel mortgage. Or even a car in the case of a car loan. This is to assess how much is the loan amount that they can release to you. Banks don't give 100% of the appraised value of your collateral as your loan amount. Instead, they usually give 60% to 80% depending on how fast the depreciation of collateral is. Real estate collateral usually commands up to 80% of the appraised value while fast depreciating chattels can only command up to 60% of the appraised value.

PAYMENT OF FEES. Next is to pay the fees. This includes bank financing fees, mortgage redemption insurance, and other processing fees. Mortgage redemption insurance is an insurance policy where you assign the bank as beneficiary in case of your untimely death. The insurance proceeds will supposedly pay for your debt. Financial-wise, you need the following: enough money for the down payment (3% to 20% of the purchase price); two years of steady employment (same job or field), good credit, monthly income that's three times higher than your expected monthly mortgage payment.

RELEASE OF LOAN PROCEEDS. The last step is the release of loan proceeds.

In order for you to get your mortgage approved, Tyrone adds, "You need to provide documents that will serve as a proof of your capacity to pay. In addition, the collateral that you are mortgaging to the bank must have a high appraised value than the loan amount that you are intending to borrow."

But what if you still don't get approved? Here are some measures just in case.

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STILL TALK TO THE LENDER. Don't just assume that you can't get a loan. Still approach the bank and ask if you can get a loan. If your loan still won't be granted, ask them what you can do to get your loan approved.

USE A MORTGAGE BROKER. Brokers can help you shop around and look for lenders who can give you the mortgage. Of course, they charge a fee for this, but it is all worth it when you get your loan approved.

LOOK FOR A CO-SIGNOR. See if a family member—who has a better credit standing or who earns more than you—is interested in sharing the loan with you. Keep in mind that the loan is still yours but if you are unable to pay, your co-signor will pay in your behalf. This obviously means that your co-signor has lots of trust in you.

For those interested in applying for loans, Tyrone says, "The best advice is to save for the future to avoid applying for a mortgage at all. However, if mortgage is indeed needed, then the best move is to canvass for the best interest rate with the friendliest terms among the banks and lenders. Some banks also allow current life insurance policies to be used as mortgage redemption insurance. You just need to change the beneficiary to the bank until you get the loan fully paid. In this way, your costs will be lessened."^{MS}

“ The best advice is to **save for the future** to avoid applying for a mortgage at all. However, if **mortgage is indeed needed**, then the best move is to **canvass for the best interest rate** with the most friendly terms among the banks and lenders. ”



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The Best Real Estate Markets Outside Metro Manila

BY RICHARD THADDEUS CARVAJAL, ACSI, RFP®

When one decides to jump into a real estate investment, the usual go-to property would be a condominium unit that's standing on the busy streets of Metro Manila. After all, Manila is the capital city of the Philippines, and it goes without saying that the premier developments, bustling commercial hubs, and diverse populace are all situated in such a prime location.

That's no secret, and every property investor—whether novice or pro—understands that.

However, not all good property investments are found in the big city. Various real estate markets are emerging way beyond the metro, all of them worthy of a second look to fully perceive their potential. A lot of cities are becoming more and more progressive than you know, and it's about time we shed some light upon them before all opportunities run out.

So, if you're trying to explore your options for your first, or next property investment, it doesn't hurt to think outside the box a little. Here are some of the best real estate markets in the Philippines that are located outside Metro Manila.

PAMPANGA. Let's talk about the rising business center that is very close to Manila, which is Pampanga. To be specific, it's the Clark-Mabalacat area that's been gaining attention for the past few years, and for all the right reasons.

Although Clark, Pampanga has been known to be one of the most progressive cities in the country, plans to fully develop the area are now starting to materialize. Some of the most promising projects that are underway, like the Clark Airport Expansion, the NLEX-SLEX Connector Road, and the Subic-Clark Cargo Railway are clear manifestations of Clark's major development.

Clark's proximity to Metro Manila also adds greater

value. As vacancy rates in the capital continue to dwindle, finding space in its nearby city is definitely a considerable option especially now that residential and office properties are starting to spring up.

CEBU. Now let's go further down the map, all the way to Visayas where the "Queen City of the South" is located. For the longest time, Cebu has maintained its rep as one of the top cities for real estate investors because of its increasing property demand, particularly for office and retail properties.

The number of BPO firms, KPO, and IT companies are rapidly increasing and will continue to increase in the coming years. The current administration's infrastructure push within the area is also instrumental in the city's rising real estate investment potential.

And most of all, Cebu hasn't lost its natural essence at all. Cebu's healthy mix of modern city life and traditional provincial life adds to the city's majestic qualities. Cebu serves as a center of the country's major business developments as it is the home of the most beautiful tourist destinations, paving the way for real estate markets to flourish.

DAVAO. Davao City is the second largest city in the Philippines, with an economy that has been rising at an impressive rate. It may be the farthest business center from Metro Manila, but it's just as progressive. Davao is, without a doubt, the top choice for real estate investors anywhere in the Philippines.

For being a highly urbanized megacity that's also the center for trade, business and commerce, Davao City's real estate sector is moving at an upward slope. Due to the city's effective urban planning marked by good public facilities, public transportation, commercial spaces and residential areas, it has become the ideal location for real estate investments to prosper.

Davao City is also among the top retirement destinations for locals, OFWs, and foreigners alike because of its steady reputation as the cleanest and safest city in the Philippines.

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BAGUIO. The City of Pines is home to the country's ripest real estate markets outside Metro Manila as well. If you're from the big city, it'll take you a good six-hour drive to get to the "city in the hills", where you'll find a good mix of traditional and modern living.

Without losing its natural beauty, Baguio City is now becoming a massive hub for various real estate developments. Thanks to the steady influx of tourists and the rise of businesses in the area, property demand continues to pick up in the summer capital. While the property prices are relatively cheaper than most properties you'll find in other cities, the quality isn't compromised, with some of them even touching the high-end line.

Owing to the city's thriving business landscape, tourism hotspots and magnificent land area particularly that of Camp John Hay, Baguio is easily a top investor's pick in terms of mixed-use real estate properties.

CAVITE. More people are settling in the South because of the urban dweller's preference to stay in a more serene, provincial area while also having ease of access to the convenience of the metro. And that is found in Cavite.

Cavite is one of the nearby cities in Metro Manila that has given birth to multi-faceted real estate markets. The number of residential and office properties alike have significantly increased in recent years to meet the demands of the growing urban population. Local and foreign investors have started to flock the area to establish businesses and other commercial developments, particularly in Bacoor City. Bacoor also serves as a gateway for working professionals to travel to and from Metro Manila through major thoroughfares like the CAVITEX and Quirino Avenue, among others.

Cavite might as well be considered the next Manila, for having shown immense potential for urban development as wide as the latter's.

You see, real estate investing opportunities stretch far beyond what's inside the capital city. The Philippines is a massive archipelago, and with the help of emerging cities apart from the metro, the country has maintained a robust economy that's now considered the fastest growing in Asia.

Focusing on a single location when looking for a property investment is very limiting. The Philippine real estate industry has so much to offer, and it's yours for the taking. ^{MS}



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Index Funds **VS.** Actively Managed Funds

BY EXCEL V. DYQUIANGCO

The debate between index funds and actively-managed funds is something that every smart investor should engage in. Like the many different kinds of investments, knowing which one to put your money in can help you grow your funds. Of course, this is not only about investing where you can get the full advantage and benefit, but it also depends on your goal and your personal circumstances.

But first things first, here are some items you should know about index funds and actively-managed funds.

“While both **funds** are a **great investment** tool, it is **important to know** that there are **pros and cons** to every investment type.”

WHAT IS THE DIFFERENCE BETWEEN INDEX FUNDS AND ACTIVELY-MANAGED FUNDS? Josh Bayabo, Executive Unit Manager, from Philam Life, explains, “An index fund is a type of fund that mirrors or matches a financial market index like the Philippine Stock Exchange,” he says. “An actively managed fund is a type of fund in which a Fund Manager decides where and how much to invest.”

WHAT ARE THE DIFFERENCES AND SIMILARITIES BETWEEN INDEX FUNDS AND ACTIVELY MANAGED FUNDS? “While both funds are a great investment tool, it is important to know that there are pros and cons to every investment type,” says Josh. “These are according to operating expenses, risk management, and rate of return.”

Operating Expenses - Since index funds practically mirrors a certain financial market, the operating and management costs are very low. Some index funds offer only .75% management charge compared to some actively managed funds that may charge you 3%. This is because an actively managed fund requires a fund management team that monitors every company in the market and makes investment decision for you.

Risk Management - Here in the Philippines, you only have one financial market—the Philippine Stock Exchange Index. That’s why when you talk about diversification, you usually think that funds cannot diversify much. However, if you invest in the PSEi, you get to invest in the top 30 blue chip companies of the Philippines. Simply speaking, these are the companies that you cannot imagine the Philippines without. On the other hand, investing in an actively managed fund can open you to the possibility of investing with second liner stocks, a public stock offering considered as riskier than blue chips.

Rate of Return - The general rule of investing is that the higher the risk, the higher the reward and that the lower the risk, the lower the reward. Knowing that, even though you cannot predict the performance of funds, it is safe to assume that with the higher risk that actively managed funds come

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with, it is also more likely for it to outperform index funds. But there is always the caveat that no one can predict which fund will perform best.

WHAT ARE THE QUESTIONS YOU SHOULD ASK YOURSELF BEFORE INVESTING IN EITHER INDEX FUNDS OR ACTIVELY-MANAGED FUNDS? Josh says that for those wanting to invest in either index funds or actively-managed funds, it is best to ask these questions to yourself first.

“Firstly, what’s your risk tolerance?” he says. “That pertains to the amount of risk you can take. Secondly, what’s your risk capacity? Do you have a time frame for when to pull out the funds that you are investing? If yes, make sure that you can overcome financial market risks such as market downfall and the like. Lastly, what is your risk required with respect to your risk capacity? If you need a higher yield with a minimal time frame, you might need to adjust your investment portfolio and take higher risks with an actively managed fund.”

SO WHAT IS THE BOTTOM LINE? WHICH ONE SHOULD YOU INVEST IN—INDEX FUNDS OR ACTIVELY-MANAGED FUNDS? “It depends on what your goal is and how much you can take,” says Josh. “But if you want, you can get both so you also get the best of both worlds.”^{MS}

“Do you have a **time frame for when to pull out the funds** that you are investing? **If yes, make sure that you can overcome financial market risks** such as market downfall and the like.”



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Q&A with Airbnb Host Ronald Dizon

MS: HOW DID YOU START AS AN AIRBNB HOST? CAN YOU SHARE SOME OF YOUR EXPERIENCES?

RD: Everything started after my wife and I acquired a 24-sqm studio unit in Pinecrest Condominium as an investment property. The unit was formerly owned by an OFW. For some reason, she could no longer work abroad, thus she could no longer sustain the monthly payments. When we learned that there were several missed payments and accrued penalties, we made a lower offer on the unit to cover the arrears, as well as transfer fees and other costs. So, we negotiated with her and finally came to an agreement. We were very happy that our offer was accepted, despite it being a very, very low offer. We were so excited to have this promising new investment.

Having secured the property, we then proceeded to work on the bank financing and the turnover requirements.

It was in December 2015 when the unit was turned over to us. Now, our next goal was for this property to be a self-sustaining investment. We planned to use the rental income to pay for the monthly amortization, condominium association dues, real property tax, etc. just like what we've read in Rich Dad, Poor Dad and in the personal finance/real estate seminars we've attended before.

Our jaws dropped when we found out that the current long-term rental rate for a newly turned-over unit (bare) was only equivalent to half of our monthly amortization and that did not include the condominium association dues, real property tax, etc. Apparently, we did not do our homework.

We always thought that it would fetch a modest rental rate since it was in a good location (New Manila, QC), it was made by a reputable developer (Crown Asia / Vista Land), it was beside Robinsons Magnolia, and it had good amenities.

Our promising new investment started to look less promising day after day until a friend suggested to have it rented out on Airbnb, an online platform/community specializing in short term rentals.

At this point, I already had an Airbnb account and have used it a couple of times as a guest.

Having zero-experience on becoming an Airbnb host, I

fired up my web browser and my favorite search engine and started consuming content after content on how to do the business side of Airbnb. I also turned my eye on YouTube and watched video after video. Pretty soon, all my recommended videos were mostly on topics about Airbnb.

We went to the model unit of Pinecrest Condominium and took several photos to serve as our inspiration. We really liked the open layout of the model unit and we did our best to imitate it, but we did several tweaks on our own. We then used part of our savings to purchase a decent hotel-quality bed, a sofa bed, several sets of linens, towels, mirrors, wall art, pillows, etc. I looked in my mom's bodega and found an old dining set which I had a local carpenter re-finished. We used my wife's credit card to buy the ref, rangehood, shower heater, several small appliances, kitchenware and dinnerware on installment. Since we had a budget to work with, I brought in our only big flat-screen TV at that time.

Sometime March of 2016, my wife and I took the plunge.

MS: WHAT WAS IT LIKE WHEN YOU BEGAN MARKETING YOUR UNIT AND GETTING YOUR FIRST BOOKING?

RD: When everything was ready, I started taking photos using my iPhone so I can immediately upload it using the Airbnb Mobile App.

All the content and the videos I watched are now starting to pay off. Slowly but surely, I was able to complete my Airbnb listing. I tapped on the Publish button, then I waited for my first booking.

We got our first booking in less than a week. Our first guest was a Malaysian guy who stayed for almost a week. He was attracted to our listing since it was new and it had the customary 20% discount. Airbnb gives this option to new hosts in order to attract their initial bookings and get their initial reviews. I also learned later on that for a limited time, Airbnb gives new listings an extra boost in the search rankings.

He was pretty much happy with his stay and he gave us a good review. His good review led to a couple more guests and their good reviews led to more guests and so on and so forth.

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MS: WHAT DID YOU LEARN FROM THE INITIAL EXPERIENCE OF BEING AN AIRBNB HOST?

RD: At this point, I was learning as I kept on hosting guests. This is real on-the-job training. One by one, I realized my mistakes. One of which is that I priced my listing too low. It was because our initial goal was just to have the unit to pay for itself. It paid for itself alright, but it left me tired and uncompensated for my time and effort.

We started comparing my listing with similar listings in the area. Then we adjusted our nightly rates. One day, I noticed a listing having different rates for certain days in the week. So, we created our own weekday, weekend, and holiday rates. Each time we learn something new, we will test it by applying it immediately on our listing. If it worked, we will continue to apply it. If it didn't work, we would revert back to what we did before or try something else.

We are still learning something new until now. We learned the hard way that not all condominiums allow their unit-owners to rent out their own condos on Airbnb.

When I was still single, my broker-friend convinced me to purchase a small studio unit from a high-end developer during its pre-selling stage. By the time it was ready for turnover, my wife and I turned it to another Airbnb unit. It was doing exceptionally well. It was making P2,300 to P2,500 per night. This went on for about a year. Then one day, I was called in for a meeting with the Property Manager. They ask me to stop renting it out on short term basis, stating

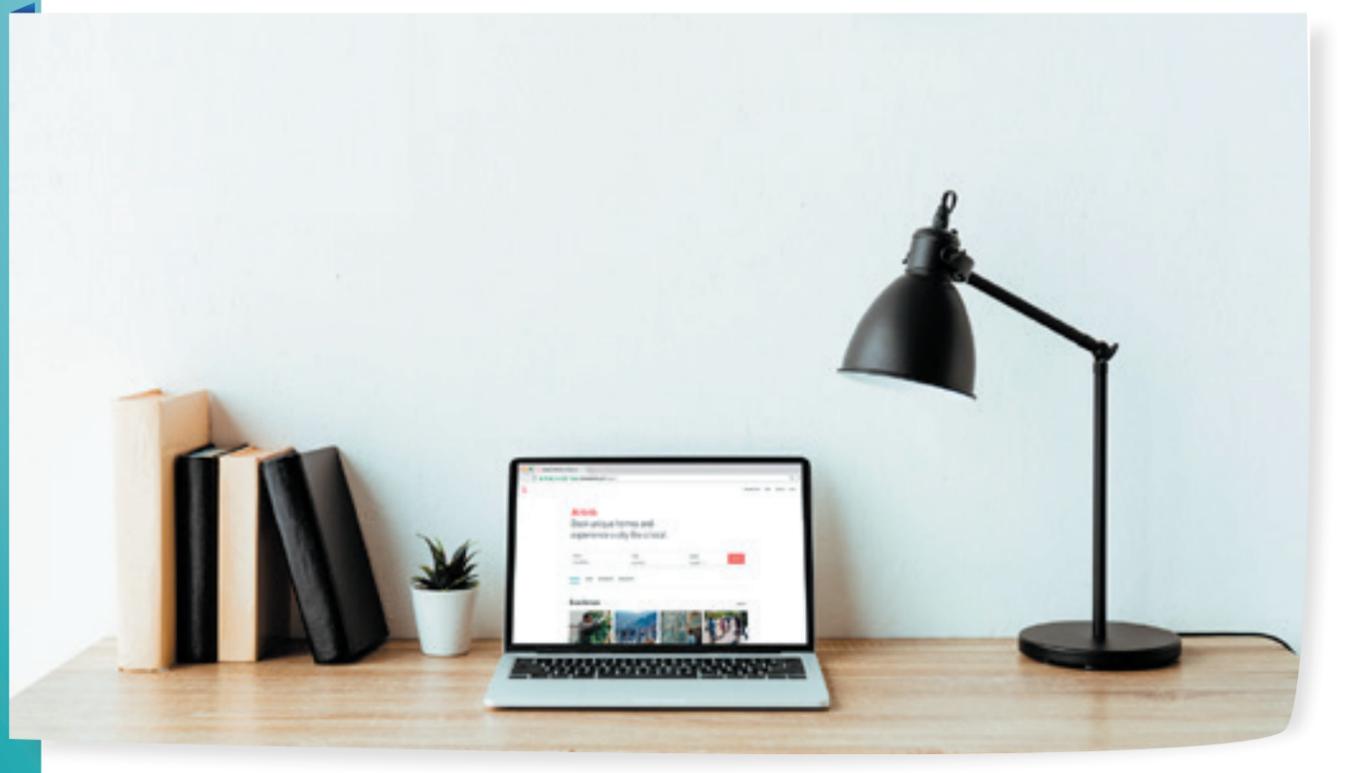
that it somehow affects the exclusivity of this high-end development. The unit is currently being rented out on a long term basis. It's paying for itself but it's no longer the money-making machine it used to be.

MS: DID YOU BECOME A SUPERHOST?

RD: As I gained more experience, I became more confident, especially when I reached Superhost status. I approached my mom and convinced her to allow me to "Airbnb" some of the rooms in her old building. Looking back, this was one major misstep. I managed to renovate the rooms, however, the building was rather old and for some reason I attracted the wrong kind of guests, probably because they saw my other listings are in nice condos and expect similar accommodations despite the rooms being positioned and priced as econo/budget rooms. On hindsight, I should have just opened a separate Airbnb account for this. A series of negative reviews on these rooms and the building made me lose my Superhost status.

MS: HOW DOES ONE BECOME A SUPERHOST IN AIRBNB?

RD: To be a Superhost, you should have hosted at least 10 stays or 100 nights with an average rating not lower than 4.8 stars and no canceled reservation. This is reviewed every quarter. Airbnb has a search feature to only show guests listings handled exclusively by a Superhost. Also, your listings get an extra boost in the regular search results while you are on Superhost Status. And you get a medal icon on your Airbnb profile picture.



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After that brouhaha in the rooms in my mom's old building, my overall rating dipped to 4.7 stars, thus losing my Superhost status. I tried to get it back but despite having several 5-star reviews, it seems so hard to move my overall average back to 4.8 stars.

MS: WAS THERE A DIFFERENCE IN INCOME BEFORE YOU BECAME A SUPERHOST?

RD: Not exactly. It's good for marketing and its certainly an ego-boost! But if you want a difference in income, you should develop a good pricing strategy. You should price differently for weekdays, weekends, and holidays. You should take into consideration the peak and off-peak seasons in your location. More importantly, you should consider adding more listings (more units) to your Airbnb account.

MS: HOW MANY AIRBNB UNITS DO YOU HAVE? DESCRIBE YOUR UNITS?

RD: Here in Pinecrest, we own one and we manage several other units in this location. All of our units here are studio units. Some have balconies, some don't.

