



Macquarie Wrap

Guide to Member Notional Tax Calculation

FOR THE YEAR ENDED 30 JUNE 2023

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Trustee's Explanatory Guide

Trustee's Explanatory Guide to the Member Notional Tax Calculation for the period 1 July 2022 to 30 June 2023

Introduction

Macquarie Investment Management Limited (MIML) is the trustee of Macquarie Super and Pension Manager, Macquarie Super Accumulator and Macquarie Super and Pension Consolidator (the Fund).

This guide explains the principles, assumptions, and components used in calculating tax charges and the tax adjustment credited or charged to member accounts during the 30 June 2023 year.

During the year, amounts were deducted from certain contributions, distributions and gains received on behalf of members representing their share of the annual tax liability of the Fund. These amounts fund progressive payments made to the Australian Taxation Office (ATO) for the annual tax liability of the Fund.

We have calculated the notional tax liability of each member (member calculation), which in aggregation, and subject to certain modifications, represents the annual tax liability of the Fund.

The member calculation considers franking credits and excess amounts, revenue losses, capital losses and foreign income tax offsets referable to member investments. Generally net capital losses can only be offset against current and future capital gains..

The Fund's annual tax liability is calculated after the end of the income year. If a member's notional annual tax liability was less than the progressive payments charged, the member receives a tax refund is paid to the member's account. If a member's notional annual tax liability was greater than the progressive payments charged, a tax charge is applied to the member's account.

Members who leave the Fund prior to the year's annual processing date will not receive any of the benefits associated with the member calculation. The balance of this benefit is retained in the Fund's reserves and may be used to cover certain fees and costs of the Fund.

General Principles

The Fund:

- Is a superannuation fund established by deed and is a complying superannuation fund under the *Superannuation Industry (Supervision) Act 1993* (Cth).
- Is required to complete a tax return annually, for the period ended 30 June.
- Has taxable income which is subject to tax at the complying superannuation fund rate of 15%.
- Did not derive any non-arm's length income that would be taxed at 45%.
- Has Pension members who have had their assets segregated to meet current pension liabilities. Income derived from the segregated pension assets by the Fund is exempt from tax but continues to attract the benefit of franking credits.
- Pension members excludes transition to retirement (TTR) pensions that are not in the 'retirement phase.' These accounts are subject to tax at the complying superannuation fund rate of 15%.

Tax Calculation Components

The member calculation is based on information received from product issuers and share registries, detailed in the report – a sample is provided overleaf. Where a member commenced a pension or a TTR pension was commuted to the retirement phase during the year, two-member reports may be received: one for the period where the account was taxable,* and the second where the account was tax-free.

The member calculation contains three sections:

- Section 1: **Income** calculates the Net Tax Payable.
- Section 2: **Capital Gains** provides details of net capital gains used to calculate Net Tax Payable.
- Section 3: **Tax Position** adjusts the Net Tax Payable for certain benefits to arrive at the amount charged/credited to a member's account.

This document provides a general description of principles applied in calculating the tax adjustment for each member and should be read in conjunction with the member report. The components referred to are for the 1 July 2022 to 30 June 2023 income year.

*For pensions that commenced during the year, the pension is taxed from the time of account opening until pension commencement. Pension commencement is generally the day of receipt of last contribution or rollover into the account.

Sample Member Statement

Superannuation Tax Calculation

as at 30 June 2023

Account Name: JOHN SAMPLE
Account No: 801109999

Section 1 - Income	\$
Dividends	750.00
Franking Credits	321.43
Interest	8,134.82
Taxable Contributions	2,700.00
Other Income	474.53
Foreign Income	0.00
Foreign Income Tax Offsets	0.00
Applied Capital Gains	-15,074.44
Capital Loss Reversal	15,074.44
Exempt Pension Income	0.00
Total Assessable Income	12,380.78
Expenses	-2,733.67
Taxable Income	9,647.11
Gross Tax Payable	1,447.07
Less Franking Credits Used	-321.43
Less Foreign Income Tax Offsets Used	0.00
Net Tax Payable	1,125.64
Excess Franking Credits	0.00
Excess Foreign Income Tax Offsets	0.00

