

Gains and Losses Information Statement

This section will help you complete question **18**. To complete question **18** you will need your Distribution Information Statements and your Gains and Losses Information Statements which are enclosed in this mail-out. These statements should be read in conjunction with the ATO's 'Personal investors guide to Capital Gains Tax 2009' and 'Completing the capital gains section of your tax return'.

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 question 18 in the income tax return, please follow the steps below:

If you have amounts in boxes **5** - **7** on any of your Distribution Information Statements, or you have a transaction on any of your Gains and Losses Information Statements, print Y in the box at **G**, otherwise print N in the box at **G**.

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

- The total capital gain, calculated in box **H**, should be separated into the various categories of capital gains (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 Statements. 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.

18 Capital gains	Did you have a capital gains tax event during the year?	G <input type="checkbox"/> Print Y for yes or N for no.	You must print Y 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 <input type="checkbox"/> Print Y for yes or N for no.	
	Total current year capital gains	H <input type="text" value="00"/>	Net capital gain A <input type="text" value="00"/>
	Net capital losses carried forward to later income years	V <input type="text" value="00"/>	

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

A: Capital gains received from ME Investment Funds

To determine the capital gain from ME Investment Funds from your Distribution Information Statements 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 each of the Gains and Losses Information Statements.

The information in each of the Gains and Losses Information Statements 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**

- 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 2009



This guide will help you complete your 2008-09 income tax return.

It is important to note that this guide assumes that you are an individual Australian resident taxpayer who holds this investment on '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 Statements and ME Investment Funds Gains and Losses Information Statements (enclosed in this mail-out)
- Australian Taxation Office (ATO) Form: 'Tax return for individuals (supplementary section) 2009'
- ATO Guide: 'TaxPack 2009 Supplement' Income section
- ATO Guides: 'Personal investors guide to capital gains tax 2009' and 'Completing the capital gains section of your tax return'



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Distribution Information Statement

Please remember that the example below only refers to your investments in ME Investment Funds. You might need to include any other investments, deductions, capital gains or capital losses from the current year or prior years in your tax return. Please read the ATO guide 'TaxPack 2009 Supplement' Income section for more information.

Numbers explained

1 Australian Income

Add the amounts at **1** on each of your Distribution Information Statements and enter the total amount into box **U** in question **13** (under 'non-primary production') of the income tax return. This figure is already grossed up to include any imputation credits.

2 Imputation Credits

Determine your entitlement to claim imputation credits and add the amounts at **2** on each of your Distribution Information Statements and enter the total amount to which you are entitled into box **Q** in question **13** (under 'Share of franking credits from franked dividends'). If you have disposed of investments shortly after receiving a distribution with imputation credits you should seek professional advice.

3 Foreign Income

Add the amounts at **3** on each of your Distribution Information Statements and enter the total amount into box **E** and box **M** at question **20**. Foreign income is grossed up to include any foreign taxes paid. You should seek professional advice if you have any deductions or losses carried forward relating to foreign income.

4 Foreign Income Tax Offset (FITO)

Determine your entitlement to claim FITO and add the amounts at **4** on each of your Distribution Information Statements and enter the total amount you are entitled to into box **O** at question **20**.

5 - 7 Capital Gains

Please refer to page 4 in this guide.

8 CGT Concession

This amount will not be included in your income tax return. To calculate your gross discount method amount, from your ME Investment Funds Distribution Information Statement multiply the amount at **5** by 2.

9 TFN Withholding Tax

If TFN Withholding Tax has been deducted from your distribution it will be shown at **9**. Add the amounts at **9** on each of your Distribution Information Statements and enter the total amount into box **R** at question **13**.

The statement below is a sample.

Your personal ME Investment Funds Distribution Information Statement is enclosed in this mail-out.

Distribution Information Statement

29 August 2009

Date
Investor Number
Investor TFN/ABN Recorded <Y/N>

<name>
<address>
<suburb> <state> <postcode>

Investor Name: <name>

Distribution information statement for the period 1 July 2008 to 30 June 2009.

	Cash distribution	Tax paid or tax offsets	Taxable amount
Australian income			
Dividends: franked amount	\$1,000.00	\$350.00	\$1350.00
Dividends: unfranked amount	\$750.50		\$750.50
Interest	\$120.00		\$120.00
Other income	\$150.78		\$150.78
Non-primary production income	\$2,021.33	\$350.00 2	\$2,371.33 1
		Question 13 Q	Question 13 U
Capital gains			
Discounted capital gain	\$300.00		\$300.00 5
Capital gains tax (CGT) concession amount	\$300.00 8		\$0.00
Capital gains: indexation method	\$0.00		\$0.00 6
Capital gains: other method	\$150.55		\$150.55 7
Assessable foreign income	\$2,633.37	\$515.12 4	\$3,148.49 3
		Question 20 O	Question 20 E, M
Other non-assessable amounts			
Tax-deferred amounts	\$50.00		
Other deductions from distribution			
TFN amounts withheld	\$0.00 9	Question 13 R	
Net cash distribution	\$5,455.25		

Use this statement, together with the ME Investment Funds Tax Guide 2009, to help you complete your taxation return. Please retain this statement for income tax purposes.

The following are drafts from the ATO form 'Tax return for individuals (supplementary section) 2009'.

Question 13

Income
Refer to TaxPack 2009 supplement before you complete item 13. If you are required to complete item 13 include deferred non-commercial business losses from a prior year at either **X** or **Y** as appropriate. Refer to TaxPack 2009 supplement for the relevant code.

13 Partnerships and trusts

Primary production

Distribution from partnerships **N** -00

Distribution from trusts **L** -00

Landcare operations and deduction for decline in value of water facility **I** -00

Other deductions relating to distribution **X** -00

Net primary production distribution -00

Non-primary production

Distribution from partnerships less foreign income **O** -00

1 Distribution from trusts less net capital gains and foreign income **U** -00

Landcare operations expenses **J** -00

Other deductions relating to distribution at **Q** and **U** **Y** -00

Net non-primary production distribution -00

Share of credits from income and tax offsets

Share of credit for tax withheld where Australian business number not quoted **P**

2 Share of franking credit from franked dividends **Q**

9 Share of credit for tax file number amounts withheld from interest, dividends and unit trust distributions **R**

Share of credit for tax paid by trustee **S**

Share of credit for amounts withheld from foreign resident withholding or a managed investment trust fund payment **A**

Share of National rental affordability scheme tax offset **B**

F

Question 20

20 Foreign source income and foreign assets or property

3 Assessable foreign source income **E** -00

Net foreign employment and net foreign pension or annuity income WITHOUT an undeducted purchase price **L** -00

Net foreign pension or annuity income WITH an undeducted purchase price **D** -00

Net foreign rent **R** -00

3 Other net foreign source income **M** -00

Australian franking credits from a New Zealand company **F** -00

Exempt foreign employment income **N** -00

4 Foreign income tax offsets **O**

During the year did you own, or have an interest in, assets located outside Australia which had a total value of AUD\$50,000 or more? **P** Print **Y** for yes or **N** for no.

F

Question 18

Please refer to page 4 in this guide.