INCOME-PRODUCING ASSETS COURSE

The Level 2–3 Workbook

Every Do-it worksheet from The Income Portfolio and Leverage & Real Estate, plus the Level 2 and Level 3 capstone briefs and sign-off pages.

Covers lessons 2.1–2.8 (The Income Portfolio) and 3.1–3.10 (Leverage & Real Estate)
Figures as of July 2026 · refresh from primary sources before relying on a stale number
Not financial advice — this workbook teaches evaluation, not tips

BEFORE YOU START

How to use this workbook

Level 2 tunes the machine you deployed in Level 1: dividends without traps, REITs read like a landlord, a peso bond ladder, honest yield decomposition, a sized speculative sleeve, a real portfolio with an IPS, a complete tax map, and pre-committed behavior rules. Level 3 opens the leverage tier: bankability, loans priced head-to-head, Gallinelli underwriting, the condo trap and its escapes, foreclosures, high-yield formats, titles and friction, operations, and RE tax. Fill each worksheet in order — lesson 2.6's dashboard assumes 2.1–2.3 already exist on paper, and lesson 3.4's underwriting template is reused by every lesson after it.

THREE RULES

1. **Use real numbers, not placeholders.** Pull actual PSE EDGE filings, actual bank rate sheets, actual listings — a worksheet filled with round guesses teaches nothing.
2. **Every figure carries a date.** Where this workbook prints a rate or yield it is dated as of July 2026. If you're filling this in later, pull the fresher number from the source cited in the matching lesson.
3. **Carry your numbers forward.** The 2.6 dashboard, 3.4 underwriting template, and 4.4/4.7 dashboards (next workbook) all reuse what you build here. Keep this workbook.

CONTENTS

Dividend basket screen

Pull five dividend histories from PSE EDGE, compute the three discriminator numbers, and classify each grower / stable payer / trap candidate.

Name	5-yr dividend history (per share)	Payout ratio	5-yr div. growth	Current yield	Classification
TEL					
MER					
GLO					
Bank (BDO/BPI/MBT)					
Your curiosity pick					

Classify: **grower** (payout <70%, rising) · **stable payer** · **trap candidate** (yield >8%, payout >100%, falling price).

THE TAX IDENTITY, WITH YOUR OWN NUMBERS

Planned sleeve size ₱____________ at an assumed 6% yield:

Annual dividend, gross	
10% final tax bill on that dividend	
Same cash flow via 0.6% STT self-made sales (for contrast)	
Same cash flow via a 20%-taxed time deposit (for contrast)	

Sleeve policy (feeds the 2.6 IPS)

Target size: ₱____________ · max weight per name: ____________% · standing rule: *"Any holding whose payout ratio crosses 100% or whose dividend is cut gets re-underwritten within a month — no averaging down on a broken thesis."*

REIT scorecard grid — AREIT vs MREIT vs CREIT

Pull the latest quarterly report + investor presentation for each from PSE EDGE. No summaries — live filings only.

	AREIT	MREIT	CREIT
Dividend yield (TTM ÷ price)			
Spread over the 10Y bond (~5.8–6.8%)			
Occupancy %			
WALE (years)			
Top-tenant / top-5 share of rent			
Sector exposure			
Sponsor + injection pipeline (last 2 yrs, committed)			
Net-of-tax yield (× 0.90)			

One-line landlord verdict per REIT:
"I am being paid ____________ over the risk-free rate to own ____________ buildings that are ____________% full with ____________ years of contracted rent, standing behind ____________."

