

18 July 2016

First Equity Trustees client early adopter under new AMIT regime

The first client to sign on to the new Attribution Managed Investment Trusts (AMITs) regime has wasted no time in grasping the opportunity the new regime presents; greater product flexibility coupled with a more competitive position for the fund to compete internationally, and far greater access to Asian markets.

"We've seen the first client, a global fixed interest fund, move quickly once the regime was enacted on 1 July," said Harvey Kalman, Executive General Manager, Corporate Trustee Services, Equity Trustees.

"Signing up to the regime means that fund gives its investors flexibility and options they didn't previously have. For example, giving clients the option of distributable and non-distributable unit classes," he explained. "It's pretty straightforward: AMITs deliver flexibility and opportunity for fund managers and their investors."

Mr Kalman said the positive changes of AMITs include:

- Product flexibility to meet investor requirements – allowing the creation of multifunctional currency classes and other product enhancements – for example, hedged or unhedged classes, SRI or non-SRI classes.
- A new attribution model for determining unit holder tax liabilities, which allows amounts to retain their tax character as they flow through a MIT to the final unit holder
- The ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements
- Deemed fixed trust treatment under the income tax law
- Upwards cost base adjustments to address double taxation
- Legislative certainty about the treatment of tax deferred distributions, and

"We look forward to the Federal Government enacting its budget initiative on Collective Investment Vehicles (CIVs) as this is a fundamental element required to assist the export of financial services products and its expertise outside Australia.

"These are significant developments in ensuring Australia develops a reputation as a global centre for investment product development and management. We're keen to talk to our clients to make sure they grasp this opportunity – we know our first client to sign up will be soon followed by many others as the benefits become apparent," Mr Kalman concluded.

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Equity Trustees was established in 1888 for the purpose of providing independent and impartial Trustee and Executor services to help families throughout Australia protect their wealth. As one of Australia's largest and oldest listed independent trustees, we offer a diverse range of services to individuals, families and corporate clients including aged care advice, asset management, estate planning, philanthropic services and Responsible Entity (RE) services for external Fund Managers.

Equity Trustees Limited is a subsidiary of EQT Holdings Limited. EQT Holdings Limited is a publicly listed company on the Australian Securities Exchange (ASX: EQT) with offices in Melbourne, Kew, Sydney, Brisbane and Perth.

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