

Cost of investment management factors

The following tables may be used to approximate the uplift required to meet investment management costs arising on various lump sum, invested over various durations

We recommended you contact Cumpston Sarjeant to obtain advice regarding the soecific application of these tables and we also note that fee components and structures may change over time or via negotiation in specific matters.

These factors have been derived assuming:

- drawings are a constant amount per annum and are drawn regularly from the fund
- the fund is assumed to decline to a zero balance over the interval of fund management
- the uplift figures calculated are self-sufficient. That is, they represent the amount needed for management of both the initial lump sum plus the additional amount awarded for investment management
- Where investment is for life, the plaintiff's projected life expectancy is intended to be used as the interval of fund management
- the principles of valuation are consistent with other economic loss valuations that are generally accepted by courts and represent our opinion of the sum necessary to compensate the plaintiff against costs of investment management.

Tables have been prepared for the following fund managers:

- NSW Trustee & Guardian
- Perpetual Trustees (NSW)
- Trust Company (NSW)
- National Australia Trustees (NSW, VIC and QLD)
- National Australia Trustees (WA, SA and NT)
- State Trustees (Victoria)
- Senior Masters (Victoria)
- Public Trustees (Western Australia)
- Public Trustees (Tasmania)
- Public Trustees (ACT)

NSW Trustee & Guardian

Investment management fees of the NSW Trustee and Guardian are set by the *Protected Estates Act Regulation 2003* and are¹:

- A first year management fee of 1.00%, capped at \$3,300 and calculated on the initial sum invested
- Subsequent management fees of 1.10% pa, capped at \$15,000 and calculated on the fund balance
- Investment fees of 0.50% pa, calculated on the fund balance.
- Net effective management expense ratios of 0.50% pa

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 6.0% | 11.4% | 16.8% | 22.4% | 45.0% | 67.7% | 89.6% |
| 1.0 | 5.6% | 11.0% | 16.5% | 22.1% | 44.6% | 65.2% | 82.2% |
| 2.5 | 4.8% | 9.3% | 13.6% | 17.9% | 33.1% | 45.4% | 55.1% |
| 5.0 | 3.8% | 7.4% | 10.9% | 14.2% | 26.2% | 36.0% | 43.8% |
| 10.0 | 3.2% | 6.2% | 9.2% | 12.0% | 22.3% | 31.0% | 37.9% |
| 5% discount rate | | | | | | | |
| 0.5 | 5.9% | 11.0% | 16.0% | 20.8% | 38.0% | 51.1% | 60.0% |
| 1.0 | 5.5% | 10.6% | 15.6% | 20.5% | 37.6% | 50.0% | 56.9% |
| 2.5 | 4.7% | 8.9% | 12.7% | 16.3% | 27.1% | 33.6% | 37.2% |
| 5.0 | 3.7% | 7.1% | 10.1% | 12.9% | 21.5% | 26.9% | 29.9% |
| 10.0 | 3.1% | 6.0% | 8.6% | 11.0% | 18.6% | 23.4% | 26.2% |
| 6% discount rate | | | | | | | |
| 0.5 | 5.8% | 10.8% | 15.5% | 20.0% | 34.8% | 44.7% | 50.2% |
| 1.0 | 5.5% | 10.5% | 15.2% | 19.7% | 34.5% | 44.0% | 48.5% |
| 2.5 | 4.6% | 8.7% | 12.3% | 15.5% | 24.6% | 29.3% | 31.4% |
| 5.0 | 3.7% | 6.9% | 9.8% | 12.3% | 19.6% | 23.5% | 25.4% |
| 10.0 | 3.1% | 5.8% | 8.3% | 10.5% | 17.0% | 20.6% | 22.3% |
| 7% discount rate | | | | | | | |
| 0.5 | 5.8% | 10.6% | 15.1% | 19.3% | 32.0% | 39.2% | 42.7% |
| 1.0 | 5.4% | 10.3% | 14.8% | 18.9% | 31.7% | 38.8% | 41.9% |
| 2.5 | 4.6% | 8.5% | 11.9% | 14.8% | 22.4% | 25.8% | 27.1% |
| 5.0 | 3.6% | 6.7% | 9.4% | 11.8% | 17.9% | 20.7% | 21.9% |
| 10.0 | 3.1% | 5.7% | 8.0% | 10.1% | 15.6% | 18.2% | 19.3% |

¹ Retrieved from http://www.lawlink.nsw.gov.au/lawlink/office_of_the_protective_commissioner/opc_ll.nsf/pages/OPC_feesestatemanagement on 11 November 2010

