



22 December 2011

**Important Notice - Amended 2011 Tax Return Statement  
APN AREIT Fund | ARSN 134 361 229**

Dear Investor,

In July 2011 we sent you the 2011 Tax Return Statement for the APN AREIT Fund to assist you to complete your 2011 tax return. Due to an error in the calculation of taxable income, the amounts shown as *'Total current year capital gains'* and *'Net capital gain'* in Part A were incorrect. As a consequence of this error, related information presented in *'Part B: Capital gains tax information – Additional information for Question 18'* and *'Part C: Components of Distributions'*, including the *'Tax Deferred Amount'* was also incorrect.

This error does not affect the actual amount of distributions paid to you during the period and we confirm that your distributions have been correctly calculated and paid to you.

The enclosed Amended 2011 Tax Return Statement shows the correct amounts for *'Total current year capital gains'* and *'Net capital gain'* in Part A. This amended statement should be used to complete your 2011 tax return (or to amend your already lodged 2011 tax return).

If you relied upon the original 2011 Tax Return Statement to complete your 2011 tax return, you may have overstated your taxable income as the amounts shown as *'Total current year capital gains'* and *'Net capital gain'* were incorrect. If your taxable income was overstated and you complete and lodge the enclosed tax return amendment notice, you will be entitled to a tax refund.

We sincerely apologise for this error and the inconvenience that this may cause. Steps have been taken to prevent the re-occurrence of this error. Enclosed are answers to questions that you may have, including further information that covers:

1. What to do if you have not yet lodged your 2011 income tax return; and
2. What to do if you have lodged your 2011 income tax return.

If you have any concerns, or would like to discuss the matters set out in this letter further, we recommend that you speak to your financial / taxation adviser or alternatively please contact Investor Services on 1800 996 456.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Howard Brenchley', with a long horizontal flourish extending to the right.

**Howard Brenchley**  
**Executive Director and Chief Investment Officer**  
APN Funds Management Limited

Further information:

1. **Question:** Was I paid the correct distributions and were my monthly distribution statements correct?

**Answer:** Yes. The correct distributions payments were made to you for the year ended 30 June 2011 and all monthly distribution statements sent to you are correct.

2. **Question:** What was the error?

**Answer:** The capital gains tax cost base of certain investments made by the APN AREIT Fund were incorrectly recorded as being too low. On subsequent disposal of these investments the calculated capital gain was overstated and the tax deferred amount understated.

3. **Question:** What should I do if I have not already lodged my 2011 tax return?

**Answer:** No tax return amendment will be required if you rely on the Amended 2011 Tax Return Statement (attached to this letter) to complete your 2011 tax return. If you use a tax agent or financial adviser to lodge your tax return you should provide your tax agent or adviser with a copy of the Amended 2011 Tax Return Statement.

4. **Question:** What should I do if I have already lodged my 2011 tax return and relied upon the figures from the incorrect Annual Tax Statement sent in July?

**Answer:** If you have used the Annual Tax Statement sent to you in July to complete your 2011 tax return, you will need to complete and lodge a tax return amendment notice with the Australian Tax Office (ATO) as soon as possible in order to receive a tax refund if it is applicable to you. You should not re-submit your previously lodged tax return again. A tax return amendment notice is enclosed for your convenience.

5. **Question:** If I need to amend my 2011 tax return, what should I do?

**Answer:** Complete the required information in the attached tax return amendment notice and send it to the ATO at the address on the top of the notice. Alternatively, contact your tax agent or adviser and provide them with a copy of this letter and the Amended 2011 Tax Return Statement. If you have capital gains or losses from other investments, you will need to combine the information from those investments with the information in the Amended 2011 AREIT Tax Return Statement when completing the amendment notice.

6. **Question:** If I need to amend my 2011 tax return, will I be subject to interest or penalties from the ATO?

**Answer:** The ATO have been informed of the error and have confirmed that you will not be subject to interest and/or penalties.

7. **Question:** If I've already lodged my 2011 tax return, can I reflect the changes required by the Amended 2011 Tax Return Statement in my 2012 tax return?

**Answer:** No. We recommend that you consider seeking advice from your financial adviser and/or tax adviser to complete and lodge the enclosed tax return amendment notice to ensure that any entitlement to a tax refund is processed in the correct tax year.

