

ClearView Managed Investments - Tax guide

Individual Tax Return Instructions Guide 2023

This tax guide will help you to complete your tax return using your ClearView Managed Investments Annual Tax Statement for the year ended 30 June 2023.

To help make things clear, your ClearView Managed Investments Annual Tax Statement is broken down into two parts:

Part A: Summary of 2023 tax return (supplementary section) items

This is a summary of the information you need to include in your tax return.

Part B: Components of distribution

This provides you with a detailed breakdown of the distributions you have received during the financial year.

Please retain your ClearView Managed Investments Annual Tax Statement with your tax records.

Completing your tax return

To complete your tax return you will need:

- a copy of the *Individual tax return instructions 2023*;
- a copy of the *Tax return for individuals 2023*;
- a copy of the *Individual tax return instructions supplement 2023*;
- a copy of the *Tax return for individuals (supplementary section) 2023*; and
- your ClearView Managed Investments *Annual Tax Statement* (enclosed).

You will also need taxation information from any other income-paying sources you may have.

You may also find the following Australian Taxation Office (**ATO**) publications useful:

- *Personal investors guide to capital gains tax 2023*;
- *You and your shares 2023*;
- *Guide to capital gains tax 2023*; and
- *Refund of franking credits instructions and application for individuals 2023*.

The Individual tax return instructions publications are available by phoning the ATO on **1300 720 092** or from the ATO website at ato.gov.au/Individuals/Tax-return/2023/Supporting-information/Referred-publications-2023/.

Who is this Guide for?

This Guide will assist resident individual investors when completing their tax return for 2023. Non-resident individuals and non-individual investors, such as corporations and trustees of superannuation funds may also use this Guide as a source of information, however, these investors may not need to lodge their income tax returns or need to complete different forms as different taxation rules may apply to them. Additional information is included on page 7.

Why use this Guide?

This Guide is designed to help you complete the tax return form contained within the *Tax return for individuals (supplementary section) 2023*, issued by the ATO. The information is based on our understanding of *Individual tax return instructions 2023* and the *Individual tax return instructions supplement 2023*.

This Guide only assists you with:

- distributions paid to you from your investment(s) in the ClearView Managed Investments (the Funds) which are summarised in 'Part A: Summary of 2023 tax return (supplementary section) items' of your *Annual Tax Statement*; and
- any capital gains or losses you have made as a result of disposing of units from your investment(s) in the Funds, which are detailed (where applicable) in the *Capital Gains Tax Summary*.

In completing the tax return and the supplementary section, you will also need to include any other investment income, capital gains or losses and allowable expenses or deductions that you may have received or incurred from other sources.

Where to put the figures in the *Tax return for individuals (supplementary section) 2023*

You should use the figures shown on your *ClearView Annual Tax Statement* to complete your tax return. If you have similar income or deductions from other sources, you will need to aggregate them with the figures shown on your *Annual Tax Statement* before completing your tax return.

Please use the information in 'Part A: Summary of 2023 Tax Return (supplementary section) items' that appears on page 2 of your *Annual Tax Statement*. Below is an example to guide you.

Part A: Summary of 2023 tax return (supplementary section) items

This section represents what Part A on your *Annual Tax Statement* will look like. In this example, the figures in this section are used to complete the ATO's *Tax return for individuals (supplementary section) 2023* form which is shown in the next section.

In the table below, the second column represents the corresponding section and item identifier in the ATO's form. The right hand-column represents the item identifier inserted for this example.

