

24 October 2016

The Manager  
Company Announcements Office  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**Proposed AMIT constitution amendments**

Procedural amendments are proposed to be made to BlackWall Property Trust's constitution to enable BWR to opt-in and apply the new Attribution Managed Investment Trust (**AMIT**) regime, subject to ASX approval. The proposed amendments are being made by the Responsible Entity in compliance with ASIC Corporations (Attribution Managed Investment Trusts) Instrument 2016/489. A copy of the enclosed notice is available on BlackWall's website.

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24 October 2016

## **IMPORTANT NOTICE PURSUANT TO SECTION 601GCA OF THE CORPORATIONS ACT**

### **IMPLEMENTATION OF NEW TAX SYSTEM FOR MANAGED INVESTMENT TRUST FOR SECURITYHOLDERS IN BWR**

A new tax regime applying to Managed Investment Schemes was enacted on 5 May 2016 under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*.

BlackWall Fund Services Limited (ACN 079 608 825) as the responsible entity (**Responsible Entity**) for BWR proposes to amend the constitution to allow BWR to opt-in and apply the new taxation regime.

The new tax regime introduces the concept of an 'Attribution Managed Investment Trust' (**AMIT**). The Responsible Entity believes the new AMIT regime will produce more equitable and fair tax outcomes for BWR's unitholders for the following reasons:

- Under the AMIT regime, the Responsible Entity will have the ability to attribute the BWR's taxable income to unitholders on a 'fair and reasonable' basis having regard to the unitholder's rights under the constitution including, specifically, their rights to the income of one particular class of units to the exclusion of others. So, under this approach, BWR can attribute the net taxable income that is relevant and applicable to each different class of units to the unit holder who holds an interest in that class of units. This means that the taxable income relevant to a class is attributed to the unitholders in that particular class, without being impacted by any other classes. In BWR's case, such an election would mean that:
  - income from a particular class in which a unitholder has an interest, that relates to a specific underlying property, can be attributed to the unitholder who has an interest in the particular class; and
  - losses from a particular class in which a unitholder has an interest, which relates to a specific underlying property, can be quarantined in that class and applied against future income derived in the particular class (as opposed to being applied against BWR's income on a whole of fund basis, which may lead to the tax effect of those losses benefiting unitholders with interests in other classes).
- The Responsible Entity believes that this should result in a fairer tax outcome for all the unitholders, and gives a better reflection of the economic performance of each underlying property investment and the relative risk taken on by each individual unitholder.

24 October 2016

- The AMIT regime provides confirmation in legislation of the approach which the Responsible Entity can adopt to deal with under-or-over distributions of income from an earlier income year. Presently, this is based on an administrative practice of the Australian Taxation Office which is not likely to continue. This change will provide additional certainty to the Responsible Entity and to unitholders.

The Responsible Entity intends to make amendments to BWR's constitution to facilitate BWR's entry into the AMIT regime unless it receives requests to call and arrange to hold a meeting of BWR's members to consider and vote on a special resolution to modify the constitution from members with at least 5% of the votes that may be cast on the resolution by 5:00pm (Sydney time) on 31 October 2016.

The request to call a meeting must be made in writing and may be sent to the following email address [info@blackwall.com.au](mailto:info@blackwall.com.au).

If 5% or more of the total number of unitholders request a meeting within 7 days of the date of this notice, a unitholders' meeting may be held to pass a resolution to approve the amendments.

If no meeting is requested as per the above paragraph by 5:00pm (Sydney time) on 31 October 2016, the Responsible Entity is permitted to make amendments to the constitution without the need for member approval.