

Important Information

2011 Income Tax Return Guide

Your enclosed Tyndall Tax Statement provides details on the income paid for the 2010/2011 financial year. The distribution information contained in the Tyndall Tax Statement must be included in your 2011 Income Tax Return.

To assist you, we have prepared this Guide to explain the breakdown of the distributions you have received, ie dividends, interest, capital gains etc, and how to use this information for the Tax return for individuals 2011 and Tax return for individuals (supplementary section) 2011.

This Guide is intended to assist you with the paper lodgement of your Income Tax Return if you are an Australian resident individual for tax purposes. If you are intending to lodge your Income Tax Return through e-tax, you should refer to the Australian Tax Office's additional instructions on their website: www.ato.gov.au.

All amounts disclosed are in Australian dollars.

How to use the 2011 Income Tax Return Guide

To begin, you need to have your Tyndall Tax Statement and the Australian Taxation Office's TaxPack 2011 and TaxPack 2011 supplement booklets.

Please keep in mind that you will need to take into account any other income received from other sources.

Part A Summary of 2011 tax return

There are three questions you may need to complete in the Tax return for individuals (supplementary section) 2011 in relation to the distributions you have received from your investments with Tyndall. These are:

- Question 13 Partnership and Trusts
- Question 18 Capital gains
- Question 20 Foreign source income and foreign assets or property

Your Tyndall Tax Statement has been designed so that the amounts in Part A correspond to the amounts you are required to enter in your Tax return for individuals (supplementary section) 2011. You can transfer the amounts from Part A to the corresponding tax return label on your tax return. You will also need to print 'X' in the 'Yes' box at Label G of Question 18 if Part A displays that you have an amount of 'Total current year capital gains'.

The amount of franking credits you are entitled to will depend on whether you can satisfy certain requirements.

You will need to include the TOTAL SUPPLEMENT INCOME OR LOSS amount (following item 24 of the supplementary section) on page 3 of your Individual Tax return 2011.

For further information refer to the accompanying notes on the following page.

Part B Capital gains tax information

A capital gain can arise from the sale of assets within a Trust (ie buying and selling shares). It can also arise when you make a withdrawal from the Trust (ie sell units). The net gains from the sale of assets within the Trust must be distributed to investors and are included in your income distribution.

A net capital gain for tax purposes can be calculated using either the indexation method, 50% CGT discount method, or other method.

Explanations of the above capital gains tax (CGT) methods can be found in the following publications from the Australian Taxation Office:

- "Personal investors guide to capital gains tax 2011"
- "Guide to capital gains tax 2011".

Some investors may be required to complete the 2011 CGT Schedule. Please refer to the following documents available from the Australian Taxation Office for further information:

- "TaxPack 2011";
- "TaxPack supplement 2011";
- "Capital gains tax (CGT) schedule 2011"; and
- "Guide to capital gains tax 2011".

You can obtain copies of all these guides from any branch of the Australian Tax Office (ATO), or via their website: www.ato.gov.au

Part C Components of distribution

This section provides a detailed breakdown of the distributions you have received during the financial year. Some of the income shown on your Tyndall Tax Statement might have been received after 30 June 2011, but your entitlement to that income arose on or before 30 June and therefore must be included in your 2011 tax return.

There may be three amounts listed for each component in Part C. These are:

- 'Cash distribution' – is the actual cash distributed to you;
- 'Tax paid/offsets' – is the tax which has already been paid on this amount;
- 'Taxable Amount' – is the sum of the 'Cash Distribution' and the 'Tax paid/offsets' that is assessable for tax purposes.

Please note that not all income distributed to you may be assessable for income tax purposes.

Notes accompanying the 2011 Income Tax Return Guide

(1) Australian Income – Non-Primary Production

This broadly represents income that is paid on investments situated in Australia, whether in shares, units in a unit trust, bank deposits, property or other income-producing investments. This item would exclude net capital gains and foreign income but does include franked dividends and any franking credits attaching to such dividends.

(2) Franking Credits

Franking credits are tax credits for tax paid by a company on its taxable profits. The company distributes dividends to shareholders from its after-tax profit. Although you received an after-tax dividend, your income statement will still show the gross amount, but will be accompanied by a credit representing the tax, which has already been paid by the company. Please note that your ability to claim this tax credit in your Income Tax Return is dependent upon whether you have satisfied the requirements for both the holding period rule and the related payment rule. You must also have been an Australian resident at the time the distribution was made to you. Refer to Question 13 of the TaxPack 2011 supplement for further details. Individual investors who do not have to lodge an Income Tax Return should note that you may be entitled to a refund of your franking credits. If you fall into this category you can contact the Australian Taxation Office (ATO) on 13 28 61 or obtain a copy of 'Refund of franking credits instructions and application for individuals 2011' from any branch of the ATO, or via their website: www.ato.gov.au.

(3) TFN Amounts Withheld

When you first invested in the Trust you were asked to provide your Tax File Number (TFN). If you chose not to do so, Tyndall is required to deduct tax at the rate of 46.5% from the distributions made to you. You may be entitled to claim this amount back on your Income Tax Return.

(4) Foreign Income

As an Australian resident taxpayer, you are liable to pay Australian Income Tax on income earned from overseas investments held either directly or indirectly through a managed investment scheme in which you invest.

(5) Foreign Tax Offset

Generally, a foreign tax offset represents the amount of foreign income tax paid in respect of an amount included in your assessable income. You may be entitled to a foreign tax offset because foreign tax has already been paid. If you require further information on foreign tax offsets, please contact the ATO on 13 28 61.

(6) Net Capital Gain

The Net capital gain amount represents the total of your capital gains after applying any capital losses (current and prior years). If the discount method is chosen, the 50% CGT discount percentage is then applied to any part of your capital gain that is eligible. If the discount method is not chosen, either the indexation method or other method can be used. Please note that if you have net capital losses, the net capital gain amount from Part A of your Tyndall tax statement will not equal the net capital gain on your tax return.

(7) Total Current Year Capital Gains

The Total current year capital gains amount represents total capital gains for the year. Do not apply capital losses, any CGT discount or indexation.

(8) CGT Concession Amount

The CGT concession amount is the non-assessable component of the discount capital gain paid to you under the 50% CGT discount method. The CGT concession amount should not be included in your assessable income.

Please note that sometimes the CGT concession amount may be greater than the Discounted capital gain amount.

(9) Tax-deferred amounts

The cost base or reduced cost base of your units held in the Trust may need to be adjusted for any Tax-deferred amount received prior to the redemption of your units in the Trust, to determine if you have realised a capital gain or capital loss on disposal.

It is strongly recommended that you consult your tax adviser for further information on how to account for this in your Income Tax Return.

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Please note that this document is a practical reference guide only. The information contained in this Guide only applies to individual Australian residents and is based on Tasman Asset Management Limited's (trading as Tyndall Asset Management) interpretation of the taxation laws current as at 30 June 2011. It does not contain a detailed analysis of each and every aspect of the relevant laws and in many parts is in summary form only. The effects of taxation laws are very complex and this Guide should not be solely relied upon as being correct without further investigations or obtaining specialised taxation or other professional advice. We therefore recommend that you consult your financial adviser, accountant or obtain specialised taxation advice.