

My Maid Invests in the Stock Market...

Including:
4 Rules of
Making Millions
in the
Stock Market

*And Why You
Should, Too!*

Because
Everyone
Ought to
Be Rich



BO SANCHEZ

My Maid Invests in the Stock Market...

And Why You Should Too!

**Because Everyone Ought
to Be Rich**

Bo Sanchez

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*I dedicate this book to Gina, Weng and Maricel.
You're God's precious gifts to my family.*

Don't Just Get This Book; Get the Entire *TrulyRichClub* System

This book was originally written for my *TrulyRichClub* members.

If you're not yet a member of the *TrulyRichClub*, join now!

So that you can fully appreciate the material presented here, as it is given within a powerful *TrulyRichClub* "system" which consists of a larger financial and spiritual education that I give to my *TrulyRichClub* members.

This comes in the form of other inspiring ebooks, monthly audio *PowerTalks*, and weekly *WealthStrategies* newsletters.

I also send a monthly *Stocks Update* report to my *TrulyRichClub* members, writing simply and without the use of financial jargon, to tell them what to buy and sell for their stock investments.

If you're not yet a member, join by logging on to www.trulyrichclub.com now.

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INTRODUCTION

Take Charge of Your Financial Future

This is a little book that can change your life in a big way.

I made it short for a purpose: To tell you that it's not complicated to invest in the stock market. All you need is a little bit of guidance — and a lot of discipline.

This little book has been long overdue.

I've been planning to write this for the longest time.

But I felt it wasn't the right time.

Because I was still in the process of teaching my three household helpers how to invest. My theory was this: If I can teach them how to invest, I can teach anyone.

Do you know what the problem is with the stock market world?

They don't speak English. Honest.

They speak in some strange dialect that is spoken only in the second moon of the planet Uranus.

But I've solved that problem. If my maids can understand me, then anyone can understand me.

Today, my helpers are investing in the stock market, their money is growing, and they're very happy.

Why Your Long-Term Savings Shouldn't Be in Banks

One person asked me, "Bo, why don't you just teach your helpers to put their money in a bank? It's much simpler. And safer."

Obviously, this person didn't read my two other personal finance books, *8 Secrets of the Truly Rich* and *Choose to Be Wealthy*.

If he did, he would have known that the biggest mistake people make is parking their long-term savings in banks.

I believe there are only two kinds of money that should be put in banks: Business Money and Emergency Money.

I'm an entrepreneur so I love banks. They make my

life easy. My customers pay me via the bank. I wire money overseas. People from abroad wire money to me. Banks are fantastic.

I also put my Emergency Money in banks. When my roof leaks, when my car needs repairs, when a family member gets hospitalized, I can withdraw money in a snap for these surprises.

But I don't put my long-term savings in banks.

Why? Because it only earns a measly four percent interest a year.

Let me make it graphic for you.

Let's say you have P1 million in the bank.

If you park your P1 million in a time deposit account for 36 long years, your P1 million will become P4 million. Not really very impressive, right?

But if you park it in the stock market (using the strategies in this book), your P1 million will become, at the very least, P64 million.

The difference is massive.

That's why I believe everyone — even domestic helpers — should invest their money in the stock market.

All they need is someone to teach them how to do it.

I Can Hold Your Hand Every Step of the Way

Here's another thing I can do for you.

Each month, if you join my *TrulyRichClub*, I can send you my monthly *Stocks Update* report. I'll tell you what companies I'm investing in and how they're doing.

What is this *Stocks Update* monthly report about?

To give you guidance and inspiration.

Especially when there's a crisis, my *Stocks Update* will be crucial. It will prevent you from selling your stocks because of panic — and lose your money. And it will encourage you to do the very opposite — buy great companies when the prices are very low.

To join my *TrulyRichClub* and receive my *Stocks Update* monthly report, log on to www.trulyrichclub.com now.

You actually don't have to get my guidance, but frankly, I dare you look for another person who will do this for you — as effectively, as simply, and as inexpensively, as I would.

If this is the first time you're investing in the stock

market, I'm excited for you. You're taking charge of your financial future.

May your dreams come true,



Bo Sanchez

P.S. *By the way, I don't represent Citiseconline.* This work is totally my own and is not approved by this company. But at the end of this book, I'll be recommending them to be your online broker. I believe they have the same vision as I have: helping more people reach financial freedom.

P.S2. *Join me!* Grow your wealth. Achieve financial freedom. For those who are not yet members of the *TrulyRichClub*, I'm personally inviting you to join me and invest in your spiritual and financial education. You won't regret it. To try it out, log on to www.trulyrichclub.com now!

CHAPTER 1

Everyone Ought to Be Rich

I preach to thousands every week.

I write bestselling books that are read by thousands more.

I also speak everyday on radio and TV to millions.

People think I'm pretty big.

So big that I meet only big people.

Well, I do meet big people.

I lead small groups for big leaders and big businessmen. We call these small groups *caring groups*. In these groups, we care for each other. We pray together, chat about our lives, and study God's Word.

But people don't know that I lead a very different kind of group at home.

Every week, I lead a caring group consisting of my three helpers and my driver. Each week, we pray together, chat about our lives, and study God's Word.

I have so much fun in our weekly meetings.

I'm able to help them in every aspect of their lives.

My driver is married. So I teach him how to strengthen his marriage and become a great father to his four kids.

My helpers are all single. So I coach them how to relate with their boyfriends. (My other name is Dr. Love.) I teach them how to remain pure and discern guys.

Oh, we talk about everything under the sun. Their relationship with God. Their physical health. And yes, their personal finances.

“How Much Do You Pay Them?”

When I tell people my helpers invest in the stock market, people ask me, “My gosh! You must pay them a fortune.”

No, I'm not Sharon Cuneta.