Section 2: Capital Gains	\$
Prior Year Cap Losses Carried Forward	-24,014.67
Fully Taxable Cap Gains	1,434.72
Discounted Cap Gains	0.00
Current Year Cap Losses	-601.14
Capital Gains/(Loss) Subtotal	-23,181.09
Applied Capital Gains	15,704.44
Excess Cap Loss Carried Forward	-8,106.65

Section 3: Tax Position	
Net Tax Payable	-1,125.64
Excess Franking Credits Benefit	0.00
Excess Foreign Income Tax Offsets Benefit	0.00
Capital Losses Benefit	2,261.17
Revenue Losses Benefit	0.00
Foreign Losses Benefit	0.00
Net Tax Position	1,135.53
Tax Paid to Date	1,426.68
Amount Credited/(Charged) to Account	2,562.21
Surplus Tax Benefit	0.00

For all enquiries regarding this report, please call
Sam Sample on 00 0000 0000

Information in this report is provided by Macquarie Investment Management Limited. While the information in this report is given in good faith and is believed to be reliable and accurate, neither Macquarie Investment Management Limited nor any member of the Macquarie Bank Group gives any warranty as to the reliability or accuracy of the information, nor accepts any responsibility for any errors or omissions.

Section 1: Income

This section of the Member Report calculates the Net Tax Payable

Section 1 - Income		\$
1.1	Dividends	750.00
1.2	Franking Credits	321.43
1.3	Interest	8,134.82
1.4	Taxable Contributions	2,700.00
1.5	Other Income	474.53
1.6	Foreign Income	0.00
1.7	Foreign Income Tax Offsets	0.00
1.8	Applied Capital Gains	-15,074.44
1.9	Capital Loss Reversal	15,074.44
1.10	Exempt Pension Income	0.00
1.11	Total Assessable Income	12,380.78
1.12	Expenses	-2,733.67
1.13	Taxable Income	9,647.11
1.14	Gross Tax Payable	1,447.07
1.15	Less Franking Credits Used	-321.43
1.16	Less Foreign Income Tax Offsets Used	0.00
1.17	Net Tax Payable	1,125.64
1.18	Excess Franking Credits	0.00
1.19	Excess Foreign Income Tax Offsets	0.00

1.1 Dividends

Dividend income was derived through investments in listed securities and self-funding instalment warrants (recognised on a paid or credited basis).

Any dividend income derived from managed investments is included in Other Income (1.5).

Dividends were allocated to members based on their holding in the listed security at the entitlement date of the dividend.

1.2 Franking Credits

Franking credits were derived through managed investments, listed securities and self-funding instalment warrants. All franking credits are reported here.

For managed investments and listed securities, franking credits were allocated on a pro-rata basis to each member based on their holding in the investment at the entitlement date of the distribution.



Please note: This amount may be reduced by franking credits denied under the '45 day rule' or the 'dividend washing rule.'

1.3 Interest

Interest income was derived from term deposits, convertible notes, listed securities and interest received on the Cash Account/Cash Hub.

Any interest income derived from managed investments is included in Other Income (1.5).

For Super members interest is:

- Reduced by prepaid interest on instalment warrants.
- Reduced by borrowing fees on instalment warrants.
- Increased by interest refunds on Instalment warrants.

The Taxation of Financial Arrangements (TOFA) regime broadly changes the way in which gains and losses from certain financial arrangements are recognised for income tax purposes. The rules apply to the Fund.

We have applied the TOFA rules to members' accounts, where appropriate. Any adjustment related to the application of the TOFA regime will be reflected in interest income.

1.4 Taxable Contributions

This balance relates to contributions that have been received. Taxable contributions include the following:

- Employer contributions.
- Concessional member contributions.
- Specified rollover amounts.

Non-concessional member contributions are non-assessable.

1.5 Other Income

Other income was derived through managed investments, listed trusts and listed securities. This balance includes all taxable income received excluding capital gains and foreign income.

Distributions were recognised on a present entitlement/attribution basis.

