

Tax Guide - 2014/2015 year of income

This guide is applicable for individuals invested in funds for which Fundhost Limited is the Responsible Entity.

Generally, income from trusts, such as the unit trusts for which Fundhost Limited is Responsible Entity, is included in the 'Tax return for individuals (supplementary section) 2015' with the total supplement income being transferred to I on page 3 of the 'Tax return for individuals 2015'. Individuals with investments in unit trusts, will not be able to use the 'Short tax return for individuals 2015'.

Much of the income (not including the capital gains) distributed by trusts is classified as 'Non-primary production' income and is included in 13U on page 13 of the supplementary section as 'Share of net income from trusts, less capital gains, foreign income and franked distributions'. Types of income shown on your Fundhost statement which are included in this field include;

- **Unfranked dividends**
- **Unfranked CFI (conduit foreign income)**
- **Interest**
- **Other income**

Income that is reported elsewhere in the supplementary section includes;

Gross franked dividends (including imputation credits (also known as franking credits)) are reported at 13C of the supplementary section of the return as "Franked distributions from trusts". These are shown in the Gross Taxable Amount column of your Fundhost statement.

Franking credits – this is the tax credit on franked dividends and is included in 13Q of the supplementary section – 'Share of franking credit from franked dividends'.

Australian capital gains calculated using the discounted method (described as Aust.Cap – Discounted Method on Fundhost statements) and Australian capital gains on assets held for less than 12 months (described as Aust.Cap – Other Method on Fundhost statements). The total of these two amounts is entered in field 18A of the supplementary section as 'Net capital gain'.

The amount to be entered at 18H is the sum of Aust. Cap – Other Method plus two times the Aust Cap-Discounted Method. *Note that this assumes no capital gains from other sources, or capital losses carried forward.*

Investors will have to tick box 18G 'Yes' to signify that they have a capital gains tax event during the year.

Capital gains tax may be payable if investors redeem or transfer units. Any such gains are not included in the Fundhost Limited taxation statement.

The ATO issues a 'Personal investors guide to capital gains tax 2015' which provides detailed instructions on how to calculate the amounts to complete the tax return.

Assessable foreign source income is included in the tax return at 20E & 20M of the supplementary section. Tax credits applicable to assessable foreign sourced income are reported at 20O. *Note this assumes that the investor has no other foreign sourced income from other sources.*

Types of income shown on your Fundhost statement which are included in these fields include;

- **Foreign dividends**
- **Foreign interest**
- **Foreign source income**

Income that is not taxable for an individual and therefore is not included in assessable income in an individual investor's tax return includes tax deferred income (which may reduce the cost base of any investment in a trust) and Australian capital gains – CGT concession.

Disclaimer; The information in this guide is not tax advice. This guide relates only to individual investors. It does not relate to trusts, superannuation funds, partnerships or any other type of investor. Fundhost Limited ABN 69 092 517 087 AFSL 233 045 does not provide tax advice to investors. It is not possible for Fundhost Limited to take into account the financial situation of investors. We recommend that investors seek professional assistance when completing tax returns.