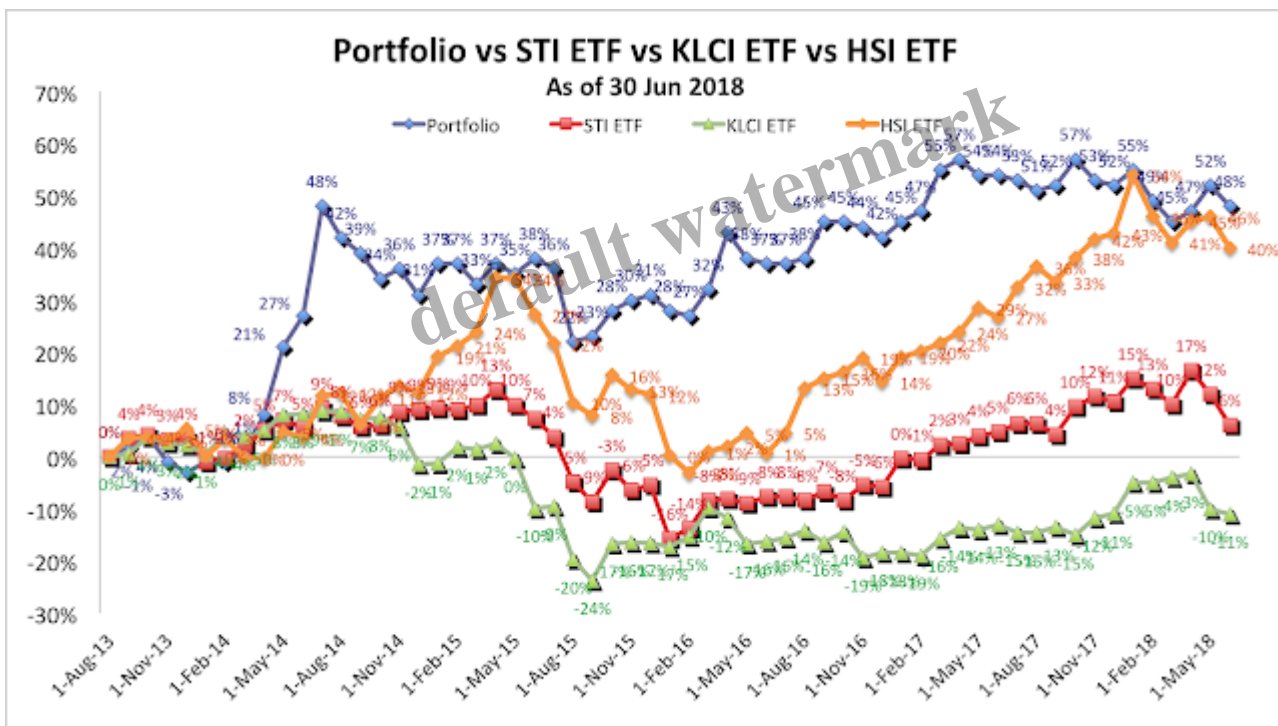


Dr Wealth: Factor-Based Investing Course (FBIC) Review

Description

What I like about Dr Wealth's courses are that they delve a lot into academic research and market backtesting of strategies before they basically come up with their own formulas which you cannot learn from any investment book outside.

I was recently invited to attend their revamped Factor-Based Investing Course (FBIC) and found it really helpful because whether you're more inclined towards value investing, dividend or income investing, or trend following (through technical analysis), you'll learn all of that within this single course. Here's how their results have been like so far:



What's their secret?!?!

That was exactly what I wondered, and I found out after attending their course.

As regular readers will know, while I'm a huge advocate of investing in financial education and have attended numerous courses myself, **I'm very picky about the ones that I actually recommend**, simply **because my reputation is on the line**.

I also don't believe in paying a 3 or 4-digit sum just to learn basic concepts like how to save money, how to open a brokerage account, how to calculate P/E P/B NAV or dividend yield, etc, because you can easily learn that online or even from free resources like my blog, SGX, or other financial websites. As such, I only recommend investment courses that fulfil my following criteria:

