Netwealth Wrap Services

Tax Statement Guide

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Your Netwealth Wrap Tax Statement

Financial year ended 30 June 2026

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About this guide

This guide is to be read in conjunction with your Wrap Tax Statement and is designed to assist in the completion of your Tax Return.

In preparing your Tax Statement, we have made the following assumptions:

- You are a resident of Australia for tax purposes for the entire financial year ending 30 June 2026; and
- You hold your investments on 'capital account'. This means that any taxable gains or losses you make from disposing of your investments are segregated and treated differently to other types of taxable income such as dividends and interest.
- For Self-Managed Superannuation Fund (SMSF) clients – that the SMSF is a complying superannuation fund for the purposes of the *Superannuation Industry (Supervision) Act 1993 (Cth).*

There are specific rules relating to the eligibility of foreign residents to access capital gains tax discounts. If you are a non-resident of Australia for taxation purposes, independent taxation advice should be sought.

Netwealth has the ability to produce your Tax Statement in the format for the following entity types:

- Individual
- Self-Managed Superannuation Fund
- Company
- Trust

The entity type applied to your account is stated in your account details on the statement. If you believe your entity type is incorrect, please contact Netwealth.

Your Tax Statement details the taxation information relating to your account in the form required to complete your:

- Individual Tax Return 2026 and Tax Return for Individuals (supplementary section) 2026
- Self-Managed Superannuation Fund Annual Return 2026
- Company Tax Return 2026
- Trust Tax Return 2026

If your total capital gains/losses for the financial year exceed $10,000, then you will also need to complete Capital Gains Tax (CGT) Schedule 2026.

If your total tax losses and/or net capital losses carried forward to later income years is greater than $100,000, then you will also need to complete Losses Schedule 2026.

The information about taxation in this statement is based on taxation laws as they exist at the time this statement was published. As individual circumstances may differ, and taxation matters can be complex, it is advisable to seek your own taxation advice. Netwealth is not able to provide tax (financial) advice services under the *Tax Agent Services Act 2009*. Accordingly, if you intend to rely on the information contained in your Wrap Tax Statement to determine your income tax liability and/or claim income tax credits or offsets in relation to your investments, then in certain circumstances (e.g. complex corporate actions) it may be prudent to request advice from a registered tax agent or a provider able to provide tax (financial) advice services as a *qualified tax relevant provider*.

The information contained in your Tax Statement only relates to your investments held with the Netwealth Wrap Service. You, or your taxation adviser, will need to take this into account when preparing your Tax Return, if you own other investments, or derive income or capital gains or losses from outside the Netwealth Wrap Service.

All the information set out in your Tax Statement is based on information provided by you and the issuers of the securities and investments (e.g. shares, managed funds, term deposits) held in your Wrap account. Netwealth notes that information issued from Fund Managers may be subject to reclassification, or amendment by Fund Managers or the Australian Taxation Office (ATO). Whilst reasonable care has been taken in preparing this statement using sources believed to be reliable and accurate, to the maximum extent permitted by law, Netwealth Investments Limited and its related parties, employees and directors are not responsible for, and will not accept liability in connection with, any loss or damage suffered by any person arising from reliance on this information.

Please also refer to ATO publications for instructions on completing your Tax Return.

Summary of taxable income

This is a summary of income and expenses in your account for the financial year and is designed to assist with the completion of your tax return. The detail of each item is given in the attached schedules.

The amount in the total column is the amount to be entered into the corresponding tax return reference field in your tax return.

Summary of capital gains

This is a summary of capital gain events and capital gain distributions in your account for the financial year and is designed to assist with the completion of your tax return.

The detail of each item is displayed in Schedule 3 – Capital gains distributions from a trust and Schedule 6 – Realised gains/losses.

Discounting has been applied to your capital gains calculation where applicable based on your entity type:

- Individual – 50% discount
- Self-Managed Superannuation Fund – 33 1/3% discount
- Company – no discount
- Trust – 50% discount

Where applicable, capital losses will be first applied to reduce non-discounted gains (if any), with any residual losses applied against discount capital gains. Where capital losses are greater than gains, the unused portion of the capital losses is displayed. This may be used to offset other capital gains held outside your Wrap account, or may be carried forward to future years. See Additional Notes – Prior Year Losses.

