



BetaShares
Exchange Traded Funds



TAX GUIDE 2022

ABOUT THIS TAX GUIDE

This Tax Guide has been prepared to assist you in completing your 2022 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 BetaShares Fund investment 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 (ATO) instructions for the 2022 Tax Return for Individuals (Supplementary Section).

AMIT REGIME

The BetaShares Funds have 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 the taxable income attributed to you, regardless of the amount of cash you actually receive. In this regard, one feature of the AMIT regime is the concept of **AMIT cost base net amount – excess (decrease cost base) and AMIT cost base net amount – shortfall (increase cost base)**. Certain BetaShares Funds have made a cash distribution that differs to 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 or more than the attribution amount without adverse tax consequences for investors. Please refer to the subheading “AMIT Cost Base Adjustments” of this Tax Guide for further discussions regarding the tax implications that arise in these situations.

AMIT MEMBER ANNUAL STATEMENT

The AMMA Statement is separated into separate parts and contains information that would generally be included in your 2022 Australian Tax Return for Individuals (Supplementary Section). 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.

If you hold units in more than one BetaShares Fund, or if you received income from other sources during the year, you will need to combine the information from your AMMA statements 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 2022 should be included in your 2022 tax return, even though you may not have received payment for all of those distributions until July 2022.

A sample AMMA Statement is included as an attachment to this Tax Guide.

INVESTOR DETAILS

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 A – SUMMARY OF 2022 TAX RETURN (SUPPLEMENTARY SECTION)

Share of Net Income from Trusts, Less Capital Gains, Foreign Income and Franked Distributions

Your **Share of Net Income from Trusts, Less Capital Gains, Foreign Income and Franked Distributions** should be disclosed 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 ATO Publication “**You and Your Shares 2022**”. If you are entitled to claim an amount of franking credits, you should disclose this amount at **Box Q** of **Question 13** on your tax return.

Share of Credit for Tax File Number Amounts Withheld from Interest, Dividends and Unit Trust

Your **Share of Credit for Tax File Number Amounts Withheld from Interest, Dividends and Unit Trust** 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 capital gains tax (CGT) discounts. This should also include any foreign income tax offsets referable to foreign 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 (i.e. capital losses from other sources, detailed in the section below) and CGT discounts that may have been applied. This should also include any foreign capital gains and foreign income tax offsets relating to the 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 abovementioned labels.

You should refer to the ATO Publication “**Guide to capital gains tax 2022**” or “**Personal investors guide to capital gains tax 2022**” to help you calculate your net capital gain/loss. As the CGT 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 ATO Publication “**Guide to foreign income tax offset rules 2022**” 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 foreign capital gains.

PART A – CAPITAL GAINS TAX INFORMATION

Part A of the AMMA Statement contains a second table which 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 any CGT discounts). This information may be useful if you have any capital gains/losses during the year from other sources.

You should refer to the ATO Publication “**Guide to capital gains tax 2022**” or “**Personal investors guide to capital gains tax 2022**” 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 B – COMPONENTS OF ATTRIBUTION

Part B of the AMMA Statement provides a detailed breakdown of the various components of taxable income that you have been attributed for the year ended 30 June 2022.

Australian Income

This section includes unfranked dividends, interest income, and other income that have been attributed to you. Franked dividends and franking credits are also detailed in this section.

You may be attributed tax components relating to non-concessional MIT income (**NCMI**), excluded from NCMI, and clean building MIT income (**CBMI**). Broadly, these tax components 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 the capital gains that have been attributed to you.

Some capital gains can be calculated under the discounted method. These are capital gains to which the BetaShares Fund has applied the 50% CGT discount. Other method capital gains are gains to which the 50% CGT discount 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, excluded from NCMI, and CBMI. Again, this should only be relevant for investors who are not tax residents of Australia.

Two new types of capital gains that are disclosed in 2022 are **Taxable foreign capital gains - Discounted method** and **Taxable foreign capital gains - Other method**. These capital gains relate to foreign sourced capital gains that have given rise to a foreign income tax offset. Please refer to the section below on Tax Offsets for further details. The **AMIT CGT Gross up amount** represents the discount portion of capital gains calculated under the discounted method.

Foreign Income

This section represents income attributable to you from a foreign source. Foreign sourced capital gains have been included in the capital gains section.

Other Non-Assessable 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. This is detailed below in the “AMIT Cost Base Adjustment” section.

Gross Cash Distribution

This section details the **Net Cash Distribution** amount you will receive from your BetaShares Fund. This amount is your **Gross Cash Distribution** reduced by any withholding tax you may have been subject to.

Your cash distribution may be different to the amount attributed to you. As noted earlier, the AMIT regime allows a BetaShares Fund to make cash distributions that are less than or more than the attribution amount. In these situations, there should be an AMIT cost base adjustment, which is detailed below.

Tax Offsets

This section details your share of tax offsets. This includes franking credits, 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.

For the purposes of the AMMA Statement, foreign income tax offsets referable to foreign discounted capital gains have been presented at 100% (i.e. no 50% discounting has been applied to these tax offsets). However, this does not necessarily mean that you are entitled to 100% of the offsets if you are entitled to the 50% discount on the foreign 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.

