



Attribution Managed Investment Trust Regime ("AMIT Regime")

PDS UPDATE: 1 JULY 2017

OnePath Funds Management Limited (OnePath) as the Responsible Entity of ANZ Private Funds will irrevocably opt in to the AMIT Regime starting from 1 July 2017. Amendments to the constitutions of the ANZ Private Funds have been made to facilitate their operation under the AMIT Regime.

What is the AMIT Regime?

The Government has recently enacted a new regime for the taxation of eligible managed investment trusts (MIT), known as the AMIT Regime.

The AMIT Regime only applies if the responsible entity of an eligible MIT elects to be treated as an AMIT. OnePath will elect to apply the AMIT Regime to the ANZ Private Funds with effect from 1 July 2017. One of the most important aspects of the AMIT Regime is that tax is based on attribution rather than distribution. The taxable income of an AMIT will flow through to investors based on the amount and character of taxable income which the responsible entity chooses to "attribute" to the investor, rather than based on the share of the trust income to which the investor is presently entitled and is therefore distributed. Such an attribution will need to be made on a fair and reasonable basis.

In particular, where an underlying MIT has elected into the AMIT Regime, the trustee may determine to accumulate and not distribute certain income components. This means you may be assessed on some of these components in the year of income in which they arise even if they are not paid to you. Another important aspect of the AMIT Regime is a system of cost base adjustments that allows for upward cost base adjustments in the event that the amount distributed to an investor falls short of the taxable income that is attributed to the investor.

OnePath currently intends to continue with its distribution practice of attributing taxable income in proportion to the cash distributed to each unit holder. If however ANZ Private Fund receives an attribution amount from an underlying investment that is greater than the cash paid, electing in to the AMIT Regime will minimise the potential for double taxation in the hands of unit holders. Also amendments have been made to the constitutions of the ANZ Private Funds to permit OnePath to opt in to, and operate efficiently under, the AMIT Regime.

Which Funds are affected by these changes?

This PDS update is relevant to the following Funds and their PDSs:

- ANZ Fixed Income Fund, PDS issued date 28 July 2014
- ANZ Global Equities Fund, PDS issued date 21 July 2014
- ANZ Enhanced Yield Fund, PDS issued date 28 July 2014
- ANZ Cash Plus Fund, PDS issued date 28 July 2014
- ANZ Global Equities (Actively Hedged) Fund, PDS issued date 30 March 2015
- ANZ Private International Fixed Interest Fund, PDS issued date 9 June 2015

Any questions?

If you have any questions or require further information, please:

- speak with your financial planner
- call Customer Services on 1800 031 810 weekdays between 9am and 5pm (AEST)
- email wholesale.unittrust@onepath.com.au

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