I heard she pays her helpers P25,000 each. (That's only a rumor. Maybe it's true, maybe it's not.) If it's true, then that's great.

I pay my helpers generously, but not that much. I'll tell you later how much I pay them.

But you see, that's not the main problem.

No matter how high their salaries are, they still can't save anything.

Let me tell you why.

Whole Civilizations Depend on Their Monthly *Padala*

They send most of their salaries back home.

They send it to their parents, siblings, nephews, nieces, aunties, uncles, cousins, including their pet carabao. Sometimes, I feel my helpers are supporting entire civilizations. Without their monthly stipend sent back home, the economy of an entire barrio will cease to exist. People will loiter on the road aimlessly. Children will die of starvation. And the world will come to an end.

That's not the only problem.

My helpers know enough to save a little every month. So they don't send everything back home. And for a few months, their savings accumulates. It reaches P2500 and they're happy.

But then, the inevitable happens.

My helpers receive a text message: A cousin's husband's nephew's neighbor's mother is in the hospital. Could they please send P2500? If not, the patient will die — and they'll carry the guilt of that person's death in their conscience forever.

So they send it. And they're back to zero. Again.

Every time their savings grow beyond P2500, their family knows.

Call it ESP. Call it telekinesis. Relatives smell it. And they call.

So to avoid this problem, I taught my helpers a simple system.

Believe me, the system works.

Let me teach it to you now.

CHAPTER 2

Follow a Simple System

Today, my helpers have invested in the stock market. Twenty years from now, they can retire as millionaires.

The system is really simple.

The moment they receive their salaries, they divide it into five envelopes.

- First Envelope: Tithe Fund
- Second Envelope: Expense Fund
- Third Envelope: Support Fund
- Fourth Envelope: Emergency Fund
- Fifth Envelope: Retirement Fund

When my two helpers started investing in the stock market, they were earning P7000 a month. I know that's higher than what others give, but I like being generous to them.

My other helper earns much more because I promoted her to bookkeeper.

Let me explain the Five Envelopes or Funds to you.

1. Tithe Fund

My helpers are already so generous to their families.

But I explained to them that we also need to give to God's work. I shared to them the blessings that come from doing this.

"You'll grow in abundance thinking," I told them, "when you give beyond your family's needs. This will make you think rich and feel rich. And when you change your thinking, you change your living. Soon, you'll become very rich. And you'll have more to share."

I told them that 10 percent is a great biblical guideline to follow. But I never forced them. I wanted them to decide how much they wanted to give. I don't even know how much they give. I asked them to give it directly at The Feast (that's what we call our weekly gathering in our spiritual family, Light of Jesus).

But let us say they do give 10 percent.

That means they give P700 a month.

2. Expense Fund

This is what they spend for their daily needs.

Since they live in our home, they don't spend too much.

They buy their clothes, toiletries and perhaps favorite food not found at home.

But I'm so happy that they're very disciplined.

They don't spend too much on cell phone load.

So as not to spend too much, they take a day-off every other week only. When they do, they spend for a movie or a meal with their friends.

They generally live a happy life.

For their monthly expenses, my helpers spend P1000 a month.

3. Support Fund

Like clockwork, each of my helpers sends P2000 a month back home to their province. They send this for the daily food of their families. As I told you, if they don't send this, the people they love don't eat.

There was a time when I wanted to end this dependence. I wanted to help their families by providing a business fund.

Many times, I've sent money to the province so people there can buy a pig, chickens, etcetera — anything that will give them a source of income.

But my attempts have failed. Soon, they end up selling the mother pig. Soon, they spend the capital. And the business disappears.

Unless there are people on the ground to guide them in their businesses, nothing much will happen.

So my helpers — and the domestic helpers around the world — continue to send money each month to feed their families.

4. Emergency Fund

This, I believe, is the magic sauce.

My secret ingredient.

I told my helpers that aside from their savings, they should create an Emergency Fund. Because every once in a while, their families will call them up.

An uncle dies.

The farm needs seeds.

A niece is in the hospital.

The typhoon ravages the crops.

When these emergencies come up, they have another fund to send back home.

For my house helpers, this is P1000 a month.

They put this in the bank account.

Or sometimes, my wife keeps it for them — whatever they prefer.

So they have peace of mind that they have money for any family emergency.

5. Retirement Fund

This is their real savings.

I explained to them, “I call it Retirement Fund because I want you to retire as millionaires.”

Their jaws dropped. They looked at me like I said they would become Barney the purple dinosaur. In their minds, it was preposterous. How could domestic helpers become millionaires?

I explained to them the principles found in my other books, *8 Secrets of the Truly Rich* and *Choose to Be Wealthy*.

“Because you don’t have a business, the best way for you to grow your money is to invest in the stock market.”

Let’s review my helpers simple system:

They earn P7000 a month.

They tithe P700.

They spend P1000 for their own needs.

They send P2000 back home to their family.

They keep P1000 as an Emergency Fund — also for their family.

So what's left? P2300.

Remove the P300 for miscellaneous needs.

My helpers invest P2000 a month in the stock market.

The next thing I did was to give them a powerful vision.

CHAPTER 3

Repeat the Vision

“I don’t want you to touch this Retirement Fund,” I told them.

Personally, I think calling it “Retirement Fund” was psychologically powerful.

Why? Because I brainwashed them with a vision of their future.

That’s why our weekly Caring Group meetings are essential, where we pray together, chat about their lives and study the Bible together. This is where I raise their level of thinking and their identity.

Even if I don’t say a word, the mere fact that I spend time with my driver and my helpers each week, their perception of themselves changes dramatically. They see themselves with a great future.

I had to give them a specific figure so they’ll understand. So they’ll get excited.

Excited enough *not to touch their Retirement Fund for the next 20 years.*

I said, “You’ll have P5 million in 20 years.”