Perpetual Trustees

Investment management fees of Perpetual Trustees are²:

- a one-off establishment fee of 0.65%, capped at \$35,000 and calculated on the initial fund
- management expenses as below, subject to a minimum of \$5,775 per annum

| Portfolio value | Management fee (% pa) |
|-------------------------|-----------------------|
| On the first \$500,000 | 1.925% |
| On the next \$500,000 | 1.375% |
| On the next \$2,000,000 | 0.825% |
| On the balance | 0.530% |

- annual fees for tax return preparation, etc (assumed to be \$350 per annum)
- net effective management expense ratios of 0.39% per annum.
- A NSW Trustee and Guardian supervision fee, capped at \$2,000 per annum, of 4% of gross income (applicable only for NSW)

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|-------|--------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 8.7% | 16.6% | 24.3% | 31.8% | 60.4% | 86.6% | 108.9% |
| 1.0 | 7.0% | 13.3% | 19.4% | 25.5% | 48.0% | 67.2% | 82.3% |
| 2.5 | 5.4% | 10.1% | 14.6% | 19.0% | 34.9% | 47.9% | 57.5% |
| 5.0 | 4.5% | 8.2% | 11.7% | 15.1% | 27.1% | 36.8% | 44.0% |
| 10.0 | 3.5% | 6.5% | 9.4% | 12.2% | 22.1% | 30.3% | 36.4% |
| 5% discount rate | | | | | | | |
| 0.5 | 8.7% | 16.0% | 22.8% | 29.1% | 49.8% | 64.6% | 73.9% |
| 1.0 | 7.0% | 13.0% | 18.7% | 23.8% | 40.2% | 50.5% | 56.2% |
| 2.5 | 5.3% | 9.7% | 13.7% | 17.4% | 28.8% | 35.8% | 39.5% |
| 5.0 | 4.4% | 7.8% | 11.0% | 13.8% | 22.4% | 27.6% | 30.4% |
| 10.0 | 3.4% | 6.2% | 8.8% | 11.1% | 18.3% | 22.9% | 25.4% |
| 6% discount rate | | | | | | | |
| 0.5 | 8.6% | 15.7% | 22.1% | 27.9% | 45.7% | 56.7% | 62.7% |
| 1.0 | 7.0% | 12.9% | 18.2% | 22.9% | 36.6% | 43.9% | 47.3% |
| 2.5 | 5.3% | 9.5% | 13.3% | 16.6% | 26.2% | 31.3% | 33.6% |
| 5.0 | 4.4% | 7.7% | 10.6% | 13.2% | 20.4% | 24.1% | 25.9% |
| 10.0 | 3.4% | 6.1% | 8.5% | 10.6% | 16.8% | 20.1% | 21.7% |
| 7% discount rate | | | | | | | |
| 0.5 | 8.6% | 15.5% | 21.5% | 26.8% | 42.1% | 50.3% | 54.0% |
| 1.0 | 7.0% | 12.7% | 17.6% | 21.9% | 33.4% | 38.6% | 40.6% |
| 2.5 | 5.2% | 9.3% | 12.8% | 15.8% | 23.9% | 27.6% | 29.0% |
| 5.0 | 4.3% | 7.5% | 10.3% | 12.6% | 18.6% | 21.4% | 22.4% |
| 10.0 | 3.3% | 6.0% | 8.2% | 10.2% | 15.4% | 17.8% | 18.8% |

Outside of NSW, the OPC supervision fee is not payable. The effect of the removal of this fee components is roughly equal to multiplying the above values by a factor of 0.97.

² Letter of Stanley Rickert dated 11 August 2010

Trust Company

Investment management fees of Trust Company are⁴:

- a one-off establishment fee of \$11,000
- annual management fees of 0.688% per annum subject to a minimum of \$16,500
- annual fees for tax return preparation, etc (assumed to be \$350 per annum)
- net effective management expense ratios of 0.45% per annum
- A NSW Trustee and Guardian supervision fee, capped at \$2,000 per annum, of 4% of gross income (applicable only for NSW)