The amount in the total column is the amount to be entered into the corresponding tax return reference field in your tax return.

Tax return reference

Summary of capital gains	Individual	SMSF	Company	Trust
Total capital gains	18H			
Net capital gains	18A	11A	7A	21A
Net capital losses carried forward	18V	14V	13V	27V

Schedule 1 – Interest

Interest income received in your account from the following investments will be listed on this schedule:

- Wrap cash account
- Term deposits
- Bonds
- Traditional securities

Withholding tax may have been deducted from your interest received if you have not provided your Tax File Number (TFN), or if you are a non-resident for taxation purposes.

Any other interest earned on other investments will be included in the Other Income column on Schedule 2 – Distributions and dividends.

The total amounts on this schedule will be included in the Summary of taxable income and included in the total amount applicable to the following tax return references.

Tax return reference

Interest	Individual	SMSF	Company	Trust
Interest	10L	11C	6F (income)	11J

Interest	Individual	SMSF	Company	Trust
TFN amounts withheld from interest	10M	13H3	Calculation statement H4	11I

Schedule 2 – Distributions and dividends

Distributions and dividends from your investments will be detailed in this schedule. There are 3 sections in this schedule:

- Managed Fund and Trust distributions
- Dividends
- Other investment related income

Section 1 – Managed Fund and Trust Distributions

Distributions received during the financial year are initially credited as 'Other Income'. Shortly after the end of the financial year, the distributions are then adjusted into final income components based upon information advised to us by fund managers. This information generally only becomes available to us after 30 June 2026. These year-end income adjustment transactions are listed in this schedule and dated as at 30 June 2026. The positive and negative values for year-end income adjustments reflect the income being reclassified from Other Income into the applicable types of income. The year-end income adjustment transactions will generally sum to zero, except where the amount of attributed income exceeds the distribution received in cash during the financial year.

Franked includes dividends received from managed funds and trusts that are franked under the imputation system as advised by the fund manager. The amount shown has not been grossed up to include the franking credits (tax credits) applicable.

Unfranked / other includes unfranked dividends, interest, unfranked conduit foreign income (CFI), rental income and other assessable income as advised by the fund manager. It also includes amounts that are to be declared as assessable for tax purposes even where those amounts have not been received as cash.

Non-assessable includes any income amounts received that are non-assessable for tax purposes. The items listed here do not include amounts that reduce the cost base of your investment.

Cost base reductions (non-AMIT) include distributions that are generally not assessable for income tax but will reduce the cost base of your investment for the purposes of calculating the capital gain/loss on disposal. Types of income included here are:

- Tax Deferred
- Tax Free (reduces the 'reduced cost base' only)
- Return of Capital

Capital gains include the total amount of capital gains applicable to distributions from managed funds. Schedule 3 – Capital gains distributions from a trust provides a further breakdown of these distributions.

Foreign source includes the total amount of foreign source income applicable to distributions from managed funds. Schedule 4 – Foreign source income provides a further breakdown of these distributions, including relevant tax offsets.

Franking credits shown are the amount of tax credits applicable to your dividends received as part of your trust distribution. Franking credits broadly represent the tax that has already been paid by the underlying company in respect of franked dividends received. Subject to meeting certain integrity rules, these are available to you as a credit against your tax payable and may result in a refund of tax. See Additional Notes - Franking Credits

AMIT cost base decrease/(increase) are non-cash cost base adjustments to units held in Attribution Managed Investment Trusts (AMIT). The adjustment can be an increase or decrease to the cost base of units, and will impact the capital gains calculation when you sell the units.

Early-Stage Venture Capital Limited Partnership (ESVCLP) Tax Offset represents a non-refundable carry forward tax offset received in respect of eligible investments.

