

IMPORTANT INFORMATION FOR AUSTRALIAN TRUSTS AND PARTNERSHIPS

This is important information if you are part of an Australian Trust or Partnership (including non-resident beneficiaries or partners).

You may have received Non-concessional MIT income ('NCMI') in relation to the income year ended 30 June 2022 if you hold units in a fund that distributed such income.

If you are an Australian Trust or Partnership, you may be required to withhold tax from the NCMI and 'Excluded from NCMI' components that you distribute to your non-resident beneficiaries or partners. This may also impact the way that you complete your 2022 tax return.

What is Non-concessional MIT Income?

Withholding tax rules have been amended to remove concessional treatment for income that is non-concessional MIT income ('NCMI'). Since 1 July 2019, the managed investment trust ('MIT') withholding rate on fund payments that are attributable to NCMI changed to 30%.

An amount of a fund payment will be NCMI if it is attributable to income that is:

- > MIT cross staple arrangement income;
- > MIT trading trust income;
- > MIT agricultural income;
- > MIT residential housing income.

Under transitional rules applicable from 1 July 2019, certain income that would have been considered NCMI may be excluded from NCMI and therefore subject to a lower withholding tax rate of 15% when paid to non-residents in an Exchange of Information ('EOI') country. The withholding tax rate on such income remains at 30% for non-residents in a non-EOI country.

What do I need to do?

If you are not part of a Trust or Partnership you are not required to do anything.

If you are an Australian resident Trust or Partnership please go to advance.com.au/forms-and-documents/regulatory-updates/regulatory-updates.asp. Here you can find more information regarding NCMI and 'excluded from NCMI' capital gains amounts included in distributions made by all funds in relation to the 2022 income year, as well as some general guidance on NCMI and 'excluded from NCMI' capital gains calculations.

The tax consequences of receiving these income components will depend on your particular circumstances. If you are uncertain, we recommend that you seek independent professional tax advice to understand the implications to you in receiving these income components.

Any further questions?

If you have any questions in relation to the above please contact our Customer Relations team on 1800 819 935, between 9.30am and 5.30pm (Sydney time) Monday to Friday or by emailing investorservices@advance.com.au.

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Important information

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