A guide to your BT Tax Statement

2010–2011

For investors in BT Investment Funds, BT Classic Investment Funds, BT Investor Choice Funds, BT Balanced Deeming Fund, BT Global Share Fund, BT Wholesale Multi-manager and Partner Funds.

The guide gives you step-by-step instructions to help you complete your 2010–2011 tax return.

Although we are able to give you information about your investment, please note, we are unable to give tax advice. This guide provides general information only and should not be regarded as tax advice.

If you require further information in order to complete your tax return or information about your personal tax position, we suggest you consult your accountant or tax adviser. Your BT Tax Statement together with this guide form a payment summary for the purpose of the Taxation Administration Act.

Please retain your BT Tax Statement and this guide for income tax purposes.

BT Capital Gains Tax Statement

Did you withdraw, switch or transfer any part of your investment during the financial year? If 'YES', you may receive a BT Capital Gains Tax Statement in August 2011, containing further information you will need to complete your tax return.

Where applicable, this guide will highlight when you will need to refer to the BT Capital Gains Tax Statement for further information.

Important details

- The instructions in this guide are only applicable to Australian resident individual investors.
- If you received a BT Tax Statement, you may need to complete the 2011 Tax return for individuals (supplementary section).
- If you are not the sole holder of an account, show only your share of income and deductions. For any account where account holders do not share equally in the income and deductions, keep a record to show how you worked out your share.
- If your investment is held in the name of a company, trust, partnership or complying superannuation fund, the information contained in the BT Tax Statement can be adapted for completing your tax return.
- We have not applied the Taxation of Financial Arrangements (TOFA) legislation to your account for the current year. If you believe that these provisions apply to your investments, please consult your accountant or tax adviser to confirm the applicable tax treatment.
- To obtain copies of any of the Australian Taxation Office (ATO) publications referred to in this guide, please phone the ATO publications distribution service on 1300 720 092 or visit the ATO website at www.ato.gov.au.

How to complete your tax return using your BT Tax Statement.

The following pages step you through completing questions that may be applicable to your individual Income Tax Return.

If you are completing your individual Income Tax Return electronically by using e-tax, please refer to 'A guide to your BT Tax Statement (e-tax) 2010–2011' available on our website www.bt.com.au.

Which BT statements do you need to complete your tax return?

If during the 2010–2011 financial year you:	BT statements needed
were in one fund only	BT Tax Statement Summary (enclosed).
were in more than one fund	BT Tax Statement Summary (on the front page of your enclosed statement) which incorporates all your BT funds. Please note: that 'tax components by fund' are on the following pages of your statement.
had more than one investor number	BT Tax Statement Summary for each separate investor number.
withdrew, switched or transferred your investment	BT Tax Statement Summary plus your BT Capital Gains Tax Statement and guide which will be sent in August (if applicable).

Non-primary production income

Question 13 Part B and C, pages s4 and s5 of the TaxPack 2011 supplement

→ Step 1
Add the amount of non-primary production income (13U) on your statement summary to any other non-primary production income you received from other trust investments.

→ Step 2
Write the total income at 13 **U** of your 2011 Tax return for individuals (supplementary section). If this amount is a loss, write 'L' in the small box to the right of this figure.

→ Step 3
Add together any deductions you can claim in respect of non-primary production income that you recorded at 13 **U**.

→ Step 4
Write the total deductions at 13 **Y** of your 2011 Tax return for individuals (supplementary section).

→ Step 5
Add the amounts at 13 **O** and 13 **U** (or subtract loss amounts) and subtract the amounts at 13 **J** and 13 **Y**.

→ Step 6
Write this amount in the 'Net non-primary production distribution' box beneath 13 **Y**. If this amount is a loss, write 'L' in the small box to the right of this figure.

Please note:
The types of deductions you can claim are shown on pages 44 and 45 of the TaxPack 2011.

Franking credits
Question 13 Part E, pages s6 and s7of the TaxPack 2011 supplement

→ Step 1
Add the amount of franking credits (13Q) on your statement to any franking credits you received from other trust or partnership investments. Do not include any franking credits from direct share investments.

→ Step 2
Write the total franking credits at 13 **Q** of your 2011 Tax return for individuals (supplementary section).

Please note:
- → Franking credits shown on your income tax return will reduce the tax payable on your income or may be refunded to you.
- → If you do not need to lodge a tax return, you may be able to claim a refund of franking credits. You will need to obtain a copy of the refund of franking credits application form from the ATO.
- → If you disposed of units in the trust within 45 days of buying units (excluding the purchase and disposal days), you may not be able to claim all of your franking credits, unless the total franking credits you are claiming for the year is $5,000 or less.

