Grow Wrap

Tax Guide
June 2018

Contents

Provided by ANZ

1. General Information

This Tax Guide provides information on the tax policies and assumptions used, and the information Grow Wrap has relied upon, to prepare the Tax Report – Summary (Summary Report) and the Tax Report – Detailed (Detailed Report) in order to determine how amounts received should be treated for Australian tax purposes.

It will help you in the preparation of your income tax return for the year ended 30 June 2018.

This Guide is not intended to provide taxation advice. Investors must make their own determination as to whether the treatment outlined below is appropriate for their individual circumstances.

Third Party Access

Investors can grant their accountant, self-managed superannuation fund (SMSF) administrator or other financial representative secure access to view and download reports for their Wrap account, normally only visible to their adviser.

Our dedicated tax website contains detailed tax information relating to tax reporting, including:

- tax technical concepts explained in more detail
- details on specific Corporate Actions that arose during the tax year
- useful links to key areas on the Australian Taxation Office (ATO) website.

For further information please see https://wrapinvest.com.au/growwrap/tax-and-eofy

Useful resources

ATO tax return links

Individual – https://www.ato.gov.au/uploadedFiles/Content/IND/Downloads/Tax-return-for-individuals-2018.pdf

Individual (supplementary section) – https://www.ato.gov.au/uploadedFiles/Content/IND/Downloads/Tax-return-for-individuals-(supplement)-2018.pdf

Trust – https://www.ato.gov.au/uploadedFiles/Content/IND/Downloads/Trust-tax-return-2018.pdf

Company – https://www.ato.gov.au/uploadedFiles/Content/IND/Downloads/Company-tax-return-2018.pdf

SMSF – https://www.ato.gov.au/uploadedFiles/Content/IND/Downloads/Self-managed-superannuation-fund-annual-return-2018.pdf

ATO tax return instructions links

Individual – https://www.ato.gov.au/uploadedFiles/Content/IND/downloads/Individual-tax-return-instructions-2018.pdf

Individual (supplementary section) – https://www.ato.gov.au/Individuals/Tax-return/2018/Supplementary-tax-return/

Trust – https://www.ato.gov.au/forms/trust-tax-return-instructions-2018/

Company – https://www.ato.gov.au/Forms/Company-tax-return-instructions-2018/

SMSF – https://www.ato.gov.au/Forms/Self-managed-superannuation-fund-annual-return-instructions-2018/

2. Tax Reports – Policies and General Assumptions

2.1 Summary Report

Your Summary Report provides you with an outline of your taxable position in respect of your account for the current tax year. It provides:

- consolidated tax information required to complete an income tax return
- references to ATO tax return labels for individuals, trusts and SMSFs
- references to your Detailed Report, a transaction by transaction outline of the amounts disclosed in your Summary Report.

2.2 Detailed Report

Your Detailed Report provides you with a detailed breakdown, on a distribution basis, of income that you have derived in your account for the current tax year. It also contains information about any asset disposals and any expenses you have incurred throughout the tax year.

The Detailed Report has the following sections:

- Fixed Interest and Cash Investments (C)
- Managed Investments and Listed Trusts (T)
- Listed and Unlisted Securities (S)
- Other Income (O)
- Disposal of Capital Items (R)
- Excess Assessable Gains (X)
- Denied Franking Credits (DF)
- Fees and Expenses (F).

The Detailed Report will always disclose the Fixed Interest and Cash Investments (C) and Fees and Expenses (F) sections, but will only show those other sections of the Report that are relevant to your account for the current tax year.

Additional information provided at the end of your Tax Report contains the key assumptions explained in this guide.

2.3 Assumptions

Grow Wrap relies on the following general assumptions:

- All income received by investors from assets held within the Service has been treated in accordance with Australian taxation laws that were in force as at 30 June 2018.
- All investors, whether individual or otherwise, are residents of Australia for taxation purposes.
- Grow Wrap reports all information as provided by share registries and product issuers and does not make any comment as to the accuracy or treatment of this information. Further, we have not made any determinations as to whether any trust or fund is a fixed trust. As a result, the flow through of any franking credits has not been prevented.
- Grow Wrap discloses all information on the Tax Reports as if the investor is the beneficial owner of the assets. For joint accounts, the amounts shown in the Tax Reports should be split in accordance with each investor's interest in the assets held in their account. We assume that joint account investors hold equal interests in all assets in their account.
- Grow Wrap has not considered the application of the Taxation of Financial Arrangements (TOFA) regime to your account. This is on the assumption that one of the exclusion criteria has been met and you have not elected for the regime to apply to your account. Where a security is a 'qualifying security' for tax purposes, we only report assessable income represented by a cash amount. Therefore, no accrual calculation will be undertaken in respect of qualifying securities.
- Non-residents for Australian tax purposes will no longer be entitled to the 50% capital gains tax (CGT) concession on capital gains accrued after 8 May 2012. Where you are a non-resident investor for Australian tax purposes, you may need to determine your CGT position, taking this into account. We recommend you seek independent taxation advice to determine the most appropriate treatment for your circumstances.
- The Summary Report provides tax return label disclosures for individuals, trusts and SMSFs. However, additional references to tax return labels made in this document relate only to those for individual taxpayers.
- The Government recently enacted a regime for the taxation of eligible managed investment trusts (MIT), known as the 'attribution managed investment trust' (AMIT) regime. The AMIT regime contains a number of aspects which may impact upon the way your investment in the underlying MIT is taxed.

  In particular, where an underlying MIT has elected into the AMIT regime, the trustee may determine to accumulate and not distribute certain income components. This means you may be assessed on some of these components in the year of income in which they arise even if they are not paid to you.
- Please speak to your tax adviser for further information.
- All assets in an account within the Service are held on capital account.

For all of the above assumptions and any other disclosures made throughout this document, we recommend you seek independent taxation advice to determine the most appropriate treatment for your circumstances.

3. Income

3.1 Fixed Interest and Cash Investments (C)

Interest income reported includes distributions and payments from:

- Cash Account
- any term deposits
- any interest refunds from margin loans
- interest from convertible notes
- cash hub rebates.

3.1.1 Completing an income tax return

	Franking Credit Distributed ($)	Franking Credit Denied ($)	Tax Return Amount ($)	Individual Tax Return Ref. No.	Trust Tax Return Ref. No.	SMSF Tax Return Ref. No.	Tax Report - Detailed Ref.
Income							
Gross Interest							
Interest received - Cash			12,331.90				C3
Interest received - Listed equities			-				
Total Gross Interest			**12,331.90**	**10L**	**11J**	**11C**	

a. The Summary Report outlines assessable interest income derived in the Total Gross Interest section.

b. Add any interest received from bank accounts, convertible notes and other assets held outside the Service.

c. Do not include any interest received from managed investments and listed trusts. This will need to be included as 'Partnership and trust' income on the investor's individual tax return.

d. Include the total of Australian assessable interest income at **Item 10 Label L** on the investor's individual tax return.

e. If an investor has not provided their tax file number (TFN), Australian Business Number (ABN) or an exemption reason, tax is withheld from the distribution during the tax year. Include the total of any no-TFN tax withheld amounts withheld at **Item 10 Label M** of the individual tax return. Do not include any withholding amounts which have subsequently been refunded.

3.1.2 Reconciling to the Detailed Report

INCOME

Fixed Interest & Cash Investments (C)

			Australian Sourced Income		Tax Deducted		Foreign Income	Tax Offsets
Security	**Date paid**	**Net (cash) amount**	**Interest**	**Other**	**TFN WHT**	**Non-resident**	**Foreign income**	**Foreign income tax offset**
References	*C1*	*C2*	*C3*	*C4*	*C5*	*C6*	*C7*	*C8*
Direct cash								
Cash account - 000XXXXXX	31-Jul-17	932.62	932.62					
Cash account - 000XXXXXX	31-Aug-17	857.50	857.50					
Cash account - 000XXXXXX	29-Sep-17	879.46	879.46					
Cash account - 000XXXXXX	31-Oct-17	975.98	975.98					
Cash account - 000XXXXXX	30-Nov-17	481.68	481.68					
Cash account - 000XXXXXX	29-Dec-17	326.39	326.39					
Cash account - 000XXXXXX	31-Jan-18	385.29	385.29					
Cash account - 000XXXXXX	28-Feb-18	400.75	400.75					
Cash account - 000XXXXXX	29-Mar-18	496.05	496.05					
Cash account - 000XXXXXX	30-Apr-18	1,884.74	1,884.74					
Cash account - 000XXXXXX	31-May-18	2,430.54	2,430.54					
Cash account - 000XXXXXX	29-Jun-18	2,280.90	2,280.90					
Term deposit								
NAB TD 03mth (NAB03MTHZ)	25-Sep-17	1,251.56		1,251.56				
Total		**13,583.46**	**12,331.90**	**1,251.56**				

To view interest derived on a transaction by transaction basis, refer to Column C3 of the Fixed Interest and Cash Investments section and Column S5 of the Listed and Unlisted Securities section of the Detailed Report.