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|--------|--------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 19.5% | 34.9% | 48.7% | 61.1% | 98.9% | 123.2% | 138.5% |
| 1.0 | 10.4% | 18.8% | 26.4% | 33.2% | 54.3% | 68.3% | 77.3% |
| 2.5 | 5.0% | 9.1% | 13.0% | 16.5% | 28.3% | 37.5% | 44.4% |
| 5.0 | 3.6% | 6.8% | 9.9% | 12.9% | 23.6% | 32.7% | 39.9% |
| 10.0 | 3.1% | 6.1% | 8.9% | 11.7% | 22.1% | 31.2% | 38.3% |
| 5% discount rate | | | | | | | |
| 0.5 | 18.9% | 32.7% | 44.0% | 53.3% | 76.8% | 87.7% | 92.6% |
| 1.0 | 10.3% | 17.8% | 24.1% | 29.3% | 42.6% | 48.7% | 51.5% |
| 2.5 | 4.8% | 8.6% | 11.8% | 14.5% | 22.3% | 27.0% | 29.7% |
| 5.0 | 3.5% | 6.5% | 9.2% | 11.7% | 19.5% | 24.7% | 27.8% |
| 10.0 | 3.1% | 5.8% | 8.4% | 10.8% | 18.6% | 23.9% | 27.0% |
| 6% discount rate | | | | | | | |
| 0.5 | 18.7% | 31.7% | 42.0% | 50.1% | 68.8% | 76.2% | 79.0% |
| 1.0 | 10.1% | 17.3% | 23.0% | 27.5% | 37.9% | 42.0% | 43.5% |
| 2.5 | 4.8% | 8.3% | 11.2% | 13.6% | 20.0% | 23.4% | 25.1% |
| 5.0 | 3.5% | 6.3% | 8.9% | 11.1% | 17.8% | 21.7% | 23.7% |
| 10.0 | 3.0% | 5.7% | 8.2% | 10.4% | 17.1% | 21.1% | 23.0% |
| 7% discount rate | | | | | | | |
| 0.5 | 18.5% | 30.8% | 40.1% | 47.2% | 62.1% | 66.9% | 68.3% |
| 1.0 | 10.0% | 16.8% | 21.9% | 25.8% | 34.1% | 36.8% | 37.6% |
| 2.5 | 4.7% | 8.1% | 10.7% | 12.8% | 18.1% | 20.5% | 21.6% |
| 5.0 | 3.4% | 6.2% | 8.6% | 10.6% | 16.4% | 19.2% | 20.4% |
| 10.0 | 3.0% | 5.6% | 7.9% | 10.0% | 15.8% | 18.7% | 19.9% |

Outside of NSW, the OPC supervision fee is not payable. The effect of the removal of this fee components is roughly equal to multiplying the above values by a factor of 0.97.

⁴ Letter from Paul O'Neill dated 17 August 2010

National Australia Trustees (NSW, VIC and QLD)

Investment management fees of National Australia Trustees are⁵:

- a one-off establishment fee of up to \$15,000:

| Initial value | Establishment fee (\$) |
|---------------------------|------------------------|
| Up to \$50,000 | 500 |
| \$50,001 - \$100,000 | 1,000 |
| \$100,001 - \$250,000 | 2,500 |
| \$250,001 - \$500,000 | 5,000 |
| \$500,001 - \$1,000,000 | 10,000 |
| \$1,000,001 - \$2,000,000 | 12,500 |
| \$2,000,000 and greater | 15,000 |

- annual management fees as follows

| Portfolio value | Management fee (% pa) |
|--------------------------|-----------------------|
| On the first \$1,000,000 | 1.000% |
| On the next \$1,000,000 | 0.800% |
| On the next \$1,000,000 | 0.600% |
| On the balance | 0.350% |

- annual fees for tax return preparation, etc (assumed to be \$350 per annum)
- net effective management expense ratios of 0.65% per annum
- A NSW Trustee and Guardian supervision fee, capped at \$2,000 per annum, of 4% of gross income (applicable only for NSW)

