

# P FREESTONE PENS SCH: PAT FREESTONE PENSION SCHEME

## Realised CGT

01 Jul 2011 to 30 Jun 2012

### Disposal of CGT assets

										Capital gain using the different calculation methods					
Asset	Tax date	Purchase date	Sale date	Sale quantity	Actual cost \$	Adjusted cost <sup>(a)</sup> \$	Indexed cost \$	Sale proceeds \$	Gross gain \$	Discounted gain <sup>(b)</sup> \$	Indexed gain \$	Other gain \$	CGT gain <sup>(c)</sup> \$	CGT loss \$	Pre-CGT gain/loss \$
CASSINI RESOURCES LTD															
<b>.CZI</b>	10/11/2011	10/11/2011	09/01/2012	25,000	5,000.00	5,000.00	NA	5,000.00	-	NA	NA	-	-	NA	NA
.CZI totals				25,000	5,000.00	5,000.00	NA	5,000.00	-	NA	NA	-	-	NA	NA
SILVER CITY MINERALS LIMITED															
<b>.SCI</b>	24/05/2011	24/05/2011	06/07/2011	15,000	3,000.00	3,000.00	NA	3,000.00	-	NA	NA	-	-	NA	NA
.SCI totals				15,000	3,000.00	3,000.00	NA	3,000.00	-	NA	NA	-	-	NA	NA
Epic Resources Limited															
<b>+EPC</b>	17/11/2010	17/11/2010	01/02/2012	6,562	656.20	656.20	NA	656.20	-	NA	NA	-	-	NA	NA
+EPC totals				6,562	656.20	656.20	NA	656.20	-	NA	NA	-	-	NA	NA
ASPIRE MINING LIMITED FPO															
<b>AKM</b>	08/07/2010	08/07/2010	31/05/2012	10,200	848.09	848.09	NA	1,471.00	622.91	311.46	NA	NA	311.46	NA	NA
AKM totals				10,200	848.09	848.09	NA	1,471.00	622.91	311.46	NA	NA	311.46	NA	NA
APA GROUP UNITS FULLY PAID STAPLED SECURITIES															
<b>APA</b>	20/05/2010	20/05/2010	07/11/2011	5,600	18,910.75	17,473.11	NA	24,202.81	6,729.70	3,364.85	NA	NA	3,364.85	NA	NA
APA totals				5,600	18,910.75	17,473.11	NA	24,202.81	6,729.70	3,364.85	NA	NA	3,364.85	NA	NA
AVALON MINERALS LIMITED FPO															
<b>AVI</b>	22/06/2011	22/06/2011	09/03/2012	30,000	5,400.00	5,400.00	NA	2,710.00	-	NA	NA	NA	NA	-2,690.00	NA
AVI totals				30,000	5,400.00	5,400.00	NA	2,710.00	-	NA	NA	NA	NA	-2,690.00	NA
CENTAURUS METALS LIMITED FPO															
<b>CTM</b>	08/07/2010	08/07/2010	08/09/2011	50,000	4,055.00	4,055.00	NA	4,890.00	835.00	417.50	NA	NA	417.50	NA	NA
CTM totals				50,000	4,055.00	4,055.00	NA	4,890.00	835.00	417.50	NA	NA	417.50	NA	NA
DISCOVERY METALS LIMITED FPO															
<b>DML</b>	08/07/2010	08/07/2010	06/02/2012	6,000	3,740.77	3,740.77	NA	9,220.00	5,479.23	2,739.62	NA	NA	2,739.62	NA	NA
DML totals				6,000	3,740.77	3,740.77	NA	9,220.00	5,479.23	2,739.62	NA	NA	2,739.62	NA	NA
DUET GROUP STAPLED SECURITIES US PROHIBITED															
<b>DUE</b>	20/05/2010	20/05/2010	19/03/2012	6,925	11,279.49	10,716.18	NA	12,533.35	1,817.17	908.58	NA	NA	908.58	NA	NA
DUE totals				6,925	11,279.49	10,716.18	NA	12,533.35	1,817.17	908.58	NA	NA	908.58	NA	NA
NEWCREST MINING LIMITED FPO															
<b>NCM</b>	04/11/2011	04/11/2011	10/11/2011	445	15,147.96	15,147.96	NA	16,213.47	1,065.51	NA	NA	1,065.51	1,065.51	NA	NA
NCM totals				445	15,147.96	15,147.96	NA	16,213.47	1,065.51	NA	NA	1,065.51	1,065.51	NA	NA
RIO TINTO LIMITED FPO															