Pick + five-sentence defense (including which two you rejected and why):

____

____

____

Ladder design + hand-computed YTM

INVENTORY THE RAW MATERIAL

Guaranteed-layer asset	Maturity date	Amount

DESIGN FIVE RUNGS

Yr	Instrument	Amount	Gross yield	Net yield (after 20% or tax-free)	Maturity	Planned use
1						
2						
3						
4						
5						

HAND-COMPUTED YTM (ONE FXTN QUOTE)

Coupon income + pull-to-par, annualized	

Stress-test the longest holding: paper loss if yield rose 2 points (≈ 2 × remaining years):

____

"What I would actually do: ______________________________"

Yield-product decomposition

Target product (QYLD or your most recent pitch)	
Headline distribution yield	
NAV at inception vs today (dividends not reinvested)	
% of last year's distributions = return of capital	
5-yr total return (product) vs 5-yr total return (naked index)	

Decomposition verdict: "The ____________% yield is really: ____________% genuine strategy income, ____________% my own capital returned, paid for by ____________% of surrendered total return vs the index. After 25% withholding: ____________."

Standing rule (feeds the 2.6 IPS)

"Any yield above my 2.2 REIT spread benchmark triggers a written decomposition before purchase. If I am reinvesting the distributions, I have disqualified myself as this product's customer."

Sleeve constitution + tenant audit

Cap (≤10% of portfolio), written percentage & peso value	

Standing rules: funded only from surplus after the FOO rungs · never topped up to average down · wins above cap get skimmed into the core at rebalancing.

CRYPTO DILUTION AUDIT

Holding	Nominal staking yield	Network inflation	Real yield	Realistic drawdown
				–70–90%
				–70–90%

"I hold this as speculation sized for total loss; the yield is a kicker, not a reason." — can you write it honestly? ☐ Yes ☐ No — resize

SEC RITUAL (ONE LENDING PLATFORM)

☐	SEC registration checked
☐	Certificate of Authority checked (SEC lending moratorium in force since Nov 2021 — only pre-moratorium CoA holders are valid)
☐	Advisories search run (sec.gov.ph)
☐	Net-vs-MP2 hurdle math computed

TUITION-PRICING WORKSHEET (IF AN EXPERIMENT TEMPTS YOU)

Real all-in capital (not advertised)	
Realistic monthly net (industry-map range, not the franchise deck)	
Payback in months	
Hours/week of attention	
"Total loss of ₱___ would be acceptable tuition" — write it or don't	

Target weights + lab + one-page IPS + dashboard

TARGET-WEIGHT TABLE

Sleeve	Target weight	USD / PHP split	Deviation from template, one sentence why
Global index core			
PH dividend / REIT income			
Guaranteed layer (MP2/RTB/TD ladder)			
Speculative sleeve			
Cash / emergency fund			

THE LAB (BACKTEST)

Max drawdown of my equity/guaranteed mix (US proxies for shape)	
Worst year	
Peso value of max drawdown at today's portfolio size	
Honest reaction to that number	

ONE-PAGE IPS (DRAFT ALL SIX SECTIONS)

1. Purpose	
2. Target weights (from above) + USD/PHP split	
3. Contribution rule	
4. Rebalancing bands	
5. The never list	
6. Trigger rules (appended fully in 2.8)	
Date signed	

DASHBOARD (UPDATE MONTHLY)

Sleeve	Current value	Current vs target weight (drift)	TTM income, net of tax	Action required?
				☐
				☐
				☐
Net portfolio yield vs. two hurdles (MP2 7.12% tax-free; index ~7–9% total)		☐		

8%-vs-graduated crossover + filing calendar + tax map

RUN YOUR OWN CROSSOVER

Route	Computed tax
8% of (gross – ₱250,000)	
OSD-graduated (60% of gross taxed at graduated rates) + 3% percentage tax	
Itemized-graduated (if your books support it)	

Winner + one sentence on when it flips (expense ratio? VAT wall?):

____

FILING CALENDAR (INTO YOUR ACTUAL CALENDAR TOO)

Form	Applies to me?	Due date(s)
1701Q	☐	
1701A / 1701	☐	Apr 15
2551Q	☐	
0619-E	☐	
1707 / 1706 (if applicable this year)	☐	within 30 days of transaction

THE COMPLETED TAX MAP (CAPSTONE ARTIFACT)

Holding	Its tax (rate)	Final or schedular	Its form	Its date
Agency row				
Foreign-income row (+ foreign tax credit)				

Pre-mortem + trigger rules + review cadence

THE PRE-MORTEM (ONE PAGE, 18-MONTHS-FROM-NOW VOICE)

2008-style numbers applied to your actual current portfolio — peso drawdown per sleeve, agency revenue cut included. End with the repairs list.

