

Guide to your AMIT Member Annual (AMMA) Statement

Australian Individual tax return guide – 2023

Each Exchange Traded Managed Fund (ETMF) issued by Perpetual Investment Management Limited is a unit class of a managed fund that is an Attribution Managed Investment Trust (an AMIT).

All income attributed to you relates to the distributions paid to you in respect of the financial year ended 30 June 2023. No income has been accumulated in any fund, as permitted under the AMIT regime.

The AMMA statement provides a summary of the income attributed to you.



How to use this guide

This guide is designed to help you understand your AMMA Statement and to assist you in completing your 2023 Tax Return for Individuals (tax return) and Tax Return for Individuals (supplementary section).

Part A of the AMMA statement provides a summary of the details we have recorded for your account. Part B of the AMMA statement applies to Australian resident individual taxpayers. If you are a non resident, or any other investor type, Part B will not be applicable to you. We recommend you consult your tax adviser on how to include the detailed information outlined in Part C of your AMMA statement in your tax return.

Obtain your own tax advice

We recommend you seek professional assistance when completing your tax return. If you have questions about your tax return please consult your tax adviser or the Australian Taxation Office (ATO). Perpetual is not able to provide you with tax advice. If you have any questions about your investment, your AMMA statement or this guide, please call 1800 635 323 during business hours (Sydney time) or email perpetualetmf@linkmarketservices.com.au

About your AMMA statement

- Your AMMA statement includes the income attributed to you that needs to be included in your tax return.
- If your AMMA statement is for a joint account, it includes 100% of all income relevant to the joint account. You will need to split the income between the joint account holders in accordance with your records.
- If you hold units in more than one ETMF, you will receive a separate AMMA statement for each ETMF.
- Your AMMA statement does not include any capital gains or losses from your disposal of units in the ETMF. You will need to calculate the gain or loss from your investment records and include it in the calculation of your net capital gain.



Completing your tax return

The information in this guide is not tax advice and is not a complete guide to completing your tax return. It only relates

to your investment in the ETMFs issued by Perpetual Investment Management Limited. You should refer to the Individual tax return instructions 2023 (instruction booklet) which is available from the ATO – download it from the ATO website <https://iorder.com.au/publication/Download.aspx?ProdID=71050-6.2023> or call 1300 720 092 and the online instructions for the supplementary section <https://www.ato.gov.au/Individuals/Tax-return/2023/Supplementary-tax-return/>

Additional information is included in the online tax return instructions <https://www.ato.gov.au/individuals/tax-return/2023/>

How to complete the supplementary section

The following guidelines will help you to complete the supplementary section. They do not apply to part-year residents, corporates, superannuation entities or trust investors.

About Part B – tax return information

There are three items you may need to complete in the supplementary section using information shown in your AMMA statement. The ATO's instructions for each item are included online in the supplementary tax return section.

- Item 13 Partnerships and trusts.
- Item 18 Capital gains.
- Item 20 Foreign source income and foreign assets or property.

Part B provides a summary of the income attributed to you from your investment/s in an ETMF that needs to be included in your tax return. Record all amounts from Part B in the corresponding tax return label (whole dollars only).

For example, 'Share of net income from trusts, less capital gains, foreign income and franked distributions' has a tax return reference of 13U and should be entered in Item 13 Partnerships and trusts in Label U with the same name.

Record all summary amounts from Part B in the corresponding tax return label in your supplementary section.

If you have received any distributions or income has been attributed to you from another ETMF or other sources, you will need to add all relevant amounts together to complete your supplementary section.

Franking credits

Since the ETMFs are AMITs, subject to the ATO determining otherwise, members are deemed to be a 'qualified person' in respect of the franked distribution component and therefore do not need to apply the 45 day rule. Accordingly, you are entitled to claim all of the franking credits shown in Part B.

Foreign income tax offset

The amount of 'Foreign income tax offset' you are entitled to will depend on the amount of foreign tax credits you have received from all sources. If the amount does not exceed \$1,000, you are entitled to a credit for the full amount shown. If the amount is more than \$1,000 you can do one of the following:

1. Claim a tax offset of \$1,000.
2. Calculate the amount of foreign income tax offset to which you are entitled. To do this you will need the ATO online instructions 'Guide to foreign income tax offset rules' available from the ATO website <https://www.ato.gov.au/Forms/Guide-to-foreign-income-tax-offset-rules-2023/>

Capital gains

If Part B includes an amount of 'Total current year capital gains', print 'X' in the 'Yes' box at Label G of Item 18.

The 'Capital gains' section in Part C provides additional information about the various capital gain components distributed to you.

Additional information is included in the ATO publication 'Personal investors guide to capital gains tax 2023', download it from the ATO website <https://iorder.com.au/publication/Download.aspx?ProdID=4152-6.2023> or call 1300 720 092. The more comprehensive 'Guide to capital gains tax 2023' is also available from the ATO website <https://www.ato.gov.au/forms/guide-to-capital-gains-tax-2023/>

About Part C – detailed information

Part C provides a breakdown of the income attributed to you. Below is an explanation of each section within Part C.

There are three columns in Part C:

- 'Cash distributions' is the dollar amount distributed to you.
- 'Tax paid or franking credit gross up' is the tax that has already been paid on this amount.
- 'Attributed amount' is assessable for tax purposes.

Australian income

The 'Australian income' section includes a breakdown of the Part B 'Non-primary production income'.

The components under 'Australian income' are:

- **Interest** – amounts earned on cash or fixed interest securities held in Australia.
Interest not subject to NRWHT is shown separately. This split is irrelevant for most Australian resident investors.
- **Dividends unfranked** – received from Australian companies that have not paid any Australian tax on their earnings.

