

Financial Year End

V-Wrap Help Sheet

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About this document

Objectives

This document is intended to give assistance to clients in managing their yearend processes to ensure the best results in preparing information from V-Wrap. Not all items will apply to every service's situation and these instructions should be considered alongside each service's individual needs and normal year end processes.

Please be reminded that Præmium does not give tax or investment advice.

Related documentation

For a full description of V-Wrap's functionality, refer to the V-Wrap Online Help available by clicking the Help icon () on the V-Wrap menu bar..

Lock the Daily Roll Forward

Whilst working on the portfolios for the year end, it may be practical to hold the overnight rebuild process at 30/06/2009 rather than have the portfolios rolled forward to the current date every evening.

This can be set up and managed by the System Administrator (or Level 12 user). To do this:

1. Go to **System Management** on the menu bar
2. Select **Service Maintenance**. In the screen that displays, scroll down to 'Overwrite Roll Forward Date'.
3. In the box type **30/06/2009**.

Overwrite Roll forward Date:	30/06/2009
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This will hold the recalculation date and corresponding information for ALL ACTIVE portfolios for the service at 30/06/2009 until the date is deleted. They will then be rolled forward to the current date during the next overnight rebuild.

Asset Valuations

ASX Listed Stocks

Price information for ASX listed and OCH options should be updated by Praemium in the normal way, overnight on 30/06/2009.

However, certain corporate actions, dividend and DRP information may still be outstanding and there could be a couple of day's time lag to research these and get them into the system. Praemium will endeavour to update these as soon as practical.

It would be appreciated if any data variances are only brought to our attention after the two days and the portfolios have been recalculated. Please report these issues by email only to **mail@praemium.com.au**, giving clear details of the security in question, the related issue and a portfolio id as an example.

Unlisted Unit Trusts – Final Price

For managed funds which are globally managed by Praemium, the information regarding the final pre/post distribution price, used for valuation at 30/06/2009 will only be updated as and when it becomes available to our data provider, by the fund manager.

V-Wrap incorporates an indicator in the on screen 'Portfolio Valuation by Security' report for 30/06/2009 (only) which will alert the user once the final price has been updated.

ASK0098AU	?	SKANDIA OCS - AUSTRALIAN EQUITY OPTION	5,024.5	\$10.9464	\$55,000.00		\$11.9018	\$59,800.59	8.58%	\$4,800.59
PWA0013AU		MERRILL LYNCH - BALANCED FUND	83,056.4784	\$1.204	\$100,000.00	Ex	\$1.2625	\$104,858.81	15.05%	\$4,858.81
Cash & Equivalents										
+CMT		cmt bank account	97,500.5	\$1.00	\$97,500.50		An 'ex-div' price exists for this asset on this date			\$0.00

For unlisted unit trust holdings which are not managed by Praemium but managed at service level, the final price can be input using the price update function in the Service Asset Maintenance menu option.

Listed Trusts

The final price will be the closing price for 30/06/2009 which will be available on 01/07/2009.

All Other Holdings

The pricing of all other holdings must be managed at the service's discretion using the pricing function under the Service Asset Maintenance menu.

Income on Investments

Unlisted Unit Trusts – Distribution Tax Information

Tax information for distributions from Managed Funds maintained by Praemium and Listed Trusts will be updated as and when it becomes available from Fund Managers and various third parties.

You should be aware that for these distributions:

- The information will appear in the Income Screen.
- The relevant CGT distributions will transfer to the CGT screen and be included in the overall CGT calculation for 2009.
- The information is calculated on a generic (cpu) basis and the component ratio for the total distribution will be applied to all distributions for the year for a holding. This may not convert accurately to particular distributions.
- Praemium does not give tax advice. All income components should be reviewed for accuracy against confirmation provided by the distributing entity for each individual holder. Praemium cannot take responsibility for misleading or inaccurate information and all income information in a portfolio must be verified by the subscribing service.
- Any genuine errors in calculations should be reported to **mail@praemium.com.au** or faxed to 03 8622 1200 quoting the service name, portfolio id, the security code and description of the problem, accompanied by supporting documentation for the requested adjustment.

