

# Trust Deed

The Bare Loan Trust

FundsNetwork Trusts

# Completion notes

FundsNetwork cannot give advice regarding the legal or tax effects of the FundsNetwork Trusts, and will not accept responsibility for any loss occurring from their use. Financial advisers and their clients are recommended to seek independent legal advice before completing the Trust Deed to ensure the Trust meets their needs.

If, after seeking appropriate legal advice, the FundsNetwork Bare Loan Trust Deed and Loan Agreement are to be completed unamended, the following parts of the documents should be completed as follows:

This document is provided on the strict understanding that it is presented as a draft to be considered by the Lender and his or her legal advisers. Ultimately, its legal and tax effects will depend on the circumstances of each particular case. Accordingly, neither Financial Administration Services Limited ("FundsNetwork") nor any associated or affiliated company nor any of their representatives, officials, employees or professional advisers can accept any responsibility for any loss occasioned as a result of its use in any circumstances whatsoever except as provided by law. The representatives of FundsNetwork will not give, nor do they have authority to give, advice or make representations relating to the legal or tax effects of any document provided by FundsNetwork or any associated or affiliated company or of any instrument which may be based on any such document.

**The Trust Deed**  
This Trust Deed is made the

\_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_

between \_\_\_\_\_

of \_\_\_\_\_

(hereinafter called "the Lender") of the first part and the said "Lender" and

\_\_\_\_\_

of \_\_\_\_\_

and \_\_\_\_\_

of \_\_\_\_\_

and \_\_\_\_\_

of \_\_\_\_\_

(hereinafter called the "Original Trustees") of the second part

**This date must not be earlier than the latest date of signature in Part 8**

**Part 1 Declaration**

A. The Lender hereby declares his intention to make an interest-free loan to the Original Trustees so that the moneys lent shall be held by the Trustees (subject only to the right of the Lender to be repaid the principal amount of the loan on demand) irrevocably on the trusts and subject to the powers and provisions contained in this Trust Deed.

B. The Original Trustees hereby agree to receive the loan from the Lender and to hold the moneys received from the Lender on the terms stated above.

**Part 2 Definitions**

In this Trust Deed the following expressions shall have the following meanings and unless the context does not permit the singular shall include the plural and vice-versa and words denoting any gender shall include all genders

(i) "Appointer" means the Lender while he is alive and of full capacity and subject thereto the Trustees

(ii) "Beneficiaries" means

Name	Specified % Share

(iii) "Trustees" means the trustee or trustees as appropriate for the time being of this Trust and at the commencement of this Trust the Trustees are the Original Trustees

(iv) "Trust Fund" means

(a) all money investments or other property paid or transferred by any person or persons to or so as to be under the control of and (in either case) accepted by the Trustees as additions and

(b) the money investments and other property from time to time representing the said money investments other property and additions

(v) "Spouse" includes any civil partner registered under the Civil Partnership Act 2004 and widow(er) includes any surviving civil partner so registered. Any references to marriage include registered civil partnership.

**Part 3 Principal Trust Terms**

1. **Beneficial Entitlement**

(i) The Trustees shall hold the Trust Fund and the income thereof for the absolute benefit of the Beneficiary(ies) and if more than one in the Specified Percentage Shares shown in paragraph (ii) of Part 2 above and if there are no Specified Percentage Shares and there is more than one Beneficiary then in equal shares absolutely.

(ii) Any income arising to the Trustees at any time from the Trust Fund shall be paid or applied as it arises to or for the benefit of the Beneficiary. Section 51 of the Trustee Act 1925 shall not apply to this Trust.

(iii) So long as any Beneficiary is under the age of legal capacity the Trustees shall have power to pay or otherwise apply for or towards his maintenance education or benefit so much of the income from his share in the Trust Fund as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any such income on trust for that Beneficiary absolutely and until he shall attain the age of legal capacity the Trustees shall invest the same and the resulting income thereof in investments hereby or by law authorised and shall hold the same

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## The Trust Deed

Insert the date of the Trust. This date must not be earlier than the latest date of signature in Part 8.

Insert the Lender's full name.