Other income may also include:

- Distributions received from managed investments other than foreign income and capital gains.
- Gains or losses from certain listed securities that are treated on revenue account rather than capital account for tax purposes. Gains from the sale of these securities have been included in Other Income and losses have been offset against Other Income.
- Distributions and dividends from stapled securities.

1.6 Foreign Income

Foreign income was derived from managed investments and listed securities.

Foreign income from managed investments and listed trusts is recognised on a present entitlement/attribution basis. Income is allocated to members based on their holdings at the entitlement date of the distribution.

Foreign income from listed securities is recognised on a due and payable basis and allocated to members based on their holdings at the entitlement date of the dividend/distribution.

For Pension members this balance is zero.

1.7 Foreign Income Tax Offsets

Foreign Income Tax Offsets (FITOs) were derived from investments in managed investments or listed securities by Super members.

For managed investments, FITOs are recognised on a present entitlement/attribution basis and allocated to members based on their holdings at the entitlement date.

FITOs from listed securities are recognised on a due and payable basis and allocated to members based on their holdings at the entitlement date.

For Pension members this balance is zero.

1.8 Applied Capital Gains

This is the net capital gain/(loss) from investments by Super members of the Fund attributable to:

- Distributions from managed investments and listed trusts, allocated to members based on their holdings.
- Capital gains or losses from the sale of investments. The cost base has been adjusted for any tax-free, tax deferred and return of capital distributions or Attribution Managed Investment Trust (AMIT) cost base net amounts (where applicable).
- Tax deferred, AMIT cost base net amounts or returns of capital that exceed the cost base of the asset.

Capital losses have been offset against capital gains as follows:

- Capital losses are first offset against fully-taxable capital gains and indexed capital gains.
- To the extent that losses exceed these gains, the remaining losses are offset against the gross value of discounted capital gains.

After losses have been applied, the 33^{1/3}% CGT discount is then applied to any eligible remaining capital gains.

If the member's capital gain position is an overall loss, this balance will equal the Applied Capital Gain (2.6).

Section 2 provides a breakdown of the underlying capital gains and losses that comprise this balance.

For Pension members this balance is zero.

1.9 Capital Loss Reversal

Capital losses are only able to be offset against capital gains. For members with a net capital loss at 1.8, this balance offsets that loss, ensuring capital losses are not used to offset other income.

For all other members this balance is zero.

1.10 Exempt Pension Income

Income and capital gains earned by Pension members are exempt from tax in the Fund and no tax charge is attributable to a pension account. Thus, the balance displayed offsets the income earned, ensuring a zero total income subject to tax.

For all other members this balance is zero.

1.11 Total Assessable Income

Total Assessable Income is the total of items (1.1) to (1.10) inclusive.

1.12 Expenses

For Super members, this balance may include the following expenses incurred during the year:

- Administration and other fees charged by the Trustee.
- Adviser fees paid, excluding adviser establishment fees which are non-deductible for tax purposes.
- Dealer service fees.
- Insurance premiums for death and disability and certain income protection insurance.
- Specific fund manager transaction fees (if any).

For Pension member this balance is zero.

1.13 Taxable Income

Taxable Income is the amount derived by subtracting Expenses (1.12) from Total Assessable Income (1.11).

1.14 Gross Tax Payable

Gross Tax Payable is 15% of Taxable Income (1.13).

1.15 Franking Credits Used

Franking Credits (1.2) may be applied to reduce the Gross Tax Payable (1.14).

- Where Gross Tax Payable (1.14) is greater than Franking Credits (1.2), all franking credits are used.
- Where Franking Credits (1.2) are greater than Gross Tax Payable (1.14), the amount of franking credits used is equal to the Gross Tax Payable. The difference is recorded at Excess Franking Credits (1.18).

1.16 Foreign Income Tax Offsets Used

Foreign Income Tax Offsets (FITOs) (1.7) may be used to reduce Gross Tax Payable (1.14).

The maximum amount of FITOs (1.7) that may be used to reduce Gross Tax Payable (1.14) is the lesser of:

- The total balance of allowable FITOs (1.7), or
- 15% of the sum of Foreign Income (1.6) and FITOs (1.7).

