

# The Association of Real Estate Funds

## Unlisted Real Estate Fund Structures Guide

	Type of investor		Regulator	Investment restrictions <sup>1</sup>		Tax result <sup>2</sup>
	Retail	Professional		Investments	Borrowing	
PAIF	Yes	Yes	FSA	Maximum exposure limits for assets and income	10% of NAV	Nil
Authorised Fund <sup>3</sup>	Yes	Yes	FSA	Maximum exposure limits for assets and income	10% of NAV	Tax suffered on net income in fund cannot be recovered
Unit-Linked Pension Fund	Yes	Yes	FSA	Permitted links	10% of GAV (can be waived)	Note 4
Offshore Fund <sup>3</sup>	Yes (if fund is FSA recognised)	Yes	Local regulators	Local restrictions	Local restrictions	Nil
QIS PAIF	High net worth individuals (under advice)	Yes	FSA		100% of NAV	Nil
Limited Partnership	High net worth individuals (under advice)	Yes				Nil
Exempt Unit Trust	No	Yes (if investor is tax exempt)				Nil
Managed Pension Fund	No	Occupational pension schemes	Pensions regulator	Regulated markets or equivalents	Only for short term liquidity	Note 4
Common Investment Fund (CIF)	Registered charities only		Charities Commission	Maximum exposure limits for assets and income	10% of NAV	Nil

1 Restrictions shown are regulatory. The instrument constituting a scheme may impose restrictions on that scheme in the absence of regulatory restrictions.

2 Result is for an exempt investor. Taxpayers suffer income tax at their marginal rate in all cases and may be liable for CGT on sale of their units.

3 An authorised fund and an offshore fund can be a unit trust or an open-ended investment company (OEIC). An investment company with variable capital (ICVC) is an OEIC.

4 Contributions attract relief at investor's marginal rate. Future pension income will be taxed at pensioner's marginal rate at that time.