All of our units are fully furnished, vacation-ready condos that can accommodate two to four guests.

We prefer studio units since it can easily be rented out.... And that's what we can afford at the moment. Also, we can accommodate big groups by dividing them into several units.

We also manage a few loft-style apartments near UST and my aunt's condo in Ermita. They are all listed on Airbnb.

MS: HOW DO YOU MAINTAIN YOUR UNITS?

RD: Units are cleaned each time we have a guest turnover (check in/out). Fresh linens, towels, toiletries are provided as well. We currently have a few cleaners working for us. I also have a freelance housekeeper whom I call every now and then whenever we needed an extra hand.

I also have an all-around guy who does most of our basic repairs. But for more specialized repairs (electrical and plumbing), I rely on our condo's maintenance guys. It's not free. It's their "sideline" after their shift.

If something goes wrong with the unit, we try to fix it immediately before the next guest arrives. If we can't fix it and we have another vacant unit, we would transfer the guest there.

MS: HOW DO YOU GET BOOKINGS AND HOW DO YOU MANAGE THEM?

RD: I'm gonna tell you a little secret. I don't exclusively list on

Airbnb. I market my listings on other platforms like Booking.com, Homeaway.com, Egetinnz.com and even on Facebook. This is what I do to fill up all my calendars. There is an app called Tokeet to manage and sync calendars to/from different platforms. It's around \$30 per month for five units.

Some potential guest will inquire first, chat with you several times before they will book. There are a number of people on Facebook will chat with you for a long time but will never book! That's why I created a chatbot to initially "chat" with these people and give them basic information about our listings. I only chat with those who already "pre-screened". My favorite kind of guests are those who do instant-booking. They finalize their booking immediately. No questions.

Once you have a certain number of listings, Airbnb gives you its Multi-Calendar tool to give you a bird's eye view of your calendar and bookings. It's a pretty intuitive tool. Again, I went back to YouTube and looked for people teaching how to use this tool. It is now one of the first websites I open in the morning as I have my coffee.

MS: HOW DOES ONE MAKE MONEY FROM AIRBNB? DO YOU CONSIDER IT A GOOD BUSINESS/INVESTMENT?

RD: Airbnb hosts primarily make money through bookings and cleaning fees. The gross is about two to three times what you will make from traditional long term rentals BUT don't get all excited since there are also expenses (electricity, water, internet, cleaners, laundry, etc.), management and actual work that is involved. It's definitely NOT passive income. There are day-to-day operations.

You can do all the fancy pricing strategies you want but if you only have one unit, you can only go so far. They key to make it worthwhile is for one to have multiple units in multiple locations (if you can) and list them in multiple platforms (if you can).

Being an Airbnb host is not for everyone. It's not an investment either. It feels like you have another job on top of whatever you are currently doing. Being in the Airbnb space has its moments and heartaches. You will learn that there are just some people you can never please no matter what you do.

MS: WHAT ARE YOUR PLANS IN THE FUTURE?

RD: I'd like to expand to other locations, probably in one or two of local CBDs or in a province with a high level of tourism activity.

It would also be nice to finally have a home base that will serve as my office and at the same time, a place to do our own laundry, stock our linens, towels, toiletries, and other supplies.**MS**



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Message from the PSE President and CEO Ramon S. Monzon



My warmest greetings to all and my congratulations to First Metro Philippine Equity Exchange Traded Fund, Inc. (FMETF) on its sixth anniversary. The debut of FMETF in 2013 was an important milestone in the history of the Philippine stock market. Its listing brought about the addition of a much needed asset class in the local bourse, one that has been very popular in markets overseas.

I commend FMETF and its affiliates for actively promoting ETF investment. This continuing education campaign has helped investors understand and appreciate the benefits of this investment instrument.

As the Philippine Stock Exchange (PSE) revamps its sector indices, I hope that FMETF will consider introducing more ETFs in the coming years, including trackers based on the new indices we will soon launch.

I commend the companies and people behind FMETF – its sponsor, First Metro Investment Corporation; its Fund Manager and Principal Distributor, First Metro Asset Management, its Authorized Participants and Custodian – for their unwavering support of the Philippine capital market.

More power to FMETF and I wish the company more success in the coming years!

RSM
Ramon S. Monzon
President and CEO
The Philippine Stock Exchange, Inc.

Primer: Investing in Art

BY FITZ GERARD VILLAFUERTE, RFP®

Diversification is an important principle of investing. Putting your money in various types of financial instruments and asset classes helps minimize your risk.

Aside from the usual paper assets such as stocks, bonds, and mutual funds, many long-term investors would also invest in tangible assets such as real estate, jewelries, antiques, rare collectibles, and of course, artwork.

Investing in art used to just be for the rich and famous. But thanks to the Internet, research and knowledge about artworks are now more accessible. This has empowered the average person to venture into the lucrative world of art investing, without fear of looking clueless and getting ripped off.

DIFFERENT TYPES OF ART

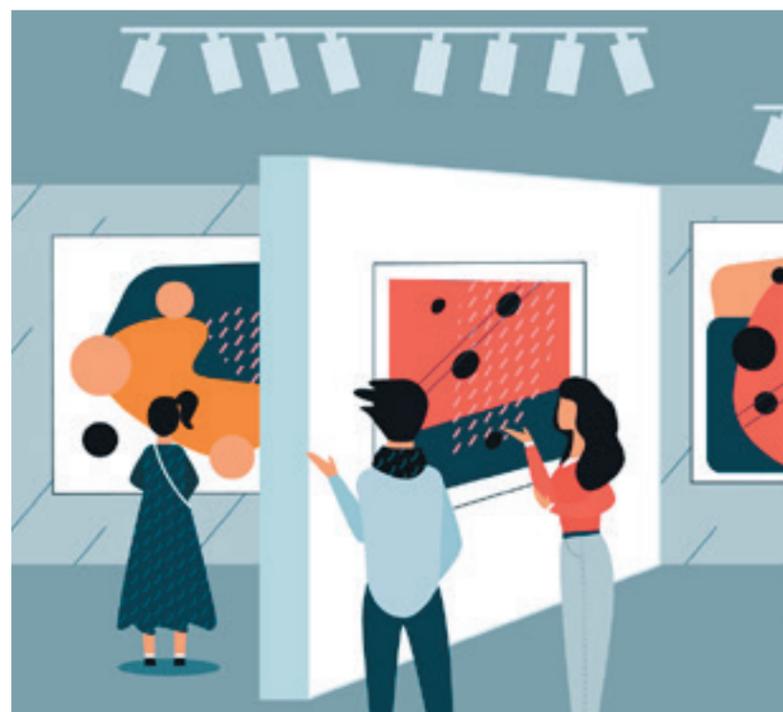
There are many different types of art. Beginners tend to immediately think of paintings and sculptures, but there's also drawings, photography, digital and mixed media, prints, and even video. Moreover, craftworks such as pottery, embroidery, glassworks, and similar pieces can also be considered as a piece of artwork.

Original works are highly valued in the art world. Its rarity is what justifies its price tag. For this reason, most art investors prefer buying and selling them.

However, copies and reproductions of an original artwork can still fetch a good price in the market. Investors with limited funds tend to begin their art venture by collecting these, before moving towards the more expensive originals.

Prints, for example, can appreciate in value especially if it's a limited edition that the artist of the original work has agreed to be reproduced. And if a print has the artist's autograph, its value can further increase considerably.

Then there are prints of very high quality, which is called a giclée. Art dealers often describe these as "museum quality" copies. A giclée can consistently appreciate in value over time, much like their original counterparts.



HOW TO BUY WORKS OF ART

It's necessary to do your homework before you buy your first piece of art. Here are four things to do due diligence on.

The Artist. Someone with an interesting back story tend to generate good interest from buyers. Research on the artist's reputation, including previous exhibitions and awards. Art galleries will most likely have information on the artist's biography as well.

The Artwork. Understand what exactly you are buying, particularly, if is it an original or a copy or reproduction. Research on its history and check if it's part of a series of works by the artist. Moreover, obtain an appraisal of the piece from different sources, to ensure that you are getting a good investment.

The Dealer. The reputation of the dealer or broker is also very important. Do research about them with extreme scrutiny. You can also inquire in established art galleries regarding the reputation of a particular supplier.

The Market. Finally, know which market does the art piece belong to. If it's never been seen or sold before, then it belongs to the primary market and you need to research on the artist's previous works to know how much the piece could potentially be sold for. If it belongs to the secondary market, then check on its historical prices and what factors affected its price tag before.

WHERE TO BUY ART

Auctions. Participating in an art auction is always an exhilarating experience. But be sure to research on the pieces that will be presented beforehand, so you can price your bids accordingly.

Galleries. Artworks on display in galleries often belong in the primary market. It's a great place to discover up and coming artists that may someday become big.

Art and Crafts Fairs. These events are a good place for beginners to develop an eye for art. More than looking at the works on display, take time to mingle with other art lovers and artists there.



Online. Everything is now being sold online, including artwork. If you're hoping to get pieces from other countries, then consider buying art over the Internet. Just make sure that you only buy from reputable websites.

Selling Your Art. Art investors can sell their pieces where they originally bought them—in auction houses, galleries, art fairs, and online. But it's also common to sell them directly to your network. Thus, it's important to build a list of clients, particularly art collectors and other art investors.

ADVANTAGES OF INVESTING IN ART

Physical Asset. It is an asset that you can hold, unlike paper assets such as stocks or mutual funds. Most people consider this as an advantage.

Enjoyment Value. Many art investors are collectors first and investors second. To be able to display and appreciate your investments is a benefit that you can experience.

Less Price Fluctuation. Unlike paper assets, there's much less volatility on the prices of artworks. More often than not, they simply appreciate steadily over time.

DISADVANTAGES OF INVESTING IN ART

Barrier to Entry. The main barrier to entry into the art world is lack of knowledge. Lots of research is needed to break into the scene.

Not a Liquid Asset. Art is not a liquid asset compared to paper assets. Selling art can take a bit of time, effort, and planning if you want the best price for your piece.

Risk of Loss or Damage. The downside of owning a physical asset is that it's susceptible to loss or damage if not stored and cared for properly. Getting insurance for high-value items is a must to protect your financial investment.

No Guaranteed Appreciation. Lastly, there is no guarantee how much a piece will appreciate over time. The world of art can be fickle-minded and highly subjective.

IN SUMMARY

Investing in art can be extremely lucrative, but there's never a guarantee that a piece of art will appreciate in value. Research and education is a necessity to have the best chances of success in this venture.

This means going to museums, galleries, auctions, art events, and immersing yourself into the world of art. Observe and look for art with a collector's eye, but think and decide with an investor's mind. [MS](#)

Fitz Villafuerte, RFP is Registered Financial Planner of RFP Philippines.

My Journey to Real Estate

BY **ANDY MAÑALAC** AS TOLD TO EXCEL V. DYQUIANGCO

After having gone through a couple of months at the seminary, I realized that seminary life was not my calling. When I got back to the real world, I decided to take up Computer Science at AMA Computer College. Right after University, I worked as a COBOL programmer for a multinational company, but got bored after a couple of months, then I got my first taste of real estate in 1989. I got my license and started my real estate career.

My lifestyle charged to high living when I got my first commission equivalent to almost five years of my batchmates' salaries. As a sales agent, I proved to be a consistent sales champion, led teams, trained more champion leaders, and was able to share my expertise and develop more champion leaders with other developers.

As a Sales Director for Robinsons Land, I was soon able to build the SHARK team that became a consistent Champion even after I left the company. I also became one of the first five employees of ETON Properties in 2007 and helped build the sales organization that shook the market until I left in 2011.

My last stint prior to Havitas Development Corporation was as SVP of Century Properties for five years which gave me the opportunity to see open markets for their ultra-high-end, branded projects globally.

HELPING PROPERTY OWNERS GET INTO PROJECT DEVELOPMENT. Havitas is a development management and consultancy company that was formed to help property owners and investors get into project development in the Philippines. The company is a synergy of expertise of former top executives of the major developers. All the founders have a minimum of 25 years of actual experience in their respective fields, covering business development, finance, marketing, sales, legal and commercial operations. These are actually all the vital components in project development. Aside from our respective experience and expertise, we also

bring with us our different networks with whom we have formed strategic partnerships for the requirements of our clients.

One of the reasons why we also want to help startup developers is to come up with good quality projects that are priced really much lower than what the major players are offering so that more Filipinos can also afford to own their own homes or invest in income generating properties. The market is already teeming with real estate brokers and agents, so setting up just another brokerage or marketing company may not be the wisest move. Now, we are actually actively collaborating with brokers for the requirements of our investors or if they have property owners who want to develop their properties for higher returns.

Being a relatively young company, all hands are on deck to help our company grow faster. A big part of my role aside from the contribution of knowledge, from my area of expertise, which is sales and marketing, is to build the brand for the company and also establish the network partners and clients.



The initial challenges just like with any startups include making sure that we have enough funds to sustain our operations to pay rent, utilities, salaries, for a whole year. God has blessed us with a continuous flow of clients, and some from referrals even became repeat clients. The challenges that we face now are actually what our clients were supposed to face if they were the ones doing the process—doing extensive research, especially for our projects in the other parts of the country, land conversions, titling, licenses and permits, and the like. Then it is about forming focused teams and building sales networks for the different projects.

Since the company started, I believe I have grown exponentially. Seeing the business from an owner's perspective and becoming more prudent in my strategies are some of the factors that I have learned over the years.

ENHANCING DEVELOPMENT MANAGEMENT. The projects that HAVITAS have right now will start their respective implementations this year and we will definitely have our hands full in development management, and with me handling the sales for the next 5 to 10 years. I will be allocating more time to giving trainings to more sales people as I build my network and promote responsible real estate. I will continue to give talks to investors about safe investing in the Philippines. I will also be spending more time promoting my advocacy on uplifting the image of the agents. And by agents, I am not just referring to real estate agents but all the agents in every business who are actually the lifeblood of the economy—that being an agent is a respectable job and a career that we should not be ashamed of.

Personally, my retirement dream is to have a small 20-room Tuscan-style resort hotel on a 3-hectare property somewhere in the South. This is easy to manage. This will be my retirement place, my business, and resort for my future grandchildren. I will run the restaurant where I will be the chef and my family can handle the rest of the operations.

Speaking of investments, most of them are in cashflow properties and they are doing well so far, except for the others that are still under construction. This is the most practical form of investment for me since it doesn't require a lot of time to manage. I also have small investments in a couple of tech startups that I really believe in. **MS**

Getting into Real Estate

MY MONEY LESSONS

For those who want to jump into the real estate business without prior knowledge, **Andy Mañalac** shares some tips and pointers.

Know your why. “Most of us joined real estate and rode this vehicle to make bigger money faster than the conventional 9-5 job, and the main reason is to provide a better life for our families,” Andy says. “Unfortunately, a lot of people I know get addicted to just making money at the expense of losing time for their families, and eventually losing their families. For me, this just does not make sense.”

Study more. Develop your profitable skills continuously and learn more about your field every single day. Be the expert and communicate your expertise to the market.

Network. Build your active network, develop it, organize it, and make it very productive.

Laws, Investments, and other Businesses

BY RACHEL UY-SAN JUAN AS TOLD TO EXCEL V. DYQUIANGCO
PHOTOGRAPHY BY DIANNA CAPCO PHOTOGRAPHY

I have always wanted to become a lawyer. I have always been intrigued with how our legal system works and how laws are applied in our daily lives. My first choice as my pre-law course was political science, but my parents persuaded me to take up accountancy instead since I have a knack for numbers. I also came from a family of accountants so taking up accounting was an easy choice.

I decided to specialize in tax and corporate law precisely because of my educational and professional background. In addition, my specialization allows me to practice two subjects that I love—law and accounting.



After graduating Magna Cum Laude in college with a degree in Bachelor of Science in Accountancy and thereafter passing the board exam for accountancy, I served as an Associate Auditor of Isla Lipana & Co. (formerly Joaquin Cunanan & Co.), a PricewaterhouseCoopers affiliate, which provides audit and assurance, tax and advisory services within and outside the Philippines. Afterwards, I took up law in the University of the Philippines-Diliman, where I graduated with an academic excellence award. I also became an Associate of SyCip Salazar Hernandez & Gatmaitan (2010-2014). After leaving the firm, I co-founded a law firm in July 2014, where I was a Managing Partner until October 2019.

I also served as a Court Attorney for the Office of Justice Estela M. Perlas-Bernabe (2012-2013) and as Attorney-General at the Philippine Business Council—Qatar (PBCQ). I was also a Consultant to the Office of former Justice Undersecretary Jose F. Justiniano (2013-2014) and to the Supreme Court of the Philippines (2016).

ENOUGH EXPERIENCE AND EXPERTISE. After working for so many years with these law firms, I believe that I have earned enough experience and expertise that I can offer to my own clients. Further, I also want to have more flexibility in my work schedule and direct my own professional growth, which is something that I cannot have as an employee. Thus, R. Uy-San Juan & Associates Law Firm was born which is the fruition of my hard work, passion for excellence, and legal acumen accumulated throughout the years in the practice of law. The firm specializes in tax, estate planning and settlement, and has a broad range of corporate practice.

As the founder, I am in charge of client generation and people management. I see to it that our clients get the quality and prompt service they deserve. Further, I also make sure that my staff are efficient and effective in their respective roles and that they are well compensated and appreciated for a job well done.

In the first few months of my startup firm, our main concern was marketing and making people know that we exist, which would hopefully lead to professional



engagements. I am lucky that after few months, there were a stable number of clients who regularly tapped our services. To maintain and generate clients, we just do our job well and be responsive to our clients' needs. A job well done is the best marketing tool and our satisfied clients are the best endorsers!

Since we are a growing firm, the challenges that we face now is how to maintain the quality of service that we provide to our expanding client base and how to retain talent within our organization. We try to resolve this by keeping our people updated with the current laws, hiring the best talents and recognizing great work by providing financial and non-financial incentives.

Of course, there have always been challenges. We pride ourselves for always dealing with our counterparts with honesty and that everything should be above board. This is a challenge when the other party is not willing to be transparent. It is also quite a challenge to do tax and corporate law because of the constant changes in the applicable law and regulations, so we have to be always updated.

In addition, I always feel fulfilled when we settle a tax matter honestly and because of that, a client revives his/her faith in the government. It is also rewarding when we help a client start a business because I feel that I am contributing to our economy by helping entrepreneurs and encouraging foreign clients to invest in the country.

One of the memorable moments in my line of work is to see my staff grow professionally and improve in their job. We have a staff who started with zero legal background and who is now one of our best paralegals. We also have young lawyers who have developed their expertise in our firm. Many of our staff are perfect examples of the rewards of hard work and perseverance. Plus, closing a difficult project is always a memorable experience because it typically requires long

MY MONEY LESSONS

Career Success

Atty. Rachel Uy-San Juan shares tips and pointers to those who want to be successful in their chosen endeavours.

Pursue your passion and interest. This will make work not feel work.

Work hard. To be good at something, you have to work hard and spend hours and hours studying, reading and working. There is no short cut to success.

Have faith and accept fate. Sometimes, things do not go your way, even though you feel that you have done everything that you could. In those times, you have to keep faith that things will be better and it happens for a reason. It is okay to have negative feelings, but it should be temporary. There will be times that you have to accept fate and move on. Remember, God is sovereign. Everything happens in accordance to His divine will.

hours of work. My record is working for 52 hours straight with no sleep. I think I was just functioning purely because of coffee and adrenaline at that time.

INVESTING IN REAL ESTATE. In five or ten years from now, we plan to expand our practice and be a full-service firm, and also offer other services other than corporate and tax law. We also plan to move to a bigger office in the near future.

When it comes to managing my money, I give myself a salary to cover my personal expenses and savings. I also set aside a portion my monthly earning in a joint account that I share with my husband for our household expenses and joint investments.

With investments, I have the typical investments of a professional like me who has very limited time to learn and monitor our investments—I have stocks, bonds, mutual funds, and insurance.

My husband and I bought an old property along UN Avenue which we turned and developed into a beautiful 57-bed transient house. It is now operating under the tradename of snooze.ph and caters to people who are looking for an affordable but clean and comfortable space stay in the heart of Manila. A part of the property is also being leased by a convenient store that also provides our customers a place to buy basic necessities, which is open 24/7. [MS](#)

Growing As A Global Investor

BY **JESS UY** AS TOLD TO **EXCEL V. DYQUIANGCO**

At a young age, I was exposed to different cultures and traditions, having been part of an International Youth Exchange Programme in high school, which led me to spend a year in Massachusetts, USA. It was the first time I was on my own, away from my parents for an extended period during my teenage years, and it was through living in a foreign country that I gained understanding and started developing a more global perspective.

