

9.3.3. Example - Calculation and presentation of the INREV fee and expense metrics

During the financial year, a vehicle has incurred the following expenses in its reported financial statements:

GL account	Amount (000s)
Strategic input and production of asset level business plans	1 500
Costs charged for the audit of the year-end financial statements	200
Bank charges	20
Depositary bank services	600
Environmental studies, feasibility studies, marketing research for acquisition projects which didn't close	150
Fund management fees	400
Corporate service costs for annual board/AGM	50
Performance fees	500
Transfer agent services	400
Real asset appraisal costs	20
Vehicle accounting and investor reporting performed by manager in-house	300
Formation expenses	100
Legal services for tenant contract renewal	10
Property acquisition costs	150
Property management costs include the non-rechargeable portion of the following costs:	250
Property management services provided by the manager	50
Non-rechargeable portion of repairs and maintenance costs that are treated as expenses in	1 060
Transfer tax	20
Deferred tax assets/liabilities related to real estate property fair value changes and financing/hedging activity	200
Tax born in the structure	150
Legal advice related to disposal transaction	50
Interest incurred for mortgages	15 000
Financing fees	20
Gain/loss on currency exchange rates	70
Losses on disposal of subsidiaries (incl. 50 disposition costs and 10 disposition fee)	600
Fair value of financial instruments	1 450
Receivables write-off costs	20
	10

In addition, the vehicle distributed a total amount of 500 to the Investment Manager of the vehicle as an Incentive Fee calculated in accordance with the vehicle documentation.

Based on the example above, fees and costs for the purpose of calculating TGER should be allocated as follows:

Allocation to TGER	Workings	Amount
		(Currency)
Asset management fees		1 500
Fund management fees		400
Performance fees		500
Property disposition fees		10
TOTAL VEHICLE FEES FOR TGER	A	2 410
Audit costs		200
Bank charges		20
Custodian costs		600
Dead deal costs		150
Other professional service costs		50
Transfer agent costs		400
Valuation costs		20
Debt arrangement fees		20
Vehicle administration costs charged by manager		300
Vehicle formation costs (amortisation for the period)		100
TOTAL VEHICLE COSTS for TGER	B	1 860
Vehicle taxes		
Deferred taxes		200
Income tax		150
Transfer tax		20
TOTAL VEHICLE TAXES	C	370
TOTAL VEHICLE FEES AND COSTS FOR TGER EXCLUDING TAX	A+B	4 270

Exempted fees and costs		Amount
		(Currency)
Property level fees and costs		
Property management fees		50
TOTAL PROPERTY FEES		50
External leasing commissions		10
Property acquisition costs (amortisation for the period)		150
Property management costs		250
Utilities, repair and maintenance costs		1060
TOTAL PROPERTY COSTS		1 470
TOTAL PROPERTY FEES AND COSTS		1 520
Other exempted costs		
Disposition costs		50
Fair value adjustment		1 450
Financing costs		15 000
Gain/loss on currency exchange rates		70
Receivables write-off costs		20
Losses on disposal of subsidiaries		600
TOTAL OTHER EXEMPTED COSTS		17 190
TOTAL EXEMPTED FEES AND COSTS		18 710
Time-weighted average INREV GAV	D	1 250 000
Time-weighted average INREV NAV	E	750 000

Disclosure requirements for investor reporting

Total Global Expense Ratio	Workings	TGER (required)	Workings	NAV TGER (recommended)
Excluding tax	(A+B)/D	0,34%	(A+B)/E	0,57%

Constituent elements	Current Year/Period (Amount & Currency)	Prior Year/ Period (Amount & Currency)
Ongoing management fees	1 920	
Transaction-based management fees	30	
Performance fees	500	
Vehicle costs	1 820	
Vehicle taxes	370	
Time weighted average GAV (required)	1 250 000	
Time weighted average NAV (recommended)	750 000	

Fees earned by the investment manager	Current Year / Period (Amount & Currency)	Prior Year / Period (Amount & Currency)
Asset management fees	1 500	
Fund management fees	400	
Performance fees	500	
Wind-up fees	-	
Debt arrangement fees	20	
Commitment fees	-	
Subscription fees	-	
Redemption fees	-	
Property acquisition fees	-	
Property disposition fees	10	
Project management fees	-	
Development fees	-	
Property management fees	50	
Internal leasing commissions / fees	-	
Management fee adjustments (if applicable)	-	
Other related fees - vehicle accounting & administration	300	
Fees earned by the manager incl. in TGER	2 780	