Early-Stage Investor (ESI) Tax Offset represents a non-refundable carry forward tax offset received in respect of investment in eligible early-stage innovation companies.

Withholding tax may have been deducted from your distributions received if you have not provided your TFN, or if you are a non-resident for taxation purposes.

The total amounts on this schedule will be included in the Summary of taxable income and included in the total amount applicable to the following tax return references.

Tax return reference

Trust Income	Individual	SMSF	Company	Trust
Franked	13C	11M (income)	6E (income)	8F
Other Australian Income	13U	11M (income)	6E (income)	8R
Franking Credits	13Q	11M (income) &13E1	Calculation statement C	8D
Early Stage Venture Capital Limited Partnership Tax Offset	T7K	13D1	22L	55H
Early Stage Investor Tax Offset	T8L	13D3	23M	55I
TFN amounts withheld from distributions	13R	13H3	Calculation statement H4	8E

Section 2 - Dividends

Franked and unfranked dividends (and any associated franking credits) are listed in this section of the schedule where they relate to dividends paid by companies (including securities listed on the Australian Stock Exchange and other public trading trusts). For stapled securities, only the dividend portion of income is included in this section of the schedule.

Franked details the dividends received that are franked under the imputation system. The amount shown has not been grossed up to include any franking credits (tax credits) applicable.

Unfranked / other details the dividends received that have not been franked, including unfranked CFI. No franking credits arise in respect of unfranked dividends.

Franking credits shown are the amount of tax credits applicable to your dividends received. Franking credits represent the tax that has already been paid by the underlying company in respect of franked dividends received. Subject to meeting certain integrity rules these are available to you as a credit against your tax payable and may result in a refund of tax. See Additional Notes - Franking Credits.

Withholding tax may have been deducted from your dividends received if you have not provided your TFN or ABN, or if you are a non-resident for taxation purposes.

The total amounts on this schedule will be included in the Summary of taxable income and included in the total amount applicable to the following tax return references.

Tax return reference

Dividends	Individual	SMSF	Company	Trust
Unfranked	11S	11J	6H (income)	12K
Franked	11T	11K	6H (income)	12L
Franking Credit	11U	11L&13E1	7J	12M
TFN amounts withheld from dividends	11V	13H3	Calculation statement H4	12N

Section 3 – Investment Related Income

All other income received in your account will be listed in this section. Income included here will include managed fund rebates, investor rewards payments and stamping fee rebates.

These amounts are included in the Unfranked/other column and the total will be included in Other income on the Summary of taxable income and included in the total amount applicable to the following tax return references.

Tax return reference

Other income and deductions	Individual	SMSF	Company	Trust
Other income	24V	11S	6R (income)	14O

Schedule 3 – Capital gains distributions from a trust

Capital gains income included in managed fund distributions is detailed in this schedule. There are 2 types of capital gains income:

- TAP refers to taxable Australian property
- NTAP refers to non-taxable Australian property

Fund Managers may in certain instances and at their discretion stream taxable components (such as capital gains) to investors that redeem units during the financial year. In these circumstances, the redemption amount may be re-apportioned between sale proceeds (reported in Schedule 6) and distributed capital gains (reported in Schedule 3) based upon information advised to us by the fund manager.

Discount capital gains occur where assets of the managed fund were sold on or after 21 September 1999 and owned by the fund for more than 12 months. The capital gain displayed is the gross gain, however discounting may apply. If applicable, the discount is applied on the Summary of Capital Gains and is dependent on the entity of your account:

- Individual - 50% discount
- Self-Managed Superannuation Fund – 33 1/3% discount
- Company – no discount
- Trust - 50% discount

Concessional capital gains (for non-AMITs) are non-assessable income and generally relate to the component of the capital gain that is non-assessable under the discount method. AMITs do not recognise concessional capital gains, and instead report 'AMIT CGT gross up' amounts, which will not be included in your assessable income. AMIT CGT gross up amounts represent the additional amount treated as a capital gain due to the discount method applied by the Trust. In most cases this amount will be double the attributed discount capital gain amount.