When I returned to the Philippines to attend Ateneo de Manila University via a scholarship grant, I was able to further discover my passions in life. Due to my scholarship requirement, I was only allowed to choose an Honours course so I ended up choosing B.S. Physics with Computer Engineering (PSCE), partly because I could find more business and entrepreneurship mentors than I can find mentors well versed in technology, math, and science. It also helped that it seemed easier to get a job after college with a technical background than fighting with everyone else for management trainee positions. Nonetheless, I eventually moved to a computer science course after realizing that the BS PSCE course was actually four years of Physics and one year of computer engineering. It was here in college that my college mates and I eventually founded on December 1998 the Ateneo Cervini Eliazo Network (ACENT), the first in-house college dormitory in the nation to have Internet access.

After college, I joined a telecommunications company and was given the choice to join the marketing department or the mobile/e-commerce department. However, I made a strategic decision to join the marketing department even if I was not trained in marketing in college. This role eventually allowed me to get into mobile marketing when it first became popular and when I moved out of the company to be self-employed for a few years doing consulting work of the same nature. This eventually led me to join a top mobile marketing company between 2006 and 2008. After which, I ended up relocating to Singapore to manage regional operations for mobile marketing in a multinational company.

My move to Singapore opened my eyes to the world of opportunities in terms of investing across different markets around the world. When I finally got my Singapore Permanent Residency in 2008, I decided to shift to the financial industry. I would characterise it more as an evolution of my growth in finance.



STARTING OUT AS A WEALTH PLANNER. Since I was already doing my own research for my own investments, I decided to share that learning and make it into a full-time career. Doing what I love doesn't feel like work at all, and I've felt that way since starting this career path. Over time, my understanding has also broadened as I learned from other industry experts and mentors as well as studying various investment strategies and mindsets. Singapore is a melting pot of a myriad of cultures and the investment mindset is different from culture to culture.

When I first invested globally in 2008, the first few months were extremely exciting because I entered the market near the end of the recession so almost anything you invest in pretty much guaranteed a gain.

Frankly speaking, at the earlier stages of becoming a wealth planner, doing business was very tough. I received repeated rejections from friends and ex-colleagues. It was very deflating. What was more deflating were comments I heard from relatives who thought I cannot make it in the Singapore market as I didn't not know "anyone" here. In addition, it was also about positive word-of-mouth. Due to compliance and regulatory concerns in Singapore, I had to refrain from divulging too much information in public, so business grew mainly through referrals.

But I made a choice. I decided to drown out the negative voices and believed that if God called me to this career path, He had a purpose and He will provide. I worked harder despite results not being up to my initial expectations. I attended as many trainings I could attend, usually two to three times more than what is required by the industry just because I was like a sponge when it came to gaining financial knowledge and desired to become a better adviser for my clients. I tried various strategies and techniques that I learned and continued to make changes from there.

In the past 10 years, this Bible verse has been my pillar of hope and strength: "But remember the LORD your God, for it is He who gives you the ability to produce wealth, and so confirms his covenant, which he swore to your ancestors, as it is today". Things may not always go our way but we have God-given abilities and we need to make the most out of it for the good things we can do.

GROWING AS AN INVESTOR. Being in the global investing arena for over a decade has definitely evolved me personally. Unlike before when I used to just focus mainly on aggressive investments as that was my main interest when I was younger, now I realized that we also need to allocate a portion of our wealth to low risk assets and look for income generating assets that can give perpetual income if possible. This is even more essential now that I have a family with three young children.

There is a correlation between high risk/high returns and low risk/low returns, so we need to be mindful of that. I used to be all about high risk/high returns but if things backfire, it's deeply painful to bear the losses and difficult to recover. So, I have learned that there is always a place for lower risk assets to meet some specific needs. My view of equities also took a turn; I now realize that it's possible to generate huge returns when you buy equities at good prices early enough such that there is no rush to find an exit due to bigger buffer gains.

I happened to invest in oil/energy market when the oil price shot up to 140/150 USD per barrel in 2007/2008 and I also bought an Asia Pacific special situations fund in 2009. 2009 was an interesting year. The top 10 funds available in Singapore ended up the calendar year all above 100% gain with Indonesia leading the way with almost 140% gain while the fund that I held went up 3-4% almost every week and also ended 2009 with more than 100% gain. That was when I realized that there are more opportunities in the world and not just limited to what's available in the Philippines.

Over time, I also offered more options to clients such that my advisory practice grew. I'm also grateful to clients who have referred me to their friends, family and colleagues and I will always have a special place for them in my heart.

In any case, there are lots of ways to grow our wealth and I am continuously learning myself. As I learn more, I will share insights gleaned on my newly created FB page starting this 2020: <https://www.facebook.com/JESSUYtheglobalinvestor/> 

Being an Advisor & Investor

MY MONEY LESSONS

Global Wealth Advisor **Jess Uy** has grown from an investor to a wealth planner from whom thousands of people learn each day. He shares tips and pointers on how to become an advisor, an investor, and a well-meaning individual all rolled into one.

- 1. Do the right thing.** As an advisor, do the right thing for the clients and everything will turn out for the best.
- 2. Diversify your funds.** As an investor, diversify enough such that the probability of gains is good but do not over-diversify such that the gains are mostly negated by the losses.
- 3. Prioritize.** As a person, know what is most important to you and do your best in everything you do.



Investment Lifelong Learning

How REX focuses on each learner in every Filipino home

BY EXCEL V. DYQUIANGCO

Y

ou spark hope among people when you instill in each of them the awareness of their best possibility. It is that hope that will drive them to persistently rise amid diversity while helping others rise as well. These are traits characteristic of a REX lifelong learner that the company intends to promote and develop.

Just imagine living in a nation where lifelong learners are determined to help others, and you get a sense of the vision that moves the men and women behind REX who are inspired to help fulfill the company's noble mission of addressing the needs of every learner.

"Investment in learning is of utmost importance and significance to us," REX Chief Executive Officer Don Timothy Buhain shares. "This is why since the time of our grandparents until today we have been constantly sharing knowledge to every kind of learner."

Despite the overwhelming changes happening in the world, REX continues to learn and evolve in the face of changing behaviors and technology. The company has been successfully blazing trails in the education publishing industry by promoting its advocacy with its partners and conducting research for innovation and deeper market understanding while leveraging on its rich legacy and robust network. All these efforts are being undertaken to ensure the success of each learner in every Filipino home.

Developing education champions with the right partners. "REX values every learner," Don shares. "We hope that in the years to come, we would become more instrumental in developing learners who are well-rounded; who have goals, dreams, and aspirations in life; who help others."

This is what REX lifelong learning is all about. The company believes that its very foundation is

anchored on the development of a learner that is healthy, safe, engaged, supported, challenged, and values-oriented—these are the six facets of the Edukampyon Approach that now serves as the guiding light for all of the company's endeavors.

"REX is a brand that primarily exists to address the needs of each learner," REX Chief Marketing Officer Jeanne Marie Fontelera-Tordesillas says. To ensure everyone's success in this area, we believe that the learner needs to be healthy, safe, engaged, supported, challenged, and values-oriented."

"We believe that the earlier we influence our learners, the earlier we can affect their learning. The better they are molded, the more successful they become," Chief External Affairs Officer Danda Crimelda Buhain also shares.

These statements encapsulate REX's vision for every Filipino home, where learners have access to learning materials that open their eyes to a myriad of possibilities, where learners can be their best version of themselves that helps others, which leads to building a better nation.

This is what an education champion promotes. This is the Edukampyon Approach that guides REX in designing products and services that is changing the game in the field of learning.

A relevant approach anchored on a noble mission. The Edukampyon Approach is anchored on the REX mission statement, "*Tayong lahat, Kapit Bisig, Para sa Bata, Para sa Bayan,*" which is the product of a retrospection activity conducted five years ago.

"Back then, we were assessing our contribution to education and nation building," Jeanne Marie recalls. "This statement clearly captured the company's belief that only through the active involvement of all the stakeholders of learning can REX succeed in enabling every learner to have a better and fuller life while actively contributing to society."

"We are not just in education," Danda adds. "We are also investing in the development of



“I took up law at the Ateneo College of Law, and it took me 10 years to finish it. Back then, I felt my being a lawyer would really help the company because we needed someone knowledgeable in the family business.”

– ATTY. DOMINADOR BUHAIN

“ We have aligned ourselves to what the market needs. You cannot just introduce something to a group of learners without really understanding their needs or pain points. ”

— DANDA CRIMELDA BUHAIN

every stakeholder for education like teachers, school administrators, and parents. We help them develop holistically because we believe it's not enough for them to be just knowledgeable.”

To serve as a center for educator training, REX launched its Resource for Educators and Academic Professionals (REAP) in 2015. It has a training center that can be rented by the public.

REX believes in making a difference in the lives of learners by giving their teachers quality training and by supporting their schools for further development. When everyone that surrounds the learners are also healthy, safe, engaged, supported, challenged, and values-oriented, then this country is several steps closer to being better.

This is the REX mission being lived and being hard at work. Five years after its introduction, the mission statement is again being updated to ensure the company's relevance in the ever-dynamic learning landscape. The updated version will incorporate the clearer articulation of REX's noble mission in a wider area of learning.

Addressing student performance.

While it readies to take on the gargantuan task of making its presence felt among every Filipino, REX took it as its responsibility to continuously find ways to test the efficacy of learning.

In the 2018 Programme for International Student Assessment (PISA), the Philippines scored 353 in Mathematics, 357 in Science, and 340 in Reading, all of which are below the average score of participating OECD countries. This has alarmed REX.

“This is not just about the academic performance of our students,” Don shares. “It is also about the social, economic, mental, and even financial forces that affect their lives. We need to look at this issue in a holistic perspective and figure out what we can do to help and improve their lives.”

“The recent PISA results are very telling,” Jeanne Marie adds. “While it tells us that we still have a long way to go, that there are still a lot to be done, it also tells us that REX is on the right track for promoting the Edukampyon Approach that looks at learning using a wider lens.”

The study revealed some factors that are considered critical in explaining the subjects' academic performance. These psycho-socio-emotional and economic issues include bullying, teacher support, and the quality of the learning environment.

“For the 15-year-olds who took the PISA, we have to check the condition of these children,” Jeanne Marie shares. “Are they being bullied? Are they able to eat proper breakfast? The priority of the schools is academics, but in reality, we also have to consider the economic condition of the country, which affects the condition of the child inside the home. Is the child supported? Is the child challenged?”

If you take a closer look, these are issues that the Edukampyon Approach are addressing as well, particularly the facets of safe, engaged, and supported. There are many observations culled through the PISA study that the Edukampyon Approach can address.

The integration and implementation of programs related to the six facets of the Edukampyon Approach (healthy, safe, engaged, supported, challenged, and values-oriented) becomes a more compelling call to all those involved in the area of education. School administrators, teachers, parents, and the government have to work together to ensure that we develop learners who are willing to help others.

In 2016, REX also established the REX Institute for Student Excellence (RISE) to assist educational institutions and teachers in using assessment and research toward the achievement of students' learning goals.



From left: Mr. Rogelio Fontelera (Vice President), Ms. Rose Ann Fontelera (Legal Materials Division Head), Ms. Jeanne Marie Tordesillas (Chief Marketing Officer), Mr. Roger John Fontelera (Chief Operating Officer), Atty. Dominador Buhain (Chairman), Mr. Don Timothy Buhain (Chief Executive Officer), Ms. Danda Crimelda Buhain (Chief External Affairs Officer), Ms. Teresita Carpio (Director)



REX values these observations. This is also the reason for its investment in research to deepen its understanding of the needs of the market.

Research for understanding and innovation. As it celebrates its 70th year as the leader in its category, REX further expands its investment in lifelong learning. The company vows to do this by increasing its investment in research to help the company create more quality and relevant learning materials.

“REX will keep on growing,” Don assures. “We will make sure that we continue to keep up with the times to ensure the relevance of the lessons, values, and virtues that can be found in our books, which is shared to the learner.”

Jeanne Marie also shares: “Our reason for being is in instilling the awareness of the best possibility to each learner. The learner is the center of what we’re doing, and so we want to develop learners who are 21st century-ready.”

Throughout its history, REX has always been responsive to the shifts that are happening in the market. In 2012, REX established REX Digital to design and produce learning solutions through the help of technology. It also introduced solutions that empower teachers to implement blended learning delivered in a convenient format.

REX also launched Schoology to condense learning into a single easy-to-use platform so that schools can better facilitate blended learning through a vibrant online learning environment. The REX Quidbots, on the other hand, is a robotic solution that helps educators improve the way they engage students. It inspires learners to innovate, invent, and create solutions.

“REX acknowledges that there is a need to develop a variety of activities and methods that technology can support so that students get motivated, organized, cooperative, empowered, and creative,” says Danda. REX ensures that every technology it considers for use in improving the learning experience is aligned with the needs of the market.

“We have to align ourselves to different things,” Danda shares. “We have aligned ourselves to what the market needs. You cannot just introduce something to a group of learners without really understanding their needs or pain points.”

The company considers a lot of factors before embarking on product development. It looks at the behavior of the students, the motivations of its end-users.

“You have to know the trends while also grounding it to reality,” Danda adds. “We always ask ourselves: Are we ready for it? A lot of factors have to be looked into when you are in product development and service development. It’s not just producing something. It’s not just a usual product where you just mix two chemicals and you expect the same results over and over.”

“You also have to be able to imbibe the skills that you need to face in this harsh world. If you are not knowledgeable with the skills, you cannot collaborate, you cannot think critically, you cannot work with people, you cannot communicate, and you can’t empathize. This is what we have been doing all along.”

At the heart of every REX associate are the Filipino learners that are now living in a world very much different.

Understand the needs of learners.

“I worked outside for 10 years as a speech therapist for children with special needs before being invited by my cousin Don,” says Jeanne Marie. “I understand the value of teaching children because I handled them in my previous work. They then put me in charge of the Marketing team. We had professionals who helped me to organize the team, and it was a timely move to the family business because I can help more people and contribute to a bigger cause.” She adds, “As a speech therapist, my reach was very limited. With REX, there’s a bigger cause, a deeper meaning into my life. Education is close to my heart.”

Thus, REX, which has been in the business for 70 years, seeks to invest not just in education but in its people and learners. This is critical in ensuring that the company knows where it can contribute, and the help it needs from its valued partners.

Valued partners. REX has always acknowledged the importance of working with the right partners in pushing its advocacy. Since a lot of learning takes place in schools, REX has always valued the schools that continue to believe in REX in ensuring the efficacy of teaching students.

“I was invited by my grandfather to join REX because he saw the importance of a family member taking care of the schools,” Danda shares. “He felt that it would be nice for me to be involved in that area so that the company would understand their needs, directions, thrusts, mission, and vision.”



“REX values every learner. We hope that in the years to come, we would be more instrumental in developing learners who are well-rounded, who have goals, dreams, and aspirations in life; who help others.”

– DON TIMOTHY BUHAIN



“Our reason for being is in instilling the awareness of the best possibility to each learner. The learner is the center of what we’re doing, and so we want to develop learners who are 21st century-ready.”

— JEANNE MARIE FONTELERA-TORDESILLAS

Danda could have taken up law, but a higher calling was underway. “I am proud of what we in REX have contributed to better understand our partners,” says Danda.

Understanding the needs and future direction of its partners allowed REX to make critical decisions all throughout its existence. It still does.

Its partnership with thought leaders has also allowed the company to flourish in every learning area. Working with the right subject matter experts has always been considered as an important component of the REX business. REX values its deep relationship with more than 700 authors who have been working relentlessly to provide quality and relevant learning materials for the company.

With a refreshed partnership agenda in place, REX will continue to conquer every vertical it considers important as it continues to journey to be in every Filipino home. With this journey comes the realization that the company needs to focus more on developing its most important resource—its people.

“Para sa bawat empleyado”. “We value our people and the hard work they put in to contribute to the fulfillment of our vision,” says Don.

REX Chief Operations Officer Roger John “Sunday” Fontelera agrees with Don. “I believe that human capital is the most important asset of the company so we invest in our people.”

Don and Sunday make up the formidable duo that is leading REX to greater heights. “If the CEO has the gift of stewardship, I have the gift of connection,” Sunday shares. “If I find a connection with someone, we can work together easily.”

Together with them is the leadership team that is gung-ho in pushing the boundaries to ensure that REX will attain its “every Filipino home” agenda. This team is complemented by a REX team that pushes for the realization of the Edukampyon dream.

“Most of our people believe in the advocacy of REX,” Sunday shares. “We want to play a big role in changing and shaping the future of every Filipino learner.”

REX understands that it needs the collective effort of everyone to realize this dream. This is the reason for launching an Employee Engagement program that’s also anchored on the six facets of the Edukampyon Approach. “We value our smooth relationship with our people that’s why we ensure we connect well with them,” says Danda. “We need to ensure that the advocacy lives in them.”

Aside from giving importance to its people, REX is further improving its systems and processes to improve how it develops, promotes, and deploys its products and services. “Our clients have entrusted us for many years, and they deserve only the best from us,” Don shares.

REX has always been a reliable partner of many academic institutions. For 70 years, it has consistently provided quality learning solutions and services as it aims to help raise the quality of education in the country. “We sincerely believe that when the performance of the students gets better, the future will look brighter for every Filipino,” Jeanne Marie adds.

This is REX’s grand dream. Who knew that this advocacy begun with a love story?

Legacy of 70. REX founders Juanito Fontelera and Jovita Buhain were young entrepreneurs whose respective book stores face each other. They eventually fell in love with one another. This love led to a stronger REX Book Store.

REX then was just focused on selling law books. Through their visits to other countries, the couple brought back with them some exciting ideas to grow the company. REX expanded in other areas like elementary and high school textbook publication.

This expansion required help from more family members. During their absence, the first among the second generation of the family, Atty. Dominador D. Buhain (or Chairman, as he is fondly called by REX associates), joined REX as its first officer-in-charge and sales agent.

Together with Chino Febre, they brought REX to greater heights by conquering every province with the company’s superior learning solutions. By the 1970s, REX has secured its leadership position in the field of law education publishing. It continues to enjoy leadership in the category.

“I took up law at the Ateneo College of Law, and it took me 10 years to finish it,” REX Chairman and President Atty. Dominador D. Buhain shares. “Back then, I felt my being a lawyer would really help the company because we needed someone knowledgeable in the family business.”

Then tragedy struck. The decade ended with a fire that razed the store in 1969. Dismayed and fallen, the family managed to move on after finding a single unblemished copy of a book titled “Jesus, Save Me”.

“I was fresh from the initiation rites of Ateneo when the fire happened,” Atty. Buhain recalls. “After the

From left: Ms. Rose Ann Fontelera (Legal Materials Division Head), Mr. Rogelio Fontelera (Vice President), Ms. Danda Crimelda Buhain (Chief External Affairs Officer), Mr. Don Timothy Buhain (Chief Executive Officer), Atty. Dominador Buhain (Chairman), Ms. Jeanne Marie Tordesillas (Chief Marketing Officer), Ms. Teresita Carpio (Director), Mr. Roger John Fontelera (Chief Operating Officer)





“ I believe that **human capital** is the **most important asset** of the company so we invest in our people... If the CEO has **the gift of stewardship**, I have the gift of connection. If I find a connection with someone, **we can work together easily.** ”

– ROGER JOHN FONTELERA

fire, I helped my stepfather and my mother resuscitate the business by visiting the schools and personally soliciting funds.”

In the 1970s, REX welcomed the decade with the opening of its Morayta flagship store. REX Printing Company was also born. “We put up a building on a lot purchased in Morayta for our printing press and started publishing law books again,” Atty. Buhain shares.

Mario Buhain and Rogelio Fontelera, both second generation family members, also joined the company to manage the publications and commercial printing business.

In the 1990s, the continuous growth and expansion of REX was very evident. Led by Don and Danda, members of the third generation of the family, the company expanded, along with the realization of the importance of embracing an advocacy.

REX soon became international with the incorporation of Rex Book Store International in 2005. It also became the sole distributor of Teacher-Created Materials, a trusted resource from kinder to Grade 12 educators in over 92 countries.