# P FREESTONE PENS SCH: PAT FREESTONE PENSION SCHEME

## Realised CGT

01 Jul 2011 to 30 Jun 2012

### Disposal of CGT assets continued

										Capital gain using the different calculation methods					
Asset	Tax date	Purchase date	Sale date	Sale quantity	Actual cost \$	Adjusted cost <sup>(a)</sup> \$	Indexed cost \$	Sale proceeds \$	Gross gain \$	Discounted gain <sup>(b)</sup> \$	Indexed gain \$	Other gain \$	CGT gain <sup>(c)</sup> \$	CGT loss \$	Pre-CGT gain/loss \$
<b>RIO</b>	11/07/2011	11/07/2011	11/10/2011	165	13,872.94	13,872.94	NA	11,135.74	-	NA	NA	NA	NA	-2,737.20	NA
	20/05/2010	20/05/2010	28/10/2011	242	15,385.63	15,385.63	NA	16,473.64	1,088.01	544.01	NA	NA	544.01	NA	NA
	11/07/2011	11/07/2011	28/10/2011	73	6,137.72	6,137.72	NA	4,969.32	-	NA	NA	NA	NA	-1,168.40	NA
	20/05/2010	20/05/2010	07/02/2012	73	4,641.12	4,641.12	NA	5,125.99	484.87	242.43	NA	NA	242.43	NA	NA
	23/11/2011	23/11/2011	07/02/2012	242	15,597.20	15,597.20	NA	16,992.99	1,395.79	NA	NA	1,395.79	1,395.79	NA	NA
<b>RIO totals</b>				795	55,634.61	55,634.61	NA	54,697.68	2,968.67	786.44	NA	1,395.79	2,182.23	-3,905.60	NA
<b>VENTURE MINERALS LIMITED FPO</b>															
<b>VMS</b>	08/07/2010	08/07/2010	09/09/2011	13,000	3,955.00	3,955.00	NA	5,127.85	1,172.85	586.43	NA	NA	586.43	NA	NA
	27/10/2010	27/10/2010	09/09/2011	6,819	3,000.48	3,000.48	NA	2,689.75	-	NA	NA	NA	NA	-310.73	NA
<b>VMS totals</b>				19,819	6,955.48	6,955.48	NA	7,817.60	1,172.85	586.43	NA	NA	586.43	-310.73	NA
<b>Disposal of CGT asset totals</b>					<b>130,628.35</b>	<b>128,627.40</b>	<b>NA</b>	<b>142,412.11</b>	<b>20,691.04</b>	<b>9,114.88</b>	<b>NA</b>	<b>2,461.30</b>	<b>11,576.18</b>	<b>-6,906.33</b>	<b>NA</b>

#### (a) Variances between Adjusted cost and Actual cost

The cost base may be reduced by a tax free and/or tax deferred amount. Refer to the 'Tax free and tax deferred amounts' section for more information.

#### (b) Gains calculated using discounted method

A discount of 50% has been applied as determined by the portfolio's tax type.

#### (c) CGT gain calculation method

The CGT gain is calculated based on what is optimal for the disposal method selected. In some cases the indexed gain is used to optimise the use of losses.

The CGT gain calculated from a less than optimal method is shown in italics for information purposes only and is excluded from the totals for the portfolio.

NA is shown if a calculation method is not applicable.

### Tax free and tax deferred amounts

	Tax date	Purchase date	Sale date	Sale Quantity	Actual cost \$	Tax deferred \$	Tax free \$	Adjusted cost <sup>(a)</sup> \$
<b>APA</b>	20/05/2010	20/05/2010	07/11/2011	5,600	18,910.75	1,437.64	-	17,473.11
<b>DUE</b>	20/05/2010	20/05/2010	19/03/2012	6,925	11,279.49	563.31	-	10,716.18
<b>Totals</b>						<b>2,000.95</b>	-	

(a) When calculating capital losses, both tax free and tax deferred amounts are treated as a reduction in the reduced cost base; however, when calculating capital gains, only the tax deferred amounts will reduce the cost base.

