

# GUIDE TO YOUR WEALTHFOCUS INVESTMENT ADVANTAGE CAPITAL GAINS TAX STATEMENT

July 2015

## TO HELP YOU COMPLETE YOUR TAX RETURN FOR THE 2014/2015 FINANCIAL YEAR

### WEALTHFOCUS INVESTMENT ADVANTAGE STRUCTURE

When you made your initial investment in one or more investment options, you were issued with one unit in Perpetual WealthFocus Investment Advantage.

The cost base of your unit is equal to the amount of your original investment, plus any additional amounts invested. A partial withdrawal reduces the cost base of your unit. Non-assessable amounts distributed to you may also reduce the cost base of your unit.

If your investment in WealthFocus Investment Advantage resulted from the transfer of your investment(s) in WealthFocus Investment Funds, we have treated the value of your WealthFocus Investment Funds transferred as at 15 May 2012 as the initial cost base of your WealthFocus Investment Advantage unit.

### BENEFITS

WealthFocus Investment Advantage has three capital gains tax benefits:

- Switching – there are no capital gains on switches therefore switches will not be shown on your Capital Gains Tax Statement.
- Partial withdrawals – while your Capital Gains Tax Statement will show all partial withdrawals made during the financial year, there are no capital gains until your cost base is reduced to zero.

- Acquisition date – the capital gains tax discount applies to all capital gains made from 12 months after the date of your initial investment.

### HOW TO USE THIS GUIDE

When using the information in your Capital Gains Tax Statement and this guide, please note:

- Your Capital Gains Tax Statement and this guide assumes you are an Australian resident taxpayer, that your investment in the Fund is held on capital account and that you did not receive a cash refund of financial adviser commission.
- If your Capital Gains Tax Statement is for a joint account, it includes 100% of the capital gains or losses of the joint account, and does not split them between the joint account holders.
- Your Capital Gains Tax Statement provides information on realised capital gains or losses as a result of your withdrawal(s) and any capital gains resulting from the receipt of tax deferred distribution components from your WealthFocus Investment Advantage investment.
- Your Capital Gains Tax Statement does not provide information on any capital gain components from distributions. These are shown in your Australian Tax Statement.

- If you acquired your unit prior to 1 July 1999 you can use the 'indexation method' to calculate your indexed cost base and hence your indexed capital gain. This may result in a different capital gain(s) to that shown on your Capital Gains Tax Statement.

You should refer to the 'Individual tax return instructions 2015' (2015 instruction booklet) and the online supplementary tax return instructions 2015 when completing your tax return for the 2014/2015 financial year. These instructions have more detailed information on how to complete the 2015 Tax return for individuals and 2015 Tax return for individuals (supplementary section). The 2015 instruction booklet is available from the Australian Taxation Office (ATO) – download it from the ATO website or call 1300 720 092. The 2015 instruction booklet will refer you to additional information including the supplementary tax return instructions, which are available on the ATO website – [www.ato.gov.au/instructions2015](http://www.ato.gov.au/instructions2015).

## OBTAIN YOUR OWN TAX ADVICE

The information in this guide is not taxation advice. It only relates to your investment in Perpetual WealthFocus Investment Advantage and is not a complete guide to completing your tax return.

We recommend you seek professional help when completing your tax return. If you have questions about your tax return please consult your tax adviser or the ATO. We are not able to provide you with tax advice. If you have any questions about your investment, your Capital Gains Tax Statement or this guide, please call or email us using the contact details below.

## ABOUT YOUR CAPITAL GAINS TAX STATEMENT

- Capital gains or losses will be shown in the 'Discount Method' column if you have held your unit for at least 12 months.
- Capital gains or losses will be shown in the 'Less than 12 months' column if you have not held your unit for at least 12 months.
- Full withdrawals will generally result in a capital gain or loss.
- Partial withdrawals will only result in a capital gain once the cost base of your unit has been reduced to nil.
- If your Capital Gains Tax Statement shows a capital gain with a Withdrawal date of 30/06 and you did not make a withdrawal on that date, then this is a capital gain resulting from the receipt of a tax deferred component from distributions once the cost base of your unit has been reduced to nil.

## COMPLETING YOUR TAX RETURN

Follow the steps below to complete item 18 of your 2015 supplementary section.

### 1. DID YOU HAVE A CAPITAL GAINS TAX EVENT DURING THE YEAR?

If your Capital Gains Tax Statement shows a capital gain or loss, or if you have a capital gain or loss from any other source, print X in the YES box at label G of item 18.

### 2. CALCULATE 'TOTAL CURRENT YEAR CAPITAL GAINS'

- i. Add together all capital gains 'Discount method' and all capital gains 'Less than 12 months' from your Capital Gains Tax Statement.
- ii. Add to this any capital gains received from distributions from your Australian Tax Statement(s).
- iii. Add to this any capital gains from other sources.
- iv. Write the 'Total current year capital gains' at 18H.

### 3. CALCULATE NET CAPITAL GAIN OR LOSS

- i. Add any current year capital losses shown on your Capital Gains Tax Statement to any other current year capital losses you have made from other sources.
- ii. Subtract your current year capital losses from your 'Total current year capital gains' (calculated above).

You can choose which capital gains are reduced by the losses. Generally, it is better to reduce the capital gains 'Less than 12 months' first.

- iii. Subtract any net capital losses carried forward from prior years against your remaining current year capital gains. Again, it is generally better to reduce the capital gains 'Less than 12 months' first.
- iv. If you still have any 'Discount method' capital gains remaining these can be reduced by the CGT discount (50% for individuals and Trusts and 33 $\frac{1}{3}$ % for Complying Superannuation Funds). Record the net capital gain at label 18A.
- v. If you have a loss, record the net capital losses available to be carried forward to later income years at label 18V.

## THE CAPITAL GAINS TAX SCHEDULE

The ATO's Capital Gains Tax schedule may need to be completed if you are lodging your tax return electronically.

## WHEN TO DISREGARD YOUR CAPITAL GAINS TAX STATEMENT

Please disregard your Capital Gains Tax Statement if the capital gain or loss relates to a transfer or if you acquired this investment as a result of a transfer:

- from a deceased investor
- from the legal representative of a deceased investor
- under a court order relating to the breakdown of marriage
- to a lender when the investment is being used as security
- from a lender when the investment was used as security.

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## MORE INFORMATION

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