

Calculation of Sustainable Income Per Unit

Assume the fund is on a capital gains distribution date. Prior to the distribution, it has a NAV of 11.00, a securities yield of 5% and a capital gains distribution multiplier of 1. Therefore, the expected income per Unit is $11.00 * 0.05 * 1 = 0.55$

The fund then pays a capital gains dividend of 1.00 which is reinvested at the price of 10.00, resulting in the holder now owning 1.1 units. The Capital Gains Multiplier is therefore 1.1 and the expected income per Unit is $10 * 0.05 = 0.50$. To provide continuity, we then multiply the number of units by the CGM, so $10 * 0.05 * 1.1 = 0.55$.

However, for display purposes we want the post-reinvestment CGM to be 1.0. Therefore we need to divide all the prior figures by 1.1, so for each line in the table:

Sustainable Income = NAVPU * Yield ;/ CGM