TFN withholding credits
Question 13 Part E, page s6 of the TaxPack 2011 supplement

→ Step 1
Add the amount of tax file number (TFN) withholding credits (13R) on your statement to any TFN withholding tax deducted from other trust or partnership investment income.

→ Step 2
Write the total at 13 **R** of your 2011 Tax return for individuals (supplementary section).

Please note:
TFN withholding tax is deducted from distributions at the rate of 46.5% where we did not receive a TFN, Australian Business Number (ABN) or TFN exemption. The tax withheld should be offset against the tax payable on your income when the TFN withholding tax amounts are included in your income tax return.

Managed investment trust withholding tax

If you have informed us that you are a non-resident of Australia for tax purposes, you may have had Managed Investment Trust (MIT) withholding tax deducted from distributions you received. The relevant MIT withholding tax rate depends on your country of residence for tax purposes.

For the 2011 income year, the rate is 7.5% for residents of 'Exchange of Information' countries and 30% for residents of all other countries.

Please note:
- → The amount includes tax witheld by the Fund's trustee from certain Australian sourced components, including other income and capital gains from taxable Australian real property (TARP). Capital gains from non-taxable Australian real property (NTARP) will generally not be subject to MIT withholding tax when paid to a non-resident investor.
- → Tax will only be paid if you were a non-resident for all or part of the year.
- → It is important that you advise us of changes to your residency status as this may affect the amount of MIT withholding tax deducted from distributions you receive.

Capital gains

Question 18, pages s15 to s18 of the TaxPack 2011 supplement

If an asterisk symbol (*) appears on your statement summary for capital gains, please refer to the BT Capital Gains Tax Statement that you will be sent in August to complete the capital gains section of your tax return. Please refer to the note in this section for additional information and ignore the steps below.

→ Step 1

If you made no capital gains or losses during the year (including any other capital gains you have from other sources) write X in the 'NO' box at 18 G of your 2011 Tax return for individuals (supplementary section).

→ Step 2

If you only have capital gains and losses from shares, units in a unit trust or managed investment fund, you will need the ATO's 'Personal investors guide to capital gains tax' (NAT 4152). If you have capital gains and losses from other sources, you will need the ATO's 'Guide to capital gains tax 2010–2011' (NAT 4151)(CGT guide) available from the ATO website.

→ Step 3

If there's a capital gain at 18H on your statement summary, write X in the 'YES' box at 18 G of your 2011 Tax return for individuals (supplementary section).

→ Step 4

Add the amount of total current year capital gains (18H) on your statement to any other capital gains you have from other sources.

→ Step 5

Write the total current year capital gains at 18 H of your 2011 Tax return for individuals (supplementary section).

→ Step 6

If total current year capital gains are more than the total current year and net prior year capital losses, you have made a net capital gain. Use the CGT guide to help you calculate your net capital gain to include at 18 A of your 2011 Tax return for individuals (supplementary section).

→ Step 7

If total current year capital gains are less than the total current year and net prior year capital losses, you have made a net capital loss. Write this amount at 18 V of your 2011 Tax return for individuals (supplementary section).

Please note:

→ Capital losses from the current year and net capital losses from previous years can be offset against current year capital gains. You can choose the order in which capital gains are reduced by current year capital losses, and then any previous year net capital losses. As a general rule, it is better to offset capital losses against non discounted capital gains first.

→ If you have withdrawn, switched or transferred any part of your investment during the year, you may receive a BT Capital Gains Tax Statement in August 2011 containing further information you will need to complete your return. This statement will show the capital gain components received from distributions as well as your own capital gains or losses on withdrawing, switching or transferring units. You will not be able to complete question 18 of the TaxPack 2011 supplement until you receive this statement.

Capital Gains Tax schedule

You may be required to complete a Capital Gains Tax (CGT) schedule 2011 (NAT 3423) if your total current year's capital gains or losses are greater than $10,000 and you are not lodging a paper tax return. We suggest you consult your accountant or tax adviser or refer to the CGT guide available from the ATO website to assist you in completing the CGT schedule 2011.

Foreign income
Question 20, Part E and F, pages s24 and s25 of the TaxPack 2011 supplement

→ **Step 1**
Using the foreign income information on your statement summary, add the amount of foreign income to any foreign income that you received from other sources.

→ **Step 2**
Follow PART E steps 1– 4 on page s24 of the TaxPack 2011 supplement to calculate the amount of net foreign income.

→ **Step 3**
Write the amount of net foreign income at 20 M of your 2011 Tax return for individuals (supplementary section).

→ **Step 4**
Follow PART F on page s25 of the TaxPack 2011 supplement to calculate the amount of assessable foreign income.

→ **Step 5**
Write the amount of your assessable foreign income at 20 E of your 2011 Tax return for individuals (supplementary section).