In this decade, Sunday and Jeanne Marie joined REX to head Finance and Marketing, respectively. As the third generation, or 3G, takes on the helm, they admit that they are also facing challenges in the fulfillment of its lofty vision.

“We need to find the balance between the old ideas and the new ones,” Jeanne Marie shares. “Most of the times, we would find ourselves asking: When is it okay to try new ideas? When is it okay to consider the opinion of the older ones?” This is the challenge that goes with a legacy brand that is part of an industry that is being disrupted.

“We create learning solutions and would like REX to be in every Filipino home,” she adds. “But how can we be there? How can we provide the help that is needed in that area?”

REX is ready to address this. The entire organization has been set up in teams to ensure collaboration. “If you want real change, you need to structure people based on what you want them to be,” Sunday adds.

REX after all, like a lifelong learner, needs to keep on updating itself to stay relevant. And the Buhain-Fonteleras face this challenge as one solid family.

It’s all in the family. “REX sustains the family,” Jeanne shares. “As a way of giving back, we also make sure that all the family members, working or not working in REX, would somehow benefit from its success.”

The family that works hard to propel REX to even greater heights also ensures that it keeps the family together. “*Manong* and *Manang* wanted the business to be sustainable but they also want the family to be intact,” says Jeanne Marie.

The entire clan gets to go on an annual Holy Week trip outside the country to bond and enjoy each other’s company. “We have started this tradition ever since our grandfather died in 2010,” Danda shares.

The founders built such a strong foundation that until now the family holds the values they learned from them so close to their heart. “We are grounded on the roots of the company,” Jeanne says. “We are holding on to the legacy of *Manong* and *Manang* and keeping our feet grounded.”

Celebrating seven decades. Now on its 70th year, REX remains a leader in the educational publishing industry. Big plans are in place to celebrate the legacy, to fulfill the advocacy, and actualize the vision of “REX in every Filipino home”.

“We intend to launch the new REX in an exciting way,” Jeanne shares. “This will happen soon but first we need to transform within. We want our employees to reach the highest potential of what they can be. That way, they can contribute more to helping the learner succeed.”

Sunday adds: “REX is here, but if we don’t do effective and efficient work, all our hard work and efforts may come to an end, and I hope that won’t happen.”

“We are calling on all our partners to take part in this celebration,” says Danda. “We have always considered them a big contributor to our success, and we will remain indebted to them.”

“The next 70 years of REX will be an exciting time for every kind of learner and for the entire nation,” Don reveals. “We will pull all stops to realize our vision because now more than ever, we are being driven by a force bigger than all of us, that is to reach out and journey with every learner and help them become lifelong learners that are ready to help others and transform this nation.” **MS**

Where to Invest in 2020

BY RIENZIE BIOLENA, RFP®

Investing is like sailing a ship: you have to know first your destination before setting out. But it is equally important that before setting out, you also have to know the weather: so you have to know what to expect, how to adjust your sails or, is it safe to go out to begin with; and not knowing this particular detail can result in devastating consequences.

That is the reason why as investors, it is crucial to know where the economy and the markets are headed—which asset classes are risky, which can outperform, or which can underperform—so that prudent decisions can be made in light of the set financial targets.

For 2020, we take a look into the views of experts to where the different markets are headed and see as investors where we can make gains for our goals.

THE GLOBAL MARKETS

Any forecast should rationally start with the global markets as this provide the biggest backdrop and stage where all markets perform. Globalization has made the world so intertwined that news abroad—whether positive or negative—can greatly affect our local market and thus, the value of our investments.

For the year 2020, various multilateral institutions and research have pointed to global economic growth, although down from previous forecasts. This is on the back of growing political tensions in the Middle East as well as the continuing US-China Trade War that still provides an overhang on the biggest markets.

New York-based Seeking Alpha, a content service for financial markets see global economies picking up steam in 2020, ending the year on a high note as it enters the year 2021. This is based on the view that all of the major monetary

bodies—the European Central Bank, the US Fed, and the Bank of Japan—announcing that they will not raise rates in 2020 and until inflation sustainably goes over 2%.

The IMF forecasts global growth at 3.4% as developments in Latin America, the Middle East, India, with emerging and developing Europe contribute to the growth momentum. A modest pick-up in the Euro area will offset a decline in US growth. This however is a 0.2 percentage point downward revision from initial estimates. Trade and political tensions have made global trading system more uncertain, with effects seen in business confidence, investment decisions and global trade.

JP Morgan also sees a recovery above-trend, although just at a pace of 2.5%. As US and China agree to the Phase 1 of their trade deal, business sentiments should be firmer. The institution also sees a rotation from bond funds to equity funds as investors become more risk-on with their stance.

Morgan Stanley is also of the same outlook, seeing growth as trade tensions eases and policy easing continues with major central banks. Global GDP growth is forecasted at 3.4%, coming predominantly from emerging markets and an improving outlook in the European region. The US economy will remain stable although its pace of growth may slow down. If it continues to enact additional tariffs, however, global growth may slow down further. The same global GDP growth rate of 3.4% is also seen by Goldman Sachs on the back of easier financial conditions, not to mention the easing of the US-China trade war and reduced Brexit uncertainty.

There is of course the unfortunate threat of the coronavirus to economies and financial markets. As The New York Times has reported, given China's impact on the world economy, the spread of the coronavirus has already sent jitters, causing stock markets around the world to plunge due to the public health crisis. Already, China's tourism and hospitality industries have been hit. Operations in major industrial areas have been halted, potentially disrupting global supply chains. This could potentially drag economic growth.

THE PHILIPPINES

The Philippines has been one of the fastest growing economies not just in Asia but in the world in recent years. It is thus worthwhile to note that it has been one of the select choices for developing economies in terms of investments—both in foreign direct and hot money as well. With a very young demography, coupled with a strong domestic economy buoyed by consumption, the country has advanced from being the old sick man of Asia to a tiger economy. Philippines credit rating is now investment grade and is a testament not just of its growth, but its long-term stable outlook.

For 2020, the country is still largely expected to grow around 6%. The Asian Development Bank (ADB) sees a 6.2% growth in 2020, although down from 6.4% previously forecasted. This downward revision is mainly due to the slowdown in the global economy as well as domestic investment, with the latter being held back by the late enactment of the 2019 budget. The growth, however, would be supported by domestic consumption and accommodative fiscal policies by the government, not to mention a lower national debt. The World Bank sees GDP growth of 6.1% while the International Monetary Fund (IMF) sees it at 6.2%. A weak global environment and a slow recovery in public investments may yet derail this, according to the World Bank, so investors should look out for signs not just domestically but internationally as well.

While the coronavirus has caused a sell-off in the Philippine stock market, analysts believe the impact is minimal, given that the country's is not as dependent on foreign tourism as other countries.

To provide further guidance to investors, we asked several experts to share their views on the economy and the markets.

THE PHILIPPINE ECONOMY

Dr. Alvin Ang
Economist, Ateneo Eagle Watch

Dr. Alvin Ang, economist from The Ateneo Eagle Watch sees the economy still fundamentally sound through 2020. The government's Build-Build-Build Program would see projects to be finished, like the Skyway and highways around the country, adding to the capacity of the local economy for more growth. The early approval of the budget bodes also well for 2020, with projects going online as scheduled. This,

complemented with an increased ease of doing business in the country, is expected to deliver their promised economic benefits. The year 2020 is therefore poised to grow better than 2019.

Nonetheless, external factors can still affect the Philippines's trajectory. The US-China Trade War, for instance, can douse the exports sector. Geopolitical tensions such as that in the Middle East can also affect the remittances sent by OFWs, with that region as a top source for said money.

The local fundamentals, however, remain solid. GDP is poised to grow at 6.4% with inflation at an average of 3.5%. Interest rate is seen as stable with no rate cuts seen on the back of an expected uptick in inflation on the second half of the year. The Philippine Peso is seen at P52-P53 to the dollar as the local currency should be low fundamentally, given the government's economic program. The next package of TRAIN 2, now known as CITIRA is still in Congress, so it would be business as usual for the local economy with no major mover on the fiscal and business side. For the year-end, the stock market is seen to close at 8,500, given all of these internal and external factors.



THE PHILIPPINE STOCK MARKET

Ms. Critina Ulang
Head of Research, First Metro Investment Corporation

The PSEi has been on a roller coaster ride from 2017 to consolidation in 2019.

From 3 January 2017 at 6,861 level, it climbed up 32% to a high of 9,059 on 29 January 2018—a period that has witnessed a better-than-expected growths of GDP at 6.7% and Earnings Per Share Growth of 10%, not to mention a 1% policy rate cut by the BSP in 2016 with a positive impact in 2017.

From that market high, it has gone down to the lowest level at 6,844, down 12.8% on 13 November 2018. This slide saw the Philippines having record-high inflation at 6.7%, a 10-year bond rate at 8.4%, the Philippine Peso depreciating versus the US Dollar by 3.62%, not to mention foreign fund outflows on the back of MSCI review and the start of the US-China Trade War.

The year 2019 was a year of consolidation, peaking at various points: 8,144 on 1 February, 8,365 on 15 July, and 8,217 on 5 November; while having lows interspersed: 7,642



on 1 Mar, 7,475 on 16 May, and 7,546 on 3 October. January to July saw the PSEi go up by 12.4% even with some news on economic and corporate earnings slowdown. The lows for the period have largely coincided with the rebalancing of MSCI, although the BBB+ upgrade during the said period has provided a lift for the index. The July to December Monetary Policy Stimulus was marked with GDP and earnings recovery but moved largely sideways, with the local index still managing to finish 4.7% for the year.

Largely, emerging market equities can make the case as there is marked growth differential versus developed markets (DM), not to mention corporate earnings momentum, a low price-earnings ratio and more room for monetary policy easing versus DMs. Thus, the Philippines can still provide growth for the coming year.

Earnings Per Share growth, for instance, is forecasted to be at 10.7%, up from 2019's forecasted 10.6% with a significant difference from the previous year's. In terms of relative valuation, the PSEi's level is now at two standard deviations from its mean (average), making it already very cheap in terms of price. The BSP's pro-growth stance will continue in 2020 with a forecasted policy rate of 3.5%.

We see the following growth pillars of the Philippine market to be: 1) a rebound in consumption on the back of a record P4.1-trillion 2020 budget, boosting the Build-Build-Build project from 75 to 100, including Public-Private Partnerships, national government spending priorities, and resilient OFW remittances; 2) easing monetary conditions that fuel borrowing, investment, and household spending, 3) an upbeat tourism sector that accounts for 12.7% of GDP as largely accounted for by Koreans and Chinese, and; 3) Foreign Direct Investment Recovery with the passage of CITIRA.

Risks still abound, however, like the US-China Trade War, China's corporate defaults, negative-yielding debts amounting to USD17 trillion, local tax reform uncertainties, geopolitics in the Middle East, oil prices, and climate change—so developments in these areas should be monitored carefully.

For 2020, we see the PSEi at 8,900 on an optimistic forecast and 8,600 as a base case. For growth, our stock picks reflect the consumer theme: JFC, JGS, ALL, SMPH, PGOLD, GTCAP, WLCN, and RRHI; for dividends, GLO, MER, and AP, and; for value, MBT, BPI, SECB, and MPI—stocks that are currently undervalued.

THE PHILIPPINE REAL ESTATE MARKET

Mikko Barranda

Associate Director, Leechiu Property Consultants

We are optimistic on the property market for the Philippines in 2020, but it could be understood even better given the context of the office space segment of the market.

For the last 15 years, the Philippine property market has been breaking records on the take-up of office spaces. For 2019 alone, 1.7 million square meters have been taken up—a new high in the market—behind only the real estate hotspots of Shanghai, Beijing, and India. The past decade's demand driver was mainly BPOs, by in 2019, this was already surpassed by the Philippine Offshore Gaming Operations (POGO). It has taken the largest share of the pie with 738,000 sqm., with the BPO industry at 573,000. The local market's appetite remained stable, with a share of 379,000 sqm.

The (Manila) Bay area has been the number one destination for POGOs, given its close proximity to the airport. This has led to the increase of real estate prices in the area, leapfrogging from just around P700k per sqm in 2016 to P1,600 per sqm in 2019—more than double in just three years. With no new supply in the Bay area, Quezon City, Mandaluyong, and Manila have provided the much-needed supply.

Where POGOs are, prices have had a spillover effect on its surrounding environs as well, with residential condominium units and lands rising up in prices, even hyperinflating in some respects. At the Bay area for instance, prices have risen as much as 3x already for mid-tier condominium units.

For Metro Manila, most of the business districts will be fully developed by 2020 and may see a deficit in office supply by 2022. Nonetheless, there would be four upcoming reclamation projects in Manila Bay: the New Manila Bay International Community, Manila Waterfront City, Solar City Urban Center, and Coastal Bay Project. These four projects will include 1,500 hectares of reclaimed land and will therefore add to the supply.

The completion of various infrastructure projects will also unlock a lot of opportunities. Notable are the connector roads of NLEX & SLEX, C5 Southlink, the Cavite-Laguna Expressway, MRT 7, PNR Clark Railway, the Metro Manila Subway and LRT Line 2 Masinag Extension. All these projects will improve connectivity and developments in Regions III and IV-A, as well as greatly improve traffic in major urban centers.

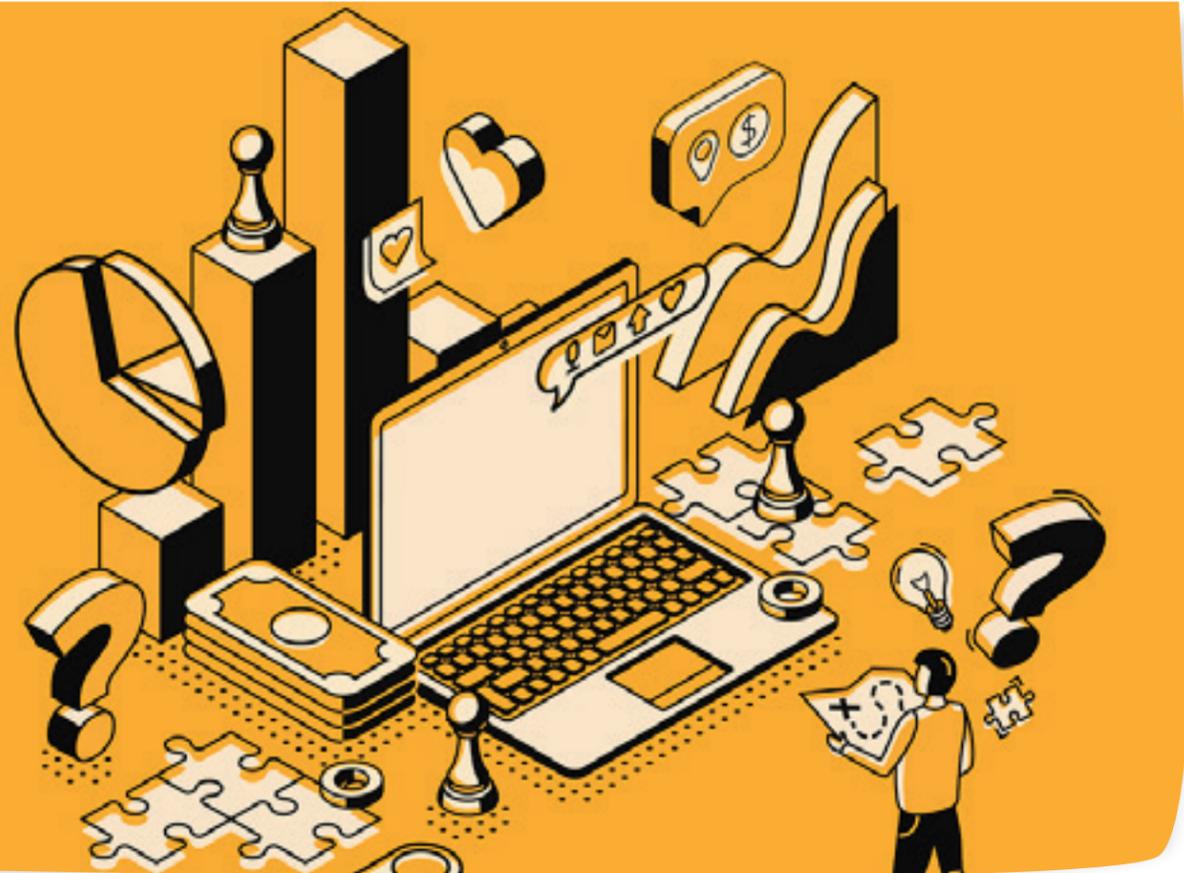
In this regard, investors should look for properties that are along these projects, as historically, real estate prices go up along the roads and railways that are being built. For residential segment, the BGC area is one of our top picks are scarcity of supply is seen to drive the price up. For provincial development, the development of Clark is notable, not to mention the traditional areas of Cebu, Iloilo, Bacolod, and Davao.

FINAL WORD

As the future is not cast in stone, there would always be new events or developments unseen that can enhance—or even negate—forecasts and as such, diversification is key. Invest not just in different asset classes (equities, bonds, fixed income, real estate), but in geographies (Philippines, Asia, US, Europe) and flavors (Emerging Market, Developed Markets) would be key to a truly diversified portfolio such that whichever way the market goes, you—the investor—emerge a winner. **MS**

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How to Make Money in Real Estate

BY RICHARD THADDEUS CARVAJAL, ACSI, RFP®

How do you really earn from a real estate investment?

Many property investors today simply buy properties without fully considering how to maximize their profit. They settle for the commonplace, like buying and flipping a property. While this technique has been used for ages and proven to be profitable, real estate investing offers a wider array of opportunities to build wealth. It's not just about flipping houses or buying and holding properties until their market value increases.

There are more ways for you to earn from your property investment, but first you need to dive yourself into the numbers game and learn the mathematical principles that go with it. Time to do the math.

Let's start with the Net Operating Income (NOI) Metric.

What is the NOI Metric? The net operating income (NOI) is an effective measure of how viable a property investment is. Knowing a property's NOI means figuring out how much money it brings in after covering all its operating expenses and accounting for unrented time periods and maintenance costs. The NOI can be used to compare investment opportunities and review the overall performance and profitability of a real estate holding.

The NOI is computed by adding up all annual income and subtracting all annual expenses and factoring in the vacancy rate. In other words:

$$\text{NOI} = (\text{Gross Annual Rental Income} \times \text{Vacancy Rate}) - \text{Annual Expenses}$$

Your annual property expenses would include the following:

- Vacancy Expenses
- Real Property Taxes
- Property Insurance
- Maintenance and Repairs
- Broker's Commission
- Association Dues

Of course, a property's NOI can change over time as revenues and expenses fluctuate, but this metric still provides valuable information to help you determine whether a property can generate enough income to pay off any loans you made to acquire it.

To understand this mathematical concept better, let's have a few examples where the NOI metric is best applied.

Net Operating Income Using Cash Payment. Let's say you bought a property in Makati with a current market value of P3,500,000, but were selling below market value worth P3,000,000 in cash. The rental rate is at P30,000 per month.

Assuming that maintenance and repairs would cost you P15,000 annually, and the real property taxes amount to P11,200. We know that there is a low vacancy rate of 8% in Makati, so let's just say that it will take you a month to look for a new tenant every end of a lease. You would also have to cover a standard broker's commission of one month for every 12-month lease. Your share of building insurance is P5,000, and your association dues cost P27,000 per year.

Given all these values, we can now compute for the NOI of that property.

Annual Rental Income	P360,000
Less: Association Dues	P27,000
Real Property Taxes	P11,200
Property Insurance	P5,000
Maintenance and Repairs	P15,000
1 Month Vacancy loss	P30,000
Broker's Commission	P30,000
Net Operating Income	P241,800

Now that we have the NOI, we can now use this to compute for the rental Return on Investment (ROI):

$$\begin{aligned} \text{ROI} &= \text{NOI} / \text{Total Cash Invested} \times 100 \\ \text{ROI} &= \text{P}241,800 / \text{P}3,000,000 \times 100 \\ \text{ROI} &= 0.08 \times 100 \\ \text{ROI} &= 8\% \end{aligned}$$



Net Operating Income using Bank Loan (Leverage). You can always use leverage to your advantage. With a bank loan, you can acquire the property without having to pay for the loan yourself. In simpler words, the property can self-liquidate.

Let's say the same property in the computation above is offered to you at P3,000,000. Now if you opted to acquire this property on a bank loan and that the bank granted you an 80% loan to value ratio, it means you only have to pay the 20% in cash amounting to P600,000 and the remaining P2,400,000 would be financed by the bank.