# P FREESTONE PENS SCH: PAT FREESTONE PENSION SCHEME

## Realised CGT

01 Jul 2011 to 30 Jun 2012

### Trust CGT distributions

Asset	Tax date	Gross gain <sup>(a)</sup> \$	Discounted gain <sup>(a)(b)</sup> \$	Indexed gain <sup>(a)</sup> \$	Other gain <sup>(a)</sup> \$	CGT gain/loss \$	Pre-CGT gain/loss \$
DUET GROUP STAPLED SECURITIES US PROHIBITED							
<b>DUE</b>	22/12/2011	185.05	92.52	-	-	92.52	-
	25/06/2012	114.82	57.41	-	-	57.41	-
<b>DUE totals</b>		<b>299.86</b>	<b>149.93</b>	-	-	<b>149.93</b>	-
WESTFIELD TRUST UNITS WFT - STAPLED							
<b>WDC_WFT</b>	10/08/2011	157.62	78.81	-	-	78.81	-
	09/02/2012	180.95	90.47	-	-	90.47	-
<b>WDC_WFT totals</b>		<b>338.56</b>	<b>169.28</b>	-	-	<b>169.28</b>	-
WESTFIELD RETAIL TRUST 1 - TRUST STAPLED							
<b>WRTNX</b>	10/08/2011	0.29	0.14	-	-	0.14	-
	09/02/2012	0.30	0.15	-	-	0.15	-
<b>WRTNX totals</b>		<b>0.59</b>	<b>0.29</b>	-	-	<b>0.29</b>	-
<b>Trust CGT distribution totals</b>		<b>639.01</b>	<b>319.51</b>	-	-	<b>319.51</b>	-

(a) These amounts include distributed capital gain tax credits. Refer to the **Taxable income** section for a detailed breakdown.

(b) A discount of 50% has been applied as determined by the portfolio's tax type.

### Summary of CGT gains/losses

		\$			
<b>Losses available to offset</b>	Carried forward from prior years	-			
	Current year losses	-6,906.33			
	<b>Total</b>	<b>-6,906.33</b>			
<b>CGT gains</b>	Disposal of CGT assets	20,052.05	Discounted <sup>(a)</sup> \$	17,590.75	Indexed \$
	Trust CGT distributions	639.01		639.01	-
	<b>CGT gain before losses applied</b>	<b>20,691.06</b>		<b>18,229.76</b>	-
	Losses applied	-6,906.33		-4,445.03	-
	<b>CGT gain after losses applied</b>	<b>13,784.73</b>		<b>13,784.73</b>	-
	Discount applied	-6,892.36		-6,892.36	NA
<b>Net capital gain</b>		<b>6,892.37</b>		<b>6,892.37</b>	-

(a) A discount of 50% will be applied as determined by the portfolio's tax type.

# Important notices

---

## General notices

### **This report is NOT intended to be advice**

The information provided on this report is not intended to influence any person in making a decision in relation to a particular financial product, class of financial products, or any interest in either. Taxation is only one of the matters that must be considered when making a decision in relation to a financial product. However, to the extent that advice is provided on this report, it does not take into account any person's particular objectives, financial situation or needs. These should be considered to determine the appropriateness of the advice, before acting on it.

## Taxation

### **Actual Cost Details Not Supplied**

Please note that where the Actual Cost details for a capital gains tax asset have not been supplied, the report may not correctly reflect the portfolio's financial position. Reports such as the Realised Report, the Unrealised Report and the Portfolio Valuation will need to be reassessed taking into account the missing cost information.

### **CGT for Exchange Traded Options (ETO's)**

When the writer grants an option, the premium received represents a capital gain pursuant to CGT event D2 (except if the writer is the company granting the options over its own shares or debentures or by the trustee of a unit trust over its own units or debentures). Also, there is no discount on capital gain pursuant to CGT event D2 (applicable to any entity). Should the option subsequently be exercised, the capital gain that the grantor would otherwise have made from writing the option under CGT Event D2 mentioned above is disregarded. The premium however, will be recognised when calculating the subsequent disposal of the underlying shares CGT Event A1 either as:

- A reduction in the cost base of the underlying asset in the case of a put option or
- Part of the capital proceeds in the case of a call option upon disposal of the shares by the grantor.