Actually, just a shade below P5 million. With the system I’m going to teach you, they can earn 20 percent a year from their stock investments *over the long haul.*

This is on the premise that I don’t give them a raise in the next 20 years — and thus can’t increase their savings. Which is highly unlikely. After all, as God prospers me, I want to share more to them, too.

I Scare Them

I also show them the downside if they don’t invest for the future.

With great audio-visual effects.

Regularly, I bring my helpers to Anawim, my ministry for the abandoned elderly. For 13 years now, we’ve picked up old people from the streets, abandoned by their own families.

Some of these old, frail, sickly women were former domestic helpers and laundrywomen. After years of sending money back home to their nephews and nieces, they were left in the cold.

Now that they're weak and sickly, they can no longer work. Abandoned by their employers they served for many years, they no longer had a home to stay in their old age. They had no choice but to starve in the streets. None of their relatives wanted to take them in. (Yes, even the nephews and nieces that they sent to school.)

So Anawim becomes their home.

I ask my helpers, "The choice is yours. Do you want to be like them when you grow old? Or do you want to retire as millionaires?"

The effect on them is electrifying.

"Helping your families is fantastic," I add, "And you should continue to help them. But you need to love yourself so that you can continue to love others. You need to keep a regular amount for your retirement."

So my helpers don't touch their Retirement Fund.

Because in their old age, they want to be a donor to Anawim, not a beneficiary.

Now let me teach how the stock market works.

CHAPTER 4

Own a Great Company

When I was eight years old, I learned that my parents invested in the stock market. I overheard them say that they owned shares of San Miguel. (My father worked for San Miguel Corporation for most of his life.)

I asked my father, “What do you mean by stocks, Dad?”

He said, “If I bought a few shares of stock of San Miguel, that means I own a tiny part of San Miguel.”

“Wow,” I gushed, “if you own a part of San Miguel, does that mean they’ll give us free Magnolia ice cream and Coke?” (At that time, San Miguel also owned both companies.)

Dad shook his head. “No. It means if San Miguel earns money, they’ll give me a tiny part of their profits. They call them dividends.”

“Oh, I see.”

Actually, it was as clear as mud to me.

Dad looked at my face and knew I was lost.

So he gave me an example.

“Let’s say your mother puts up a small candy store in front of our house...”

“But Dad, Mommy doesn’t like candies. She loves chocolates.”

Dad rolled up his eyes. “This is just an example!”

“Then make it realistic. Let her open a chocolate store.”

“Okay! Mommy needs P50 to buy the chocolates and another P50 to buy a small table for the store. So she needs a total of P100. But let’s say she doesn’t have P100. Let’s say she only has P90. So she walks up to you and asks, “Bo, can you give me P10? In return, you’ll own 10 percent of my candy store...”

“Chocolate store,” I frowned.

“OK, chocolate store. So you give Mommy your P10. At the end of the year, the chocolate store earns a nice profit of P10. So Mommy decides to share with you P1, since you own 10 percent of the store. That P1 is what you call your dividend.”

“That’s great. So you’re earning dividends from San Miguel, Dad?”

“Yes, but that’s just one way of earning. The other way is through capital appreciation.”

“Capital what?”

The Company Gets Bigger

“Let’s go back to Mommy’s chocolate store. Do you remember how much was the store worth?”

“No.”

“How much did she need to buy all the stuff?”

“P100.”

“Yes. That’s how much Mommy spent to buy the chocolates and the table. But after a year, business was so good, she decided to sell biscuits too. From the profits of the business, she bought an entire pack of biscuits worth P50. She also bought a second table for another P50. So Bo, how much is the store now?”

“P200.”

“And how much percent do you own?”

“I own 10 percent of the store.”

“That’s right. One day, your sister says, ‘Bo, I want to buy your ownership of Mommy’s chocolate store.’ What will you say?”

I crossed my arms and pouted. “I’ll tell her it’s not for sale.”

“But if you wanted to sell it, how much should she pay you?”

“Ten percent of P200 is P20?” I flashed a smile, “Hey, I earned P10...”

“That’s capital appreciation. You pick up fast. But that’s not all...”

The Company Has More Potential

“You know how your sisters like to buy the same shoes and clothes? Let’s say your other four sisters want to also be a part-owner of Mommy’s chocolate store. Because they believe that the chocolate store will spread to 100 branches all over the world. They foresee Mom opening stores in Paris, New York, Moscow, Tokyo... So they go to you and beg you to sell them your 10 percent share. What will you do?”

“I don’t know.”

“Think.”

“I guess they’ll gang up on me, twist my arm, pinch my ear, and whoever causes the most pain wins.”

Dad rolled up his eyes to the ceiling again. “Bo, imagine if all your sisters are kneeling down in front of you, asking, ‘C’mon Bo, sell me your 10 percent ownership! Please! Pleeeeeeeaaaaase!’”

That was my lightbulb moment. I got it.

“Hey, I won’t sell it for P20,” I said, “since they’re fighting over it, I’ll sell it for P30. Or P40. Or even P50! I’ll sell it for P100. Plus, whoever buys it from me must be my slave for the next five years.”

Dad chuckled. “So you realize that the price of the stock is determined by two things: Real Value and Perceived Value. Real value means the cost of the store — how much are the chocolates and tables. Perceived value means how much are people willing to buy it. Perceived value is based on potential. Perceived value is based on demand.”

What I Do Today

Fast forward 30-plus years later.

I now invest in the stock market.

And I teach others to invest too.

Note: I didn’t say “trade” the stock market.

Because there's a giant difference.

Today, I will simplify investing in the stock market for you.

It looks complicated. But in essence, there are only four rules that you need to follow. Let me share with you now the Four Rules of making millions in the stock market.

CHAPTER 5

Rule #1: Invest Small Amounts Every Month for 20 Years or More

"The stock market is dangerous!"

Have you heard that before?

I have. Many times.

And you know what? I agree.

