

SCHEDULE

SCHEME

*Conversion**Income.*

- 11 (1) The Central Board may decide at its discretion (and without regard to any rule of law usually applicable to trust funds) whether any special dividend, bonus issue of shares or other cash or property received by it in respect of property comprised in an Investment Fund shall be treated as income or capital or shall be apportioned. The Central Board may in like manner decide any question of apportionment between income and capital which may arise on a contribution or a withdrawal or on the acquisition or disposal of any asset.
- (2) Notwithstanding any rule of law concerning accumulations any part of the net income of an Investment Fund may at the discretion of the Central Board be at any time transferred to the capital of that Investment Fund and unless and until so transferred shall be available for distribution as income [^{F1}(in respect of Income Shares) and for allocation (in respect of Accumulation Shares) in accordance with sub-paragraphs (5) and (6) of this paragraph].
- [^{F2}(3) In respect of each Dividend Record Date the Central Board shall determine the amount of the income and the apportionment of it between Income and Accumulation Shares in accordance with the relative proportion in terms of value that each class of Share bears to the total value of that Investment Fund (excluding the amount of the Income Reserve) on the Dividend Record Date before the issue or cancellation of Shares (if any) and subject to sub- paragraph (4)(d) of this paragraph.
- (4) (a) For the purpose of avoiding fluctuations in the amounts of income distributed in respect of Income Shares, the Central Board may create out of the income attributable to Income Shares and maintain in the accounts of the Investment Fund an Income Reserve in accordance with the provisions of this sub-paragraph.
- (b) The Central Board may deduct from the amount of income determined to be available to be distributed in respect of Income Shares under sub-paragraph (7) of this paragraph for any distribution period not more than half of that amount; and where they do so they shall credit to the Income Reserve the amount deducted.
- (c) The Central Board may add to the net income to be distributed in respect of Income Shares all or any part of the amount of the Income Reserve.
- (d) Any income attributable to the amount of the Income Reserve shall be treated as income of the Income Shares and dealt with accordingly.
- (5) Each distribution of income attributable to Income Shares shall be made as soon as practicable after the Dividend Record Date in question to the Holders of the Income Shares in proportion to the numbers of such Shares recorded in their names on that Dividend Record Date (before the recording of any new contribution or withdrawals on such Dividend Record Date) and the amount determined to be distributed but not yet withdrawn from the Investment Fund (but not the amount determined to be transferred to the Income Reserve) shall be treated as a charge on the Investment

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Fund and shall accordingly be deducted in arriving at the value of the Investment Fund on and after that Dividend Record Date.

- (6) Each allocation of income attributable to Accumulation Shares shall be made on or as soon as practicable after the Dividend Record Date in question and as of that Dividend Record Date shall become capital and shall be retained as part of the Investment Fund.
- (7) The amounts available for distribution or allocation under sub- paragraphs (5) or (6) of this paragraph shall be circulated by the Central Board adjusting the income of an Investment Fund by —
 - (i) adding the aggregate amount of the Income Element (as hereinafter determined) included in contributions to the Investment Fund on the issue of Shares during the distribution period concerned;
 - (ii) subtracting the aggregate amount of the Income Element included in the amounts paid during such distribution period on the withdrawal of Shares by the Holders; and
 - (iii) subtracting the aggregate amount of costs and expenses for the distribution period to be deducted in accordance with this Scheme.

For the purpose of this sub-paragraph, the Income Element included in an issue of Shares means that element of the amount of cash or value of other assets transferred to the Investment Fund which for the purpose of securing equality of treatment between the Holders of Shares falls to be treated by the Central Board as income of the Investment Fund for the distribution period within which such issue of Shares takes effect; and the Income Element included in the amount payable on a withdrawal of Shares means that element of the amount of cash paid (or value of the assets transferred) on a withdrawal which falls to be treated by the Central Board as a payment out of the income of the Investment Fund for the distribution period within which occurs the valuation date on or as of which the Shares are withdrawn.]

Textual Amendments

- F1** Words in [Sch. para. 11\(2\)](#) inserted (1.9.1995) by 1995 No. 2, s. 7, [Sch. para. 9\(a\)](#); Instrument dated 26.7.1995 made by Archbishops of Canterbury and York
- F2** [Sch. para. 11\(3\)-\(7\)](#) substituted (1.9.1995) by 1995 No. 2, s. 7, [Sch. para. 9\(b\)](#); Instrument dated 26.7.1995 made by Archbishops of Canterbury and York

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