

# ASX Announcement

TAPS Trust (TTXPA)

Total pages: 10

21 July 2009

## Distribution letter for the quarter ended 30 June 2009

The attached correspondence has been sent to TAPS Trust investors today regarding the distribution for the quarter ended 30 June 2009 and a Tax Guide to assist investors with preparing their income tax returns for the 2008/2009 tax year.

### For further enquiries, please contact:

**Tom Meinert**

Chief Operating Officer

TAPS Trust

Tel: +61 3 8650 3600

Fax: +61 3 8650 3701

Email: [investor\\_relations@hfm.com.au](mailto:investor_relations@hfm.com.au)

Website: [www.hfm.com.au/taps](http://www.hfm.com.au/taps)

**Simon Ondaatje**

Head of Investor Relations

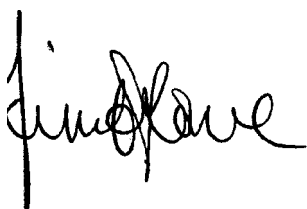
Hastings Funds Management

Tel: +61 3 8650 3600

Fax: +61 3 8650 3701

Email: [investor\\_relations@hfm.com.au](mailto:investor_relations@hfm.com.au)

Website: [www.hfm.com.au/taps](http://www.hfm.com.au/taps)



**Kim Rowe**

Company Secretary

Hastings Funds Management Limited

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21 July 2009



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MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

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Dear Securityholder,

### TAPS Trust interim distribution for the quarter ended 30 June 2009

Hastings Funds Management Limited as Responsible Entity for the TAPS Trust, is pleased to enclose your interim distribution statement for the quarter ended 30 June 2009.

The distribution amount is **\$1.2748 per TAPS** and is payable to all securityholders on the TAPS Trust securityholder register at 30 June 2009.

### Important Information for your Tax Return

**As the TAPS Trust has a 31 December year end for accounting and taxation purposes, taxable net income will be confirmed following 31 December 2009.** The tax components of each distribution will not be finalised until that time.

Accordingly, the taxable distributions for the entire calendar year ending 31 December 2009 should be included in your tax return for the financial year in which 31 December 2009 falls.

**If you lodge your tax return on a 30 June year end basis, then the taxable distributions for the entire calendar year ended 31 December 2009 should be included in your 2010 Tax Return.**

To further assist you with the preparation of your tax return, a Taxation Guide providing guidance on the treatment of the TAPS distributions is enclosed.

### Subscribe to Updates

Receive announcements as they are released to the market by registering at [www.hfm.com.au/subscribe](http://www.hfm.com.au/subscribe)

If you have any queries about the enclosed distribution or any other matters relating to your investment in the TAPS Trust, please contact Computershare Investor Services on 1300 556 074 or email [investor\\_relations@hfm.com.au](mailto:investor_relations@hfm.com.au).

### Quotation of Tax File Numbers (TFN), Australian Business Numbers (ABN) or Exemptions

Withholding tax has been withheld from your distribution payment. While it is not compulsory for you to provide a TFN, ABN or exemption notification, if you are an Australian resident or subject to Australia's taxation laws, it is in your interest to supply such information. Please log onto <http://www.investorcentre.com/au> or call 1300 556 074 to register your details.

Yours faithfully,



**Kim Rowe**  
**Company Secretary**  
Hastings Funds Management Limited

**All correspondence to:**

Computershare Investor Services Pty Limited  
GPO Box 2975 Melbourne  
Victoria 3001 Australia

**Enquiries**

(within Australia) 1300 556 074  
(outside Australia) 61 3 9415 4217

Facsimile 61 3 9473 2500

web.queries@computershare.com.au  
www.computershare.com

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SAM

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



00UW1C\_TTX\_QIDS

Payment Date **21 July 2009**

Record Date **30 June 2009**

TFN Status **Quoted**

Holder Number **X0000000000**

# Quarterly Interim Distribution Statement

30 June 2009

## TAPS Trust (TTXPA)

**Direct Credit Instruction:**

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SAMPLE BSB SAMPLE ACC

This quarterly distribution statement relates to the securities registered in your name as at 30 June 2009.

This statement is provided for information only. An Annual Distribution Statement will be provided in relation to the 2010 income year of the TAPS Trust for preparing your tax return in due course.

For the correct tax treatment of this distribution we refer you to the comments contained in the covering letter accompanying this distribution statement.

