

Real Estate Investment Trusts in the Eyes of the Investors

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ABSTRACT

Real Estate Investment Trusts (REITs) have emerged as a significant and accessible investment vehicle within the Philippines' vital real-estate sector. Despite their recent growth, a knowledge gap persists regarding their financial performance trends and the specific perceptions of Filipino investors in this emerging market. This study explored the experiences and perceptions of REIT investors from Western Visayas to uncover their motivations and investment strategies. This case study collected data through in-depth interviews with certified public accountant investors. Data were thematically analyzed. A combination of personal considerations, specific goals, and access to particular investment methods shape the behaviors and thoughts of the participants who used different ways in learning about REITs. Decision to invest was primarily motivated by desires to acquire passive income and increase the sums of money through time. Participants shared a risk-averse and conservative investment behavior; adopted a long-term perspective, expecting substantial profits from their investments rather than trying to make money out of short-term fluctuations. Online brokerage apps were utilized to manage their investments, highlighting the accessibility of modern financial technology. Though the participants revealed mixed emotions related to their investment experiences, they are optimistic long-term outlook for real estate investments, expecting continued value appreciation. They viewed investing as a long-term endeavor for financial security. While the appeal of Philippine REITs lies in their capacity for providing steady passive income, their actual value and ability to prevent investor regret depend on the degree to which they are researched and understood by the person purchasing them.

Keywords: business administration, investment management, Real Estate Investment Trusts (REITs)

INTRODUCTION

Real estate is a significant component of economic development (Gao et al., 2024). Given its substantial economic impact, the real estate market affects the financial prospects and opportunities of both individuals and businesses (Ling & Archer, 2024). Although high-yield investment opportunities usually entail significant risks, apartments, dormitories, and commercial real estate can offer attractive risk-return profiles. Moreover, investing in real estate has traditionally been a popular option for both individuals and organizations to profit from rental income and accumulate wealth (Thomas, 2021).

Innovative Real Estate Investment Trusts (REITS) have changed the real estate investment landscape (Thomas, 2021). For instance, ordinary investors can indirectly participate in real estate investment returns while avoiding the hassles of direct ownership, management, and financing (Krewson et al., 2021). Compared to direct ownership, shares in REITS are highly liquid because they are traded on the stock exchange (Dimayuga & Jimeno, 2024). Additionally, REITs offer diversification benefits to most investors because they allow indirect investment in multiple commercial properties (Krewson et al., 2021). REITS have increased transparency and reduced investment risks because their financial status is publicly available (Dimayuga & Jimeno, 2024).

The REIT was created in the United States in 1960 when Congress enacted the Real Estate Investment Trust Act (Hartley, 2023). The U.S. REIT market is the largest and most mature in the world, with a total market value of over \$1.3 trillion and more than 200 REITs listed on the U.S. stock exchanges (Nareit, 2025). Currently, REIT markets have emerged in Europe, Asia, and Latin America, each with unique adaptations of the REIT business model. REITs were introduced to Asia in 2001, with Japan, Singapore, and

South Korea at the forefront of this development (Ooi et al., 2026). Experts predict that REITs will continue to thrive and diversify significantly in Asia, contributing to the region's economic development.

Republic Act 9856, otherwise known as The Real Estate Investment Trust Act of 2009, was created to encourage Filipinos to own real estate property, utilize the capital market to finance and develop infrastructure projects, and safeguard investors by providing fiscal incentives and a strong regulatory environment (Moises, 2020). Nevertheless, the Philippines had a sluggish real estate investment market for a considerable time after the law's enactment. There were several disincentives for would-be real estate investors, including a 12% value-added tax (VAT) on real property transfers to REITs, large estate taxes on gifts, and complex regulations, such as a requirement that at least 67% of REITs' shares be publicly offered by the third year (compared to 33% in the law). The emergence of REITs in the Philippines was significantly aided by recent tax law reforms, notably the Tax Reform for Acceleration and Inclusion Law (TRAIN). In particular, real estate firms began to list REITs in 2020, including Ayala Land, Double Dragon, and Filinvest. Megaworld, SMDC, Robinsons Land, and other well-known real estate firms intend to issue REITs (Azarraga, 2021).

Due to their economic significance, REITs have been the subject of extensive academic research. In particular, scholars have investigated REITs' risk-exposure, market performance, and financial characteristics, as well as their impact on financial markets (Hoesli & Oikarinen, 2021). The financial performance of Real Estate Investment Trusts has piqued the curiosity of many scholars. The main reason for this is the fact that it aids investors in selecting the most advantageous real estate investment method in terms of risk and reward (Cicmil, 2022). The evaluation of these factors has been the subject of extensive research (Cicmil, 2022). In particular, studies highlight the importance of thoroughly researching key REIT financial indicators to better understand REIT performance (Cicmil, 2022). Although REITs have become a critical asset class, there is still a need for a more comprehensive understanding of their underlying forces (Krewson et al., 2021). One of the reasons for this is that many investors are unfamiliar with alternative investment options, including REITs. Lack of awareness of REITs stems from the general populace's misunderstanding of them as an investment vehicle (Nareit, 2025). Although there is a wealth of information on REITs, researchers should concentrate on identifying critical areas for further investigation (Okoro & Ayaba, 2023). This is essential to highlight the relevance of exploring investor views on REITs as an emerging asset class in developing countries like the Philippines (Gupta & Kumar, 2023).

Although REITs have received much attention in academic literature and worldwide, there is a Knowledge Gap regarding local REIT investment in the Philippines. According to Miles (2017), a Knowledge Gap refers to a situation where a researcher has obtained undesired results or conclusions in his study. Although REITs are gaining popularity in the Philippines, there is a lack of published papers on the topic. In particular, there is a dearth of empirical data concerning the dynamics of the real estate investment market in the Philippines. As a result, it is difficult to draw any concrete conclusions about the behaviors of real estate investors in the Philippines in relation to REITs.

Objective

This study aimed to determine the circumstances of investing in REITs and examine the REIT investor's experiences in Western Visayas. Specifically, this study intended to describe the investor's perception of REITs' advantages and disadvantages and their strategies to protect their investments.

METHODOLOGY

Research Design

This study utilizes a case study design for qualitative research. A case study is an in-depth investigation of one or more subjects (cases) from which rich descriptive information is obtained from various sources over a period of time (McCombes, 2023). The case study design was chosen because it provided the researcher with a rich source of information to understand the investors' perceptions of REITs, including their advantages and disadvantages and strategies to protect their investments.

Sources of Data

Four certified public accountants were selected as study respondents to establish a set of qualitative data. The respondents were selected because they have been investing for 10 years and have expertise in analyzing financial statements and other reports.

Data Gathering Procedure

The researcher conducted interviews with the selected respondents. The interview questions were developed to obtain information on the respondents' motivation to invest, their perceptions of the benefits and risks of REITs, their experiences with REITs performance, and their overall satisfaction with REITs as an investment. Interviews were done three times with duration of almost two hours each which ensured data saturation.

