

Gains and Losses Information Statement

This section will help you complete item **18**. To complete item **18** you will need your Distribution Information Statement and your Gains and Losses Information Statement which are enclosed in this mail-out. These statement should be read in conjunction with the ATO's 'Personal investors guide to Capital Gains Tax 2010' and 'Guide to capital gains tax 2009-10'.

Capital gains tax (CGT) is the tax you pay on the net capital gain you include in your income tax return. It is not a separate tax, merely a component of your income tax. You are taxed on your net capital gain at your marginal tax rate.

To fill out item **18** in the income tax return, please follow the steps below:

If you have an amount in box **8** on your Distribution Information Statement, or you have a transaction on your Gains and Losses Information Statement, print Y in the box at **G**, otherwise print N in the box at **G**. Print N in the box at **Q**. This assumes you only have investments in the ME Investment Funds.

Step 1: Capital gains

Your total capital gain comprises the capital gain component received in your distributions from ME Investment Funds and any capital gains you have made on the disposal of your units in the Funds.

Step 2: Applying capital losses against capital gains

As there is a generally accepted method by which capital losses are applied against capital gains, the total capital gains calculated in box **H** should be separated into the various categories of capital gains

A: Capital gains received from ME Investment Funds

To determine the capital gain from ME Investment Funds from your Distribution Information Statement multiply the capital gain at **5** by 2 ('gross up') and add this to the amounts in **6** and **7**.

B: Capital gains on disposal (redemption) of units in ME Investment Funds

Calculate the capital gain you have made on the redemption of units in each fund with reference to the information provided in the Gains and Losses Information Statement.

The information in the Gains and Losses Information Statement provides a record of the units redeemed during the period, but does not necessarily calculate the capital gain (or loss) with respect to each transaction. When calculating your capital gain (or loss) on the disposal of units, you may need to take other factors into account, such as the receipt of tax deferred amounts. It is important to note that the statement calculates the gain (or loss) on a 'First-In-First-Out' basis. You should use your own records to determine which units were redeemed, when calculating your capital gain (or loss). If you have any doubts, you should seek professional tax advice.

Enter into box **H**, the sum of **A** and **B**

(ie. other, indexed and gross discounted method).

Deduct any capital losses made in the current year and then deduct net capital losses from earlier years. See the Important note below

Important: If you have a capital loss you have the option of using that loss to reduce or eliminate a 'potential' capital gain, made or received (through a distribution) during the same financial year. You must nominate the capital gain against which these losses are to be applied. Typically, the capital losses should be applied firstly to 'other' capital gains including the amount at **7**, then to the indexed gains including the amount at **6** and lastly to gross discount gains including the 'grossed up' amount at **5** (the amount at **5** multiplied by 2) in your Distribution Information Statement. As the calculation of the net capital gain can be complex, if you are in any doubt you should seek professional advice about the tax treatment applicable to your situation.

Item 18

18 Capital gains	Did you have a capital gains tax event during the year?	G NO <input type="checkbox"/>	YES <input type="checkbox"/>	You must print X in the YES box at G if you received a distribution of a capital gain from a trust.
	Did this CGT event relate to a forestry managed investment scheme interest that you held other than as an initial participant?	Q NO <input type="checkbox"/>	YES <input type="checkbox"/>	
	Net capital gain	A		
	Total current year capital gains	H		
	Net capital losses carried forward to later income years	V		

If the overall calculation creates a loss:

- If the amount of your capital losses (including capital losses from previous years) exceeds your total current year capital gain in box **H**, enter the total amount (loss) under box **V**

If the overall calculation (step 1 or step 2) results in a capital gain:

- First, determine the balance of the capital gain for each category (ie. other, indexed and gross discounted method) after the application of any capital losses in Step 2

- Next, reduce the balance of the 'gross discount method' capital gain by the applicable capital gains tax discount percentage (50% for individuals)
- Finally, add together the balance of the capital gains for each category
- Enter this amount in box **A**

Please note: You might need to include any other taxable capital gains and losses from other investments outside ME Investment Funds in this calculation.

If you require further information in relation to your investment in the ME Investment Funds, please contact us on 1300 655 286.

ME Investment Funds

Tax Guide 2010



This guide will help you complete your 2009-10 income tax return.

It is important to note that this guide assumes that you are an individual Australian resident taxpayer who holds this investment in a 'Capital account' and only have investments in the ME Investment Funds. Should you have other investments, deductions, capital gains or capital losses from the current year or prior years, they may need to be reflected in your income tax return.

Super Members Investments Limited does not take any responsibility for the correct completion of your tax return (this is a guide only). If you are in doubt, we strongly recommend that you seek professional tax advice.

In this guide:

- Page 2-3 will explain the ME Investment Funds Distribution Information Statement.
- Page 4 will help you understand how to complete **question 18** of the tax return and how to use your ME Investment Funds Gains and Losses Information Statement.

Before you start, make sure you have the following:

- Your ME Investment Funds Distribution Information Statement and ME Investment Funds Gains and Losses Information Statement (enclosed in this mail-out)
- Australian Taxation Office (ATO) Form: 'Tax return for individuals (supplementary section) 2010' ("Income tax return")
- ATO Guide: 'TaxPack 2010 Supplement' Income section
- ATO Guides: 'Personal investors guide to capital gains tax 2010' and 'Guide to capital gains tax 2009-10'