Example only

Partnerships and Trusts

Share of net income from trusts, less capital gains, foreign income and franked distributions	13U	\$17.63	A
Franked distributions from trusts	13C	\$192.16	B
Share of tax credit for tax withheld where Australian business number not quoted	13P	\$0.00	C
Share of franking credit from franked dividends	13Q	\$97.33	D
Share of credit for tax file number amounts withheld from interest, dividends and unit trust distributions	13R	\$0.00	E

Share of credit for foreign resident withholding amounts (excluding capital gains)	13A	\$0.00	F
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Example only

Capital Gain*

Total current year capital gains	18H	\$0.00	G
Net capital losses carried forward to later income years	18V	\$0.00	M
Net capital gain	18A	\$0.00	H

Foreign Source Income

Assessable foreign source income	20E	\$8.24	I
Other net foreign source income	20M	\$8.24	J
Australian franking credits from a New Zealand franking company	20F	\$1.31	K
Foreign Income tax offset	20O	\$0.71	L

Other Income

Management fee rebate	24V	\$0.00	N
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*It is recommended that investors keep their own records to calculate a capital gain or capital loss. When disposing of only part of an investment, you need to be aware of which shares/units were disposed. Fund managers may apply different methodologies and the figures they provide could be on different bases. ClearView's current figures are based on the FIFO method, which means that the first shares/units purchased are the first to be disposed and do not take into consideration your individual circumstances and taxation profile.

Note: Please ensure that you use the accompanying 'ClearView Managed Investments - Your Individual tax return instructions Guide 2023' to assist you when entering the above information in your tax return. This is especially important for the 'Net capital gain or net capital loss' and 'Total current year capital gain' information and also if you have received any 'Foreign Income Tax Offsets'.

Tax return for individuals (supplementary section) 2023

1 July 2022 to 30 June 2023

Example Only

13. Partnerships and trusts

Non-primary production

Share of net income from trusts, less capital gains,
foreign income and franked distributions

U [][][] , [] 1 8 . [] [] [] **A**

Franked distributions from trusts

C [][][] , [] 1 9 2 . [] [] [] **B**

Share of credits from income and tax offsets

Share of credit for tax withheld where Australian
business number not quoted

P [][][] , [][][] 0 . 0 0 **C**

Share of franking credit from franked dividends

Q [][][] , [] 9 7 . 3 3 **D**

Share of credit for tax file number amounts withheld
from interest, dividends and unit trust distributions

R [][][] , [][][] 0 . 0 0 **E**

Share of credit for foreign resident withholding
amounts (excluding capital gains)

A [][][] , [][][] 0 . 0 0 **F**

18. Capital gains

Did you have a capital gains tax events during the
year?

G Yes No

Net capital gain

A [][] , [][][] , [][][] 0 . [] [] [] **H**

Net capital losses carried forward to later income
years

V [][][] , [][][] 0 . [] [] [] **M**

Total current year capital gains

H [][][] , [][][] 0 . [] [] [] **G**

20. Foreign source income and foreign assets or property

Assessable foreign source income

E [] , [][][] , [][][] 8 . [] [] [] **I**

Other net foreign source income

M [][] , [][][] , [][][] 8 . [] [] [] ^{LOSS} **J**

Australian franking credits from a New Zealand
franking company

F [] , [][][] , [][][] 1 **K**

Foreign income tax offset

O [][][] , [][][] 0 . 7 1 **L**

24. Other Income

Management fee rebate

V [][] , [][][] . 0 . [] [] [] **N**

Understanding your ClearView Managed Investments Annual Tax Statement

This section provides a brief explanation of each category of income. The letter in the bracket corresponds with the letters on the 'Tax return for individuals (supplementary section) 2023' form, and the letter in the box corresponds with the letters in the above example.

Part A: Summary of 2023 tax return (supplementary section) items

Share of net income from trusts, less capital gains, foreign income and franked distributions. (13U) **A**

This amount includes unfranked dividends, interest and other income received from the Fund(s).

Franked distribution from trust (13C) **B**

This is the amount of any franked distributions from a trust including franking credits.

Share of credit for tax withheld where Australian business number not quoted (13P) **C**

This amount is the credit for amounts of tax withheld when an Australian Business Number was not quoted.

Share of franking credit from franked dividends (13Q) **D**

These amounts are your share of the tax credits received from franked distributions included in non-primary production income shown at 13C.