After all, statistics say that 85 percent of stock market players lose their money. Believe me, billions have been lost.

But whenever people say, "The stock market is dangerous!" they're referring to trading at the stock market. Not investing in the stock market.

There's a big difference.

In this little book, I'd like to teach you how to *invest* in the stock market, not *trade*. If you want to trade at the stock market, this book isn't for you. Please look elsewhere.

Here's the basic difference:

Trading is buying stocks and selling them within a day or a few days.

Investing is buying stocks and selling them in six months or never!

Warren Buffet, the richest man the stock market has ever made, said, "Only buy something that you'd be perfectly happy to hold if the market shut down for 10 years."

Here's why I believe you should be investors: I don't believe ordinary people should be trading. I repeat, 80 percent of people lose their money in the stock market. My belief is that most of those 80 percent are traders.

Another word for trading is "speculating".

As Mark Twain said, "October is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February."

In trading or speculating, you don't look at how strong the company is. Any company is game — even what they call "penny" stocks (more on this later). These are companies

whose stocks are worth centavos. Because they're considered very risky.

So leave the trading to full-time traders — the people who do this full-time, studying about it eight hours a day.

Investors invest only on the great companies. Because we're in for the long haul.

And instead of trading, you should focus on your business or job. Focus on your core competency. Stick to your game plan. (I teach all this to my Gold Members at the *TrulyRichClub*.)

Through your business or job, you create the money necessary to invest in the stock market.

One of the Greatest Inventions: Money Cost Averaging

If you want to invest in the stock market, there's only one choice: Money Cost Averaging. That's just a fancy name for buying stocks of great companies, little by little, each month.

Perhaps P5000 a month.

Or P10,000 a month.

Or whatever fixed amount you can set aside from your monthly earnings.

Can't afford P5000 a month? No problem.

My maids can only afford to save P2000 a month.

The important thing is to do it regularly.

Discipline yourself.

The moment you get your salary, divide it according to the Five Envelopes I mentioned in Chapter 2.

When you do this, you'll find your money growing steadily year after year.

Month after Month, Keep Buying Anyway

Now here's a powerful point I want you to read carefully: When you adapt this Money Cost Averaging strategy, you'll be buying without much thought to the bouncing of the market prices.

You may hear a lot of talk like this around you...

"Is Ayala Land cheap today?"

"Do you think Jollibee will go up tomorrow?"

"Is BPI's price expensive today?"

"Perhaps PLDT will be lower tomorrow?"

Here's a nice way of answering all these questions:

Who cares?

Because in 10 years — *they don't matter.*

An oil crisis explodes all over the world.

Buy your stocks anyway.

A political crisis erupts in the country.

Buy your stocks anyway.

A world economic recession happens again.

Buy your stocks anyway.

Keep buying those great companies.

This is the secret of the wealthiest people in the world.

Do You Want to Become Rich?

Do What the Rich Do

One of the richest men in the world, Warren Buffet, has a rule on investing in the stock market: “Be fearful when others are greedy, be greedy when others are fearful.”

When the economic recession happened last year, Buffet was like a little kid in a giant candy store that has declared an “All-Items-Must-Go” sale.

Great companies were selling their stocks marked down at half-price.

Some of the best imported chocolates were at 60 percent off!

Little boy Warren couldn't believe his eyes. Even with his vast amounts of money, there was so much good stuff to buy.

So Buffet went on a buying spree — picking up stocks of solid companies left and right. While people were fearful, he was brave.

Remember this when you're doing your Money Cost Averaging.

Let me explain this in greater detail.

CHAPTER 6

Rule #2:

Invest Even When There's a Crisis

I have a friend who has made listening to rumors a permanent hobby. He told me one day that there might be a military junta in the Philippines. (I listen to him for entertainment purposes. His imagination is wilder than Steven Spielberg's mind.)

But he insists the junta is already all planned out.

Well, what if my crazy friend is right?

What will happen to your stock investments?

Here's what will happen: The entire Philippine Stock Market will crash. Perhaps it will take a nosedive of 10 percent, 20 percent or 30 percent.

Meaning — if you invested P100,000 in the stock market this month, you'll end up with P90,000 or P80,000 or P70,000.

Bad news, right?

What should you do?

Choose Between Four Options

To make it easy for you, here are four options you can take...

Option 1: Sell all your stocks! Put your P90,000 or P80,000 under your bed.

Option 2: Hatch a plan on how to kill me — because I got you into this.

Option 3: Don't do anything. Just cry in your room.

Option 4: Keep buying stocks all throughout the national crisis.

If you choose Option 1 and sell all your stocks, then you'll be the biggest loser. Sadly, many people did this during the global economic crisis of 2008. Reason: They panicked and they lost a lot of money. But people who held on to their stocks (as long as they were solid, great companies) have gained all of it back — and even profited — by 2010.

If you choose Option 2 and try to kill me, you'll regret it. Because you'll miss me and my jokes. Believe me, I'm more good looking alive than dead.

If you choose Option 3 and do nothing but cry in your room, you'll be OK. Not rich, but OK. Because after the crisis, your stocks will bounce back.

If you choose Option 4 and keep buying stocks each month throughout the crisis, you'll be very wealthy in the years to come!

What Should You Do When There's a Scare?

A crisis is a wonderful buying opportunity.

Each month, I put in a small amount in the stock market.

Here's why: I plan to invest for 20 years. I hope you've got the same idea. So 20 years from now, the "crashes" today are temporary dips.

I urge you to do the same.

Because there's nothing wrong with the companies you're buying. In fact, you should be happy that you're buying your stocks at cheaper prices.

One day, when the crisis is over, you'll be happy you bought at such low prices.

This Is Why We Follow These Investment Rules

This is the reason why we only buy the strongest companies.

This is the reason why we invest money for the long-term. We invest money that we won't need for 10 years or more. (That's why we call it Retirement Fund.)

