

Australian individual tax return guide

GUIDE TO YOUR WEALTHFOCUS INVESTMENT ADVANTAGE CAPITAL GAINS TAX STATEMENT

July 2020

To help you complete your tax return for the 2019/2020 financial year

Perpetual WealthFocus Investment Advantage (the Fund) is an Attribution Managed Investment Trust (AMIT).

All income attributed to you relates to the distributions paid to you in respect of the financial year ended 30 June 2020. No income has been accumulated in any investment option, as permitted under the AMIT regime, and no distributions have been automatically reinvested (unless you have instructed us to reinvest).



HOW TO USE THIS GUIDE

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

- Your CGT 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 CGT 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 CGT Statement provides information on realised capital gains or losses as a result of your withdrawal(s) from the Fund, taking into account any capital gains resulting from the receipt of non-attributable / tax deferred distribution components from your investment in the Fund.
- Your CGT Statement does not provide information on any capital gain components from income that has been attributed to you. These are shown in your AMIT Member Annual 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 CGT Statement.

OBTAIN YOUR OWN TAX ADVICE

The information in this guide is not tax advice. It only relates to your investment in the Fund 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 Australian Taxation Office (ATO). We are not able to provide you with tax advice. If you have any questions about your investment, your CGT Statement or this guide, please call or email us using the contact details on the back page.

WEALTHFOCUS INVESTMENT ADVANTAGE

STRUCTURE

When you made your initial investment in one or more investment options, you were issued with one unit in the Fund.

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 the Fund 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

The Fund has three CGT benefits:

- Switching – there are no capital gains on switches therefore switches will not be shown on your CGT Statement.
- Partial withdrawals – while your CGT 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 CGT discount applies to all capital gains made from 12 months after the date of your initial investment.

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ABOUT YOUR CGT 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 or reduced cost base of your unit has been reduced to nil.

COMPLETING YOUR TAX RETURN

This guide is designed to help you if you are required to complete the 2020 Tax Return for Individuals (tax return) and the 2020 Tax Return for Individuals (supplementary section).

You should refer to the Individual tax return instructions 2020 (2020 instruction booklet) which is available from the ATO – download it from the ATO website <https://www.ato.gov.au/uploadedFiles/Content/IND/downloads/Individual-tax-return-instructions-2020.pdf> or call 1300 720 092 and the online instructions for the 2020 supplementary section <https://www.ato.gov.au/Individuals/Tax-return/2020/Supplementary-tax-return/>

Additional information is included in the Personal Investors guide to capital gains tax 2020, download it from ATO website <https://www.ato.gov.au/uploadedFiles/Content/IND/Downloads/Personal-investors-guide-to-capital-gains-tax-2020.pdf> or call 1300 720 092.

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

1. DID YOU HAVE A CGT EVENT DURING THE YEAR?

If your CGT 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 18G.

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 CGT Statement.
- ii. Add to this any capital gains that have been attributed to you and shown on your AMIT Member Annual Statement(s).
Note that if a discounted capital gain is shown on your AMIT Member Annual Statement, you will need to multiply the amount by 2.
- iii. Add to this any capital gains from other sources.
- iv. Write the 'Total current year capital gains' at label 18H.

3. CALCULATE NET CAPITAL GAIN OR LOSS

- i. Add any current year capital losses shown on your CGT 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 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 CGT SCHEDULE

The ATO's CGT schedule may need to be completed. Individuals who lodge a paper tax return are not required to lodge this schedule.

WHEN TO DISREGARD YOUR CGT STATEMENT

Please disregard your CGT 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 or their legal representative
- under a court order relating to the breakdown of marriage
- to a lender when the investment is being used as security, and/or
- from a lender when the investment was used as security.

COST BASE ADJUSTMENTS

Tax free and tax deferred amounts included in distributions paid to you in respect of the 2016/2017 and earlier financial years have been taken into account when calculating the cost base and reduced cost base of your unit at 1 July 2017.

Under the AMIT regime, an upwards or a downwards adjustment may need to be made to the cost base and reduced cost base of your unit.

No upwards adjustments are required to be made to any unit in the Fund. A downwards adjustment has been made where you received a non-attributable / tax-deferred amount which is shown on your AMIT Member Annual Statement.

This information has been prepared by Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 (PIML) as the responsible entity of the Perpetual WealthFocus Investment Advantage Fund ABN 85 358 744 255. PIML is part of the Perpetual Group. Perpetual Group means Perpetual Limited ABN 86 000 431 827 and its subsidiaries. The information in this guide is based on information published by the Australian Taxation Office and is believed to be accurate at the time of compilation. It has been provided in good faith, as general information only and does not take into account your objectives, financial situation or needs. The information in this document is not tax advice and should not be relied upon as such. The statements (actual or implied), recommendations and conclusions made in this document are not intended to be a comprehensive and conclusive statement of relevant tax practice or law which is often complex and can change. No company in the Perpetual Group nor the directors, officers, employees or agents of the companies in the Perpetual Group make any representation or warranty as to the accuracy, reliability or completeness of the material in this document. You should assess whether the information in the document is appropriate for your individual circumstances, either by yourself or in conjunction with your tax adviser. Except in so far as liability under any statute cannot be excluded, the companies in the Perpetual Group and their directors, officers, employees and agents do not accept any liability (whether arising in contract, tort or negligence or otherwise) for any error or omission in the information contained in this document or for any loss of damage (whether direct, indirect, consequential or otherwise) suffered by you or any other person. 3038_WFACTS9_0620

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