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 6.8% | 11.6% | 16.4% | 21.1% | 39.9% | 57.8% | 74.1% |
| 1.0 | 5.9% | 10.5% | 15.1% | 19.7% | 37.6% | 54.2% | 68.9% |
| 2.5 | 4.8% | 9.0% | 13.2% | 17.2% | 32.3% | 45.1% | 55.3% |
| 5.0 | 4.0% | 7.6% | 11.0% | 14.4% | 26.5% | 36.5% | 44.5% |
| 10.0 | 3.3% | 6.4% | 9.3% | 12.2% | 22.6% | 31.3% | 38.3% |
| 5% discount rate | | | | | | | |
| 0.5 | 6.9% | 11.6% | 16.1% | 20.4% | 35.4% | 46.3% | 53.7% |
| 1.0 | 6.0% | 10.5% | 14.9% | 19.1% | 33.0% | 42.5% | 48.5% |
| 2.5 | 4.8% | 8.8% | 12.5% | 15.9% | 27.1% | 34.2% | 38.2% |
| 5.0 | 3.9% | 7.3% | 10.3% | 13.2% | 21.9% | 27.4% | 30.6% |
| 10.0 | 3.2% | 6.1% | 8.8% | 11.2% | 18.8% | 23.7% | 26.6% |
| 6% discount rate | | | | | | | |
| 0.5 | 6.9% | 11.6% | 16.0% | 20.1% | 33.3% | 41.7% | 46.5% |
| 1.0 | 6.0% | 10.5% | 14.7% | 18.5% | 30.4% | 37.4% | 41.1% |
| 2.5 | 4.8% | 8.6% | 12.1% | 15.3% | 24.8% | 30.0% | 32.5% |
| 5.0 | 3.9% | 7.1% | 10.0% | 12.6% | 20.0% | 24.0% | 26.0% |
| 10.0 | 3.2% | 6.0% | 8.5% | 10.7% | 17.2% | 20.8% | 22.7% |
| 7% discount rate | | | | | | | |
| 0.5 | 7.0% | 11.6% | 15.9% | 19.7% | 31.3% | 37.7% | 40.8% |
| 1.0 | 6.0% | 10.4% | 14.4% | 17.9% | 28.0% | 33.1% | 35.3% |
| 2.5 | 4.7% | 8.5% | 11.8% | 14.7% | 22.7% | 26.5% | 28.1% |
| 5.0 | 3.8% | 7.0% | 9.7% | 12.0% | 18.3% | 21.2% | 22.4% |
| 10.0 | 3.2% | 5.9% | 8.2% | 10.3% | 15.8% | 18.5% | 19.6% |

Outside of NSW, the OPC supervision fee is not payable. The effect of the removal of this fee components is roughly equal to multiplying the above values by a factor of 0.97.

⁵ Fee schedule at http://privatewealth.nab.com.au/resources/NabPrivate/pdf/NAB_PW_NAT_Fee_Schedule.pdf

National Australia Trustees (WA, SA and NT)

Investment management fees of National Australia Trustees are⁶:

- a one-off establishment fee of up to \$15,000:

| Initial value | Establishment fee (\$) |
|---------------------------|------------------------|
| Up to \$50,000 | 500 |
| \$50,001 - \$100,000 | 1,000 |
| \$100,001 - \$250,000 | 2,500 |
| \$250,001 - \$500,000 | 5,000 |
| \$500,001 - \$1,000,000 | 10,000 |
| \$1,000,001 - \$2,000,000 | 12,500 |
| \$2,000,000 and greater | 15,000 |

- annual management fees as follows

| Portfolio value | Management fee (% pa) |
|--------------------------|-----------------------|
| On the first \$1,000,000 | 1.000% |
| On the next \$1,000,000 | 0.620% |
| On the balance | 0.420% |

- annual fees for tax return preparation, etc (assumed to be \$350 per annum)
- net effective management expense ratios of 0.65% per annum

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 6.5% | 10.9% | 15.4% | 19.8% | 37.0% | 53.0% | 67.4% |
| 1.0 | 5.5% | 9.8% | 14.1% | 18.3% | 34.4% | 48.6% | 60.6% |
| 2.5 | 4.4% | 8.1% | 11.7% | 15.3% | 28.2% | 39.1% | 48.0% |
| 5.0 | 3.6% | 6.9% | 10.0% | 13.1% | 24.3% | 33.8% | 41.6% |
| 10.0 | 3.2% | 6.1% | 9.0% | 11.8% | 22.1% | 30.9% | 38.2% |
| 5% discount rate | | | | | | | |
| 0.5 | 6.4% | 10.6% | 14.6% | 18.4% | 31.3% | 40.5% | 46.6% |
| 1.0 | 5.5% | 9.5% | 13.4% | 17.0% | 29.0% | 37.1% | 42.0% |
| 2.5 | 4.3% | 7.8% | 11.1% | 14.0% | 23.5% | 29.6% | 33.1% |
| 5.0 | 3.6% | 6.6% | 9.4% | 12.0% | 20.3% | 25.7% | 28.9% |
| 10.0 | 3.1% | 5.9% | 8.5% | 10.9% | 18.6% | 23.6% | 26.7% |
| 6% discount rate | | | | | | | |
| 0.5 | 6.3% | 10.4% | 14.2% | 17.7% | 28.8% | 35.7% | 39.5% |
| 1.0 | 5.4% | 9.4% | 13.0% | 16.4% | 26.7% | 32.6% | 35.7% |
| 2.5 | 4.3% | 7.7% | 10.7% | 13.5% | 21.5% | 26.0% | 28.2% |
| 5.0 | 3.5% | 6.5% | 9.1% | 11.5% | 18.6% | 22.5% | 24.5% |
| 10.0 | 3.1% | 5.8% | 8.2% | 10.4% | 17.0% | 20.8% | 22.7% |
| 7% discount rate | | | | | | | |
| 0.5 | 6.3% | 10.3% | 13.9% | 17.1% | 26.6% | 31.6% | 34.0% |
| 1.0 | 5.4% | 9.2% | 12.7% | 15.8% | 24.6% | 28.9% | 30.8% |
| 2.5 | 4.2% | 7.5% | 10.4% | 12.9% | 19.8% | 23.0% | 24.3% |
| 5.0 | 3.5% | 6.3% | 8.9% | 11.1% | 17.1% | 20.0% | 21.2% |
| 10.0 | 3.1% | 5.7% | 8.0% | 10.0% | 15.7% | 18.4% | 19.6% |