Insert the Lender's address.

Insert the first additional Trustee's full name. The Lender is automatically appointed as a Trustee so his or her details do not need to be repeated.

Insert the first additional Trustee's address (if applicable).

Insert name and address details of further Trustees (as per first additional Trustee). No more than 4 Trustees including the Lender can be appointed

## Part 2

Insert the full name of each Beneficiary and required percentage share of the trust fund. There must be at least one Beneficiary. Insert each Beneficiary's details on a separate line. **It is not possible to add or remove a Beneficiary or change his or her share under a bare trust.** If no percentage shares are specified and there is more than one Beneficiary, each Beneficiary has an equal share. **Any shares specified must add up to 100%.**

**Part 8 Signatures**

IN WITNESS whereof the Parties hereto executed this deed the day and year first before written at the location stated below.

Signed as a deed and delivered by the said

\_\_\_\_\_

(the Lender)

\_\_\_\_\_

(Lender's signature)

In the presence of:

\_\_\_\_\_

Witness' name:

\_\_\_\_\_

(Witness' signature)

\_\_\_\_\_

Address

\_\_\_\_\_

(Witness' occupation)

## Part 8

**The Lender and each Trustee must sign and complete Part 8 where indicated. Each signature must be witnessed.**

Insert the full name and signature of the relevant party.

The Witness must insert his or her full name and sign. The Witness must be an independent party to the Trust (i.e. he or she can not be a Lender, Trustee or Beneficiary).

Insert the Witness' address.

Insert the Witness' occupation.

## Completion notes (continued)

**Loan Agreement**

This Loan Agreement is made the [ ] day of [ ] in the year [ ]

Between [ ]  
of [ ]  
(hereinafter called "the Lender") of the one part  
and the Lender and [ ]  
of [ ]  
and [ ]  
of [ ]  
and [ ]  
of [ ]  
(hereinafter called "the Trustees") of the other part.

**This date must not be earlier than the latest date of signature on pages 3-4 and should be at least one day after the date of the trust deed**

**Whereas**

1. By a Deed of Trust dated [ ] (hereinafter called "the Trust"), the Lender covenanted to make a loan to the Trustees.
2. The Lender wishes to make a loan of £ [ ] in compliance with his covenant subject to the terms of this Agreement.
3. The Trustees agree that the making of the Loan subject to the provisions of this Agreement discharges the Lender covenant contained in the Trust.

## The Loan Agreement

Insert the date of the Loan Agreement. **This date must not be earlier than the latest date of signature on the following pages and should be at least one day after the date of the trust deed.**

Insert the Lender's full name.

Insert the Lender's address.

Insert the first Trustee's full name. The Lender is automatically included as a Trustee and so his or her details do not need to be repeated.

Insert the first Trustee's address (if applicable).

Insert name and address details of further Trustees (as per first Trustee).

Insert the date of the FundsNetwork Loan Trust deed.

Insert the amount of the loan being made by the Lender.

NOW IT IS AGREED by the Lender and the Trustees that the Lender shall make the Loan to the Trustees in the manner described above and upon the following terms and conditions:

1. The loan shall be free of interest.
2. The loan shall be repayable by the Trustees upon demand made by the Lender in writing to the Trustees.
3. The lender may satisfy the Loan in whole or in part by providing the Trustees with a cheque drawn in favour of [ ] to whom the Trustees have made or are about to make an application for a single premium life assurance policy or to whom the Trustees have applied to make an investment.

AS WITNESS this agreement has been entered into the day and year first above written

[ ] (Lender's name) [ ] (Lender's signature)

In the presence of:

[ ] (Witness' name) [ ] (Witness' signature)

[ ] (Address) [ ] (Witness' occupation)

Insert the name of the payee of the cheque (the investment provider(s)) e.g. Fidelity.

**The Lender and each Trustee must sign and complete the agreement where indicated. Each signature must be witnessed.**

Insert the full name and signature of the relevant party.

The Witness must insert his or her full name and sign. The Witness must be an independent party to the Trust (i.e. he or she cannot be a Lender, Trustee or Beneficiary).

Insert the Witness' occupation.

