

## Unit trust deed

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This precedent is part of a suite of business structure documents. Specialist Editor **Stephen Newman, Executive Couns**

This precedent is current to **1 July 2015**.

### Introductory note

This precedent is a template unit trust deed.

This precedent is not adapted for use as a security many additional issues including the application of

There are various ways a unit trust may be constituted separate manager. In this precedent, the role of the unit trust created by this precedent is constituted by "holder" who contributes an amount of money which the initial unit holder. Thereafter, units can be issued

This method of constituting a unit trust ensures the and avoids problems surrounding the definitions of the Income Tax Assessment Act 1997. Under section the unit trust must be a registered managed investment holders (see clauses 4.5(b) and 4.6).

Throughout, the precedent provision is made to ensure deed to the particular needs of the parties by requiring percentage of units to consent to or initiate various drafting these clauses; ie alternative clauses 7.1 and 14.1(c), 15.1(d), 17.2, 18.1, 18.2, 18.5, 18.9 and 22 shareholding and perhaps a directorship in the trust shareholders agreement to regulate further the affairs to provide loans, capital, guarantees, restrictions on

As to the investment of trust funds, see clause 20. 4.5(c) with respect to issue of units pre-emption right provision is in similar terms to the replaceable rule (Cth).

Unit trusts originally were mainly used in the investment much they were at one stage, prior to the introduction vehicle through which business was conducted in the unit trust often results in its choice as the preferred

LexisNexis Sample

This deed is made on [date]

between:

[Initial Unitholder name] of [address] (**Initial Unitholder**)

[The Initial Unitholder should be a person or company v  
unit trust. The trustee cannot be a unit holder: see claus

and:

[trustee name] [trustee ACN] of [address] (**Trustee**).

[The trustee may be one or more of a company or a na  
company, having no activity other than to act as trustee  
occurring on the death or illness or absence for prolong  
proprietor of land. Care should be taken in allocating th  
14.1(b). Care should also be taken in selection of a trust  
relation to property or income of the trust. A unit holder  
14.2. If a company is to act as trustee of more than one  
should be given as to whether a financial services licen

## BACKGROUND

- A. The Initial Unitholder has paid the initial amount t  
this Deed.
- B. The Trustee has agreed to act as trustee of the T  
the trusts and terms set out in this Deed.
- C. The provisions of this Deed apply to bind the unit

## OPERATIVE PROVISIONS

### 1 Definitions and interpretation

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#### 1.1 Definitions

**Act** means the Income Tax Assessment Act 1936 (Cth)  
taken together.

**Deed** means this trust deed and all amendments and v  
properly be made from time to time.

**Financial Year** means a financial year for which incom  
under the Act.

**Initial Amount** means the amount of \$[initial amount to  
paid by the Initial Unitholder to the Trustee on the signi  
Fund.

[Stamp duty may be assessed on the amount of the Ini  
of, say, \$50 is usually chosen. Larger amounts may be  
additional units.]

LexisNexis Sample

## 2 Trust

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### 2.1 Name of Trust

The Trust is to be known as the "[*unit trust name*]  
as a convenient way of subsequently identifying c

### 2.2 Initial Amount

The Trustee acknowledges receipt of the Initial A  
entered in the register as the holder of [*number c*

### 2.3 Trust Fund

The Trustee holds the Trust Fund on trust for the  
terms of this Deed.

## 3 Beneficial interest of Unit Holders

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### 3.1 Beneficial interest in the Trust Fund

Subject to any contrary right of holders of Units o  
conditions attaching to the issue of particular Uni  
in the Trust Fund as existing from time to time is

- (a) in the Unit Holders for the time being; and
- (b) if there is more than one Unit Holder, in the  
each holds disregarding the issue price of

### 3.2 No entitlement to any part of the Trust Fund

Subject to any contrary rights of holders of Units  
conditions attaching to the issue of particular Uni

- (a) a Unit does not entitle the holder of the Un  
particular part of, the Trust Fund; and
- (b) each Unit entitles a Unit Holder equally wit  
the Trust Fund as an entirety.

## 4 Issue and classification of Units

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### 4.1 Additional Units [*Additional units may be issu by means of the procedure described in this c*

Subject to any restrictions or conditions on the iss  
issue of Units as set out in this Deed, the Trustee  
price and to such persons as the Trustee by reso  
issue of a Unit becomes part of the Trust Fund.