Accordingly, an amended assessment from the Australian Taxation Office may need to be requested for the prior year to reduce the CGT event D2 capital gain that arose in the prior year. In relation to the options, the unrealised CGT report covers possible CGT consequences that may eventuate if the options are traded on an active market or the options are closed out.

### **Company Options and Rights on Pre CGT Assets**

Holders of rights or options issued in respect of pre-CGT securities, who take up their entitlement to purchase the underlying security, should ensure that in addition to the consideration paid for this security, the cost base of the underlying security also includes the market value of the right or option at the exercise date. The automated system for rights and options will only include the consideration paid to acquire the security in its cost base.

### **Corporate Shareholders and Share Buybacks**

Corporate shareholders i.e. companies who make a CGT loss as a result of a share buyback may have that loss denied or reduced as a result of section 159GZZZQ of the Income Tax Assessment Act 1936. The automated system for input of share buybacks does not take into account this provision. Shareholders to whom this provision applies should obtain their own taxation advice.

### **Foreign Income Tax Offsets on Foreign Listed Securities**

For dividends paid to Australian residents on foreign listed securities, foreign income tax offsets will be calculated based on the tax treaty between Australia and the security's country of domicile. For countries that do not have a current tax treaty with Australia, the default rate will be applied (10% for interest and 30% for unfranked dividends). A foreign income tax offset is only calculated and reported on dividends where the gross dividend rate has been received from the data provider. If the dividend rate is received net or free of tax rate, no foreign income tax offset will be applied. Clients should always review the foreign income tax offset and amend as necessary where the actual amount of tax withheld differs.

### **Indexed cost base with tax deferred distributions**

When calculating the indexed cost base of units, the cost base needs to be indexed up until the date that a tax deferred distribution is received. The indexed cost base then needs to be reduced by the tax deferred distribution received and the adjusted indexed cost base is taken to be the 'new' cost base. Currently, upon disposal, the report applies indexation to the full acquisition cost and then adjusts the cost base for any tax deferred distributions. Please refer to the Tax Free and Tax Deferred Summary page for details of tax deferred distributions. Please note that only assets purchased at least 12 months prior to 21 September 1999 with tax deferred distributions will be affected.

### **Section 115-45. CGT Discounting**

Users should be aware of the existence of section 115-45 which potentially denies the CGT discount concession upon the sale of shares in a company or interest in a trust where the taxpayer would not have been allowed CGT discounting on the majority of the CGT assets by cost and value in the company or trust had a CGT event happened to those assets.

### **Stapled Securities**

Where the stapled security is made up of a CGT asset and a traditional income security, the report may not allocate the cost base and capital proceeds to each security of the stapled arrangement. In such cases, full allocation of the cost base and the capital proceeds is made to the traditional income security. Generally, each security of the stapled arrangement is treated separately for tax purposes and holders of these securities will need to seek their own taxation advice.

## Important notices continued

---

### Taxation

#### **Superannuation Funds - Assets held at 30/06/1988**

Assets held by superannuation funds at 30 June 1988 including those acquired before 19 September 1985 are subject to special transitional measures that mean the assets are deemed to have been acquired on 30 June 1988. For these assets, the capital gain or loss that is realised upon disposal may be impacted by the market value of the asset at 30 June 1988. The automated system for calculating capital gains tax will only take into account the cost of the asset, not the market value as at 30 June 1988. To override the cost base with the market value, the cost base for the parcels can be edited in the Transaction screen. Holders to whom these transitional measures apply should obtain their own taxation advice.

#### **Tax Free and Deferred Adjustments to Cost Base**

When calculating capital losses, tax free and tax deferred amounts will always be treated as a reduction in the reduced cost base. As not all tax free amounts should be treated as a reduction in the reduced cost base, holders should consult with their professional tax advisers to ensure the correct amounts are included in the reduced cost base. When calculating capital gains, the system correctly does not reduce the cost base by the tax free amounts pursuant to section 104-70, despite showing both the tax deferred and tax free adjustments to the cost base in the summary which forms part of the Realised report.

#### **Taxation of Financial Arrangements (TOFA)**

The system does not currently take the TOFA rules (including the new TOFA 3&4 regime) into consideration in the preparation of the report. Users need to ascertain the taxation implications on their investments where the TOFA rules mandatorily apply or where a voluntary election has been made to apply the TOFA rules. Users need to seek independent taxation advice in relation to the application of the TOFA rules.