As of this writing, the current BPI bank rate is at 5.88% for a 3-year fixed loan of 15 years. If you compute this one using a mortgage calculator, the monthly amortization is P20,097.30 or P241,167.60 per year.

Assuming we have the same annual rental income and operating expenses as the first example,

Annual Rental Income	P360,000
Less: Annual Bank Amortization	P241,167
Association Dues	P27,000
Real Property Taxes	P11,200
Property Insurance	P5,000
Maintenance and Repairs	P15,000
1 Month Vacancy loss	P30,000
Broker's Commission	P30,000
Net Operating Income	P633

Now, let's compute for your rental ROI using the value we got for the NOI.

$$\begin{aligned} \text{ROI} &= \text{NOI} / \text{Annual Rental Income} \times 100 \\ \text{ROI} &= \text{P}633 / \text{P}360,000 \times 100 \\ \text{ROI} &= 0.0017 \times 100 \\ \text{ROI} &= 0.17\% \end{aligned}$$

Now, the ROI may be near negative, but at least your loan payments are still covered by your income. This means that it's your tenant who is paying for your bank loan and other financial obligations you have as the owner.

And note that you still increase your net worth by earning from the capital appreciation. You acquired the property at a price below market value, right? So, assuming that the current price of the property when you acquired it was P3,500,000 and that the market value has increased to P4,000,000, then you have already earned from the increase in the property's value. In fact, if we compute the Cash on Cash Return, then it's:

$$\begin{aligned} \text{Cash on Cash Return} &= \frac{\text{Current Price} - \text{Acquisition Price}}{\text{Cash Invested}} \times 100 \\ \text{Cash on Cash Return} &= \frac{P4,000,000 - P3,000,000}{P600,000} \times 100 \\ \text{Cash on Cash Return} &= 1.666 \times 100 \\ \text{Cash on Cash Return} &= 166.6\% \end{aligned}$$

That is the best thing about real estate assets. You can grow your wealth through multiple streams, whether it's by renting your property out or by capital appreciation.

Rent-to-Own Properties. In the Philippines, a rent-to-own contract usually consists of both parties, the renter and the owner, coming to terms of how much the monthly rental would be, the purchase date, the selling price, as well as the interest rate. Once both parties have come to an agreement, these terms are then drafted into a contract and signed.

Now, let's use the same property in our previous example and compute for both the NOI and the rental ROI.

Assuming that you bought the unit in Makati at P3,000,000 and after a year, you decided that instead of renting it out at P30,000 per month, you would sell it as a rent-to-own property at a contract price of P4,000,000. Let's further assume that you are giving the tenant two payment options—a 12% annual interest rate for 15 years or a 10% annual interest rate for 10 years. Below is a breakdown of the two options:

	15 Years to Pay	10 Years to Pay
Rent to Own Price	P4,000,000.00	P4,000,000.00
Move in Down Payment (5%)	P200,000.00	P200,000.00
Interest Rate	12.00%	10.00%
Monthly Payment from Tenant	P45,606.39	P50,217.28
Normal Rental Rate	P30,000.00	P30,000.00
Difference in Rent Collection	P15,606.39	P20,217.28

Usually, there is a 5% down payment that the tenant should pay for the broker's commission or the paperwork and contract processing, so think of that as a rent deposit. The thing with rent-to-own agreements is that at the end of 10 or 15 years, you don't own the property anymore. And what about selling the property for a profit? Well, you have already earned your real estate income through the interest paid by your tenant.

What about the perspective of a buyer? Let's consider the advantages and disadvantages of buying rent-to-own properties.

THE PROS

Even with a poor credit score, you can buy the property.

If you don't qualify for a bank loan, then you can opt for a rent-to-own property instead. While you are renting out the property, you have the chance to build your credit score with the bank so that when the time comes for you to purchase it, you could qualify for bank financing.

It's relatively low risk. There's a safety net when investing in rent-to-own properties. If the market value in the property's area frequently increases, a rent-to-own agreement allows you to purchase the property 10 or 15 years from today at a price reflecting today's value. And if value decreases, you can always opt out of the agreement.

You can try out the property before purchasing it. A rent-to-own contract allows you to scrutinize the property before finally making a purchase. You get to live and experience the property firsthand so you could have a deeper knowledge about its deficiencies. Thereafter, you could decide whether it would be worth purchasing the property.

You don't have to move often. If you decide to avail of a rental property while waiting for your bad debts to get cleared off your credit record, you'll likely have to keep moving to a new house every time your rental agreement expires. On the other hand, a rent-to-own property allows you to just rent out a home until you're ready to buy it.

You can purchase equity. A rent-to-own agreement allows you to make all your rental payments a part of your payment when you decide to purchase the property. So, you get to save money on rent-to-own properties than if you decided to just plainly rent out a property instead.

You don't have to cash out a big sum of money. You don't need to wait and save for many years just to avail of a rent-to-own property. So, compared to other types of property, the rent-to-own setup can be more affordable.

THE CONS

Refunds are not allowed. When you decide to terminate your rent-to-own agreement, there is little to no way for you to get a refund for any of the fees you have paid throughout the duration of your rent-to-own contract. Sellers usually keep the initial premium payment you have cashed out if you do not push through with the purchase.

The purchase price is higher. Landlords will typically price their property higher than the usual market price because there is a high risk involved for both parties. When you sign the agreement, you'll usually be signing to purchase a property at a higher market price than the usual current market price.

It may lead to a financial gamble. If you're choosing a rent-to-own property while waiting for your credit score to improve, then it can be a financial gamble for you. After all, you can't really guarantee that there will be no adverse changes to your financial situation over the years. And if you're waiting for an income increase to qualify for a loan in the future, that may or may not happen.

You still rely on your landlord. You don't have total control over the property. So if your landlord fails to make payments for the property where you live, the bank could foreclose it. Maintenance and repairs would also be covered by the landlord. And if he or she ends up with liens on the property, that could impact your decision to make the purchase. So, be sure to have all these elements addressed in your rent-to-own agreement to protect your interests in the property as well.

A decrease in property value can lead to a financial loss. You can save a lot if the rent-to-own property appreciates over time, but if the prices go the other way around, it could mean a loss on your part. Chances are, the sale price of the property would not fall along with the rest of the market prices. The only option you have here is to either forfeit the agreement or proceed to the purchase of the property at a price higher than the market price.

Stricter compliance and fixed deadlines. Some rent-to-own agreements stipulate that you lose the option to purchase the property if you miss a single payment. In that case, you will also forfeit all the extra payments you have paid for the property. In other instances, you are still granted the option to purchase the property, but the initial payment you made for it will not be included in the computation.

Is it worth it? There are many sellers who opt to sell their properties with rent-to-own offers. I have a long list of clients who prefer to sell property using this model. And it's not because they're having a hard time finding a buyer, but because they wish to receive higher rental premiums for their

property to avoid paying for the obligations with their own money.

Apart from this, the key perks as discussed above include more buyers, higher income potential, higher sales price, more responsible renters, and a steady flow of rental payments from zero vacancy rate.

So in my opinion, yes, investing in a rent-to-own property, when done right, can be worth it.

Subleasing. In a subleasing agreement, the tenant already has a lease on the property and is now offering a portion or the entire property to another tenant under a sublease agreement with the original tenant. Prior to subletting the property, the tenant must get permission from the landlord first. If your lease agreement does not specifically state that you can sub-lease the property, it's best to consult with the landlord through writing.

Subleasing a property is good because you can earn while renting out the property. One way is by taking advantage of Airbnb. This modern investment strategy called Airbnb Arbitrage allows you to earn from the difference between your rental payments for the property and how much you charge for it on Airbnb.

For example, I have a client who rented a condominium unit in Bonifacio Global City (BGC) for P45,000 per month and then lists it on Airbnb at P3,500 per night. That means you can collect as much as P70,000 per month before expenses.

Here's how an average breakdown of his income would look like if the rented property he listed on Airbnb gets occupied for 20 nights a month:

Gross Airbnb Income (3,500 x 20 nights)	P70,000
Less: Monthly Rent in BGC	P45,000
Electricity and Water	P6,000
Airbnb Service Fee (3%)	P2,100
Net Passive Income	P16,900

And what if he gets an extra night of occupancy for a certain month? That means he earns P3,500 more. Or, if the property gets booked on Airbnb for five more nights, that means he gets to earn Ph34,400 per month. Now, what if you're managing five properties on Airbnb? Then you can easily earn as much as P100,000 every month without even owning a property. Listing your property on Airbnb gives you flexibility in earning from real estate without having to cash out a huge amount.

Possible risks of a Subleasing business model. Like any other business model, subleasing comes with a few perils. In the context of Airbnb Arbitrage, you could lose profit as easily as you make money. This is often influenced by choosing the wrong property location, getting low guest bookings, and in the worst-case scenario, never getting any guest bookings at all. That translates to paying rent with little to no return.

And, if your guest damages anything in your property and it's not covered by the Airbnb insurance, you'll have to shoulder the repair costs.

How can you reduce these risks? You can propose a shared profit agreement. Usually, you do not have to pay anything to the owner or the lessor. Instead, offer to manage his property and ask for a 50-50 profit sharing. In most cases, the property manager only gets around 30% to 40% of the profit because the owner also needs the 60 to 70% of the profit for property taxes, association dues, and other overhead expenses, as well as for the furnishings that the owner has invested in for the property.

Choosing a good property to list on Airbnb is also your top priority. The client I mentioned earlier chose a good location. Hotel rates are very expensive in the BGC area, and can go as high as P10,000 per night, even higher.

To save yourself from legal risks, get the permission of the developers before engaging in this type of business model, since not all condominium developers allow Airbnb or short-term leasing. It is also advisable that you draft an agreement specifying that the property could be subleased to protect your interests and those of the landlord.

And most importantly, have the property listed under Airbnb's insurance benefits so you stay protected if things go wrong.

Subdividing Property. If you have a big land area and you do not know what to do with it, the best way to monetize it is by dividing the land into individual lots you could sell. This is called subdividing, and it's a viable investment vehicle.

“The smaller the land, the more expensive it becomes, but the more affordable it gets.”

It's a practical option, because having a larger property means paying a larger amount of money for property tax. Land is also getting scarce these days, and the influx of people in the capital cities are on the rise. You'd likely attract a lot of buyers if you subdivide your land.

Here's an example. Let's say that Pedro bought an 800 sqm. land in his hometown at the price of P5,000/sqm. That means the total price for the land is P4,000,000. Pedro then divided the land into four individual lots or four titles, and sold each for P7,000/sqm. How much did Pedro earn per lot?

	Per Title (200 sqm)	Entire Parcel (800 sqm)
Selling Price per Land Title 200 sqm x P7,000	P1,400,000	P5,600,000
Legal Fees	P105,000	P420,000
Registration Taxes	P84,000	P336,000
Processing Fees	P70,000	P280,000
Original Lot Price	P1,000,000	P4,000,000
	P141,000	P564,000

From this breakdown, we can see that Pedro earned Ph141,000 per lot or a combined total of P564,000 for the 800 sqm. he owned. Of course, the figures are not exact as the costs for subdividing properties can vary depending on the land area and your purpose for subdividing the land.

In general, however, the concept of land pricing is: “The smaller the land, the more expensive it becomes, but the more affordable it gets.”

That means, the price per square meter goes up if you are buying a small part of land, but more people would be able to afford it.

That is why if you are thinking about subdividing your property, you should follow the right steps, which is to plan ahead, formulate a subdivision plan, hire a land surveyor, submit all the necessary documents, and finally get your land title. As soon as you get individual titles for your lots, you are now ready to offer the subdivided portions to interested buyers.

You see, real estate investing branches out to multiple techniques and strategies. This whole process may sound like a lot of work and that is right, but believe me, everything pays off in the end. The key to making money in real estate is going way beyond what is common, and exploring all other options you have, however difficult they may be.

The monetary gain makes it all worth it. **MS**



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20 Stocks For 2020

BY JOSEFINO R. GOMEZ, RFP®

Because it's 2020, here are 20 stocks for you to consider investing in:

1 Alliance Global Group Inc. (AGI)

Alliance Global Group Inc. is the holding company of Megaworld, Emperador Inc., Golden Arches Development Corp., Travellers International Hotel Group, and Infrancorp Development Inc. It made about P15 billion last year using net assets of P172 billion. It's currently selling just above P100 billion. So, assuming that it makes the same amount of income last year, your ROI is just over six years. And you're buying the net assets for 60% of its 2018 recorded value.

You also get instant diversification as this holding company owns property developer Megaworld, fast food giant McDonald's Philippines, casino operator Resorts World Manila, and alcohol distillery Emperador Inc., and snack maker Piknik. The third quarter income from 2019 was also up over 12%, which means it could actually take less than six years to get your capital back.

The risk is that AGI offers little dividends and has exposure to foreign denominated debts. But the upside is looking better than the downside. And with the current price of about P11 a share, it is really a compelling buy.

2 Ayala Corporation (AC)

Ayala Corporation is the holding company of one of the oldest and largest conglomerates in the Philippines. It has businesses in real estate (ALI: 47%), financial services (BPI: 48%), telecommunications (GLO: 31%), electronics manufacturing (IMI), automotive distributorship and dealership, business process outsourcing, power generation (ACEPH), transport, education, and water distribution (MWC-51%).

MWC, which currently is the hardest hit in AC's portfolio, contributes only about 10% of its total net income. The recent quarter also showed slower earnings growth. Due to this bad news, AC is currently selling for about 15x its P/E ratio compared to its historical average of above 20x. The good news is that its six-year CAGR net income is over 20%, while average ROE is over 11%. It has also started investing in Myanmar. Ayala Corporation also started a P10 billion buyback program, with top management also investing. From a short-term perspective, expect prices to go down, but over the long run, expect prices to go up.

3 GT Capital Holdings, Inc. (GTCAP)

GT Capital Holdings, Inc. holds interests in banking (MBT, PSB); automotive assembly, importation, distribution, and financing (Toyota); property development (Federal Land); life and non-life insurance (AXA Philippines); and infrastructure and utilities (MPI). It holds about 15% of MPI which represents only about 10% of its income.

GTCAP reported growth of over 40% of its most recent quarter versus the same period last year. It mostly came from the strong performance of Metrobank and Toyota Motor Philippines, bringing its 9M 2019 core income up over 20%. From 2014 to 2018, its net book value has a CAGR of about 15% while consistently paying dividends yearly. Expect this to continue as GTCAP's portfolio consists of companies that benefit from fast economic growth, such as banking, automotive, real estate, infrastructure, and insurance.

4 DMCI Holdings, Inc. (DMC)

DMCI Holdings, Inc. has five major subsidiaries, namely D.M. Consunji, Inc., DMCI Project Developers, Inc., Semirara Mining and Power Corporation (SCC), DMCI Power Corporation, and DMCI Mining Corporation. It is engaged in general construction, coal and nickel mining, power generation, real estate development, water concession, and manufacturing.

It has a 25% indirect ownership in Maynilad Water Services, Inc. There is huge negative sentiment towards Maynilad that hugely affected its holding company. The value of Maynilad is only than P2 per share and less than 20% of its total net asset value. At current prices, it is trading below its book value. With an ROE of 14% and over 7% dividend yield, this is one of the low risk stocks due to price and overly negative sentiment investment. Although the bottom hasn't been found, there is a big chance that it will rebound again in the long term when the dust settles.

5 East West Banking Corporation (EW)

As of June 2019, East West Banking Corporation ranks as the 11th biggest bank in the Philippines in terms of assets. It has consistently topped the highest net interest margins category compared with other banks as it has usually ranged between 5% to 6%. Net interest margin is calculated by deducting interest expenses from interest income, then dividing that figure by the average earning assets. In 2019, it is set to increase its ROE from 10% to 13%. Net book value per share is about P21 while it's selling for about P13.

6 Crown Asia Pipes (CROWN)

Crown Asia Pipes is engaged in the production of plastic compounds, plastic pipes and related products such as PVC pellets used in the construction and telecommunications industries.

It has two business groups, namely, the compounds and the pipes group. It manufactures PVC compounds such as wires and cables, IC tubes, films and sheets, and bottles. The pipes and fittings product line consists of PVC potable pipes and fittings, electrical conduits, flexible electrical pipes, and sanitary pipes. It has a book value per share of P1.82 as of Sept 2019. It made P0.19 in 2018 and is set to hit P0.29.

7 Asian Terminal Inc. (ATI)

Asian Terminal Inc. was incorporated in 1986 to provide general services with respect to the operation and management of port terminals in the Philippines. ATI manages and operates the South Harbor for cargo handling and related services effective until 2038. Services offered by the company include container terminal handling arrastre, stevedoring, storage, crantage, domestic cargo handling and passenger terminal operations, international container freight station and equipment services.

It also manages the Inland Clearance Depot in Manila, ATI Batangas Inc. (ATIB), Batangas Container Terminal, and Batangas Supply Base. It made P2.8B last year using an equity

of P15.8B. It's set to increase income by at least 20% this year to P3.3B. Its market capitalization is about P36B that makes P/E just about 10x. It has also been consistently paying dividends for over 15 years. As earnings has continuously increased, so has its dividends. 2003 dividends per share was a mere 0.16 while 2019 dividends were the highest recorded in its history at P0.5625 as 2018 earnings per share hit P1.44. As Filipinos improve their living and income, so will demand for imports and trade.

8 CebuLandMasters Inc. (CLI)

CebuLandMasters Inc., is a property developer that started in Cebu. It is engaged in real estate development, sales, and leasing, and it captures the high-end, mid-market, and socialized housing market. CebuLandMasters is now the leading local developer in the VisMin region. It has over 52 projects in over eight cities in the Philippines. Its nine-month 2019 consolidated revenues grew over 60% while net income after tax grew 77%. Its gross margin is about half of sales and while net profit margin is about a third.

Company net book value per share as of September 2019 is P4.42 and it currently sells below its IPO price of P5. It targets an EPS of about P1.20 for 2019. If it does reach it, P/E would be less than 4x. It's trading cheaply and the company knows it as it has also started buying back its shares. The company also paid P0.20 this year representing about 20% of its 2018 net income.



9 Cebu Air Inc. (CEB)

Cebu Air Inc. started the low cost for value strategy in the local airline industry in the Philippines. It adopted the low-cost carrier (LCC) business model, offering affordable aviation service to passengers. In 2018, it carried over 20 million passengers. In 2019, it sets to break that record in a nine-month period, as it has already carried 16.7 million passengers. It owns over 50% of the market and has year to date 9M 2019 increased its revenues by 18% to over 63B. EBIT margin is over 14% while net income margin is over 10%, double of last year.

In 2020, expect more passengers as Cebu Pacific looks to expand its current 72 fleets and hedge some of its oil price risk with its sold seats. It's selling for an undemanding 1.3x price to book ratio and has core ROE of over 20% for the past five years. It sells for just over P50B as its on track to more than double last year's net income of P3.9B. It's a play on the booming economy and the popularity of travel.

10 Metropolitan Bank & Trust Company (MBT)

Metropolitan Bank & Trust Company's main business involves deposit-taking and lending, trade finance, remittance, treasury, investment banking, and thrift banking. Its subsidiaries include First Metro Investment Corporation, Philippine Savings Bank, Metrobank Card Corporation, and ORIX METRO Leasing and Finance Corporation. As of 9M 2019, it has over 950 branches and 2,300 ATMs. It is currently selling for less than its book value, and a P/E of about 10x with an ROE of over 9% and pays 1.5% dividend. It is expected to benefit from the growing demand for loans due to its size and healthy financials.

11 Sun Life Financial, Inc. (SLF)

Sun Life Financial, Inc. is a publicly traded company domiciled in Canada and is the holding company of Sun Life Assurance Company of Canada. It is traded on the Toronto (TSX), New York (NYSE), and the Philippine (PSE) stock exchanges. It has five business segments, namely SLF Canada, SLF US, SLF Asset Management, SLF Asia, and Corporate. It provides savings, retirement, and pension products, and life and health insurance to individuals and groups through its operations in Canada, the US, the United Kingdom, and Asia. It also operates mutual fund and investment management businesses primarily in Canada, the US, and Asia.

For the past four years, it has an EPS CAGR growth of over 13% and a dividend of 7% CAGR as its ROE increased to 14.2%. It has been in the Philippines for over 120 years and is the number one in terms of premium income in the Philippines. If you invest in SLF in the local PSE, you're basically getting it cheaper by over 20% compared to other foreign exchanges where it's also listed.