- **Dividends – conduit foreign income (CFI)** – unfranked dividends from Australian companies that have declared this amount to be ‘conduit foreign income’. These dividends are treated as ‘unfranked’ dividends by Australian resident investors.
- **Other income** – any other income from Australian sources (excluding capital gains) that is taxable.

Amounts relating to NCMI, excluded NCMI and clean building income are shown separately. This split is irrelevant for most Australian resident investors.

The ‘Attributed amount’ Non-primary production income sub total in the first ‘Australian income’ section is equal to the item 13U Part B amount.

The second set of components under ‘Australian income’ are:

- **Dividends franked** – received from Australian companies that have paid Australian tax on their earnings. The franking credit attached to the dividend reflects the amount of tax that has already been paid by the company issuing the dividend. When a fund receives franked dividends, the franking credits are passed on to investors. The franking credits are assessable.

You will be entitled to a franking tax offset equal to the amount shown in your AMMA statement.

The sum of the ‘Attributed amount’ Franked distributions from trusts sub total in the ‘Australian income’ section is equal to the item 13C Part B amount.

Capital gains

Capital gains have been split between ‘TAP’ (gains relating to taxable Australian property) and ‘NTAP’ (relating to non-TAP gains). The TAP/NTAP split is irrelevant for most Australian resident investors.

The capital gain components for both TAP and NTAP are:

- **Discounted capital gains** – gains made on the disposal of investments that have been held for at least 12 months. The gain has been reduced by 50% as a result of the CGT concession.
- **Capital gains – other**
 - gains made on the disposal of investments within 12 months of acquisition. No adjustment is available for inflation or the 50% discount.
 - gains made on the disposal of investments acquired before 21 September 1999 where the cost of the investments have been adjusted for inflation up to 30 September 1999.
- **CGT gross up/concession amount** – the 50% discount equal to any discount capital gains.
- **Total current year capital gain** – the total of all capital gain components, including the CGT gross up/concession. The total is equal to the item 18H Part B amount.
- **Net capital gain** – the ‘Total current year capital gain’ excluding any ‘CGT gross up/concession’ amount. The total is equal to the item 18A Part B amount.

Foreign income

The ‘Foreign income’ section includes all assessable foreign source income (excluding capital gains).

This includes:

- **Interest income** – amounts earned on cash or fixed interest securities held outside Australia.
- **Dividend income** – received from companies resident outside Australia.
- **Other assessable income** – any other income received from investments held outside Australia that is taxable.

The Other net foreign source income amounts shown in the ‘Attributed amount’ column is equal to the item 20E and 20M Part B amounts.

Gross cash distribution

The distributions paid on units held in the fund.

Amounts deducted

- **TFN amounts withheld** – the tax that has been deducted from your distribution if you have not provided us with your tax file number or Australian business number (ABN).
- **Non-resident withholding tax / Managed investment trust withholding tax** – the tax that has been deducted from your distribution if you are not a resident of Australia for tax purposes

Net cash distribution – the sum of all distributions you received after any applicable tax has been withheld.

Tax return for individuals – net financial investment loss

If you have claimed a deduction in relation to your investment in the ETMF, you will also need to complete question IT5 in your Tax Return. See pages 60-61 of the instruction booklet or <https://www.ato.gov.au/Individuals/Tax-return/2023/Tax-return/Income-test-questions-IT1-IT8/IT5-Net-financial-investment-loss-2023/> for the ATO’s instructions for this question. Item IT5 ‘Net Financial Investment Loss’ is not used to calculate your taxable income. It may however be used to assess your tax offset entitlement, Medicare levy surcharge and other Government entitlements.

Additional information

Refund of excess franking credits

Resident individual investors may be entitled to a refund of excess franking credits.

If you do not have to lodge a tax return, you may wish to obtain a copy of the ATO publication ‘Refund of franking credits instructions and application for individuals 2023’ for more information. <https://iorder.com.au/publication/Download.aspx?ProdID=4105-6.2023>

Discounted capital gains – adjustments for complying superannuation entities and companies

The following information is only relevant for complying superannuation entities and companies. All other information in this guide assumes you are a resident individual taxpayer.

The 'Discounted capital gains' (TAP and NTAP amounts) and the 'Net capital gain' amount in the 'Capital gains' section(s) in Part C are after the 50% CGT discount has been applied (available to individuals and trusts). Accordingly, a company or complying superannuation entity cannot use these amounts to determine their correct net capital gain for tax purposes.

Complying superannuation entities

Complying superannuation entities are entitled to a discount of one third of the total capital gain in relation to discount capital gains.

To calculate the adjusted 'Discounted capital gain' and then the 'Net capital gain':

1. From Part C, add the 'CGT gross up/concession' amount to the 'Discounted capital gains' (TAP and NTAP amounts).
2. Multiply the amount calculated at Step 1 above by $\frac{2}{3}$. **The result is your adjusted 'Discounted capital gain'.**

3. Add the amount calculated in Step 2 above to the sum of all Capital gains – other (TAP and NTAP amounts). **The result is your adjusted 'Net capital gain' amount** from the ETMF.

Companies

Companies are not entitled to any CGT discount. The assessable capital gain attributed to you is equal to the 'Total current year capital gains' amount in Part B.

Please note: The above information assumes that you do not have any current year capital losses or net capital losses from prior years to offset against the capital gains distributed to you from your investments. For further information please contact your tax adviser or the ATO.

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More information

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