Other capital gains occur where assets of the managed fund have been held for less than 12 months before they have been sold and no discounting applies, or the asset was purchased between 20 September 1985 and 20 September 1999 and indexation applies to the gain.

Discounted foreign capital gains is the amount of discounted capital gains income applicable to foreign investments held in the managed fund.

Other foreign capital gains is the amount of other capital gains income applicable to foreign investments held in the managed fund.

The total amounts on this schedule will be included in the Summary of capital gains. Capital gains distributions from a trust are not individually reported in your tax return but are included in the calculation of net capital gains.

Schedule 4 – Foreign source income

Foreign source income will be detailed in this schedule. There are 2 sections which group your income into Trust distributions and Dividends.

Section 1 – Managed Fund and Trust distributions

This section provides details of foreign source income received from managed funds. The total income appearing in this section will also appear in Schedule 2 - Distributions and Dividends Section 1 – Trust Distributions.

Foreign income includes interest and other foreign income from managed fund distributions. The amount shown has not been grossed up to include any foreign tax offsets (tax credits) applicable.

Foreign capital gains income on this schedule will be included in the Summary of capital gains. They are not individually reported in your tax return but are included in the calculation of net capital gains.

Foreign tax offset represents tax already paid on foreign sourced income. There is a limit to the quantum of foreign income tax offsets that may be claimed, including instances where a foreign income tax offset relates to a discounted capital gain. We have not determined the limit of foreign income tax offsets you are eligible to claim. If your distribution includes a foreign income tax offset, you should refer to the Guide to foreign income tax offset rules on the ATO website, as there are limits to what you can claim depending on your entity type. We recommend that you seek tax advice if you wish to claim foreign income tax offsets in relation to your foreign income.

Australian franking credits from a New Zealand company are received from a New Zealand company that maintains an Australian franking account and has passed the credit to shareholders.

Section 2 – Dividends

This section provides details of dividends received from International shares.

Foreign income will include all dividends received from International shares. The amount shown has not been grossed up to include any foreign tax offsets (tax credits) applicable.

Foreign tax offset represents tax already paid on foreign sourced income. There is a limit to the quantum of foreign income tax offsets that may be claimed. We have not determined the limit of foreign income tax offsets you are eligible to claim. If your distribution includes a foreign income tax offset, you should refer to the Guide to foreign income tax offset rules on the ATO website, as there are limits to what you can claim depending on your entity type. We recommend that you seek tax advice if you wish to claim foreign income tax offsets in relation to your foreign income.

Australian franking credits from a New Zealand company are received from a New Zealand company that maintains an Australian franking account and has passed the credit to shareholders.

Summary of foreign source income consolidates the net foreign income with the foreign tax credits to represent the gross amount required for your tax return.

The total taxable amounts on this schedule will be included in the Summary of taxable income and included in the total amount applicable to the following tax return references.

Tax return reference

Foreign source income	Individual	SMSF	Company	Trust
Foreign source income	20M&20E	11D&11D1	8G&8R (income)	23B & 23V
Foreign income tax offsets	20O&20E	11D1&13C1	8G&20J	23Z&23B
Australian franking credits from NZ company	20F	11E	7C	23D
TFN amounts withheld from foreign source dividends	13R	13H3	Calculation statement H4	8E

Schedule 5 – Deductions and expenses

All fees and expenses charged to your account will be detailed in Schedule 5 - Deductions and Expenses. The tax implications of each item will determine which column the expense appears in, deductible or non-deductible.

The expenses detailed in this schedule have been allocated without consideration of your individual circumstances. Netwealth recommends consulting your Financial Adviser and/or Tax Adviser to assess the deductibility of these expenses based on your specific circumstances.

These expenses will appear as one item in the Summary of taxable income and for individuals will be classified as dividend deductions in your tax return. For SMSFs you will need to refer to the schedule for further details of the deductions to determine which field to enter on your tax return.