Insert the Witness' address.

## The Application Form

Where the establishment of this trust involves the setting up of a new investment for which the Trustees will be applying, please ensure that

- The application for the investment is not dated before the date of the trust deed
- All trustees are included and sign as applicants for the investment

### Important information

Please note that: Tax laws may change in the future, which could affect the effectiveness of the Trust. Once set up, a Trust may be difficult and/or costly to unwind if you decide that it is no longer suitable for your needs. You should consider this carefully with your legal adviser before proceeding. The Trustees are responsible for the ongoing administration of the Trust, including any relevant tax filings and payments. Your legal adviser can provide more information about a Trustee's ongoing responsibilities and duties in managing the Trust. FundsNetwork does not undertake trust administration services and will not be able to provide advice in relation to these activities.

This document is provided on the strict understanding that it is presented as a draft to be considered by the Lender and his or her legal advisers. Ultimately, its legal and tax effects will depend on the circumstances of each particular case. Accordingly, neither Financial Administration Services Limited ('FundsNetwork') nor any associated or affiliated company nor any of their representatives, officials, employees or professional advisers can accept any responsibility for any loss occasioned as a result of its use in any circumstances whatsoever except as provided by law. The representatives of FundsNetwork will not give, nor do they have authority to give, advice or make representations relating to the legal or tax effects of any document provided by FundsNetwork or any associated or affiliated company or of any instrument which may be based on any such document.

## The Trust Deed

This Trust Deed is made the

day of  in the year

between

of

(hereinafter called "**the Lender**") of the first part and the said "**Lender**" and

of

and

of

and

of

(hereinafter called the "**Original Trustees**") of the second part

**This date must not be earlier than the latest date of signature in Part 8**

## Part 1 Declaration

- A. The Lender hereby declares his intention to make an interest-free loan to the Original Trustees so that the moneys lent shall be held by the Trustees (subject only to the right of the Lender to be repaid the principal amount of the loan on demand) irrevocably on the trusts and subject to the powers and provisions contained in this Trust Deed.
- B. The Original Trustees hereby agree to receive the loan from the Lender and to hold the moneys received from the Lender on the terms stated above.

## Part 2 Definitions

In this Trust Deed the following expressions shall have the following meanings and unless the context does not permit the singular shall include the plural and vice versa and words denoting any gender shall include all genders

- (i) "**Appointor**" means the Lender while he is alive and of full capacity and subject thereto the Trustees
- (ii) "**Beneficiaries**" means

Name	Specified % Share
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

- (iii) "**Trustees**" means the trustee or trustees as appropriate for the time being of this Trust and at the commencement of this Trust the Trustees are the Original Trustees
- (iv) "**Trust Fund**" means
  - (a) all money investments or other property paid or transferred by any person or persons to or so as to be under the control of and (in either case) accepted by the Trustees as additions and
  - (b) the money investments and other property from time to time representing the said money investments other property and additions
- (v) "**Spouse**" includes any civil partner registered under the Civil Partnership Act 2004 and widow(er) includes any surviving civil partner so registered. Any references to marriage include registered civil partnership.

## Part 3 Principal Trust Terms

1. **Beneficial Entitlement**
  - (i) The Trustees shall hold the Trust Fund and the income thereof for the absolute benefit of the Beneficiary(ies) and if more than one in the Specified Percentage Shares shown in paragraph (ii) of Part 2 above and if there are no Specified Percentage Shares and there is more than one Beneficiary then in equal shares absolutely.
  - (ii) Any income arising to the Trustees at any time from the Trust Fund shall be paid or applied as it arises to or for the benefit of the Beneficiary. Section 31 of the Trustee Act 1925 shall not apply to this Trust.
  - (iii) So long as any Beneficiary is under the age of legal capacity the Trustees shall have power to pay or otherwise apply for or towards his maintenance education or benefit so much of the income from his share in the Trust Fund as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any such income on trust for that Beneficiary absolutely and until he shall attain the age of legal capacity the Trustees shall invest the same and the resulting income thereof in investments hereby or by law authorised and shall hold the same

as an accretion to the Trust Fund or part to which the Beneficiary is entitled Provided Always that so long as the said Beneficiary is under the age of legal capacity or otherwise under a legal disability the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.

