

Part II—Tax on Undistributed Net Capital Gain Not Designated Under Section 852(b)(3)(D)

| | | | | |
|---|--|----------|--|--|
| 1 | Net capital gain from Schedule D (Form 1120), line 13 (attach Schedule D (Form 1120)) | 1 | | |
| 2 | Less: Capital gain dividends from Schedule A, line 6b | 2 | | |
| 3 | Amount subject to tax. Subtract line 2 from line 1 | 3 | | |
| 4 | Capital gains tax. Multiply line 3 by 35% (.35). Enter tax here and on line 3b, Schedule J | 4 | | |

Schedule A Deduction for Dividends Paid (Do not include exempt-interest dividends or capital gain dividends reported on Form 2438, line 9b; see instructions).

| | (a) Ordinary dividends | | (b) Capital gain dividends | |
|--|------------------------|--|----------------------------|--|
| | 1 | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 Deduction for dividends paid: | | | | |
| a Ordinary dividends. Add lines 1 through 5 of column (a). Enter here and on line 25, Part I | 6a | | | |
| b Capital gain dividends. Add lines 1 through 4 of column (b). Enter here and on line 2, Part II, above | 6b | | | |

Schedule B Information Required With Respect to Income From Tax-Exempt Obligations

| | | | |
|---|---|------------------------------|-----------------------------|
| 1 | Did the fund qualify under section 852(b)(5) to pay exempt-interest dividends for 2004? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If "Yes," complete lines 2 through 5. If "No," go to Schedule E. (see instructions) | | | |
| 2 | Amount of interest excludible from gross income under section 103(a) | | |
| 3 | Amounts disallowed as deductions under sections 265 and 171(a)(2) | | |
| 4 | Net income from tax-exempt obligations. Subtract line 3 from line 2 | | |
| 5 | Amount of line 4 designated as exempt-interest dividends | | |

Schedule E Compensation of Officers (see instructions for line 9, Part I)

Note: Complete Schedule E only if total receipts (line 8, Part I, plus net capital gain from line 1, Part II, and line 9a, Form 2438) are \$500,000 or more.

| (a) Name of officer | (b) Social security number | (c) Percent of time devoted to business | (d) Percent of fund stock owned | (e) Amount of compensation |
|---------------------|--|---|---------------------------------|----------------------------|
| 1 | | % | % | |
| | | % | % | |
| 2 | Total compensation of officers. Enter here and on line 9, Part I | | | 2 |

Schedule J Tax Computation (see instructions)

| | | | | |
|--|---|-----------|-----------|--|
| 1 | Check if the fund is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/> | | | |
| Important: Members of a controlled group, see instructions. | | | | |
| 2a | If the box on line 1 is checked, enter the fund's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): | | | |
| | (1) \$ | (2) \$ | (3) \$ | |
| b | Enter the fund's share of: | | | |
| | (1) Additional 5% tax (not more than \$11,750). | \$ | | |
| | (2) Additional 3% tax (not more than \$100,000) | \$ | | |
| 3a | Tax on investment company taxable income | 3a | | |
| b | Capital gains tax. Enter amount from line 4, Part II, above | 3b | | |
| c | Alternative minimum tax (attach Form 4626) | 3c | | |
| d | Income tax. Add lines 3a through 3c | | 3d | |
| 4a | Foreign tax credit (attach Form 1118) | 4a | | |
| b | Check: <input type="checkbox"/> Nonconventional source fuel credit | 4b | | |
| | <input type="checkbox"/> QEV credit (attach Form 8834) | | | |
| c | General business credit. Check box(es) and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ | 4c | | |
| d | Credit for prior year minimum tax (attach Form 8827) | 4d | | |
| e | Total credits. Add lines 4a through 4d | | 4e | |
| 5 | Subtract line 4e from line 3d | | 5 | |
| 6 | Personal holding company tax (attach Schedule PH (Form 1120)) | | 6 | |
| 7 | Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Other (attach schedule) | | 7 | |
| 8 | Total tax. Add lines 5 through 7. Enter here and on line 27, Part I | | 8 | |

Schedule K **Other Information** (see instructions) **Yes No**

- 1 Check method of accounting:
 - a Cash
 - b Accrual
 - c Other (specify) ▶

- 2 At the end of the tax year, did the RIC own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)

If "Yes," attach a schedule showing (a) name and identification number, (b) percentage owned, and (c) taxable income or (loss) before a net operating loss (NOL) and special deductions of such corporation for the tax year ending with or within your tax year.

- 3 Is the RIC a subsidiary in a parent-subsidiary controlled group?

If "Yes," enter the employer identification number and the name of the parent corporation ▶

- 4 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the RIC's voting stock? (For rules of attribution, see section 267(c).)

If "Yes," attach a schedule showing name and identification number. (Do not include any information already entered in 3 above.) Enter percentage owned ▶

- 5 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of:
 - a The total voting power of all classes of stock of the fund entitled to vote **or**
 - b The total value of all classes of stock of the fund?

