TAX GUIDE 2024

For the following Attribution Managed Investment Trusts (AMIT):

Dexus AREIT Fund
Dexus Asian REIT Fund
Dexus Global REIT Fund
Dexus Property for Income Fund
Dexus Property for Income Fund No. 2
Dexus Regional Property Fund

dexus

Dexus Asset Management Limited
ACN 080 674 479 AFSL No 237500

About this guide

This Guide is relevant to you for the income year ended 30 June 2024 if:

- you are an Australian resident individual investor in the Fund; and
- you hold your investment in the Fund as a capital investment and not for the purposes of resale at a profit so that the capital gains tax ("**CGT**") provisions are relevant to you.

This Guide has been prepared for general information only and provides further explanation of information disclosed in investors' Attribution Managed Investment Trust Member Annual Statement (**AMMA**). It is not, nor should it be relied upon as, tax advice or financial product advice. Each investor's circumstances will invariably differ and each investor should consider seeking independent tax advice relevant to their own particular circumstances.

Completing 2024 income tax returns

The AMMA for the Fund will set out the information and disclosures likely to be relevant for each Australian resident individual investor to complete the Australian Tax Office's ("**ATO's**") Tax Return for Individuals 2024, the ATO's Tax Return for Individuals 2024 Supplementary Section and the ATO's Trust Income Schedule.

The Trust Income Schedule is a new reporting schedule for the 30 June 2024 income year. The following ATO website link provides further information regarding the information you need from your AMMA statement to help you to complete your Trust Income Schedule e.g., the labels in your AMMA statement that correspond to the labels in your Trust Income Schedule (https://www.ato.gov.au/forms-and-instructions/trust-income-schedule-2024-instructions/using-the-trust-information-to-complete-your-trust-income-schedule#ato-Truststatementofdistribution).

Any income or capital gains that investors have derived from other sources should be added to the relevant amounts received from the Fund and the total amount for each category should then be included in the investor's 2024 income tax return.

Details of annual distributions and their taxation treatment

Distributions paid to investors by the Fund in respect of the period 1 July 2023 to 30 June 2024 are disclosed in the 2024 AMMA and comprise a number of components that will be treated differently for income tax purposes.

For most taxpayers, the 2024 income year will end on 30 June 2024. A brief outline of the meaning and likely tax treatment of each type of component that may appear on the 2024 AMMA for the Fund is set out below.

Trust distributions:
Non-Primary Production Income

This component represents the investor's share of the Australian sourced taxable income distributed by the Trusts. Trust distributions are taxed on an attribution basis.

Trust distributions are required to be included as assessable income in the 2024 income tax return at Label U at Item 13 of the ATO's Tax Return for Individuals 2024 Supplementary Section.

Amounts shown as Australian taxable income on the AMMA are already grossed up for any applicable tax credits. However, this item will exclude any taxable capital gains, which are disclosed separately on the AMMA and subject to different taxation treatment.

Discounted Capital Gains

Amounts shown as discounted capital gains are the investor's share of taxable capital gains generated on disposal of assets held for at least 12 months to which the discount rate of 50% has been applied, using the "CGT discount method" of calculating capital gains. Investors are required to gross up the discounted capital gain by doubling the discounted capital gain shown in the AMMA but may be entitled to claim the CGT discount in their own right, depending on their own circumstances.

If an amount of discounted capital gain is shown in the AMMA, investors should answer "Yes" at Label G at Item 18 of the ATO's Tax Return for Individuals 2024 Supplementary Section and include the amounts shown on the AMMA at Labels A and H at Item 18.

Further information in relation to the calculation of capital gains, including details of the CGT discount method can be obtained from the ATO publications – "Guide to Capital Gains Tax 2024" and "Personal Investors Guide to Capital Gains Tax 2024".

Discounted capital gains may arise from the disposal of taxable Australian property ("**TAP**") or from the disposal of property other than taxable Australian property ("**NTAP**"). This distinction, and its relevance, is briefly outlined below.

TAP and NTAP capital gains

Your AMMA, by way of note, will identify the extent to which any taxable capital gains of either category are attributable to TAP and NTAP, respectively. In broad terms, TAP consists of real property situated in Australia and NTAP comprises other property including real property situated overseas. Resident taxpayers are assessable on TAP and NTAP gains in the same way, so the distinction is of little relevance to resident taxpayers; however, the distinction may be relevant to non-resident taxpayers. This disclosure is therefore provided for the benefit of resident holders of units that hold units on behalf of non-residents.

