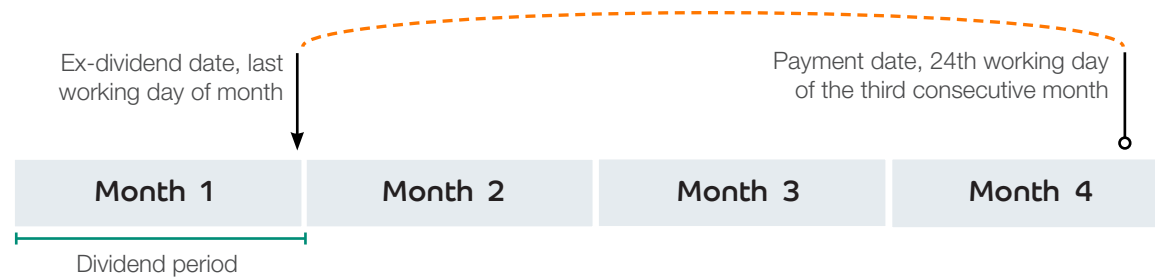


Dividend income payment cycle



Understanding payments

Our Income and Income Plus multi asset funds follow the same cycle for distributing income payments to investors. Both funds are structured to pay a stable amount each month and both pay out a 'top-up' amount each quarter. 'Top-ups' are paid in January, April, July and October each year.

Ex-dividend date

Those invested on or before the ex-dividend date - in any month - are legally entitled to the dividend income payment for that month. At Heartwood, the ex-dividend date is the **last working day** of each calendar month for both funds.

Payment date

Payments are made by Heartwood on (or around) the 24th calendar working day of the third month following the ex-dividend date.

Equalising the first month payment

Heartwood's Income funds operate income **equalisation** arrangements to ensure that all investors receive the same amount of income in pence per share, regardless of the length of time they have been invested before the ex-dividend date. This means that for investments that are made part the way through a dividend period, there is a difference in how their first income payment is constructed.

When someone invests inbetween the income ex-dividend dates, the price paid will include income accrued since the last distribution. The first payment will mostly or entirely be made up of 'equalisation' to reflect this, and is treated as a refund of capital rather than a receipt of income. As such, it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

There will be an equalisation payment linked to each investment into the funds - which is relevant if the investment is "phased in". All subsequent payments from the funds are dividend income.

Timing explained

The date an investor receives their first income payment is determined by **the day** of their initial investment. To explain, if they invest before the ex-dividend payment date (regardless of whether this is one day or day 30) they will be paid two months and roughly 24 days after the ex-dividend date.

Therefore if someone invests on the first day of month 1, they would need to wait until the last working day of month 1 to qualify for the ex-dividend date payment and a **further 2 months and 24 days**. In contrast, someone who invests on the penultimate day of month 1 would receive their income payment nearly a month earlier.

Please note: Payments from the funds are made from natural income accrued in the portfolios. They are not made from capital. Fund charges are taken from capital.



Contact us

To find out more about our income multi asset funds, contact your Heartwood representative.

Dividend payment history (gross of tax), as at 31 January 2017 - B shareclass

Income multi asset fund

Reporting date	Type	Total payment (pence per share)	Payment date*
31-Jan-2017	Monthly base payment + Quarterly 'Top-Up'	0.7228	24-Apr-2017
30-Dec-2016	Monthly base payment	0.1545	23-Mar-2017
30-Nov-2016	Monthly base payment	0.1545	23-Feb-2017
31-Oct-2016	Monthly base payment + Quarterly 'Top-Up'	0.5983	24-Jan-2017
30-Sep-2016	Monthly base payment	0.1545	28-Dec-2016
31-Aug-2016	Monthly base payment	0.1545	24-Nov-2016
29-Jul-2016	Monthly base payment + Quarterly 'Top-Up'	0.5887	24-Oct-2016
30-Jun-2016	Monthly base payment	0.1545	26-Sep-2016
31-May-2016	Monthly base payment	0.1545	24-Aug-2016
29-Apr-2016	Monthly base payment + Quarterly 'Top-Up'	0.4887	25-Jul-2016
31-Mar-2016	Monthly base payment	0.1545	24-Jun-2016

Income Plus multi asset fund

Reporting date	Type	Total payment (pence per share)	Payment date*
31-Jan-2017	Monthly base payment + Quarterly 'Top-Up'	0.8986	24-Apr-2017
30-Dec-2016	Monthly base payment	0.1794	23-Mar-2017
30-Nov-2016	Monthly base payment	0.1794	23-Feb-2017
31-Oct-2016	Monthly base payment + Quarterly 'Top-Up'	0.7629	24-Jan-2017
30-Sep-2016	Monthly base payment	0.1794	28-Dec-2016
31-Aug-2016	Monthly base payment	0.1794	24-Nov-2016
29-Jul-2016	Monthly base payment + Quarterly 'Top-Up'	0.8626	24-Oct-2016
30-Jun-2016	Monthly base payment	0.1794	26-Sep-2016
31-May-2016	Monthly base payment	0.1794	24-Aug-2016
29-Apr-2016	Monthly base payment + Quarterly 'Top-Up'	0.6098	25-Jul-2016
31-Mar-2016	Monthly base payment	0.1794	24-Jun-2016

*Payment date refers to when the ex-dividend payment is paid out by Heartwood.

Important Information

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For Heartwood Multi Asset Funds: The Authorised Corporate Director is Capita Financial Managers Limited. The Registrar is Capita Financial Administrators Limited. The Investment Manager is Heartwood Wealth Management Limited.

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