



Vanguard[®]

Guide to your AMMA tax statement

30 June 2019





About this guide

This guide aims to assist individual taxpayers in completing their tax return for the 2018/19 financial year. It contains basic information of a very general nature about the treatment of your income distributions as shown in your attribution managed investment trust (AMIT) member annual (AMMA) tax statement.

! Note: This guide is not a substitute for tax advice. It has been prepared based on a set of assumptions which may not be applicable to you. If you are in any doubt about your personal tax position we recommend that you seek professional tax advice.

Assumptions

In preparing this guide, we have assumed that:

- you are an individual taxpayer
- you are an Australian resident for income tax purposes
- you use this guide in conjunction with the Australian Taxation Office's *2019 Individual Tax Return instructions* to complete your tax return
- you hold your units for the purposes of investment and that the Australian CGT rules apply to you.

Completing your tax returns

The following information relates to your investment in the Vanguard® Investor Funds. If you had income from any other investments during the year, you will need to combine the information from your other investments with the information provided by Vanguard when completing your tax return. For tax return references refer to the Tax return for individuals (supplementary section) (NAT 2679-06.2019).

Frequently asked questions

What is the attribution managed investment trust (AMIT) regime?

AMIT is a significant industry-wide reform, which introduces new concessional tax rules for managed investment trusts. Under the AMIT regime, you will be assessed on the taxable income that is attributed to you by the fund, regardless of the amount you actually receive.

What are the main differences between annual tax statements and AMMA tax statements?

In the past, the annual tax statement provided cash distribution amounts and you were generally taxed based on the amount of cash distribution you received from the fund. The AMMA tax statement provides attribution, cash distribution and cost base adjustment information. The amounts that you will be assessed on and which are required to complete your tax return are based on the attributed amounts. The components required to complete your tax return are shown in Part A of your AMMA tax statement. The components of the cash distributions you received and the components attributed to you are detailed in Part B of your AMMA tax statement.

What does AMIT cost base net amount—excess represent?

Where taxable income attributed to you is less than the cash distribution you received, the difference will decrease both the cost base and the reduced cost base of your units in the fund. The decrease in the cost base of your units in the fund should be taken into account upon disposal of the units when calculating your capital gain/loss position. The reduction of cost base of the units in the fund may give rise to a capital gain if there is insufficient cost base to absorb the reduction.

What does AMIT cost base net amount – shortfall represent?

Where taxable income attributed to you is more than cash distribution you received, the difference will increase the cost base and reduced cost base of your units in the fund. The increase in the cost base of your units in the fund should be taken into account upon disposal of the units when calculating your capital gain/loss position.

What other information can help me with my tax return?

Included in the guide pack is the unitholder notice titled 'AMMA Tax Statement glossary' which provides you with a high level definition of most components on the AMMA tax statement.

The Australian Taxation Office (ATO) has a helpline for personal tax enquiries, which is 13 28 61. The ATO also has a number of publications which will help you to understand your obligations and complete your return:

- Individual tax return instructions 2019 - (NAT 71050-06.2019)
- Individual tax return instructions supplement 2019
- You and your shares 2019 - (NAT 2632-6.2019)
- Guide to foreign income tax offset rules 2019
- Personal investors guide to capital gains tax 2019 - (NAT 4152)

These publications are available from www.ato.gov.au or by calling the ATO on 1300 720 092.

When do I receive a management fee rebate?

You will receive a management fee rebate when the management fee applicable to your investment is lower than the management fee that has been charged to the fund. The management fee rebate will be credited to you as a reinvestment in additional units. If you have withdrawn from the fund it will be paid to you.

The amount shown in your AMMA tax statement represents only those management fee rebates that have been credited to you via a reinvestment in additional units.

For total management fee rebates credited to you please refer to the separate management fee rebate statement that has been provided to you upon the management fee rebate being credited.

We recommend you see your tax adviser to determine whether this amount is assessable.

Can I use MyGov?

The ATO allows you to prepare and lodge your tax return online using MyGov at www.ato.gov.au. The information provided in Part A of your annual taxation statement can be used to complete the worksheet in the Income/Managed Funds section of MyGov.

You should carefully read the instructions, as there are circumstances when the Managed Fund section should not be used.

What if I'm not an individual taxpayer?

The information provided in this guide assumes you are an Australian resident individual taxpayer. If your investments in the Vanguard funds are made through a trust, company or superannuation fund, you may need assistance from your accountant or tax adviser in the completion of your tax return.

Australian income

The Australian sourced income shown in **Part A** of your **AMMA tax statement** relates to the tax return form as follows:

Share of net income from trusts, less net capital gains, foreign income and franked distributions at **label 13U**, other deductions relating to non-primary production income at **label 13Y**, franked distributions from trusts at **label 13C**, share of

franking credits from franked dividends at **label 13Q**, share of credit for TFN amounts withheld at **label 13R**, share of credit for tax paid by trustee at **label 13S** and management fee rebate at **label 24V**.