Trustworthiness of the Findings

The trustworthiness of the findings was achieved by implementing various strategies to ensure the accuracy, credibility, dependability, and confirmability of the qualitative findings. Two strategies were employed to establish the credibility of the findings, including triangulation by sources and member-checking (Nassaji, 2020). Transferability was achieved by using thick descriptions. The Code-Recode strategy and stepwise replication were used to ensure the research findings' dependability. An audit trail was used to guarantee the research's confirmability by requesting a different independent researcher to audit the study.

Data Explication

The researcher used Lichtman's 3Cs, including coding, categorizing, and conceptualizing, to analyze the interview transcripts and elicit themes, patterns, and meanings related to the REIT investors' complex perspectives, experiences, and decision-making processes.

RESULTS AND DISCUSSION

Thematic Insights

Theme 1: Investment Motivation and Goals. This theme deals with the participants' rationale for investing in REITs, which involves their financial and behavioral motivations and expectations. Individual financial goals, such as wealth maximization and income generation, and behavioral motivations, such as personal trust and social influence, determine investment decisions (Sinha & Shunmugasundaram, 2023)

Drivers for Investing. For many investors, investing in REITs is primarily driven by personal influence and trust, often stemming from close relationships. Initial skepticism about new investment products, such as REITs, launched in 2020, is commonly overcome through encouragement from a trusted individual. As one participant, Nene Piran, mentioned that *"the primary influence for me to invest in REITs is my husband because my husband is an accountant and he was the one who introduced REITs to me."* This reliance on personal guidance rather than extensive prior knowledge underscores the importance of trusted recommendations in decision-making. The eventual investment agreement is often solidified by observing positive returns, like attractive dividend yields.

The findings indicate that social influence and trust were critical factors in motivating the participants to invest in REITs. In other words, social networks and personal trust played a significant role in encouraging the participants to invest in REITs, which was a new investment product at the time. This implies that financial education and investment promotion can be enhanced by encouraging influential individuals in one's social networks to promote specific financial products, as their recommendations can be perceived as trustworthy, thus motivating others to invest.

Social influence and personal networks are critical factors that encourage individual investment decisions, particularly when financial knowledge is limited or when a new financial product is launched (Kaur & Singh, 2024). Studies indicate that personal networks and trust influence investment decisions, particularly when the individual has limited knowledge about the financial product (Dang, 2024). Moreover, the informal

dissemination of financial information and investment advice through personal networks encourages individuals to invest, particularly in new financial products, such as REITs (Rind et al., 2023).

Financial Goals. The participants' financial goals for investing in REITs mainly involved generating income and maximizing their wealth. For instance, Nene Piran stated that *"My only goal is passive income, so instead of*

letting my money stay stagnant or putting it in the bank, I prefer to invest it in REITs because the returns are better compared to the bank, which only gives small returns." Similarly, Inday Deling stated that *"I want to increase my funds instead of letting them stay in the bank earning very little interest."* The participants' rationale indicates that their primary motivation for investing in REITs was to generate passive income, as it would supplement their income from their primary employment. However, the desire to increase their wealth was also essential, as Nene Piran stated that she wanted her shares to grow by at least 50%. In addition, the participants mentioned that their investment goals involved preparing for the future and having financial security, which would allow them to meet their financial needs in the future without having to worry about the source of funds. For instance, Inday Deling stated that *"but your main goal is to be financially okay in the future. So if you need something, you will not have to worry about where to get money."*

The findings indicate that the participants' financial goals for investing in REITs involved generating passive income and maximizing their wealth. In other words, the participants wanted to use REITs as a tool for saving money to increase their wealth over time while also generating additional income. The findings also imply that the participants' motivation to invest in REITs was not limited to wealth maximization but also included attaining financial security and stability in the future.

The financial planning literature indicates that individual investors usually have a variety of financial goals, including wealth maximization and income generation (Sumiati et al., 2021). For instance, the desire to generate passive income is a significant motivation for individuals to invest, particularly in dividend-paying stocks, such as REITs, to supplement their income from their primary employment (Srivastav & Jain, 2025). In addition, the findings are consistent with the notion that individual investors usually seek to maximize their wealth by investing in various financial products, including REITs, to increase their income and save for the future (Zandi & Torabi, 2021).

Preference for Passive Income. The participants identified the desire for passive income as the key motivation for investing in REITs. In particular, Nene Piran stated that *"I also tried trading a bit, but it is really not for me because it is difficult. So my only option is to earn passive income as well as have a long-term investment."* In this case, the participant indicated that trading was challenging and, therefore, preferred to invest in REITs to earn passive income. The participant also added that *"You don't need to watch your investment all the time - you can just leave it alone because it earns dividends. But my goal, doc, because I am conservative, is just the dividends."* This implies that the participant wanted to invest in REITs to earn steady dividends without having to monitor the investment, which would be the case if she invested in shares.

The findings indicate that the participants preferred REITs as an income-generating tool because they did not want to monitor their investments constantly. In other words, the participants were not interested in actively managing their investments and, therefore, preferred REITs as an alternative to trading because REITs provided a steady stream of dividends. The findings also imply that the participants were conservative investors who wanted to maximize their returns without taking on much risk, which is consistent with their rationale for not wanting to monitor their investments actively. This is an essential finding that highlights the participants' preference for REITs as a reliable source of passive income.

The motivation to invest in REITs is consistent with the findings of prior studies that indicate that individual investors are usually interested in generating passive income (Joshi & Dash, 2023). In particular, passive income is a significant motivation for individuals to invest because it allows them to supplement their income without having to invest much time and effort into the investment endeavor. The preference for passive income is also consistent with the finding that the participants were not interested in actively managing their investments. The finding highlights the appeal of REITs as an investment tool for individuals who want to maximize their returns with minimal effort. In particular, REITs' passive income component is attractive to conservative investors who do not have the time or interest to actively monitor their investments and, therefore,

prefer REITs to shares or other actively managed investment products for accessible, low-maintenance, income-generating investment opportunities.

Theme 2: Investment Knowledge and Decision-Making. Investment knowledge plays a critical role in individual investors' decision-making processes because it allows them to make informed financial decisions and manage their investments accordingly. The following themes were identified in relation to the participants' investment knowledge and decision-making processes (Parsai & Chandok, 2025).