Sleeve	Peso drawdown (2008-style)
Agency revenue cut	

Repairs list (make the cheapest one this week):

TRIGGER RULES (APPEND TO IPS)

#	Rule
1	
2	
3	
4	
5	

QUARTERLY BEHAVIOR REVIEW (CALENDAR IT)

Savings rate vs. target	
Fixed burn vs. last year	
Drift vs. bands	
"The goalposts moved / held"	

LEVEL 2 CAPSTONE

The income portfolio, live

Copied verbatim from the course's practice page. The gate: run a benchmarked income portfolio and handle its taxes correctly.

THE BRIEF

Everything Level 2 built, assembled and running — three artifacts plus the live portfolio they describe:

1. **The portfolio itself, deployed at your chosen sizes** — global index core on its schedule (1.5–1.6), the PH dividend basket screened through the 2.1 discriminator, the REIT pick from your 2.2 three-way scorecard, the peso ladder designed in 2.3, and the speculative sleeve inside its 2.5 cap. Every yield-bearing product you *declined* along the way counts as work done, not work skipped.
2. **The one-page IPS** (2.6) — purpose, target weights per sleeve plus the USD/PHP split, contribution rule, rebalancing bands, the never list, and the 2.8 trigger rules appended, dated.
3. **The dashboard** (2.6) — current vs target weight per sleeve, trailing-12-month income per income sleeve **net of tax**, and net portfolio yield tracked against the two hurdles: MP2's tax-free rate and the global index's expected total return.
4. **The completed tax map** (2.7) — every holding → its tax (rate, final or schedular) → its form (or "final — none") → its date, agency row and any foreign-income row included, no blank cells. Plus your 8%-vs-graduated crossover computation and this year's filing calendar, in your actual calendar.

THE RUBRIC

Verdict	Standard
Not yet	Any inconsistency between the three artifacts and the live portfolio — a holding missing from the tax map, a dashboard yield quoted gross where net belongs, actual weights outside the IPS bands with no rule-triggered action noted, or an IPS that names sleeves the portfolio doesn't have (or vice versa). The gate is *coherence*: the documents must describe the portfolio you actually run.
Passing	Portfolio, IPS, and tax map exist and are **consistent with each other and with reality** — every live holding appears in all three, every yield is net-of-tax, every weight is inside its band (or its drift is flagged with the rule-prescribed action), and the filing calendar covers every form the tax map names.
Strong	Passing, **plus the written pre-mortem from 2.8**: one page, eighteen-months-from-now voice, on how this exact portfolio hurts you in a 2008 — peso drawdowns per sleeve at current sizes, the agency-revenue cut included, ending with the repairs list and at least one repair already made.

When you pass: update your progress page, redo the lesson 0.1 balance-sheet classification, and proceed to Level 3 — where the two-year bankability project begins.

L2 sign-off ______________________

Signature / initials ______________ Date ______________

Leverage rebuild + IPS leverage rules

REBUILD CARSON'S TWO SCENARIOS

$100k house, NOI $7,200, $80k loan — cash-on-cash	

Confirm ~+11.7% (positive carry scenario) vs ~−1% (negative carry scenario) before feeding pesos into the next table.

THE PH VERSION

₱4M condo, ₱20,000/mo rent, honest NOI ₱168,000/yr — cap rate	
Financed 80% LTV at 6.5–8% (bank) — financing cost, carry, cash flow, DSCR	

MANUFACTURE THE EDGE

Same building at ₱2.6M (65% of value) — yield-on-cost	
DSCR with Pag-IBIG-priced loan	
+3% repricing stress — does it still clear 1.25?	