3.1.3 Interest received

Any amount paid in respect of the cash account is included as assessable income on the date the interest is paid.

An amount reported in respect of a term deposit (including rolled term deposits) is generally the gross amount of interest derived (including any non-resident or no-TFN tax that has been withheld).

The amount of any tax withheld where a TFN, ABN or exemption reason has not been provided or, where the investor is a non-resident, is also separately disclosed in the Detailed Report.

Where a term deposit has been terminated early, assessable income reported includes interest derived, net of any break costs incurred as a result of terminating the term deposit early.

Interest refunds on margin loans are included as assessable income on the payment date, which is provided by the margin lender. If this does not reconcile with information received from the margin lender, please contact the margin lender directly.

3.2 Managed Investments and Listed Trusts (T)

Income from Managed investment and listed trusts may include distributions of:

- interest
- dividends
- capital gains
- foreign income
- other income
- franking credits (including Trans-Tasman imputation credits)
- exploration credits
- foreign income tax offsets
- non-assessable amounts (such as tax free and tax deferred/return of capital amounts)
- expenses paid
- amounts reinvested through a dividend reinvestment plan (DRP).

3.2.1 Completing an income tax return

	Franking Credit Distributed ($)	Franking Credit Denied ($)	Tax Return Amount ($)	Individual Tax Return Ref. No.	Trust Tax Return Ref. No.	SMSF Tax Return Ref. No.	Tax Report - Detailed Ref.
Trust Distributions							
Trust distributions less distributed net capital gains, foreign & franked income			136.69	**13U**	**8R**		T3;T5;T6;T7
Franked income grossed up			181.84	**13C**	**8F**		T2;T20
Gross Trust Distributions			**318.53**			**11M**	
Share of franking credits from franked dividends	64.39	-	64.39	**13Q**	**8D**		T20
Other Credits							
Australian franking credits from a NZ company			121.00	**20F**	**23D**	**11E**	T30
Exploration Credits			121.00	**T11**	**51G**	**E4**	T21

a. The Summary Report outlines assessable income distributed from managed investments and listed trusts in the Trust Distributions and Gross Trust Distributions sections.

b. Add any income or available franking credits received from managed investments and listed trusts held outside the Service.

c. Report assessable trust distribution income (this includes trust distributions less distributed net capital gains, foreign and franked income) at **Item 13 Label U** as non-primary production income on the individual tax return (supplementary section).

d. Report franked income grossed up at **Item 13 Label C** of the individual tax return (supplementary section). This includes franked distributions along with any attached franking credits.

e. Report any available franking credits received from managed investments and listed trusts held both within and outside the Service at **Item 13 Label Q** of the individual tax return (supplementary section).

f. Report any Australian franking credits from a New Zealand franking company which have been distributed from managed investments and listed trusts held both within and outside the Service at **Item 20 Label F** of the tax return.

g. Include any exploration credits received from managed investments and listed trusts held both within and outside the Service at **Label T11** of the tax return.

h. Include the total of any no-TFN tax withheld amounts withheld at **Item 13 Label R** of the individual tax return (supplementary section).

3.2.2 Reconciling to the Detailed Report

To view the amounts of trust distribution income derived on a transaction by transaction basis, refer to the Managed Investments and Listed Trusts Section of the Detailed Report. The following columns outline:

- Franked dividends (T2)
- Unfranked dividends (T3)
- Conduit foreign income (T4)
- Interest (T5)
- Interest exempt from withholding tax (WHT) (T6)
- Other (T7)
- Non-assessable non-exempt (T11)
- Franking credits (FC) (T20)
- Exploration credits (T21)
- Australian FC from a New Zealand franking company (T30)

INCOME

Managed Investments & Listed Trusts (T)

			Australian Sourced Income									
									Non-Assessable Amounts			
Security	**Date declared/ paid**	**Net (cash) amount**	**Franked dividends**	**Unfranked dividends**	**Conduit foreign income**	**Interest**	**Interest exempt from WHT**	**Other**	**Tax free**	**Tax exempt**	**Tax deferred/ Return of capital**	**Non-assessable non-exempt**
References		*T1*	*T2*	*T3*	*T4*	*T5*	*T6*	*T7*	*T8*	*T9*	*T10*	*T11*
Managed fund												
Ventura W/S Aust Shares Fund (RIM0021AU)	21-Oct-17	397.75	117.45	12.96		1.00	121.00	1.73				121.00
Total		**397.75**	**117.45**	**12.96**		**1.00**	**121.00**	**1.73**				**121.00**

INCOME

Managed Investments & Listed Trusts (T)

	Australian Sourced Income					Expenses	Tax Deducted		Tax Offset	
	Distributed Australian Capital Gains									
Security	**Gross discount amount[a]**	**Discounted amount[b]**	**Concession amount**	**Indexed amount**	**Other amount**	**Expenses paid**	**TFN WHT**	**Non-resident WHT**	**Franking credits (FC)**	**Exploration credits**
References	*T12*	*T13*	*T14*	*T15*	*T16*	*T17*	*T18*	*T19*	*T20*	*T21*
Managed fund										
Ventura W/S Aust Shares Fund (RIM0021AU)	228.10	114.05	113.74		34.90				64.39	121.00
Total	**228.10**	**114.05**	**113.74**		**34.90**				**64.39**	**121.00**

[a]The Gross discount amount at column T10 represents the total of the grossed up (100%) distributed capital gains amount available for the CGT discount, rather than the discounted amount.

[b]The Discounted amounts at column T11 represent the capital gains, where the 50% CGT discount has already been applied by the product issuer. The actual discount amount available will be determined by the type of investor (e.g. individual, superannuation fund or trust). Companies and non-resident investors are not entitled to the CGT discount.

INCOME

Managed Investments & Listed Trusts (T)

	Foreign Income							Tax Offset		AMIT
			Distributed Foreign Capital Gains							
Security	**Foreign income**	**Foreign - CFC**	**Gross discount amount[d]**	**Discounted amount[e]**	**Concession amount**	**Indexed**	**Other**	**Foreign income tax offset**	**Aust FC from NZ**	**AMIT - Adjustment[f]**
References	*T22*	*T23*	*T24*	*T25*	*T26*	*T27*	*T28*	*T29*	*T30*	*T31*
Managed fund										
Ventura W/S Aust Shares Fund (RIM0021AU)								0.18	121.00	121.00
Total								**0.18**	**121.00**	**121.00**

3.2.3 Trust distributions received

Taxable components distributed from managed investments and listed trusts are included as assessable income in respect of the year ended 30 June 2018.

The Net Cash Distribution received has been grossed up to include no-TFN tax withheld amounts withheld (if any) and non-resident withholding tax deducted (if any).

3.2.4 Exploration credits

Under the Exploration Development Incentive (EDI) program, eligible exploration companies can create exploration credits and distribute these credits to shareholders.

Investors who receive exploration credits, either directly from an exploration company or indirectly from a trust, may be entitled to a tax offset for that amount if they were an Australian resident for the whole of the income year.

3.2.5 Distributed capital gains

Any capital gains distributed to you by managed investments and listed trusts are disclosed in your Detailed Report on a distribution by distribution basis. For distributions of discounted capital gains, the capital gain is doubled and reported as a gross discounted capital gain. Your Summary Report undertakes a net CGT calculation, which is limited by the assumptions listed in section 4.

These amounts are to be used by you to determine your net CGT position that is to be disclosed in your income tax return at the capital gains item. These amounts are not to be included in the trust distribution section of your income tax return. This is consistent with ATO guidelines (readily available on the ATO website).

3.2.6 Tax free and tax deferred/return of capital distribution amounts

These components require adjustments to the cost base and/or reduced cost base (as relevant) of the asset. Any such adjustments have been made as at the date of the distribution.

For an AMIT these components are non-assessable amounts and will be included in the AMIT adjustment amount.

3.2.7 CGT concession amount

The CGT concession amount relates to the non-assessable CGT discount component distributed to investors by managed funds and listed trusts. Such amounts are made through the sale of assets held for at least 12 months. Investors are not required to adjust the cost base of their units for such amounts paid on or after 1 July 2001.