8. **Question:** If I have already lodged my 2011 tax return that included a taxable capital gain, when will I be paid a refund?

**Answer:** After completing the attached tax return amendment notice and posting the completed form to the ATO at the address on the top of the notice, the ATO will re-calculate your taxable income. If you are entitled to a refund of tax paid, the ATO will generally make the refund payment within up to 56 days from lodgment.

9. **Question:** If I need to amend my 2011 tax return, and I used current year losses or carry forward losses to offset 2011 capital gains, what should I do?

**Answer:** Australian taxation laws are complex and there may be a number of potential scenarios applicable in this situation depending upon your individual circumstances. If you think you are in this position we recommend that you contact your financial adviser and/or tax adviser for assistance.

10. **Question:** Can I get help from APN to complete the amended tax statement?

**Answer:** APN is prevented by law from providing taxation advice or assistance. We strongly recommend that you contact your financial adviser and/or tax adviser if you are in doubt or have further questions.

11. **Question:** Are there any other tax implications arising from the Amended 2011 Tax Return Statement?

**Answer:** Yes. As a consequence of overstating the capital gain, the tax deferred amount was understated. This has been corrected in the Amended 2011 Tax Return Statement. Tax deferred amounts should not be disclosed in your tax return, or amendment request, but the amount of tax deferred distribution received should be applied to reduce the cost base or reduced cost base of your investment. This reduction in cost base or reduced cost base will result in a larger capital gain, or smaller capital loss, when you redeem or transfer your units (or another CGT event occurs).

12. **Question:** What if I am not an Australian tax resident individual unitholder (for example you are a non-resident, a company, a superfund, a trust or a partnership)?

**Answer:** The Amended 2011 Tax Return Statement was designed as a general guide to assist Australian individual tax residents to complete their Australian individual income tax return. We recommend unitholders who are not Australian individual tax residents seek their own professional tax advice when completing their 2011 tax returns.

The information covered above is general in nature only and it does not constitute or convey advice. Australian taxation laws are complex. The application of these laws depends upon an investor's individual circumstances. The information does not take into account your individual financial circumstances. We therefore recommend that you assess whether the information is appropriate to you and consider seeking advice from your financial adviser and/or tax adviser if you are in doubt or have further questions.

**Australian Income Tax Return Self Assessment Notice**

Date:  /  / 20

To: Australian Tax Office  
PO Box 3004  
PENRITH NSW 2740

Dear Sir / Madam,

**Request for amendment of 2011 income tax return for distributions from APN AREIT Fund**

Please amend my tax return for the financial year ended 30 June 2011 as shown below:

<b>Tax return Label</b>	<b>Description</b>	<b>Figure previously included in my tax return</b>	<b>Correct figure</b>
18H	Total current year capital gains	_____	_____
<i>Guidance for unit holder</i>		<i>This was the figure shown at label 18H in your previously lodged 2011 Tax Return</i>	<i>This is the amended label 18H amount that reflects the Amended Tax Statement issued by the APN AREIT Fund</i>
18A	Net capital gain	_____	_____
<i>Guidance for unit holder</i>		<i>This was the figure shown at label 18A in your previously lodged 2011 Tax Return</i>	<i>This is the amended label 18A amount that reflects the Amended Tax Statement issued by the APN AREIT Fund</i>

**Reason for the tax return amendment:** I relied, in good faith, upon the original Tax Statement issued by APN AREIT Fund to complete my 2011 Australian Tax Resident individual income tax return. The amounts in that original Tax Statement for Capital Gains (Tax Return Labels 18H and 18A) incorrectly overstated the capital gains realized. This amendment request is to reflect the correct 'Total current year capital gains' and the 'Net capital gain' (as shown in the Amended 2011 Tax Return Statement that was issued by the APN AREIT Fund).

I declare that the information I have given in this statement is true and correct.

Signature: \_\_\_\_\_ Date of declaration  /  / 20

My Full Name is: \_\_\_\_\_

My Tax File Number is:

My Address is: \_\_\_\_\_

\_\_\_\_\_ Post Code

My daytime telephone number is: (  ) \_\_\_\_\_