What you need to do before 30th June 2009

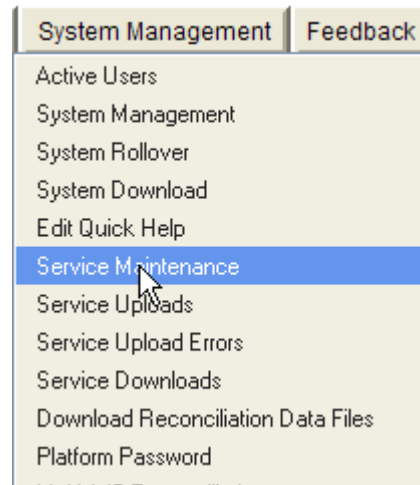
Some V-Wrap services receive holder tax statements for their client either as the custodian or as the registered addressee. In these cases it may be easier to use these statements to upload the exact information on a value basis into the client portfolios rather than use Praemium's progressive tax component update.

To facilitate this process for our clients who have this information to hand and who would prefer to use it to update the tax information for both listed and unlisted trusts, Praemium has a procedure to allow the System Administrator to suppress Praemium's tax component information and allow update of tax components to be managed within the subscribing service itself. There are some additional procedures to automate the update of this information to other portfolios within the service where they meet the same conditions. These are explained in the next section.

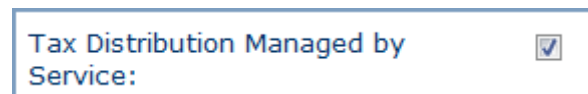
It should be noted that this is activated at service level and is set for all portfolios within the client service. It is not reversible, once in place.

To set this up, the following action needs to be taken by 30th June 2009.

1. From the System Management menu, click **Service Maintenance**.



- Scroll down and select the **Tax Distribution Managed by Service** option.



- Click **Save**.

Note: This feature is also available at portfolio level, for individual income entries.

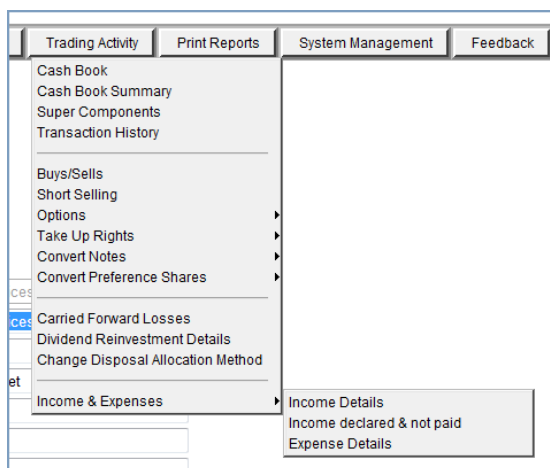
For more information, refer to 'At Portfolio Level' on page 19.

Listed and Unlisted Unit Trusts – Updating tax component information

Inputting the tax components from the tax statement into V-Wrap

To enter the information for an individual portfolio for a holding from the tax statement:

1. From the **Trading Activity** menu, click **Income & Expenses > Income Details**.



2. Click **Income Tax Summary**.

The screen redisplay with the income details for the particular year and security requested. All the amounts will be unfranked to begin with.

Description	Date	Tax Date	Total Quantity Onhand	Amount Received	DRP Amount	Withheld Amount	Total Unfranked Amount
ENVESTRA LTD STP SEC	28/11/2008	07/11/2008	10,000	\$450.00			\$37,000
ENVESTRA LTD STP SEC	29/05/2009	06/05/2009	10,000	\$275.00			\$194,000
				\$725.00		0	231

The tax component amounts can be entered into the screen according to the tax statement.

3. Select the **Tax Year** and **Security** code.
4. Click **Update Summary Values** when completed.

These values will only be updated if they add correctly to the total value.

Updating tax components across multiple holdings

In order to save manual input, this information can be applied across all holdings in the subscribing service provided that there has been no change to the number of shares or units held within the year.

This means that:

- the holding has been held for the complete financial year and hence received

all applicable distributions.

- the holding has not been added with DRPs, purchases and management rebates in the form of units during the period.
- there have been no sells or redemptions during the year.

