BetaShares
Exchange Traded Funds

TAX GUIDE 2021

ABOUT THIS TAX GUIDE

This Tax Guide has been prepared to assist you in completing your 2021 Australian Tax Return for Individuals in relation to your BetaShares exchange traded fund (**BetaShares Fund**) investment. This Tax Guide only contains basic information of a general nature about your investment in a BetaShares Fund and does not take into account your individual circumstances. Accordingly, you should not rely on this Tax Guide as taxation advice. You should seek professional advice when completing your tax return.

This Tax Guide assumes that:

- you are an individual taxpayer;
- you are an Australian tax resident; and
- you hold units in a BetaShares Fund for investment purposes and the Australian capital gains tax (CGT) rules apply to you.

This Tax Guide should be read in conjunction with the Australian Taxation Office's instructions for the 2021 Tax Return for Individuals (Supplementary Section).

AMIT REGIME

The BetaShares Funds elected into the Attribution Management Investment Trust (**AMIT**) regime. Accordingly, the BetaShares Funds are required to issue AMIT Member Annual Statements (**AMMA Statements**). The AMMA Statement will provide you with the relevant information required to complete your tax return.

Under the AMIT regime, you will be assessed on your share of taxable income, regardless of the amount you actually receive. In this regard, one feature of the AMIT regime is the concept of 'AMIT cost base net amount – net reduction' and 'AMIT cost base net amount – net increase'. In 2021, certain BetaShares Funds have made a cash distribution that is less than the attribution amount (i.e. your share of taxable income, which is also the amount on which you are subject to tax). The AMIT regime allows funds to make cash distributions that are less than the attribution amount without adverse tax consequences for investors. Please refer to the subheading "AMIT Cost Base Adjustments – Net Increase" in Part E of this document for further discussions regarding the tax implications that arise in these situations.

If you hold units in more than one BetaShares Fund, you will receive a separate AMMA Statement for each BetaShares Fund you invest in. Furthermore, you will need to combine your relevant income information in order to determine the disclosures in your tax return if you derive investment income from more than one BetaShares Fund and/or from other sources.

You should prepare your tax return by referring to the relevant AMMA Statement, rather than the distribution statements that you may have received during the year.

AMIT MEMBER ANNUAL STATEMENT

The AMMA Statement is separated into seven parts and contains information that would generally be included in your 2021 Australian Tax Return for Individuals (Supplementary Section). If you had income from other sources during the year, you will need to combine the information from your AMMA statement and the information from your other sources when completing your tax return.

Distributions from your BetaShares Fund will need to be included in your tax return in the year of attribution, not the year of receipt. This means that distributions for the year ended 30 June 2021 should be included in your 2021 tax return, even though you may not have received payment for all of those distributions until July 2021. A sample AMMA Statement is provided in this guide.

PART A – INVESTOR DETAILS

Part A of the AMMA Statement contains your personal details, please contact Link Market Services via the contact details as specified in the AMMA Statement if any of the details are incorrect.

PART B – SUMMARY OF 2021 TAX RETURN (SUPPLEMENTARY SECTION)

Non-Primary Production Income

The **Non-Primary Production Income** represents your share of the total income (excluding capital gains, franked distributions, and foreign income). You should disclose this amount at **Box U** of **Question 13** on your tax return.

Franked Distribution from Trusts

The **Franked Distribution From Trusts** amount represents your share of the franked dividends attributed to you, grossed up for franking credits. You should disclose this amount at **Box C** of **Question 13** on your tax return.

Share of Franking Credit from Franked Dividends

The **Share of Franking Credit from Franked Dividends** amount represents your share of franking credits. Your ability to claim franking credits is subject to certain rules. For further details you should refer to the Australian Taxation Office Publication "**You and Your Shares 2021"**. If you are entitled to claim an amount of franking credit, you should disclose this amount at **Box Q** of **Question 13** on your tax return.

Share of Credit for Tax Amounts Withheld

The **Share of Credit for Tax Amounts Withheld** is the withholding tax that has been deducted from your BetaShares Fund distribution because you have not provided your TFN, or claimed an exemption. You should disclose this amount at **Box R** of **Question 13** on your tax return.

