

Notes to your Cromwell Ipswich City Heart Trust 30 June 2015 Annual Tax Statement

The following notes have been prepared to assist Australian resident individual investors understand their Annual Tax Statement and to prepare their 2015 income tax return.

These notes apply to you if:

- You are an individual Australian tax resident holding your units for the purposes of investment (on capital account), rather than for resale at a profit (on revenue account), and the Capital Gains Tax (“CGT”) provisions as they apply to you; and
- You are using the “Individual Tax Return 2015” and “Tax Return for Individuals (Supplementary Section) 2015” publications to complete your income tax return.

If you hold your units on revenue account, or are a non resident, a superannuation fund, company, partnership or trust investor you should consult your professional tax adviser for more information.

The following notes have been prepared for general information only and should not be relied upon as tax advice. The information should be read in conjunction with the Australian Taxation Office’s (“ATO”) instructions and publications, some of which are listed below. An investment in a managed investment trust can give rise to complex tax issues and each investor’s particular circumstances will be different. As such, we recommend before taking any action based on this document that you consult your professional tax adviser for specific advice in relation to the tax implications.

This document does not constitute financial product or investment advice, and in particular, it is not intended to influence you in making decisions in relation to Cromwell’s financial products.

While every effort is made to provide accurate and complete information, Cromwell does not warrant or represent that the information in these notes is free of errors or omissions or is suitable for your intended use and personal circumstances. Subject to any terms implied by law which cannot be excluded, Cromwell accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in the information contained in this information.

These notes have been prepared on the basis of the prevailing taxation laws at 30 June 2015.

Thank you for investing with Cromwell. For further information about your investment:

- Contact your adviser;
- Contact the Cromwell Investor Services Team on 1300 276 693;
- Access our website at www.cromwell.com.au/investment;
- For registry related questions please call Boardroom on 1300 737 760 within Australia, or +61 2 9290 9600 outside Australia, between 8.00am and 7.30pm, EST, Monday to Friday; or
- You can access and administer your investment online 24 hours a day, 7 days a week, via Boardroom’s InvestorServe portal at: <https://www.investorserve.com.au>. If you are not already registered for InvestorServe call 1300 737 760.

The below notes have been prepared to assist you or your tax adviser to complete your 2015 income tax return using your Annual Tax Statement

For tax purposes your investment in units in the Cromwell Ipswich City Heart Trust is an investment in a Managed Investment Trust.

Your Annual Tax Statement provides details of any distributions paid to you by Cromwell Ipswich City Heart Trust for the period 1 July 2014 to 30 June 2015.

Australian resident taxpayers include in their assessable income their proportionate share of Cromwell Ipswich City Heart Trust taxable income (including any net capital gains). Cromwell Ipswich City Heart Trust distributions are included in investor’s assessable income for tax purposes on a present entitlement basis and not on a receipts basis. This means:

- the distribution paid in July 2015 in relation to the June 2015 month is included in your 2015 Annual Tax Statement; and
- the distribution paid in July 2014 in relation to the June 2014 month is not included in your 2015 Annual Tax Statement as it was included in your 2014 Annual Tax Statement).

For tax purposes the distributions from Cromwell Ipswich City Heart Trust may comprise separate components including interest, dividends, other Australian taxable income, foreign income, capital gains and tax deferred amounts.

Taxable Income – Question 13

Using your Annual Tax Statement and the “Tax Return for Individuals (Supplementary Section) 2015” you should include at Question 13 of your income tax return the non-primary production income amount (label 13U). See Part A of your Annual Tax Statement for that amount.

Capital Gains – Question 18

There are no capital gains included in Cromwell Ipswich City Heart Trust distributions in respect of the 2015 financial year.

However, you should include at Question 18 -Capital Gains any capital gains (or losses) otherwise arising in relation to your units and other investments. This may include capital gains arising from a disposal of your Cromwell Ipswich City Heart Trust units or from the tax deferred amounts depleting the cost base of your Cromwell Ipswich City Heart Trust units to nil (discussed further below).

Tax Deferred Amounts

It is important that you apply the correct tax treatment to the tax deferred component of your Cromwell Ipswich City Heart Trust distributions. While tax deferred amounts are generally not immediately assessable for income tax purposes they will reduce the capital gains tax (“CGT”) cost base of your Cromwell Ipswich City Heart Trust units.

In addition you make a capital gain (even if you do not sell your units) if the sum of the tax deferred amounts received exceeds the cost base of the units at the end of an income tax year.

If you hold your Cromwell Ipswich City Heart Trust units for more than one year you may be able to reduce any capital gain on account by the CGT 50% discount.

Any capital gain arising from tax deferred amounts in excess of your Cromwell Ipswich City Heart Trust unit cost base is not included in your Annual Tax Statement, and if applicable you will need to calculate this amount and separately include it at Question 18 of your income tax return. We recommend you refer to the ATO’s publications “Guide to Capital Gains Tax 2015” or “Personal Investors Guide to Capital Gains Tax 2014-15” or contact your professional tax adviser for further information.

To obtain copies of these ATO publications please phone the ATO publications distribution service on 1300 720 092, 13 36 77 (for the hearing impaired) or visit the ATO website at www.ato.gov.au and select Print Publications from the right hand menu.

TFN Amount Withheld

Where you have not provided your Tax File Number (TFN), Australian Business Number (ABN) or claimed a relevant exemption, amounts may have been withheld from the taxable components of income distributed to you by Cromwell Ipswich City Heart Trust at the rate of 49%. Any tax withheld should be included in question 13R and offset against the tax payable on your taxable income or refunded.