Process:

- Tax components can be updated according to the Tax Statement received for the portfolio, as described above.
- A list of all the portfolios that have held the same security for the full tax year appears below the tax data followed by a box providing the opportunity to apply the tax components across all the portfolios listed.
- To apply the tax components across all these portfolios simply place a tick in the box marked **Apply distribution to all portfolios**.
- Click on **Update Summary Values**.

finshoe	Portfolio 30786
deane123	Portfolio 30804
mini123	Portfolio 30844
Stearn123	Portfolio 30865
BGL	Portfolio 31138
Desktop	Portfolio 31185
test1	Portfolio 31813
walshe123	Portfolio 31266
bdo123	Portfolio 31843
crispin	Portfolio 29958
JLR123	Portfolio 29986
Ying123	Portfolio 31945
CASSIE123	Portfolio 31743
Pert123	Portfolio 30899
POLO	Portfolio 30991
asandbri	Portfolio 31545

Apply distribution to all portfolios

Update Summary Values

Note: Using this "Income Tax Summary" feature will automatically result in the **Lock Tax Allocations** box to be ticked for the income entries updated via this screen. This will mean that these entries will **NOT** be changed via any updates subsequently made by Praemium.

Trust Distribution Search

There is a Search facility to assist you in working out which trusts have paid distributions for a particular financial year. In order to search for trust distributions:

1. From the **Portfolio Details** menu, click **Trust Distribution Search**.



This displays a screen to allow you to select the distributions.

Portfolio ID / Name : Trust Type :

Security Code : Holdings Changed? :

Year Ending June :

This search can be for a certain year; for a particular portfolio or all of them; for a particular security or all; by trust type; and/or for holdings that have or have not changed throughout the year.

- Once the criteria have been selected, click **Search** and all matches will be listed on the screen

Portfolio ID / Name : Trust Type :

Security Code : Holdings Changed? :

Year Ending June :

Select	Portfolio ID	Portfolio Name	Security	Description	Current Holding	# Of Distributions This Year	Annual Income	Holding has changed during the year?
<input type="checkbox"/>	DSC123	DSC 123	ENV	ENVESTRA LTD STP SEC	0	2	\$725.00	Yes
<input type="checkbox"/>	+98119	env	ENV	ENVESTRA LTD STP SEC	0	1	\$27.50	Yes
<input type="checkbox"/>	TCS	QLD Pty Ltd Superannuation Fund	ENV	ENVESTRA LTD STP SEC	0	2	\$2,175.00	Yes

Listed and Unlisted Unit Trusts – How Praemium updates the tax component information

During the year, all income from the Managed Funds and Listed Trusts that Praemium handles is allocated to **Total Unfranked Amount**. When the tax component for a distribution becomes available, it will reallocate the unfranked amounts accordingly.

How this is managed depends on how the user has already treated the income entry. For instance:

- If the income entry has not been confirmed, and the red confirm button displays, then the information will be reallocated and the red confirm button will remain.

Security	Description	Date	Tax Date	Ex Date	Total Quantity Onhand	Amount to be Received	Total Interest Amount	Rental Income	Total Unfranked Amount	Total Franked Amount	Total Tax Credit	Total Tax Deferred Amnt
AMP1072AU	AMP CAPITAL ENHANCED YIELD FUND H	7/10/2007	30/09/2007	30/09/2007	2,000	\$39.60	\$0	\$0	\$39.60	\$0	\$0	\$0
AMP1072AU		7/01/2008	31/12/2007	31/12/2007	2,000	\$54.20	\$0	\$0	\$54.20	\$0	\$0	\$0
AMP1072AU		7/04/2008	31/03/2008	31/03/2008	2,000	\$56.20	\$0	\$0	\$56.20	\$0	\$0	\$0
AMP1072AU		7/07/2008	30/06/2008	30/06/2008	2,000	\$70.36	\$0	\$0	\$70.36	\$0	\$0	\$0
APA	APA GROUP	28/09/2007	04/09/2007	04/09/2007	10,000	\$700.00	\$300.00	\$0	\$200.00	\$0	\$0	\$200.00
APA		28/03/2008	03/03/2008	03/03/2008	10,000	\$1,450.00	\$200.00	\$0	\$980.00	\$0	\$0	\$270.00
APA		10/09/2008	24/06/2008	24/06/2008	10,000	\$127.06	\$127.06	\$0	\$0	\$0	\$0	\$0
ENV	ENVESTRA LTD STP SEC	30/11/2007	08/11/2007	08/11/2007	10,000	\$570.00	\$90.00	\$0	\$93.00	\$0	\$0	\$387.00
ENV		30/05/2008	06/05/2008	06/05/2008	10,000	\$380.00	\$61.00	\$0	\$0	\$0	\$0	\$319.00
HBC0013AU	CHALLENGER WHOLESALE HYBRID PROPERTY FUND	5/10/2007	28/09/2007	28/09/2007	2,000	\$17.80	\$0.43	\$0	\$13.60	\$0.13	\$0.15	\$3.47
HBC0013AU		7/01/2008	31/12/2007	31/12/2007	2,000	\$17.33	\$0.42	\$0	\$13.24	\$0.13	\$0.15	\$3.38
HBC0013AU		7/04/2008	31/03/2008	31/03/2008	2,000	\$16.21	\$0.39	\$0	\$12.38	\$0.12	\$0.14	\$3.16
HBC0013AU		7/07/2008	30/06/2008	30/06/2008	2,000	\$40.60	\$0.98	\$0	\$31.01	\$0.30	\$0.35	\$7.92