AMIT CGT gross up amount

This item shows the additional amount treated as capital gains of members under ss 276-85(3) and (4) of the ITAA 1997, and is included in the AMIT cost base increase amount. This amount is non-assessable. Accordingly, this amount is not required to be included in an investor's tax return.

Other taxable capital gains

Other taxable capital gains are taxable capital gains to which the CGT discount has not been applied, for example, capital gains generated on assets held for less than 12 months.

If there is an amount shown on the AMMA as other taxable capital gains, investors should answer “Yes” at Label G at Item 18 of the ATO’s Tax Return for Individuals 2024 Supplementary Section.

The amounts shown on the Annual Taxation Statement should be included at Labels A and H of Item 18.

Other taxable capital gains may arise from the disposal of TAP or from the disposal of NTAP. This distinction, and its relevance, is briefly outlined above.

Other non-attributable amounts

This amount includes the tax-free amounts and tax-deferred amounts (including returns of capital).

Tax deferred amounts generally represents income derived that is sheltered from tax (due to deductions available for building allowances, depreciation and other tax timing differences).

Non-assessable amounts are not assessable for income tax purposes, but is reflected in the AMIT cost base net amount (reduction in cost base or reduced cost base).

Cost base details:
AMIT cost base net amount – excess* (decrease)

You must adjust downwards the cost base or reduced cost base of your membership interests in the AMIT by the AMIT cost base net amount – excess (decrease).

AMIT cost base net amount – shortfall* (increase)

You must adjust upwards the cost base or reduced cost base of your membership interests in the AMIT by the AMIT cost base net amount – shortfall (increase).

*Example – We have provided an example below that illustrates how the cost base adjustments are made under both scenarios on the following facts:

John holds units in the AMIT fund on capital account. The cost base for the units at the start of the year (1 July 2022) was $1,000.

Scenario 1 – where there is an AMIT cost base net amount – excess

a) John receives a 2024 AMMA with an AMIT cost base net amount – excess of $20. John will need to reduce the cost base of his units in the AMIT by $20. This will result in an ending cost base of $980.

Scenario 2 – where there is an AMIT cost base net amount – shortfall

b) John receives a 2024 AMMA with an AMIT cost base net amount – shortfall of $25. John will need to increase the cost base of his units in the AMIT by $25. This will result in an ending cost base of $1,025.

Resident TFN Amount Withheld

This amount represents the tax deducted at the highest individual marginal tax rate, plus Medicare levy, from distributions and paid to the ATO where an investor has not provided a tax file number or details of exemption to the Fund. A credit should generally be claimable for such amounts withheld, as shown in the disclosures in an investor’s AMMA Statement.

Non-Resident Withholding Tax

Non-resident investors have tax withheld (at the relevant rates) from parts of the distribution that relate to Australian source income.

In respect of Australian source income amounts other than interest, tax has been withheld in accordance with the managed investment trust withholding regime. Generally, tax is withheld at the rate of 15% for investors located in an exchange of information jurisdiction and 30% for other investors. To the extent that Australian source income relates to a clean building managed investment trust, tax is withheld at the rate of 10% for investors located in an exchange of information jurisdiction and 30% for other investors.

For interest payments, generally tax is withheld at 10% unless the payment is made to a resident of a country which has a tax treaty with Australia and a lower rate is specified in the relevant treaty.

Dexus Regional Property Fund

During the year ended 30 June 2024, Dexus Regional Property Fund (**DRPF**) disposed of 26 Honeysuckle Drive and 28 Honeysuckle Drive, Newcastle (the **Properties**). The proceeds from the disposal of the Properties were distributed to unitholders by way of redemption of units in DRPF. The tax outcomes of the this has been reflected in the AMMA statement as follows:

Discounted capital gains allocated on redemption

This represents the discounted capital gains (discount rate of 50%) resulting from the realisation of assets to fund a redemption of your units that were attributed to you. Investors are required to gross up the discounted capital gain by doubling the discounted capital gain shown in the AMMA but may be entitled to claim the CGT discount in their own right, depending on their own circumstances (see “discounted capital gains” above for further details on how discounted capital gains are treated).

The gross capital gain (i.e., the discounted capital gain doubled) is taken into account in determining the AMIT cost base adjustments (see cost base details). The attributed gross capital gain will increase the AMIT cost base.

Non-assessable component of redemption proceeds

This amount represents the redemption proceeds in respect of a unit, excluding the amount of any capital gain allocated to you in respect of the redemption. The sum of this amount and the capital gain distributed to you in respect of the redemption should be taken into account as disposal proceeds in determining any gain or loss on redemption of your units. Taxpayers will need to allocate the redemption proceeds to their respective specific units that have been redeemed in order to calculate any gain or loss on each unit redeemed.