For Pension members this balance is zero.

1.17 Net Tax Payable

Net Tax Payable is the balance derived by subtracting the Franking Credits Used (1.15) and Foreign Income Tax Offsets Used (1.16) from Gross Tax Payable (1.14).

1.18 Excess Franking Credits

This balance is equal to the Franking Credits (1.2) less the Franking Credits Used (1.15).

1.19 Excess Foreign Income Tax Offsets

This balance is equal to the FITOs (1.7) less the FITOs Used (1.16).

For Pension members this balance is zero.

Section 2: Capital Gains

This section provides a breakdown of Applied Capital Gains (1.8)

Section 2: Capital Gains		\$
2.1	Prior Year Cap Losses Carried Forward	-24,014.67
2.2	Fully Taxable Cap Gains	1,434.72
2.3	Discounted Cap Gains	0.00
2.4	Current Year Cap Losses	-601.14
2.5	Capital Gains/(Loss) Subtotal	-23,181.09
2.6	Applied Capital Gains	15,704.44
2.7	Excess Cap Loss Carried Forward	-8,106.65



Please note: The First-In, First-Out (FIFO) method will be used on the disposal of asset parcels in the member's account. Under this method, the first parcel purchased will be deemed to be the first parcel sold, for the purposes of calculating any capital gain or capital loss.

2.1 Prior Year Capital Loss Carried Forward

This amount is any excess capital losses from prior years which will be used to offset current year and future capital gains where possible.

For Pension members this balance is zero.

2.2 Fully-Taxable Capital Gains

This amount is the total capital gains generated by Super members of the Fund from:

- Distributions/attributions of non-discount capital gains from managed investments and listed trusts.
- Capital gains from the sale of investments during the year where the investment was held for a period less than 12 months.

For Pension members this balance is zero

2.3 Discounted Capital Gains

This amount is the total discounted capital gains generated by Super members from:

- Distributions/attributions from managed investments and listed trusts where a discount of 33^{1/3}% was applicable. Discounted capital gains have been 'grossed-up' to the 100% amount and then, if appropriate the 33^{1/3}% discount has been applied.

- Capital gains from the sale of investments during the year, where the investment was held for more than 12 months. These gains have been subject to a 33^{1/3}% discount.

This figure is two-thirds of the distributed capital gain as this represents the taxable amount.

For Pension members this balance is zero.

2.4 Current Year Capital Losses

This amount is the total capital losses generated from the sale of investments by Super members during the year.

For Pension members, this balance is zero.

2.5 Capital Gains/(Loss) Subtotal

For Super members capital losses are offset against capital gains as follows:

- Capital losses are first offset against fully taxable capital gains and indexed capital gains.
- To the extent that losses exceed fully taxable and indexed capital gains, the remaining losses are offset against the gross value of discounted capital gains. If there is a net discounted capital gain remaining after the above offsets, the balance is discounted by 33^{1/3}%.

If there were no losses to offset, then the Capital Gains/(Loss) Sub-Total is the sum of the Fully Taxable Capital Gains (2.2) and Discounted Capital Gains (2.3).

For Pension members this balance is zero.

2.6 Applied Capital Gain

If the member's Capital Gain/(Loss) Sub-Total (2.5) is a loss, then this balance is equal to the portion of that loss that was able to be utilised by the Fund. Members are compensated at a rate of 15% of losses transferred at Capital Losses Benefit (3.4).

2.7 Excess Capital Loss Carried Forward

This balance is any capital loss made by the member that was not able to be utilised by the Fund at 2.6 above. The amount is carried forward and will be available to be offset against capital gains derived in future years.

Section 3: Tax Position

This section adjusts the Net Tax Payable for certain benefits to arrive at the amount credited/(charged) to a member's account

Section 3: Tax Position		
3.1	Net Tax Payable	-1,125.64
3.2	Excess Franking Credits Benefit	0.00
3.3	Excess Foreign Income Tax Offsets Benefit	0.00
3.4	Capital Losses Benefit	2,261.17
3.5	Revenue Losses Benefit	0.00
3.6	Foreign Losses Benefit	0.00
3.7	Net Tax Position	1,135.53
3.8	Tax Paid to Date	1,426.68
3.9	Amount Credited/(Charged) to Account	2,562.21
3.10	Surplus Tax Benefit	0.00

3.1 Net Tax Payable

This balance is equal to the Net Tax Payable (1.17) amount.