- In the example above, HBC0013AU has been reallocated.
- The tax information for AMP0172AU has not been updated and the unfranked amount will be reallocated once the information is available
- If the income entry has been confirmed (that is, the red **Confirm** button has been clicked), and the distribution amount is still 100% allocated to 'unfranked' then the entry will be reallocated appropriately and a new green **Confirm Tax** button will display. Once the green button has been confirmed, then the information for that entry is locked in.

		Select	Security	Date	Tax Date	Total Quantity Onhand	Amount Received	DRP Amount	Total Unfranked Amount	Total Interest Amount	Total Franked Amount
<input type="button" value="Edit"/>	<input type="button" value="Delete"/>	<input type="checkbox"/>	HOW0001AU	30/06/2004	30/06/2004	16,048					
<input type="button" value="Edit"/>	<input type="button" value="Delete"/>	<input type="checkbox"/>	IAG	13/10/2003	13/10/2003	308	\$21.56	\$21.56			\$21.56
<input type="button" value="Edit"/>	<input type="button" value="Delete"/>	<input type="checkbox"/>	IAG	19/04/2004	19/04/2004	313	\$25.04	\$25.04			\$25.04
<input type="button" value="Edit"/>	<input type="button" value="Delete"/>	<input type="checkbox"/>	PLA0002AU	1/07/2004	30/06/2004	11,755.28	\$886.77		\$1.12	\$39.58	
<input type="button" value="Confirm Tax"/>	<input type="button" value="Delete"/>	<input type="checkbox"/>	SBC0813AU	1/01/2004	31/12/2003	20,975	\$146.83			\$146.83	
<input type="button" value="Confirm Tax"/>	<input type="button" value="Delete"/>	<input type="checkbox"/>	SBC0813AU	5/04/2004	31/03/2004	20,975	\$209.75			\$209.75	
<input type="button" value="Confirm Tax"/>	<input type="button" value="Delete"/>	<input type="checkbox"/>	SBC0813AU	30/06/2004	30/06/2004	20,975	\$237.46			\$237.46	

- If the entry has been confirmed (that is, the red **Confirm** button has been clicked) and there is an amount in any component other than 'unfranked' **but the Lock Tax Allocations box has not been ticked**, then the entry will be reallocated appropriately and a new green **Confirm Tax** button will display.

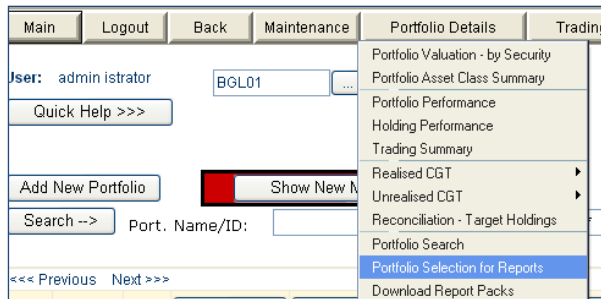
Once the green button has been confirmed, then the information for that entry is locked in.

- If the entry has been confirmed (that is, the red "confirm" button has been clicked) and there is an amount in any component other than 'unfranked' for **any distribution within the year** for the stock, and **the Lock Tax Allocations box has been ticked**, then reallocation will **NOT** take place and these entries will need to be updated manually.