Tax return reference

Other income and deductions	Individual	SMSF	Company	Trust
Deductible expenses	D8H*	12N	6S (expenses)	16P

*Deductions incurred in relation to earning trust/partnership distributions or foreign sourced income may be required to be claimed at question 13 or D15 respectively. Please seek taxation advice to confirm the tax implications for that apply to you.

See Additional Notes – Non-deductible and deductible expenses, Legal fees, Insurance premiums.

Schedule 6 – Realised gains/losses

Realised gains and losses from your investments made throughout the financial year will be detailed in this schedule. There are 4 sections which group your realised gains and losses into the following:

Section 1 – Income gains/losses

This section provides information on the sale of Traditional Security assets and Foreign Currency throughout the financial year that result in a gain or loss. These asset types do not attract capital gains tax but are generally considered as income or deductions for tax purposes.

In certain circumstances losses made on Traditional Security assets can be classified as a capital loss. This will depend on the circumstance of the disposal or redemption of the investment. If you have made losses on redemption on Traditional Security assets we recommend that you seek independent taxation advice to confirm the tax implications for you.

These gains/losses will be included in the Summary of taxable income and included in the total amount applicable to the following tax return references.

Tax return reference

Other income and deductions	Individual	SMSF	Company	Trust
Disposal of traditional securities and foreign currencies Losses	D15J	12L1	6S (expenses)	18Q
Disposal of traditional securities and foreign currencies Gains	24Y	11S	6R (income)	14O

See Additional Notes – Traditional Securities and Foreign Currency

Section 2 – Realised capital gains/losses

This section provides information on assets sold throughout the financial year that result in a capital gain or a capital loss.

The total amounts on this section will be included in the Summary of capital gains. They are not individually reported in your tax return but are included in the calculation of net capital gains.

Section 3 – Non-assessable gains/losses

This section will display the sale of assets that are considered non-assessable for tax purposes. Examples of this would be assets purchased prior to the introduction of capital gains tax (20 September 1985).

Section 4 – Capital event without a sale

This section will display capital gain events that have been recorded in your account where there was no sale of units or shares. Examples of this would be corporate actions, return of capital (greater than original cost), foreign exchange rate adjustments (forex gains/losses) and crystallisation of assets.

See Additional Notes – Forex Gains/Losses

An explanation of each column in the schedule is as follows:

Acquisition date is the deemed acquisition date. This will usually be the date of purchase or acquisition of units but may be adjusted for corporate actions and CGT relief.

Disposal date is the deemed disposal date. This will usually be the date of sale but may be adjusted for corporate actions.

Cost base is the original cost of the units before any adjustments have been applied. Again, this may vary in the event of corporate actions.

Additional costs will include costs incurred in the purchase and sale of the asset. Brokerage, transaction fees and negative foreign exchange rate adjustments will be included here.

Cost base reductions (non-AMIT) will include income that is not subject to income tax and applied to reduce the cost base of units and will impact the capital gains calculation when you sell the units. Examples of this are Tax Deferred, Tax Free (affects the 'reduced cost base' only) and Return of Capital.

AMIT cost base decrease/(increase) are non-cash cost base adjustments to units held in AMITs. The adjustment can be an increase or decrease to the cost base of units and will impact the capital gains calculation when you sell the units.

Adjusted cost is the cost base adjusted by additional costs, cost base reductions and AMIT cost base adjustments.

Indexed cost base is the cost base of units purchased between 20 September 1985 and 20 September 1999 adjusted by an applicable indexation factor. You have the option to choose the indexation method or the discount method when applying capital gains to these units. We have chosen the discount method which in most cases will produce the lesser gain.

Proceeds is the cash received or deemed value on disposal of units.

Capital gain/(loss) is calculated by subtracting the adjusted cost from the proceeds. This will only apply to those units that qualify for capital gains tax.

Income/(deduction) is calculated by subtracting the adjusted cost from the proceeds. This will only apply to those units that do not qualify for capital gains tax but are considered as income or deductions for tax purposes. Assets such as traditional securities and foreign currency fall into this category. See Additional Notes – Traditional Securities and Foreign Currency

Method is the taxation method used or the result in calculating the gain or loss.

