



AMP Unit Trust (SIP UT) Tax Information Sheet

This document provides information on how tax will impact on your investment in the funds in the AMP Unit Trust ('SIP UT' or 'Scheme'). It is based on AMP's understanding of New Zealand tax legislation as it applies to the Scheme and New Zealand-resident investors. Non-resident investors should seek their own tax advice in their country of residence, including tax treatment of payments or transfers from the Scheme.

Tax legislation, its interpretation and the rates and bases of taxation are subject to change, and the application of tax laws depends on an investor's circumstances. Neither AMP nor The New Zealand Guardian Trust Company Limited, the supervisor of the Scheme, accept any responsibility for the taxation implications of investors investing in the Scheme. Investors are advised to consult their own qualified tax adviser.

What taxes will you pay?

Tax can have significant consequences for investments. If you have any queries relating to the tax consequences of your investment please seek professional advice.

The Scheme has not elected to become a portfolio investment entity. The Scheme is taxed as if it was a company, with tax paid on investment income of the funds. The tax rate applying to the investment income of the funds is currently 28%.

We apply tax rules to each fund's investments on a daily basis. The resulting tax position is then included in each fund's financial statements and unit price.

Withdrawals from each fund, both regular and lump sum, may be subject to tax depending on the method of withdrawal, the availability of imputation credits, and your personal circumstances.

How are withdrawals and switches taxed?

There are two methods for processing withdrawals from a fund within the Scheme, manager repurchase and direct redemption. The method determines the tax treatment of gains on your investment. We generally apply the manager repurchase method to withdrawals. The direct redemption method is available to investors on request. We may apply the direct redemption method in the future, at our option, without notice.

Under the manager repurchase method, we will buy your units from you. Provided you are not treated as a 'share trader' (either as an individual or as a business, depending on how you are investing), did not buy the units as part of a business, and did not acquire the units for the dominant purpose of resale, you should not be liable for tax on any capital gains on the units you have sold to us. No tax will be withheld from amounts paid to you.

Under the direct redemption method your units are redeemed or sold directly to the relevant fund. Increases in the value of the units redeemed are generally treated as a taxable dividend. Imputation credits may be attached to this portion of the proceeds paid to you and resident withholding tax ('RWT') deducted. Where the taxable dividend portion is fully imputed at the current maximum 28% ratio, RWT of 5% will be deducted. Tax will be payable on the direct redemption dividend at your marginal tax rate and any excess imputation credits and RWT deducted can be used to offset tax

payable on other income. Surplus imputation credits can be carried forward and excess RWT is refundable.

If any fund does not have sufficient imputation credits to impute to the maximum allowable ratio any dividend arising at the time you make a withdrawal by the direct redemption method, or if the fund is wound up, may have additional RWT deducted from the proceeds paid to you.

Tax losses within unit prices

From time to time the funds may derive tax losses on underlying investments. The losses are known as deferred tax assets ('DTA') and are available to offset tax payable on future investment income. We make decisions as to what proportion of a fund's available DTA should be included in a fund's unit price based on our assessment of the likelihood of that Fund earning sufficient taxable income to offset the deferred tax assets in the foreseeable future. We review our decisions regularly. If the ability of a fund to utilise its DTA becomes more or less certain we may change the proportion of available DTA recognised as an asset for unit pricing purposes. Changes to the amount of DTA recognised are not notified and may impact unit prices.