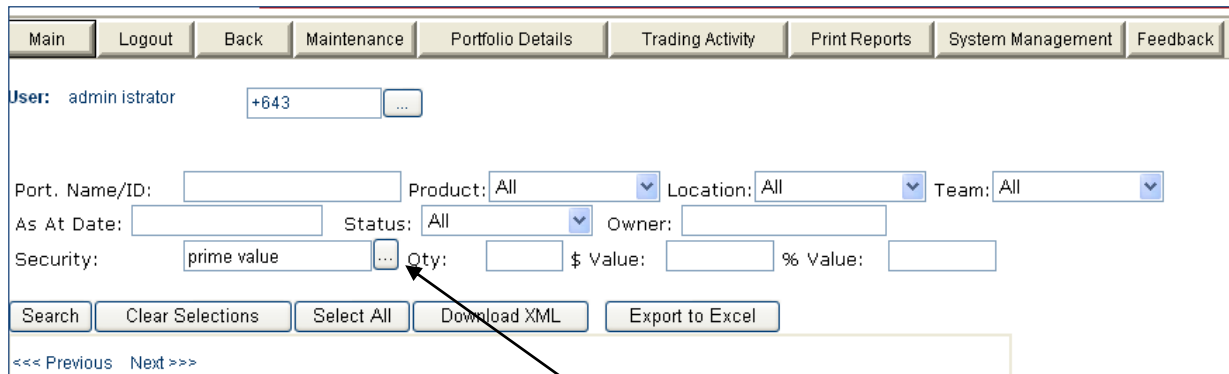
Notification that the tax information has been updated

V-Wrap has a process to assist with the management of the flow of tax information for income. Once the tax components for a Trust Security have been updated, the update date will display in the **Security Look Up** screen against the relevant Security Code.

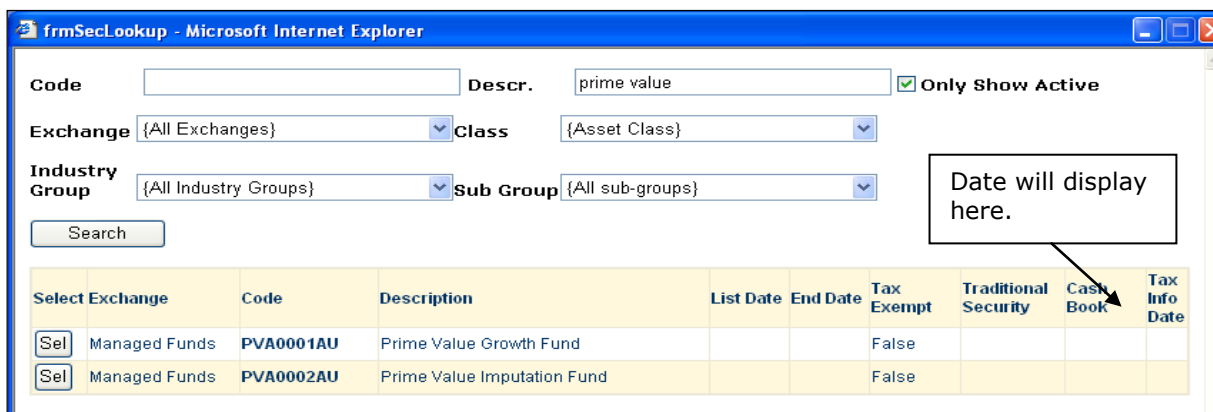
This information can be accessed via the **Portfolio Search** screen under the **Portfolio Details** menu option.



In the screen that displays, in the Search box, enter either the APIR code for one fund or details of the fund manager.



Click the box to the right of the Search box to bring up the Look up Table.



If the tax information has been updated for a fund, then the date will display in a column at the far right called 'Tax Info Date'.

In addition to this, we will be distributing regular system messages advising of updates to tax component information

In order to facilitate the verification of the analysis of the tax apportionment, actual tax statements are helpful. We would be grateful to hear from any services which have access to individual tax statements and wish to assist the verification process by forwarding copies to our Client Support Team. However, it is only useful if it is for a holding where the same quantity of units have been held for the whole tax distribution period – that is, we cannot accept information where units have been bought or sold within the tax year or for investors who are reinvesting.

