APN Poland Retail Fund

A guide to your 2016 tax return (capital loss) information

The purpose of this guide

This guide will help you in completing your Tax Pack 2016 Supplement for the cancellation of units in the APN Poland Retail Fund (PRF). This guide contains general information only and it does not substitute any Australian Taxation Office (ATO) instructions. The information in this guide is only for:

- Australian resident individual taxpayers; and
- Investments that qualify as a capital investment for tax purposes.

Australian taxation laws are complex. The application of these laws depends upon an investor's individual circumstances. The taxation information in this guide is of a general nature only. If you have any doubt or require further information about the taxation position of your investment we recommend you talk to your accountant or tax adviser.

If your investment is held in the name of a company, trust, superannuation fund or partnership, you will need to adapt the tax information contained in your 2016 tax return information to meet your tax status. We recommend you contact your accountant or tax adviser for assistance.

Unit cancellation notices should now be available to unitholders.

Summary of Tax return for individuals (supplementary section) 2016 items[1]

Item 18 in the Tax return for individuals (supplementary section) 2014-15 may need to be completed in respect of the cancellation of units in PRF. For assistance in completing item 18, please refer to ATO instructions and publications. Given that there is to no final taxable distribution from PRF, other items in the Tax return for individuals (supplementary section) should not need to be completed by investors of PRF in relation to PRF.

G Item 18 – Capital Gains

The cancellation of units in PRF will be a capital gains tax event for 2015-16. You will need to put a Y in Box G.

A Item 18 – capital gains tax event

You will need to calculate your capital loss on cancellation of units in PRF (see comments below). The date of cancellation of your units is 11 November 2015.

If you have had other capital gains tax events during the year, you will need to combine any other capital gains or losses for the current year with the capital loss on cancellation of the units in PRF to determine your net capital gains to include in Box A.

Calculating your capital loss on cancellation of units

Your capital loss on cancellation of units in PRF should equal your reduced cost base as there are no proceeds on cancellation of your units.

PRF has made tax deferred distributions which will result in a reduction in your reduced cost base amount. The tax deferred distribution amounts will be shown on your annual tax statements from PRF.

Alternatively, to assist in your calculation of your reduced cost base, the percentage of tax deferred distribution that PRF has made is set out below:

Income Year	Tax-deferred distribution (%)
2007	0%
2008	65.18%
2009	0%
2010	0%
2011	0%
2012	0%
2013	0%
2014	0%
2015	0%

An example to illustrate calculating your reduced cost base is set out on the next page.

You may also refer to the "Australian Capital Tax Gains Tax considerations" page on the APN website at www.apngroup.com.au for guidance.

You will also require documents showing the date you acquired your units in PRF, the date and amounts of any expenditure you incurred that form part of the reduced cost base and the amounts of any cost base adjustments such as tax-deferred distributions or returns of capital to calculate any capital loss arising on cancellation of the units.

V Item 18 Net capital losses carried forward to later income years

If the total of your capital losses for the year (including your capital loss on cancellation of units in PRF) and unapplied net capital losses from earlier years is greater than your capital gains for the year, you will need to include your total carried forward losses in Box V.

[1] When completing their 2016 Tax Pack Income Tax Return, investors should confirm the references in the 2016 Tax Pack. The references made in this Tax Guide are to the Tax Pack 2015 and Tax Pack 2015 Supplement, as the 2016 Tax Pack is not as yet available.

Illustrative example of calculation of capital loss for PRF unitholders

The examples below are for illustrative purposes only and investors should refer to their own annual tax statements from PRF or other documentation to confirm their tax deferred or distribution amounts and reduced cost base.

The illustrative examples below are based on investors holding units in PRF on capital account who did not have any other CGT event occurring during the 2016 income year.

Illustrative example 1: Using your tax statements

Investors may refer to their annual tax statements from PRF for the amount of tax deferred distribution for each income year:

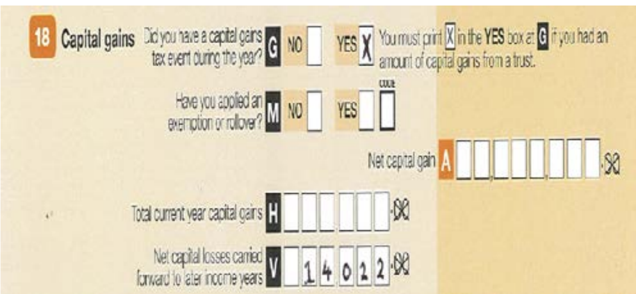
Mary subscribed for 15,000 units in PRF Trust for $15,000 on launch of PRF. Mary held this investment up until the date PRF wound up (i.e. 11 November 2015). Mary did not incur any other expenses relating to the PRF units.

Mary referred to her tax statements from PRF for each income year. Mary added up each of the tax deferred amounts on her tax statements. Mary's total tax deferred distributions for all income years is $977.70.

Mary reduces the reduced tax cost base of her investment in PRF by her total tax deferred distributions from PRF, i.e. $977.70. Mary then calculates her capital loss for the 2016 income year as follows:

Original reduced cost base:	$15,000.00
Adjustment due to tax deferred distributions:	($977.70)
New reduced cost base:	$14,022.30
Less capital proceeds:	($nil)
Capital loss:	**$14,022.30**

Mary did not have any capital losses from prior year. As Mary has no other capital gains or losses, Mary does not write anything at **A** *and completes item* **18** *on her tax return as follows:*


18 Capital gains
Did you have a capital gains tax event during the year? G NO YES X
You must print X in the YES box at G if you had an amount of capital gains from a trust.
Have you applied an exemption or rollover? M NO YES CODE
Net capital gain A .00
Total current year capital gains H .00
Net capital losses carried forward to later income years V 14022 .00

Illustrative example 2: Using the tax deferred percentages provided by PRF

Alternatively, if investors are unable to refer to their tax statements, they may calculate their tax deferred amount using the percentages provided by PRF:

Fred purchased 10,000 units in PRF for $10,000. Fred held this investment up until the date PRF wound up. Fred did not incur any other expenses relating to the PRF units.

Fred has determined the total distributions (including tax deferred components) from PRF for each income year. Using the tax deferred percentages provided by PRF, Fred calculates the amount of his tax deferred distribution for each year:

Income Year[2]	Total distribution for the year	Tax-deferred distribution (%)	Tax-deferred distribution ($)
2007	$1,000	0%	$0
2008	$1,000	65.18%	$651.80
2009-2016	$0	0%	$0
Total			***$651.80***

Fred reduces the reduced tax cost base of his investment in PRF by his total tax deferred distributions from PRF. Fred calculates his capital loss for the 2016 income year as follows:

Original reduced cost base:	$10,000.00
Adjustment due to tax deferred distributions:	($651.80)
New reduced cost base:	$9,348.20
Less capital proceeds:	($nil)
Capital loss:	**$9,348.20**

Fred did not have any capital losses from prior year. As Fred has no other capital gains or losses, Fred does not write anything at **A** *and completes item* **18** *on his tax return with his capital loss of $9,348.20.*

Important

The taxation matters covered in this guide are of a general nature only and it does not constitute or convey advice. Readers should not act solely on the terms of the material contained in this guide.

The information does not take into account your individual financial circumstances. Also, changes in law may occur quickly. We therefore strongly recommend that you assess whether the information is appropriate to you and consider seeking advice from your financial adviser and/or tax adviser before acting on the basis of any information contained in this guide.

[2] No distributions were made by PRF in relation to the income years 2009-2016.