12 Max's Group Inc. (MAXS)

If you've eaten at Krispy Kreme or Pancake House for breakfast, had Yellow Cab with friends, drank Jamba Juice and dated at Maples, then you might want to consider investing in Max's Group. MAX's portfolio consists of homegrown and international brands, the most famous of course is the house that fried chicken built—Max's Restaurant. Some of its other brands are Sizzlin' Steak, Teriyaki Boy, Dencio's, Kabisera, and Eats. As of end of 2018, there are a total of over 670 outlets across these brands, with over 55 across various cities in North America, the Middle East, and Asia.

Recent earnings showed a decline in gross margin, but a new commissary operating soon is expected to add 2% to its GPM. Revenue growth has also started to pick up from a low of 3%, it is currently growing to 5%. It sells for about 1.7x P/BV, P/E of less than 20. It would be better to observe if it does increase its income and margins or if its stock price goes lower for a better entry level.

13 SSI Group Inc. (SSI)

SSI Group Inc. is the leading specialty retailer in the Philippines with a wide portfolio of well-known international brands. It caters to all aspects of a quality lifestyle and is supported by a nationwide retail presence. It leads the country's specialist retail market in terms of the size and breadth of international brands and store footprint. One of the challenges in the old school retail industry has been online selling. Aside from managing costs by closing down non-performing branches, SSI is adding to its food portfolio. The launch of Shake Shack looks like a success as it recently just opened its second branch. Aside from about 14 branches of Salad Stop, it also just closed a deal to open a chain of Crystal Jade restaurants.

Bright spots for SSI would be the improving sales and margins of its retail business and the growing food portfolio. 9M 2019 sales is up over 7%. Operating Income is up 26%, while net income is up over 40% as gross selling space decreased by 3%. It has over 92 brands and over 580 branches nationwide. Valuation remains attractive as it sells less than its book value (P/BV less than 0.75). It also sells for about 11X P/E when most retailers are valued double.

14 Axelum Resources Corp. (AXLM)

Axelum Resources Corp. started direct manufacturing and toll manufacturing of coconut water and other coconut products for the domestic and international markets. The company uses all the parts of the coconut in its production resulting to a full line of coconut products including coconut water, desiccated coconuts, coconut milk powder, coconut milk/cream, reduced fat coconut, sweetened coconut, coconut oil, and other coconut products. It sells its products to multinational food and beverage companies, confectioneries,

and bakeries; and it also provides customized products to international and local brands. Its export markets include the US, Canada, Australia, New Zealand, Europe, Middle East, and Japan. It recently had an IPO at the price of P5 but has since fallen to less than P3 per share. 9M 2019 YTD income is P609M, annualizing it would give about 14x P/E. The new capital infusion from the IPO should give this coconut maker a good boost of income growth. At these prices, the company does look like a good investment.

15 First Gen Corporation (FGEN)

First Gen Corporation is the third largest power generation firm in the Philippines, and the largest player in natural gas and geothermal power. It has a total power generation installed capacity of over 3,400 MW and accounts for almost 20% of Luzon and over 25% of VisMin's total capacity. In short, it's a play in clean energy for the growing economy. It has a stable operating cash flow since its Sta. Rita and San Lorenzo gas plants have long term take-or-pay contracts for all of its generation capacities. Over 80% of its geothermal plant capacity also has a similar arrangement. Its P/E is less than 10x, P/BV is 0.80x while ROE is around 8% and dividends around 1.5%.

16 Fruitas Holdings, Inc. (FRUIT)

Fruitas Holdings, Inc. serves as the holding company of food and beverage kiosk operators with 24 active brands under its portfolio. As September 2019, it has over 949 stores nationwide. Some of its brands include Black Pearl, Buko Loco, Buko ni Fruitas, House of Fruitas, Jamaican Pattie, Johnn Lemon, Juice Avenue, Sabroso Lechon, and The Mango Farm. Across these brands, the Company employs three store formats, namely carts, kiosks, and inline food stalls.

It also wholly owns Negril Trading, Inc., Buko Ni Fruitas Inc., and Fruitasgroup Incorporated (FGI). FGI operates two foodparks in Quezon City. It was the last company that did an IPO for 2019 at a price of P1.68 per share. Prices increased over 40% its IPO price during the first day of trading before succumbing to profit taking. It's selling for about P1.10 currently. Previous year earnings were about P0.05 per share and could double in the next two to three years. If it does, then current price would seem reasonably cheap.

17 Asia United Bank (AUB)

Asia United Bank is a commercial bank with universal bank status. It has four subsidiaries, namely, Asia United Leasing and Finance Corporation, Rural Bank of Angeles, Cavite United Rural Bank, and RediMoney Express PTE Limited (formerly Pinoy Express PTE Ltd). It is currently selling for a P/BV of about 0.80x It paid a P1 dividend per share in 2016 and has since increased it to P1.50 while at the same time increasing net book value by 14% CAGR. 3Q 2019 earnings increased by over 66% compared to the same period last year.

18 Century Pacific Food, Inc. (CNPF)

Century Pacific Food, Inc. is the largest producer of canned and processed fish and meat in the Philippines with a growing business in dairy and coconuts. Its key brands include Century Tuna and 555 for fish, Argentina and Swift for meat, and Angel and Birch Tree for milk. It is also in the tuna export segment which produces private label canned, pouched, and frozen tuna products for export; and the coconut segment which produces retail-packaged coconut water, organic virgin coconut oil, desiccated coconuts, coconut flour, and coconut milk. Other brands include Blue Bay, Fresca, Lucky Seven, Shanghai, Wow, Kaffe de Oro, and Home Pride. It's selling for about 16x P/E compared the industry's over 20x for consumer companies as it targets a double-digit earnings growth in the future. For the 9M 2019, it looks like it will reach its target as its income grows over 10%.

19 Shakey's Pizza Asia Ventures, Inc. (PIZZA)

Shakey's Pizza Asia Ventures, Inc. operates and maintains food parlors under the Shakey's brand and its recently acquired Peri Peri Chicken. It is the exclusive franchise holder of the Shakey's Pizza Restaurant business in the Philippines and is licensed to develop and sub-license the Shakey's brand in the country. Everyone loves PIZZA, and it shows. Recent 3Q earnings grew over 25% compared to same period last year and brings its 9M 2019 earnings growth to over 10%. It has a total of over 266 stores and sells for less than 20x P/E.

20 First Metro Philippine Equity Exchange Traded Fund, Inc. (FMETF)

First Metro Philippine Equity Exchange Traded Fund, Inc. started in 2013 as an open-ended investment company. The Fund's goal is to provide returns which would reflect the performance of the Philippine equities market by investing in a basket of securities which are included in the PSEi of the PSE. The portfolio of the Fund is to be rebalanced and reconstituted every six months in order to adjust to the current composition of the PSEi. If you can't still decide among the 19 stocks above, then this might be a good way to get into our country's growth story. Aside from buying the index stocks, you could simply buy this ETF. The PSEi P/E ratio is near its seven-year low. The market is suffering currently from poor sentiment. But with the low rates in check, investing in the PSEi over the long term should provide a decent return over the years and there's no better time to start your investing journey than in 2020.

Hopefully after reading this you'll have a guide in creating your very own long term portfolio. Be aware that these are just starting points to pique your investing research. Do make sure to further look into and choose the ones you understand and agree with. May this New Year be a Prosperous one for you! 

How to Effectively Set Up Trades

BY CARISSA PATAG, RFP®

Trading the stock market can prove to be a very lucrative business. Not only is it financially rewarding but it can also give you the freedom to do other things when the market is closed. This is the reason why some employees have left their day jobs and have made trading their full-time jobs.

While trading is exciting and, to many, may seem to be a glamorous way of making money, it does take a lot of time, effort, research, and to some extent, financial losses, to develop a plan which can help give you bigger chances in successfully trading the market.

Let us follow these four steps to setting up trades effectively:

KNOW YOUR GOALS AND RISK TOLERANCE. Before you trade, make sure that you know your risk/reward tolerance level. How much are you willing to risk so you can earn a specific return on a trade? Some traders want at least double the potential profit than the risk for them to consider making a trade. That means that if the stop loss is P1 per share, the trader's profit target is at least, P2 per share. This threshold will vary per trader. As a rule of thumb, a high return will entail a high risk. But a low risk will only give a low return. Remember to set realistic profit targets vis-a-vis your risk/reward ratios.

It is also important that you are disciplined in implementing your risk levels. For example, if you set your risk level at 5% of your portfolio on a trade, and you lose that amount at any time during the trading day, have the discipline to get out of the market. Let us not stubbornly

cling to a losing trade that has breached the threshold we have set.

STUDY AND RESEARCH CONTINUOUSLY. Markets are very dynamic. You are not expected to be an expert on day one. But a trader needs to continuously learn more daily. Learning the basic terminologies will help you understand the markets since many concepts require some form of stock knowledge.

Research the fundamentals of companies. Look closely at their financial statements. At first, all income statements, balance sheets, and financial ratios will be confusing and may seem irrelevant—but the more that you familiarize yourself with them, the more will you start to understand what is going on and which companies you would like to invest in, trade, hold, or sell.

Before the market opens, check what is happening in the Philippines and around the world. Are overseas markets up or down? I usually check the Dow Jones Index as I find it a good gauge of the market mood before the Philippine market opens.

Recently, the PSEi has been having volatile swings because of internal (water concessionaires' contract renegotiation) and external situations (US-China trade war, US-Iran war). Global politics, current events, the weather—even tweets and statements from world leaders have an impact on the markets. The more we understand the past and current markets, the better prepared we are as traders.

ESTABLISH ENTRY AND EXIT POINTS. Before entering a trade, make sure that you know your exits. A lot of traders only focus their efforts in looking for buy signals but do not give their attention to the sell indicators. It is crucial that we know when and where to exit.

Check your charts. Analyze the price versus the volume. In the trading platform I use, I frequently check the Market Depth window as this shows the volume posted per bid/ask quotation. It shows me whether there is a strong buying/selling volume at a particular price fluctuation. This allows me to be aware of the support and resistance levels at a glance. I also frequently check the Volume Review window which gives me a summary of the volume traded per price fluctuation.

Are some stocks overbought, oversold? Personally, I use RSI (Relative Strength Index) as a technical analysis tool to help me see when a price has moved too far too fast. Usually, an RSI of 25 and below signals to me an oversold situation and an RSI of 75 and above, an overbought situation. Knowing these indicators will not only help you set exit and entry rules, but also help you see trade opportunities which you can maximize.

You should have exit rules if your trade goes against you and if you hit your profit target. Some traders are hesitant to cut loss even if their trade goes against them. If your stop gets hit, it means that you were wrong and it is time to accept the losses and re-calibrate. Remember, you can never guarantee that all your trades will be wins. What is important is that your wins outweigh your losses.

REVIEW YOUR PERFORMANCE. There is no clear-cut formula on effectively setting up trades nor is there a way to guarantee that a trade will make money. There is no such thing as always winning and not losing—there will always be losing trades. However, what we want to achieve is to make and implement a trading plan that will allow us to ride our profits to the maximum and cut our losses short.

If you want to be a successful trader and survive the trading game, you have to continuously assess your performance. After trading, you do not only summarize your profits and losses; you also have to analyze why you made a certain trade and how you won or lost out in the trade.

If we keep tabs on what we do when we trade like noting our targets, entry and exit points, support and resistance levels, technical analysis indicators used, it will be easier for us to analyze our trades, replicate the winning ones, and avoid repeating the same mistakes.

When you are new into trading, you feel the urge to get into all the trades, all the time. You do not have to force trades. Just pick the trades which you think will give you the best odds to profit. With a consistent trading plan and continuous performance assessment, you can improve your chances of beating the market odds.^{MS}



Drafting A Solid Lease Agreement

BY EXCEL V. DYQUIANGCO

When you become a property owner, one of the first steps that you should do is to draft a solid lease agreement, or an agreement wherein the rights of the party you are representing is fully protected, possible issues are anticipated, and ways to resolve the same have been determined.

“It is extremely important to draft a solid lease agreement to avoid confusion and conflict, and to lay down rules to resolve issues,” says Atty. Rachel Uy-San Juan, Founder and Chief Counsel of R. Uy-San Juan Associates Law Firm.

“It is extremely important to draft a solid lease agreement to avoid confusion and conflict, and to lay down rules to resolve issues.”

Here are the steps in crafting a solid lease agreement:

- Identify the party you are representing or your interest in the property. Are you the lessor or the lessee? In that case, you will know what provisions you will need to advance your interest.
- Clearly state the terms of the lease to avoid confusion. Vague terms usually result to conflict, which you want to avoid.
- Identify the leased property and what is included. Does it include the parking? How about the furniture? If necessary, you can include these.
- Anticipate possible concerns and lay down rules on how to resolve it. What will you do when there is damage on the property? Can you renovate?
- State the penalties for breach so that the parties are apprised of the consequences of their actions.
- Make sure that the contract is legally binding! Article 1318 of the New Civil Code expressly provides that there is no contract unless the following essential requisites concur, to wit: (1) there is consent among the contracting parties; (2) there is a certain object that is the subject matter of the contract; and (3) there is a cause or consideration for which the obligation is established.

Here are some factors you should include in the solid lease agreement.

ALL BASIC CLAUSES. Include the address of your property, as well as the names of all adult tenants. Including the names of all adult tenants living in your property allows you to enforce your lease on them just in case some problem arise such as when the rent falls late. You can have the right to ask this from any of the tenants.



RULES ON RENT. State clearly your terms—how much the rent is, when it is due, the consequences of paying late, or even how rent should be paid. Is it in cash, checks, among others?

SECURITY DEPOSIT. Include reasons why the security deposit of the tenant can be withheld, or why it can be non-refundable. Also include provisions on providing a receipt for the security deposit or when the security deposit can be returned after the tenant moves out of your property.

PROPERTY MAINTENANCE. Your clause should clearly state who is in charge or responsible on property maintenance.

For your tenant, here are some things you can include.

- Not causing negligent or careless property damage
- Maintaining appliances that they brought to your property
- Efficiently operating all electric and plumbing features
- Maintaining plumbing fixtures
- Getting rid of garbage
- Maintaining the safety and cleanliness of the property
- Following building and housing codes

Of course, there are some factors that you should also be responsible for.

- Providing running water
- Giving proper trash receptacles
- Keeping vital services functioning
- Keeping common areas clean and safe
- Performing repairs
- Following building codes

Atty. San Juan further states that there are some provisions you should not include in the solid lease agreement. “You should not include provisions that are not relevant and that will only bring confusion to the parties,” she says. “Further, exclude provisions which will be detrimental to your rights as a lessor or a lessee.”

For those crafting a solid lease agreement, she offers some tips and advice.

“Make sure that the provisions of the agreement protect and are not prejudicial to your rights as a lessor or a lessee,” she says. “I have encountered people who just download or copy lease contracts without even realising that the contract is not in their favour and in fact disadvantageous to them. I also advise to consult an expert, preferably a lawyer specialising in real estate law, especially to those who are new in the leasing business.”^{MS}

Choosing the Right Fitness Center

BY EXCEL V. DYQUIANGCO

When a new year rolls around, most of our resolutions often involve the fitness lifestyle—hitting the gym, being mindful of the diet, getting enough sleep. And for those who are really serious with their resolutions and truly want to start the New Year sweating off and becoming healthier, here are some things to consider when choosing the right fitness center.

“Work, family and other social obligations can keep us **very busy** and we have limited **disposable time** at our hands so you need to look for a **fitness center** which opens and or closes at the hours which work within your schedule.”

According to Fitness Champion Munnish Zain Ali, whose journey took him from losing a significant amount of weight in his 40s to toning and bulking in his 50s, choosing the right fitness center is important because what works for one may not work for the other.

“It is very important for me to be able to choose the fitness center that meets my requirements and goals,” he says. “I need to be able to maximize my schedule, my time in the fitness center so that I can reach my fitness goals and maintain them.”

He shares some tips and advice in choosing the right fitness center for you.

CHOOSE CONVENIENCE. You want to be able to work out at a gym that is easily accessible either from your home or your workplace. In the hustle and bustle of the city life, choosing a gym which is not easily accessible will always make you think twice, especially when you have to brave an hour or two of traffic.

CHECK THE SCHEDULE OF THE FITNESS CENTER. What are the operating hours of the gym? Consider also weekends and holidays. “Work, family and other social obligations can keep us very busy and we have limited disposable time at our hands so you need to look for a fitness center which opens and or closes at the hours which work within your schedule,” says Munnish.

CONSIDER THE EQUIPMENT. Technology is getting updated every year—new iOS and Android features get added every six months. Just like that, new and advanced fitness equipment gets introduced in the market every year—these equipment are specifically designed to target the fitness goals you wish to reach, body parts you wish to tone and which saves a lot of time. This is about maximizing the efforts and hard work in the least amount of time, considering you have limited disposable time at your end to work out. Gone are the days of non-stop running on cardio machines to lose weight. “This is futile and burns more muscle than fat,” says Munnish.

CONSIDER THE FITNESS TRAINERS AND THE STAFF. You need to check how diverse the staff are with their skills. As you progress, your body goals change—from shredded to bulking up to fat reduction or muscle gain. Each goal requires different skills, not to mention the physical therapists who can stretch the muscles right away to ensure there is no muscle injury. So ask from the fitness manager the diversity of staff before you sign up.

CHECK OUT THE AMBIENCE AND THE GROUP CLASSES. You need a warm and welcoming ambience, not so much with harsh music playing in the background or clients constantly banging the weights—this is normal—but do check out what the acoustics and sound absorption are like. If you have to cringe every time someone puts down the weight, it’s not the right gym for you. As for the group classes, what kind of classes do they have and what time do they hold these classes? You can also invest time in these diverse classes—from spinning to yoga to body combat—to meet the fitness needs you want.

GO FOR TRIAL SESSIONS. Insist on two to three trial classes to get the hang and feel of the gym and then sign up. This is because most gyms require 12 months lock-in

period so you need to make sure your commitment to the gym is there before you sign up. Plus, your work chemistry with the trainer is very essential. “After changing trainers three times, I’m now with my current trainer for at least three years since he understands my limits, my strengths, and focus area,” Munnish says. “We are working towards making the most out of the time we have.”

CHECK OUT THE ENVIRONMENT. Is the fitness center well-ventilated? Are the floors and machines clean? Are the weights rusty? All of these come into play because working out at a damp and unclean environment can make you more ill.

“Working out is 30-40% of the effort,” says Munnish. “What you do and what you eat outside of the fitness center constitutes the rest of it so besides the pointers listed above, the fitness center staff or your personal trainer should be able to work with you on your nutrition, working on your habits and lifestyle. This constitutes the 60-70%. You need to see how well their recovery area is because I believe in maximizing the time I have to reach my full potential. But after working out, I need to be able to stretch, relax, and cool down my muscles to avoid injuries.”^{MS}





1. What is Flint? Flint is the FIRST, TECH-ENABLED Philippine real estate crowdfunding platform. Powered by SeedIn, South East Asia's largest Business Financing Platform, the Flint platform is made exclusively for investors who like to invest in Philippine real estate properties exclusively brokered by ReMAX PREMIER (Philippines), one of the top real estate franchises in the country.

Information about the available properties in Flint is supported by Signet Properties, a leading tech-focused real estate property listing site in the Philippines.

2. What is Flint's business model? In a recent social media survey, around 91% of Filipino respondents said they are held back in investing in a real estate property because of the huge financial commitment needed to fully own one.

Flint has partnered with SeedIn and ReMAX Philippines to help provide real estate investment opportunities for first-timers on a budget or investors who like to diversify their investment capital.

Here's how we do it:

- Flint builds, develops and maintains a tech-abled platform powered by SeedIn PH's efficient financial system, which supports Flint's crowdfunding ecosystem. SeedIn PH has five years of experience as a business financing platform and has raised and facilitated over Php7.3 billion worth of funds.
- ReMAX Philippines brokers income-generating and/or capital-gaining real estate properties in Flint's pre-funded portfolio.

3. How is Flint different from other crowdfunding platforms?

Traditionally, crowdfunding platforms require all investors to achieve an aggregate amount to fund the investment of a real estate property. Most of the time, it takes a while for the funding to come through. In some cases, funding may not come through at all.