Summary of realised gains/losses summarises all gains and losses calculated above. Where applicable, capital losses will be applied to offset non-discounted and discounted gains respectively. Where capital losses are greater than gains the unused portion of capital losses is displayed. This can be used to offset other gains such as capital gains distributions from trusts or other capital gains held outside your account. This section does not include capital gains distributions however, the full summary of your capital gains can be seen in the Summary of Capital Gains on page 3 of your statement.

Schedule 7 – Unrealised gains/losses

The unrealised gains and losses schedule presents the gain/loss position that would have applied had you disposed of all your investments as at 30 June 2026. There are 4 sections which group your unrealised gains and losses into the following:

Section 1 – Income gains/losses

This section provides information on the unrealised gains and losses of Traditional Security assets and Foreign Currency. These asset types do not attract capital gains tax but are considered as income or deductions for tax purposes.

Section 2 – Unrealised capital gains/losses

This section provides information on assets held that would result in a capital gain or a capital loss if sold on 30 June 2026.

Section 3 – Non-assessable gains/losses

This section will display the unrealised gains and losses of assets that are considered non-assessable for tax purposes. Examples of this would be assets purchased prior to the introduction of capital gain tax (20 September 1985).

An explanation of each column in the schedule is as follows:

Acquisition date is the deemed acquisition date. This will usually be the date of purchase or acquisition of units but may be adjusted for corporate actions and CGT relief.

Cost base is the original cost of the units before any adjustments have been applied. Again, this may vary in the event of corporate actions.

Additional costs will include costs incurred in the purchase of the asset. Brokerage, transaction fees and negative foreign exchange rate adjustments will be included here.

Cost base reductions (non-AMIT) will include income that is not subject to income tax and applied to reduce the cost base of units and will impact the capital gains calculation when you sell the units. Examples of this are Tax Deferred, Tax Free (affects the 'reduced cost base' only) and Return of Capital.

AMIT cost base decrease/(increase) are non-cash cost base adjustments to units held in AMITs. The adjustment can be an increase or decrease to the cost base of units and will impact the capital gains calculation when you sell the units.

Adjusted cost is the cost base adjusted by additional costs, cost base reductions and AMIT cost base adjustments.

Market values is the market value of units as at 30 June 2026.

Unrealised capital gain/(loss) is calculated by subtracting the adjusted cost from the market value. This will only apply to those units that qualify for capital gains tax.

Income/(deduction) is calculated by subtracting the adjusted cost from the market value. This will only apply to those units that do not qualify for capital gains tax but are considered as income or deductions for tax purposes. Assets such as traditional securities and foreign currency fall into this category.

Method adopted calculates the capital gains or losses arising from the disposals of your investment assets, assuming the assets were disposed of as at 30 June 2026.

Summary of unrealised gains/losses summarises all gains and losses calculated above. Where applicable, losses will be applied to offset non-discounted and discounted gains respectively. Where losses are greater than gains the unused portion of losses is displayed. This can be used to offset other gains such as capital gains distributions from trusts or other capital gains held outside your account.

Portfolio valuation

The portfolio valuation is the balance of your account as at 30 June 2026.

It details the value of your accounts:

- Cash account
- Assets held – units, unit price and value
- Income receivable

These values are based on information provided by the issuers of the securities held in your account that were at hand when producing your statement.

Additional Notes

Corporate Actions

During the year investments in your portfolio may have been subject to a corporate action. This will include the following types of transactions:

- Rights issues
- Share buy-backs
- Share capital reductions
- Mergers
- De-Mergers
- Holding company restructures

When processing any corporate actions, we will consider the Australian income tax implications of the transaction – these implications will be reflected in your Wrap Tax Statement (e.g. a capital gain, a dividend, or a reallocation of cost base).

Where rollover relief is available for corporate actions events, holdings are reviewed on a per parcel basis. Rollover relief is applied to parcels in a gain position. Rollover relief is not applied to parcels in a loss position.

