

1 July 2017

AMIT – a new tax regime for managed funds

On 5 May 2016, a new tax regime applying to Managed Investment Trusts (MIT's) (also known as Managed Investment Schemes or MIS's) was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. Additional legislation (the Attribution Managed Investment Trust (AMIT) regime) was also enacted.

The new regime allows managed funds that meet certain requirements to make an irrevocable choice to be an AMIT. Some of the AMIT regime requirements are quite technical in nature and include, but are not limited to, the following:

- > Greater clarity around the tax treatment of tax-deferred and tax-free distributions;
- > The ability to treat a class of units in each managed fund as a separate AMIT;
- > The ability to attribute income to investors in each AMIT; and
- > The ability to make cost base (value) adjustments to an investor's units in an AMIT either up or down where distributions are greater or less than the amount on which the investor is taxed.

Why has the AMIT Regime been introduced?

The intention of the AMIT Regime is to reduce complexity and increase certainty around the taxation treatment of MITs. In the best interests of investors, Advance Asset Management Limited, BT Funds Management Limited, BT Funds Management No 2 Limited and Westpac Financial Services Limited (Responsible Entities) have decided to elect eligible managed funds (Funds) into the AMIT Regime on 1 July 2017.

In order to do this, the relevant Fund Constitutions have been amended and specifically provide for the ability to elect into the AMIT regime and for the regime to apply thereafter, as well as providing for the necessary powers to ensure practical application of the AMIT regime.

A list of those Funds is [available here](#).

What will the AMIT Regime mean for you?

Broadly, an AMIT will attribute its taxable income to investors on a fair and reasonable basis, having regard to the members' rights under the relevant Fund constitution. The AMIT should generally not be subject to income tax. Income attributed to you may form part of your assessable income regardless of whether the income is distributed to you in cash.

For each year ending 30 June, an AMIT will send to you a member statement, detailing member components of assessable income, capital gains, tax credits and any other relevant tax information to be included in your tax return.

If you have elected to receive a part or all of your distributions from a Fund in cash, we will continue to pay cash distributions until we notify you otherwise. If you have elected to reinvest your distributions, your distributions will continue to be reinvested.

We recommend you seek professional taxation advice should you wish to understand how the AMIT Regime may impact your personal circumstances.

This updated information will be reflected in the next PDS for each of the Funds listed.

If you have any questions, please speak to your financial adviser or call Customer Relations on **132 135** between 8.00am and 6.30pm (Sydney time) Monday to Friday. You can also email us at customer.relations@btfinancialgroup.com. Advance investors can call **1800 819 935** or email investorservices@advance.com.au.

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