Net Capital Gains

The **Net Capital Gains** amount represents your share of capital gains, after the application of capital losses and CGT discounts. This should also include any Foreign Income Tax Offsets referable to capital gains. You should disclose this amount at **Box A** of **Question 18** on your tax return. You should also mark "YES" at **Box G** of **Question 18** on your tax return if you have any capital gains/loss amounts.

Total Current Year Capital Gains

The **Total Current Year Capital Gains** amount represents your Net Capital Gains amount grossed-up for any capital losses and CGT discounts that may have applied. This should also include any Foreign Income Tax Offsets referable to capital gains.
You should disclose this amount at **Box H** of **Question 18** on your tax return.

Do you have capital gains from other sources?

You may also have derived capital gains/losses from other sources (e.g. if you have sold your units in a BetaShares Fund). The relevant capital gains/losses would need to be combined with the figures from your AMMA Statement and disclosed in the above mentioned labels. You should refer to the Australian Taxation Office Publication "**Guide to capital gains tax 2021**" or "**Personal investors guide to capital gains tax 2021**" to help you calculate your net capital gain/loss. As the capital gains tax rules are complex, you may also wish to seek professional advice.

Assessable Foreign Source Income

The **Assessable Foreign Source Income** amount represents your share of foreign source income attributed to you (except for foreign capital gains which are disclosed under the capital gains section). This amount also includes your share of foreign income tax offsets (except for foreign income tax offsets referable to foreign capital gains which are disclosed under the capital gains section).

You should disclose this amount at **Box E** of **Question 20** on your tax return.

If you have any deductible expenses or losses relating to foreign source income, this may reduce the **Assessable Foreign Source Income** amount. This net amount should be your **Other Net Foreign Source Income**, and should be inserted at **Box M** of **Question 20** on your tax return. As the foreign income rules are complex, you may wish to seek professional advice.

Foreign Income Tax Offsets

Your share of **Foreign Income Tax Offsets** represents the amount of tax paid in the country where the income was sourced. You should refer to the Australian Tax Office Publication "**Guide to foreign income tax offset rules 2021**" and/or seek professional advice to determine if you are entitled to the Foreign Income Tax Offsets. If you are entitled to claim an amount of foreign income tax offset, you should disclose this amount at **Box O** of **Question 20** on your tax return. This should also include any Foreign Income Tax Offsets referable to capital gains.

PART B – CAPITAL GAINS TAX INFORMATION

Part B of the AMMA Statement provides further details regarding the various components of your capital gains for the income year. The amounts disclosed are gross amounts (i.e. amounts prior to the application of discounts). This information may be useful if you have any capital gains/losses during the year from other sources.

You should refer to the Australian Taxation Office Publication "**Guide to capital gains tax 2021**" or "**Personal investors guide to capital gains tax 2021**" to help you calculate your net capital gain. As the capital gains tax rules are complex, you may also wish to seek professional advice.

PART C – COMPONENTS OF ATTRIBUTION

Part C of the AMMA Statement provides a detailed breakdown of your share of the various components of investment income for the year ended 30 June 2021.

Australian Income
This section includes unfranked dividends, interest income, and other income. Franked dividends and franking credits are also detailed in this section.

Several tax components relating to non-concessional MIT income (**NCMI**) are also included in the AMMA Statement. Broadly, NCMI should only be relevant for investors who are not tax residents of Australia, as it may impact their non-resident withholding tax rate. You may wish to seek professional advice, if you believe you are not an Australian tax resident.

Capital Gains
This section details your share of capital gains. Some capital gains can be calculated under the Discounted Method. These are capital gains to which the BetaShares Fund has applied the 50% capital gains tax discount. Other Method capital gains are gains to which the CGT Discount Method or the CGT Indexation Method does not apply.

Capital gains are also divided into those that relate to Taxable Australian Property (TAP) or Non-Taxable Australian Property (NTAP). This distinction between TAP and NTAP capital gains should only be relevant for investors who are not tax residents of Australia.