Sources of Investment Information. The participants identified various sources of investment information, including informal, social, and digital resources. For instance, Nene Piran relied mainly on her husband, who introduced REITs to her and shared his knowledge of the investment product. In particular, she stated that *"he introduced me to YouTube videos and channels that discuss financial and investing topics."* In this case, the participant relied on her husband's informal knowledge of REITs, which he obtained by watching YouTube videos. Nene Piran added that *"you can actually just watch YouTube videos, like those from The Moneywise Engineer, who give advice on what's good for you if you don't know. That's basically it, Doc - you can ask for guidance from others. There are also Facebook pages."* This implies that the participant relied on digital resources, such as YouTube videos and Facebook pages, to obtain investment information and guidance. Inday Deling identified various sources of investment information, including informal conversations and online resources. In particular, she stated that *"it was just through conversations at the office"* and *"sometimes they send advisories or newsletters, and that's when I saw Double Dragon's REIT. It piqued my interest, especially since I already had previous experience with Double Dragon stocks. So I thought, why not try it again? That is basically the reason why I started investing during its IPO."* This implies that the participant relied on informal conversations with other investors at the office, where she obtained investment advice and learned about Double Dragon REIT. Moreover, the participant used online resources, such as newsletters, to obtain investment information, which influenced her decision to invest in Double Dragon REIT at its IPO.

The findings indicate that the participants relied on informal and digital resources to obtain investment information. In particular, the participants used digital resources, such as social media, to access investment advice and information. The informal conversations with other investors also provided them with investment information and influenced their investment decisions. This implies that the participants were more likely to rely on readily available investment information, such as investment advice from social media influencers, rather than conduct extensive research to obtain formal investment information.

The reliance on informal and digital resources is consistent with the findings of recent studies that indicate that individual investors are increasingly relying on informal and digital resources to obtain investment information (Vishnu et al., 2023). In particular, social media provides a wealth of investment information that influences individual investors' decision-making processes, including the choice of investment products to pursue (Dang, 2024). Moreover, individual investors rely on informal conversations with other investors to obtain investment information and advice, which often influences their investment decisions (Umar, 2022). In particular, the informal dissemination of investment information through word of mouth is a significant source of information for individual investors, particularly when they are considering a new financial product, such as REITs.

Investment Analysis Criteria. The participants identified various criteria that they used to analyze REITs, including the long-term sustainability of the underlying assets and companies, such as Ayala and Megaworld. For instance, Nene Piran stated that *"it's like looking at whether the company you invested in won't lose money in the next few years - let's say 5 years from now. For me, sustainability means that it can still generate income even after a long time, like 10 years."*

The participant also added that *"Ayala and Megaworld, doc, it's because of their business - mostly malls - and because of their name. So far, their business has really been sustainable for several years and they're truly income-earning. You can see it in Bacolod - Ayala is always full of people, it never runs out of visitors. Same with Megaworld, they also have many upcoming developments; it looks like they're actively expanding. As for CREIT, doc, I don't really have much idea since it's focused on solar. But it seems like it could be something for our future - like in the long term, there might be a need to shift toward solar. It seems sustainable in its own way."*

Inday Deling also relied on similar criteria to analyze REITs, including long-term sustainability. In particular, she stated that *“basically, I look at the trends, like in technology with AI - that is where things seem to be headed. I also compare it to industries like retail and real estate. I check if the industry is stable or still going strong in the long term because many companies get left behind if they do not keep up with trends. So, I look at whether it is still a good long-term investment.”*

These insights indicate that participants' investment criteria are deeply rooted in a desire for security and predictable returns over the long haul. Their focus on sustainability, annual reports, and established company names suggests a cautious, fundamental approach to evaluating REITs. This implies a need for transparency in company performance metrics like occupancy rates and an appreciation for companies with a proven track record.

The emphasis on industry stability further highlights their understanding that the underlying real estate market's resilience is a key factor in a REIT's investment appeal. Inday Deling noted that: *“REITs could really be a good investment because it's tied to real estate. The industry is pretty stable — real estate does not usually go downward. The leasing and property management trends still show steady demand, so REITs tend to be stable. But of course, it still depends on the company; you really need to consider their capital, and patience is required.”*

Specific criteria often guide investor decision-making to minimize risk and ensure long-term viability. Fundamental analysis, which includes examining a company's financial statements, business model, and industry trends, is a key method for assessing investment attractiveness and value (Navas & Bentes, 2023). Investors often prioritize the sustainability and stability of real estate assets, recognizing that factors like a company's robust management and the inherent stability of the real estate sector contribute to secure and consistent returns (Xu et al., 2025). This focus aligns with the idea that an established corporate reputation and a company's ability to maintain its competitive advantage are important considerations for long-term investment decisions, as they reduce uncertainty and signal reliability (Febra et al., 2023).

Risk Assessment and Aversion. Both participants identified themselves as conservative or risk-averse investors, which significantly influenced their investment decisions. Nene Piran stated that *“I would describe myself, doc, as a conservative investor - I cannot handle big risks, so I stick to lower risk. I just want moderate returns; that is it, doc. I cannot handle big losses, so I choose conservative and less risky investments. She added that “REITs seem less risky compared to stocks.” Inday Deling also identified herself as a conservative investor and stated that “Yes, long term and more of a less risky investment now, like low risk or risk-averse” and “Because of course, before you were still young, more risk-taking, more okay with losing because you might still recover it. But now you're older, you focus more on stability and are more careful with your money because you have responsibilities. You have learned the value of money and what it means to lose even a thousand pesos. So it's mainly because of age.”*

The findings indicate that the participants were conservative investors who were not willing to take on much risk when making their investment decisions. In particular, they opted for REITs because they were less risky compared to stocks. The participants' risk-averse nature also influenced their decision to invest in REITs because it allowed them to invest smaller amounts of money and achieve moderate but stable returns. This was particularly evident in the case of Inday Deling, who indicated that her risk tolerance had changed with age, and she was more focused on stability and less interested in risky but potentially lucrative investments.

Risk aversion is a critical component of individual investors' decision-making processes because it influences their choice of investment products. In particular, risk-averse investors prefer lower risk, which typically entails lower potential returns (Kurnijanto et al., 2025). The participants' perception of REITs as a lower-risk investment product was consistent with their overall risk-averse disposition. The findings are also consistent with the notion that REITs are a conservative investment product because they provide a stable income stream to investors (Anderson et al., 2012). In addition, the participants' risk-averse nature influenced their decision to invest smaller amounts of money in REITs, which would entail lower potential losses if their investment underperformed. This is particularly evident in the case of Inday Deling, whose risk tolerance decreased with age, and she was, therefore, less willing to take on higher risks, such as those associated with stocks.

