



Explanatory notes to your Annual Tax Statement

The following explanatory notes have been prepared as general information only and relate to the 'Income tax return for Individuals for the year ended 30 June 2017'. It is important to note that we do not provide taxation advice and that you should seek independent taxation advice. If your investment is held in the name of a company, trust, partnership, other association or a superannuation fund, you may need to make adjustments to the information provided.

You have invested in a managed investment scheme. Generally, a managed investment scheme is not subject to taxation provided it distributes all of its taxable income to its unitholders.

Accordingly, for Australian taxation residents your distribution entitlement received from our range of managed investment schemes (Fund/s) is a taxable receipt in your hands and is taxable in the 2016/17 financial year.

Each Fund may receive income from many different sources, such as cash investments, fixed and variable income securities, listed shares and listed property trusts. Such investments may be held in Australia or in foreign countries. The type of income distributed to you by each Fund in which you invest will depend on the investment strategy of the Fund.

Your 2017 Annual Tax Statement is separated into 2 sections:

- Part A – Summary of tax return information;
- Part B – Components of distribution on a fund by fund basis.

Part A – Summary of tax return information

There are three questions you may need to complete in the 2017 tax return for individuals (supplementary section) in relation to the distributions you have received from your investments in our Funds. They are:

- Question 13 Partnerships and trusts;
- Question 18 Capital gains; and
- Question 20 Foreign source income and foreign assets or property.

Your annual tax statement has been designed so that the amounts in Part A correspond to the amounts you are required to enter in your 2017 tax return for individuals (supplementary section).

For example, if you have an amount in Part A of your Annual Tax Statement titled 'Non-primary production income' and it has a tax return label of 13U, this should be included in Question 13 Partnerships and trusts at label U, 'Share of net income from trusts, less capital gains, foreign income and franked distributions' in your 2017 tax return for individuals (supplementary section).

Part B – Components of distribution

The following definitions provide a basic explanation of distribution components paid at a fund level.

Australian income	
Dividends – franked	Dividends paid by an Australian company to shareholders from its after tax profits. Franking credits are tax credits for tax paid by the company on its earnings and can be offset against your tax liability. If your franking credits exceed your tax liability, a refund of the excess may apply.
Dividends – unfranked	Dividends paid by an Australian company to shareholders from its before tax profits. No franking credits are attached to unfranked dividends.
Dividends – unfranked CFI	Dividends paid by an Australian company to shareholders that it declares to be Conduit Foreign Income (CFI). If you are a non-resident investor of Australia, you are not subject to Australian dividend withholding tax.
Interest	Interest on cash deposits and fixed interest securities held in Australia.
Interest – NR WHT Exempt	Interest on fixed interest securities held in Australia. If you are a non-resident of Australia, you are not subject to interest withholding tax on this amount.
Other income	Other income may include distributions from listed property trusts and gains on disposal of assets held on revenue account such as fixed interest securities.
Capital gains	
TARP and NTARP	Capital Gains 'TARP' are capital gains from 'Taxable Australian Real Property'. Capital Gains 'NTARP' are capital gains from 'Non Taxable Australian Real Property'. For an Australian resident this distinction is irrelevant for tax purposes. If you are not a resident of Australia for tax purposes this distinction will affect the amount of withholding tax deducted from your distribution.
Discounted capital gains	This represents capital gains on assets held for more than 12 months and has been discounted by 50%.
CGT concession amount	This amount represents the portion of the capital gains made after the relevant discount has been applied and is non-assessable. No adjustment is required to the cost base of your units for this amount.
Capital gains – indexation method	This amount represents capital gains made where the indexation method has been used which adjusts for inflation. Indexation was frozen from 30 September 1999. The full amount of these capital gains is taxable.
Capital gains – other method	This amount represents capital gains made on assets held for less than 12 months. These gains do not qualify for either indexation or the capital gains tax discount.
Foreign income	
Assessable foreign income	This amount includes all income received from foreign sources including interest on cash deposits and fixed interest securities held outside Australia, dividends and rent received from overseas companies and all other income received from foreign sources. Tax paid/offset represents a credit for foreign taxes.
Australian franking credits from a New Zealand company	These Australian franking credits relate to Australian tax paid by New Zealand companies.
Other non-assessable amounts	
Tax exempted amounts	Tax exempted amounts are not assessable. No adjustment is required to the cost base of your units for this amount.
Tax free amounts	This amount represents non-taxable income derived from infrastructure investments. Tax free amounts to you result in a reduction to the cost base of your units where you make a capital loss.
Tax deferred amounts/Capital Return	This represents non-assessable distributions received from listed property trusts and/or distributions of capital which have been paid to you during the year. Tax-deferred amounts and return of capital distributed to you result in a reduction to the cost base of your units in the relevant Fund.
TFN amounts withheld	For an Australian tax resident this represents tax withheld as you have not provided us with your Tax File Number. We have deducted tax at the top marginal rate (49.0%) from your distribution and paid it to the ATO.
Non-resident withholding tax 12H	This amount represents withholding tax deducted from distributions of Other Australian income and Taxable Australian Real Property (TARP) Capital Gains paid to non-residents. This withholding tax only applies where the Fund qualifies as a Managed Investment Trust as defined for income tax purposes.
Other non-resident withholding tax	This amount represents withholding tax deducted from distributions of interest, dividends and royalties paid to non-residents. This withholding tax applies to all Funds that paid this type of income to non-residents.
Tax paid by trustee on behalf of non-residents	This amount is tax paid by the Trustee/Responsible Entity on behalf of non-resident investors on Other Australian income and Taxable Australian Real Property (TARP) Capital Gains where the Fund is not a Managed Investment Trust.
Additional capital gains information	The information in this section is to help you calculate the amount of capital gains that need to be included in your tax return as they relate to the distributions from your Fund/s. The 'Capital gains – discount method (grossed up amount)' represents the gross discounted capital gains amount prior to applying the 50% CGT discount. This amount plus the 'Capital gains – indexation method' and 'Capital gains – other method' form your 'Total current year capital gains' amount. If you have capital gains from other sources and/or capital losses, these will need to be taken into account in order to arrive at your net taxable capital gain amount.

Important notice

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