

KAPLAN FUNDS MANAGEMENT PTY LIMITED

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ASX Release

25 February 2010

KFM Diversified Infrastructure and Logistics Fund (“KIL”) For the half year ended 31 December 2009 Important Tax Information

The information set out below must be read before taking any action in relation to the attached notice. The notice is provided for the purpose of Subdivision 12-H of Schedule 1 to the Taxation Administration Act 1953 and should not be used for any other purposes. The attached notice is not relevant to Australian resident unitholders and they should not rely on this notice for the purposes of completing their income tax returns. Details of the full year distribution will be provided in the annual tax statement which will be sent out in September 2010.

As announced previously on 5 February 2010, KIL has signed a binding term sheet to acquire 100% of the shares in Kaplan Equity Limited (KEL). If the relevant conditions and approvals are obtained and completion of the acquisition takes place on or before 30 June 2010, Kaplan Funds Management Pty Limited as manager of KIL has received advice that KIL will be a “public trading trust” as defined in the *Income Tax Assessment Act (1936)* for the entire income year ending 30 June 2010. KIL will be a public trading trust because after the acquisition of 100% of the shares in KEL, it will control a company that carries on a trading business. As a consequence, the distribution paid by KIL in respect of the half year ended 31 December 2009 should be treated as an unfranked dividend for income tax purposes. Dividend withholding implications may apply for non-resident unitholders. It is important to note that dividends paid by KIL in the future may be franked, however this all depends on whether sufficient franking credits exist at the time of the payment.

If on the other hand KIL does not acquire KEL by 30 June 2010, then KIL will be a managed investment trust (for the purposes of Subdivision 12-H of Schedule 1 of the *Taxation Administration Act (1953)*), in respect of the income year ending 30 June 2010. This will have different withholding obligations for non-resident unitholders.

The manager believes that given the particular circumstances, it would be prudent for the distribution paid by KIL for the half year ended 31 December 2009 to be treated as an **unfranked dividend**. The attached notice has therefore been prepared on this basis.

The manager notes that if the acquisition of KEL does not occur by 30 June 2010 and KIL is not a ‘public trading trust’ for the income year ending 30 June 2010, some investors may have excess withholding tax deducted in respect of the distribution for the half year ended 31 December 2009. Those investors who believe they have had excess withholding tax deducted should contact the manager to discuss the procedure for a refund of excess withholding tax deducted.

The manager will provide an update on any relevant developments on this matter.

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Important Tax Information (continued)

This notice has been prepared on the assumption that KIL will be a public trading trust as defined in the Income Tax Assessment Act (1936) for the income year ending 30 June 2010.

However given that KIL is still an MIT at the date of this notice, this notice is being issued to satisfy the requirements of MIT statements under Subdivision 12-H of Schedule 1 to the *Taxation Administration Act 1953*.

In the event that the acquisition of KEL does not occur by 30 June 2010 and therefore KIL is not treated as a public trading trust for the income year ending 30 June 2010, then the tax components of this distribution will be different and will be advised to unitholders as soon as practical.

Detailed below are the components of KIL's distribution for the half year ended 31 December 2009:

Components of the distribution	Cash Distribution per unit \$	Component subject to fund payment withholding \$	Component subject to other non-resident withholding \$
Dividends – unfranked	0.0200		0.0200
Total	0.0200	Nil	0.0200

KFM Diversified Infrastructure and Logistics Fund declares that at the date of this notice it is a managed investment trust for the purposes of Subdivision 12-H of Schedule 1 of the *Taxation Administration Act 1953*, in respect of the income year ending 30 June 2010.

These components have been provided for the purpose of Subdivision 12-H of Schedule 1 to the Taxation Administration Act 1953 and should not be used for any other purposes. Australian resident Unitholders should not rely on this notice for the purposes of completing their income tax returns. Details of the full year distribution components will be provided in the annual tax statement which will be sent out in September 2010.

Further Enquiries:
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