Role of Expertise and Confidence. The approaches of the participants showed that their investment decisions were mainly based on external expertise, or rather trust, than on their own extensive financial analysis. Nene Piran revealed: *“I have not really had experience comparing, but through YouTube videos, I was convinced that Ayala is safe and a good investment because of the Ayala name.”*

On her confidence in her investment, Nene Piran added: *“Maybe because of my husband’s experience, doc, that’s what I base it on. So far, it has not failed. It is really earning dividends. Its movement is minimal, and the dividends earned are small but stable. It has not grown much, but it is okay and more stable than when it started. It is still in that range.”*

Inday Deling also revealed similar sentiments regarding the lack of expertise in the investment field, saying, *“I’m not sure if what I study is really correct because I’m not really an expert unless I really study things like the graphs they present. You understand that the waves go up and down, but I am technically not an expert. So I just listen and read comments about what others say, but I am unsure if they know what they are talking about because sometimes it can also be random. I am not an expert unless I study things like the graphs they present.”* This has shown that the role of expertise and confidence plays a significant role in the participants’ investment decisions. That the participants lacked extensive financial expertise significantly affected their confidence in making sound financial decisions. In addition, the participants revealed that their investment decisions relied mainly on external factors, such as the reputation of the company and the success of their husbands’ investments, which increased their confidence in making such decisions. The participants’ confidence in their investment decisions was primarily based on their trust and belief in the external expertise, which affected their financial behavior and attitudes toward real-estate investment trusts (REITs).

Studies have shown that people generally lack confidence in their perceived financial expertise, prompting them to develop simplifying decision-making methods and rely on the judgment of their social circles (Balasubramanian & Sargent, 2020). Trust in and reliance on the reputation of the brand or company are significant heuristics for individuals who lack the needed financial expertise, as it reduces search costs and provides perceived safety (Aziz et al., 2021). Additionally, the role of social circles and the experience of trusted individuals, such as one’s spouse, are critical influencers when it comes to investment decisions, as people might lack confidence in their financial decisions (Kaur & Singh, 2024). These factors explain the role of expertise and confidence in the participants’ investment decisions and financial behaviors.

Theme 3: Investment Strategy and Portfolio Management. When it comes to investing, having an organized investment strategy and portfolio management is essential to ensure that the financial decisions made contribute to the achievement of one’s objectives while taking into account various aspects, such as the time horizon and risks involved. The investment strategies involve the investment timeline, the diversification of the portfolio, and management styles, such as active and passive management, which have shown to impact the portfolio performance and, therefore, the results of the investors (Zhang, 2024).

Investment Timeline. When asked about their investment timeline, the participants generally showed that they intended to keep the REITs in the long-term. For example, Nene Piran, who started to invest in REITs around 2023, revealed that *“In the past two years, you cannot really see anything; it is just kind of steady. It has not gone up much, only a little. However, of course, you can see the return if it is more like 10 years; that is the plan, especially to hold it long term.”* She intended to hold on to the REIT long-term and only see substantial gains after *“more like 10 years.”* This showed that she understood that she needed time for her investment to grow significantly. She did not see significant gains in the short term, only some dividends and stability, as shown in her statement: *“So that it can really earn dividends; it is not going up much, but at least I see some income from it.”* Inday Deling also intended to hold on to the REIT, as she had invested in similar products since 2015. On the other hand, her REIT investment started in 2021.

The participants’ general consensus was that REIT was a long-term investment that would yield substantial gains in the future. Therefore, they did not intend to liquidate their shares soon, hoping for more significant returns in the future. They understood that such an investment required time, patience, and dedication, which they would provide in the long run. Such strategies were generally necessary for such an investment, as it would only yield significant gains after some time. This was the main reason why the participants opted for REIT, as it was an investment that required time and dedication, promising substantial gains in the future.

An investment timeline, which refers to the length of time that an investor intends to remain invested, is one of the most crucial considerations when developing an investment strategy, as it heavily influences the allocation of one's portfolio and risk tolerance (Vega-Gómez & Alonso-González, 2024). Generally, long-term investme-

nt, which entails investing for more than five years, is associated with higher risk tolerance, implying that an investor is willing to take on more significant risks to gain more control and reap the rewards of patience and dedication (Janardana & Wirandi, 2024). Long-term investment is the most suitable strategy when considering real-estate investment, as an investor will be able to benefit from long-term gains stemming from appreciation and consistent dividends (Feng et al., 2021). Therefore, the participant's strategy of long-term investment was the most suitable, given the nature of their investment.

Diversification and Asset Allocation. The participant employs a method of diversification as a means to minimize risks while maximizing gains. One of the methods of diversification is to spread out one's investments among several different financial instruments, such as stocks, mutual funds, and real-estate investment trusts (REITs). Inday Dealing revealed her investment strategy: *"You could also say it's just to have a variety, right? You can't put all your money in stocks. Since I started, it's just been there, but I haven't added more to it. I haven't started investing in mutual funds again because the market seems so fickle that you have to watch it constantly. Unless your goal is long-term, where you just leave it. So if it's for the long term, and you want to have a better chance of growing your investment or getting bigger returns, then it should be in big, stable companies that keep growing steadily. But that needs a pretty big capital, and we don't have that kind of money."*

She diversified her portfolio among several different financial instruments in order to minimize risks while maximizing gains. Her portfolio consisted of mutual funds (with Sunlife), stocks (diversified among four different companies), and most of her money was invested in MP2 (Modified Pag-IBIG 2 program). She gave a '7,' which meant that she regarded her portfolio allocation as balanced. Her portfolio allowed her to minimize risks posed by putting all of her money in one instrument, such as mutual funds or stocks. On the other hand, her investment in MP2 showed that she intended to have a stable, long-term investment with consistent but low gains, given the nature of the product.

Risk diversification is the main reason behind Inday Deling's asset allocation among several different investment instruments. Having several different instruments in one portfolio enables an investor to minimize risks, as losses in one instrument can be compensated by gains in the other one. She understood that putting all of her money in one instrument, such as mutual funds or stocks, would entail significantly higher risks. Therefore, she allocated her money among mutual funds, stocks, and MP2 in order to minimize risks while maximizing gains. Given that MP2 was the largest portion of her portfolio, it could be stated that she intended to have a steady, long-term, low-risk investment, which would provide her with stable but low gains. On the other hand, the allocation to mutual funds and stocks showed that she intended to take advantage of the opportunity to gain higher returns, albeit with slightly higher risks. The balance between the three different financial instruments showed that she knew little about the market and preferred a steady, long-term investment with stable but low gains.

Diversification as a risk management technique generally allows investors to reduce investment risks while maximizing gains due to the allocation of capital among different financial instruments (Lee et al., 2020). The asset allocation generally depends on an individual's risk tolerance, as some investors might prefer to put all of their money in stocks, whereas others might prefer a more conservative, balanced approach and put their money in a combination of stocks, bonds, and REITs (Huang et al., 2025; Xu et al., 2025). Some investors, such as Inday Deling, might also utilize government-related programs, such as the Modified Pag-IBIG 2 (MP2) – a government-mandated multi-occupancy housing program for employees, to ensure a steady, long-term, low-risk investment with stable gains (Damong, 2024).