"The escapes stack; one alone is rarely enough" — your own evidence for this sentence:

____

APPEND THE LEVERAGE RULES TO YOUR IPS

☐	Positive carry required
☐	DSCR ≥ 1.25 at purchase
☐	Survives +3% repricing
☐	Never in-house rates beyond a documented bridge (3.3)
☐	Never short-term-rental occupancy assumptions above the market median (3.7)

Dated & signed before any listing enters your browser history ______________

CIC pull + 24-month bankability plan

PULL YOUR CIC REPORT TODAY

☐	Registered at creditinfo.gov.ph's CROS portal, paid the ~₱55 fee
☐	Read every line — accounts recognized, accounts disputed, late marks logged
☐	Diaried a re-pull in 12 months: ______________

SCORE YOURSELF AGAINST THE UNDERWRITING TABLE

Requirement	✓ / ✕ / date
ITRs (2 years clean)	
Audited FS (if applicable)	
6–12 mo. bank statements	
Business registration current	
Primary-bank relationship	
Credit file (CIC) clean	

24-MONTH BANKABILITY PLAN

Quarter	Dated action
Q1–Q2	
Q3–Q4	
Q5–Q6	
Q7–Q8	

Target amortization ceiling under the 35% GMI rule at honest declared income:

____

Declared income needed for the property band I'm aiming at:

____

Primary bank chosen (agency inflows land here):

____

One ₱4M property, financed three ways

Real listing (Lamudi / bank acquired-assets / developer RFO). Analysis only.

Listing / reference	

	Pag-IBIG	Bank	In-house
Down payment			
Loan amount			
Rate			
Monthly amortization			
Yr-1 interest/principal split			
Total interest, full term			
+ MRI + fire insurance			
All-in monthly cash out			
+3% repricing stress: new payment			
New DSCR vs honest NOI			
Red / green vs 3.1 rules	☐	☐	☐

Verdict paragraph (channel, why, fixing-period bet, take-out date if in-house):

The full underwriting grid (reused every lesson after this)

PH LINE-ITEM TABLE → NOI

Gross rental income (3 rent comps cited)	
– vacancy allowance (district honest rate)	
– association dues (actual, from building)	
– RPT (from tax declaration or defensible estimate)	
– management (priced even if self-managing)	
– repairs / reserves	
= NOI	
50%-rule screen (NOI at flat 50% opex assumption)	

METRICS BLOCK

Cap rate		Yield-on-cost	
GRM		Payback period	

FINANCING BLOCK (FROM 3.3) → CASH FLOW

Channel / rate / term	
Annual debt service	
Cash flow (NOI – debt service)	
Cash-on-cash	
DSCR (≥1.25 required)	

STRESS BLOCK

+3% repricing	
–10% rent	
+2 months vacancy	

10-YR IRR BLOCK (EXIT NET OF ~8–9% FRICTION)

RANK FIVE LISTINGS BY GRM (10 MINUTES), THEN DEEP-UNDERWRITE THE BEST

Listing	GRM	Rank

Verdict: "For this to beat my passive alternatives, I must believe ___":

Control case + escapes-applied

CONTROL CASE — VANILLA PITCH, HONESTLY UNDERWRITTEN

Carry (at market price, bank money)	
DSCR	
Appreciation rate needed to break even over 5 yrs after ~8–9% exit friction	
Months-to-sell risk in this district	

APPLY EACH ESCAPE TO THE SAME UNIT

Escape	Number that turns it positive
1 · Below-market entry price	
2 · Required bedspace/serviced/short-term gross	
3 · Does this building/area house-hack?	
4 · Promo-window verdict, inside vs outside window	
5 · Same equity at ~18–36%/yr in a business instead	

Family-dinner paragraph (trap summary + two strongest escape numbers):