Capital gains may also relate to NCMI. Again this should only be relevant for investors who are not tax residents of Australia.

The Net Capital Gain amount represents the sum of the various types of capital gains attributable to you. The AMIT CGT Gross up amount represents the discount portion of capital gains calculated under the Discounted Method. The Other Capital Gain Distribution amount is the cash equivalent of the same amount.

Foreign Income
This section represents income attributable to you from an overseas source. Foreign capital gains have been included in the capital gains section.

Other non-assemble amounts
Other non-assessable amounts are not immediately assessable for income tax purposes and are therefore not included in your tax return, however they may require an adjustment to the cost base of your unit holding.

PART D – TAX OFFSETS

Part D of the AMMA Statement identifies your share of the different tax offsets. This includes franking credits and foreign income tax offsets. referable to amounts other than capital gains, and foreign income tax offsets referable to capital gains. In relation to foreign income tax offsets referable to capital gains, the offset may be referable to discounted capital gains or other method capital gains.

Where you have been attributed foreign income tax offsets referable to discounted capital gains, you may not be entitled to 100% of the offset if you are entitled to the 50% discount on the capital gain. These rules are complicated and have arisen as a result of the recent Full Federal Court case Burton v Commissioner of Taxation [2019] FCAFC 141. We recommend that you seek professional advice in relation to the application of these foreign income tax offsets.

PART E – AMIT COST BASE ADJUSTMENTS

AMIT Cost Base Adjustments – Net Reduction
Where your share of taxable income is less than the cash distribution you received in the relevant financial year, the difference is your A**MIT Cost Base Adjustments – Net Reduction** amount. This amount will decrease both the cost base and the reduced cost base of your units in the BetaShares Fund.

The decrease in the cost base of your units in the BetaShares Fund should be taken into account upon disposal of the units when calculating your capital gain/loss. The reduction in the cost base of the units in the BetaShares Fund may give rise to a capital gain if there is insufficient cost base to absorb the reduction.

AMIT Cost Base Adjustments – Net Increase

Where your share of taxable income is more than the cash distribution you received in the relevant financial year, the difference is your **AMIT Cost Base Adjustments – Net Increase amount.** This amount will increase the cost base and reduced cost base of your units in the BetaShares Fund.

The increase in the cost base of your units in the BetaShares Fund should be taken into account upon disposal of the units when calculating your capital gain/loss.

You should refer to the Australian Taxation Office Publications "**Guide to capital gains tax 2021**" or "**Personal investors guide to capital gains tax 2021**" to help you calculate your net capital gain. As the capital gains tax rules are complex, you may also wish to seek professional advice.

PART F – PAYMENT SUMMARY INFORMATION

Part F of the AMMA Statement should only be relevant for non-resident unitholders. This part identifies their share of various components of investment income that may be subject to Australia non-resident withholding tax and also the amount of Australia non-resident withholding tax levied.

SAMPLE AMMA STATEMENT

BetaShares
Exchange Traded Funds
Responsible Entity: BetaShares Capital Ltd
ABN 78 139 566 868 | AFSL 341181
ARSN 613 964 009

All Registry communications to:
C/- Link Market Services Limited
Locked Bag A14, Sydney South, NSW, 1235
Telephone: +61 1300 420 094
ASX Code: HBRD
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Part A: Your details

000172

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN NSW 2999

Date: XX July 2021
Reference No.: I********9999

L000172

BETASHARES ACTIVE AUSTRALIAN HYBRIDS FUND (MANAGED FUND)
Attribution Managed Investment Trust Member Annual Statement
for the year ended 30 June 2021

Part B: Summary of 2021 tax return (supplementary section) items for a resident individual
Non Australian residents should seek independent Australian tax advice.

