

# Attribution Managed Investment Trust election

## Questions and answers

### 1. What is an attribution managed investment trust (AMIT)?

An AMIT is a managed investment trust (MIT) that has elected to adopt the new AMIT regime. An eligible MIT is able to adopt the new attribution regime for the taxation of MITs for income tax year ended 30 June 2016 or any later year. The choice to become an AMIT is irrevocable.

Vicinity Centres is a dual-stapled entity comprised of Vicinity Limited and Vicinity Centres Trust. Vicinity Centres Trust has elected into the AMIT regime with effect from 1 July 2017.

### 2. What is the purpose of the AMIT regime and why has Vicinity Centres Trust elected into the AMIT regime from 1 July 2017?

The AMIT regime is intended to provide greater flexibility in the operation of an AMIT's tax affairs and to reduce administration costs and uncertainty associated with the existing tax laws. Vicinity Centres Trust has elected into the regime to access these benefits and the key features of the regime, which are:

- Greater certainty of allocation of taxable income as AMITs use an attribution method to allocate taxable income to securityholders by issuing an AMIT Member Annual (AMMA) statement (instead of the current present entitlement to income method);
- Reduce compliance costs as AMITs can reconcile prior year variances in the year they are discovered (referred to as 'unders and overs') through the current year AMMA statement rather than reissuing the prior year statement to securityholders. This also means that securityholders are not required to amend prior year tax returns;
- Greater certainty as AMITs are treated as a fixed trust for income tax purposes; and
- In certain circumstances, securityholders may be entitled to increase the tax cost base of their securities to eliminate double taxation that may have otherwise arisen.

### 3. Will the AMIT regime affect Vicinity Centres distribution policy?

No. Vicinity Centres does not intend to change its distribution policy as a consequence of becoming an AMIT.

### 4. Will the AMIT regime change the way I fill out my tax return?

No. There is no change in how you will fill out your tax return as a result of Vicinity Centres Trust becoming an AMIT. You will continue to receive an Annual Taxation Statement (which will satisfy the requirements of an AMMA statement) and will outline the different components of your total distribution from Vicinity Centres for the year ended 30 June 2018.

The Annual Taxation Statement has been altered to accommodate the changes required under the new AMIT regime and comply with the requirement under the AMIT regime to issue securityholders an AMMA statement. For further details on the different components and tax return labels, you may wish to refer to the Vicinity Centres Tax Guide 2018 which will be available by the end of August 2018.

## 5. How does this impact Vicinity Centres securityholders?

The election to become an AMIT may impact securityholders in the following key ways:

- There should be no adverse change in your personal tax as a consequence of Vicinity Centres Trust becoming an AMIT.
- The taxable income of Vicinity Centres Trust must be attributed to its securityholders on a fair and reasonable basis. However, there should be no change in the way the tax components are attributed to securityholders as Vicinity Centres will continue to attribute the taxable components of a distribution to its securityholders in the same proportion as the cash distributed to each securityholder for the relevant year.
- Securityholders will now be able to increase the capital gains tax cost base of their securities where the taxable components of a distribution exceed the cash distributions paid to securityholders for an income year. Under the previous trust taxation regime, securityholders were only required to reduce the tax cost base of their securities for capital gains tax purposes for any tax deferred components of their distribution (where cash distribution exceeded the taxable components). This is also the case under the AMIT Regime.

The Annual Taxation Statement will set out the AMIT cost base adjustments required to be made by securityholders for capital gains tax purposes.

## 6. Will the AMIT regime change the way in which the income of Vicinity Centres is taxed?

No. The AMIT regime will not change the way in which the income of Vicinity Centres is taxed. Consistent with the previous trust taxation regime:

- Vicinity Centres Trust itself should not be subject to tax as long as it attributes all of its taxable income to securityholders on a fair and reasonable basis;
- Australian resident securityholders will include their share of taxable income in their income tax return; and
- Withholding tax will be deducted from distributions paid to non-resident securityholders.

## 7. Can I question my member components in my AMMA statement?

Yes. If you believe that taxable income has been incorrectly attributed to you, you should contact Vicinity Centres. After discussing with Vicinity Centres and you believe you need to make a member's choice to nominate a different determined member component of a particular character for the income year, you must notify Vicinity Centres and Commissioner of Taxation (ATO) in writing within 4 months of the end of the securityholder's income year stating, amongst other things, the reason for the variation.

Should you wish to contact us in respect of Vicinity Centres' attribution methodology, please address your query to: [investor.relations@vicinity.com.au](mailto:investor.relations@vicinity.com.au)

## 8. What will I need to do?

Vicinity Centres will provide securityholders with an Annual Taxation Statement (which is an AMMA statement) that complies with taxation obligations to enable securityholders to complete their income tax return.

## 9. Where can I get more information on the new AMIT regime?

If you have any further income tax questions regarding the new AMIT regime and how that might affect your investment in Vicinity Centres, we recommend you consult your tax adviser or refer to the information from the ATO website at:

<https://www.ato.gov.au/General/New-legislation/In-detail/Other-topics/Trusts/New-taxation-system-for-managed-investment-trusts/>

<https://www.ato.gov.au/general/trusts/in-detail/managed-investment-trusts/managed-investment-trusts---overview/>

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