⁶ Fee schedule at http://privatewealth.nab.com.au/resources/NabPrivate/pdf/NAB_PW_NAT_Fee_Schedule.pdf

State Trustees (Victoria)

Maximum investment management charges of the Victorian State Trustees are⁷:

- a commission on gross income not exceeding 6.6% of income
- a once-only capital commission not exceeding 5.5% of the gross value of assets
- a fee, not exceeding 1.1% pa, on the capital sums invested.
- annual fees for tax return preparation, etc (assumed to be \$350 per annum)

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 9.6% | 13.3% | 16.9% | 20.5% | 34.0% | 45.9% | 56.1% |
| 1.0 | 9.4% | 13.0% | 16.5% | 19.9% | 32.9% | 44.5% | 54.5% |
| 2.5 | 9.3% | 12.8% | 16.2% | 19.5% | 32.3% | 43.7% | 53.5% |
| 5.0 | 9.3% | 12.7% | 16.1% | 19.4% | 32.0% | 43.4% | 53.1% |
| 10.0 | 9.2% | 12.6% | 16.0% | 19.3% | 31.9% | 43.2% | 53.0% |
| 5% discount rate | | | | | | | |
| 0.5 | 9.8% | 13.7% | 17.3% | 20.7% | 32.0% | 39.8% | 44.8% |
| 1.0 | 9.7% | 13.4% | 16.9% | 20.2% | 31.2% | 38.9% | 43.8% |
| 2.5 | 9.6% | 13.2% | 16.6% | 19.8% | 30.7% | 38.3% | 43.2% |
| 5.0 | 9.5% | 13.1% | 16.5% | 19.7% | 30.6% | 38.2% | 43.0% |
| 10.0 | 9.5% | 13.1% | 16.5% | 19.7% | 30.5% | 38.1% | 42.9% |
| 6% discount rate | | | | | | | |
| 0.5 | 10.0% | 13.9% | 17.4% | 20.7% | 31.0% | 37.2% | 40.6% |
| 1.0 | 9.8% | 13.6% | 17.0% | 20.2% | 30.3% | 36.4% | 39.7% |
| 2.5 | 9.7% | 13.4% | 16.8% | 19.9% | 29.9% | 35.9% | 39.2% |
| 5.0 | 9.7% | 13.3% | 16.7% | 19.8% | 29.7% | 35.8% | 39.1% |
| 10.0 | 9.7% | 13.3% | 16.7% | 19.8% | 29.7% | 35.7% | 39.0% |
| 7% discount rate | | | | | | | |
| 0.5 | 10.1% | 14.0% | 17.6% | 20.8% | 30.0% | 34.8% | 37.1% |
| 1.0 | 9.9% | 13.7% | 17.2% | 20.3% | 29.4% | 34.2% | 36.4% |
| 2.5 | 9.8% | 13.6% | 17.0% | 20.0% | 29.0% | 33.8% | 36.0% |
| 5.0 | 9.8% | 13.5% | 16.9% | 19.9% | 28.9% | 33.6% | 35.8% |
| 10.0 | 9.8% | 13.5% | 16.8% | 19.9% | 28.8% | 33.6% | 35.7% |

⁷ Retrieved from http://www.statetrustees.com.au/uploads/content/115-Fees-Chgs_AdminTrusts_web0610.pdf on 11 November 2010

Senior Masters (Victoria)

The Senior Master's (Funds in Court) Office do not charge direct fees. However, Section 113(18) of the Supreme Court Act 1986 empowers them to levy administrative costs on the interest retained in the Common Fund to meet operational expenses of the Office.