This is the reason why we invest regularly — every month. We don't pour all our money in one drop. We do it over time, because we don't know what will happen — up, down or sideways. To us, it doesn't matter.

Put It All In?

Some of you may be asking this question: "If there's a crisis and the market crashes, can I pour in all my money during the crash? That way, I get the lowest price."

Here's my answer: Sure you can do that. If you're right, you'll earn a bundle. But here's my counter-question to you: "How will you know that's the lowest price?" What

if it crashes this month, goes down even more on the next month, and nosedives even lower by the third month? You'll be having a heart attack just seeing all your wealth going down. So again, don't guess. Just put in monthly.

CHAPTER 7

Rule #3: Invest Only in Giants

Go ahead. Search the Internet.

Google “penny stocks.”

And you’ll see a ton of materials telling you to buy them.

My friend Ric is no exception.

He came up to me one day and said, “Bo, your recommended stocks are so boring, it makes me feel sleepy.”

“What kind of stocks do you invest in?” I asked him.

“Penny stocks. That’s where the action is!” he blurted out.

For those who don’t know what penny stocks are, they are cheap shares of stock that you could buy for a few centavos. But they’re very volatile. Because these are small companies that are just promising earnings, boasting of potential, without any track record.

He went on, "In one of them, I earned 46 percent in a few days! Can you beat that? But I read the stocks that you recommend, Bo. They're so sleepy. They grow by 10 percent after six months! My stocks grow by 10 percent in one day!"

I laughed. "But your stocks also go down 10 percent in one day," I said.

"But that's the exciting part!" Ric said.

"Ric, you're my friend, so let me warn you. My stock market mentor has been investing for 37 years now. He's a billionaire. He's richer than you and me and all our friends put together. My mentor always tells me, 'If you buy penny stocks, you'll become penniless.'"

"He said that?" Ric was shocked. "Did he say why?"

"Yes. Buying penny stocks require guessing whether the stocks will go up or down. It requires market timing. It requires a lot of skill and time that people with regular jobs don't have."

"But I have a regular job. And I'm doing it. And I've been earning money."

"Today, you're earning money," I said, "But tomorrow, will you still be earning money?"

"Why?" Ric asked.

“My mentor likes to give this example. Let’s say you buy Penny Stock #1 and you doubled your money.”

“I experienced that!” Ric smiled.

“So you turn around and buy Penny Stock #2. You double your money again. And let’s say you’re so good, you double your money for Penny Stock #3 and #4. But when you bought Penny Stock #5, it crashed. All your money goes down the drain.”

My friend was silent.

He finally said, “Uh... that happened to me too.”

I went on, “Ric, buying penny stocks is pure and simple gambling. That’s why it’s exciting. But it’s very dangerous. I suggest you join me and do the boring stuff. You can sleep better. And in 20 years, you’ll be a millionaire.”

“So you don’t time the market?”

“I don’t.”

“You don’t guess if the stock you’re buying is going up or down?”

“I don’t.”

“And you only buy the big companies?”

“Correction. I buy only the biggest and best companies in the country.”

“Gosh, that’s boring.”

“But safe. And effective. I just buy every month, non-stop. In 20 years, I’m very wealthy.”

“Oooookaaaaay... What boring companies are these again?”

That day, I won another convert to our boring but effective system of making you truly rich.

CHAPTER 8

Rule #4: Invest in Many Giants

I have two young friends, Mike and Rudy.

Both of them call me “Uncle” because they’re really young. They just graduated from high school.

But Mike and Rudy are as big as gorillas. Complete with bushy armpit hair. So calling me Uncle unnerves me.

Anyway, let me tell you why I’m talking about them.

Mike took the college entrance exams of four universities: Ateneo, La Salle, UP and UST.

His friend Rudy took only Ateneo.

Why? Rudy was confident.

Because Rudy has blue blood flowing in his veins. He’s been studying in Ateneo since he was a fetus.

OK, that's an exaggeration. But not quite. His elder brother was studying there when his mother — carrying him in her womb — picked him up from school every day.

Here's the problem: One day, Rudy received a letter from the Ateneo saying that he wasn't accepted. Ouch.

Rudy's parents are now frantically scrambling, searching for a college that will accept him. It's a bit late now, so they're appealing, writing letters, making phone calls...

They're even considering MIT for him.

Malabon Institute of Technology.

Just kidding.

Guess what: Rudy's friend Mike also didn't get accepted in Ateneo. But that's OK. Because he got accepted in La Salle, UP and UST.

He's very relaxed and so are his parents.

There's Such a Thing As a Black Swan

Why is Mike relaxed?

Simple. Mike diversified and Rudy didn't.

Because Mike and Rudy experienced a "Black Swan" with Ateneo. Their favorite school didn't accept them.

A “Black Swan” is a term used for something that was totally unexpected. This term is also used in the stock market.

And Black Swans happen.

Let me give you an example of a Black Swan from the US Stock Market: The oil spill in Mexico Gulf, the worst oil spill in US history, was a Black Swan for the giant company BP. Stock owners saw their stocks go down by as much as 50 percent. No one expected it. But it happened.

How to Diversify Your Stocks

Here are two basic rules of stock market investing.

Rule #1: *Invest small amounts every month.*

Rule #2: *Buy as many as 10 companies—owning an equal amount in each one.*

It’s best that you diversify and buy as many of the companies I recommend in our list below. If you can buy 10 companies, please do. *And divide your money equally in each of these 10 companies.*

If one or two companies suffer a Black Swan — you’re safe. You’ve got eight other companies to take care of your growth.

Are you now ready to begin?

CHAPTER 9

Open an Online Account

I don't work for Citiseconline.

But I highly recommend that you use them as your way into the market.