3.2 Excess Franking Credits Benefit

This balance is equal to Excess Franking Credits (1.18) and represents a refund to the member of franking credits that were not able to be used to reduce the member's taxable income.

3.3 Excess Foreign Income Tax Offset Benefit

This balance is equal to the Foreign Income Tax Offset (1.7), less the Foreign Income Tax Offset Used (1.16).

For Pension members this balance is zero.

3.4 Capital Losses Benefit

This balance is equal to 15% of the Capital Loss Reversal (1.9).

For Pension members this balance is zero.

3.5 Revenue Losses Benefit

Where Taxable Income (1.13) is less than zero (i.e. a loss situation), the balance is equal to 15% of Taxable Income (1.13). Where Taxable Income (1.13) is greater than zero, the balance is zero.

For Pension members this balance is zero.

3.6 Foreign Losses Benefit

There was no foreign losses benefit for the period 1 July 2022 to 30 June 2023.

3.7 Net Tax Position

This balance is the member's net tax liability or refund calculated by the sum of the amounts referred to above at 3.1 to 3.6.

3.8 Tax Paid to Date

This balance represents the aggregate amount of tax deducted from a member's account in respect of contributions, distributions, and capital gains for the period 1 July 2022 to 30 June 2023.

3.9 Amount Credited/(Charged) to Account

This amount is equal to the net balance of tax payable or refund receivable. It is calculated by adding the Net Tax Position (3.7) to the Tax Paid to Date (3.8). Where the balance is positive, a refund has been credited to the member's Cash Account/Cash Hub. Where the balance is negative, a tax charge has been debited against the member's Cash Account/Cash Hub.

3.10 Surplus Tax Benefit

The surplus tax benefit represents excess Fund tax benefits arising from:

- The value of benefits derived from members during the period 1 July 2022 to 30 June 2023 who exited the Fund prior to the date the tax calculation was finalised, such as excess franking credits, foreign income tax offsets, revenue losses and capital loss reversal. This amount may be reduced by the application of the '45 Day' rule or the 'Dividend washing' rule (if applicable)
- A net overall gain or loss from the netting of capital losses against fully taxable gains within the Fund.

For the period 1 July 2022 - 30 June 2023 this benefit is retained in the Fund's reserves and may be used to cover certain fees and costs of the Fund. The surplus tax benefit will be reported as zero on the Tax Calculation member report.

Appendix 1: Independent Review of Tax Processing Controls



Independent review report to the Trustee of the Macquarie Super and Pension Manager and Super Accumulator or relevant client branded service (the “Fund”)

We have reviewed the statement from Macquarie Investment Management Limited (“the Trustee”) dated 21 December 2023 regarding the effectiveness of data processing controls over the accuracy of the Fund tax calculation and member notional tax calculations (“tax calculations”) for the period 1 July 2022 to 30 June 2023, in accordance with the Guide to Member Notional Tax Calculation attached to this report, for the purpose of providing independent assurance to the Trustee of the Fund.

The Fund is part of a superannuation fund established by way of a trust deed and is a complying superannuation fund for the purposes of the Superannuation Industry (Supervision) Act 1993.

Trustee’s responsibility for internal controls

The Trustee of the Fund is responsible for maintaining effective data processing internal controls over the accuracy of tax calculations that are adequately designed and operated effectively. This responsibility includes the design and effective operation of the taxation procedures and internal controls relevant to the preparation of these tax calculations that are free from material misstatements, whether due to fraud or error. Management’s assertions about the effectiveness of these control procedures in relation to the accuracy of tax calculations are included in the accompanying report “Guide to Member Notional Tax Calculation”.