## 2. Trust Capital

The Trustees shall in place of any other power to pay or apply capital for the benefit of a Beneficiary have the power, subject to the consent of an adult Beneficiary having legal capacity but otherwise in their absolute discretion, to pay, transfer or apply the whole or any part or parts of any of the Trust Fund to which any Beneficiary is entitled to or for the outright benefit only of such Beneficiary.

## 3. Exclusion Of The Lender And Spouse

None of the trusts powers or provisions hereof shall operate or be exercised so as to allow any part of the Trust Fund or the income thereof to be paid transferred or applied to or for the benefit of the Lender or of any spouse of the Lender otherwise than by way of repayment of any loan made by the Lender to the Trustees.

## Part 4 Administrative Powers

1. Subject to paragraph 2 of this Part 4, the Trustees shall in the management and administration of the Trust Fund have the widest possible powers (which they may exercise or omit to exercise from time to time at their absolute discretion) of managing and dealing with the Trust Fund in all respects as if the Trustees were the absolute beneficial owners thereof and without prejudice to the generality of the foregoing the Trustees shall have the following powers:

- (i) Power to accept the Lender's directions as to the initial investment of the moneys comprised in the Trust Fund without having regard to the diversification of the Trust Fund.
- (ii) Power to sell or otherwise liquidate and deal with any asset whatsoever comprised in the Trust Fund and to invest in any property of whatsoever nature and wheresoever situate and whether producing income or not, including land heritable property and investment in any policies of assurance as the Trustees may in their absolute discretion think fit.
- (iii) With regard to any policy of assurance or capital redemption policy held subject to the Trust, the power:
  - (a) to pay premiums on any such policy and to borrow from any person (including any of themselves) the moneys required for any such premium upon such terms as to repayment interest and otherwise as they may think fit
  - (b) to exercise any of the elections powers options and privileges conferred by any such policy and to alter the amount of any periodic premiums payable thereunder or the period during which such premiums are payable and to alter the terms of any such policy in any manner by agreement with the insurers and to do any of the foregoing notwithstanding that the sum assured may thereby be reduced or increased
  - (c) to convert any such policy into a fully paid up policy free from payment of future premiums
  - (d) to surrender wholly or partially any such policy
  - (e) to appoint in writing such person or persons as the Trustees think fit to act as agent of the Trustees for the purpose of receiving moneys from any person and to apply the said moneys as premiums under any such policy already in force or under any such policy which is about to come into force and to become comprised in the Trust Fund
  - (f) to recover receive or give valid receipts for all moneys due or to become due under any such policy so that the receipt by the Trustees of any moneys payable under or deriving from any dealing with any such policy shall be a full and sufficient discharge to the insurance company making the payment who shall not be concerned to see to the application of any such moneys.

- (iv) Power to borrow money on such terms as to interest repayment and otherwise as they may think fit and whether upon the security of the whole or any part or parts of the Trust Fund or upon personal security only and to use such money in purchasing or subscribing for investments or property to be held as part of the Trust Fund or otherwise for any purpose for which capital moneys forming part of the Trust Fund may be used.
- (v) Power to pay or transfer any capital or income to be paid transferred or applied for the maintenance education or benefit of a Beneficiary who is under the age of legal capacity or otherwise under a legal disability to any parent or guardian of that Beneficiary or to such other person on behalf of such Beneficiary as the Trustees shall think fit and the receipt of such person shall be a complete discharge to the Trustees who shall be under no obligation to see to the proper application thereof.
- (vi) Power revocably or irrevocably to delegate any power or powers in making managing realising or otherwise dealing with any property comprised in the Trust Fund to any person or persons (including nominees) upon such terms as to remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustee in question employed or incurred expense in employing him in good faith.

2. The exercise by the Trustees of the powers conferred by paragraph 1 of this Part 4 shall require the consent of the Beneficiary or Beneficiaries affected thereby except in relation to any part of the Trust Fund held for a Beneficiary or Beneficiaries under the age of legal capacity or otherwise under a legal disability.