Share of credit for tax file number amounts withheld from interest, dividends and unit trust distributions (13R) **E**

This amount is the tax that has been deducted from the distributions paid to you where you did not supply your Tax File Number (**TFN**) nor claimed an exemption from supplying your TFN.

Share of credit for foreign resident withholding amounts (excluding capital gains) (13A) **F**

This shows the amount of tax deducted:

- from distributions paid to you because of the imposition of non-resident withholding tax; or
- from distributions, that is a fund payment.

Total current year capital gains (18H) **G**

The amount is calculated by aggregating the following amounts:

- Gains using the other method;
- Gains using the indexation method;
- 2 x Gains using the discount method (i.e. the gross capital gain); and
- Realised gains from investment in Fund(s). For the purposes of this calculation, any capital gains that have been discounted, are grossed up, and any capital losses are ignored.

This is not a taxable income amount but a disclosure item. This amount excludes capital losses.

Net capital gain (18A) **H** and Net capital loss carried forward to later income years (18V) **M**

The 'Net capital gain' or 'Net capital losses carried forward to later income years' amount is calculated by adding the following amounts:

- gains using the other method;
- gains using the indexation method;
- gains using the discount method; and
- realised gain/(loss) from investment in Fund(s).

Where you have capital losses carried forward from prior years from this or other investments, or have incurred capital losses during the current year from the disposal of other investments, you will need to re-calculate the 'Net capital gain' or 'Net capital losses carried forward to later income years' figure yourself.

Where you have a net capital gain, after taking into account all capital gains and losses you may have from other sources, enter the amount in Label A of Item 18.

If you have a capital loss from other sources you should refer to the '*Personal investors guide to capital gains tax 2023*', available from the ATO. We recommend you seek professional advice.

Assessable foreign source income (20E) **I** and Other net foreign source income (20M) **J**

This is income received from foreign dividends, foreign interest and all other assessable foreign income. If you have incurred deductions in earning the foreign income, you need to take away the deductions amount from the assessable foreign source income amount to determine your net foreign source income amount.

You will also need to follow the instructions appearing in Question 20, Part E of the *Individual tax return instructions supplement 2023*.

Australian franking credits from a New Zealand franking company 20F **K**

This is a franking credit attached to dividends paid by New Zealand resident companies that have chosen to join the Australian imputation system.

Foreign income tax offset (20O) **L**

As you have received foreign income that is taxable in Australia and you paid foreign tax for which you were personally liable in respect of that income, you may be entitled to a foreign tax credit.

Other Income (24V) **N**

This represents a Management fee rebate that may be applicable if you are eligible and have registered for a family fee discount.

Part B: Components of distribution

The information below explains the meaning of some items included in Part B of your tax statement that only need to be considered when you dispose of units in the Fund(s) that have received these amounts as part of a distribution.

Tax-free amount

This amount represents non-assessable income distributed by the Fund(s). When you dispose of units for which you have received a tax-free amount, you will need to reduce the cost base of your units for these amounts if you make a capital loss on disposal of your units. This cost base adjustment is not required where you make a capital gain.

Tax-deferred amount/Return of capital

This amount represents non-assessable income which may have arisen due to differences between accounting and tax income. For example, plant depreciation and building amortisation allowances.

When you dispose of units for which you have received a tax deferred amount, you are required to adjust your cost base or reduced cost base for the purpose of calculating capital gains or losses, arising from the disposal.

Tax exempted amount

This amount represents non-assessable income of the Fund(s). When you dispose of units for which you have received a tax exempted amount, you are not required to adjust either the cost base or reduced cost base of your units for these amounts.

CGT concession amount

This amount represents the portion of a capital gain that is not assessable.

Additional capital gains information

Generally, you will be liable for capital gains tax if you dispose of your investment(s) in shares, units or managed funds (such as the ClearView Managed Investments) and receive more than you originally invested. A disposal includes withdrawing, transferring and switching of units.