Assurance Practitioner’s Responsibility

Our responsibility is to express a conclusion to the Trustee on the tax calculations based on our review. We have conducted our review in accordance with ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* and within the context of the attached Guide to Member Notional Tax Calculation, in order to state whether anything has come to our attention that causes us to believe that the Trustee has not maintained, in all material respects, effective data processing controls over the accuracy of the tax calculations for the period 1 July 2022 to 30 June 2023.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review is limited primarily to inquiries of entity personnel, inspection of evidence and observation of, and enquiry about, the operation of the taxation procedures and internal controls for a small number of transactions or events. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report has been prepared for Macquarie Investment Management Limited for the purpose of providing independent assurance to the Trustee. No responsibility will be accepted for any reliance on this report to any party other than Macquarie Investment Management Limited, or for any purpose other than that for which it was prepared.



The Trustee is responsible for the integrity of its website. This report does not provide an opinion on any information which may be hyperlinked to/from this statement. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to contact the Trustee in order to obtain a hard copy of the tax calculations presented on this website.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that Macquarie Investment Management Limited has not maintained, in all material respects, effective data processing controls over the accuracy of the Fund tax calculation and member notional tax calculations for the period 1 July 2022 to 30 June 2023 in accordance with the attached Guide to Member Notional Tax Calculation.

KPMG

KPMG
Sydney
21 December 2023

Appendix 2: Trustee Statement

Trustee's Statement on the effectiveness of data processing controls over the accuracy of tax calculations for the period 1 July 2022 to 30 June 2023

We, Macquarie Investment Management Limited (Macquarie), are the Trustee for the Fund. The Fund is part of a superannuation fund established by way of a trust deed and is a complying superannuation fund for the purpose of the *Superannuation Industry (Supervision) Act 1993* (Cth).

For the period 1 July 2022 to 30 June 2023, we have prepared member level reports available from the Wrap website. We developed a system (Tax Calculator), which collates data from various source financial recording and processing systems and performed the required tax calculations and reporting. We are responsible for establishing and maintaining effective data processing controls to support the accuracy of the tax calculation.

There are inherent limitations in any controls, including the possibility of human error in programming that may remain undetected, and circumvention or overriding of controls.

Therefore, even effective controls can provide only reasonable assurance regarding the accuracy of data processing, and because of changing conditions, the effectiveness of data processing controls may vary over time.

We have assessed the data processing controls over the above tax calculations. Based on that assessment, in our opinion the member calculation, which in aggregate comprises the Fund tax calculation for the period 1 July 2022 to 30 June 2023, has effective data processing controls to provide reasonable assurance that:

- Processing of transactions by the source financial recording and processing systems support the accuracy of the tax calculations.
- Collation of data by the Tax Calculator supports the accuracy of the tax calculations.
- The tax calculations provided by the Tax Calculator support the accuracy of the tax calculations based on the risks and criteria described below.

Objectives	Risks Addressed	Key Data Processing Controls to Manage Risks
1. Transaction processing by Source Financial Recording and Processing Systems		
1.1. Income from managed investments and ASX listed trusts is categorised into the appropriate tax components.	Inaccurate recording of tax components.	We have performed sample testing to verify the accuracy of investment income entered into the source financial recording and processing system.
1.2. Income from ASX listed securities is processed accurately into the source financial recording and processing system according to the classification of the income type as notified by registry.	Inaccurate recording of income components of ASX listed securities investments.	We have performed sample testing to verify the accuracy of investment income entered into the source financial recording and processing system.
1.3. Capital gains and capital losses are appropriately calculated, including adjustments to the cost base of an asset, regarding tax-free, tax-deferred distributions and AMIT cost base net amounts where required,	Inaccurate recording of capital gains and capital losses.	The source financial recording and processing system that calculates capital gains and capital losses has been subject to formal user acceptance testing, which confirmed that the system calculates capital gains and capital losses in accordance with the relevant Australian tax legislation. For special cases where the source financial recording and processing system is unable to correctly calculate capital gains and capital losses, we had in place manual procedures to identify and adjust capital gains and capital losses where required.
1.4. Taxable contributions are processed accurately into the source financial recording and processing system according to the classification of the contribution type as notified by members.	Inaccurate recording of taxable contributions.	We performed an internal review and check of taxable contributions entered into the source financial recording and processing system on a sample basis.

