

Annual Tax Return Guide

For Individuals
2015

Retail Responsible Entity Limited
ABN 80 145 213 663

RETAIL DIRECT
PROPERTY

This guide has been prepared to help Australian tax resident investors in Retail Direct Property (RDP) Syndicates understand their Annual Taxation Statement and complete their 2015 income tax return.

What You Will Need

You will need the following documents to assist you to complete your 2015 income tax return:

- **A copy of the 'Individual tax return instructions 2015';**
- **A copy of the 'Individual tax return 2015' (including the supplementary section);**
- **A copy of the 'Personal investors guide to capital gains tax 2015'; and**
- **Your RDP Annual Taxation Statement - For Year Ended 30 June 2015.**

The first three publications listed above can be found on the Australian Taxation Office (ATO) website at www.ato.gov.au or by calling the ATO automated publication distribution service on **1300 720 092**.

Important Information

- This guide applies to you if you are an Australian resident individual taxpayer with units in one or more Retail Direct Property Syndicates. This guide should not be used for other income, nor should it be used for other types of taxpayers such as a company, trust, partnership or superannuation fund;
- This guide assumes that you do not have any current year or carried forward revenue losses or capital losses and that you hold your units as an investment on capital account rather than as part of a business that trades in these types of investments. It also assumes that the rules relating to the Taxation of Financial Arrangements (TOFA) do not apply to you;
- Your Annual Taxation Statement for the year ended 30 June 2015 summarises the distributions you received in respect of the 12 months ended 30 June 2015;
- If you have more than one Annual Taxation Statement from a Retail Direct Property Syndicate investment, please add them up before disclosing the totals in the appropriate boxes of the tax return; and
- Please refer to the back of this guide if you sold your investment during the year ended 30 June 2015.

Note

The taxation treatment of investment income can be complex. We recommend you seek professional taxation advice from your accountant or taxation adviser in relation to your investment in the Retail Direct Property Syndicates. This guide should not be relied upon as taxation advice.

Please use the tables below to locate the relevant tax guide for your investment. The name of the Syndicate you invest in is clearly marked on your Annual Taxation Statement for the year ended 30 June 2015.

Tax Guide 1 – Page 4-5

Retail Direct Property 5
Retail Direct Property 6
Retail Direct Property 14
Retail Direct Property 18

Tax Guide 2 – Page 6-7

Retail Direct Property 14 Unit Trust
Retail Direct Property 18 Unit Trust

Annual Tax Return Guide

For Individuals

2015

A. Australian Taxable Income Components (Items 1, 5, 6, 7 and 8)

Step 1

Refer to the Tax return for individuals (supplementary section) 2015. In **Question 13 'Partnerships and trusts'**, under the heading of **'Non-primary production'**, enter the total Australian Taxable Income (Item 1) as shown on your Annual Taxation Statement for the year ended 30 June 2015 at **Box U**.

Step 2

If you have incurred any deductible expenses in deriving this income, you should include the total of the expenses in **Box Y** in **Question 13**. These deductions will include Loan Interest (Item 6) and amortised Borrowing Costs (Item 7) used to finance your investment.

Leave the **TYPE** box blank as the amount at **Box Y** does not include any deferred non-commercial business losses from a prior year.

Step 3

Subtract the total deductions at **Box Y** from the amount you entered at **Box U** in **Question 13**.

Step 4

Enter the amount worked out in Step 3 in the **'Net non-primary production amount'** box in **Question 13**. If this is a negative amount (i.e. a loss) enter **'L'** in the box to the right of this figure.

Step 5

Enter the total amount of Tax Deducted (Item 5) as shown on your Annual Taxation Statement for the year ended 30 June 2015 (if any), in **Box R** of **Question 13**.

Repayment of Investors' Loan (Item 8)

For Retail Direct Property 6 where your share of the Investor loan has been repaid, the repayment of the loan constitutes a distribution and has been included in the total distribution used to calculate your tax components this year. This amount does not need to be disclosed in the tax return.

Tax Guide 1

All Registry communications to:
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Telephone: 1800 802 400
NZ Freecall: 0800 449 605
Telephone outside Australia: +61 2 8767 1344
Facsimile: +61 2 9287 0303
Email: investor@retaildirectproperty.com.au
Website: www.retaildirectproperty.com.au

Statement Date: **21 August 2015**
SRN: **#####**

**Annual Taxation Statement
For the Year Ended 30 June 2015**

Dear Investor

This statement has been prepared to assist with the completion of your 2015 income tax return. The following is a summary of your taxable income relating to your total distribution for the year ended 30 June 2015. Generally, this income will be assessable in your 2015 income tax return, however, investors should seek their own tax advice. You should refer to the Annual Tax Return Guide For Individuals 2015 prior to completing your income tax return. The Annual Tax Return Guide For Individuals 2015 can be obtained from www.retaildirectproperty.com.au or by contacting us on 1800 802 400 for a hard copy.

1. Australian Taxable Income	2. Discounted Capital Gain – TAP	3. CGT Concession Amounts	4. Tax Deferred Income	5. Tax Deducted	6. Loan Interest	7. Borrowing Costs	8. Repayment of Investors' Loan

Net Distribution Paid (1 + 2 + 3 + 4 - 5 - 6 - 8) = \$####

B. Capital Gains Components (Items 2 and 3)

Step 1

Refer to the Tax return for individuals (supplementary section) 2015. If your distribution does not include capital gains, print an **'X'** in the **NO Box** at **Box G** of **Question 18** and you do not need to apply the following steps. If your distribution includes capital gains, continue below.

