



Managed by  
HMC Funds Management Limited  
(ACN 105 078 635; AFSL 237257)  
as responsible entity of the  
HomeCo Daily Needs REIT (ARSN 645 086 620)

## HomeCo Daily Needs REIT

### Guide to the 2021 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 2021 in relation to your investment in HomeCo Daily Needs REIT (HDN).

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) 2021 (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 2021 if:

- you hold, or held, units in HDN during the year ended 30 June 2021;
- you are an Australian resident individual;
- you are completing the ATO tax return for individuals 2021; and
- you hold your units in HDN 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 HDN. If you have received distributions from other investments you must disclose these in addition to any distribution you have received from HDN.

#### 3. AMIT regime

For Australian tax purposes, HDN is an attribution managed investment trust (AMIT) for the year ended 30 June 2021. This means that for the purposes of calculating your tax, distributions made to you by HDN 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 HDN distributions on an 'attribution' basis.

For tax purposes, the distributions from HDN for the income year ended 30 June 2021 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 HDN distribution is the net income of HDN that is attributed to you during the year ended 30 June 2021. It does not include any net capital gains, franked dividends and foreign sourced income components of your distribution (these amounts are disclosed in other sections).

Include at item 13U of the Supplementary Section the non-primary production income of your distributions from HDN.

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

If you did not provide your tax file number to HDN 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 HDN.

### **5. Capital gains**

Your HDN distribution for the year ended 30 June 2021 does not include any capital gain component.

If you did not receive any other capital gain amounts from other sources during the year ended 30 June 2021, answer "No" at item 18G of the Supplementary Section.

### **6. Foreign sourced income**

Your HDN distribution for the year ended 30 June 2021 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 2021, 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 HDN 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 HDN.

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 C of your AMMA Statement for the year ended 30 June 2021 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 HDN**

If you have disposed of any units you held in HDN during the year ended 30 June 2021, 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 2021" or "Guide to Capital Gains Tax 2021". Alternatively, you may consider seeking advice from a tax adviser.