I'm recommending them to you because they're the best online trading platform in the country today. They're also the biggest. (And to be upfront about it, I also bought Citiseconline stocks. Yes, they're a publicly listed company too. I believe in the team that owns and runs it.)

Do you want to invest using a traditional stock broker?

My mother used to do that.

She'd pick up the phone and give instructions. "Please buy for me..."

Just for fun, I dare you to try doing that with your P5000.

See what will happen.

At least, you'll give someone a good laugh and de-stress his day.

You see, traditional stock brokers will never handle the accounts of my house helpers. I can't blame them. Manpower is very expensive.

But Citiseconline will handle the accounts of my house helpers.

Precisely because everything is done online.

It's Really Easy

Citiseconline has made it very simple for small investors.

They created the Easy Investment Program or EIP.

If you have P5000 or more, you can start investing. Five thousand is the initial minimum amount. It's up to you how much you'll invest after that. Citiseconline won't remind you to deposit your monthly investments.

But at the *TrulyRichClub*, I'll do that.

That'll be my service to you.

I'll bug you every month to invest. I'll email you my *Stocks Update* to remind you to follow your investment plan. (More on this later.)

For the Easy Investment Program, Citiseconline suggests the great companies you can invest in — companies that they believe will be around for the next 10 years or more.

Blow the trumpets please!

Here they are...

Company Name	Stock Symbol
Ayala Land Inc.	ALI
Bank of the Phil. Islands	BPI
Jollibee Food Corp.	JFC
Manila Water Co. Inc.	MWC
SM Prime Holdings, Inc.	SMPH
Phil. Long Distance Telephone Co.	TEL

Every month, you can deposit P5000 (or whatever amount you want to put in) into your Citiseconline account. No need to go to their office to do this. You can do it through a bank deposit via any branch of BDO, BPI, Security Bank, and HSBC.

From the comfort of your home, you can open your computer, log onto the website and buy the stocks from the list above that you like. You're doing it. You're in control.

Very important note: All companies require a minimum number of shares or what they call “board lot” everytime you want to buy shares. So if you only have P5000, you won’t be able to buy shares from PLDT and Jollibee. Because their prices are higher.

Example: As I write this piece, Jollibee is selling at P84 and they require a minimum of 100 shares. So that means you’ll need at least P8400 to buy shares from Jollibee. So if you only have P5000 to invest, choose between Ayala Land, Manila Water, SM Prime Holdings, and Bank of the Philippine Islands. Those are solid, great companies that will make you wealthy in 20 years.

So every month, buy.

When will you sell?

Oh, in about 20 years.

I’m not kidding.

Make the stock market your big piggy bank.

Important note: In the off chance that there’ll be a grave reason to sell, I’ll tell you about it through my monthly *Stocks Update*. (More on this later.)

Now let me speak to those who have more money...

If You Have P1M or More, You Can Also Do a “Super EIP”

As I write this, Citiseconline has yet to launch this program.

If you have more money and you want to invest in the stock market, you can do a variation of their Easy Investment Program (EIP).

I call it Super EIP

It's EIP with caffeine. Or EIP with boosters.

Hey, these terms are just between you and me, OK? Don't call up Citiseconline and ask for Super EIP. They won't understand what you're talking about.

This is what Super EIP is all about: There's another list of great companies whose share prices are low — and who are about to go up within these next six months to one year.

Let's say you have a million. Don't invest it all in one plop.

If the market crashes, you'll have a heart attack.

Even if you know that it'll go up again in the future, it's still depressing.

So why not divide your P1 million into five parts — and invest P200,000 every month? That way, if the price goes down, your P200,000 will be buying more shares in the next few months. If the price goes up, you'll still be earning very well from your first investments. The important thing is that you can sleep at night.

So select companies from the magic list of growth companies below. According to Citiseconline, these are the companies that are undervalued today (meaning: share prices are cheap compared to their real value):

Company Name	Stock Symbol	Target Price
Energy Dev. Corp.	EDC	P7.00
First Gen Corp.	FGEN	P16.25
First Philippines Holdings	FPH	P80.00
Security Bank	SECB	P78.00
Engineering Equip.	EEI	P4.50
Manila Water Co. Inc.	MWC	P22.50

Note: I'm writing this in September 2010.

This list of recommended stocks and numbers will change!

So when will you sell?

Unlike the original EIP where you don't sell, the Super EIP has a specific price you're waiting for. Do you see the *Target Prices* above? If the price of the share goes very near that target, you can sell your shares. And make a "switch": From the proceeds of the sale, buy other stocks that are undervalued.

You may ask, "But Bo, what if it will go higher than the *Target Price*?"

Don't be greedy. Better to be safe.

There's only one thing that will make me keep my money there: If our analysts set a higher *Target Price* for the company, then I won't sell.

But if not, I'll be happy with the profits. I won't be greedy. I'll wait for other undervalued companies.

If you join my *TrulyRichClub*, you'll get the latest stock recommendations from my monthly *Stocks Update* newsletter.

NOTE: The EIP list above are "conservative" stocks. The Super EIP list above are "moderately aggressive." And then there are more "aggressive" stocks which I recommend to my *TrulyRichClub* members via my *Stocks Update* newsletter.

What Stocks Have I Bought

My house helpers are doing an EIP.

So they've bought shares of Ayala Land (ALI) and Manila Water (MWC). But two of my helpers also bought First Gen (FGEN) and Energy Dev (EDC), two companies that aren't listed in the EIP — but in the Super EIP. (At least, as I write this in September 2010.) But since I'm monitoring their accounts, they're safe. Once these two companies reach the target price, they'll sell.

Personally, I'm doing a Super EIP (Remember, this is just our term) and also invest in our aggressive stocks.

I've bought 14 stocks — everything in my recommended list found in my *Stocks Update* Report. I don't recommend if I don't invest in it myself. So far, I'm very happy with my earnings.