Investment management fees of the Senior Masters Office are therefore assumed to be:

- Administrative cost levies (i.e. 'management expense ratios') of between 0.37% (historical) and 0.83% (maximum projected) per annum⁸

Based on the maximum levy above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|------|------|------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 2.0% | 3.9% | 5.7% | 7.4% | 13.3% | 17.8% | 21.1% |
| 1.0 | 2.0% | 3.9% | 5.7% | 7.4% | 13.3% | 17.8% | 21.1% |
| 2.5 | 2.0% | 3.9% | 5.7% | 7.4% | 13.3% | 17.8% | 21.1% |
| 5.0 | 2.0% | 3.9% | 5.7% | 7.4% | 13.3% | 17.8% | 21.1% |
| 10.0 | 2.0% | 3.9% | 5.7% | 7.4% | 13.3% | 17.8% | 21.1% |
| 5% discount rate | | | | | | | |
| 0.5 | 2.0% | 3.8% | 5.4% | 6.9% | 11.5% | 14.1% | 15.6% |
| 1.0 | 2.0% | 3.8% | 5.4% | 6.9% | 11.5% | 14.1% | 15.6% |
| 2.5 | 2.0% | 3.8% | 5.4% | 6.9% | 11.5% | 14.1% | 15.6% |
| 5.0 | 2.0% | 3.8% | 5.4% | 6.9% | 11.5% | 14.1% | 15.6% |
| 10.0 | 2.0% | 3.8% | 5.4% | 6.9% | 11.5% | 14.1% | 15.6% |
| 6% discount rate | | | | | | | |
| 0.5 | 2.0% | 3.7% | 5.3% | 6.7% | 10.6% | 12.6% | 13.5% |
| 1.0 | 2.0% | 3.7% | 5.3% | 6.7% | 10.6% | 12.6% | 13.5% |
| 2.5 | 2.0% | 3.7% | 5.3% | 6.7% | 10.6% | 12.6% | 13.5% |
| 5.0 | 2.0% | 3.7% | 5.3% | 6.7% | 10.6% | 12.6% | 13.5% |
| 10.0 | 2.0% | 3.7% | 5.3% | 6.7% | 10.6% | 12.6% | 13.5% |
| 7% discount rate | | | | | | | |
| 0.5 | 1.9% | 3.7% | 5.2% | 6.4% | 9.8% | 11.3% | 11.9% |
| 1.0 | 1.9% | 3.7% | 5.2% | 6.4% | 9.8% | 11.3% | 11.9% |
| 2.5 | 1.9% | 3.7% | 5.2% | 6.4% | 9.8% | 11.3% | 11.9% |
| 5.0 | 1.9% | 3.7% | 5.2% | 6.4% | 9.8% | 11.3% | 11.9% |
| 10.0 | 1.9% | 3.7% | 5.2% | 6.4% | 9.8% | 11.3% | 11.9% |

⁸ From consultation with the Senior Masters' Office on 5 July 2010

Public Trustees (Western Australia)

Investment management fees of the Public Trustees of Western Australia are ⁹:

- a one-off establishment fee of \$4,700 (as per Schedule 17)
- net effective management expense ratios of 0.75% per annum plus investment fees of:

| External investments | Investment fee |
|-------------------------|----------------|
| On the first \$100,000 | 0.66% |
| On the next \$400,000 | 0.55% |
| On the next \$1,500,000 | 0.33% |
| On the balance | 0.11% |

- annual fees for tax return preparation, etc (assumed to be \$350 per annum) and for personal financial administration as per Schedule 9) on the basis of 51-80 transactions per annum amounting to \$1,983 pa
- asset management fees (as per Schedule 7) of:

| Value of estate (\$) | Annual fee (\$ pa) |
|-------------------------|-----------------------|
| ... | ... |
| 500,000 | 2,769 |
| 750,000 | 4,153 |
| 1,000,000 | 5,400 |
| 1,500,000 | 6,716 |
| 2,000,000 | 8,100 |
| 2,500,000 | 9,417 |