Security Type	Distribution (per security)	Number of securities held at 30 June 2009	Gross Total Distribution
TAPS	\$1.2748	X,XXX	\$XX.XX
Less: TFN amounts withheld			\$XX.XX
Non-resident withholding tax 12-H			\$XX.XX
Other withholding tax			\$XX.XX
<b>Net Distribution Paid</b>			<b>\$XX.XX</b>

**Fund Payment Amount**

In accordance with the Managed Investment Trust withholding provisions, this distribution includes a Fund Payment Amount of \$0.00, which represents that part of the distribution from which withholding is required if the payment is made directly to non-resident investors. This information is provided for 'intermediaries' under Subdivision 12-H of Schedule 1 to the Taxation Administration Act 1953.

Should you have any queries relating to this distribution statement, please contact Computershare. Any queries relating to tax should be referred to your tax adviser or your local tax office.

**Payment Instruction Update**

To update your payment instructions, please log on to <http://www.investorcentre.com/au> or call 1300 556 074.

THIS ADVICE SHOULD BE RETAINED FOR TAXATION PURPOSES.

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# Tax Guide

for the tax year ended 30 June 2009

This tax guide has been prepared to assist investors in the following Hastings Funds Management Limited funds to prepare their income tax returns for the 2008/2009 tax year:

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## Hastings Diversified Utilities Fund (HDF)

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## Trust-issued Adjustable Preferred Securities (TTX)

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## Hastings High Yield Fund (HHY)

Throughout this tax guide the words 'Trust', 'Fund' or 'Investment' can be a reference to any one of the products listed above.

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### What type of distributions are made by the Fund?

Because investors hold units in a Trust, payments to investors (distributions) comprise various amounts, which may be treated in different ways for tax purposes.

- A distribution of **taxable trust income**.
- A **foreign income** amount that will identify the particular class of foreign income and may include foreign income tax offsets.
- A **discounted capital gain** derived by the Trust from the sale of investments where the capital gains tax (CGT) discount has been applied. Only 50 percent of the capital gain derived is included in the discounted capital gain component of the investor's distribution. All investors will need to 'gross up' this amount by multiplying it by two and including it in assessable income. Individual, trust fund and superannuation fund investors may then, depending upon their particular circumstances, apply the CGT discount to this 'grossed up' amount. The relevant CGT discount is 50 percent for individuals and trust funds and 33.33 percent for superannuation fund investors. Companies are not entitled to the CGT discount.
- A **CGT-concession amount** resulting from the application of the capital gains discount. This amount is not assessable and does not need to be included in the investor's tax return. Cost base adjustments are now not required in regard to non-assessable amounts associated with the CGT discount.
- A **capital gain – indexation method** is required to allow investors to make choices about the order in which to deduct capital losses.
- A **capital gain – other method** is required to allow investors to make choices about the order in which to deduct capital losses.
- A **tax-deferred amount** is not assessable and does not need to be included in the investor's tax return unless the aggregate of all tax-deferred amounts received has exceeded the cost base that the investor has in its units. Rather, the tax-deferred amount generally reduces the cost base of the investor's holding in the Fund. This increases the assessable capital gain or reduces the capital loss when investors sell their investment in the Fund.
- A **tax-free amount** is not assessable when distributed to an investor and does not need to be included as assessable income in an investor's tax return for the year ended 30 June 2009. Distribution of the tax-free amount will not reduce the cost base of an investor's holding in the Fund for the purpose of calculating a capital gain, but will generally reduce the reduced cost base when calculating a capital loss.

A distribution statement, which accompanies each payment to investors, identifies and quantifies each of the above amounts and details the tax year in which the distribution should be returned as income.

## What are the tax implications for investors who sold their investment during the year ended 30 June 2009?

The following comments apply to investors who are residents of Australia for tax purposes and hold their units in the Trust on capital account.

Where investors hold their investment on a basis other than capital account, e.g. revenue account or as trading stock, or are not residents of Australia, they should seek their own independent taxation advice. If you are unsure of the appropriate treatment, we recommend you seek independent taxation advice for clarification according to your individual circumstances.

A capital gain or loss will arise to investors if they held their investment on capital account and sold the investment, or part of it, during the year ended 30 June 2009. In calculating a gain, the cost base of the units in the Trust may have been reduced by any tax-deferred amounts distributed from the Trust during the investor's holding period. In calculating a loss, the reduced cost base may be reduced by the investor's share of tax-free amounts and tax-deferred amounts.

If individual, trust fund and superannuation fund investors derive a capital gain on the sale of their investment, the CGT discount may apply provided the investment was held for at least 12 months. The applicable CGT discount is 50 percent for individuals and trust funds and 33.33 percent for superannuation funds.