As your cost base will be increased by the grossed up amount of capital gains allocated to you on redemption, any gain on redemption of your units should ultimately be reduced by the capital gain component that was allocated to you in respect of the redemption.Your gross redemption proceeds should be taken into account in determining any gain or loss on redemption of your units. Taxpayers will need to allocate the gross redemption proceeds to their respective specific units that have been redeemed in order to calculate any gain or loss on each unit redeemed.

Unitholders are strongly recommended to seek professional taxation advice in relation to their own position in respect to the redemption of units in DRPF.

Dexus Property for Income Fund / Dexus Property for Income Fund No. 2

A decision has been made by Dexus Asset Management Limited ACN 080 674 479 (**DXAM**), as the responsible entity for Dexus Property for Income Fund and Dexus Property for Income Fund No.2 (collectively referred to as the **PFIF Funds**), to terminate the PFIF Funds.

As part of the winding up process the assets of the Fund will be realised and final distributions in the Fund will be distributed to unitholders by way of redemption of units in the PFIF Funds. The redemption proceeds will consist of the following components:

- Capital gain from disposal of investments;
- Non-primary production income being other taxable income (e.g., interest and income distributions from investments); and
- Balance of the non-assessable component of the redemption proceeds

We note that DXAM is offering unitholders of the PFIF Funds the option to apply to direct their proceeds from the winding up of the Fund to purchase units in the Dexus AREIT Fund (**Migration Option**). This is an optional alternative to an investor being paid their final distribution entitlement in cash in accordance with the winding up process of the Funds. You will still be required to determine a capital gain or loss on redemption of your units in the PFIF Funds.

The tax outcomes of the above termination of the PFIF Funds have been reflected in the AMMA statement as follows:

Non-primary production income allocated on redemption

This component represents the investor's share of Australian sourced taxable income attributed to you on redemption. See "Trust distributions: Non-Primary Production Income" above for further information.

The non-primary production income allocated on redemption should be taken into account in determining the AMIT cost base adjustments (see cost base details). The attributed non-primary production income allocated on redemption will increase the AMIT cost base.

Discounted capital gains allocated on redemption

This represents the discounted capital gains (discount rate of 50%) resulting from the realisation of assets to fund a redemption of your units that were attributed to you. Investors are required to gross up the discounted capital gain by doubling the discounted capital gain shown in the AMMA but may be entitled to claim the CGT discount in their own right, depending on their own circumstances (see "discounted capital gains" above for further details on how discounted capital gains are treated).

The gross capital gain (i.e., the discounted capital gain doubled), should be taken into account in determining the AMIT cost base adjustments (see cost base details). The attributed gross capital gain will increase the AMIT cost base.

Non-assessable component of redemption proceeds

This amount represents the redemption proceeds in respect of a unit, excluding the amount of any non-primary production income and capital gain allocated to you in respect of the redemption. The sum of this amount, the non-primary production income and the capital gain attributed to you in respect of the redemption, should be taken into account in determining any gain or loss on redemption of your units. Taxpayers will need to allocate the redemption proceeds to their respective specific units that have been redeemed in order to calculate any gain or loss on each unit redeemed.

As your cost base will be increased by the non-primary production income allocated on redemption and grossed-up amount of capital gains allocated to you on redemption, any gain on redemption of your units should ultimately be reduced by the capital gain component that was allocated to you in respect of the redemption.

Your gross redemption proceeds should be taken into account in determining any gain or loss on redemption of your units. Taxpayers will need to allocate the gross redemption proceeds to their respective specific units that have been redeemed in order to calculate any gain or loss on each unit redeemed.

<u>Cost base of units in Dexus AREIT Fund (if applicable)</u>

<u>For investors that have elected in for the Migration Option, the capital gains tax (CGT) cost base of new units in Dexus AREIT Fund that are acquired as part of the Migration Option should be equal to the amount subscribed for these units (plus any incidental costs).</u>

Unitholders are strongly recommended to seek professional taxation advice in relation to their own position in respect to the winding up of the PFIF Funds and the Migration Option (if chosen).

Other information

If you have further tax questions in relation to your investment in the Fund, we recommend that you consult your own tax adviser or professional adviser.

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Responsible Entity
Dexus Asset Management Limited
ACN 080 674 479 AFSL No 237500

Registered Office

Level 5, 80 Collins Street (South Tower) Melbourne
Victoria 3000 Australia