Your Detailed Report separately discloses any CGT concession amounts, as reported by the product issuer. However, as this amount is non-assessable, it is not included in the calculation of an investor's net capital gain. As a result, this amount will not be disclosed in the Summary Report.

Any CGT gross up amounts distributed by an AMIT will also be disclosed as CGT concession amount in the Detailed Report.

The CGT gross up amount represents the additional amount treated as capital gains where a discount capital gain has been received and is also included in the AMIT adjustment amount. This amount is non-assessable.

3.2.8 Australian franking credits from a New Zealand company

The Trans-Tasman Imputation system allows New Zealand (NZ) resident companies to attach Australian franking credits to any dividends they may pay. These are disclosed in the Summary Report as 'Australian franking credits from a NZ company'.

Where a NZ resident company pays a distribution that includes both Australian franking credits as well as NZ imputation credits, Australian resident shareholders who receive such a distribution can only utilise the Australian franking credits attaching to the distribution.

3.2.9 AMIT adjustment amount

From 1 July 2015, certain managed investment trusts may elect to be an Attribution Managed Investment Trust (AMIT).

Managed funds that elect into the AMIT regime may attribute tax components to underlying investors. When distributing components to investors, the cash distributed may not equate to the attributed distributions for tax purposes. The components in the Summary Report and Detailed Report have been allocated based on information provided by the fund manager. These components may require adjustments to the cost base and/or reduced cost base (as relevant) of the asset.

The *Detailed Report* provides an AMIT adjustment column. The column allows investors to reconcile cash received from AMITs to the distribution components they were attributed by the fund. Note, it does not form part of the Summary Report, as the AMIT adjustment amount is not required to be disclosed in the investor's tax return. Where there is an AMIT adjustment, cost base and reduced cost base of the investment in the AMIT is required to be adjusted.

3.3 Listed and Unlisted Securities (S)

Income from listed and unlisted securities may include:

- franked dividends
- unfranked dividends
- conduit foreign income
- interest income
- return of capital distributions
- foreign income
- franking credits (including Trans-Tasman imputation credits)
- foreign income tax offsets
- exploration credits
- expenses paid
- amounts reinvested through a DRP.

	Franking Credit Distributed ($)	Franking Credit Denied ($)	Tax Return Amount ($)	Individual Tax Return Ref. No.	Trust Tax Return Ref. No.	SMSF Tax Return Ref. No.	Tax Report - Detailed Ref.[1]
Dividends *(received from equity investments)*							
Unfranked amount (including Conduit Foreign Income)			8,473.76	**11S**	**12K**	**11J**	S4
Franked amount			15,736.96	**11T**	**12L**	**11K**	S2
Franking credit	6,744.40	-	6,744.40	**11U**	**12M**	**11L**	S16

3.3.1 Completing an income tax return – franked dividends and franking credits

Assessable income includes franked dividends plus any franking credits received in respect of direct equities held.

a. Assessable franked dividend income is outlined in the Franked amount and the Franking credit sections of the Summary Report.

b. Report the total amount of assessable franked dividends received from direct equities held both within and outside the Service at Item 11 Label T of the individual tax return.

c. Report the total of any available franking credits received from direct equities held both within and outside the Service at Item 11 Label U of the individual tax return.

d. Include the total of any no-TFN tax withheld at Item 11 Label V of the individual tax return.

3.3.2 Completing an income tax return – unfranked dividends

Assessable unfranked dividend income required to be reported on the income tax return is the amount of any unfranked dividends received in respect of direct equities held both within and outside the Service.

a. Unfranked dividends is outlined in the Unfranked amount (including Conduit Foreign Income) section of the Summary Report.

b. Add any unfranked dividends received from direct equities held outside the Service.

c. Report the total amount of assessable unfranked dividends received from direct equities held both within and outside the Service at Item 11 Label S of the tax return.

d. If an investor has not provided their TFN, tax is withheld from dividend payments during the tax year. Include the total of any no-TFN tax withheld amounts at Item 11 Label V of the individual tax return. Do not include any withholding amounts which have subsequently been refunded.

3.3.3 Reconciling to the Detailed Report

To view the dividends derived on a transaction by transaction basis, refer to columns S2 through to S15 on the Listed and Unlisted Securities Section of the Detailed Report.

INCOME

Listed & Unlisted Securities (S)

			Australian Sourced Income						Tax Deducted	
Security	**Date paid**	**Net (cash) amount**	**Franked dividends**	**Unfranked dividends**	**Conduit foreign income**	**Interest**	**Interest exempt from WHT**	**Other**	**TFN WHT**	**Non-resident WHT**
References		*S1*	*S2*	*S3*	*S4*	*S5*	*S6*	*S7*	*S8*	*S9*
Australian listed security										
Pact Group Holdings Ltd (PGH)	05-Oct-17	12,105.36	7,868.48		4,236.88					
Pact Group Holdings Ltd (PGH)	05-Apr-18	12,105.36	7,868.48		4,236.88					
Total		**24,210.72**	**15,736.96**		**8,473.76**					

To view the franking credits received on a transaction by transaction basis, refer to Column S16.

INCOME

Listed & Unlisted Securities (S)

	Non-Assessable Amounts				Foreign Income		Tax Offset				Expenses
Security	**Tax free**	**Tax exempt**	**Tax deferred/ Return of capital**	**Non-assessable non-exempt**	**Foreign income**	**Foreign - CFC**	**Franking credits (FC)**	**Foreign income tax offset**	**Exploration credits**	**Aust FC from NZ**	**Expenses paid**
References	*S10*	*S11*	*S12*	*S13*	*S14*	*S15*	*S16*	*S17*	*S18*	*S19*	*S20*
Australian listed security											
Pact Group Holdings Ltd (PGH)							3,372.20				
Pact Group Holdings Ltd (PGH)							3,372.20				
Total							**6,744.40**				

[c]Please note that during the 2010/2011 tax year, the FIF provisions were repealed. We expect the FIF section to be blank for the current year. If investors have any questions regarding the impact of this legislative change, we recommend they seek independent taxation advice.

3.3.4 Dividends received

Your Tax Report includes income from listed and unlisted securities as assessable when:

- franked, unfranked and conduit foreign income is paid or credited
- foreign income is paid or credited
- interest income from convertible notes is paid
- on payment date, when shares are acquired via amounts reinvested through a DRP.

The Net (cash) amount received has been grossed up to include no-TFN amounts withheld (if any) and non-resident withholding tax deducted (if any).

3.3.5 Listed Investment Companies (LICs)

Where you are a resident and you receive a dividend from a LIC, to the extent that the dividend is franked, either fully or partially, then the franking credits attached to that franked dividend are also included in your assessable income on a paid or credited basis. You may be entitled to a tax offset equal to the amount of the franking credits attached to the dividend received. Where the dividend received is unfranked, that amount is the only amount which is included in your assessable income. If you are a non-resident and receive a dividend, the withholding tax rules may apply.

Where applicable, the amount of the allowable deduction associated with the attributable part of a LIC distribution will be reported under the expenses paid column of your Detailed Report, and under 'Other' in the expenses section of your Summary Report. Where you are an investor other than an individual or trust, the amount of the expense will vary depending upon your circumstances.

Where an attributable part has been disclosed by the product issuer, you may be able to obtain from Grow Wrap a copy of the relevant dividend statement. Grow Wrap will advise at the time of request whether this information is available.

3.4 Denied Franking Credits (DF)

The amount of franking credits denied has been disclosed in the Summary Report and in the Denied Franking Credits (DF) section of the Detailed Report.

DENIED FRANKING CREDITS (DF)

Listed Securities

Security name		Ex-date	Denied franking credits
	References		
ANZ Convertible Preference Shares CPS3 (ANZPC)		16-Aug-17	3,236.22
ANZ Convertible Preference Shares CPS3 (ANZPC)		19-Sep-17	465.48
Sub Total	*DF2*		**3,701.70**
Grand Total			**3,701.70**

3.4.1 The 45 Day Rule

Franking credits can be denied if certain holding requirements are not met. In this regard, we have applied the 45 day rule, an anti-avoidance tax rule which operates to deny certain franking credits. However, Grow Wrap has not applied the $5,000 de-minimis rule (the small investor exemption).