If investors realised a capital loss on disposal of their investment in the Fund, that loss may be utilised against capital gains of the current year. Any excess capital loss may be carried forward to be utilised against capital gains of future years. In some instances, carried forward capital losses may be subject to certain tax rules prior to utilisation.

We note that investors in HDF and TTX who sold their investment during the period January 2009 to June 2009 and received one or more distributions in relation to that period, should receive an Annual Distribution Statement disclosing information to be included in their tax return for the year ending 30 June 2010 following the Funds' 31 December 2009 year end.

## What tax withholdings may be applied to distributions made by the Trust?

Hastings Funds Management Limited, as Responsible Entity of the Trust, may be required to withhold amounts from certain components of distributions to investors.

There are three regimes of withholding tax, which apply in the following hierarchy:

- non-resident withholding tax imposed on distributions of Australian sourced unfranked dividends and Australian sourced interest;
- non-resident withholding tax imposed on distributions of net income, which applies to 'other' Australian sourced income and certain capital gains income components; and
- Tax File Number (TFN) withholding tax.

TFN withholding tax (at the 2008/2009 tax rate of 46.5 percent) may be required to be deducted from both the taxable and tax-deferred components of distributions to investors who have not quoted their TFN, Australian Business Number (where it is appropriate to do so as an alternative), or exemption details. TFN withholding also applies to resident and non-resident investors on certain components of distributions.

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This guide has been prepared for general instruction only and is not intended to be a substitute for the Australian Taxation Office's instructions. Investors should read this guide in conjunction with the Australian Taxation Office's instructions and should seek individual taxation advice where required. As income tax laws are complex and subject to constant change and interpretation by the courts, you should consider seeking professional advice about your individual tax position.

## Individual investors

### Annual Distribution Statement (the Statement)

This Statement is a summary of your distribution components for the year ended 30 June 2009 (HHY investors) or 31 December 2008 (HDF and TTX investors), and is provided to assist you in preparing your 2009 individual income tax return.

Please refer to your Annual Distribution Statement and the notes below for additional disclosure requirements.

Distribution (per unit) X	Number of units held X	Gross total X	
	Amount	Tax credits	Taxable income
<b>Australian income</b>			
Dividends – franked	X	X 13Q	X
Dividends – unfranked	–		–
Interest	X		X
Other	–		–
Total			X 13U
<b>Foreign income</b>			
Passive income	X	X 20O	X 20E
Other income	X	X 20O	X 20E
<b>Capital gains</b>			
Discounted capital gain	–		X page 24 PIG
CGT-concession amount	–		X page 24 PIG
Capital gains – indexation method	–		–
Capital gains – other method	–		–
Total taxable income			X
Tax-free amounts	–		
Tax-deferred amounts	X		
Gross distribution	X		
Tax withheld	– 13R		
Net distribution	X		
Capital gains			

PIG: The personal investors guide to capital gains tax assists individual investors determine the net capital gain to be included in item 18 of the 2009 individual income tax return.

## Company investors

### Annual Distribution Statement (the Statement)

This Statement is a summary of your company's distribution components for the year ended 30 June 2009 (HHY investors) or 31 December 2008 (HDF and TTX investors), and is provided to assist you in preparing the company's 2009 tax return. This Statement has been prepared on the basis that company investors fully reverse out any components of the Trust's distribution that have been included in the calculation of accounting profit. This is effected by inserting any such amounts at item 7 label Q of the 2009 company tax return and then disclosing the taxable Trust distribution at item 7 label B as indicated in the Statement. Investors will then include in assessable income only those elements of the Trust's distribution that are assessable in the year ended 30 June 2009. To the extent that any other tax return preparation method is adopted by your company, the discussion below may be inappropriate.

Subject to the comments below on additional disclosure and calculation requirements, the total taxable income amount should be included in the company's assessable income for the year of income in which 30 June 2009 (HHY investors) or 31 December 2008 (HDF and TTX) falls. For companies with a 30 June tax year, this would be 30 June 2009.

Please refer to your Annual Distribution Statement for further information.

