

Where this term appears on your personal annual CGT statement, it refers to capital gains made by you on units in the Fund, that you disposed of during the year and that you had held for at least 12 months. The discount percentage of 50 per cent has been used in calculating this amount.

Please note that the method used to calculate gains/losses on units you have redeemed is the 'first-in first-out' basis. Therefore, when calculating any personal capital gain you have made on redemption of your units, we have treated the first units you acquired as being the first units you disposed of.

**Foreign income** – comprises the following:

- modified passive income – foreign
- interest income – foreign, and
- other income – foreign.

The total of 'modified passive income – foreign', 'interest income – foreign' and any foreign capital gains will equal your passive foreign income for foreign tax credit purposes.

**Foreign tax credits** – tax paid overseas on income earned outside Australia. You should check your entitlement to claim this full amount (refer to the ATO publication regarding how to claim a foreign tax credit).

**Franked dividends** – these are dividends received from Australian companies that have paid Australian tax on their earnings. When the Fund receives franked dividends the franking (tax) credits are passed on to investors.

**Franking credits** – these are attributable to franked dividends received by the Fund. The full amount of distributable franking credits received by the Fund has been distributed to you even where a portion of the general expenses of the Fund has been applied against franked dividends received by the Fund. Franking credits are allowed as an offset against your Australian tax payable and may be refundable in certain circumstances.

**Income – Australian** – distributions from trusts (excluding any net capital gains, foreign income and non-assessable amounts). This amount is your share of taxable income from dividends, interest, rental or other income derived from Australian investments, grossed up by any franking credits.

**Income – Foreign** – assessable foreign source income less any deductible expenses incurred in relation to earning foreign income.

**Income tax** – tax withheld from any payments of other income or capital gains by the Fund, at the applicable tax rate. Applies only to those who are non-residents of Australia for taxation purposes.

**Interest income – Australian** – relates to amounts earned on cash or fixed interest securities held in Australia.

**Interest income – Foreign** – your share of interest income derived by the Fund from its overseas investments, net of foreign tax credits.

**Modified passive income – Foreign** – your share of dividend income derived by the Fund from its overseas investments, net of foreign tax credits.

**Non-discounted capital gains** – where this term appears on your Investment Fund annual taxation statement, it refers to capital gains made by the Fund where it has bought and sold the assets within a 12 month period, so the 'discount' method cannot be used.

The non-discounted capital gains have been split between those derived from taxable Australian real property (TARP) and those not derived from taxable Australian real property (NTARP). This split is only relevant for non-residents of Australia as non-residents generally pay Australian tax only on TARP gains. If you are a resident taxpayer, you will need to include both the TARP and NTARP gains in your return. Non-residents of Australia should contact their tax advisers in relation to the correct treatment of these capital gains.

Where this term appears on your personal annual CGT statement, it refers to capital gains made by you where you have bought and sold units in the Fund within a 12-month period, so the 'discount' method cannot be used.

Please note that the method used to calculate gains/losses on units you have redeemed is the 'first-in first-out' basis. Therefore, when calculating any personal capital gain you have made on redemption of your units, we have treated the first units you acquired as being the first units you disposed of.

**Other income – Foreign** – your share of income other than 'modified passive income – foreign' and

'interest income – foreign' derived by the Fund from its overseas investments, net of foreign tax credits.

**Tax deferred income** – generally relates to amounts associated with building allowances and depreciation of plant and equipment. This amount is not assessable for tax purposes, so you do not need to declare this portion of the income distribution in your tax return. However, you are required to adjust your cost base or reduced cost base of your units for these amounts and therefore this may affect your future CGT liability.

**TFN tax** – tax withheld from any payments of relevant income by the Fund, at the maximum marginal tax rate plus Medicare levy, where you have not provided your tax file number (TFN).

**Unfranked dividends** – these are dividends received from Australian companies where the company issuing the dividend has not paid Australian tax on the profits from which it is paying the dividend.

**Withholding tax** – tax withheld from any payments of interest or unfranked dividend income by the Fund, at the applicable tax rate according to the unit holder's country of residence. Applies only to non-residents of Australia.