Grow Wrap has undertaken broad based calculations to arrive at the amount of denied franking credits disclosed, having regard to the assumptions stated below and the limited information regarding your personal circumstances:

- no consideration has been given to positions that may reduce the overall exposure to an underlying security by more than 30% for a particular distribution or share buy-back
- all assets are held at risk
- there are no related payments
- all buys and sells between the dividend declaration date and the ex-dividend date are cum dividend
- for preference shares, the 90 day rule has been applied taking into consideration all buy and sell transactions up to 15 August 2018.

In calculating the amount of denied franking credits, we have not applied the 45 day rule in relation to Australian franking credits which have been distributed from New Zealand franking companies. We recommend that investors who hold an interest in such companies, whether through a direct investment in such companies or indirectly through a trust, consider their specific circumstances when applying the 45 day rule in respect of these investments.

The amount of franking credits denied has been disclosed in your Summary Report and in the Denied Franking Credits (DF) section of your Detailed Report. The amount of denied credits has been separately disclosed for listed and unlisted securities and managed investments and listed trusts. Investors holding a unit in an AMIT may be a deemed qualified person in relation to franking credits flowing through the AMIT to the investor. Therefore, generally, 45 day rule testing may not be required to be performed in relation to the units in the AMIT held by the investor. However, we note that the Commissioner of Taxation does have the power to override this deemed qualification in certain circumstances. We recommend investors consider their own specific circumstances when applying the 45 day rule in respect of their investments in AMITs.

The Summary Report provides investors with an indication of franking credits denied only in respect of investments held within the account. We note that the investor has been provided with a transaction by transaction outline in the Detailed Report to assist them in applying the 45 day rule to their own specific circumstances.

3.4.2 Dividend washing

From 1 July 2013, a specific integrity rule was enacted that denies the benefit of additional franking credits where dividends are received as a result of "dividend washing". Dividend washing occurs where investors seek to claim two sets of franking credits on what is effectively the same parcel of shares.

We have used our best endeavours to undertake calculations to arrive at the amount of denied franking credits disclosed as a result of dividend washing, having regard to the assumptions stated below:

- assets affected are Australian Securities Exchange (ASX) listed ordinary shares
- the company has declared a franked dividend (i.e. a dividend with an entitlement to an attached franking credit)
- shares are sold without an entitlement to the dividend (ex div), on or between ex-date and ex-date + 3 days or + 2 days (where applicable)
- new shares are bought with an entitlement to the dividend (cum div), on or after the sale date up to and including ex-date + 3 days or + 2 days (where applicable)
- where a differing number of shares are bought (than the number of shares sold), the calculation will deny the franking credit entitlement on the lesser of the shares sold and shares bought.

3.5 Other Income (O)

Other income includes any gains or losses made on the disposal of traditional securities (e.g. certain convertible notes) and any product issuer rebates you may be entitled to.

3.5.1 Completing an income tax return

	Franking Credit Distributed ($)	Franking Credit Denied ($)	Tax Return Amount ($)	Individual Tax Return Ref. No.	Trust Tax Return Ref. No.	SMSF Tax Return Ref. No.	Tax Report - Detailed Ref.[1]
Other Income							
Gain from disposal of convertible notes + other income			67.41				O3
Other income - listed securities			-				
Total Other Income			**67.41**	**24V**	**14O**	**11S**	

a. Assessable other income derived during the year is outlined in the Other Income section of the Summary Report.

b. Add any other Australian other income received from assets held outside the Service.

c. Report assessable Australian other income at **Item 24 Label V** as Category 3 income in the individual tax return (supplementary section). The investor may also have Category 1 income from assets held outside the Service that will need to be separately disclosed.

3.5.2 Reconciling to the Detailed Report

To view other Australian income derived on a transaction by transaction basis, refer to the Other income (O) section of the Detailed Report, specifically, Column O3 and S7 of the Detailed Report.

OTHER INCOME (O)

Security	Event	Units	Purchase date	Sale date/ maturity	Purchase cost	Net proceeds	Assessable income/loss
References					*O1*	*O2*	*O3*
Fund Manager Rebate							67.41
Total							**67.41**

3.5.3 Other income received

Product issuer rebates are included as assessable income when amounts are paid.

Any gain or loss on the disposal of traditional securities is reported on the disposal date.

3.5.4 Convertible notes

Interest bearing convertible notes issued prior to 14 May 2002 are generally treated as traditional securities for income tax purposes. Broadly, this means that any profit or loss on the disposal, conversion or redemption of a traditional security is assessable or deductible under special provisions. These amounts appear in the Other Income (O) section of your Detailed Report.

For securities issued on or after 14 May 2002, the treatment of conversions and exchanges differs from that described above. In general terms, no assessable gain or deductible loss will arise upon conversion into ordinary shares. Rather, the taxing point will be deferred until the disposal of the ordinary shares that were acquired on conversion or exchange. The gain or loss on the ultimate disposal of the ordinary shares will be subject to the CGT provisions for the period before as well as after any conversion or exchange.

3.6 Foreign Source Income

Foreign sourced income received may include:

- dividends from dual listed securities (securities listed on the ASX and an international exchange)
- foreign income from managed investments and listed trusts
- foreign income from certain foreign entities, e.g. controlled foreign companies (CFCs)
- foreign income tax offsets (FITO).

	Franking Credit Distributed ($)	Franking Credit Denied ($)	Tax Return Amount ($)	Individual Tax Return Ref. No.	Trust Tax Return Ref. No.	SMSF Tax Return Ref. No.	Tax Report - Detailed Ref.
Foreign Source Income							
Foreign Income			152.10				T22
Foreign income tax offset			2.85	**20O**	**23Z**	**13C1**	T29
Total Assessable Foreign Source Income			**154.95**	**20E & 20M**	**23B & 23V**	**11D1 & 11D**	
Foreign Entities							
Foreign - CFC			-	**19K**	**22M or 22X**	**11D1 & 11D**	

3.6.1 Completing an income tax return – income from foreign assets

Assessable foreign income required to be reported on the income tax return is the cash amount of any foreign income received plus any associated FITOs (amount of foreign tax withheld) to which an investor is entitled.

a. The amount of assessable foreign income derived (including any available FITOs) is outlined in the Foreign Source Income section of the Summary Report

b. Add any other foreign income and associated FITOs received from investments held outside the Service

c. Report the total of gross foreign income at **Item 20 Label E** of the individual tax return (supplementary section)

d. Report the total of remaining foreign income after losses have been deducted at **Item 20 Label M** of the individual tax return (supplementary section)

e. Calculate the amount of the FITOs that may be claimed. Include this amount at **Item 20 Label O** of the individual tax return (supplementary section). Please refer to the ATO publication Guide to foreign income tax offset rules to determine this amount.

3.6.2 Completing an income tax return – income from foreign entities

Attributed income from foreign entities may include amounts from CFCs. It will include amounts distributed from managed investments and listed trusts.

a. The amount of any CFC income derived is outlined in the Foreign Entities section of the Summary Report.

b. Add any other attributed income received from CFC investments held outside the Service.

c. Report attributed CFC income at **Item 19 Label K** of the individual tax return (supplementary section) and print "X" in the YES box at **Item 19 Label I.**

d. Ensure that **Item 19 Label W** in relation to transferring assets is answered appropriately.

3.6.3 Reconciling to the Detailed Report

To view amounts of foreign sourced income derived on a transaction by transaction basis, refer columns T22 in the Managed Investments and Listed Trusts section of the Detailed Report and S14 in the Listed and Unlisted Securities section of the Detailed Report.

For details of assessable attributed CFC income, refer to column T23 in the Managed Investments and Listed Trusts section of the Detailed Report and S15 in the Listed and Unlisted Securities section of the Detailed Report.

For details of FITO amounts, refer to column T29 in the Managed Investments and Listed Trusts section of the Detailed Report and S17 in the Listed and Unlisted Securities section of the Detailed Report.

INCOME

Managed Funds (T)

	Foreign Income							Tax Offset		AMIT
			Distributed Foreign Capital Gains							
Security	**Foreign income**	**Foreign - CFC**	**Gross discount amount**[(d)]	**Discounted amount**[(e)]	**Concession amount**	**Indexed**	**Other**	**Foreign income tax offset**	**Aust FC from NZ**	**AMIT - Adjustment**[(f)]
References	*T22*	*T23*	*T24*	*T25*	*T26*	*T27*	*T28*	*T29*	*T30*	*T31*
Managed fund										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
BlackRock Tactical Growth Fund (PWA0822AU)	152.10				0.29			2.85		135.02
Perpetual Wsale Balanced Growth Fund (PER0063AU)										
van Eyk Blueprint Balanced Fund (MAQ0290AU)										
Total	**152.10**				**0.29**			**2.85**		**135.02**

3.6.4 Foreign income received

Foreign dividends are considered assessable income when paid. Foreign sourced income derived from managed investments and listed trusts which are not AMIT trusts is assessable on an accruals (present entitlement) basis. The taxable income of an AMIT will flow through to investors based on the amount and character of taxable income which is attributed by the trustee to the investor.

