

Guide to the 2015 Annual Tax Statements

About this guide

This guide has been prepared to assist you to complete your income tax return (return) for the year ended 30 June 2015. It provides general information only and should not be relied on, and does not constitute taxation advice (or any other advice). We recommend you seek professional assistance from your tax advisor or the Australian Taxation Office (ATO) when completing your tax return.

This guide should only be used if:

- You are an individual investor (i.e. not a company, trust, superannuation fund or other vehicle) and you were an Australian resident for income tax purposes for the entire year ended 30 June 2015; and
- You hold units in the National Storage REIT (NSR, Funds or Trusts) on capital account and the Capital Gains Tax (CGT) provisions apply to you (i.e. you hold the securities on capital account / for investment purposes rather than for the purpose of resale).

Your tax statement does not include any capital gains or capital losses that may have resulted from your disposal of units in a Trust. If you have transferred or disposed of units during the financial year, you will need to separately calculate the gain or loss on the transaction based on your investment records and include it in your income tax return.

About your tax statement

Your 2015 NSR Annual Tax Statement includes distributions paid by NSR for the year ended 30 June 2015 and may include interim distributions. Under Australian income tax law, unit holders in a Trust include in their taxable income a proportionate share of the income of the Trust. The Trust distributions are recognised for income tax purposes in the income year the unit holders become 'presently entitled' to the distribution (i.e. rather than on the date of receipt).

If you have units in more than one NSR, you may receive a separate annual tax statement for each investment. While completing your income tax return include the total of each item from all the annual tax statements that you have received that pertain to the 30 June 2015 year.

Distributions made by NSR may include non-primary production income and tax-deferred distributions. Each component is explained below.

Non-Primary Production Income

This component of your distribution comprises of income such as rental income and interest. The total of this component is included at **item 13U** of the income tax return.

If your annual distribution statement includes any amounts shown as 'Other deductions relating to non-primary production distributions', include this amount at **item 13Y** of your income tax return.

Tax Deferred Amounts

The Tax deferred component of your distribution reflects cash distributions in excess of assessable/taxable amounts distributed by the Trust. This difference usually arises as a result of items such as tax depreciation and capital allowance deductions, etc.

Tax deferred distributions are generally not assessable in the year it is received but it should reduce the CGT cost base of your units in the Trust. Should your cost base be reduced to nil, any further tax deferred distributions should give rise to capital gains (that may be eligible for the 50% CGT discount).

Tax File Number (TFN) amounts withheld

If you have not provided your TFN to us, we may be required to withhold tax from your distributions at the highest marginal tax rate plus the Medicare Levy. The tax withheld can be used to offset the tax payable on your income.

Include at item **13R** the amount shown as 'Share of credit for tax file number amounts withheld from interest, dividends and unit Trust distributions'

Further information

For further explanation or advice on taxation matters we recommend you contact an independent qualified taxation adviser for professional advice.