Tax return (supplementary section)	Amount	Tax return label
Share of net income from trusts, less net capital gains, foreign income and franked distributions	$0.00	13U
Franked distribution from trusts	$0.00	13C
Other deductions relating to non-primary production income	$0.00	13Y
Share of franking credits from franked dividends	$0.00	13Q
Share of credit for foreign resident withholding amounts (excluding capital gains)	$0.00	13A
Share of credit for tax amounts withheld	$0.00	13R
Net capital gain	$0.00	18A
Total current year capital gains	$0.00	18H
Credit for foreign resident capital gains withholding amounts	$0.00	18X
Assessable foreign source income	$0.00	20E
Other net foreign source income	$0.00	20M
Australian franking credits from a New Zealand franking company	$0.00	20F
Foreign income tax offset *	$0.00	20O
Early stage venture capital limited partnership: current year tax offset	$0.00	T7K
Early stage investor: current year tax offset	$0.00	T8K
Other refundable tax offsets: Exploration credits	$0.00	T9P

*To work out your **foreign income** tax offset (FITO) entitlement, see **20 Foreign source income and foreign assets or property** or the Guide to **foreign tax offset** rules 2021.

Part B: Capital gains tax information – Additional information for item 18

	Amount	
Capital gains - discounted method	$0.00	(gross amount)
Capital gains - indexation method	$0.00	
Capital gains - other method	$0.00	
Total current year capital gains	**$0.00**	

Page 1 of 3

186817018058

Part C: Components of attribution

	Cash distributions	Tax paid or Franking credit (grossed up)	Attributable amount
Australian Income			
Dividends - unfranked amount declared to be CFI	$0.00		$0.00
Dividends - unfranked amount not declared to be CFI	$0.00		$0.00
Dividends - less LIC capital gain deduction	$0.00		$0.00
Interest (subject to non - resident withholding tax)	$0.00		$0.00
Interest (not subject to non - resident withholding tax)	$0.00		$0.00
Other assessable Australian income	$0.00		$0.00
Clean Building MIT Income	$0.00		$0.00
Less other allowable trust deductions	$0.00		$0.00
NCMI – Non-primary production	$0.00		$0.00
Excluded from NCMI – Non-primary production	$0.00		$0.00
Non-primary production income	**$0.00**		**$0.00**
Dividends - Franked amount	**$0.00**	**$0.00**	**$0.00**
Capital Gains			
Capital gains - discounted method - TAP	$0.00		$0.00
Capital gains - discounted method - TAP - NCMI	$0.00		$0.00
Capital gains - discounted method - TAP - Excluded from NCMI	$0.00		$0.00
Capital gains - discounted method - NTAP	$0.00	$0.00	$0.00
Capital gains - discounted method - NTAP - NCMI	$0.00		$0.00
Capital gains - discounted method - NTAP - Excluded from NCMI	$0.00		$0.00
Capital gains - discounted method - TAP - Clean building MIT	$0.00		$0.00
Capital gains - indexation method - TAP	$0.00		$0.00
Capital gains - indexation method - NTAP	$0.00		$0.00
Capital gains - other method - TAP	$0.00		$0.00
Capital gains - other method - TAP - NCMI	$0.00		$0.00
Capital gains - other method - TAP - Excluded from NCMI	$0.00		$0.00
Capital gains - other method - NTAP	$0.00	$0.00	$0.00
Capital gains - other method - NTAP - NCMI	$0.00		$0.00
Capital gains - other method - NTAP - Excluded from NCMI	$0.00		$0.00
Capital gains - other method - TAP - Clean building MIT	$0.00		$0.00
Net capital gains	**$0.00**		**$0.00**
AMIT CGT gross up amount			$0.00
Other capital gains distribution	$0.00		
Total current year capital gains	**$0.00**	$0.00	**$0.00**
Foreign Income			
Other net foreign source income	$0.00	$0.00	$0.00
Australian franking credit from a New Zealand franking company		$0.00	$0.00
CFC income	$0.00		$0.00
Transferor trust income	$0.00		$0.00
Total foreign income	**$0.00**	**$0.00**	**$0.00**
Other Non-assessable Amounts			
Net exempt income	$0.00		
Non-assessable non-exempt amount	$0.00		
Other non-attributable amounts	$0.00		
Total Non-assessable amounts	**$0.00**		
Gross Cash Distribution	**$0.00**		
Other deductions from Distribution			
Less: Other Withholding Tax	$0.00		
Less: TFN/ABN Withholding Tax	$0.00		
Net Cash Distribution	**$0.00**		

Under the AMIT tax rules, a fund may distribute a cash amount that is different to the taxable income attributed by the fund to investors. This can give rise to a cost base adjustment disclosed in Part E of this statement.