The amount required to be disclosed in the tax return as assessable income is the foreign income, plus any FITOs.

Assessable CFC income is also disclosed in this section. Typically, this amount is a non-cash amount an investor accrued from offshore companies.

4. Capital Gains Tax

4.1 Disposal of Capital Items (R) and Excess Assessable Capital Gains (X)

The Net Capital Gain or Loss amount shown on the Summary Report should be reported at the tax return labels indicated below. Any capital gains or losses derived or incurred outside an investor's portfolio will need to be added to the amount disclosed on the Summary Report prior to being including in the tax return.

	TARP ($)	Non-TARP ($)	Taxable amount ($)	Individual Tax Return Ref. No.	Trust Tax Return Ref. No.	SMSF Tax Return Ref. No.	Tax Report - Detailed Ref.[1]
Capital Gains/Losses							
Capital gains from trust distributions							
Discounted (Grossed up amount)	-	287.31	**287.31**				T12;X2
Indexed	-	-	-				
Other	-	-	-				
Total			**287.31**				
Capital gains from the disposal of assets[2]							
Discounted (Grossed up amount)	-	-	-				
Other	-	-	-				
Losses	-	(209.89)	**(209.89)**				R9
Total Current Year Capital Gains							
Discounted (Grossed up amount)	-	287.31	**287.31**				
Indexed	-	-	-				
Other	-	-	-				
Total			**287.31**				
Net Capital Gains							
Gross capital gains before losses applied			287.31				
Current year capital losses - sale of assets			(209.89)				
Gross Capital Gains After Losses Applied			**77.42**				
CGT Discount Applied to Gross Capital Gains				**50%** **18A**	**50%** **21A**	**33.33%** **11A**	
Net Capital Gains After Discount Applied				**38.71**	**38.71**	**51.61**	
or			**or**				
Net Capital Losses Carried Forward To Later Income Years			**-**	**18V**			

4.1.1 Completing an income tax return – total gross capital gains and net capital gains

a. Add together all gross discounted capital gains, indexed capital gains, other capital gains from distributions and excess assessable gains. This is outlined in the Total Current Year Capital Gains section of the Summary Report.

b. Add to the above calculation any capital gains derived from the disposal of assets or distributed capital gains, from any assets held outside the Service.

c. Report total capital gains at **Item 18 Label H** of the individual tax return (supplementary section).

d. To calculate the net capital gain, apply any capital losses against gross capital gains, then apply any available discount.

e. Report net capital gains at **Item 18 Label A** of the individual tax return (supplementary section).

f. Report any net capital losses at **Item 18 Label V** of the tax return.

4.1.2 Reconciling to the Detailed Report

Distributed capital gains through managed investments or listed trusts

a. Gross discounted capital gains are the sum of T12 and T24 'Gross discount amount' of the Detailed Report. This amount is the gross capital gain prior to any losses or discount percentages being applied.

b. Indexed capital gains is the sum of columns T15 and T27 'Indexed amount' of the Detailed Report.

c. Other capital gains are capital gains arising from the sale of assets held for less than 12 months and are the sum of columns T16 and T28 'Other' of the Detailed Report.

INCOME

Managed Funds (T)

Security	Gross discount amount[(a)]	Discounted amount[(b)]	Concession amount	Indexed amount	Other amount	Expenses paid	TFN WHT	Non-resident WHT	Franking credits (FC)	Exploration credits
	Australian Sourced Income					**Expenses**	**Tax Deducted**		**Tax Offset**	
	Distributed Australian Capital Gains									
References	*T12*	*T13*	*T14*	*T15*	*T16*	*T17*	*T18*	*T19*	*T20*	*T21*
Managed fund										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
BlackRock Tactical Growth Fund (PWA0822AU)	264.86	132.43							23.00	
Perpetual Wsale Balanced Growth Fund (PER0063AU)										
van Eyk Blueprint Balanced Fund (MAQ0290AU)										
Total	**264.86**	**132.43**							**23.00**	

INCOME

Managed Funds (T)

Security	Foreign income	Foreign - CFC	Gross discount amount[(d)]	Discounted amount[(e)]	Concession amount	Indexed	Other	Foreign income tax offset	Aust FC from NZ	AMIT - Adjustment[(f)]
	Foreign Income							**Tax Offset**		**AMIT**
			Distributed Foreign Capital Gains							
References	*T22*	*T23*	*T24*	*T25*	*T26*	*T27*	*T28*	*T29*	*T30*	*T31*
Managed fund										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
APN Property for Income Fund No 2 (APN0004AU)										
BlackRock Tactical Growth Fund (PWA0822AU)	152.10				0.29			2.85		135.02
Perpetual Wsale Balanced Growth Fund (PER0063AU)										
van Eyk Blueprint Balanced Fund (MAQ0290AU)										
Total	**152.10**				**0.29**			**2.85**		**135.02**

Realised capital gains on disposal of assets

a. The Detailed Report calculates discount capital gains, other capital gains and capital losses. It does not calculate capital gains using the indexation method.

b. The Detailed Report outlines:

- 'Gross discount amount' at R5
- 'Discounted 50%' at R6
- 'Discounted 33⅓%' at R7
- 'Other' at R8
- 'Capital losses' at R9.

Excess assessable gains

a. Excess assessable capital gains arise when distributions comprising non-assessable components such as tax deferred and would otherwise apply to reduce the cost base of an asset below zero.

b. The Detailed Report calculates discount capital gains and other capital gains. It does not calculate capital gains using the indexation method or capital losses.

c. The Detailed Report outlines:

- 'Excess Assessable Gain Amount' at X1
- 'Gross discount amount' at X2
- 'Discounted 50%' at X3
- 'Discounted 33⅓%' at X4
- 'Other' at X5.

DISPOSAL OF CAPITAL ITEMS - COST BASE/PROCEEDS INFORMATION (R)

Security	Units	Purchase date	Sale date	Adjusted cost base	Indexed adjusted cost	Net sale proceeds	Proceeds less cost	Gross discount amount	Discounted 50%[a]	Discounted 33 1/3%[b]	Other	Capital losses
References				*R1*	*R2*	*R3*	*R4*	*R5*	*R6*	*R7*	*R8*	*R9*
APN Property for Income Fund No 2 (APN0004AU)	314	31-Oct-06	14-Nov-17	576.89	0.00	367.00	(209.89)	0.00	0.00	0.00	0.00	(209.89)
Total						**367.00**	**(209.89)**	**0.00**	**0.00**	**0.00**	**0.00**	**(209.89)**

Where assets have been transferred into the Service, we have relied upon information regarding the CGT cost base and acquisition date provided at the time of transfer, to calculate any capital gains or capital losses.

[a]This amount represents the taxable capital gains after the 50% CGT discount has been applied.

[b]This amount represents the taxable capital gains after the 33 1/3% CGT discount has been applied. The amount included is 66 2/3% of the gross amount.

EXCESS ASSESSABLE GAINS (X)

Security	Underlying Asset (applicable to Stapled Securities)	Units	Purchase date	Date declared/ paid	Excess Assessable Gain Amount[1]	Gross discount amount	Discounted 50%[a]	Discounted 33 1/3%[b]	Other
References					*X1*	*X2*	*X3*	*X4*	*X5*
van Eyk Blueprint Balanced Fund (MAQ0290AU)		1,026.00	17-Aug-09	02-Aug-17	22.45	22.45	11.23	14.97	
Total					**22.45**	**22.45**	**11.23**	**14.97**	

[TR]Where assets have been transferred into the Service, we have relied upon information regarding the CGT cost base and acquisition date provided at the time of transfer, to calculate any capital gains.

[1]To the extent that the non-assessable payment amount exceeds the cost base attributed to the asset (or the underlying asset in the case of certain stapled securities), we have treated the excess as a capital gain.

[a]This amount represents the taxable capital gains after the 50% CGT discount has been applied.

[b]This amount represents the taxable capital gain after the 33 1/3% CGT discount has been applied. The amount included is 66 2/3% of the gross amount.

As the total non-assessable distributions have exceeded the cost base of the asset, future non-assessable distributions attributed to this underlying asset may trigger a capital gain.