**Note:** these are only intended as brief definitions of the terms used in your annual taxation statement and personal annual CGT statement (if you received one) and may not correspond to the definitions or the terms contained in income tax legislation. The taxation information provided is based on the continuance of present laws and their interpretation. For a full explanation of these or any other terms, please contact your financial adviser or accountant.

#### Important notes

- If you haven't received a TaxPack 2007 from the ATO, you can obtain one from most newsagencies, or by calling the Australian Taxation Office on 1300 720 092.
- If you have income or deductions from other sources, you will have to add them to the amounts in your annual taxation statement or annual CGT statement before transferring the figures to your TaxPack.
- You should contact your financial or taxation adviser if you are unsure about any aspect of your annual taxation statement or TaxPack.

#### Important information

This publication has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person.

The information contained in this publication is provided in good faith and has been derived from sources believed to be reliable and accurate. However, neither National Mutual Funds Management Ltd (ABN 32 006 787 720) nor any other member of the Global AXA Group give any warranty as to accuracy, nor do they accept any responsibility arising from errors or omissions in this publication.

The information contained in this publication is provided for persons in Australia only and is not being provided for the use of any person who is in any other country.



AXA Customer Service  
Telephone: 131 737 Facsimile: (03) 9287 3391  
Email: Client.Inquiry@axa.com.au  
National Mutual Funds Management Ltd ABN 32 006 787 720  
AFS Licence No. 234652  
Member of the Global AXA Group  
[www.axa.com.au](http://www.axa.com.au)

01933-05-07P

## A guide to your AXA annual taxation statement



## A guide to your AXA annual taxation statement

Helping you complete your tax return quickly and easily

One of our key objectives at AXA is to make managing your investment as easy as possible, particularly at tax time.

To simplify the process of preparing your tax return, we have designed the 2007 annual taxation statement to give you all the information you need, so you can easily complete the relevant sections of your TaxPack 2007 supplementary section.

This guide is relevant to individual unit holders who are residents of Australia for taxation purposes.

### Your annual taxation statement provides the following information:

- the taxable components (such as Australian and foreign income) of your 2006/07 distributions. Your June 2007 distribution, which you received after 30 June, must also be included in your 2006/07 tax return, and
- any net capital gains you received from the Fund when it disposed of any of its investments or when it received any distributions of capital gains from other funds. These are passed on to you in your distributions, and as an investor in the Fund you must account for them in your tax return.

This guide shows you how to transfer the amounts from your annual taxation statement to the TaxPack 2007 supplement (or add them to the corresponding amounts relating to other investments that you hold).

### Capital gains tax information

All individuals, companies, trusts and funds must attach a capital gains tax (CGT) schedule to their tax returns if their:

- total current year capital gains are greater than \$10,000, or
- total current year capital losses are greater than \$10,000.

Please note that, for **individuals only**, a CGT schedule is not required if you lodge by paper return, through TaxPackExpress using Australia Post, or through e-tax.

### Refund of franking credits

Any franking credits in excess of tax payable may be refunded. If you have received a distribution of franking credits and you do not have to lodge a tax return, please ring the Australian Taxation Office (ATO) on 13 28 61 for more information and a copy of the relevant application form (and instructions for completing this form).

Amounts shown in your annual taxation statement can be transferred directly to the relevant sections in the TaxPack 2007 supplementary section, or added to corresponding amounts relating to other investments you hold or the information from your personal annual CGT statement (if you received one).

**Investment Funds annual taxation statement for the period 1 July 2006 to 30 June 2007**

<Mailing Name>  
<Address Line 1>  
<Address Line 2>  
<Address Line 3>

**Account details**  
Investor name: <Account Name>  
Investor number: <Account Number>

**Taxation information summary**

	Amount distributed (\$)	Tax credits (\$)	Taxable income/ (expense) (\$)
<b>Distribution information</b>			
<b>Income</b>			
Australian	3580.76	665.90	4246.66
Foreign	5.74	0.92	6.66
Tax-free	4.90		
Tax deferred	30.50		
<b>Capital gains</b>			
Discounted TARP	1122.78		1122.78
Discounted NTARP	1613.35		1613.35
CGT concession	150.00		
Non-discounted TARP	100.00		100.00
Non-discounted NTARP	1028.00		150.00
<b>Gross distribution</b>	<b>7636.03</b>	<b>666.82</b>	<b>7239.45</b>
<b>Other taxable items</b>			
<b>Tax rebates</b>			
TFN tax		25.00	
less TFN tax refund		(25.00)	
Withholding tax		5.00	
less Withholding tax refund		(5.00)	
Income tax		2.00	
less Income tax refund		(2.00)	
<b>Deductible expenses</b>			
Adviser review fee		18.00	
Bank charges		5.00	
<b>Other income</b>			
Trail brokerage rebate		22.00	
Upfront brokerage rebate		16.00	
Large investment rebate		25.00	