I also have Citiseconline (COL) stocks, but I think this is more of an emotional purchase than anything else. I just love this company and the people behind it.

OK, it's time to open your account.

Log on to www.citiseconline.com now.

Four-Step Application Process

1. Go to www.citiseconline.com and click on “Open an Account”:

Download and print these documents:

- a. Application Form
- b. Trading Agreement
- c. Signature Cards

2. Fill out application form and prepare other documents

In the Application Form, be the “Primary Account Holder”. Let your parent, spouse or child be your “Secondary Account Holder”.

- a. Prepare ANY two (2) of the following:
 - Passport
 - Driver’s License
 - Birth Certificate
 - SSS ID (1999 credit card type only)
 - Company ID with photo (if employed by top 2500 corporations)

- Major credit card with photo
- Senior citizen's ID

b. Prepare latest copy of ANY one of these in your or spouse's name:

- Current utility bills (electric, water, cellphone, phone)
- Credit card statements
- Club membership bills
- Bank statements

NOTE: For non-resident Filipinos, get a copy of one's proof of income certified by employer and all documents must be authenticated by the Philippine Embassy or Consulate.

NOTE: For non-Filipinos living in the Philippines, include a photocopy of current visa, alien certificate of registration (ACR) and proof of government permission to engage in business/employment; validity of work permit must be at least one year from its date of issue.

3. Give Documents to Citiseconline

I strongly suggest you visit their office and give your documents personally — so you can ask all the questions you want on how to operate the Citiseconline website.

Here's their address:

Citiseconline.com Inc. Business Center
2403-B East Tower,
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City, Philippines 1605

But if you don't live in Manila, you can mail the documents to their office. And then call them up:

Tel. (632) 6-333-777

You can also email them for any other questions.

loj@citiseconline.com

4. Fund Your Account

If you're opening a regular account, the minimum amount to invest is P25,000. Note: This is the money you'll buy stocks with. But if you're opening an EIP or Easy Investment Program, the minimum amount to invest is P5,000 only.

Option #1: Visit the Office

If you can drop by the office to submit your documents, you can bring with you a check payable to Citiseconline.com Inc. Note that check payments will need three days clearing period.

Option #2: Deposit in the Bank

Citiseconline.com has accounts in BDO, Metrobank, and BPI.

Note: If you do online banking, it'll be much easier for you.

After depositing, fax the deposit slip (or scan/email) to the Citiseconline office.

All the information to do all these is found in www.citiseconline.com. Just click on "Open an Account".

What's Next? It's Time to Buy Your First Stocks

Once you open an account in Citiseconline, you'll receive an email from them, indicating your username and password.

So go back to www.citiseconline.com and the first thing you do is change your password. Simply click on "Change Password" under the "Home" tab.

Finished?

The next thing to do is *buy your first stocks*.

The first of many!

If you have my *Stocks Update* report, you can choose from my Recommended List.

Remember, you can only buy or sell stocks from 9:30 am to 12:00 pm, from Monday to Friday. That's when the Philippine Stock Market is open.

Here are the Steps:

Step 1: Click on "Trade/Portfolio" Tab

Step 2: Click an "Enter Order"

Step 3: Type in the “Stock Code” of the company you want to buy.

Example: Metrobank is MBT; Banco de Oro is BDO; Jollibee is JFC; and Ayala Land is ALI; etc. The List of Stock Codes is a click away.

Step 4: Type in the number of shares you want to buy. Imagine you’re investing P5000 and you’re buying Ayala Land (ALI).

Let’s say ALI’s current price is P18 a share. So divide P5000 by P18, and you get 277 shares. But all these companies peg a “board lot”. You’ll find the board lot of ALI at the lower right hand corner of the webpage.

ALI’s board lot is 100. So the most you can buy is 200 shares.

Step 5: Type in the price of the stock.

I suggest you look at the highest amount at the “Ask” column and type that peso figure in. So that your order gets done fast. Because you’re a medium-term or long-term investor, the cents won’t matter much to you.

Step 6: Click “Preview Order”

It’ll bring you to a page where you’ll review your order.

Enter your password again, click “Place Order” and that’s it.

Do the twist, eat some ice cream and say “Thank You, Lord.”

Because you’ve just bought your first stocks!

Check Your Stock Portfolio

You now have a Stock Portfolio.

No, that’s not a leather briefcase.

Where will you see it?

Click the “Trade/Portfolio” tab.

And then click the “Portfolio” and see if your order is there.

If the order was already made, you’ll find it in your portfolio.

Sometimes, you have to wait for awhile.

After a few minutes, click on “Portfolio” again.

Note: If you see that you’re losing money, disregard.

You’re in this for the long haul!

Got Kids? Open an Account for Them Too!

As I write this, Bene is 10 and Francis is 5.

They had money in the bank — either given to them by their *ninangs* or money Bene earned in his job. (He hosts a TV show.)

Since they won't be needing their money for years to come, the stock market is one of the best places for them to invest in.

If you want to open accounts for your kids, here's what you need to do: Download another application form from Citiseconline. Put your name as the "Primary Account Holder". And then put the name of your child as the "Secondary Account Holder". Submit the application form to Citiseconline — and fund the account the way you did your own.

From the list of EIP Stocks above, I asked Bene which companies he wanted to own. He chose Ayala Land (ALI), BPI, SM Prime (SMPH), and Jollibee (JFC).

I asked Francis which companies he wanted to own. My five-year-old thought I said "socks" so he said, "I want

to buy white socks.”

Oh well. I think it’s too early to ask him, so I bought the same companies Bene wanted. When he gets older, I’ll ask him again.

This will teach the kids to invest at an early age.

If your kids have extra money locked up in a bank account and they won’t need it for 20 years, why not open an account for them?

And then teach them how to save from their allowance and earn money through a small business. Teach them how to invest every month into their stock market account.