4.1.3 Calculating capital gains (or capital losses)

In calculating capital gains (or capital losses) for your account, Grow Wrap has made the following assumptions:

- you are an Australian resident for tax purposes
- all investments held in your account have been acquired as capital assets
- only investments held within your account have been included in your Tax Report
- any shares or units acquired as part of a DRP have been allocated a cost base of the entire distribution amount, rather than the market value of the shares or units acquired.

The Tax Report does not take into account:

- assets that have been included in the Portfolio Valuation Report as 'below the line' assets, such as retail managed investments
- any prior year losses or other carried forward balances.

Grow Wrap has provided advisers, on your behalf, with the ability to make certain elections that will impact the manner in which your realised capital gains or capital losses are calculated. The three elections open to an adviser are:

Specific Parcel Selection – allows an adviser to select specific parcels to allocate against securities that have been disposed of during the current tax year. Advisers do not have the ability to select parcels in relation to certain security types, such as instalment warrants, or under certain circumstances, for example, some corporate actions.

Minimum Gain/Maximum Loss – the open parcel that will generate the lowest capital gain or maximum capital loss is deemed to be the parcel sold in the current financial year.

First In First Out (FIFO) – calculates capital gains and capital losses such that the first parcel purchased is deemed to be the first parcel sold in the current financial year.

Where no election has been made by your adviser, Grow Wrap uses the FIFO method to calculate realised capital gains or capital losses.

Grow Wrap relies on the information provided by advisers and investors regarding cost base and acquisition details in relation to assets transferred into the Service. Grow Wrap makes no determination as to the accuracy of the information provided.

4.1.4 Types of capital gains

There are three types of capital gains that you may derive. These are:

1. Discounted capital gains
   - These occur when you have held, or are deemed to have held, an asset for at least 12 months.
   - In this case, you are able to apply a discount that reduces the taxable amount of the capital gain. For resident individuals and trusts, the discount is 50%. Non-residents are only able to apply the discount for capital gains accrued prior to 8 May 2012. For complying SMSFs, the discount is 33⅓%. Companies are not entitled to any discount.
2. Indexed capital gains
   - These occur when you acquired an asset prior to 21 September 1999, and held it for at least 12 months.
   - The "indexation method" allows the cost base of the asset to be increased by an indexation factor that is based on the consumer price index (CPI) movements up to September 1999.
   - Where this method is chosen, the discount method cannot apply. However, you may choose the method that gives you the lowest capital gain.
3. Other capital gains
   - These occur when an asset has been held for less than 12 months, and are calculated by simply taking the proceeds from the sale and deducting the cost base of the asset.

Note that you may only realise a capital gain or capital loss in respect of an asset that was purchased on or after 20 September 1985.

For any assets with an acquisition date prior to 20 September 1985, they will generally be treated as a pre-CGT asset. Any capital gain or capital loss will be disregarded and no gains or losses will be reported in respect of these assets.

4.2 Taxable Australian Real Property (TARP) vs Non-Taxable Australian Real Property (Non-TARP) Gains

TARP capital gains arise where:

- an investor has a direct interest, or a more than 10% indirect interest, in a TARP asset
- for indirect interests (e.g. shares in a company or units in a trust), the total underlying assets of the company or trust related to real property (by way of market value), are more than the total value of the underlying assets not related to real property.

Australian residents are assessed on both TARP and non-TARP capital gains they derive during an income year. Non-residents are only assessed and subject to final withholding tax on TARP capital gains they derive during an income year (where the distribution is made through a managed investment trust). In addition, intermediaries (i.e. those entities which are residents for Australian tax purposes but have non-resident investors) may need to use TARP and non-TARP breakdowns to determine their own withholding tax obligations.

Grow Wrap has assumed that you do not hold a greater than 10% interest in that asset and has disclosed the resulting capital gain as a non-TARP capital gain.

Where you have received a distribution of a capital gain, Grow Wrap has relied upon the product issuer statement for the TARP and non-TARP classification of the capital gains. The amount disclosed on your Summary Report reflects the disclosure provided by the product issuer. Your Detailed Report does not separately identify TARP and non-TARP capital gains. Instead, the amounts reported are the combined total of TARP and non-TARP gains distributed, under the Distributed Australian Capital Gains section of the Detailed Report.

4.3 Excess Assessable Gains

These arise where the following has taken place:

- an entity has made payment of non-assessable components such as tax deferred and return of capital amounts
- these non-assessable amounts have reduced the cost base of the asset
- the cost base of the asset has been reduced to zero.

Where this has occurred, any further distributions of these non-assessable amounts will give rise to an immediate capital gain at the time the non-assessable amount is paid or declared, depending on the nature of the payment. Where the asset is a unit in a managed fund or listed trust the CGT event is E4, and if the unit is in an AMIT, the CGT event is E10. Alternatively, where the asset is a share, this type of capital gain is known as a G1 capital gain. Note that you cannot make a capital loss as a result of a G1, E4 or E10 event.

Normal discounting rules or indexation may apply to reduce the amount of capital gain. Where the relevant conditions have been met, Grow Wrap has applied the discount to reduce the amount of the capital gain. An E4 and E10 capital gain will be recognised on an accruals basis. A G1 capital gain will be recognised on the date the non-assessable distribution is paid.

5. Fees

5.1 Fees and Expenses (F)

Included in expenses on your Tax Report are:

- Government charges
- Administration fees
- Adviser fees
- Interest paid on margin loans.

5.1.1 Completing an income tax return

	Franking Credit Distributed ($)	Franking Credit Denied ($)	Tax Return Amount ($)	Individual Tax Return Ref. No.	Trust Tax Return Ref. No.	SMSF Tax Return Ref. No.	Tax Report - Detailed Ref.[1]
Expenses							
Government Charges			-				F1
Adviser Fees			-				F2
- Adviser Establishment Fees			-				F3
- Adviser Service Fees			80,899.48				F4
- Adviser Transaction Fees			-				F5
Administration Fees			25,544.35				F6
Interest Paid (Margin Loan)			-				F7
Other			-				
Total Deductions			**106,443.83**	**D7I,D8H or 13Y**	**16P**	**12I1**	
Tax Deducted							
TFN amounts			-				
Non resident amounts withheld			-				

The Total Deduction amount shown on the Summary Report should be reported on an income tax return at the labels indicated. Any amounts incurred outside an investor's portfolio will need to be added to the amount disclosed on the Summary Report prior to it being reported on any tax return.

5.1.2 Reconciling to the Detailed Report

FEES AND EXPENSES (F)

In respect of	*References*	Total payments	Deductible	Non-deductible	Unallocated
Government Charges	*F1*				
Adviser Fees	*F2*				
- Adviser Establishment Fees	*F3*				
- Adviser Service Fees	*F4*	80,899.48	80,899.48		
- Adviser Transaction Fees	*F5*				
Administration Fees	*F6*	25,544.35	25,544.35		
Interest Paid (Margin Loan)	*F7*				
Other Fees & Expenses	*F8*				
Total		**106,443.83**	**106,443.83**	**0.00**	**0.00**

To view expenses incurred in an account during the current income tax year, refer to the Fees and Expenses Section of the Detailed Report references F1 through to F8. The amounts will be separated between deductible, unallocated and non-deductible, based on the above criteria.

5.1.3 Fees and expenses incurred

Unless expressly stated otherwise, the fees and costs disclosed in this document that you may be charged are shown inclusive of any applicable Goods and Services Tax (GST) less any entitlement to a reduced input tax credit available to Grow Wrap.

Where fees have been reported in the Unallocated column of the Detailed Report, Grow Wrap will not separately report these fees in the Summary Report, as no determination has been made in relation to their deductibility or otherwise. These fees will be disclosed via a footnote in the Summary Report.

5.1.4 Government charges and administration fees

Government charges (including stamp duty) and administration fees have been classified as fully deductible.

Please note, any stamp duty incurred is unlikely to be immediately deductible and will need to be taken into account when determining an investor's cost base/CGT position.

5.1.5 Adviser fees

The income tax treatment of these fees is determined by the nature of the services provided by the adviser directly to you. Adviser service fees have been treated as deductible.

Please note that any brokerage costs have been added to the cost base of your assets, where applicable.

Establishment fees and withdrawal fees have been treated as non-deductible.

5.1.6 Interest on margin loans

Interest reported on your Tax Report in respect of margin loans has been provided by the margin lender and may include prepaid interest (where applicable). Grow Wrap has assumed that the amount of interest on your margin loan is fully deductible.

