

Guide to your AMIT Member Annual (AMMA) Statement

July 2023

To help you understand your AMMA statement and complete your tax return for the 2022/2023 financial year

The majority of Perpetual's investment funds are Attribution Managed Investment Trusts (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, and no distributions have been automatically reinvested in the fund (unless you have instructed us to reinvest).

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 part year resident, a corporate, a superannuation entity or a trust investor, 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, this guide or if any of the information shown in Part A of your AMMA statement is incorrect, please call 1800 022 033 during business hours (Sydney time) or email investments@perpetual.com.au

About your AMMA statement

- Your AMMA statement includes the income attributed to you from Perpetual funds 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 have more than one investment account with Perpetual you will receive a separate AMMA statement for each account.
- The income attributed to you may include net capital gains resulting from the sale of investments by a fund.
- Your AMMA statement does not include any capital gains or losses from your disposal of units in a fund. If you have withdrawn, transferred or switched units during the financial year, you may need to calculate the gain or loss from your investment records and include it in your tax return.
- Investors in Perpetual WealthFocus Investment Advantage who have made a withdrawal during the financial year will receive a separate capital gains tax statement. Note that a switch in Perpetual WealthFocus Investment Advantage does not result in the realisation of a capital gain or loss.



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 funds offered by Perpetual. 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/>

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.

This information will assist you to complete the ATO's capital gains tax (CGT) schedule or if you have any current year capital losses or net capital losses from prior years that can be offset against capital gains you have received.

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/>

Financial adviser fee remediation

If you received a refund of fees from your Adviser Group as a consequence of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, the amount will appear in Part B and may be assessable for tax purposes.

You would have received a letter during the financial year providing more information on this refund.

About Part C – detailed information

Part C provides a breakdown of the income attributed to you on a fund-by-fund basis. Below is an explanation of each section within Part C.

There are four columns relevant for each component in Part C:

- 'Distribution/cash' is the dollar amount distributed to you.
- 'Franking credits/tax offset' is the tax that has already been paid on this amount.

About Part A – your details

Part A provides a summary of the details we have recorded for your account. This information is included in the data we are required to send to the ATO each year which assists them to pre-fill online income tax returns. If any of the information shown in Part A is incorrect please contact us.

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 four 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
- Item 24 Other income.

Part B provides a summary of the income attributed to you from your investment/s with Perpetual that need to be included in your tax return. You can simply copy the amounts from Part B to the corresponding tax return label (whole dollars only).

For example, 'Non-Primary Production income' has a tax return reference of 13U and should be

entered in Item 13 Partnerships and trusts in Label U 'Share of net income from trusts, less capital gains, foreign income and franked distributions'.

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

If you have more than one investment account with Perpetual or have received any distributions or income has been attributed to you from other sources, you will need to add all relevant amounts together to complete your supplementary section.

Franking credits

Since the Perpetual funds are AMITs, subject to the Commissioner 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 the whole 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 a copy of the ATO publication 'Guide to foreign income tax offset rules'. Download it from the ATO website <https://www.ato.gov.au/Forms/Guide-to-foreign-income-tax-offset-rules-2023/>

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Example – AMMA Statement



Mrs Joan Smith
1 Brown Street
SYDNEY NSW 2000

AMIT Member Annual Statement

Please retain this statement for income tax purposes.

Perpetual Investment Fund

Client number	123456789
Account number	AC123456789
Issue date	01 July 2023
Reporting period	01 July 2022 - 30 June 2023
Client services	1800 022 033

Account name Mrs Joan Smith

Part A - Your details

Account name	Mrs Joan Smith
Investor type	Individual
Tax File Number (TFN)	No TFN provided
Account status	Active

Part B - Tax return information

This summary applies to resident individuals who hold their investment on capital account. [Part C](#) has information for all taxpayers. Use the information in this statement in preference to any amounts automatically downloaded using myTax or your tax agent's pre-filing service.

	Tax return reference	Amount
Partnerships and trusts		
Non-primary production income		
Share of net income from trusts, less net capital gains, foreign income and franked distributions	13U	\$127.51
Franked distributions from trusts	13C	\$78.82
Share of credits from income and tax offsets		
Franking credits	13Q	\$24.29
Credit for TFN amounts withheld	13R	\$35.20
Capital gains		
Net capital gain	18A	\$21.85
Total current year capital gains	18H	\$29.54
Foreign source income		
Assessable foreign source income	20E	\$91.10
Other net foreign source income	20M	\$91.10
Foreign income tax offset	20O	\$5.26
Other income		
Financial adviser fee remediation (refer letter from your adviser)	24V	\$47.41

About Part C (continued)

- 'Attributed amount in excess of distribution' no amounts will be shown in this column since no income has been accumulated in any fund.
- 'Attributed amount' is the sum of the previous columns and 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. This includes rental income from direct or indirect property investments.

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

The sum of all the 'Attributed amount' Non-primary production income sub totals in the first 'Australian income' section for all your funds 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 all the 'Attributed amount' Franked distributions from trusts sub totals in the 'Australian income' section for all your funds 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). Within TAP and NTAP, capital gains relating to NCMI and excluded NCMI are shown separately. The TAP/NTAP and NCMI/excluded NCMI 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 sum of this total for all your funds 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 sum of this total for all your funds is equal to the item 18A Part B amount.

Foreign income

The 'Foreign income' section includes all assessable foreign source income, except foreign capital gains, which form part of the 'Capital gains' section.

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 sum of the Assessable foreign income amounts shown in the 'Attributed amount' column for all your funds is equal to the item 20E and 20M Part B amounts.

Franking credits attached to dividends paid by NZ companies who have paid Australian tax are shown at 'Australian franking credits from a New Zealand franking company'. The sum of this amount for all your funds is equal to the item 20F Part B amount.

Non-assessable amounts

'Non-assessable amounts' includes distribution components that are not subject to tax on receipt but may give rise to a cost base adjustment for capital gains tax purposes:

- **Non-attributable / tax deferred amounts** – will reduce the cost base of your units when determining any capital gain or loss on the subsequent disposal of your units. This will be shown as an 'AMIT cost base adjustment – net decrease amount'.

Gross distribution

The distributions paid on units held in the fund.

Attributed amount in excess of distributions

This is nil since no income has been accumulated in any Perpetual fund during the financial year.

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

Member advice fee

If you have paid an ongoing or a one off member advice fee to your financial adviser, the amount will appear in aggregate in Part B and on a fund-by-fund basis in Part C below each fund's distribution breakdown.

The member advice fee is paid by withdrawing units from the fund(s) and does not impact the income that has been attributed to you.

The deductibility of any member advice fee depends on why the amount was paid. If it was paid for the purpose of drawing up a new investment or financial plan, the amount is not deductible. In contrast, a fee paid for the ongoing management of an investment portfolio, which can include the switching of investments, may be deductible.

Please note that a capital gain or loss may result from the withdrawal of units to pay the member advice fee.

Tax return for individuals – net financial investment loss

If you have claimed a deduction in relation to your investment in the Perpetual funds, then 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>

Capital gains tax (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.

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' (Tax 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' (all TAP and NTAP amounts) for all funds.
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 (all TAP and NTAP amounts) for all funds. **The result is your adjusted 'Net capital gain' amount** which is subject to tax.

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 with Perpetual. For further information please contact your tax adviser or the ATO.

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