At Flint, we have pre-funded all real estate properties in our real estate portfolio. This means users can quickly purchase a share of the real estate property (or more) regardless of whether or not total Flint user investment has reached the investment amount of the property selected. Moreover, pre-funding the properties allows Flint to secure higher interest rates and accelerate investment closing so users can earn the interest quickly.

4. How do you choose the properties you offer in Flint? Using aggregate big data from existing online, offline data and industry data, we will identify the properties that garner the most eyes, engagement, clicks, and interest. Other criteria include rental rates, equity rates, and other industry data that determine the property's income and equity viability.

Our strategic partner ReMax also provides additional industry insight about the properties to be included in our portfolio.

5. How does investing in Flint work?

Step 1: Register. A user needs to register using a valid email address and a verified contact number.

A validation email will be sent to the email address provided to confirm their account creation in Flint.

We recommend users to provide a contact number that our Customer Support can use for account verification.

Step 2: Get Verified. The user will be shown to a page where it will request clear scans of 2 valid IDs and proof of billing.

Valid IDs are the following as recommended by the Bangko Sentral ng Pilipinas (Central Bank of the Philippines) under the provisions of Circular No. 564 dated 3 April 2007:

- Passport
- Driver's License
- Professional Regulation Commission (PRC) ID
- National Bureau of Investigation (NBI) Clearance
- Police Clearance
- Postal ID
- Voter's ID
- Barangay Certification
- Government Service Insurance System (GSIS) e-Card
- Social Security System (SSS) Card
- Senior Citizen Card
- Overseas Workers Welfare Administration (OWWA) ID
- OFW ID
- Seaman's Book
- Alien Certification of Registration/Immigrant Certificate of Registration
- Government Office and GOCC ID, e.g. Armed forces of the Philippines (AFP ID), Home Development Mutual Fund (HDMF ID)
- Certification from the National Council for the Welfare of Disabled Persons (NCWDP)
- Department of Social Welfare and Development (DSWD) Certification
- INTEGRATED BAR OF THE PHILIPPINES ID
- COMPANY IDs ISSUED BY PRIVATE ENTITIES OR INSTITUTIONS REGISTERED WITH OR SUPERVISED OR REGULATED EITHER BY THE BSP, SEC OR IC

Foreigners should also provide proper identification as prescribed.

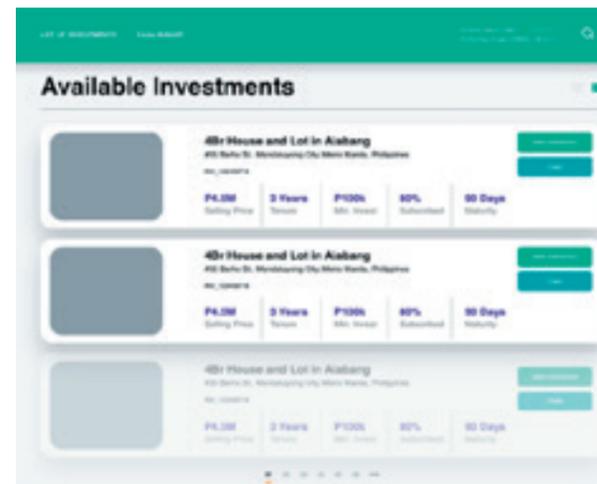
After proper identification has been submitted, Customer Support will get in touch with the user if the credentials are a good fit to discuss investing in Flint and to explain the next procedures. The more information the user provides to our Customer Support during the assessment, the higher the user's chances of getting verified.

Your financial profile determined from the verification process will also determine the number of projects you will have access to invest in. As such, not all verified Flint users will have the same, exact list of projects for Available Investment.

All information provided to Flint is strictly private and confidential according to applicable data privacy laws.

Step 3: Start Investing. Customer Support will provide a follow-up email once the user's account has been verified. A link in the email will direct the user to the login page.

The user will also be provided access to the Flint real estate portfolio for browsing and selection:



6. Who can invest via Flint? The minimum age requirement for legal purposes is 18 years old.

Foreigners and foreign-born investors can invest in Flint if there are no legal issues, precedents, or any other special circumstances that prohibit them so, and have passed account verification by our Customer Support team.

7. I saw the property that I'd like to invest in. What's next? Simply click Invest on any of the projects in the Available Investments page or on the actual Project information page itself.

8. What if I want to invest in a property that is not on the list? Can I make a request? Flint pre-funds properties that we determine to have investment growth potential. Our Customer Support will be happy to receive such requests, but we cannot guarantee if your recommendation will be included in our portfolio.

9. What proof of ownership will I get once my investment goes through? You will receive a certification of investment via email.

10. What if I did not pass verification?

At Flint, our mission is to make real property ownership easy and earn passive income quickly. As such, we are committed to providing our users with better access to real estate investment opportunities.

While you still have an account with Flint. However, you will not have the ability to view our real estate portfolio.

You may, however, invest through someone who has a verified account with Flint. Ownership and other legal precedents regarding your investment via a verified "representative" should be worked out between you and that representative. Flint and its partners and owners will be exempted from any liabilities arising from your investment via a verified "representative."

11. How should I pay my investment in Flint? Flint is powered by SeedIn's financial system. After agreeing to the necessary legal statements pertaining to the investment during the process online, the user will be brought to a payment gateway. The payment gateway accepts payment via major credit cards or PayPal.

12. How do I file a claim? In Dashboard, the user needs to click the Claim tab on the right to withdraw idling credits. The claim amount will be processed via our SeedIn-powered payments gateway. Once the claim has been processed, an email will be sent to the user to notify and inform the transfer of the claim amount to the user's bank.

13. What if there is a downturn in the economy? Can I get my money back? At Flint, we ensure that investment opportunities are well suited for our users. While we are unable to predict trends in the economy, Flint has contingency plans and legal mechanisms to ensure minimum impact from such economic risks.

Regardless, we encourage our users to review all information provided online, any legally-binding contract or statement to understand their investment participation.

14. How secured is your platform? All information provided to Flint is strictly private and confidential according to applicable data privacy laws.

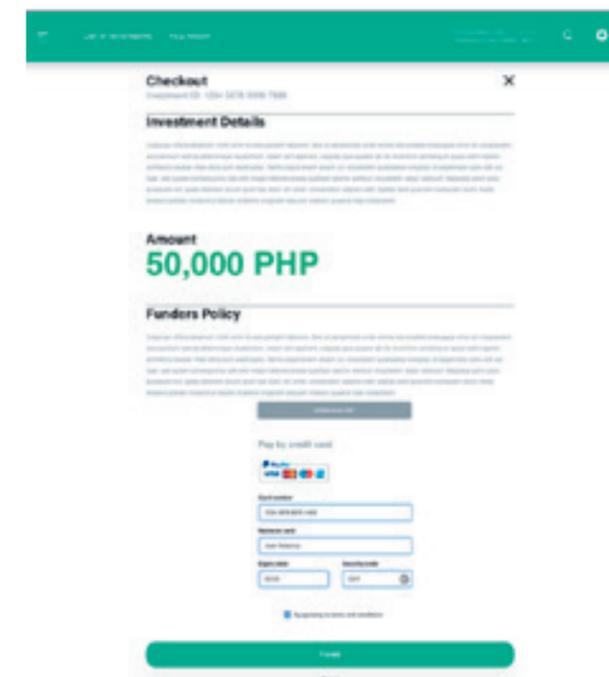
Our platform, built, developed and managed by our in-house development team, utilizes measures to ensure the safety and security of your account and compliance to applicable Data Privacy laws and regulations.

Moreover, our platform is powered by SeedIn PH. SeedIn PH has facilitated over Php7.3 billion worth of funds, and continue to do so with their top-notch financial system in the last five years.^{MS}

PRODUCT PROFILE

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26th Street, Taguig 1630

Facebook: <https://www.facebook.com/FlintPhilippines/>
Twitter: https://twitter.com/flint_ph
Instagram: <https://www.instagram.com/flintph/>
YouTube: <https://www.youtube.com/channel/UCCr-iVwJ4QcU08n8BTf0YVA>



SATO Launches Smart, Simple and Stress-free Printer to Meet the Front Line Needs of the Supply Chain

TOKYO – SATO, a global pioneer in the development of auto-ID and labeling solutions launched the CT4-LX smart mini label printer today. Equipped with a color touch panel LCD for intuitive operation, the printer is easy to use for operators of varying skill levels, in a space-saving manner, widely across many sectors and geographic regions.

As diversification of the economy creates a shortage of skilled labor and a more competitive job market, sectors from retail, warehousing, transportation and logistics, food manufacturing and healthcare are faced with the common challenge of procuring and retaining human resources at worksites where variable data labels are printed. There is an increasing need to improve productivity using smaller and more diverse teams.

Taking these needs into consideration, SATO designed the CT4-LX to be intuitive and suitable across many worksites for use by anyone, anywhere, at any time.

Smart. Not just a passive label printer, the CT4-LX is an interactive smart printer. It can enhance business by supporting existing applications and operations. Intelligence in the printer allows users to print labels without a PC by connecting to a number of peripherals. A label waste prevention feature automatically senses the first label to reduce waste.



Simple. Designed to be easy to use for operators of all range of expertise, the CT4-LX is equipped with a large 4.3 inch color TFT LCD touch panel for a user-friendly interface anyone can intuitively set up labels. Even if an error occurs, it can be overcome quickly with the help of simple instructions or a video.



It is also easy to perform basic operations like setting labels and ribbons with a cover mechanism that opens wide.

Stress-free. The global design of the CT4-LX has a small footprint and is shaped to be suitable for various environments. It also supports menu display in 31 languages and printing in 47 languages. It is designed to serve as a common model for customers with workforces deployed around the world. Also, a Media Profile Function allows registering and saving of settings for each label.

"I am excited to unveil this irresistible smart mini, which is a totally new category for barcode label printers," said SATO International President Hayato Shindo. "The great potential of the CT4-LX is its value added features that users in different sectors can pick and choose from to optimize their on-site operations. Together with our customers and partners, we want to turn ideas into reality."

The CT4-LX will be on display at NRF 2020 in New York from January 12-14, 2020. [MS](#)

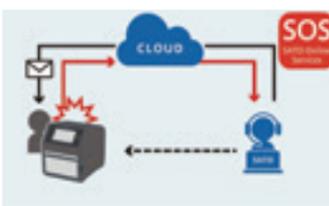
Reference

Connectivity. CT4-LX can play many labeling roles with its highly customizable application technology.

With AEP, applications are possible such as automatic updates for price changes or SKU amends to reduce repetitive manual work. Another possibility is tapping a smartphone to a reader to let consumers print shipping labels for parcels.

By utilizing the proactive maintenance solution SOS (SATO Online Services), users can enjoy prompt support to eliminate operational downtime.

With SOTI Connect, CT4-LX users can perform software updates, adjust configurations and settings and initiate maintenance actions for SATO printers remotely, while collecting data to perform automatic alerts and prevent downtime. Its user-friendly interface and remote support features allow SATO users lifetime management of printers to ensure they operate at full capacity for reliable operation around the clock, from setup to decommissioning, lowering the total cost of ownership of labeling operations and improving the return on investment.



RFID printing. The CT4-LX RFID model can read and encode RFID labels in UHF and HF bands. In order to write labels stably with a printer, individual configuration settings are typically required for each type of RFID label. Now with

the CT4-LX RFID, a new function enables the printer to read and encode UHF RFID labels automatically for fast, stable encoding. Some RFID features are coming soon. For details, please inquire with local sales representatives in your region.

To reach local sales representatives in your region, visit: <http://www.satoworldwide.com/sato-group/global-network.aspx>

To find out more about the CT4-LX desktop printer, see <https://satoasiapacific.com/product/ct4-lx/>.

About SATO. SATO (TOKYO:6287) is a global auto-ID solutions provider for leading manufacturing, logistics, retail, food & beverage, health care companies. With a bottom-up understanding of on-site use applications, SATO tags items with identifiers to improve supply chain flows of tomorrow by solving managerial and operational challenges of today. An industry pioneer with 79 years of expertise and a 5,000+ strong global workforce in 27 countries, SATO engineers solutions to streamline operations, boost accuracy, support sustainability initiatives, provide assurance and emotional connections, extending value all the way to the consumer. For the fiscal year ending March 31, 2019, it reported revenues of JPY 116,179 million (USD 1.05 billion*). More information about SATO can be found at www.satoworldwide.com, linkedin and twitter.

*Conversion is based on an average exchange rate of 1 US Dollar = 110.92 Japanese Yen

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Sun Life launches SUN Cancer Care

IN a bid to help Filipinos achieve a healthier life while securing financial protection against cancer, Sun Life of Canada (Philippines), Inc. launches SUN Cancer Care, a specialized health insurance plan that provides benefits in every stage of one's health journey.

SUN Cancer Care provides access to a wellness program that will allow one to pursue a healthy lifestyle and avoid illnesses. However, should cancer occur, lump sum cash benefits will be provided for any of the covered early and late stage cancer conditions. These will help replace the funds spent on diagnostic investigations, as well as initial expenses on treatment. In addition, a special one-time cash benefit will also be given in the event of a surgical excision of a covered benign tumor.

Meanwhile, an additional monthly treatment support benefit will also be given for 12 consecutive months after the approval of a major cancer claim. In the event of an untimely passing during this period, any unpaid monthly benefit will be provided to the insured's loved ones in the form of a compassionate death benefit.

However, if no cancer benefit has been paid out, SUN Cancer Care's life insurance component guarantees life protection equal to 100% of the original coverage, allowing one to secure his loved one's future.

SUN Cancer Care premiums may be paid in 5, 10, 15 or 20 installments with a fixed amount throughout the chosen period. Installments can be paid annually, semi-annually, quarterly or monthly for a more affordable payment option. A special bonus at the end of the premium-paying period plus annual dividend earnings afterwards, may be received in cash or left with Sun Life to accumulate. In case of an emergency, a policy loan can be taken out from the plan's cash value to support the immediate need.

"Given how cancer remains to be among the leading causes of death in the country, Sun Life created SUN Cancer Care because we want Filipinos to have a partner in battling the illness. This way, they may receive the care they need, while also securing their families' future," Sun Life Chief Marketing Officer Mylene Lopa said.

SUN Cancer Care is one of Sun Life's latest offerings, as it celebrates its 125th anniversary in the Philippines. "This is a testament to our commitment to being the Filipinos' lifetime partner for a brighter future. Sun Life has remained true to this promise ever since our pioneers introduced life insurance in the country in 1895, and we look forward to fulfilling it for more years to come," Lopa added. [MS](#)

About Sun Life

Sun Life Financial, Inc. is a leading international financial services organization providing insurance, wealth and asset management solutions to individual and corporate Clients. Sun Life has operations in a number of markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. As of September 30, 2019, Sun Life had total AUM of \$1,063 billion. For more information, please visit www.sunlife.com.

Sun Life Financial, Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under the ticker symbol SLF.

Note to editors: All figures in Canadian dollars

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“SUN Cancer Care provides access to a wellness program that will allow one to pursue a healthy lifestyle and avoid illnesses.”

Charting the Next PHase of IT-BPM today

MANILA – For over a decade, the IT and business process management (IT-BPM) industry has grown to become one of the economic pillars of the Philippines. As the sector continues to face both challenges and opportunities locally and globally, leaders and experts from the industry, academe, and the government have gathered for the International Innovation Summit (IIS) 2019 held at the Marriott Grand Ballroom, Pasay City to discuss how the industry can continue to move forward and strengthen the Philippines' position as one of the top investment destinations in the world for IT-BPM services.

Themed "Next PHase: Leading the Charge, Withstanding Headwinds, Driving the Future of IT-BPM Today," the 11th IIS focused on three key areas -- Human Capital, Country and Policy, and Deep Tech. These are essential priorities for the industry to maintain relevance and competitiveness, especially with the shifts seen in the global marketplace.

IT and Business Process Association of the Philippines (IBPAP) Chairman Lito Tayag officially opened the Summit with the story behind this year's theme and tracks, and their relevance to maintaining a thriving Philippine IT-BPM industry. Tayag also concluded his welcome remarks with a question on everyone's mind: "What is the next phase of innovation?"

Breaking the mold on how previous opening keynotes were done, IIS 2019's opening keynote was delivered by MullenLowe Philippines President and Chief Creative Officer Leigh Reyes, QBO Innovation Hub Operations Head Natasha Dawn Bautista, and WiTech Founder and Executive Director Audrey Pe. They each discussed the power of an idea and how vital its role is in the tech playing field. Reyes shared how creativity can be an anchor that will lead to the Next PHase. Bautista followed with her presentation on transforming ideas into impactful innovations. Pe wrapped up the entire keynote by taking on how these innovations can be used to promote social good.

Right after the opening keynote, IBPAP President and CEO Rey Untal and Everest Group Managing Partner H. Karthik took center stage to present the recalibrated Roadmap 2022 figures. Untal and Karthik revealed that by 2022, the Philippine IT-BPM industry is expected to generate revenues around USD 29 Billion to USD 32 Billion while full-time employees will grow to about 1.42 Million to 1.57 Million. Both IBPAP and Everest also presented that the Compound Annual Growth Rate (CAGR) for 2019-2022 is at 3.5 percent to 7.5 percent in revenue.

To achieve these numbers, Untal and Karthik highlighted these accelerated efforts to achieve the aforementioned growth potential:

- Continued collaboration to strengthen public and private partnerships to ensure sustained government support.
- Promotion of Philippine Talent Upskilling Program to help instill lifelong learning in the workforce and pivot the industry to offer higher value jobs.
- Development of mentorship opportunities from key tech experts to continuously grow SMEs and startups and startup enablers like incubators, accelerators, and other funding institutions.
- Nurture an ecosystem that promotes infrastructure and countryside development.
- Improve country branding to strengthen the Philippines competitiveness in the global marketplace.

Ultimately, what the recalibration findings stipulate is a harder working relationship between the industry, business sector, academe, and government for a more holistic and thriving IT-BPM industry.

This year's Summit was divided into three tracks -- one for each key focus area -- each having their own plenary and breakout sessions for a more holistic learning experience for the delegates.



Country and Policy. Country and Policy discussed the programs and policies needed to ensure the industry's continued growth and development.

The plenary session entitled, "It's An Asian World: How Developing Countries Can Keep up with the Asian Takeover" examined the Asian economic landscape and zeroed in on how countries in the region can work together to achieve mutual and inclusive growth. It also tackled a holistic view of what it takes to build a strong ecosystem from economic, commerce, security, and country branding perspectives. The panelists for this session were Standard Insurance Co. Inc. President and CEO John Echaz, Australian-New Zealand Chamber of Commerce Philippines (ANZCHAM) President Daniel Alexander, US Embassy Manila FBI Legal Attache Aaron Steps, and Havas Ortega Chairman and CEO Jos Ortega, and was moderated by TeamAsia President and Founder Monette Hamlin.

The first breakout under this track, "Hack Proof Your Way Through the Digital Revolution," focused on the policies that need to be in place to ensure that the Philippines is cybersecure. In this session, Melissa Hathaway, Harvard University's Kennedy School Belfer Center for Science and International Affairs Project Minerva Senior Adviser, highlighted the importance of having the right tools to combat threats and cyber attacks, especially with automation and artificial intelligence (AI) integrated across different businesses and industries.

The next session was a presentation on the Philippines' Digital Competitiveness Report by Dr. Tristan Canare, Asian Institute of Management Policy Center Associate Director and Senior Economist. In his presentation, he identified the areas where the Philippines continues to thrive. He also pointed out opportunities that can be explored to increase the country's overall competitiveness.

The last breakout session was on the Legislative Priorities for the 18th Congress Impacting the Philippine IT-BPM Sector. This session highlighted the need to identify and enact policies that would make the Philippines more conducive and sustainable to nurture and grow IT-BPM businesses. The speakers for this session were American Chamber of Commerce Legislative Head Atty. Elaine Collado, Board of Investments Governor Atty. Marjorie Ramos-Samaniego, IBM Philippines Government and Regulatory Affairs Executive Atty. Princess Ascalon, American Chamber of Commerce in the Philippines Senior Adviser John Forbes, and Concentrix Regional General Counsel and DPO Atty. Michael Montero.

Human Capital. Human Capital zeroed in on how the Filipino talent can be elevated to become more relevant and competitive globally

The plenary session "The Missing Link: Establishing Lifelong Learning and Employability" touched on the current talent development challenges

and how they can be addressed. It also tackled how the future and existing talent pool can achieve lifelong employability through proper education and instilling of the right skill sets. The panelists for this session were SkillsFuture Singapore Deputy Chief Executive (Industry), Chief Human Resource Officer, and Chief Data Officer Dr. Michael Fung, AC Education Chief Learning Officer Derrick Latreille, Government-Academe-Industry Network Director Rex Wallen Tan, and McKinsey & Company in the Philippines Managing Partner Kristine Romano, and was moderated by Makati Business Club Executive Director Coco Alcuaz.