This may not be the case, depending on your individual circumstances and Grow Wrap strongly recommends that you seek independent taxation advice as to the deductibility and the timing of deductibility of interest on the margin loan.

If you have changed your margin lender throughout the year, interest shown on your Tax Report will only apply to the lender attached to your account as at 30 June 2018.

Please note that the amount of interest reported is the amount provided to Grow Wrap by your margin lender. Should this, together with any refunded interest amounts as disclosed in the Fixed Interest and Cash Investments (C) section of your Detailed Report, not reconcile to the information you have received from your margin lender, we recommend you contact your margin lender directly.

Where your margin loan is jointly held across two or more Wrap accounts, please note that Grow Wrap equally splits the margin loan interest across those accounts. Grow Wrap has not considered whether or not this split is correct and investors may need to make the appropriate amendments where required.

6. Treatment of Specific Securities

6.1 Tax Treatment of Certain Securities

6.1.1 Instalment warrants

Your Detailed Report discloses all income derived from the underlying asset associated with an instalment warrant in the respective Managed Investments and Listed Trusts (T) section or the Listed and Unlisted Securities (S) section. Capital gains or capital losses on the disposal of an instalment warrant are also reported in the Disposal of Capital Items (R) section.

Your Summary Report discloses such income in the Dividends and/or Trust Distribution sections as relevant, while any capital gains or capital losses on disposal are shown as Capital gains from the disposal of assets section.

Your Tax Report does not report:

- the borrowing costs (deductible or non-deductible) associated with an instalment warrant
- any deductible interest or refunded interest amounts on instalment warrants
- any carry forward balances relating to your instalment warrant holding from prior income years.

An Issuer Instalment Warrant Tax Report – Summary and Issuer Instalment Warrant Tax Report – Detailed will disclose information on your instalment warrant holdings as provided by your instalment warrant issuer.

These reports provide you with a summary of:

- prepaid interest amounts
- interest refund amounts
- borrowing fee amounts.

The amounts reported are separated into amounts for individuals and SMSFs.

The Issuer Instalment Warrant Tax Report – Detailed provides detailed information for each instalment warrant held in your account.

The expense recognition rules associated with instalment warrants may differ between warrant issuers and may depend upon the type of taxpayer you are. You and your accountant should read the footnotes to the reports and undertake independent calculations to determine which amounts (if any) of the expenses reported are deductible in the 2018 tax year.

6.1.2 Stapled securities

Stapled securities are created when two or more different securities are contractually bound together so that they cannot be sold separately, but are instead treated as a single security on the ASX. Many different types of securities can be stapled together, for example, shares, units or listed property trusts. More commonly, a stapled security will consist of a share in a company and an interest in a trust.

Income from stapled securities may include dividends, interest and trust distributions in their returns to investors. For most stapled securities held in the Service we have reported the income on a consolidated basis under the Managed Investments and Listed Trusts (T) section. The timing of this income has been reported according to the rules for each individual entity as outlined above. For certain other stapled securities we have split this income and reported separately under each individual entity.

Where investors have disposed of a stapled security throughout the year, we have reported a consolidated position in respect of the disposal for most stapled securities. For certain other stapled securities, we have reported a separate capital gain and/or capital loss in respect of the underlying assets.

Please note, we have only reported E4, E10, or G1 events (see section 4.3) on underlying assets for some stapled securities.

6.1.3 Controlled Foreign Companies (CFCs)

Your Tax Report separately reports any unrealised income that may accrue CFC income as reported by the product issuer.

6.1.4 Conduit foreign income

Any conduit foreign income that you have received from assets held in your account has been disclosed as Australian unfranked dividend income in your Summary Report. It is separately disclosed in your Detailed Report.

6.1.5 Non-approved assets

Due to circumstances outside of Grow Wrap's control, certain events (such as corporate actions) may result in the acquisition of assets that we cannot reflect in our reports. This includes certain international or unlisted shares. In some instances, we may not receive tax information in a timely manner, or at all. We will use our best endeavours to report tax events as they apply to your account. Where you and/or your adviser have been made aware, you should generally seek to monitor any events relating to these assets that may impact your account.

6.1.6 Pooled development funds (PDFs)

Capital gains derived upon the disposal of an interest in a PDF are exempt from tax if the company is a PDF at the time of sale. Also, unfranked dividends paid by a PDF are treated as tax exempt income.

For franked dividends of a PDF, investors have the option of treating this amount as tax exempt or treating the dividends as assessable and claiming the franking credits attached to the franked dividends.

Grow Wrap has elected to treat any franked dividends from PDFs as assessable and has reported any income and credits distributed to you on your Tax Report. Any expenses incurred by you in relation to these dividends may be deductible.

6.2 Corporate Action Events

Below outlines Grow Wrap's tax treatment for investors who have participated in corporate actions during the tax year.

For further information on certain corporate actions that took place during the year, please see the Fast facts section of our tax website by following the path:

Support – Resources – Fast Facts – 2018 Corporate Actions

6.2.1 Return of capital distributions

Return of capital distributions require adjustments to the cost base and reduced cost base of the listed or unlisted security. Any such adjustments have been made as at the return of capital date (as advised by the product issuer).

See section 4.3 for more information on excess assessable gains.

6.2.2 Issue of bonus shares or bonus options

When a bonus share issue is made and it is not assessable, the bonus shares are taken to have been acquired when the original shares were acquired. The cost base of the original shares has been apportioned between the original shares and the bonus shares issued on or after 20 September 1985. Where bonus options are issued, the cost base will generally be nil.

6.2.3 Rights offers

For non-renounceable rights, the acquisition date of the assets will generally be the allotment date as specified by the product issuer. For renounceable rights, the acquisition date will generally be the exercise date.

The cost base of any assets acquired under the exercise of renounceable and non-renounceable rights will typically be the amount that the investor is required to pay for the asset, plus any incidental costs.

A capital gain or capital loss may arise when the assets acquired as a result of an exercise are disposed of.

Where an investor does not exercise their rights and a retail premium is paid, we will process this as an unfranked dividend, unless advised otherwise by the product issuer.

6.2.4 Share buy-backs

The current treatment of a share buy-back depends on whether it is an on-market or an off-market share buy-back. All buy-backs processed in the Service for the year ended 30 June 2018 were off-market share buy-backs.

Generally, the difference between the purchase price and the amount debited to the company's share capital account is treated as a dividend which may or may not be franked (depending on the company's circumstances).

The deemed capital proceeds for the disposal of the shares bought back includes:

- the amount debited to the share capital account
- the value by which the market value of the share being bought back exceeds the buy-back price.

Grow Wrap processes an investor's participation in a share buy-back in accordance with the offer document associated with the share buy-back and any corresponding class ruling released by the ATO.

6.2.5 Rollover relief for capital gains (and capital losses)

Grow Wrap has adopted a consistent methodology for the treatment of capital gains (and in certain circumstances, capital losses) realised on securities eligible for scrip for scrip rollover relief, demerger rollover relief, exchange of units in a unit trust for shares in a company rollover relief or exchange of shares in a company for shares in another company rollover relief. Where eligible for rollover relief, Grow Wrap has elected to apply the relief to defer CGT consequences for investors in the securities affected.

Where ineligible to elect rollover relief, Grow Wrap has realised those shares and/or units and subsequently re-acquired the same value of shares and/or units in the newly merged, acquired or demerged entity.

6.2.6 Scrip for scrip rollover relief

For scrip for scrip roll-over relief to be applied where interests in one entity, e.g. a share or a unit, are exchanged for replacement interests in another entity, e.g. another share or a unit, the replacement asset must be of the same type as the original asset.

For scrip roll-over relief to be applied, the interests held by an investor must be post-CGT assets and a capital gain would otherwise have been recognised if the assets had been sold. Scrip for scrip roll-over will not apply to investors in a capital loss position for those relevant assets.

In cases where scrip for scrip roll-over relief has been applied, any applicable ATO class ruling has been reviewed to ensure that Grow Wrap has processed the roll-over relief in accordance with current taxation laws.

Where scrip for scrip roll-over relief has been applied, investors will see on the Grow Wrap reports available that they hold interests in the new entity from the date that the merger or takeover occurred and the cost base and acquisition date of these interests will be the same as the interests held in the original entity.

Note that in some instances only partial roll-over will be applied. For example, investors may receive cash as well as shares (or units) in the corporate action. In such circumstances, investors will have realised capital gains or capital losses representing the cash received as a result of the corporate action. The proceeds representing the shares (or units) received will be granted partial scrip for scrip roll-over relief where the relevant conditions have been met. In these cases, the cost base of the asset has been separated into components attributable to the cash and share proceeds.