AMIT Cost Base Adjustments

Where the amount of taxable income attributed to you is less than the cash distribution you received, the difference is your **AMIT Cost Base Net Amount – Excess (Decrease Cost Base)**. 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.

Where the amount of taxable income attributed to you is more than the cash distribution you received in the relevant financial year, the difference is your **AMIT Cost Base Net Amount – Shortfall (Increased Cost Base)**. 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 ATO Publications “**Guide to capital gains tax 2022**” or “**Personal investors guide to capital gains tax 2022**” to help you calculate your net capital gain. As the capital gains tax rules are complex, you may also wish to seek professional advice.

SAMPLE AMMA STATEMENT



BetaShares

Exchange Traded Funds

Responsible Entity: BetaShares Capital Ltd
ABN 78 139 566 868 | AFSL 341181

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

<Investor name>
<Investor address>
<Investor address>
<Investor address>

Date: 31 July 2022
Reference No.: X*****1234

BETASHARES AUSTRALIAN HIGH INTEREST CASH ETF Attribution Managed Investment Trust Member Annual Statement for the year ended 30 June 2022

Part A: Summary of 2022 tax return information (supplementary section) items for a resident individual

Item	Amount	Tax return label
Share of net income from trusts, less capital gains, foreign income and franked distributions	0.00	13U
Franked distributions from trusts	0.00	13C
Share of franking credit from franked dividends	0.00	13Q
Share of credit for tax file number amounts withheld from interest, dividends and unit trust	0.00	13R
Share of credit for foreign resident withholding amounts (excluding capital gains)	0.00	13A
Net capital gain	0.00	18A
Total current year capital gains	0.00	18H
CFC income	0.00	19K
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

*To work out your foreign income tax offset (FITO) entitlement, see the '20 Foreign source income and foreign assets or property' section of the instructions for the 2022 Tax Return for Individuals (Supplementary Section) or the Guide to foreign tax offset rules 2022.

Capital gains tax information – Additional information for item 18	Amount
Capital gains – Discounted method	0.00 (grossed up amount)
Capital gains – Other method	0.00
Total current year capital gains	0.00

Part B: Components of attribution	Tax paid or franking credit gross up	Attributable amount
Australian Income		
Interest (subject to non-resident withholding tax)		0.00
Interest (not subject to non-resident withholding tax)		0.00
Dividends – Unfranked amount declared to be CFI		0.00
Dividends – Unfranked amount not declared to be CFI		0.00
Other assessable Australian income (Other)		0.00
Other assessable Australian income (NCMI)		0.00
Other assessable Australian income (Excluded from NCMI)		0.00
Other assessable Australian income (CBMI)		0.00
Non-primary production income		0.00
Dividends - Franked amount (Franked distributions)	0.00	0.00
Capital Gains		
Capital gains – Discounted method TAP (Other)		0.00
Capital gains – Discounted method TAP (NCMI)		0.00
Capital gains – Discounted method TAP (Excluded from NCMI)		0.00
Capital gains – Discounted method TAP (CBMI)		0.00
Capital gains – Discounted method NTAP		0.00
Taxable foreign capital gains - Discounted method	0.00	0.00
Capital gains – Other method TAP (Other)		0.00
Capital gains – Other method TAP (NCMI)		0.00
Capital gains – Other method TAP (Excluded from NCMI)		0.00
Capital gains – Other method TAP (CBMI)		0.00
Capital gains – Other method NTAP		0.00
Taxable foreign capital gains - Other method	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
Foreign income		
Other net foreign source income	0.00	0.00
Assessable foreign source income	0.00	0.00
Australian franking credits from a New Zealand franking company	0.00	0.00
CFC income		0.00
Total foreign income	0.00	0.00
Non-assessable amounts		
		Amount
Net exempt income		0.00
Non-assessable non-exempt amount		0.00
Other non-attributable amounts		0.00
Total non-assessable amounts		0.00
Cash distribution		
		Cash amounts
Gross cash distribution		0.00
Less: TFN amounts withheld		0.00
Less: Non-resident tax withheld on interest and dividends		0.00
Less: Non-resident tax withheld on fund payments		0.00
Net cash distribution		0.00
Tax offsets		
		Amount
Franking credit tax offset from Australian resident companies		0.00
Foreign income tax offset - Other net foreign source income		0.00
Foreign income tax offset - Taxable foreign capital gains - Discounted method		0.00
Foreign income tax offset - Taxable foreign capital gains - Other method		0.00
Australian franking credits from a New Zealand franking company		0.00
Total tax offsets		0.00
Attributed Managed Investment Trust ('AMIT') cost base		
		Amount
AMIT cost base net amount - excess (decrease cost base)		0.00
AMIT cost base net amount - shortfall (increase cost base)		0.00

Tax Guide

The Annual Tax Guide contains general information about how to use this statement when you prepare your 2022 Tax Return. To view the 2022 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.

- Individual Tax Return Instructions 2022, including the instructions for the supplementary section.
- You and Your Shares 2022.
- Guide to capital gains tax 2022.
- Personal investors guide to capital gains tax 2022.
- Guide to foreign income tax offset rules 2022.

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.

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