



Managed by  
HCW Funds Management Limited  
(ACN 104 438 100; AFSL 239882)  
as responsible entity of the  
HealthCo Healthcare and Wellness REIT (ARSN 652 057 639)

## **HealthCo Healthcare & Wellness REIT**

### **Guide to the 2022 AMIT Member Annual Statement (Annual Tax Statement)**

#### **1. About this Tax Guide**

This guide has been prepared to assist you in completing your individual income tax return for the year ended 30 June 2022 in relation to your investment in HealthCo Healthcare & Wellness REIT (HCW).

The information in this guide is of a general nature and does not take into account your individual circumstances. The information in this guide is not legal, financial or tax advice and you should seek independent tax advice regarding your individual circumstances.

This Tax Guide should be read in conjunction with the Australian Taxation Office (ATO) instructions for the Tax return for individuals (supplementary section) 2022 (Supplementary Section).

#### **2. Is this guide for you?**

This guide is relevant to the preparation of your income tax return for the year ended 30 June 2022 if:

- you hold, or held, units in HCW during the year ended 30 June 2022;
- you are an Australian resident individual;
- you are completing the ATO tax return for individuals 2022; and
- you hold your units in HCW as a capital investment and not for the purposes of resale at a profit, such that the capital gains tax (CGT) regime applies to you.

This guide should not be used by investors who are a company, trust or superannuation fund.

The information in this guide is specific to your investment in HCW. If you have received distributions from other investments you must disclose these in addition to any distribution you have received from HCW.

#### **3. AMIT regime**

For Australian tax purposes, HCW is an attribution managed investment trust (AMIT) for the year ended 30 June 2022. This means that for the purposes of calculating your tax liability, distributions made to you by HCW should be recognised on an 'attribution' basis, not a 'payment' basis.

You should refer to your AMIT Member Annual Statement (AMMA statement), which shows the components of your HCW distributions on an 'attribution' basis.

For tax purposes, the distributions from HCW for the income year ended 30 June 2022 are made up of different components of taxable income, and amounts that will increase or decrease cost base.

#### **4. Taxable income**

Your taxable income component of your HCW distribution is the net income of HCW that is attributed to you during the year ended 30 June 2022. It does not include any net capital gains, franked dividends or foreign sourced income components of your distribution (these amounts are disclosed in other sections of your individual tax return).

Include at item 13U of the Supplementary Section the 'share of net income from trusts' component of your distributions from HCW.

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### **Tax file number amounts withheld**

If you did not provide your tax file number to HCW without claiming a valid exemption, we have withheld income tax from your distribution at the top marginal tax rate (including Medicare levy).

Include at item 13R of the Supplementary Section any tax file number amounts withheld from your distribution from HCW.

## **5. Capital gains**

Your HCW distribution for the year ended 30 June 2022 includes a discount capital gain component. Accordingly, answer 'Yes' at item 18G of the Supplementary Section.

Include the total 'Capital gains – Discounted Method TAP' and 'AMIT CGT gross up amount' components of your distributions you received from HCW (within Part C of your AMMA statement) in working out your total capital gains for the year, to be included at item 18H of the Supplementary Section.

If you did not receive any other capital gains (or incur any other capital losses) from other sources during the year ended 30 June 2022, you may apply the CGT discount (50% for individuals) in working out your net capital gain for the year, to be disclosed at item 18A of the Supplementary Section.

## **6. Foreign sourced income**

Your HCW distribution for the year ended 30 June 2022 does not include any foreign sourced income component.

If you did not receive any other foreign sourced income amounts from other sources during the year ended 30 June 2022, you do not have to disclose any amounts at item 20 of the Supplementary Section.

## **7. AMIT Cost Base Adjustments**

Under the AMIT regime you are required to make annual adjustments to the cost base and reduced cost base of your units.

### **AMIT Cost Base Adjustments – Net Increase**

Where your share of taxable income (grossed-up by any CGT discount) is more than the cash distribution you received in respect of the relevant income year (i.e. non-assessable component), the difference is your AMIT Cost Base Adjustments – Net Increase amount. This amount will increase the cost base and reduced cost base of your HCW units.

This increase will apply in calculating any capital gain or capital loss on disposal of the units for CGT purposes.

### **AMIT Cost Base Adjustments – Net Decrease**

Where your share of taxable income (grossed-up by any CGT discount) is less than the cash distribution you received in respect of the relevant income year, the difference is your AMIT Cost Base Adjustments – Net Decrease amount. This amount will decrease both the cost base and the reduced cost base of your units in HCW.

This decrease will apply in calculating any capital gain or capital loss on disposal of the units for CGT purposes. When your cost base has been reduced to nil, a capital gain will arise in respect of the excess amount.

The amount stated in Part D of your AMMA Statement for the year ended 30 June 2022 represents the total net change in the cost base of your units for that income year under the AMIT regime.

## **8. If you have sold, transferred or otherwise disposed of units in HCW**

If you have disposed of any units you held in HCW during the year ended 30 June 2022, you may have made a capital gain or capital loss. This capital gain or capital loss should be disclosed at item 18 of the Supplementary Section.

For instructions on how to calculate your capital gain or capital loss, you could refer to the ATO's publications including "Capital Gains Tax 2022" or "Guide to Capital Gains Tax 2022". Alternatively, you may consider seeking advice from a tax adviser.