6.2.7 Demerger rollover relief

Demerger roll-over relief is available where a company or trust group restructures and splits into more than one entity. In order for roll-over relief to apply, the restructure must occur on or after 1 July 2002. Unlike scrip for scrip roll-over relief, the pre-CGT status of assets is maintained.

In cases where demerger roll-over has been applied, any applicable ATO class ruling has been reviewed to ensure that Grow Wrap has processed the roll-over in accordance with current taxation laws.

Where demerger roll-over has been applied, the investors' cost base remains unchanged (although it will be apportioned between two or more entities) and the acquisition date of their original interests will be maintained in the demerged entities that they now hold.

For all demergers that occurred during the 2018 income tax year, any demerger dividend is deemed to be non-assessable non-exempt income to the investor. Investors may or may not receive cash in respect of this amount. Please note, this amount will not be disclosed in the Tax Reports.

6.2.8 Class action proceeds

Where a Class Action is instigated, eligible shareholders may receive an additional capital amount upon successful completion of the class action. Grow Wrap reports these amounts as additional capital gains in the year they are received unless specific instructions are provided from the product issuer in relation to the tax components.

6.2.9 Worthless shares

When a company is placed in liquidation or administration, a relevant worthless shares or worthless financial instruments loss declaration may be issued by the company administrator or liquidator. Where this has occurred, investors may elect to claim a capital loss in respect of the shares or certain financial instruments, in the income year the declaration is made.

Grow Wrap will use its best endeavours to report on any loss declarations as they apply to an investor's portfolio, to provide investors the ability to elect whether to crystallise a capital loss in the year the declaration was made (where eligible). However, due to circumstances outside of our control, relevant information may not be received in a timely manner, or at all.

Please note that a capital loss will not be available as a result of a loss declaration for certain financial instruments held on revenue account (e.g. traditional securities) or interests in a trust. A capital loss for these securities may be realised when the issuing entity deregisters.

Where an investor or their adviser has been made aware that a company in which they have invested is in liquidation or administration, they should generally seek to monitor any events relating to these assets that may have a tax impact.

7. No Tax File Number (TFN), Australian Business Number (ABN) or Exemption provided

If you have chosen not to provide your TFN, ABN or have not notified Grow Wrap of an exemption by the record date of the distribution or dividend, tax may be withheld by share registries for investments in ASX listed securities, and by Grow Wrap from assessable income received in respect of managed investments, at the highest marginal tax rate plus the Medicare Levy. If an amount has been withheld, it is disclosed in your Tax Report. This amount may be claimed as a credit in your income tax return.

8. Non-resident investors

8.1 Non-Resident Withholding Tax

If you are a non-resident, tax may be withheld on certain income received from listed equities and unlisted managed funds.

For listed equities, the share registry will deduct any non-resident withholding tax and remit these amounts to the ATO.

For unlisted managed funds, Grow Wrap deducts a flat 15% withholding tax against the gross cash distribution received throughout the year and remits this to the ATO.

After year end, a reconciliation is performed against certain assets, e.g. managed funds held in non-resident's accounts. Grow Wrap does this once all income components of these assets held in your account are known, based on information provided by product issuers and investors. The reconciliation is performed for all open accounts (at the time of issuing the tax report) comparing the amount that was withheld and the amount that should have been withheld.

In performing the reconciliation, Grow Wrap will take into account the correct rates of withholding tax according to the relevant Double Tax Agreement (DTA) for interest and unfranked distributions. The withholding tax rate will be 15% for distributed TARP capital gains and Australian other income where you live in a country that Australia has an effective Exchange of Information Agreement (EOI) with. The withholding tax rate will be 30% where you live in a country where no such agreement has been negotiated. We will also take into account any withholding tax we are required to remit to the ATO in relation to deemed payments made from AMITs.

Where too much tax has been withheld throughout the year, a credit is made to your cash hub. Conversely, where not enough tax has been withheld, a debit equal to the amount of the tax shortfall is made from your cash hub.

The 'Non-resident WHT' column under the Managed Investments and Listed Trusts (T) section of the Tax Report discloses the amounts withheld throughout the year.

8.2 Assumptions and Principles

In addition to the assumptions outlined in section 2.3, we rely on the following assumptions and principles in performing the reconciliation of non-resident withholding tax:

- distribution statements provided by product issuers report the correct classification of income (e.g. TARP and non-TARP distributed capital gains) and the correct source of income
- non-resident investors have a portfolio interest (less than 10%) in any unlisted managed funds
- the reconciliation has been performed only in respect of assets held in an investor's account
- a reconciliation has only been performed where non-resident investors have their account open at the time of the adjustment. Where the account has been closed prior to the making of the adjustment, we are unable to perform a reconciliation as there is no account into which we can make an adjusting entry
- the reconciliation only details those components where tax is required to be withheld
- the reconciliation has not taken into account distributions of non-TARP capital gains as this distribution component is not subject to withholding tax
- no consideration has been given to the potential impact of the tax regime of the various countries in which the non-resident investors reside.

8.3 Changes in Residency

A residency change may include any of the following examples:

- a resident becoming a non-resident
- a non-resident moving from one overseas country to another overseas country
- a non-resident moving back to Australia and becoming a resident.

Where a non-resident has changed residency, we will continue to withhold tax in accordance with their original country of residence until we have received all completed and correct paperwork. Once this paperwork has been received, we will update our systems to apply the correct WHT rates (as per the relevant DTA or EOI rates, as applicable) for unlisted managed funds.

In relation to listed securities, we will notify the relevant share registry of any residency change when all completed and correct paperwork is received. The registry will then update their systems accordingly.

8.4 Foreign Withholding Tax Deducted at Source-Dual Listed Securities

The following applies in respect of shares and trust units that are listed on multiple exchanges, including the ASX. Any withholding tax adjustments are therefore made by the relevant share registry. Please note, due to the complex nature of the tax systems in foreign jurisdictions, investors should seek their own independent tax advice in relation to the most appropriate forms to complete and the disclosures made in those forms.

8.4.1 United States of America (US)

For listed securities which derive income in the US, the Internal Revenue Service (IRS) requires certain documentation from the ultimate beneficial owner to ensure that the appropriate level of tax is withheld in the US. For individuals who are non-US citizens or non-US residents for US tax purposes, this includes a W-8BEN form. For certain non-US resident entities, this includes a W-8BEN-E form.

Grow Wrap is not allowed to complete the required documentation on behalf of investors. Where the requisite forms are completed by clients, withholding tax of 15% may apply for Australian resident investors who derive income in the US (in accordance with the Australia/US DTA). Alternatively, where the forms are not completed or correct in full or in part, DTA benefits will not apply, resulting in a higher rate of withholding tax for Australian resident investors.

Where tax has been withheld from income derived in the US, it will be referenced on your Tax Report next to the security name as "W-8BEN Tax".

8.4.2 Foreign Account Tax Compliance Act (FATCA)

This legislation is administered by the US Government which has global implications. Under this legislation, which has been enacted into Australian domestic law, Grow Wrap may be required to request additional information from an investor to determine their residency status. Information of US tax residents or US persons and those of undeterminable tax residency may be passed on to the ATO.

8.4.3 FATCA and CRS

Under the Common Reporting Standard (CRS) and Foreign Account Tax Compliance Act (FATCA), we are required to collect certain information from you to identify if you are a tax resident of a country other than Australia. If you are a foreign tax resident, we may provide this information to the ATO, who may pass this information on to tax authorities in other countries.

8.4.4 Canada

Canada requires additional documentation to be completed where DTA rates are applied to non-Canadian residents on certain Canadian income they may receive in the current year.

Where the requisite forms have been completed and provided to Grow Wrap, the applicable DTA rate may be applied for such income of an investor.

Where the requisite forms have not been completed in full or in part and provided to Grow Wrap, 25% tax may have been withheld.

8.4.5 Ireland

Ireland also requires additional documentation to be completed where DTA rates are applied to non-Irish residents on certain Irish income they may receive in the current year.

Where the requisite forms have been completed and provided to Grow Wrap, the applicable DTA rate may be applied for such income of an investor.

Where the requisite forms have not been completed in fullor in part and provided to Grow Wrap, 20% tax may have been withheld.

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What are the next steps?

We're ready to help whenever you need us.

If you'd like more information, please feel free to:

Call 1800 094 423

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