

Quantum Fees and Charges

Quantum has developed a competitive and transparent fee structure for our investors. Fees and charges are described in our Product Disclosure Statement and NRAS Agreement.

Establishment Costs

An administration fee of \$550 (inclusive of GST) is payable to Quantum for joining the scheme.

Management Costs

Management costs under the Quantum Housing Group Scheme comprise:

- 3.5% of gross rent collected. This is payable monthly when rent is collected (your Property Manager will administrate this) and is for the administration of rental on your behalf.
- 3.5% of NRAS Incentive. This is deducted from your incentive annually and is for:
 - Government relations and reporting requirements;
 - Overall Scheme management and continuous governance; and
 - Investor relations and advice.
- Annual Compliance Fee of \$130 (inclusive of GST). This is deducted from your Incentive payment annually and is for lodgement of your incentive claim and preparation of your annual statement

Note that these fees do not include Property Management services that are payable to your Property Manager. Fee structures between Property Managers vary and investors are encouraged to contact Property Managers directly in this regard. Please refer to Fact Sheet 7 – “NRAS Property Management”.

Service Fees

A Transfer Fee of \$550 (inclusive of GST) or as otherwise stated in your NRAS Agreement is charged in the event that the property is sold to another investor who wishes to participate in the NRAS. This fee covers costs associated with signing the new investor to the Quantum NRAS Scheme and administering payment of the Incentive on a pro-rata basis between the two investors for the NRAS Year in which the sale occurs.

If the property is sold to an investor who does not wish to participate in NRAS there is no fee charged.

Exit Fees

Should an investor wish to exit from the Scheme, there is no fee charged by Quantum. In addition, there is no fee or penalty currently charged by the Government to the investor, including for properties withdrawn from the Scheme. Please note however that if a property is withdrawn from the Scheme part way through an NRAS Year, no incentive can be claimed for the partial year. For further information, please refer to Fact Sheet 5 – “Sale of NRAS Property”.

Example of Annual Fee Amounts

The following is an example of how the fees and charges may affect your investment over the year for a property with a market rent of \$330 per week (NRAS rent = \$264 per week):

FEE / COST	AMOUNT
3.5% of Rent	\$480
3.5% of Incentive (based on 2018 incentive)	\$389
Annual Compliance Fee	\$130
TOTAL COST	\$999

GST

No GST is chargeable on Rent or the Incentive. The Annual Compliance Fee and Transfer Fee amounts include any GST required to be charged.

Taxation

When completing the Property Rental Schedule in your income tax return, you declare as *Rent Received* the 96.50% of NRAS rent received by you and where this amount is the net of the total NRAS rent paid by the tenant to your Property Manager less the 3.5% of the NRAS rent paid by your Property Manager to Quantum.

Quantum will advise you of the amount of the Refundable Tax Offset (RTO) you need to bring to account on your tax return so that you receive this amount in your income tax assessment. That amount is the gross RTO less the 3.5% of RTO paid to Quantum.

Quantum has been advised that the annual NRAS Compliance Fee of \$130 paid by you to Quantum (being deducted from your incentive payment) is not a deductible income tax expense because it is an expense directly incurred by you in deriving the non-taxable NRI income.

Further Information

For further information regarding Quantum fees and charges:

- Our current Product Disclosure Statement. A copy may be requested through our website: www.quantumhousing.com.au
- Contact Quantum Housing Group: enquiries@quantumhousing.com.au or (08) 6169 1603.
- Your Financial Advisor or Tax Accountant.

NOTE: The information on this Fact Sheet has been provided as an information service. The information contains general information and does not take into account any investor's particular circumstances and needs. Each investor should assess, or seek advice on, whether the information is appropriate for his or her particular needs, financial situation and investment objectives. Quantum, its officers and employees and agents disclaim all liability (except for any liability which by law cannot be excluded), for any error, inaccuracy in, or omission from the information contained in this Fact Sheet or any loss or damage suffered by any person directly or indirectly through relying on this information.