M0008971Q02

Part D : Tax offsets

Tax offsets	Amount
Franking credit tax offset	$0.00
Foreign income tax offsets - excluding capital gains	$0.00
Foreign income tax offsets - foreign capital gains (discounted method)	$0.00
Foreign income tax offsets - foreign capital gains (other method)	$0.00
Australian franking credits from a New Zealand franking company	$0.00
Total tax offsets	**$0.00**

Part E: Attribution Managed Investment Trust ('AMIT') cost base adjustments

AMIT cost base net increase amount	$0.00
AMIT cost base net decrease amount	$0.00

Part F: Payment summary information for the year ended 30 June 2021

	Attribution/Amount	Tax paid
Total fund payment	$0.00	$0.00
Interest Income	$0.00	$0.00
Unfranked dividend not declared to be CFI	$0.00	$0.00
Deemed payment - Dividend	$0.00	$0.00
Deemed payment - Interest	$0.00	$0.00
Deemed payment - Royalties	$0.00	$0.00
Deemed payment - Fund payment	$0.00	$0.00

BetaShares funds and AMIT

BetaShares funds are governed by the Attribution Managed Investment Trust tax rules (AMIT). The AMIT rules were introduced to simplify and make fairer the taxation of investors holding managed investment funds. Under these rules, the taxable income attributed to you for a fund's income year may be different to the cash distribution(s) you receive during the year. This can give rise to a cost base adjustment disclosed in Part E of this statement. This cost base adjustment should be taken into account upon disposal of the units when calculating your capital gain/loss.

You will be assessed for tax on the amount attributed to you by BetaShares, and this is the amount you must include in your tax return. Please refer to https://www.betashares.com.au/tax for further information about the AMIT tax regime.

Tax Guide

The Annual Tax Guide contains general information about how to use this statement when you complete your 2021 Tax Return. To view the 2021 Tax Guide, please visit: http://www.betashares.com.au/TaxGuide

This statement contains important information. Please retain it for taxation purposes as a charge may be levied for replacement.

To view or change your Unitholder details, please visit our investor website at www.linkmarketservices.com.au

Stay informed with the latest investment news, economic insights, and portfolio construction information.
Subscribe to BetaShares' weekly newsletter www.betashares.com.au/subscribe

ATO PUBLICATIONS

The following ATO Publications may be of help in completing your tax return.

- Instructions for the 2021 Tax Return for Individuals including the instructions for the supplementary section.
- You and Your Shares 2021.
- Guide to capital gains tax 2021.
- Personal investors guide to capital gains tax 2021.
- Guide to foreign income tax offset rules 2021.

To obtain copies of these publications from the ATO please phone the ATO Publications Distribution Service on **1300 720 092** or obtain the information from the ATO website at **https://www.ato.gov.au/**.

FURTHER INFORMATION

Further information may be obtained by contacting our client services centre on **1300 487 577** or by submitting an enquiry through our website at **https://www.betashares.com.au/contact**.

BetaShares
Exchange Traded Funds

About BetaShares

BetaShares is a leading manager of exchange traded funds (ETFs) and other Funds traded on the ASX.

Launched in 2009, BetaShares now offers the broadest range of exchange traded products in Australia, appealing to a wide range of investors and financial advisers - from institutional investors to individuals, including those maintaining self-managed superannuation funds.

IMPORTANT NOTICE
This information has been prepared by BetaShares Capital Ltd (ACN 139 566 868 AFS Licence 341181) ("BetaShares"). It is general information only and does not take into account your objectives, financial situation or needs. It should not be relied on as taxation advice. As taxation is complex and depends on your own circumstances, you should seek professional advice when completing your tax return. This information was prepared in good faith and to the extent permitted by law BetaShares accepts no liability for any errors or omissions or any loss from reliance on it.

www.betashares.com.au