The first breakout session tackled "Shaping the Future: From Jobs to Superjobs." LinkedIn Senior Country Sales Manager for the Philippines Cliff Adora and BagoSphere Founder and Group CEO Zhihan Lee discussed the different growth potentials that can be explored in the Philippines in terms of higher value job transformations. They highlighted how crucial this move is especially with automation being a primary disruptor for the workforce.

A session on "Delivering Through Diversity" harped on the value of diversity and inclusion, especially in the workforce. The Philippine LGBT Chamber of Commerce Chair and Founder Brian Tenorio emphasized that having a diverse and inclusive workforce does not only translate to a thriving workforce, but also a productive business.

The last breakout focused on "STEM to STE*A*M": Developing a Generation of Lifelong Learners" and how the Filipino talent can go beyond being narrow specialists and have broader scale of skill sets. The panel discussed how the industry and the business sector can work together to upscale the workforce from education to consistent training programs. The speakers for this session were Thames International Business School President Joel Santos, Taktyl Studios Managing Partner Angelica Lei Bautista, Asia Pacific College President Teresita "Tata" P. Medado, Accenture Managing Director and Human Resources Lead for Accenture Advanced Technology Centers in the Philippines Sheryll Quito and Motivational Speaker, Author, and Professional Coach Ana Maria "Penny" S. Bongato.

The plenary session "Demystifying Digital Transformation" discussed the secret to reinventing success, how businesses can continuously innovate to achieve maximum growth and productivity, and how else digital transformation can propel businesses and the IT-BPM industry forward. The panelists for this session were: UnionBank of the Philippines Vice President Derrick Nicdao, Accenture Advanced Technology Centers in the Philippines Managing Director and Intelligent Engineering Services Lead Arvin Yason, SPi Global COO Prabhakar Bisen, PLDT Enterprise First Vice President Mitch Locsin, and Globe Business Vice President for Product Development and Engineering Cocoy Claravall. The session was moderated by Manulife Chief Operations Officer for IT Delivery Centers in Asia Hans Montenegro.

Deep Tech. Deep Tech tackled the different innovations available today and how they can bring further development in various industries and applications including IT-BPM.

The plenary session "Demystifying Digital Transformation" discussed the secret to reinventing success, how businesses can continuously innovate to achieve maximum growth and productivity, and how else digital transformation can propel businesses and the IT-BPM industry forward. The panelists for this session were: UnionBank of the Philippines Vice President Derrick Nicdao, Accenture Advanced Technology Centers in the Philippines Managing Director and Intelligent Engineering Services Lead Arvin Yason, SPi Global COO Prabhakar Bisen, PLDT Enterprise First Vice President Mitch Locsin, and Globe Business Vice President for Product Development and Engineering Cocoy Claravall. The session was moderated by Manulife Chief Operations Officer for IT Delivery Centers in Asia Hans Montenegro.



The first Deep Tech breakout was "Beyond 8 Seconds: Cracking the Code of Mobile Engagement." Led by Kumu, Inc. Founder Roland Ros, this session tackled how local startups can also grow into becoming the next big innovation in the market. He discussed the considerations needed when developing new products such as service offerings, competition, and most importantly, the target audience, their interests and their nuances.

The next breakout session "Bringing Data + Digital Together" focused on further innovating service delivery and customer experience by bringing data and digital together and creating a Smart Interaction Center. While technology has made it possible for AI to provide service, it still lacks human interaction, which is an essential element to both service delivery and customer experience. AntWorks Vice President for Sales Engineering Ashish Bhatia shared his insights on how these can be integrated for a smoother, smarter, and more meaningful interactions.



The last breakout for Deep Tech explored "Applying Artificial Intelligence for Social Good." With technology becoming integrated into more businesses every day, this discussion focused on how AI can be used to serve a greater purpose, and actually uplift the lives of different community members. The speakers for this session were

Kickstart Ventures Vice President Joan Yao, SPi Global COO Prabhakar Bisen, Lifetrack Medical Systems COO Carl Nicholar Ng, and Philippine Software Industry Association President and Spring Valley CEO Jonathan De Luzuriaga.

The 11th International Innovation Summit was officially concluded by a presentation of action plans and next steps led by IBPAP Vice Chair Ayhee Campos and IBPAP Trustees Celeste Ilagan and Peter Maquera. Each took on a track and discussed the facts of all the sessions and reiterated the vital role that each stakeholder when it comes to charting the Next PHase and driving the future of Philippine IT-BPM today.^{MS}

About the Theme. Next PHase: Leading the Charge, Withstanding headwinds, Driving the Future of IT-BPM Today

As we continue to face challenges locally and internationally, the Philippine IT-BPM industry is determined to chart its course to maintain its relevance in this ever-changing global market. This year's Summit, our objective is to emphasize the strength and experience of the Philippines. We want to communicate that we recognize the challenges as well as the opportunities that the new phase brings for the people, the industry, and the country.

IIS 2019 focuses on the policies that need to be written, the talent that needs to be developed, and the different action plans that need to be implemented for the industry to stay competitive, thriving, and most of all, relevant. For this to happen, the academe, business sector, and most especially the government came together at the 2019 Summit to reiterate its stand and commitment to the Philippines' position as the top choice for service excellence in IT-BPM.

About the Information Technology and Business Process Association of the Philippines (IBPAP). The Information Technology and Business Process Association of the Philippines (IBPAP) is the enabling association for the information technology and business process management (IT-BPM) industry in the Philippines. IBPAP serves as the one-stop information and advocacy gateway for the industry. With over 300 industry and support-industry members, and six associations—the Animation Council of the Philippines, Inc., Global In-House Center Council, Contact Center Association of the Philippines, Game Developers Association of the Philippines, Healthcare Information Management Association of the Philippines, and Philippine Software Industry Association—IBPAP plays a pivotal role in sustaining rapid growth of the IT-BPM industry by working to ensure an enduring supply of high-quality labor, supporting service innovation, and providing country visibility.

IBPAP assists investors in setting up operations easily and quickly in the Philippines. Relevant research, introductions to key government and industry officials, and a series of briefings at each step of the investment process ensure a seamless development process. Ongoing support is provided through a wide variety of initiatives, including programs for HR development, business development, knowledge sharing, and networking opportunities.

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Allianz Investing in Companies with Sustainable Business Practices

IN its drive to be a fully-sustainable company by 2050, Allianz PNB Life keeps a strong focus on investing in companies with sustainable business practices that deliver long-term value via its Peso-Hedged Global Sustainability Equity Fund.

The equity fund was promoted during the company's recent Sustainability Forum, where speakers from different industries talked about climate change and the environment and how individuals, companies, and governments can help address its various concerns.

The Peso-Hedged Global Sustainability Equity Fund gives its holders the opportunity to invest in global equity markets of developed countries. It prioritizes investments in companies with sustainable practices, and its hedging component minimizes the risk of exchange rate movements, adding further protection for investors.

The equity fund is in line with Allianz's Sustainable Investing, which incorporates Environmental, Social, and Governance (ESG) factors into investment decisions to better manage risks and generate sustainable, long-term results. It came about as traditional financial analysis has been found to be inadequate to cope with hidden risks and failed to capture opportunities.

Globally, Allianz has been declared the world's most sustainable insurer for three years running by the Dow Jones Sustainability Index.

In the Philippines, it has launched a number of sustainability projects that include its support of the Lucio Tan Group's Project Canopy, which involves the reforestation of the Cordilleras, and the launch of e-Sakay, electronic jeepneys that ply the Makati and Mandaluyong routes.

Benjamin Yong, Allianz Global Investors SG Regional Channel Sales Manager, discussed the environmental factors that go into Allianz's Sustainable Investing, which covers companies' carbon footprint, water usage, waste management, and pollution mitigation.

Guest speakers from other sectors likewise presented insights, research, and solutions on various sustainability-related topics.

Arnold Grant S. Belver, EnP, Senior Science Research Specialist of the Policy Research and Development Division of the Climate Change Commission, talked about "Resilience - How Families Should Prepare for Climate Change."

Antonito Miguel R. Ramos, EnP, a Licensed Urban Planner and Innovation Manager for Palafox as well as a member of the Philippine Institute of Environmental Planners (PIEP), spoke about "Adaptation - Making Resilient Cities and Families."

Rosalina de Guzman, Chief of the Climate Data Section of the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) discussed how people can cope during an environmental crisis through her talk, "Bracing Ourselves for the Inevitable Effects of Climate Change - Water Crisis, Calamities, Power Interruption, and Food Supply Shortage."^{MS}

About Allianz in Asia. Asia is one of the core growth regions for Allianz, characterized by a rich diversity of cultures, languages and customs. Allianz has been present in the region since 1910, when it first provided fire and marine insurance in the coastal cities of China. Today, Allianz is active in 14 markets in the region, offering its core businesses of property and casualty insurance, life, protection and health solutions, as well as asset management. With its more than 32,000 staff, Allianz serves the needs of over 18 million customers in the region across multiple distribution channels and digital platforms.

About Allianz. The Allianz Group is one of the world's leading insurers and asset managers with more than 92 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the



Movers of Sustainability. (From Left) Arnold Grant Belver, EnP, Senior Science Research Specialist, Policy Research and Development Division, Climate Change Commission; Benjamin Yong, Regional Channel Sales Manager, Allianz Global Investors Singapore; Rosalina de Guzman, Chief of Climate Data Section, Philippine Atmospheric, Geophysical and Astronomical Services Administration; Antonito Miguel Ramos, EnP, Innovation Manager/Urban Planner, Palafox; Allianz PNB Life Chief Marketing Officer Gae Martinez; PNB Branch Banking Group Head for Metro Manila Edilberto Ramos; (From Allianz PNB Life) Chief Distribution Officer Chris Cabognason; National Sales Head Carol Bernas; and Digital Brand Management Director Kenneth Yu.

world's largest investors, managing around 673 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage more than 1.4 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2018, over 142,000 employees in more than 80 countries achieved total revenues of 131 billion euros and an operating profit of 11.5 billion euros for the group. These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements. The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update. The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.

Privacy Note. Allianz SE is committed to protecting your personal data. Find out more in our Privacy Statement.

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With PhP100 Million Health Coverage Allianz Well! Now Available Through Maria Health

ALLIANZ Well!, a high value health insurance product that offers a coverage of up to PhP100 million, is now available through Maria-Health PH, after premier global insurance company Allianz Philippines entered into a partnership with the technology company. It is also the first international health plan on Maria Health that offers such a high coverage.

"Allianz believes in making insurance simpler to understand for everyone. This way, people can learn more about its benefits and why it's important for their financial security. We are glad to have found a like-minded company in Maria Health," said Allianz Philippines Chief Marketing Officer, Gae Martinez.

Maria Health is an e-commerce facility that allows consumers to easily purchase health insurance plans. It shows comparisons of the different HMO providers so that consumers can easily identify which among their coverages would suit them.

Allianz Philippines' partnership with the tech company is part of its continued efforts to make its insurance products more accessible and easier to understand for more Filipinos.

By making Allianz Well! available through Maria Health, Allianz Philippines makes it easier for consumers to learn more about the many benefits that the plan offers. These include 24/7 teleconsultation and expert medical opinion services; inpatient hospitalization; ER assistance, the option of a second opinion, among other benefits.

Allianz Well is just one of the many all-inclusive health plans that Allianz Philippines is making available through Maria Health.

Earlier in the year, Martinez had stressed the importance of using technology in the delivery of insurance products and services.

"Through technology, we have the opportunity to give our customers access to their insurance anytime, anywhere," he said.

Allianz is the world's number one insurance brand, according to the 2019 Interbrand Global Rankings. Across all industries, it ranks 43rd in the world.

Allianz has likewise been declared the world's most sustainable insurer from 2017 to 2019 by Dow Jones Sustainability Index (DJSI).^{MS}



Partners in Health. (From left) Allianz Philippines chief marketing officer Gae Martinez and Chief Distribution Officer Chris Cabognason have signed an agreement with e-commerce technology company Maria Health represented by its Chief Executive Officer and co-founder Vincent Lau, and vice president for strategy, Camille Packing. The deal paves the way for the inclusion of Allianz health insurance products on the Maria Health e-commerce platform, which provides visitors relevant information as they choose a product for their needs.

About Allianz in Asia. Asia is one of the core growth regions for Allianz, characterized by a rich diversity of cultures, languages and customs. Allianz has been present in the region since 1910, when it first provided fire and marine insurance in the coastal cities of China. Today, Allianz is active in 14 markets in the region, offering its core businesses of property and casualty insurance, life, protection and health solutions, as well as asset management. With its more than 32,000 staff, Allianz serves the needs of over 18 million customers in the region across multiple distribution channels and digital platforms.

About Allianz. The Allianz Group is one of the world's leading insurers and asset managers with more than 92 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 673 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage more than 1.4 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index. In 2018, over 142,000 employees in more than 80 countries achieved total revenues of 131 billion euros and an operating profit of 11.5 billion euros for the group. These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements. The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

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No duty to update. The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.

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SCB 10X launches “Moonshot Mission” focusing on Thailand’s first “Venture Builder”, aiming to become ASEAN leader in venture builder and digital technology investment

BANGKOK — SCB 10X Company Limited, a subsidiary under Siam Commercial Bank PCL (SCB), announced its readiness to push forward a new growth engine for the development of digital technology capabilities through the “Moonshot Mission”, set to underline the investments that can create an unprecedented exponential growth. The company highlights differentiation in the banking industry with the “Venture Builder” team for the first time in Thailand while aiming to become an ASEAN leader in digital technology investment within 5 years.

Mr. Arthid Nantawittaya, Chairman of the Board, SCB 10X Company Limited, and Chairman of the Executive Committee and Chief Executive Officer, Siam Commercial Bank PCL, revealed: “SCB has embarked on the fast-track to create new business opportunities to keep up with digital banking disruption. Today, we are fully ready to take our ‘Experimentation’ to the next level to achieve ‘Exponential Growth’ as we decided to set up “SCB 10X” with a mission to oversee all technology companies in the SCB Group, such as Digital Ventures, SCB Abacus, MONIX, and technology companies in SCB’s future business pipeline. The new company has an allocated budget of 20 billion baht for its three-year investment plan. Its main objectives are to focus on investing in new businesses powered by digital technology, including self-investment, venture builder and business partnership. This business movement will allow SCB to have more technological capabilities in the future, as well as creating more value from new businesses to replace and increase the Bank’s existing growth.”

Dr. Arak Sutivong, Chief Executive Officer, SCB 10X Company Limited, and President, Siam Commercial Bank PCL, elaborated: “SCB 10X is an extension of our new business development that focuses on creating new technological capabilities to generate ‘investment in Exponential Opportunities’ under a mission called: the ‘Moonshot Mission’. It represents ideas and creations that have never been done before and the recognition of market needs in the future which can take the organization to reach the goals before other counterparts. The mission consists of three main business pillars:

1) Venture Builder (VB) - The VB business will serve as the main driver of the company to create exponential growth, in which SCB 10X will support tech startups with ideas or a group of business entrepreneurs who see the future potentials. Apart from this, SCB 10X will join to build businesses with talented individuals by supporting the tech access, facilitation of the go-to market process, as well as other shared services, in order for the idea owners to fully focus on shaping their creativity into successful businesses and become a company owner (Shared ownership).

2) Strategic Investment and Partnership - SCB 10X will partner up with various technology companies, and look for opportunities to create technology businesses to develop capabilities and create further value for the business.

3) Venture Capital (VC) - Investment in tech companies and startups around the world to help the company or those startups grow even more.

“With SCB 10X, we aim to become a leader in ASEAN in venture builder and digital technology investments within 5 years through our large-scale investment budgets. SCB 10X is ready to receive ideas and working teams from around the world to jointly push forward the ‘Moonshot Mission’ to achieve aspiring business goals,” Dr. Arak concluded.^{MS}

For more information, please email to: contact@scb10x.com.

Source: Siam Commercial Bank (SCB) | PRNewswire

Siam Commercial Bank Group launches SCB 10X, a new businesses powered by digital technology, including self-investment, venture builder and business partnership, aiming to become ASEAN leader in venture builder and digital technology investment within 5 years.

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PHILIPPINE FINTECH FESTIVAL 2020

MANILA – The Philippines is all set to cement its role as the next hotbed for fintech and tech innovation with all the necessary ingredients to tech up already present in the Southeast Asian country.

A solid financial and business ecosystem with projected 6.2% GDP growth in 2020; an innovation-ready regulatory environment; a large, young, and increasing population with an internet penetration rate of 63% — most of them through mobile devices — the Philippines is certainly ripe for fintech growth.

“We strongly believe that this is a pivotal moment for us to become more relevant and competitive in the global marketplace. DTI has always been supportive of the growing fintech industry because of its massive potential for financial inclusivity for our people. With all the work and tech innovation building up in the country in recent years, we are ready to expand our horizons,” shared Department of Trade and Industry (DTI) Undersecretary Dr. Rafaelita “Fita” Aldaba.

She underscored the significance of being at the center of tech innovation, citing how fintech companies and products have largely contributed to the government’s relentless drive for financial inclusion.

These include telcos and traditional banks successfully launching their own fintech products offering millions of consumers access to formal credit products; small and medium enterprises as well as farmers being given alternative finance by startup firms who link them to banks and other investors; and mobile wallets and startup firms working on modernizing remittances through online payments and use of cryptocurrencies amid the growing number of Filipinos working overseas.

“Now, the Philippines is primed to move on to the next level and transition into a world-class digital economy via the Philippine Fintech Festival—an international gathering of experts and leaders in innovation,” continued Usec. Aldaba.

The forthcoming Philippine Fintech Festival (PFF), to be held at Shangri-La at The Fort on May 20-21, 2020, will explore the widening horizon for the tech and fintech potential of the Philippines. The festival is in partnership with various government agencies including the Bangko Sentral ng Pilipinas (BSP), Department of Information and Communications Technology (DICT), Department of Science and Technology (DOST), and Department of Trade and Industry (DTI), along with private corporations and organizations such as Distributed Ledger Technology Association of the Philippines (DLTAP) and FinTech Philippines Association (FPH).

“The Philippine Fintech Festival promises to be a showcase of the latest technological innovations both here and abroad to local and international businesses. This will definitely go a long way in helping us develop the country’s capability for innovation through the continuous development of information and communications technology,” declared DICT Undersecretary Jose Arturo de Castro.

PFF will gather global innovation experts to discuss the future of banking, industry transformation, and financial inclusion for the plenary sessions.

Beyond the plenary talks and exhibits, there are several exciting events geared for those participating in the festival such as Business Matching activity with Trade Connect where entrepreneurs can network with possible investors and learn from their peers in the industry. There will also be a PFF edition of The Final Pitch wherein startups can present their innovative business ideas to industry leaders and venture capitalists. While, the PFF Hackathon will challenge students and tech enthusiasts in creating impactful solutions for current pressing issues in the Philippine financial industry. Access to the ASEAN Financial Innovation Network (AFIN)’s APIX platform will be made available to Hackathon participants as part of their toolkit. These activities will culminate during the PFF Awards wherein winners from these activities will be recognized.

“We are working closely with the various government and industry partners in putting together PFF 2020 because this is an opportunity to showcase the Philippines’ capabilities in the fintech space. Through the PFF, we are taking a shot at co-creating the future together,” said DLTAP and FPH chairman Justo Ortiz.

The Philippine Fintech Festival aims to empower enterprises via a digital revolution in order to remain relevant and competitive amid a rapidly changing business environment.

Registration for the first Philippine Fintech Festival is now open. Sponsorship opportunities are also available for interested parties. For more information about PFF 2020, visit <https://www.philippinefintechfestival.com/LMS>

About the Philippine Fintech Festival. The Philippine Fintech Festival (PFF) gathers innovation and tech experts, thought leaders, and business executives to discuss global trends, key executions, and cutting-edge solutions that will lead digital disruptions across industries. As the global economy continues to be transformed by the power of technology, PFF goes beyond fintech as it aims to empower enterprises to elevate their digital transformation journey by zeroing in on topics that are essential in driving growth and sustainability in this fast evolving business ecosystem.

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