- They **must** be conducted by trainers I personally trust and respect for their investing prowess. *(no, past performance alone doesn't count. I talk to them and ask them questions to ascertain if this is someone I would listen to when it comes to their take on investments and how sound their strategies are. How much they've made or lost is secondary, because investing in the stock market comprises of BOTH luck and skill. Anyone who tells you or claims otherwise is either boasting or lying.)* Sometimes this "trainer(s) assessment" process involves me asking them questions on their past (or present) stock picks, and why.
- They **must** be courses that I've personally paid for with my own money, or would be willing to fork out my own cash for (if I was sponsored to attend).
- The price **must** be value-for-money. *(and I'll be the judge of that "value", not them. And no, value does not mean number of hours spent in the classroom but rather, on the quality of content taught.)*
- The course **must** teach something that I cannot find elsewhere in a book, or in any of [these books](#).
This can be either their unique qualitative approach or quantitative formulas. Because if I'm going to spend my time and money learning something that I already know, or which I can learn it for free from NLB or for a fraction of the fee (the book price), then why pay?
- They **must** be strategies that I agree with and/or use, and would personally advocate on my blog. *Even better if they are strategies I've personally adopted into my own investing matrix after attending their course.*
- Their investment approach and philosophy to financial literacy and education **must** be aligned with mine.
As such, there are really only two course providers in the market whom I currently feel confident to put my name behind and recommend publicly – [Dr Wealth](#) and [The Fifth Person](#).
- If there's any up-selling of products or services after the course, it has to be stuff that I also can see the value for, even if I may not sign up for it myself.

Today's review is on Dr Wealth's revamped FBIC, and whether it is worth your money...or not.

In a nutshell, FBIC consists of four core parts:

1. Conservative Net Asset Value (CNAV) strategy
2. Gross Profitability and Dividend (GPAD) strategy
3. Technical Analysis
4. Portfolio Diversification strategy



CNAV Strategy

Most people are familiar with Net Asset Value, but Dr. Wealth has taken a more conservative approach in the form of CNAV in order to identify **stocks where we can pay a very low price for a very high value of assets.**

This strategy consists of 2 key metrics and a 3-step qualitative analysis, which I will not divulge here because it is not my intellectual property to share.

Seasoned investors would know that simply taking the book value of a company is problematic, because not all assets are necessarily of the same quality. If you've followed my previous stock analysis writings, you'll also realise that I tend to choose and pick which ones I value and eliminate others which I don't really care for. Dr. Wealth follows the same method, although they've simplified it into a qualitative step-by-step formula for people to apply.

There are many stocks trading at low multiples of their book value on SGX, but does that make them undervalued? Obviously not! Many of them could in fact be value traps i.e. cheap due to their poor fundamentals.

Knowing what are the right metrics and qualitative factors to apply would be the key to your investing success in filtering out the cheap and bad goods from the undervalued gems.

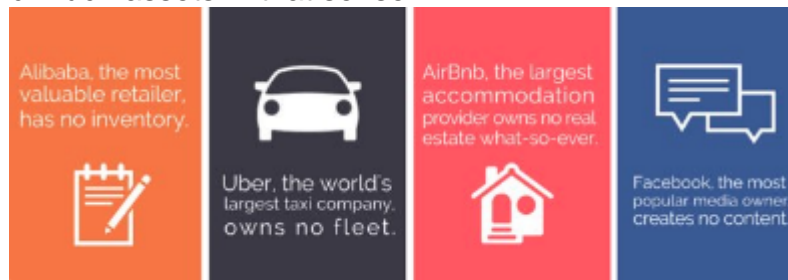
Stocks that fulfil the CNAV criteria generally tend to do well – [here's their CNAV portfolio of 25 stocks and how it has fared against the STI](#). The returns are relatively superior.

And here's [an example of an undervalued stock they've uncovered and profited massively from \(100% in four months!\) by using their CNAV strategy](#).

GPAD Strategy

The CNAV strategy tends to favour certain stocks due to its focus on particular asset qualities. As

such, growth stocks like FANG (Facebook, Amazon, Netflix, Google) would completely fail the criteria because they do not hold much assets in that sense.



As such, this is where the GPAD strategy comes in to help one identify **asset-light businesses that have competitive advantages over other companies and whose profitability has been proven sustainable.**

Suitable for investors who seek dividend-paying stocks while looking for potential capital gains, I've found this GPAD strategy helpful in honing my investment method (which is a variation of GPAD as I find its rigour too time-consuming for my regular investment research, given my limited time since I work and also blog!).

In other words, wanna get paid while you wait for capital gains? GPAD strategy might just be your answer to identifying those gems.

[Here's an example of a SGX stock they identified with their GPAD strategy and made 56% within six months on.](#)

Technical Analysis



In recent years, there has been more investors (and bloggers) who adopt a “fundamental momentum strategy”, which basically entails the combination of strong fundamentals riding on a strong momentum.

This increases the possibility of one profiting, in contrast to simply focusing on fundamentally strong and undervalued stocks which could remain undervalued for a long time. I know, because I own two stocks in my portfolio which I think have been grossly undervalued since I first bought them in 2015 and I still cannot understand why the market has been so blind to their value. *All my calculations and attempts to prove my own thesis (that they're massively undervalued) wrong have failed.*

[Subscribers to my Patreon](#) should know which stocks I'm talking about.