Monitoring and Management Style. When asked about their general approach to monitoring and managing their investment, the participants generally adopted a passive approach, wherein they generally kept track of their investment occasionally. For example, Nene Piran revealed: *"For me, I handle it quarterly. I just monitor it casually, and when the dividends add up, I can use them to buy more shares."* She further added: *"So far, I*

have not been watching my investment closely. So far, nothing yet, doc, because it is earning dividends. My goal is just that my money should be earning something.”

Inday Deling also adopted a similar approach to managing her investment after suffering losses from trading.

She revealed: “even my REIT investment now is technically at a loss. I do not monitor it actively anymore. I usually only check its current value when I work on my SALN (Statement of Assets, Liabilities, and Net Worth). I leave it there now).”

The participants generally preferred a passive approach to managing their investments, as it did not entail any specific obligations or responsibilities. The approach also aligned with their goals, as it allowed them to monitor their investments occasionally and ensured that their money was working for them consistently. Additionally, Nene Piran explained that the goal of her investment was for her money to earn something, which could be achieved through the regular dividends provided by REITs. The approach also did not require any active management; she only needed to monitor the dividends and use them to purchase additional shares when the time was right, as she revealed: “For me, I handle it quarterly. I just monitor it casually, and when the dividends add up, I can use them to buy more shares.”

A passive approach to managing one’s portfolio generally requires an investor to occasionally review their portfolio and make the necessary adjustments. It does not require investors to make frequent trades, wherein they can buy and sell actively and profit from changes in the market’s short-term volatility (Joshi & Dash, 2023). Such an approach is generally preferred by individual investors who do not have the time or dedication to keep track of the market closely or do not have the expertise to actively manage their portfolios (Umar, 2022). The approach is suitable for REITs, wherein investors only occasionally review their portfolio and make adjustments to ensure that it aligns with their long-term goals. Additionally, individual investors who suffer losses from active trading can also adopt a passive approach, wherein they only monitor their portfolio occasionally to ensure that it grows steadily without putting additional stress on themselves (Malhotra, 2024). In the case of the participants, the passive approach enabled them to manage their REITs without dedicating too much time and energy to their investments.

Reinvestment and Growth. The main method that Nene Piran used to grow her REITs was the reinvestment of dividends. She explained: “If I graph it, it’s just steady because I keep earning dividends. I reinvest them, and the graph shows they are pretty stable if you ask about Ayala’s income. They mention it is stable because we have recovered from the pandemic.”

She further added: “Of course, it wasn’t that much at first because the amount I invested wasn’t that big. When I received the dividend, it seemed small if you look at it quarterly, but if you compute it yearly, it is bigger than what you would earn from the bank - so it was okay for me, doc. That is why I let the dividends stack up first, and once it is enough to buy additional shares, I reinvest them. So I just let it sit there and earn independently, doc.”

She intended to benefit from regular dividends by either using them to buy more shares or saving them for the time when she could buy more shares. She explained what she meant by “it just keeps stacking up”: “it wasn’t that much at first because the amount I invested wasn’t that big. When I received the dividend, it seemed small if you look at it quarterly, but if you compute it yearly, it is bigger than what you would earn from the bank - so it was okay for me, doc. That is why I let the dividends stack up first, and once it is enough to buy additional shares, I reinvest them. So I just let it sit there and earn independently.”

She intended to grow her investment steadily, and the reinvestment of dividends would allow her to achieve her goal. She also mentioned her desire to substantially grow her investment in the future: “Hopefully, in 3–4 years, it will increase by 50%, and if possible, maybe I can also add more and try investing in other REITs.”

Nene Piran’s intention to grow her investment stemmed from a desire to have substantial long-term gains. The regular dividends allowed her to reinvest and grow her investment steadily without additional capital. On the other hand, her expectations of substantial gains in the future meant that she wanted to increase her share and diversify her portfolio to include other REITs. Her intentions to grow her investment using the steady dividends

were reflective of the opportunities that the REIT presented. Her expectations of steady but long-term gains reflected the characteristics of REITs, wherein an investor would steadily see the value of their investment grow.

Studies have shown that the reinvestment of dividends can provide an investor with significant gains, wherein the compounded returns enable them to grow their investment exponentially (Janardana & Wiriandi, 2024). The regular dividends allow an investor to increase their share without incurring additional expenses, which, therefore, supports long-term growth. Moreover, the opportunity for growth using dividends plays a significant role in encouraging individual investors to adopt a passive approach to managing their investment. Individual investors, on the other hand, might set an objective of large-scale gains when considering long-term dividend reinvestment. These investors would benefit from regular dividends to grow their investment steadily and exponentially and, therefore, achieve substantial gains in the long run (Janardana & Wiriandi, 2024).

Theme 4: Investment Experience and Sentiment. When navigating investment landscapes, individuals encounter distinct challenges and develop varied perceptions relative to their specific experiences and comprehension of the markets at hand. The theme seeks to capture the idiosyncratic challenges, as well as the overall perspectives that the participants adopted toward their investments, including the drawbacks, advantages, and even misgivings they may have experienced (Shahzad et al., 2024).

Satisfaction and Regret. The participants articulated a mixture of sentiments ranging from satisfaction to regret relative to their experiences with the investment options they selected. Nene Piran expressed a high level of satisfaction with her investment in real-estate investment trusts (REIT), rating her experience a “9” while stating, *“I am pretty satisfied with investing in REITs because you do not need to watch it closely. You invest, and then you regularly receive dividends. Some pay quarterly, some yearly - depending on your preference. She specifically said, “I am really satisfied, since my risk appetite when it comes to investing is conservative. I tend to worry about losing money, but I have been earning every quarter with REITs - so far, with Ayala REITs. So, for now, it has been okay for me.”*

In contrast, Inday Deling articulated feelings of regret relative to an investment option she exited with a profit. She described her experience as one of regret, saying, “I described it as regret because I truly felt a deep sense of loss. She explained that the experience was overwhelming, stating, “Of course! That was already a gain, but it really felt like such a huge missed opportunity - maybe that could have already been half a million in stock value if I had not sold it. But when I did sell it, of course, I was happy at the time because imagine investing just a small amount and then it multiplies like that. Looking back now, if only I did not let it go, that is where all the regret comes from.

Nene Piran’s satisfaction emanated from her experience with REITs, which offered steady dividends while allowing her to adopt a conservative approach to investing. On the contrary, Inday Deling’s regret resulted from a missed opportunity, where she realized too late that the investment option she selected had the potential to yield higher profits. Nene Piran’s positive experience with REITs, which featured dividends with regular intervals and minimal risk, prompted her to pursue it, considering her risk appetite. Inday Deling’s regret was occasioned by the fact that she exited an investment option she had selected with a profit but one that could potentially yield higher dividends if held longer. This illustrates that investors’ satisfaction and even regret are informed by the characteristics of the investment option and their preferences, including risk appetites, among other factors.