You should use this Investment Funds annual tax statement and the enclosed guide to help you complete your tax return. Please retain this copy for your tax records.

**12 Partnerships and trusts**

**Primary production**

Distribution from partnerships:  N  -06/   
 Distribution from trusts:  L  -06/   
 Landcare operations and deduction for decline in value of water facility:  I  -06/   
 Other deductions relating to distribution:  X  -06/   
 Net primary production distribution:  -06/

**Non-primary production**

Distribution from partnerships less foreign income:  O  -06/   
 Distribution from trusts less net capital gains and foreign income:  U  -06/   
 Landcare operations expenses:  V  -06/   
 Other deductions relating to distribution at Q and T:  Y  -06/   
 Net non-primary production distribution:  -06/

**Share of credits from income**

Share of credit for tax withheld where Australian business number not quoted:  P   
 Share of franking credit from franked dividends:  Q   
 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:  A

**17 Capital gains**

Did you have a capital gains tax event during the year?  G  Print Y for yes or N for no. Net capital gain:  A  -06/   
 You must also print Y at G if you received a distribution of a capital gain from a trust.  
 Total current year capital gains:  H  -06/   
 Net capital losses carried forward to later income years:  V  -06/

**19 Foreign source income and foreign assets or property**

Assessable foreign source income:  E  -06/   
 Net foreign employment and net foreign pension or annuity income WITHOUT an undeducted purchase price:  L  -06/   
 Net foreign pension or annuity income WITH an undeducted purchase price:  D  -06/   
 Other net foreign source income:  M  -06/   
 Australian franking credits from a New Zealand company:  F  -06/   
 Exempt foreign employment income:  N  -06/   
 Foreign tax credits:  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.

**22 Other income**

Type of income: Category 1:  Y  -06/   
 Category 2:  V  -06/   
 Tax withheld – lump sum payments in arrears:  E  -00/   
 Taxable professional income:  Z  -06/

Some of the items shown in this example may not appear on your personal AXA annual taxation statement if they were not relevant to your particular investment.

These figures are used for illustrative purposes only. Please use amounts from your annual taxation statement.

Page(s) from the 2007 tax return for individuals and 2007 tax return for individuals (supplementary section) are published by the Australian Taxation Office. Copyright Commonwealth of Australia, reproduced by permission.

### Glossary

Your quick reference guide to some of the terms used in your annual taxation statement and your personal annual CGT statement (if you received one).

**Bank charges** – debits tax applicable to distribution payments by cheque.

**Capital loss** – this amount represents the capital loss on the redemption of units in the Fund.

**CGT – concession** – where this term appears on your Investment Fund annual taxation statement it is the CGT discount amount of any actual distribution. This amount is not assessable for tax purposes, so you don't need to declare this portion of the distribution in your tax return. No CGT cost base adjustment is required by you in relation to this amount.

Where this term appears on your personal annual CGT statement, it refers to the benefit of applying the 50 per cent discount on the capital gain you have made on the disposal of units in the Fund.

**Discounted capital gains** – where this term appears on your Investment Fund annual taxation statement, it refers to capital gains made by the Fund from assets it disposed of that it had held for at least 12 months. The discount method allows the Fund to reduce the capital gain amount by a discount percentage of 50 per cent, after applying any available capital losses.

The discounted capital gains have been split between those derived from taxable Australian real property (TARP) and those not derived from taxable Australian real property (NTARP). This split is only relevant for non-residents of Australia, as non-residents generally pay Australian tax only on TARP gains. If you are a resident taxpayer, you will need to include both the TARP and NTARP gains in your tax return. Non-residents of Australia should contact their tax adviser in relation to the correct treatment of these capital gains.