If your distribution includes capital gains, you should print an **'X'** in the **YES Box** at **Box G** in **Questions 18**. As the CGT event of Retail Direct Property 6 does not relate to an exemption or rollover, you should print an **'X'** in the **NO Box** at **Box M** in **Question 18**.

Step 2

Multiply the 'Discounted Capital Gain – TAP' (Item 2) as shown on your Annual Taxation Statement for the year ended 30 June 2015 by two.

Step 3

Enter the amount calculated in Step 2 in **Box H** titled **'Total current year capital gains'** in **Question 18**.

Step 4

Multiply the amount calculated in Step 2 by the relevant discount percentage as indicated in Note 2 of your Annual Taxation Statement for the year ended 30 June 2015. Now subtract this calculated discount amount from the amount calculated under Step 2 and enter your net capital gain at **Box A** titled **'Net capital gain'** in **Question 18**.

Note: The amounts for 'CGT Concession Amounts' (Item 3) as shown on your Annual Taxation Statement for the year ended 30 June 2015 do not need to be disclosed at any label in your 2015 income tax return.

Note: The above recommended steps are not applicable where you have current or prior year carried forward capital losses. If you have any capital losses, we recommend that you seek professional taxation advice on how to complete your tax return for capital gains.

C. Tax Deferred Income (Item 4)

Generally, Tax Deferred Income should not be taxable when received. Tax Deferred Income received reduces the capital gains tax cost base of your units. Once the total Tax Deferred Income amounts received by you during the total period that you hold your units exceeds your cost base in respect of those units, the excess Tax Deferred Income should give rise to a taxable capital gain. In addition, as you acquired your securities after 19 September 1985, if you sell your securities, your capital gain or loss should be calculated by subtracting from your sale proceeds, the cost base or reduced cost base of your securities reduced by the total Tax Deferred Income amounts received by you.

If there was a 'Repayment of Investors Loan' by a Syndicate, the amount of the repayment is included as a component of the Tax Deferred Income.

A. Australian Taxable Income Components (Items 1 and 4)

Step 1

Refer to the Tax return for individuals (supplementary section) 2015. In **Question 13 'Partnerships and trusts'**, under the heading of **'Non-primary production'**, enter the total Australian Taxable Income (Item 1) as shown on your Annual Taxation Statement for the year ended 30 June 2015 at **Box U**.

Step 2

If you have incurred any deductible expenses in deriving this income, you should include the total of the expenses in **Box Y** in **Question 13**.

Leave the **TYPE** box blank as the amount at **Box Y** does not include any deferred non-commercial business losses from a prior year.

Step 3

Subtract the total deductions at **Box Y** from the amount you entered at **Box U** in **Question 13**.

Step 4

Enter the amount worked out in Step 3 in the **'Net non-primary production amount'** box in **Question 13**. If this is a negative amount (i.e. a loss) enter **'L'** in the box to the right of this figure.

Step 5

Enter the total amount of Tax Deducted (Item 4) as shown on your Annual Taxation Statement for the year ended 30 June 2015 (if any), in **Box R** of **Question 13**.

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Tax Guide 2

Statement Date: **21 August 2015**
SRN: **#####**

**Annual Taxation Statement
For the Year Ended 30 June 2015**

Dear Investor

This statement has been prepared to assist with the completion of your 2015 income tax return. The following is a summary of your taxable income relating to your total distribution for the year ended 30 June 2015. Generally, this income will be assessable in your 2015 income tax return, however, investors should seek their own tax advice. You should refer to the Annual Tax Return Guide For Individuals 2015 prior to completing your income tax return. The Annual Tax Return Guide For Individuals 2015 can be obtained from www.retaildirectproperty.com.au or by contacting us on 1800 802 400 for a hard copy.

1. Australian Taxable Income	2. Tax Deferred Income	3. Tax Free Income	4. Tax Deducted

Net Distribution Paid (1 + 2 + 3 - 4): = \$#####

B. Tax Deferred Income (Item 2)

Generally, Tax Deferred Income should not be taxable when received. Tax Deferred Income received reduces the capital gains tax cost base of your units. Once the total Tax Deferred Income amounts received by you during the total period that you hold your units exceeds your cost base in respect of those units, the excess Tax Deferred Income should give rise to a taxable capital gain. In addition, as you acquired your securities after 19 September 1985, if you sell your securities, your capital gain or loss should be calculated by subtracting from your sale proceeds, the cost base or reduced cost base of your securities reduced by the total Tax Deferred Income amounts received by you.

C. Tax Free Income (Item 3)

This amount relates to any prior year's distribution which has previously been returned as assessable income, hence this amount is not taxable in the year ended 30 June 2015. You do not need to disclose this amount in your income tax return.

Have you sold your investment?

If you sold any of your units in any of your syndicate investments during the year ended 30 June 2015, you may have made a capital gain or loss. You will need to obtain a copy of the booklet 'Personal investors guide to capital gains tax 2015' from the ATO to assist in calculating your gain or loss.

You should be aware that the information contained in your Annual Taxation Statement does not include any capital gains or losses that you may have realised relating to a disposal of your units during the year ended 30 June 2015.

Investor Services

Copies of Annual Tax Return Guides for all Retail Direct Property Syndicates are available on the website.

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