

## **6. Charges and Expenses**

This section describes the fees to be charged by the Corporate Trustee, Manager and Property Manager and outlines other costs and expenses.

### **6.1 The Corporate Trustee**

#### Remuneration

The Corporate Trustee will be entitled to receive fees (payable quarterly in arrears) based on the valuation, on each Valuation Date, of the property of the Scheme. The fees will be based on the following annual rates:

- ◆ 0.045% on the first £50 million;
- ◆ 0.035% thereafter.

The Corporate Trustee will charge £15 per transaction in respect of government bonds.

#### Expenses

The Corporate Trustee shall be entitled to retain out of the property of the Fund any reasonable costs and expenses incurred by it in administering or winding up the Fund. Such reasonable costs and expenses may be drawn down from the property of the Fund as and when they occur.

### **6.2 The Manager**

#### Remuneration

The Manager will be entitled to receive fees (payable quarterly in arrears) based on the valuation, on each Valuation Date, of the property of the Scheme. The fees will be based on the following annual rates:

- ◆ 0.15% on the first £40 million;
- ◆ 0.10% thereafter.

#### Expenses

The Manager shall be entitled to retain out of the property of the Fund any reasonable costs and expenses incurred by it in administering or winding up the Fund. Such reasonable costs and expenses may be drawn down from the property of the Fund as and when they occur.

#### Preliminary Charge

The Manager also renders a preliminary charge of 0.25% added to the price at which Units may be purchased.

#### Redemption Charge

The Manager may impose a redemption charge payable by way of deduction from the proceeds of sale of Units.

#### Transaction Charge

In respect of each transaction in government bonds and each transaction in Near Cash (other than a Near Cash transaction not involving a financial instrument) the Manager, or its delegate, will charge:

- ◆ a £15 transaction fee;
- ◆ 0.1% commission.

### **6.3 The Property Manager**

#### Fees

The Property Manager will be entitled to receive fees (payable quarterly in arrears) based on the net asset value of the Fund on each Valuation Date. The fees will be based on the following annual rates:

- ◆ 0.65% on the first £40 million;
- ◆ 0.40% on the next £60 million;
- ◆ 0.30% thereafter.

#### Other fees/expenses

The Property Manager is entitled to additional fees and expenses as provided for in the Real Property Advisory Agreement between it and the Manager.

### **6.4 Other Costs**

The following additional costs shall be charged to the Fund:

- ◆ agent's acquisition and disposal fees;
- ◆ fees on lease renewal, letting, rent review and head lease/lease re-negotiation, rating and planning advice, landlord's repairs and improvements, surrender payments and premiums received from tenants;
- ◆ project management fees, building surveyor fees, other specialist advisers' fees including those incurred in dilapidations negotiations;
- ◆ the cost of preparing, publishing and sending promotional material, annual reports and Unit Holder communications and the cost of Unit Holder Meetings;
- ◆ valuation, insurance and performance measurement fees;
- ◆ fees for independent risk assessments for health and safety or environmental purposes;
- ◆ solicitors and audit fees;
- ◆ Standing Independent Valuer costs.

### **6.5 Start-up Charges**

The expenses of establishing the Fund will be amortised over a period of five years from the Launch Date.

### **6.6 Payment of Fees**

The fees and expenses due to the Manager, Corporate Trustee and the Property Manager shall be paid out of the income of the Fund, or, at the discretion of the Corporate Trustee, out of capital.

### **6.7 Increases in the charges of the Corporate Trustee and/or the Manager**

The Participating Charities shall be given not less than 90 days notice of any proposed increase in the actual or maximum amount of any charge of the Corporate Trustee and/or Manager. Any proposed increase is subject to the consent of the Commissioners.