Foreign income tax offsets
Question 20, Part H, pages s25 and s26 of the TaxPack 2011 supplement

Please refer to the ATO's publication 'Guide to foreign income tax offset rules' (NAT 72923) (FITO Guide) to work out if you have 'pre-commencement excess foreign income tax'.

→ **Step 1**
If in your statement summary, there is a foreign income tax offset amount and this amount together with the total amount of foreign tax you paid for the 2011 income year from other sources as well as any pre-commencement excess foreign income tax did not exceed $1,000 the write the amount at 20 O of your 2011 Tax return for individuals (supplementary section).

→ **Step 2**
If the total amount of foreign income tax you paid for the 2011 income year from all sources as well as on your statement summary and any pre-commencement excess foreign income tax exceeded $1,000, you will need to follow the FITO guide to work out the amount of foreign income tax offset you are entitled to claim. Once you have worked it out, write this amount at 20 O of your 2011 Tax return for individuals (supplementary section).

Australian franking credits on New Zealand dividends

Dividends received from New Zealand companies may have Australian franking credits attached, however; for the year ended 30 June 2011, we have not been advised of any Australian franking credits by New Zealand companies. Accordingly, record zero at 20 F of your 2011 Tax return for individuals (supplementary section) unless you have received a New Zealand dividend with Australian franking credits attached from another source.

Management fee rebate
Question 24, pages s32 to s34 of the TaxPack 2011 supplement

→ **Step 1**
If applicable, add the amount of management fee rebate (24V) on your statement summary to any other management fee rebates you received from other trust investments.

→ **Step 2**
Follow steps 2–5 on page s34 of the TaxPack 2011 supplement to calculate your total category 2 income.

→ **Step 3**
Write this amount at 24 V of your 2011 Tax return for individuals (supplementary section).

If applicable, the management fee rebate shown on your BT Tax Statement is the total of the rebates paid to you during the year 1 July 2010 to 30 June 2011 (reported on a cash basis). If you are required to report this on your tax return using a different basis (eg accruals), please adjust this amount accordingly.

Important details about your BT Tax Statement

What does the enclosed statement show?

- The taxable components of the distributions paid by the Fund to you in respect of the year ended 30 June 2011 (eg your September 2010, December 2010, March 2011 and June 2011 distributions). Your June 2010 distribution must be included in your 2011 tax return even though you received it in July. You must include all these distributions whether they have been banked, sent to you by cheque or reinvested.
- Any net capital gains you received where a Fund disposed of any of its investments. These are passed on to you in your distribution and as an investor in the Fund, you need to account for them in your tax return. If you also withdrew, switched or transferred any part of your investment during the year, these distributed capital gains will not be shown on the BT Tax Statement. Rather, you may receive a BT Capital Gains Tax Statement in August containing this information as well as the capital gain or loss you made on the disposal of any of your investments.

Company and Superannuation Fund investors

The net capital gains shown on your BT Tax Statement Summary in relation to Company and Superannuation Fund investors have been calculated after applying the CGT discount percentage against the total capital gains. The discount percentage applied is as follows:

- 33⅓% for Complying Superannuation Funds
- 50% for Non-Complying Superannuation Funds
- nil for Companies.

Is your accountant or tax adviser helping you complete your tax return?

If yes:

- Provide them with your statement and this guide to help them complete your return easily and efficiently.
- If you need us to send copies of your statement and this guide to your accountant or tax adviser, please call the BT Contact Centre.

Other information

If your statement shows tax-free, tax-deferred, tax exempt, return of capital or CGT concession amounts, these components are generally not assessable for income tax purposes, so you don't need to include them in your tax return. When you dispose of your investment, these amounts may affect your capital gain or loss. We suggest you consult your accountant or tax adviser for further details when you consider the disposal of your investment.

Non-resident withholding tax

If you make any payments to an entity whose address or place of payment is outside Australia, you may be required to withhold an amount from such payments if they are attributable to certain components included in distributions you receive as a unit holder of a BT MIT. You can obtain distribution component information from our website www.bt.com.au.

Can anyone use this guide?

While most Australian resident individual investors (including joint holders) should be able to use this guide to complete their tax return, there are some instances where this guide may not be appropriate. For example:

- you have changed your residency status during the year or since acquiring your units
- you are a foreign resident subject to Australian tax.

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More information?

- → **See your financial adviser.**
- → **Visit www.bt.com.au**
- → **Call the BT Contact Centre on 132 135 (8.00am to 6.30pm Sydney time, Monday to Friday).**
- → **For Wholesale investors call 1800 813 886 (8.00am to 5.30pm Sydney time, Monday to Friday).**

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