

Taxation Statement Glossary of Terms – Attribution Components

This document contains descriptions for various components attributed to you as part of your distribution from your investment for the current financial year. With effect from 1 July 2017 the Public Trustee of Queensland Growth Fund has made an irrevocable choice to enter into the Attribution Managed Investment Trust (AMIT) regime, under Division 276 of the *Income Tax Assessment Act 1997* (ITAA 1997).

This document provides general information only and should not be regarded as tax advice or financial product advice. It is to provide information only to describe the components disclosed in your Attribution Managed Investment Trust Member Annual (AMMA) Statement and is not exhaustive. It is to be a guide only and further advice should be obtained from your taxation advisor.

Part C of the AMMA Statement sets out the attribution components in detail.

The member components are disclosed under three columns:

- 'Cash Distribution (\$)' - the 'Cash Distribution (\$)' column shows the member component of the amount that is distributed in cash;
- 'Tax paid or tax offsets Gross Up (\$)' - the 'Tax paid or tax offsets Gross Up (\$)' column shows the relevant components of tax attributes that are distributed; and
- 'Attribution/Amount (\$)' - the 'Attribution/Amount (\$)' column shows the gross amounts of the distribution that are attributable to the member for Australian income tax purposes.

The 'Cash Distribution (\$)' and 'Attribution/Amount (\$)' columns may differ.

• Australian Interest Income

Interest income includes interest, bill discounts and other taxable income in the nature of interest, but does not include foreign sourced income. There are separate components for interest subject to withholding tax and not subject to withholding tax.

• Australian Franked Dividend Income

Franked dividend income includes all taxable dividends paid by Australian companies, to which imputation/franking credits are attached. These dividends may be fully or partially franked.

• Australian Unfranked Dividend Income

Unfranked dividend income includes all taxable dividends paid by Australian companies, to which no imputation/franking credits are attached. The unfranked amount declared to be conduit foreign income (CFI) is not subject to withholding tax for non-resident members for Australian tax purposes.

• Australian Other Income

Other income includes all taxable income that is not classified under any other income categories. Such income includes sub-underwriting income and distributions from property trusts, but does not include foreign sourced income.

• Capital Gains

These gains may be derived in Australia and classified as Taxable Australian Property (TAP) and/or from foreign sources, Not Taxable Australian Property (NTAP). Withholding tax is not required to be withheld from capital gains classified as NTAP. This section does not include any capital gains or losses relating to the disposal of your units in the Public Trustee of Queensland Growth Fund.

- ♦ **Discounted Capital Gains** -- comprises capital gains using the 50% capital gains tax (CGT) discount method. The amount shown in the 'Attribution/Amount (\$)' column as 'Discounted capital gain TAP' and 'Discounted capital gain NTAP' is the reduced amount. The 50% discount is shown in the 'AMIT CGT Gross Up Amount' component. The amount of the discount depends on who is receiving the gain ie: individuals and trusts get a 50% discount, complying superannuation funds get a 33 1/3% discount and companies receive no discount. Where a resident member has been attributed discount capital gains, the member is required to gross up (ie multiply by two) the taxable discount capital gains (TAP and NTAP) amount, which is then included in the calculation of the member's net capital gain.
- ♦ **AMIT cost base – excess (AMIT cost base net decrease amount)** – the cost base, or reduced cost base, of your units in the trust is to be adjusted downwards. If the adjustment is greater than the cost base of your relevant unit, a capital gain may arise in respect of the difference. If held for more than 12 months, the gain may qualify for the CGT 50% discount.
- ♦ **AMIT cost base – shortfall (AMIT cost base net increase amount)** – the cost base, or reduced cost base, of your units in the trust is to be adjusted upwards. The AMIT cost base net amount is calculated as the gross cash distribution, plus total tax offsets, plus certain other non-attributable amounts, plus non-assessable non-exempt income, less attribution amounts.

• Foreign Income

Foreign Income includes all taxable income sourced outside of Australia including foreign interest income, foreign modified passive income and other foreign income.

• Additional Information for Non-Residents

Interest exempt from withholding – interest income that is not subject to withholding tax.

Non-resident Withholding Amount – dividend and interest withholding tax deducted from Australian sourced interest and unfranked dividend amounts paid to a non-resident.