Investor satisfaction is closely linked to perceptions of performance, characteristics such as dividends, and ease of management (Nguyen et al., 2020). Dividends play a significant role in fueling investors’ satisfaction because they offer a steady source of income (Murtadho et al., 2024). In contrast, investor regret is a common behavior that is mostly premised on the fact that a higher profit would have been realized if the investor had held on to the investment for a longer period of time (Vasudevan, 2023). Regret manifests when an investor realizes that they have sold a winning security and held on to a losing security. This is known as the disposition effect or selling winners too early, and it is a significant bias that influences the behaviors of most investors (Shahzad et al., 2024).

Impact of External Factors. The participants highlighted how external circumstances, both economic and personal, significantly influenced their investment experiences and decisions. Nene Piran described a direct

impact of a widespread event on a previous real estate-related investment: " *But since the pandemic, the tenant moved out, and the investors ended up paying the monthly amortization. We lost, —there was no return or any dividends). She also acknowledged that: " My main reason for the low willingness to learn is my status in life—I am busy with family circumstances.*"

Inday Deling also attributed the performance of one of her investments to external factors, particularly COVID-19, saying, "*that was really a timing thing because I withdrew it for an emergency. So it was during the COVID time when the index went down, and of course, it followed, so I had a loss there. But it was okay because it was an emergency, and at least I could save something for that emergency even though I had a slight loss.*"

This illustrates that external factors beyond investors' control significantly influence their experiences with the investment options. These factors include personal circumstances such as family life, as well as market conditions, illustrated by the impact of COVID-19 on the stock market. Such conditions are beyond individual investors' control, and thus, they influence the decision-making process, including the choice of the investment option and the timing of purchase and sale of the selected security. Nene Piran's family circumstances impacted her ability to actively participate in investing, thus prompting the choice of an option that did not require skills and constant monitoring. Inday Deling's decision to liquidate one of her investments was prompted by an emergency, which illustrates how personal circumstances influence individual investors' decisions and, by extension, their experiences with investing.

External factors, including personal circumstances and market conditions, have a significant impact on individual investors' experiences with the selected investment options. Most investors are not in a position to control or predict these factors, and thus, they often respond to them by taking specific actions, such as altering the timing of their investment decisions (Jan et al., 2022). COVID-19, for example, has had a major impact on the stock market, prompting changes in investors' behaviors and decision-making processes (Lal et al., 2024). In addition, personal circumstances, such as family life, can influence an individual's capacity to actively participate in investing, thus impacting their experiences with the selected options (Legenzova & Leckè, 2024).

Perceptions of Stability and Security. Both participants view REITs as an inherently stable and secure type of investment. Inday Deling noted that REITs are stable and secure because of their association with real estate, saying, "*If you look at it, especially if you've studied or read about it before investing, REITs could really be a good investment because it's tied to real estate. The industry is pretty stable - real estate does not usually go downward. The leasing and property management trends still show steady demand, so REITs tend to be stable. But of course, it still depends on the company; you need to consider their capital, which also requires patience.*"

Nene Piran agrees that REITs are secure because they are linked to real estate and have a track record of providing steady returns, saying, "*Ayala has a 99% occupancy rate, so it is safe to say they are income-earning. Your money will not lose value, and it is stable because it is Ayala.*"

She added that the security of REITs is manifested in the fact that they provide consistent dividends, saying, "*like before, the dividend was .47 per share last year, then now it's .58 per share .42 per share the next quarter. It just ranges around there, Doc - in the 40s to 50s for their dividend yield. It stays around the .40s to .50s, and nothing is really big going down or up.*"

The perceptions of the participants reflect the belief that REITs are mostly stable and secure because of their association with real estate. They attributed the security of REITs to the fact that they are a reliable source of income, illustrated by the consistent dividends and the fact that the occupancy rate rarely drops below 99%, according to Nene Piran. This is a significant consideration for many individual investors, as it offers stability and predictability in an otherwise unpredictable environment.

Investors' perceptions of stability and security of an investment option play a significant role in their decision-making process and subsequent experiences with the selected option. REITs have several characteristics that make them desirable from this perspective, illustrated by their association with real estate and the consistent dividends they provide (Murtadho et al., 2024). Investors such as Nene Piran view REITs as a dependable source of income, which enhances their perceptions of the security of the investment option (Nagar, 2024).

Influence of Others and Social Context. The participant attributed her investment decisions and experiences to the influence of her social circle, particularly friends and colleagues. Inday Deling noted that a friend recommended REITs to her, saying, “I was there with my friend who also works at Double Dragon. We were joking around, pretending we were owners, just kidding. Furthermore, she noted that interaction with friends and colleagues plays a significant role in influencing her decisions, saying, “Since you are a CPA and your background is in accounting, naturally your circle of friends or even at the office, you are close to people who are on the same wavelength or have similar backgrounds. So topics like that are easier to discuss or explain if you need to convince them.

This illustrates that for Inday Deling, her friends and colleagues play a crucial role in influencing her decisions relative to investing. Their recommendations and opinions are significant considerations that often inform her investment-related choices. This implies that individual investors such as Deling are often influenced by the opinions of friends and colleagues, which subsequently informs their decisions and, by extension, experiences with the investment options.

Social influence plays a substantial role in shaping individual investment decisions, often more than purely rational economic calculations (Dang, 2024). Investors frequently rely on information and encouragement from their friends, family, and professional networks, especially when faced with complex financial products or uncertain market conditions. These social interactions can build confidence, provide informal advice, and contribute to the adoption of new investment avenues, particularly among individuals who share similar educational or professional backgrounds, as this fosters trust and ease of communication regarding financial matters (Lei & Ramos-Salazar, 2022).

Theme 5: Investment Actions & Platforms. The theme seeks to capture the idiosyncratic choices and considerations that the participants make relative to the instruments and platforms they select when making their investments. Each investor’s selection of specific instruments and platforms is often informed by a combination of factors, including accessibility and potential benefits (Rutkauskas & Stasytytė, 2022).

Investment Options & Instruments. The participants selected different investment instruments and platforms when making their investment decisions. Inday Deling noted that her general approach has been to buy stocks with MP2, stating, “*My general experience is just buying stocks, then MP2. I also had mutual funds with Sun Life and bank savings. I use Seabank because it gives daily interest credited to your account. So far, that is what I have right now. Then, part of my investments in stocks is in REIT, specifically the one under Double Dragon. So I bought it during its initial issuance - that is it.*”

She further explained that she was pleased with the option she selected because it offered a competitive rate of interest, free of charge, saying, “For MP2, I am pleased with it because the interest is relatively high, and it is tax-free. She further explained how her approach to investing was to diversify in order to mitigate risks, stating, “I have two accounts managed separately - one through my office, and another personal one where I keep contributing to make sure one matures sooner so I can use the proceeds, while the other continues to grow so you will not have to wait long enough for your investment to mature.