There are circumstances in which your ability to claim a franking credit may be reduced. For further details please refer to the ATO publication "You and your shares 2019" (NAT 2632-6.2019).

Example 1: Australian Income

Part A - Summary of 2019 Individual Tax Return (supplementary section) items. The following tax return items are valid for Australian Resident Individual Unitholders only.

	Amount	Tax Return Label
Non-primary production income	\$9,782,165.31	13U
Other deductions relating to distributions	\$0.00	13Y
Franked distributions	\$2,571,555.11	13C
Franking credits	\$1,200,596.47	13Q
Credit for TFN amounts withheld	\$0.00	13R
Credits for tax paid by trustee	\$0.00	13S
Management fee rebates	\$0.00	24V

13 Partnerships and trusts Include any deferred non-commercial business losses from a prior year at **X** or **Y** as appropriate and insert the relevant code in the **TYPE** box.

Primary production

Distribution from partnerships **N**

Share of net income from trusts **L**

Landcare operations and deduction for decline in value of water facility, fencing asset and fodder storage asset **I**

Other deductions relating to amounts shown at **N** and **L** **X**

Net primary production amount

Non-primary production

Distribution from partnerships, less foreign income **O**

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

Franked distributions from trusts **C**

Landcare operations expenses **J**

Other deductions relating to amounts shown at **O**, **U** and **C** **Y**

Net non-primary production amount

Partnership share of net small business income less deductions attributable to that share **D**

Trust share of net small business income less deductions attributable to that share **E**

Share of credits from income and tax offsets

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

Share of franking credit from franked dividends **Q**

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

Credit for TFN amounts withheld from payments from closely held trusts **M**

Share of credit for tax paid by trustee **S**

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

Share of National rental affordability scheme tax offset **B**

24 Other income

Type of income

Category 1

Category 2 (ATO interest)

Category 3 (FHSS)

Category 4

Foreign income

The foreign sourced income shown in **Part A** of your **AMMA tax statement** relates to the tax return form as follows: assessable foreign source income at **label 20E**, Australian franking credits from a New Zealand company at **label 20F**, other net foreign source income at **label 20M**, foreign income tax offsets at **label 20O**.

There are circumstances in which your ability to claim a foreign income tax offset may be reduced. For further details please refer to the ATO publication "Guide to foreign income tax offset rules 2019".

Example 2: Foreign Income

Part A - Summary of 2019 Individual Tax Return (supplementary section) items. The following tax return items are valid for Australian Tax Resident Individual Unitholders only.

	Amount	Tax Return Label
Assessable foreign source income	\$220,981.31	20E
Australian franking credits from a New Zealand company	\$0.00	20F
Other net foreign source income	\$220,981.31	20M
Foreign income tax offsets	\$31,615.00	20O

20 Foreign source income and foreign assets or property

Assessable foreign source income **E** LOSS

Other net foreign employment income **T** LOSS

Net foreign pension or annuity income WITHOUT an undeducted purchase price **L** LOSS

Net foreign pension or annuity income WITH an undeducted purchase price **D** LOSS

Net foreign rent **R** LOSS

Other net foreign source income **M** LOSS

Also include at **F** Australian franking credits from a New Zealand franking company that you have received indirectly through a partnership or trust. Australian franking credits from a New Zealand franking company **F** LOSS

Net foreign employment income – payment summary **U** LOSS

Exempt foreign employment income **N** LOSS

Foreign income tax offset **O** LOSS

During the year did you own, or have an interest in, assets located outside Australia which had a total value of AUD\$50,000 or more? **P** No Yes

Capital gains

The capital gains shown in **Part A** of your **AMMA tax statement** relate to the tax return form as follows: total current year capital gains at **label 18H** and net capital gain at **label 18A**.

Did you dispose of any units during the year?

If you disposed of units during the year, please be advised you will no longer receive a CGT statement and CGT guide. You can still calculate your current year's capital gain or loss position resulting from the disposal of your Vanguard units by using information provided in your transactional history statement and information contained in the AMMA tax statement. You will need to combine any capital gain or loss you make from your disposal of any units during the year, with the capital gain information from your AMMA tax statement in completing **Question 18** of your tax return.

Example 3: Capital Gains

Part A - Summary of 2019 Individual Tax Return (supplementary section) items. The following tax return items are valid for Australian Resident Individual Unitholders only.

	Amount	Tax Return Label
Total current year capital gains	\$4,347,881.64	18H
Net capital gain	\$2,173,940.82	18A

18 Capital gains Did you have a capital gains tax event during the year? **G** No Yes You must print in the **Yes** box at **G** if you had an amount of capital gains from a trust.

Have you applied an exemption or rollover? **M** No Yes CODE

Net capital gain **A**

Total current year capital gains **H**

Net capital losses carried forward to later income years **V**

Credit for foreign resident capital gains withholding amounts **X**

More information

Internet: vanguard.com.au/taxation

Contacting the ATO

Internet: ato.gov.au

Telephone: ATO 13 28 61 or ATO publications 1300 720 092

Connect with Vanguard™

vanguard.com.au/taxation > 1300 655 101



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