CHAPTER 10

Receive My *Stocks Update* Report

My Stocks Update newsletter is fantastic.

Says who? Me.

I'll make your life easier.

And more profitable, too!

How?

Each month, my *Stocks Update* newsletter gives you a list of our recommended stocks. Out of the 250 plus stocks listed in the Philippine Stock Exchange, I'll be recommending only 15 to 20 to choose from.

My Table of Recommended Stocks will tell you seven important things:

1. It tells you *when* we recommended the stock.

2. It tells you *how much* was the stock when we recommended it.
3. It tells you the *current price* of the stock.
4. It tells you *how much* we've earned or lost so far.
5. It tells you the *target price* of the stock (how much we think the stock should be worth in the future).
6. It tells you our *expected growth* of the stock.
7. It tells you a *buy below price*.

Why “Buy Below Price” Is Important

Number Seven is important.

Just in case the stock goes up quickly, I don't want you to chase it all the way up to our *target price*.

Why? Because the risk is too high.

Remember that stocks don't go up in a straight line. Usually, it's two steps forward, one step backward. (Or worse, six steps forward, three steps backward!)

So if you chase it all the way to the top and buy the stock *too near* to the *target price* — and then the stock pulls back — you'll have a huge stomach ache.

You'll also grow closer to God, because you'll be praying to God that the stock go back up soon. This is nice, however, I'm sure there are better ways of growing in your spiritual life than a falling stock.

But because I indicate in my *Stocks Update* a *buy below price*, you don't chase the stock to its *target price*.

What do you do? *You wait for Pullbacks.*

You wait for the stock to go below my *buy below price*.

Hey, I'm not promising the stock won't go even lower in the short-term.

But at least, your upside is much bigger.

I hope this little addition in the *Stocks Update* will make your investing life easier in the next few months.

After 20 years, when you're a multimillionaire, you can send me a thank you gift and tell me how wonderful I am for helping you retire rich. (Waistline: 31, Shirt Size: Large)

But Even If You Make a Mistake

Well, what if you make a mistake and buy near the *target price*, and suddenly, the price falls?

Should you kill yourself?

I wouldn't advise that option. You'll sin against the Ten

Commandments, your family won't be able to claim your insurance and I'll lose a friend.

Here's the good news: Even if you make a mistake, it's OK. You're buying a solid, massive company that's earning *billions* of pesos every year. That's why it's in our recommended list of stocks. In due time, the price will go up.

You just don't know when. Just wait.

In the meantime, sit back and relax, sip some orange juice, and read a Bo Sanchez book. I heard the guy is really good. Just a little bit insane though.

Epilogue

Retire a Multimillionaire

If you picked this little book expecting to find a rich-quick scheme, I'm sorry to disappoint you. My maids won't become multi-millionaires next year.

Or even 10 years from now.

But they will become multi-millionaires eventually.

At the rate they're investing and growing their money, I project that each of my maids will have P5 million in 20 years.

Not bad for domestic helpers, right?

And if they keep investing for 10 years more after that, their retirement fund will climb to P20 million to P30 million.

Gosh, I love to see that happen.

But the Goal Isn't Just to Be a Multimillionaire...

But as I teach them to build their financial wealth, I also teach them to build their spiritual wealth.

They need to grow in their character to handle big money.

Or it will destroy them.

So I remind them that the purpose of wealth is to love others.

“If your heart is in the right place, having more money means having more ways of loving others,” I tell them. “Use your wealth to serve God.”

I’m so proud of them.

One of these days, they’ll become *loving* multimillionaires.

Hope to “See” You Again

It’s been wonderful “meeting” you in this book.

I really hope you apply what you’ve learned — and become a loving millionaire.

And I hope to see you again through my monthly *Stocks Update* report.

I’m passionate about you joining my *TrulyRichClub* because I believe you need guidance — spiritual and financial — to be able make it.

When you become my *TrulyRichClub* member, I’ll send you a *Stocks Update* report every month. (When there’s a lot of up or down action in the stock market, I would send it

weekly — just to guide my members. This is my commitment to them.)

In two to three pages, I'll tell you everything you need to know about your stock investments.

Aside from what I already mentioned in the last chapter, the *Stocks Update* is basically my way of reminding, urging and pushing you, "Have you put your small investment this month?"

I'll also tell you when it's time to sell the stocks I wrote about here.

I'll tell you the new undervalued stocks that you can buy.

I'll tell you what I'm doing with my own stocks.

I promise: In plain, simple English. No financial jargon you won't understand.

Log on to www.trulyrichclub.com now.

In the meantime, keep learning.

May your dreams come true,


Bo Sanchez

P.S. *Grow your wealth and achieve financial freedom.* For those who are not yet members of the *TrulyRichClub*, I'm personally inviting you to join me and invest in your spiritual and financial education. You won't regret it. To try it out, log on to www.trulyrichclub.com now!

**My Maid Invests
in the
Stock Market...**

How to Retire a Millionaire Using the Stock Market

Once upon a time, Bo Sanchez was a poor missionary who received an allowance of P30 a day. There were days when he couldn't afford to pay for a bus ticket to preach in a prayer meeting.

But in 1998, he transformed his life.

Today, he owns 12 small businesses, all running on autopilot, because he spends 90 percent of his time still doing missionary work.

He also learned how to invest in the stock market.

And he has never forgotten the true purpose of wealth — to love others.

In this inspiring yet highly practical book, you'll read the fascinating story of how he helped three of his house helpers invest in the stock market and build their retirement fund. He'll tell you how he taught them the 5-envelope system. He'll explain how he painted a clear vision of their future in their minds.

In this book, you'll learn his "4 Rules to Making Millions Thru the Stock Market".

Bo believes that you can retire a multimillionaire by investing in the stock market. Because if his helpers can do it, you can, too.



www.shepherdsvoice.com.ph