In addition to stocks and mutual funds, Nene Piran highlighted the use of “First Metro Sec,” while Deling identified “Utrade, from Unicapital,” as another platform she used. She further stated that she used Seabank for her mutual fund because it offers daily interest, which is credited to the account holder’s account on a daily basis.

The range of options illustrates that individual investors such as Deling tend to take a diversified approach when it comes to making their investment decisions. In this case, Deling selected a combination of mutual funds, stocks, and government-sponsored options in order to minimize risks while maximizing returns. Her rationale for selecting MP2 illustrates that she views the option as one that provides competitive returns with minimal risk, considering the high rate of interest and the fact that it is free of charge and tax-free. The selection of online trading platforms such as Utrade and First Metro Sec further illustrates the fact that Deling prefers to manage her options on her own.

Individual investors often take a diversified approach when it comes to making their investment decisions. In most cases, they tend to identify the instruments that offer the highest rate of interest and diversify in order to

minimize risks while maximizing returns. The use of such instruments as MP2, for example, illustrates the fact that individual investors prefer options that provide competitive returns with minimal risk (Sakthivelu & Krishnaraj, 2023). The increased use of online trading platforms further illustrates a global shift toward digitalization and the use of technology to transform the investment process (Khan & Shabbir, 2025).

Investment Strategies & Processes. The participants revealed a range of strategies and processes that they use when making their investment decisions. Nene Piran described the process of funding her online trading account and purchasing securities at the First Metro Sec. She stated, “I just did the basics at first - I signed up and created an account on First Metro Sec, and I just asked my husband for help). She further explained how she transferred money to the account, saying, *“I deposited by cashing into my GCash, then I transfer it to FirstMetroSec. In the bills payment section, you can choose First MetroSec, then put in how much you want to deposit to your First Metro Sec account.”*

Inday Deling further revealed that she follows a strategy of adding to an investment option if it performs well, saying, *“If eventually it does well, I might consider adding to it because that’s really what you’re looking for - a signal from the market that it’s doing okay.”* She further stated that she used her Facebook groups and social media pages to find relevant investment options, saying, *“I’m still following the same Facebook groups or social media pages related to stocks or trading, so maybe I’ll see it there or hear about it.”*

The process of investing is relatively easy, considering the use of online platforms and the use of digital wallets and QR codes when making deposits. Deling’s strategy of adding to an investment option if it performs well illustrates that she takes a reactive approach to decision-making. This approach is informed by the information she gathers from the online groups and pages she frequents, where potential investment options are often identified. Deling’s strategy further illustrates that she prefers a long-term approach to investing and that she is only willing to add to an option if it proves to be a winner, meaning it has performed relatively better than other options over a given period of time. Like all individual investors, Deling takes a reactive approach to investing because it is informed by readily available information concerning the investment options, including their performance.

Individual investors often follow a stepwise process when making their investment decisions. From the description provided by the participants, it is evident that the entire process is relatively easy, especially with the use of online platforms and digital payments. As highlighted by Nene Piran’s experience, *investors only need to set up an account and fund it using their preferred digital payment options*. The entire process is largely automated and only requires minimal input from the investor.

Investment decisions are often informed by the signals that investors receive from the market. As such, individual investors react to these signals by choosing one option over another. In Deling’s case, she stated that *she would only add to an investment if it proved to be a winner, illustrating her approach to decision-making*. The signals come in the form of the information investors gather from online forums and social media, where potential investment options are often identified and discussed in detail. These signals influence individual investors’ decisions and experiences with the selected options (Shahzad et al., 2024).

Theme 6: Investment Outlook and Future Intentions. The theme seeks to capture the participants’ outlook and intentions relative to their investment activities, including their expectations for the markets and future financial planning. Understanding their outlook provides insight into their confidence levels regarding the selected investment options and their ability to achieve their financial goals (Yeo et al., 2024).

Market Predictions and Expectations. The participants expressed varying direct market predictions and expectations for their investment outcomes. Nene Piran conveyed a clear, optimistic outlook regarding real estate investments, stating, *“I foresee that it will go up because everything—especially in real estate—does not go down anymore. It only goes up.”* She directly tied this to her portfolio, adding, *“I just expect, doc, that in the future the value of my investment in REITs will also increase.”* Inday Deling, while not offering a direct market prediction, reflected on the importance of long-term investment, acknowledging, *“I feel like its purpose is really for the long term, because at this point in my life, I feel too lazy to study it deeply.”*

Nene Piran’s expectations were grounded on her perception of real estate, which has consistently appreciated over time. According to her, real estate only goes up, which means that she has a positive outlook for REIT,

linked to real estate, and thus expects its value to increase over time. Deling's expectations for the future of her investment were not explicitly stated, although she articulated her intentions regarding the investment, which illustrate her expectations. She stated that she intended to utilize the option as a long-term investment because, currently, she did not have the time or energy to study it. This implies that she is confident about the future of her investment but does not expect to realize significant returns in the short term. She further articulated high-level societal expectations for future financial prospects, saying that individuals want to be financially literate so that they can prepare for the future.

Individual investors such as Deling and Nene Piran tend to have mixed expectations when it comes to the future and financial prospects, including their investment options. Real estate is often expected to appreciate gradually and steadily, thus fueling the expectations of investors who select REITs as an option to mitigate risks and ensure stable returns (Paudel et al., 2024). Deling identified the long-term nature of her investment as the primary consideration in her decision-making process, illustrating her expectation that REITs will steadily appreciate over time, thus helping her realize her financial goals.

Synthesis

A combination of personal considerations, specific goals, and access to particular investment methods shape the behaviors and thoughts of the participants. The decision to invest was primarily motivated by desires to acquire passive income and increase the sums of money through time. One of the main reasons to invest was Nene Piran's husband, who introduced her to investing in real estate. Both participants wanted to have more control over their funds than the banks provided and prepare for future expenses and emergencies.

Besides, the participants described different ways of learning about REITs, including watching YouTube videos, engaging in online communities, communicating with like-minded people and Nene Piran's husband, reading newsletters from trading platforms, etc. The criteria for choosing the objects of investment were connected to the companies' ability to operate long-term, especially in real estate, and brands' reputation, such as Ayala. The participants described their investment behaviors as risk-averse and conservative and mentioned their lack of expertise in the field. Nene Piran and Inday Deling preferred to rely on others' recommendations and experience, such as Nene's husband or Inday's colleagues.

The participants adopted a long-term perspective, expecting substantial profits from their investments rather than trying to make money out of short-term fluctuations. The allocation was different for the participants, who followed the strategies of diversification, including investing in REITs, stocks, mutual funds, and government bonds (MP2). Inday Deling and Nene Piran opted for a conservative approach, watching over their stocks carefully but infrequently: Nene evaluated her portfolio every quarter, while Inday only checked it for the Statement of Assets, Liabilities, and Net Worth. Inday Deling practiced dollar-cost averaging, while Nene Piran reinvesting of dividends was one of the most crucial strategies.