## Part 5 Appointment, Dismissal, Retirement and Remuneration of Trustees

1. The Appointor shall have power to appoint by deed new or additional Trustees and where necessary the Trustees will grant any necessary documentation to complete such appointment.
2. The Lender while he is alive and of full capacity shall have power to dismiss by deed any Trustee and the said power shall be exercisable notwithstanding that as a result of its exercise the sole Trustee is a corporation which is not a Trust Corporation for the purpose of Section 37 of the Trustee Act 1925, where relevant, or a single individual but not so as to result in the Lender and/or his spouse for the time being becoming the only Trustee(s).
3. Any Trustee may retire at any time on giving 30 days' written notice to the Appointor Provided Always that no retirement of any Trustee shall take effect so as to result in the Lender and/or his spouse for the time being becoming the only Trustee(s).
4. Any corporate body which is empowered to act as a trustee may at any time be appointed as a Trustee and may act by its proper officers in the discharge of its duties as such Trustee and in the exercise of the powers and discretions conferred hereby or by law.
5. Every Trustee shall be entitled to remuneration upon such terms as may be agreed by the Appointor and in the absence of such agreement every Trustee shall be entitled to remuneration in accordance with its normal scale of charges (if applicable) at that time Provided Always that the Lender and the spouse for the time being of the Lender shall not be entitled to remuneration as a Trustee in any way.

6. Any Trustee other than the Lender and any spouse of his for the time being:

- (i) who is engaged in any profession business or trade may be employed by the Trustees and any Trustee so engaged and employed may charge and be paid all reasonable professional business or trade costs and

charges for business transactions and time expended and acts done by him (or any partner or employee of his) in connection with this Trust including acts which a Trustee not being engaged in any profession business or trade could have done personally and whether or not in the usual scope of his profession business or trade

- (ii) may exercise or concur in exercising all powers and discretions given to him by this Trust or by law notwithstanding that he has a direct or other personal interest in the mode or result of any such exercise but any of the Trustees may nevertheless abstain from acting except as a merely formal party in any matter in which he may be so directly or personally interested and may allow his co-trustees to act alone in relation thereto.

## Part 6 Further Trust Provisions

1. No Trustee who is an individual shall be liable for any loss to the Trust Fund or the income arising from it by reason either of (i) any investment made in good faith by him or any other Trustee or (ii) any mistake or omission made in good faith by him or any other Trustee except in the case of negligence by a paid Trustee or (iii) the negligence or fraud of any delegate or agent employed in good faith by him or any other Trustee although the delegation to or employment of such agent was not strictly necessary or expedient or (iv) any other matter or thing except individual fraud on the part of the Trustee whom it is sought to make liable or, in the case of a paid Trustee, negligence.
2. The Trustees shall have power by deed or deeds revocable (whether by the person making such deed or some other person) or irrevocable wholly or partially to release or restrict the future exercise of any power hereby conferred on them (including this power) whether or not of a fiduciary nature and whether dispositive or administrative and so as to bind their successors.

## Part 7 Governing Law

English law governs the validity of this Trust, and its construction, effects and administration.

## Part 8 Signatures

IN WITNESS whereof the Parties hereto executed this deed the day and year first before written at the location stated below.

Signed as a deed and delivered by the said

(the Lender)

(Lender's signature)

In the presence of:

Witness' name:

(Witness' signature)

Address

(Witness' occupation)

Signed as a deed and delivered by the said

(Original Trustee)

(Original Trustee's signature)

In the presence of:

Witness' name:

(Witness' signature)

Address

(Witness' occupation)

**Part 8 Signatures (continued)**

IN WITNESS whereof the Parties hereto executed this deed the day and year first before written at the location stated below.

Signed as a deed and delivered by the said

(Original Trustee)

(Original Trustee's signature)

In the presence of:

Witness' name:

(Witness' signature)

Address

(Witness' occupation)

Signed as a deed and delivered by the said

(Original Trustee)

(Original Trustee's signature)

In the presence of:

Witness' name:

(Witness' signature)

Address

(Witness' occupation)