Objectives	Risks Addressed	Key Data Processing Controls to Manage Risks
1.5. Pension and Super members are correctly classified according to the member application form.	Inaccurate classification of members, resulting in inaccurate tax calculations.	We performed an internal review and check of the classification of Fund members entered into the source financial recording and processing system on a sample basis.
1.6. Expenses are processed accurately into the source financial recording and processing system according to appropriate classifications that identify their deductible and non-deductible nature.	Understated or overstated deductible expenses resulting from misclassification	We have implemented internal procedures, which include the review and checking of the classification of expenses processed on a sample basis to ensure that expenses are classified correctly for tax calculation purposes.
2. Collation of data in Tax Calculator		
2.1. Managed investment and ASX listed security income from the source financial recording and processing system is accurately collated by the Tax Calculator for processing.	Managed investment and ASX listed security income has not been completely or accurately extracted from the underlying source financial recording and processing system.	We have performed a reconciliation of managed investment and ASX listed security income from the source financial recording and processing system to the Tax Calculator, and differences were investigated to determine their nature and whether they would result in a material error in the Fund tax calculation. For a sample of members, we compared the managed investment and ASX listed security income components to the underlying source financial recording and processing system.
2.2. Contributions from the source financial recording and processing system is accurately collated by the Tax Calculator for processing.	Taxable Contributions have not been completely or accurately extracted from the underlying source financial recording and processing system.	We performed a reconciliation of contributions from the source financial recording and processing system to the Tax Calculator on a member-by-member basis.
2.3. Deductible expenses from the source financial recording and processing system are accurately collated by the Tax Calculator for processing.	Deductible expenses have not been completely or accurately extracted from the underlying source financial recording and processing system.	We performed a reconciliation of expenses extracted from the source financial recording and processing system to the Tax Calculator on a member-by-member basis.
2.4. Tax Paid balances from source financial recording and processing system are accurately collated by the Tax Calculator for processing	Tax Paid has not been completely or accurately extracted from the underlying source financial system.	We performed a reconciliation of Tax Paid extracted from the source financial recording and processing system to the Tax Calculator on a member-by-member basis.
3. Tax Calculation Generation		
3.1. The overall Fund-level tax calculation is consistent with the aggregate underlying member calculations.	Calculation errors resulting from inconsistencies between the overall Fund-level tax calculation and aggregate underlying member calculations.	We performed a reconciliation of the overall Fund level tax calculation with the underlying member calculations.
3.2. The tax principles as described in the Trustee's Explanatory Guide are consistent with the relevant tax legislation.	Tax principles are inconsistent with the tax legislation, resulting in erroneous tax calculations.	Our internal tax team have reviewed the tax principles and assumptions contained in the Trustee's Explanatory Guide within the context of Australian tax legislation and materiality.
3.3. The tax calculations as described in the Trustee's Explanatory Guide have been correctly performed for all member calculations.	Erroneous programming of the tax calculations.	We have tested a sample of tax calculations to ensure that they have been correctly performed in accordance with the Trustee's Explanatory Guide.

Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 is not an authorised deposit-taking institution for the purposes of the *Banking Act 1959* (Cth), and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

Macquarie Super and Pension Manager, Macquarie Super Accumulator and Macquarie Super and Pension Consolidator are offered by MIML. In deciding whether to acquire or continue to hold an investment you should consider the current Product Disclosure Statement (PDS) which is available from us. Applications can only be made on the application form contained in the current PDS. This information is provided for the use of licensed financial advisers only. In no circumstances is it to be used by a potential client for the purposes of making a decision about a financial product or class of products.

Please also note that MIML and its representatives are not registered tax (financial) advisers under the *Tax Agent Services Act 2009* (Cth). If an investor intends to rely on any information in this document to satisfy liabilities or obligations or claim entitlements that arise, or could arise under a taxation law, they should request advice from a registered tax (financial) adviser or a registered tax agent.

If you have any queries about your portfolio, please contact your adviser.