

CFS Retail Property Trust Group (CFX)

2013 annual tax statements

Frequently asked questions

This document includes some frequently asked questions about CFX's 2013 annual tax statement.

Please note that the annual tax statement is provided as a guide for resident Australian individuals only who hold their investment on capital account. It does not take into account your personal circumstances and we recommend you speak to a professional for taxation advice.

If you have any additional queries you can contact the Security Registry on 1800 500 710 or cfs@linkmarketservices.com.au; or the CFX team directly, via CFXFeedback@colonialfirststate.com.au.

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A. Franking credits

<p>A1. Why is my franking credit shown in Cash distribution?</p>	<p>Under Australian tax law, property trusts such as CFX are required to distribute a trust's taxable income, of which franking credits form a part. While franking credits are not strictly a cash item, they do form part of CFX's assessable income for tax purposes. Therefore, they have been included in your distribution, as described in Note 2 of the annual tax statement.</p> <p>The effect of including franking credits as part of the income distribution component is to reduce the tax-deferred component that would otherwise occur. Please note that if you are an Australian resident, tax deferred income reduces the cost base of your CFX securities, which in turn could lead to a higher capital gain when selling your CFX securities in the future.</p>
<p>A2. Am I able to claim the franking credit?</p>	<p>All Australian resident investors in CFX are entitled to claim the full franking credit. The item under "franking credits" on your tax statement is able to be claimed in full under part 13 Q of the Australian tax pack (as noted in Note 2 on your statement).</p>

B. Dividends

<p>B1. Why are dividends disclosed separately from the trust distribution of non-primary production income?</p>	<p>The dividends have been disclosed separately in accordance with the 2013 Standard Distribution Statement agreed between the Financial Services Council and the ATO. This is due to the fact that within the Supplementary Section of the Individual Tax Return section you are required to separately show franked dividends received from trusts at Label 13C. Not disclosing franked dividends separately would therefore result in individuals finding it difficult to make the required disclosures in their tax returns. We note that we have provided tax statements for resident individual taxpayers who hold investments on capital account which are prepared in line with industry practice, and may not be suitable to each individual investor's particular taxation circumstances.</p>
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