5 March 2018

Australian Capital Gains Tax

A PLG stapled security comprises three separate assets for capital gains tax purposes; a Propertylink Trust (PT) unit, Propertylink Australian Industrial Partnership (PAIP) unit and a Propertylink (Holdings) Limited (PHL) share.

For capital gains tax purposes, you need to apportion the cost of each stapled security and the proceeds of sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis.

One possible method of apportionment is on the basis of the relative net assets of the individual entities. For more information, see the ATO website - https://www.ato.gov.au/general/capital-gains-tax/shares,-units-and-similar-investments/stapled-securities/

The relative net assets of the individual PLG entities are as follows:

	PHL	PT	PAIP	TOTAL
15 August 2016	0%	85%	15%	100%
31 December 2016	0%	84%	16%	100%
30 June 2017	0%	80%	20%	100%
31 December 2017	0%	75%	25%	100%

If you acquired a PLG stapled security through the holding of a stapled security in PHL and PT (**pre-existing PHL stapled securities**) prior to the IPO on 15 August 2016, your cost base in each separate asset that makes up that PLG stapled security will be affected by the restructure that occurred as part of the IPO. As a result, your cost base in each asset making up a PLG stapled security should be as follows:

	PHL	PT	PAIP
If cost base of pre-existing PHL stapled security was equal to or less than 80c	0	0	80c
If cost base of pre-existing PHL stapled security exceeded 80c	Excess cost base above 80c	0	80c