

## SUBSCRIBED UNIT TRUST ORDER FORM

Proposed Trust Detail	
Trust name:	
State or territory:	
(First) Corporate Trustee Name:	
Corporate Trustee ACN:	
Trustee Address (or Reg Office):	
(Second) Corporate Trustee Name:	
Corporate Trustee ACN:	
Trustee Address (or Reg Office):	
Unit par Value:	\$1.00

Director/s of Corporate Trustee or Individual Trustee/s	
(First) Corporate Trustee Name:	
Directors Name:	
Address:	
(Second) Corporate Trustee Name:	
Directors Name:	
Address:	

Unit Holders *				
Name:	Address (and ACN if required)	Class** (if any)	Initial Sum Paid \$	No of Units ***
		ORD		
		ORD		
		ORD		
		ORD		
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Notes	
*	If a Unit holder is a trust or super fund please provide the trustee name and ACN.
**	Ordinary units will be issued unless otherwise stated. All units issued at \$1 per unit

<b>Payment by Credit Card</b>	
Credit Card Number: _____	
Name on Credit Card: _____	
Credit Card Expiry Date:            Month: _____ Year: _____	
CVV Number            _____ (On the back of the card in the signature strip, following the full card number)	
Payment Amount: _____	
Signature:	

**COMPLETE THIS FORM AND FAX TO (02) 9899 4943**

### Unit Trust

The rights to benefit under a unit trust are represented by "units", which in some ways are similar to shares in a company. For example, a unit trust may be made up of a hundred units, each with fixed equal rights to income or capital. Subject to the terms of the trust deed, the units can be bought and sold. A Tangible Assets Pty Ltd Unit trust package includes 3 bound copies of the trust deed and all other necessary documentation. Our deed allows for many flexible unit classes.

## UNIT TRUSTS

### What is a Unit Trust?

A Unit Trust is a trust, which has beneficiaries whose entitlements of distribution of trust income are fixed in proportion to the units they hold in that trust.

Unit trusts are common for property and investment trusts and joint ventures and were developed for commercial type ventures where a readily transferable interest in the trust is desired.

A Unit Trust is similar to a Family Trust but is used for business matters rather than a family matters. The Unit Trust is simply the extension of a Family Trust into the field of commerce.

### How does a Unit Trust work?

At the end of each year, income is distributed to the Unit Holders in proportion to the units that beneficiary holds. The Trustee has no discretion.

Units may be held by other trusts, companies or by individuals.

A Unit Trust has negotiability (you can buy and sell units), fixed annual entitlements to income and capital (the trustee can not reduce your entitlements).

### What happens if the Unit Trust goes broke?

Unfortunately unit holders can be liable to pay any shortfall of assets on the Unit Trust going broke. This is the case especially if the trust is not properly drafted and maintained by your professional advisers.

In *Broomhead Pty Ltd (in Liquidation) v Broomhead Pty Ltd* Justice McGarvie stated that the unit holders in a Unit Trust were liable to indemnify the trustee against liabilities incurred in carrying on a business. In this case the share of each beneficiaries' liability was limited to the proportion of his or her beneficial interest.

### Cashing in and transferring of units

The ownership of the trust funds is divided into a number of equal units. The units are recorded on a register and are transferable like shares in company.

Well-constructed Unit Trusts include mechanisms for cashing in (redemption) and transferring the units. Of particular importance is the procedure for determining the price at which units are to be redeemed.

Units in the Unit Trust can be readily traded and people holding them can participate in the profits of the business on a set percentage.