Whilst all efforts are made to properly understand the tax implications of the many corporate actions that arise on the Netwealth Wrap Service, the taxation treatment of some of the transactions are likely to be complex and, in some cases will be unclear. This is more likely to be the case where the corporate action relates to a foreign investment, or where information regarding the transaction is difficult to obtain.

If one of your investments is subject to a complex corporate action, we recommend that you seek independent taxation advice to confirm the tax implications that apply to you.

Distributions

All efforts are made to process distributions declared at or before 30 June in the 2026 financial year.

In rare instances, the record date for a distribution will be in a financial year that is later than the year in which it was assessable for tax purposes. In these instances, the income will be reflected in the Wrap Tax Statement for the correct financial year (and if you have already been issued your statement, we will issue an amended statement).

If a situation arises where income is received relating to this financial year that has not been credited to your account at the time your statement was issued, and an amended statement was not issued, it will appear on next year's statement.

Forex Gains/Losses

If you have dealt in foreign currency or even purchased or disposed of an international security, you may have a foreign exchange (forex) gain/loss that needs to be considered for your income tax position.

The information below provides a general explanation of the tax implications relating to forex gains/losses and assumes that you hold the investment on capital account. This is not a substitute for tax advice and where applicable independent taxation advice should be sought.

The ordinary tax rules relating to forex gains/ losses are contained in Division 775 of the *Income Tax Assessment Act 1997 (Cth)*. Under these rules forex gains/losses can arise if you have a forex realisation event (FRE).

A FRE can arise in a number of circumstances including:

- the sale of international securities on a deferred settlement basis;
- the purchase of international securities on a deferred settlement basis;
- the disposal of foreign currency; and
- the payment/withdrawal of foreign currency from a bank account.

Generally, under Division 775 forex gains are required to be included in your assessable income, whereas forex losses may be able to be claimed as a deduction. Any such amounts are detailed in Schedule 6 – Realised Gains/Losses, Section 1 – Income Gains/Losses.

The main exception to this rule is where the gain/loss has arisen in connection with the acquisition/disposal of an international security on a short-term deferred settlement basis. This will be the case if the time for settlement of the security occurs less than 12 months after the trade/contract date.

Where this exception applies the forex gain loss will either be recognised as a separate CGT event, or cause the tax cost base of the international security acquired to be increased or decreased.

If you have made any forex gains/losses that reduced/increased the tax cost base of your international securities, the required adjustments to your tax cost bases are reflected in the calculations displayed in Schedule 6 – Realised Gains/Losses, Section 2 – Realised Capital Gains/Losses.

Franking Credits

We have assumed that you are a 'Qualified Person' in relation to the shares that have paid franked dividends. That is, you have held your investment in the shares for at least 45 days (90 days for preference shares) at risk, and therefore are entitled to the franking credit. The 45-day and

90-day periods do not include the day of acquisition or the day of disposal where the shares have been disposed.

Please note we do not track your eligibility to claim franking credits - it is your responsibility to ensure you are eligible before making a claim.

Insurance Premiums

Insurance premiums charged to your account are included on Schedule 5 – Deductions and expenses. We have assumed these to be non-deductible unless the entity is a Self-Managed Superannuation Fund. You should seek professional tax advice to determine the portion of insurance premiums for which you may be entitled to claim a tax deduction.

Legal Fees

We have assumed that any Legal Fees listed in Schedule 5 – Deductions and Expenses are tax deductible however you should seek your own taxation advice.

Non-Deductible and Deductible Expenses

We have assumed some expenses to be non-deductible for tax purposes, and therefore have not included these amounts on the Summary for taxable income, nor have they been applied to the cost base of any investments held within your account. All expenses charged to your account are included on Schedule 5 – Deductions and expenses.

The expenses detailed in this schedule have been allocated without consideration of your individual circumstances. Netwealth recommends consulting your Financial Adviser and/or Tax Adviser to assess the deductibility of these expenses based on your specific circumstances.