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 7.8% | 14.7% | 21.4% | 27.8% | 51.1% | 72.9% | 90.4% |
| 1.0 | 5.9% | 11.3% | 16.7% | 21.9% | 40.9% | 57.3% | 71.3% |
| 2.5 | 4.5% | 8.7% | 12.8% | 16.8% | 31.0% | 42.6% | 51.5% |
| 5.0 | 3.6% | 7.0% | 10.2% | 13.3% | 24.2% | 32.9% | 39.7% |
| 10.0 | 2.9% | 5.7% | 8.4% | 10.9% | 20.0% | 27.4% | 33.2% |
| 5% discount rate | | | | | | | |
| 0.5 | 7.6% | 13.9% | 19.7% | 25.0% | 41.4% | 51.1% | 59.5% |
| 1.0 | 5.9% | 10.9% | 15.5% | 19.8% | 33.6% | 42.1% | 47.0% |
| 2.5 | 4.4% | 8.4% | 12.0% | 15.3% | 25.6% | 31.8% | 35.3% |
| 5.0 | 3.5% | 6.7% | 9.5% | 12.0% | 19.9% | 24.6% | 27.2% |
| 10.0 | 2.9% | 5.4% | 7.8% | 10.0% | 16.6% | 20.7% | 23.1% |
| 6% discount rate | | | | | | | |
| 0.5 | 7.5% | 13.5% | 19.0% | 23.7% | 37.4% | 44.5% | 47.8% |
| 1.0 | 5.8% | 10.6% | 15.1% | 18.9% | 30.6% | 36.8% | 39.7% |
| 2.5 | 4.3% | 8.2% | 11.6% | 14.6% | 23.3% | 27.8% | 29.9% |
| 5.0 | 3.5% | 6.5% | 9.2% | 11.5% | 18.1% | 21.5% | 23.1% |
| 10.0 | 2.8% | 5.3% | 7.5% | 9.5% | 15.2% | 18.2% | 19.7% |
| 7% discount rate | | | | | | | |
| 0.5 | 7.4% | 13.2% | 18.3% | 22.6% | 34.0% | 39.1% | 41.0% |
| 1.0 | 5.8% | 10.4% | 14.6% | 18.2% | 27.9% | 32.4% | 34.2% |
| 2.5 | 4.3% | 8.0% | 11.2% | 13.9% | 21.3% | 24.6% | 25.8% |
| 5.0 | 3.4% | 6.3% | 8.9% | 11.0% | 16.5% | 19.0% | 20.0% |
| 10.0 | 2.8% | 5.2% | 7.3% | 9.1% | 13.9% | 16.1% | 17.0% |

⁹ Retrieved from Public Trustee's Scale of Fees at www.publictrustee.wa.gov.au/_files/scale_of_fees.pdf on 15 February 2010

Public Trustees (Tasmania)

Investment management fees of the Public Trustees of Tasmania are⁹:

- A stepped capital commission charged on the initial funds invested:

| Initial capital invested | Fee scale |
|--------------------------|-----------|
| \$0 to \$100,000 | 2.75% |
| \$100,001 to \$500,000 | 2.20% |
| \$500,001+ | 1.10% |

- An income commission of 6.6% pa charged on the gross income of the portfolio
- Implied transaction fees of 1.66% pa charged on the drawings of the portfolio
- Underlying management fees of 1.22% pa, charged on the balance of the fund
- Fixed costs of \$537 pa, comprising \$13.50 monthly fees, a \$275 investment fees and a \$100 taxation return preparation fee

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|-------|-------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 8.2% | 12.3% | 16.3% | 20.3% | 35.3% | 48.8% | 60.4% |
| 1.0 | 7.3% | 11.1% | 15.0% | 18.7% | 33.1% | 46.0% | 57.3% |
| 2.5 | 6.8% | 10.5% | 14.2% | 17.8% | 31.7% | 44.4% | 55.4% |
| 5.0 | 6.6% | 10.3% | 13.9% | 17.5% | 31.3% | 43.8% | 54.8% |
| 10.0 | 6.5% | 10.1% | 13.8% | 17.3% | 31.0% | 43.5% | 54.5% |
| 5% discount rate | | | | | | | |
| 0.5 | 8.4% | 12.6% | 16.5% | 20.3% | 32.7% | 41.4% | 47.0% |
| 1.0 | 7.5% | 11.5% | 15.3% | 18.8% | 30.9% | 39.4% | 44.9% |
| 2.5 | 7.0% | 10.9% | 14.5% | 18.0% | 29.8% | 38.2% | 43.6% |
| 5.0 | 6.9% | 10.7% | 14.3% | 17.7% | 29.4% | 37.7% | 43.2% |
| 10.0 | 6.8% | 10.5% | 14.2% | 17.6% | 29.2% | 37.5% | 43.0% |
| 6% discount rate | | | | | | | |
| 0.5 | 8.5% | 12.7% | 16.6% | 20.2% | 31.4% | 38.3% | 42.0% |
| 1.0 | 7.7% | 11.7% | 15.4% | 18.9% | 29.8% | 36.5% | 40.2% |
| 2.5 | 7.2% | 11.0% | 14.7% | 18.1% | 28.8% | 35.4% | 39.1% |
| 5.0 | 7.0% | 10.8% | 14.4% | 17.8% | 28.4% | 35.0% | 38.7% |
| 10.0 | 6.9% | 10.7% | 14.3% | 17.7% | 28.3% | 34.9% | 38.5% |
| 7% discount rate | | | | | | | |
| 0.5 | 8.6% | 12.9% | 16.7% | 20.2% | 30.2% | 35.5% | 38.0% |
| 1.0 | 7.8% | 11.8% | 15.5% | 18.9% | 28.7% | 33.9% | 36.3% |
| 2.5 | 7.3% | 11.2% | 14.8% | 18.1% | 27.7% | 32.9% | 35.3% |
| 5.0 | 7.1% | 11.0% | 14.6% | 17.8% | 27.4% | 32.6% | 35.0% |
| 10.0 | 7.0% | 10.9% | 14.5% | 17.7% | 27.3% | 32.4% | 34.8% |

