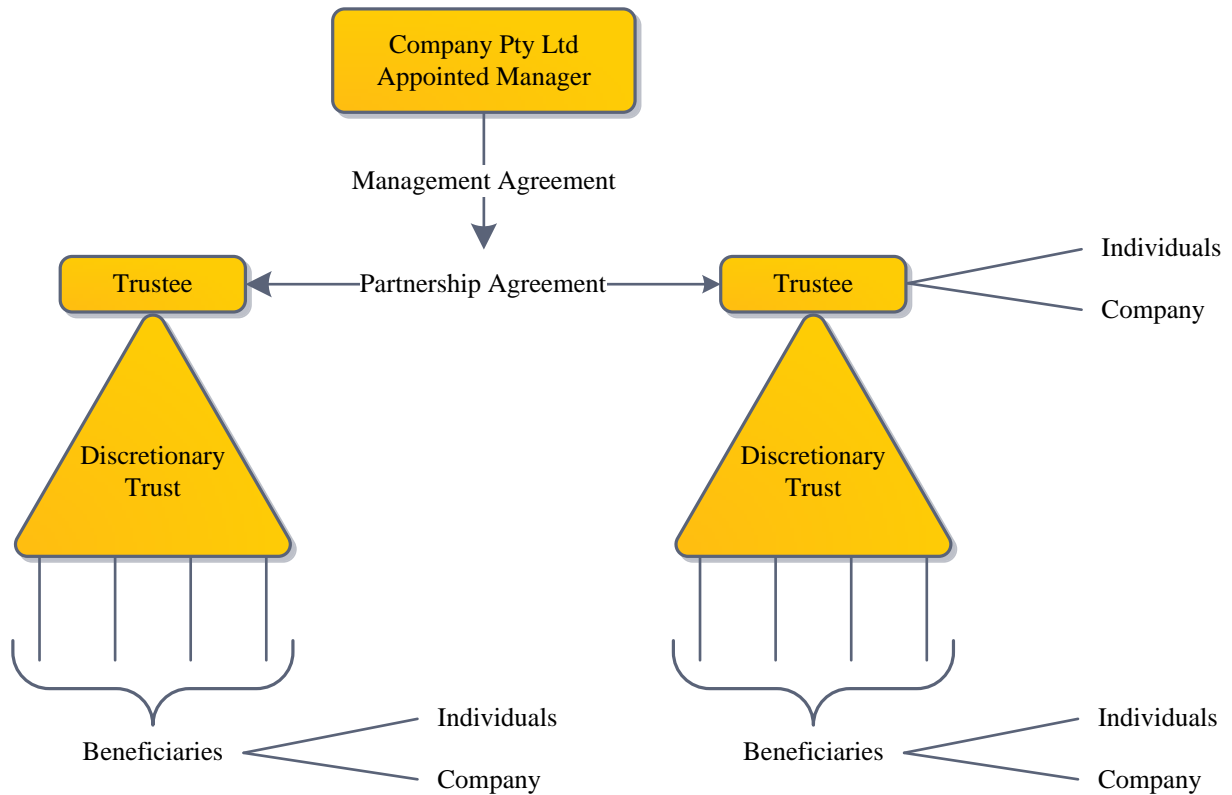


## MANAGED PARTNERSHIP OF TRUSTS – STRUCTURE DIAGRAM



*Note: Suitably drafted Management Agreement (with particular regard to taxation outcomes) is required*

Features	Managed Partnership of Trusts Information
<b>Asset Protection</b>	As applies to Trusts/Partners (High)
<b>Limited Liability</b>	No – joint and several liability of partners
<b>Day to Day Control</b>	Appointed Manager, but subject to the directions of the Partners
<b>Administration</b>	The Appointed Manager operates the business on behalf of the Partnership The business is owned and administered as a partnership
<b>Ultimate Control</b>	Partners/Controllers of the Trusts
<b>Law</b>	Partnership Act, Law applying to Trusts in each State
<b>Tax Rate</b>	Rate applying to Trusts/Beneficiaries of Trusts
<b>Beneficiaries</b>	Beneficiaries of Trusts
<b>Accounting</b>	Cash or Accruals
<b>CGT</b>	<ul style="list-style-type: none"> <li>• Same as Discretionary Trusts</li> <li>• Small business CGT Concessions – where a Partner has less than 40% interest, greater than \$6million asset value may be allowed</li> <li>• Maximises use of concessions for each partner</li> </ul>
<b>GST Registration</b>	Partnership
<b>Transfer of Losses</b>	No
<b>Distribution of Losses</b>	Losses pass down to Partners (subject to terms of Management Agreement)

*Note – This material has been prepared for demonstration purposes only and is a summary only. It does not represent legal advice from Cleary Hoare Solicitors upon which any person may act.*