Other Trust Distributions

All other trust distribution information will need to be managed by the subscribing service. This can be simplified by using the portfolio search function in the Income Screen to select transactions across all portfolios and then applying the multi edit process. (Refer to the **V-Wrap Online Help** for instructions.)

Ensure that in all cases both the on screen report and printed report are selected for Taxable Income.

Listed Investment Companies (LIC) Gain Deductions

Currently from our ASX Reference Point data feed we receive LIC dividend amounts; however we do not receive any LIC Gain Deduction information, therefore each year we have to manually source this information. If your clients receive any dividend from an LIC, please double check the dividend to see if there are LIC Gain Deduction amounts.

To assist us in updating this information, we would be grateful to hear from any services which have access to LIC dividend statements and wish to assist the updating and verification process by forwarding copies to our Client Support Team.

Timing of Information and Reporting

Billing and Invoicing

Services that are using the billing function should be mindful that the fee calculation will be determined by the valuation prices that are in the system at the time of the fee calculation. If a subscribing service needs to get an invoice to a client with holdings which may be affected by delayed pricing updates, they should be aware that in these cases the invoice value could change if the portfolio is recalculated again at a later date and the original invoice value will not be able to be replicated should a copy be required. **Praemium strongly recommends that file copies are maintained for any distributed invoices.**

Bulk Reporting

For services that are anxious to get 30 June 2009 reports out to clients, it may be an option to send out June reports with a clear disclaimer that the information is incomplete and there will be a follow up.

Some organisations may choose to clearly separate a June end portfolio report from an additional report to cover tax reporting for the whole year. This could certainly be the case for holders of trusts where the complete information will not be available for some time after the year end.

Managing the flow of tax component information reporting

In the bulk reporting process, Praemium has incorporated some additional filters to specifically deal with trusts. These should assist with the flow of the creation of report packs for the gradual update of the tax information.

Under **Portfolio Selection for Reports**, the screen displays with the additional filter for trusts. Under this there are various options with a default of 'All Portfolios'.

Where the text indicates '... that have reported this Tax Year', the selection will include those portfolios that include trusts where the information for the trust itself has been updated by Praemium. **Beware!** If a portfolio did not fall into the validation rules for

the update, it may not be updated. (Refer to 'Unlisted Listed and Unlisted Unit Trusts – How Praemium updates the tax component information' on page 11.)

For speed of use, it may be worth running very large batch reports in lot sizes of 100 portfolios at a time although this will vary depending on the reports selected to be built. Larger report packs can also be run overnight. However, there is still the possibility that the report file can be aborted where a portfolio in the file creation process is being used by an alternative process such as the 'Recalculation To'. This could be caused by another user who has access to the portfolio or as part of the overnight roll forward.

Due to the dynamic nature of Praemium and the delayed update of trust pricing and distribution information, report information for the 30/06/2009 may vary as these amendments are updated into the system. This should be taken into account when deciding the timing of producing year end reports. Praemium strongly recommends that PDF copies of any information distributed to clients relating to year end are saved for future retrieval if required as they may not be able to be replicated live from the system.

Disclaimers for Reports and Invoices

A facility is available to enter a disclaimer on both the report packs and invoices up to approximately 100 words. If this is required, please email the text to **mail@praemium.com.au**.

Year-end Roll Over Process

Once the year end is completed, the System Administrator will need to **lock in** the information for each portfolio to avoid any risk of changing or editing the information which has been disclosed and utilised for tax calculations and reporting.

A process is available to lock in transactions up to a specific year end. When this lock is activated, all transactions prior to the year end date become quarantined from the recalculation process and are unable to be edited. All unconfirmed transactions are automatically confirmed.

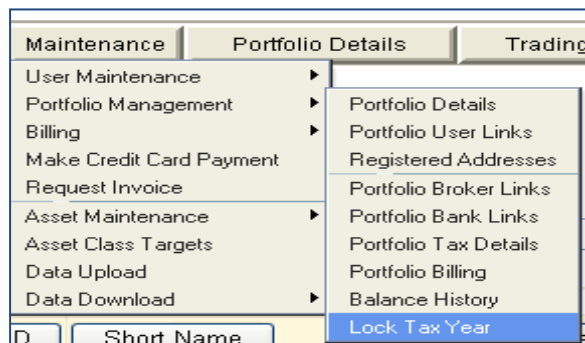
The process applies to all transaction types; trades, corporate actions, income, expenses and cash. It can only be activated by Level 10 and above users and is managed at portfolio level.