Prior Year Losses

Please note that you will have to adjust the amounts appearing in this Tax Statement if your portfolio is negatively geared outside the Netwealth Wrap Service, if you have other sources of income, current year losses or if you have prior year losses brought forward. Prior year capital or income losses have not been brought forward to this year's calculations as you may have offset these losses against gains from sources outside your account. You will need to keep your own records of any losses in this year or prior years if you wish to use them in future years.

Reduced Input Tax Credits (RITC) on administration fees

The Netwealth Wrap Service is registered as a GST entity with the ATO. Accordingly, where non-advice fees are charged to your account (e.g. administration fees, etc) Netwealth as operator of the Netwealth Wrap Service will claim a GST reduced input tax credit (RITC). This will effectively reduce the fee charged to your account by the amount of the RITC. Because of this, you cannot claim any GST input tax credits or RITCs in respect of administration or any other fees charged to your account in the Wrap service. This is irrespective of whether you are registered for GST in your own right.

Stapled Securities

Stapled Securities are typically two or more separate legal entities that for the purposes of buying, holding and selling are considered an investment in a single security. In terms of valuing the investment, they are also generally priced as one single security. As a general rule, the Netwealth Wrap Service refers to the asset by its trading name as they are traded on the Australian Securities Exchange (ASX). All distributions received from stapled securities are presented as being received from the single entity. The income received will be detailed in the applicable section of Schedule 2 – Distributions and Dividends as detailed in the annual tax statement received from the entity.

Similarly, any disposals (or deemed disposals under the relevant capital gains tax provisions) of stapled securities are accounted for as being a disposal of a single security. For taxation purposes, each of the entities stapled together are separate legal entities. If you or your tax adviser believe that you require more information on any of the stapled securities that you may have disposed of during the financial year, please contact Netwealth.

Taxation of Financial Arrangement Regime

As we are unable to determine whether these rules apply to you, we have not considered what impact these rules may have on your tax liability. You should seek your own independent taxation advice in relation to these rules.

Traditional Securities and Foreign Currency

Where the sale proceeds of a traditional security or foreign currency exceeds the cost base, the difference must be declared as assessable income.

Where the cost base of a traditional security or foreign currency exceeds the sale proceeds, the difference may, depending on the specific circumstances of the disposal/redemption, be claimable as a deductible loss.

Holdings of less than 10%

In processing, administering, and reporting on foreign investments we have assumed that all cases members and their associates collectively hold an interest which represents less than 10% of the rights relating to, voting, capital, distributions and dividends in that entity.

Warrants

The taxation treatment of warrant investments is complex and may vary depending on the specific terms of each warrant. We recommend that you seek independent taxation advice where you hold any warrant investments.

Reporting Client Information to the Australian Taxation Office

Netwealth reports all income and capital gains received through the Netwealth Wrap Service to the ATO. The ATO use this data to prepare Client prefill report information and may, at their discretion, include or not include some of the data reported. Netwealth recommend information in the Wrap Tax Statement be carefully reviewed against the data presented in the ATO prefill report, and if there are any discrepancies income should be included in line with the Wrap Tax Statement.

Foreign Hybrids

Australian shareholders which hold less than 10% of a US incorporated Limited Liability Company (LLC) which are treated as partnerships in the US will as a default be treated as holding shares in a foreign corporation for Australian tax purposes.

Similarly, Australia partners which hold a less than 10% interest in a foreign limited liability partnerships (domiciled outside of Australia) will as a default be treated as holding shares in a foreign company for Australian tax purposes.

Because of this default treatment, distribution paid from earnings will be classified as foreign (dividend) income where disclosed as such. Whereas returns of capital would be classified as a share capital reduction (where disclosed as such) and would reduce an investors tax cost base in the investment. Where the information provided to us does not disclose the nature of the distribution the amount will be classified as foreign (dividend) income.

In some circumstances the Australian shareholder/ partner may be able to make an election to retain the partnership tax treatment for Australian tax purposes. However, for the purposes of Netwealth's wrap reporting it will be assumed that no election has been made.

Disclaimer

Contact Netwealth for *more* information about this or other Netwealth products

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