

Year	Investment	Net Receipts	Change in Value	Value	Income	Cash Flow	Tax Value	Tax Deprecn	Tot income
0	1098			1098		-1098	1098		610.5
1	0	0	102	1200	102	0	1098	0	
2	0	0	111	1311	111	0	1098	0	
3	0	0	121	1432	121	0	1098	0	
4	0	0	132	1564	132	0	1098	0	
5	-1709	0	145	1709	145	1709	1098	0	

Tax value remains at original \$1098 cost until sale

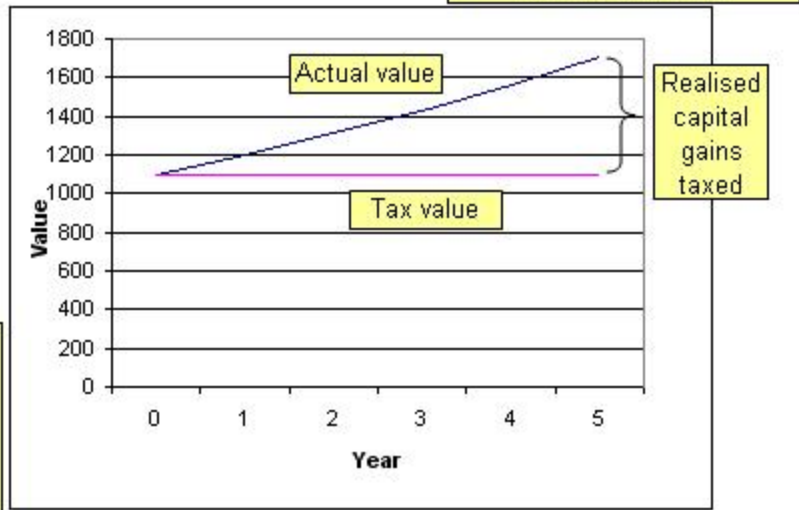
Pre-tax Actual value increasing at 9.24% 9.24% Pre-tax return Asset price increases from 1000 to 1098 resulting in post tax return of 5.3%

Year	Benchmark		Tax Treatment	
	Tax	Cash Flow	Tax	Cash Flow
0	0	-1098		-1098
1	48	-48	0	0
2	52	-52	0	0
3	57	-57	0	0
4	62	-62	0	0
5	68	1641	287	1422

Post-tax 287 4.90% 287 5.30%

Benchmark: For direct investor, tax at 47% on annual change in value reduces 9.24% pre-tax return by 47% to 4.9%

Selected tax treatment: For direct investor, tax at 47% on full amount of capital gain (\$611) realised in Year 5 produces after-tax return of 5.3%.



APPRECIATING ASSET WITH PRICE ADJUSTMENTS: ALL REALISED CAPITAL GAIN TAXED