⁹ Retrieved from a letter from the Public Trustee of Tasmania dated 22 June 2009

Public Trustees (ACT)

Maximum investment management fees of the Public Trustees of ACT are ¹⁰:

- An initial fee of 1.10%, calculated on the capital invested (spread over 4 years by equal instalments of 0.275%)
- Commission of 5.50% on annual income
- Fees of about \$300 pa to cover tax return preparation and administration fees
- net effective management expense ratio of about 1.35% pa, calculated on fund balance

Based on the fee structure above, the estimated uplift for investment management across a range of initial fund amounts, duration of management and discount rates are:

| Initial fund (\$m) | Duration of management (years) | | | | | | |
|-------------------------|--------------------------------|------|-------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 40 | 60 | 80 |
| 3% discount rate | | | | | | | |
| 0.5 | 5.2% | 9.3% | 13.3% | 17.3% | 32.7% | 46.8% | 59.2% |
| 1.0 | 5.0% | 9.0% | 12.9% | 16.8% | 31.8% | 45.6% | 57.8% |
| 2.5 | 5.0% | 8.8% | 12.7% | 16.5% | 31.2% | 44.9% | 56.9% |
| 5.0 | 4.9% | 8.8% | 12.6% | 16.4% | 31.1% | 44.6% | 56.6% |
| 10.0 | 4.9% | 8.7% | 12.5% | 16.3% | 31.0% | 44.5% | 56.5% |
| 5% discount rate | | | | | | | |
| 0.5 | 5.3% | 9.5% | 13.4% | 17.1% | 29.7% | 38.7% | 44.6% |
| 1.0 | 5.2% | 9.2% | 13.0% | 16.7% | 29.0% | 37.9% | 43.7% |
| 2.5 | 5.1% | 9.0% | 12.8% | 16.4% | 28.6% | 37.4% | 43.2% |
| 5.0 | 5.1% | 9.0% | 12.7% | 16.3% | 28.5% | 37.3% | 43.0% |
| 10.0 | 5.1% | 9.0% | 12.7% | 16.3% | 28.4% | 37.2% | 43.0% |
| 6% discount rate | | | | | | | |
| 0.5 | 5.4% | 9.5% | 13.4% | 17.0% | 28.3% | 35.3% | 39.2% |
| 1.0 | 5.3% | 9.3% | 13.1% | 16.6% | 27.7% | 34.6% | 38.5% |
| 2.5 | 5.2% | 9.1% | 12.9% | 16.3% | 27.3% | 34.2% | 38.1% |
| 5.0 | 5.2% | 9.1% | 12.8% | 16.2% | 27.2% | 34.1% | 37.9% |
| 10.0 | 5.1% | 9.1% | 12.8% | 16.2% | 27.1% | 34.0% | 37.8% |
| 7% discount rate | | | | | | | |
| 0.5 | 5.5% | 9.6% | 13.4% | 16.8% | 26.9% | 32.3% | 34.8% |
| 1.0 | 5.3% | 9.4% | 13.1% | 16.4% | 26.4% | 31.7% | 34.2% |
| 2.5 | 5.3% | 9.2% | 12.9% | 16.2% | 26.0% | 31.4% | 33.9% |
| 5.0 | 5.2% | 9.2% | 12.8% | 16.1% | 25.9% | 31.3% | 33.8% |
| 10.0 | 5.2% | 9.2% | 12.8% | 16.1% | 25.9% | 31.2% | 33.7% |

¹⁰ Retrieved from a letter from Doug Gillespie of the Public Trustee of the ACT dated 20 January 2011