Your company's distribution for the year contains the following components:

Distribution (per unit) X	Number of units held X		Gross total X
	Amount	Tax credits	Taxable income
Australian income			
Dividends – franked	X	X 7J	X
Dividends – unfranked	–		–
Interest	X		X
Other	–		–
Total			X 7B
Foreign income			
Passive income	X	X CSD	X 8R
Other income	X	X CSD	X 8R
Capital gains			
Discounted capital gain	–		X*
CGT-concession amount	–		X*
Capital gains – indexation method	–		–*
Capital gains – other method	–		–*
Total taxable income			X
Tax-free amounts	–		
Tax-deferred amounts	X		
Gross distribution	X		
Tax withheld	– CSY		
Net distribution	X		
Capital gains			

\* These amounts need to be taken into account in determining the company's net capital gain (to be inserted in the company's 2009 tax return at 7A). Refer to the Australian Taxation Office's publication *Guide to Capital Gains Tax* for instructions on how to calculate the company's net capital gain. The company may need to complete the CGT schedule 2009 or CGT summary worksheet.

CS: Calculation statement contained in the 2009 company tax return.



## Superannuation fund investors

### Annual Distribution Statement (the Statement)

This Statement is a summary of your superannuation fund's distribution components for the year ended 30 June 2009 (HHY investors) or 31 December 2008 (HDF and TTX investors), and is provided to assist you in preparing your superannuation fund's 2009 income tax return.

Subject to the comments below on additional disclosure and calculation requirements, the total taxable income amount should be included in your superannuation fund's assessable income for the year of income in which 30 June 2009 (HHY investors) or 31 December 2008 (HDF and TTX investors) falls. For superannuation funds with a 30 June tax year, this would be 30 June 2009.

Please refer to your Annual Distribution Statement for further information.

Your superannuation fund's distribution for the year contains the following components:

Distribution (per unit) X	Number of units held X	Gross total X
	Amount	Tax credits
		Taxable income
<b>Australian income</b>		
Dividends – franked	X	X 10P, 12F4*
Dividends – unfranked	–	– 10N
Interest	X	X 10Q
Other	–	– 10Q
Total		X
<b>Foreign income</b>		
Passive income	X	X 12C1
Other income	X	X 12C1
<b>Capital gains</b>		
Discounted capital gain	–	– **
CGT-concession amount	–	– **
Capital gains – indexation method	–	– **
Capital gains – other method	–	– **
<b>Total taxable income</b>		X
<b>Tax-free amounts</b>	–	
<b>Tax-deferred amounts</b>	X	
<b>Gross distribution</b>	X	
<b>Tax withheld</b>	– 12F3	
<b>Net distribution</b>	X	
<b>Capital gains</b>		

\* 12F4, unless non-complying fund then 12C2.

\*\* These amounts need to be taken into account in determining the superannuation fund's net capital gain (to be inserted in the superannuation fund's 2009 tax return at 10A). Refer to the Australian Taxation Office's publication *Guide to Capital Gains Tax* for instructions on how to calculate the superannuation fund's net capital gain. The superannuation fund may need to complete the CGT schedule 2009 or CGT summary worksheet.

## Trust fund investors

### Annual Distribution Statement (the Statement)

This Statement is a summary of your trust's distribution components for the year ended 30 June 2009 (HHY investors) or 31 December 2008 (HDF and TTX investors), and is provided to assist you in preparing the trust's 2009 tax return.

Subject to the comments below on additional disclosure and calculation requirements, the total taxable income amount should be included in your trust's assessable income for the year of income in which 30 June 2009 (HHY investors) or 31 December 2008 (HDF and TTX investors) falls. For trusts with a 30 June tax year, this would be 30 June 2009.

Please refer to your Annual Distribution Statement for further information.

Your trust's distribution for the year contains the following components:

Distribution (per unit) X	Number of units held X	Gross total X
	Amount	Tax credits
		Taxable income
<b>Australian income</b>		
Dividends – franked	X	X 8D
Dividends – unfranked	–	–
Interest	X	X
Other	–	–
Total		X 8R
<b>Foreign income</b>		
Passive income	X	X 23Z
Other income	X	X 23B
<b>Capital gains</b>		
Discounted capital gain	–	– *
CGT-concession amount	–	– *
Capital gains – indexation method	–	– *
Capital gains – other method	–	– *
Total taxable income		X
Tax-free amounts	–	
Tax-deferred amounts	X	
Gross distribution	X	
Tax withheld	– 8E	
Net distribution	X	
Capital gains		

\* These amounts need to be taken into account in determining the trust's net capital gain (to be inserted in the trust's 2009 tax return at 21A). Refer to the Australian Taxation Office's publication *Guide to Capital Gains Tax* for instructions on how to calculate the trust's net capital gain. The trust may need to complete the CGT schedule 2009 or CGT summary worksheet.