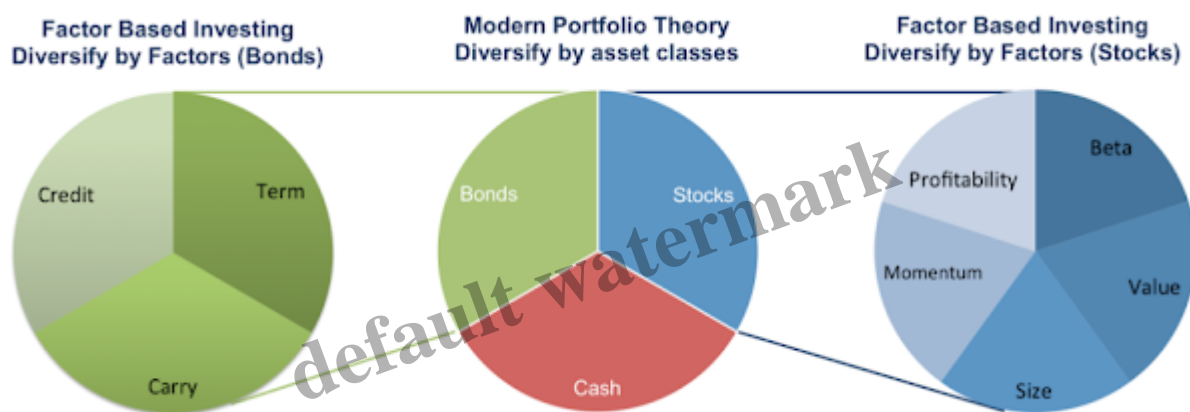
Since traders rely more on momentum, it looks at prices alone without the need to analyse the fundamentals of the underlying businesses. This is where technical analysis comes in to determine one's entry and exit signals. Dr. Wealth advocates methods like price action analysis, in contrast to the Moving Average (which most TA folks use), as they believe the former enables an investor to join in and ride a trend more easily.

I'm not a big fan of TA, but I'll admit that I do look to them sometimes to determine my entry and exit points when I'm applying my fundamental momentum strategy because it is a stock that I believe in only for the mid-term. For cryptocurrencies, TA becomes all the more important and I combine it with fundamental analysis in order to decide whether to buy or sell a crypto now, or wait.

You can learn the differences between the TA indicators and hear from an experienced trader, Alex, within Dr. Wealth's team, and decide which ones you wish to adopt for yourself.

Portfolio Diversification Strategy

There are many ways you can diversify in order to minimise your risks – across multiple stocks, different industries, various stock markets, or even just varying investment asset classes.



Backtesting has shown that diversifying by factors actually perform better than simply diversifying across a large number of stocks. In fact, I'm also not a fan of having *too many* stocks in one's portfolio, because time now becomes the limiting factor – do you have enough time to monitor the developments in all these stocks?

I know I certainly don't. Some investors prefer to keep their portfolio within 20 stocks, others prefer 10, while I even know of a few who have their entire capital confined to just 3 – 4 stocks!

In FBIC, Dr. Wealth teaches their own portfolio diversification strategy and how it has enabled them to consistently achieve superior returns. This is crucial because we need to also remember that as much as you're gonna have great winners, you might have some losers too (due to luck!) and without proper portfolio management, this can really skew your returns.

Keen on FBIC?

If the above has captured your interest, then you might want to officially [learn more about FBIC from the folks who invented it themselves](#).

The course lasts 2.5 days and will be divided according to the following:

- Day 1: How to detect stocks with size and value factor advantages using CNAV strategy
- Day 2: How to pick stocks with the profitability factor using GPAD strategy
- Day 3 (3 hours): How to identify and grab investing opportunities

If you're keen to learn more, you can check out their free 2.5 hours workshop preview first by [clicking this link for SGBB readers](#).

That way, you'll be able to suss out the trainers and decide for yourself if their content is worth finding out more on, instead of just taking my word for it.

And would I recommend it?

Having been through the course myself and currently applying some of their strategies to my own portfolio, my answer is a resounding yes. I've attended many investment courses / previews in Singapore, but you don't find me talking about many of them here because I'm always so turned off / never feel like the price is quite worth what I learnt, so you can be rest assured that if you see my review here, it means I see enough value in it to put my name behind them.

[Check out the class preview dates here if you're keen to find out more](#), and let them know you're a Budget Babe reader if you do go!

Open disclosure: I was invited to attend their course but was not paid nor expected to write a review. My opinion and review remains fully unbiased and objective – I've attended others and found them so bad that I don't even write a single word about them – but in case you should need more unbiased reviews from other customers who paid for their own course, you can [find those reviews here](#).

As regular readers who have been following my blog for a few years would know by now, I only review and recommend stuff I truly find value in, and FBIC stands out in contrast to the many other investment courses out there for their quantitative metrics and approach to deep value investing. If you don't see me raving about a course provider on my blog, then I'm not recommending it / not a fan, full stop.

With love,
Budget Babe
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