A tax year should only be locked once all information is complete, reconciled and finalised.

Setting up the Tax Lock

To set up a tax lock

1. From the **Maintenance** menu, click **Portfolio Management > Lock Tax Year**.



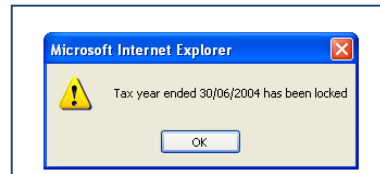
The year that displays in the next screen will be the first year end prior to the current recalculation date.

To lock in the transactions up to 30/06/2009, the portfolio must be recalculated to 30/06/2009 or beyond. (Therefore, if the user wishes to lock in transactions the prior year before commencing reconciliations for 2009, the portfolio must be recalculated up to any date prior to 30/06/2009).

2. Click **Lock Tax Year Ended**.



The following message displays.



3. Click **OK**.

All add, edit and delete functionality for data is removed for all users up to the relevant year end.

Reversing the Tax Lock

The System Administrator has access to reverse a locked year end. Once a year end has been locked, the Tax Lock maintenance screen will display as shown here:



Click **Unlock tax year ended 30/06/2009** to unlock.

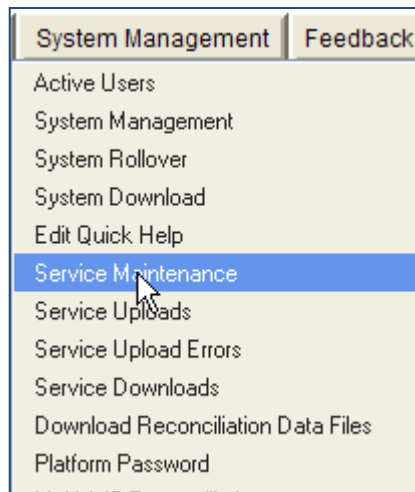
Security Tax Allocation Lock

At Service Level

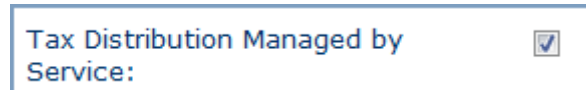
Tax allocations can be locked at service level so that they are not over-written by any subsequent updates by Praemium. It should be noted that this is activated at service level and is set for all portfolios within the client service. It is not reversible, once in place.

To set this up, the following action needs to be taken by 30/6/2009.

1. From the **System Management** menu click **Service Maintenance**.



2. Scroll down and select the **Tax Distribution Managed by Service** option.



3. Click **Save**.

At Portfolio Level

Individual distribution tax allocations can also be locked via the income screen. This prevents them from being over-written by any subsequent update by Praemium.

1. Click on the edit button next to the required Security distribution. This will display all available component types, including **Lock Tax Allocations**.

Tax	Concessional	Non-Distributed Concessional	Lock Tax	Total Trad.	LIC Gain
Gain	Gain	Gain	Allocations	Sec Gain	Deduction
	0	0	<input type="checkbox"/>	0	0

2. Select **Lock Tax Allocations** to lock in the distributions.
3. Click **Save**.

BGL Simple Fund & Desktop Super Users

Clients are reminded that they need to delay the download from V-Wrap until after the trust pricing and distribution information has been updated to ensure the integrity of the income analysis and CGT calculations. For instructions regarding the management and download of information from Praemium to these applications, please refer to our help sheets available on our website www.praemium.com.au under **Products & Services** and the **Get Help** option.

If member information is required for group tax, it may be able to be extracted from the V-Wrap cash book, if the cash book has been fully utilised with regard to transaction type allocation. Download the cash book transactions to Excel and use Excel's data sort function to sort by transaction type.

V-Wrap Support

If you have any questions regarding the V-Wrap year end processing or are unsure about the content of this information notice, please do not hesitate to contact our Client Service team at **mail@praemium.com.au** or by phone on 03 8622 1222.