If "Yes," enter:

 - (1) Percentage owned ▶
 - (2) Owner's country ▶

The fund may have to file Form 5472. Enter number of Forms 5472 attached ▶

- 6 During this tax year, did the fund pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the fund's current and accumulated earnings and profits? (see sections 301 and 316)

If "Yes," file Form 5452.

- 7 Check this box if the fund issued publicly offered debt instruments with original issue discount

If checked, the fund may have to file Form 8281.

- 8 Enter the amount of tax-exempt interest received or accrued during the tax year. ▶

| |
|----|
| \$ |
|----|

- 9 If this return is being filed for a series fund (as defined in section 851(g)(2)), enter
 - a The name of the regulated investment company in which the fund is a series ▶
 - b The date the regulated investment company was incorporated or organized ▶

- 10 **Section 853 election.** Check this box if the fund meets the requirements of section 853(a) and section 901(k) **and** elects to pass through the deduction or credit for foreign taxes it paid to its shareholders. See the instructions for additional details and requirements.

- 11 **Regulations section 1.852-11 election.** Check this box if, for purposes of computing taxable income, the fund elects under Regulations section 1.852-11(f)(1) to defer all or part of its post-October capital loss or post-October currency loss for this tax year

If the election is made, enter the amounts deferred:

 - a Post-October capital loss ▶
 - b Post-October currency loss ▶

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120), Foreign Operations of U.S. Corporations**, to this return. See Schedule N for more details.

| Schedule L Balance Sheets per Books | Beginning of tax year | | End of tax year | |
|--|-----------------------|-----|-----------------|-----|
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | | | |
| 2a Trade notes and accounts receivable | | | | |
| b Less allowance for bad debts | () | | () | |
| 3 U.S. government obligations | | | | |
| 4 Tax-exempt securities (see page 13 of instructions) | | | | |
| 5 Other current assets (attach schedule) | | | | |
| 6 Loans to shareholders | | | | |
| 7 Mortgage and real estate loans | | | | |
| 8 Other investments (attach schedule) | | | | |
| 9a Buildings and other fixed depreciable assets | | | | |
| b Less accumulated depreciation | () | | () | |
| 10 Land (net of any amortization) | | | | |
| 11a Intangible assets (amortizable only) | | | | |
| b Less accumulated amortization | () | | () | |
| 12 Other assets (attach schedule) | | | | |
| 13 Total assets | | | | |
| Liabilities and Shareholders' Equity | | | | |
| 14 Accounts payable | | | | |
| 15 Mortgages, notes, bonds payable in less than 1 year | | | | |
| 16 Other current liabilities (attach schedule) | | | | |
| 17 Loans from shareholders | | | | |
| 18 Mortgages, notes, bonds payable in 1 year or more | | | | |
| 19 Other liabilities (attach schedule) | | | | |
| 20 Capital stock | | | | |
| 21 Additional paid-in capital | | | | |
| 22 Retained earnings—Appropriated (attach schedule) | | | | |
| 23 Retained earnings—Unappropriated | | | | |
| 24 Adjustments to shareholders' equity (attach schedule) | | | | |
| 25 Less cost of treasury stock | () | | () | |
| 26 Total liabilities and shareholders' equity | | | | |

Note: The fund is not required to complete Schedules M-1 and M-2 if the total assets on Schedule L, line 13, column (d), are less than \$25,000.

| Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions) | | | |
|--|--|--|--|
| 1 Net income (loss) per books | | 7 Income recorded on books this year not included on this return (itemize): | |
| 2 Federal income tax (less built-in gains tax) | | Tax-exempt interest . . . \$ | |
| 3 Excess of capital losses over capital gains | | 8 Deductions on this return not charged against book income this year (itemize): | |
| 4 Income subject to tax not recorded on books this year (itemize): | | a Depreciation \$ | |
| 5 Expenses recorded on books this year not deducted on this return (itemize): | | b Deduction for dividends paid (line 25, Part I) . . . \$ | |
| a Depreciation \$ | | 9 Net capital gain from Form 2438, line 9a | |
| b Expenses allocable to tax-exempt interest income \$ | | 10 If the fund did not file Form 2438, enter the net capital gain from Schedule D (Form 1120), line 13. Otherwise, enter -0- | |
| c Section 4982 tax \$ | | 11 Add lines 7 through 10 | |
| d Travel and entertainment \$ | | 12 Investment company taxable income (line 26, Part I)—line 6 less line 11 | |
| 6 Add lines 1 through 5 | | | |

| Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, line 23) | | | |
|---|--|---|--|
| 1 Balance at beginning of year | | 5 Distributions: | |
| 2 Net income (loss) per books | | a Cash | |
| 3 Other increases (itemize): | | b Stock | |
| 4 Add lines 1, 2, and 3 | | c Property | |
| | | 6 Other decreases (itemize): | |
| | | 7 Add lines 5 and 6 | |
| | | 8 Balance at end of year (line 4 less line 7) | |