Foreclosure lifecycle checklist

TEN LIVE LISTINGS → SHORTLIST THREE

Listing	Price	Unoccupied?	Shortlisted?
		☐	☐
		☐	☐
		☐	☐

DILIGENCE-LITE PASS (ONE SHORTLISTED PROPERTY)

Title number + likely CTC annotations	
Estimated arrears exposure (HOA/admin)	
Occupied status, verified twice	
Zonal value (BIR) vs asking price — true discount	

UNDERWRITE THROUGH THE 3.4 TEMPLATE, EACH PAYMENT TIER

Tier	Yield-on-cost	DSCR (Pag-IBIG financed)	+3% stress	Passes 3.1 rules?
Cash −30%				☐
Short −20%				☐
Long −10%				☐

REDEMPTION-AND-OCCUPANCY MEMO

Past redemption (acquired asset) or inside it?	
Occupied or vacant?	
If occupied: cash-for-keys estimate + legal-path months/fees	
Effect on IRR	

Bedspace / corporate / Airbnb comparison

ONE UNIT, THREE WAYS

	Long-term lease	Corporate / serviced	Short-term (median occupancy)
Honest NOI			
Premium / discount vs long-term	—	+20–40%	varies
Effort-hours (valued at billing rate)			

Short-term: use the district's **median** occupancy from AirROI/Airbtics (~43–49% Metro Manila) — never the listing pitch's number.

BEDSPACE FEASIBILITY (LAND LOGIC)

Nearest university/hospital/CBD	
Beds × achievable ₱/bed (3 comps) × 12	
Build cost (~₱18k–35k/sqm) + caretaker line	

HOUSE RULES (WRITTEN CONFIRMATION)

☐	Admin emailed for transient-occupancy policy in writing
☐	Policy received and filed — if not in writing, that IS the answer

Format verdict for my situation, with numbers:

Title due-diligence checklist

ZONAL VALUE + FRICTION BILL

Zonal value (BIR)	
Asking price vs zonal	
CGT+DST base (highest of zonal / FMV / price)	
Full friction bill (~8–9%): seller's now / my own exit	

READ ONE REAL TITLE (CTC)

Annotation	What it is / who holds it	Cost to clear

UPDATE THE UNDERWRITING TEMPLATE PERMANENTLY

☐	Exit price × (1 – 0.085) in the IRR block
☐	Diligence-costs line added (CTC, geodetic if land, lawyer's review)
☐	"Annotations cleared?" gate added before any bid cell turns green

FAKE-TITLE DRILL

☐	LRA title-verification service walked for this title number, result filed

Operations systems checklist

SCREENING PACK

☐	Application form built (income, employment, current landlord, references)
☐	Document checklist per tenant type (employee/self-employed/corporate)
☐	Three verification calls scripted
☐	Pass/fail criteria written (rent ≤ ~30% of documented income; verifiable history; no unexplained gaps)

LEASE TEMPLATE

☐	Started from a reputable PH template, notarization-ready
☐	Read against this lesson's clause list and adjusted
☐	Lawyer review completed once

SELF-MANAGE VS PM MATH (ON THE 3.6 DEAL)

PM at 10–12% + leasing fee	
My honest hours at my billing rate	
Caretaker hybrid	
Verdict + trigger for review	

OPERATING DASHBOARD TAB (QUARTERLY)

Quarter	Occupancy	Collections	Repairs	Dues/RPT paid	Green?
Q1					☐
Q2					☐
Q3					☐
Q4					☐

Four-quarters-green rule = your expansion gate.