A more detailed explanation can be found in the ATO publication '*Personal investors guide to capital gains tax 2023*'.

When you dispose of units (or other assets) after 12 months from the time of the investment and make a capital gain, the gain is subject to a discount of 50% in the case of individuals.

If you purchased the units before 21 September 1999, and held these for at least 12 months before sale, you may calculate the taxable gain by using the indexation method should it result in a lower taxable gain. The discount of 50% does not apply where you use the indexation method.

While investors can choose which method to apply to each parcel of units sold (based on the above criteria), you cannot apply this choice to the capital gains realised by the Fund(s) themselves and distributed to you.

For gains realised by the Fund(s), ClearView Financial Management Limited has chosen to apply the indexation or discount method based on what delivers the best result for investors overall. Your share of the various items of capital gains of the Fund(s) is stated in Part B Additional Capital Gains Information.

In some circumstances, you may receive amounts as part of a distribution that are not assessable. However, these amounts may reduce the cost base of your units when calculating the taxable capital gain or loss on a subsequent disposal of the units. Full details of these amounts are stated in Part B (where applicable) of your *Annual Tax Statement*.

Any capital losses that you incur from other sources can be offset against the capital gains you make in the same year. If you use the discount method, the capital losses are to be offset against the gross capital gains (before the discount). A 50% discount is then applied to the remaining capital gains. In the absence of sufficient current year capital gains, such losses may be carried forward and offset against capital gains made in succeeding years. Please note that there is no restriction on the period for which capital losses may be carried forward.

In general, the capital gains tax rules would apply to you on the disposal of units in any of the Fund(s); however, in certain circumstances gains and losses can be treated as ordinary income. This could arise where you were investing as part of a business or you buy and sell such investments frequently.

Investors who disposed of all or part of their investment in the Fund(s) in the year ended 30 June 2023 will find a section entitled 'Capital Gains Tax Summary' in their *Annual Tax Statement*. The capital gains or losses shown in Part B have been calculated applying the first-in, first-out (**FIFO**) method of identifying the units disposed of.

Any capital gains or losses you have made on the disposal of your units have been summarised in 'Part B Capital Gains Tax Summary'.

Information for non-resident individuals and non-individual investors

The *ClearView Managed Investments Annual Tax Statement* along with this Guide was prepared for individual investors that are Australian residents only.

If you, as an investor, are a:

- non-resident individual;
- complying superannuation fund; or
- company/small business

This Guide will not address your needs and we recommend that you seek professional tax advice.

Further information

This Guide has been prepared as general information only and does not take into account your individual taxation and financial circumstances.

This Guide is not tax advice.

We recommend that you seek professional advice to complete your tax return so your individual circumstances are taken into account. Alternatively, if you have specific questions, you can call the ATO on **132 865**. The ATO recommends that you have your Individual tax return instructions and the Individual tax return instructions supplement handy when you call.

The enclosed information is only a general summary of some key taxation matters. Whilst care has been taken in preparing this summary, no responsibility is accepted by ClearView Financial Management Limited or other companies in the ClearView Group of companies for any omissions, or errors in this Guide or loss or damage you suffer as a result of relying on any information in this Guide. We recommend you consult your professional adviser for taxation advice in relation to your particular taxation situation.

If you have any questions about your *ClearView Managed Investments Annual Tax Statement*, please call ClearView on **132 977**.

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This is general information only and is not legal or tax advice. This information is based on information received from the ATO and our understanding and interpretation of applicable taxation legislation and rulings (as at 30 June 2023). To the extent that information contained in this document is based upon information obtained from the ATO, ClearView Financial Management Limited (ClearView) accepts no responsibility for any errors or omissions in this document. In respect of other information, all care has been taken to ensure this information is accurate and reliable, to the extent the law permits ClearView will not assume liability to any person for any error or omission however caused, nor any responsibility for any loss or damage suffered by any person who either does or omits to do anything in reliance on it.

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