The participants reported mixed emotions related to their investment experiences. Nene Piran was satisfied with her decision to invest in REITs, as she felt she used the most reliable and conservative tool in terms of dividends. At the same time, Inday Deling regretted one of her investment decisions, as she invested in a stock, received some profits, but sold it and lost substantial gains. The participants were also influenced by external factors, such as pandemics and personal emergencies, which impacted their investments negatively and forced them to withdraw money from the market. According to the participants, REITs were a safe and reliable option due to real estate's characteristics, including occupancy rates and consistent dividends. Friends and community contributed to the initial decisions, as the investment field was unfamiliar to the participants. At the same time, they were quick to adopt the tools of online trading, such as First Metro Sec, Utrade, and Seabank.

The participants utilized online brokerage apps (e.g., First Metro Sec, Utrade) and digital banking platforms (e.g., Seabank) to manage their investments, highlighting the accessibility of modern financial technology. Their processes involved straightforward account setup, digital funding, and a tendency to add to investments based on observed market signals or extra funds rather than complex trading strategies.

Both participants held an optimistic long-term outlook for real estate and REIT investments, expecting continued value appreciation. They viewed investing as a long-term endeavor for financial security, with Inday

Deling reflecting on the importance of early financial literacy for future generations, even as her motivation for deep study has waned with age.

Emerging Framework

The above finding is strongly supported by Behavioral Finance Theory which combines psychology with economics. It explains why investors do not always act logically; showing how mood and sentiment drive their investment choices; building on their past experience in choosing their investing strategies and platform choice.

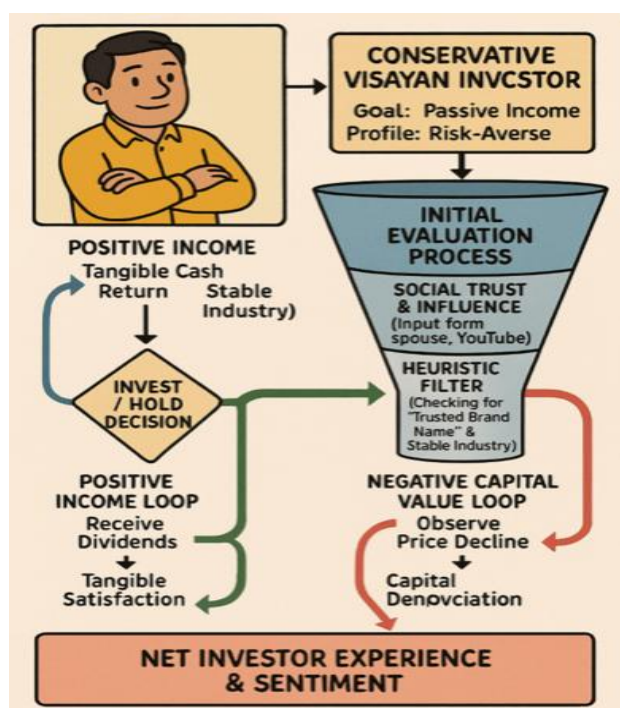
The framework developed from the study can be used to conceptualize the behavior of the majority of the surveyed small-time investors. The framework is referred to as the “Dual-Feedback Framework for the Passive Investor.” It connects the investment outcomes, goals, and heuristics applied by most retail investors.

The framework starts by stipulating the typical characteristics of a retail investor. Such an investor is primarily interested in the generation of Passive Income and adopts a Risk-Averse approach to investing. Given the lack of expertise and limited time to conduct exhaustive research, the investor uses Social Trust as the preferred entry point into the investment field. Additionally, Heuristic aids such an investor in the selection of the industries and companies to invest in. The final stage of the framework is the Tangible Validation of the choice via the application of simple heuristic decision-making criteria, for example, the presence of a stable history of dividend payouts in the company.

Dual-Feedback Framework for the Passive Investor suggests that after an investor makes a purchase, their investment process is influenced by two feedback loops. The first loop, which is Positive Income Loop, provides the investor with positive reinforcement by reminding them of the income generated by their investment in the form of dividends. The other loop, however, is the Negative Capital Value Loop that serves as a counterweight to the Positive Income Loop. It exerts negative pressure on the investor by demonstrating the loss incurred due to the reduction of the stock price.

The framework explains the satisfaction of the retail investor with their own decisions as the result of the balance between the two loops. As such, the framework highlights Passive Income-focused investment as mostly fulfilling the goals of the retail investor while being severely limited by the inability to influence the Negative Capital Value Loop. Therefore, the investor has to navigate the constant tension between the satisfaction with income generated by their investment and the dismay caused by the loss of value of their investment.

Figure 13 *Simulacrum*



To visually articulate the conceptual model developed in the preceding section, Figure 12 presents the "Dual-Feedback Framework for the Passive Investor." This diagram illustrates the decision-making pathway of a typical retail investor, from their core motivations and heuristic-driven evaluation process to the final investment decision. It culminates in depicting the two competing feedback loops—the positive reinforcement from dividend income and the negative sentiment from capital depreciation—that ultimately shape the net investor experience and highlight the critical "Technical Analysis Gap."

General Statement

This study demonstrated that while the appeal of Philippine REITs lies in their capacity for providing steady passive income, their actual value and ability to prevent investor regret depend on the degree to which they are researched and understood by the person purchasing them. One must not rely blindly on the advice of others and instead invest time and effort in the process.

Lessons Learned

This study provided several important lessons to me. Firstly, it showed that blindly relying on other people's advice is unwise. Secondly, it demonstrates that focusing solely on one figure, such as the amount of cash received from a company, can present an unbalanced perspective on the potential of an investment. One crucial revelation that this research has brought to me is that satisfaction with the result of an investment is not binary. It is important to weigh the pleasure of obtaining passive income against the possible regret from having invested one's money. The study demonstrated how outside forces could jeopardize passive investment strategies, which means that a person should prepare themselves financially for such scenarios. The most important lesson of all was that I must be in control of my finances and, therefore, it is crucial that I educate myself about all financial instruments. This study made me realize the regret that a person might experience from not analyzing an investment decision thoroughly.

DIRECTIONS FOR FUTURE RESEARCH

Building upon these findings, several avenues for future research are suggested. A comparative analysis could explore how financial literacy and decision-making autonomy differ across various investor segments. Future research could also assess the impact of targeted financial literacy interventions that foster critical analytical skills among retail investors. A longitudinal study analyzing the long-term outcomes and satisfaction of investors who engage in different levels of personal due diligence would provide invaluable insights. Investigating how digital platforms influence informed decision-making or herd behavior offers another important area for study. A follow-up study may be done in a national coverage and involving retail investors, institutional investors, financial professionals, young investors and first-time investors to capture broader perspectives. Finally, a deeper exploration into the psychology of investment regret and its lasting impact on financial behaviors could provide critical insights for investor protection and education.

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