RE tax election worksheet

ADD RENTAL ROWS TO THE 2.7 TAX MAP

Regime elected this year	
Forms (1701/1701A + 1701Q; 2551Q if graduated non-VAT; 0619-E if withholding)	
2307-collection line (if tenant is corporate)	

CROSSOVER SPREADSHEET (COMBINED WITH AGENCY PROFIT)

Route	Combined tax
8% on total gross (agency + rental)	
Graduated on total taxable, rental itemized (interest + depreciation + opex)	
OSD column (control)	

My personal crossover expense level (diary for every January):

____

VAT-LINE CHECK

Agency + planned rental receipts vs ₱3,000,000 VAT threshold	
₱15k/unit residential exemption applied	
Headroom / crossing finding	

DEPRECIATION SCHEDULE

Building-vs-land split (tax-declaration ratio)	
25-yr straight-line annual deduction	
Effect on crossover, yrs 1–5 vs 15–20	

One real deal, fully underwritten

Copied verbatim from the course's practice page. The gate: fully underwrite one real PH property deal end-to-end — financing, DSCR, cash-on-cash, taxes — and defend the go/no-go.

THE BRIEF

Pick **one REAL listed property** — a foreclosure/acquired asset (3.6) or an RFO unit (3.5) — currently listed, with a real asking price you can cite by URL or listing reference. Produce the full underwriting package:

1. **Acquisition + friction costs** — asking price vs zonal value (3.8), the negotiated/discount-tier price, plus all entry costs: DST, transfer tax, registration, diligence costs, arrears exposure, and — if occupied — the honest ejectment/cash-for-keys budget with a timeline.
2. **Three financing quotes** (3.3) — Pag-IBIG, one bank, and in-house or cash as the third column; live rates this month, MRI included, amortization tables attached.
3. **The NOI build-up with cited line items** (3.4) — three rent comps minimum, actual dues, actual RPT, honest vacancy, management priced even if self-managing. The 50%-rule screen alongside the line-item version.
4. **The metrics block** — cap rate, yield-on-cost, GRM, cash-on-cash and DSCR per financing column, payback, and a 10-year IRR with the exit priced net of ~8–9% friction (3.8).
5. **The repricing stress test** (3.1) — every financing column recomputed at +3% after its fixing period, plus –10% rent and +2 months vacancy rows. DSCR verdicts marked against the ≥1.25 rule.
6. **Tax treatment** (3.10) — regime this deal's income files under next January, combined-income crossover attached, VAT-line check, withholding note if corporate tenant, year-1 depreciation schedule.
7. **The exit plan** — named buyer profile, realistic price, months on market, friction that leaves. "I'll just sell" is not an exit plan.
8. **The go/no-go memo** — two pages maximum. State the escape (3.5's five) this deal uses, by name and number. Argue both sides and sign a verdict.

If the verdict is go, whether and when to actually bid remains entirely your decision. The deliverable is the package, not the purchase.

THE RUBRIC

Verdict	Standard
Not yet	Any unsourced number — a rent with no comp, dues "estimated" when the admin was one message away, a financing rate from a 2022 video, a stress test skipped, or an exit priced gross of friction.
Passing	Every number in all eight sections sourced and dated, the metrics block computed from your own template, the stress test run on every financing column, and the go/no-go memo signed with the deal's escape named.
Strong	Passing, **plus the no-go case argued as hard as the go case** — steelman both, before the verdict.

Go/no-go memo (two pages maximum)

Property / listing reference	
Escape(s) used, by name and number	

Argue the go case, then the no-go case with equal rigor, then sign a verdict.

Verdict: GO / NO-GO — signature / initials ______________ Date ______________

FINAL PAGE

Sign-off

The capstones have you underwrite and, where you choose to, deploy real money. The course teaches evaluation — every deployment decision, and every amount, is yours.

LEVEL 2 SELF-RUBRIC VERDICT

☐ Not yet ☐ Passing ☐ Strong

Signature / initials ______________ Date ______________

LEVEL 3 SELF-RUBRIC VERDICT

☐ Not yet ☐ Passing ☐ Strong

Signature / initials ______________ Date ______________

Income-Producing Assets course · Level 2–3 workbook · figures as of July 2026 — refresh from primary sources (edge.pse.com.ph, treasury.gov.ph, bsp.gov.ph, pagibigfund.gov.ph, bir.gov.ph, creditinfo.gov.ph, colliers.com) before relying on a stale number. Not financial advice — this workbook teaches evaluation, not tips.