

User Guide: How do SPO Markets fees work?

Investing in property can be expensive, and whether you have been saving up for years to get to a deposit or not, every dollar counts. So when you decide to dip your toes into the property investment market, it can be disheartening when you realise just how much you may need to pay.

SPO Markets challenges this pattern by creating an easy and affordable approach to property investment. Not only does the SPO Markets Platform reduce the time taken to make the investment from several months to a few minutes, but the cost of accessing this investment product is affordable!

So what is the SPO Markets fee structure?

Before you dive head-first into property investment on the SPO Markets Platform, it's important you have a thorough understanding of our fee-structure.

Buy & Sell Transaction Fee of 0.5%

- When you buy Blocks, we charge a 0.5% fee on the purchase price of the Blocks.
- When you sell Blocks, we charge a 0.5% fee on the sale price of the Blocks.

Whether you hold your Blocks for 2 months or 10 years, you'll only ever pay 0.5% of the transaction value each time you buy and sell.

Example:

If I purchase \$5,000 worth of Blocks (50 Blocks valued at \$100/Block) in a single transaction, the 0.5% transaction fee is \$25, meaning you pay \$5,025 in total.

When you decide to sell your Blocks, you choose the [price at which they are listed](#). Hypothetically, if you sold your 50 Blocks at \$110/Block (for \$5,500), after the 0.5% transaction fee of \$27.50, you would receive $\$5,500 - \$27.50 = \$5472.50$.

Are there any fees relating to the property, and how do they affect me?

As an investor, you will never be hassled with any property related expenses. SPO Markets manages the properties on your behalf, including all related bills, strata, council tax, landlord insurance, property management etc. All expenses relating to the operating and running of the property are deducted from the gross income (primarily rental income) of the property, prior to any distributions being paid to Block Holders. In the event that the gross income in a particular period doesn't cover the expenses, the expenses will be paid out of the Cash Reserve.*

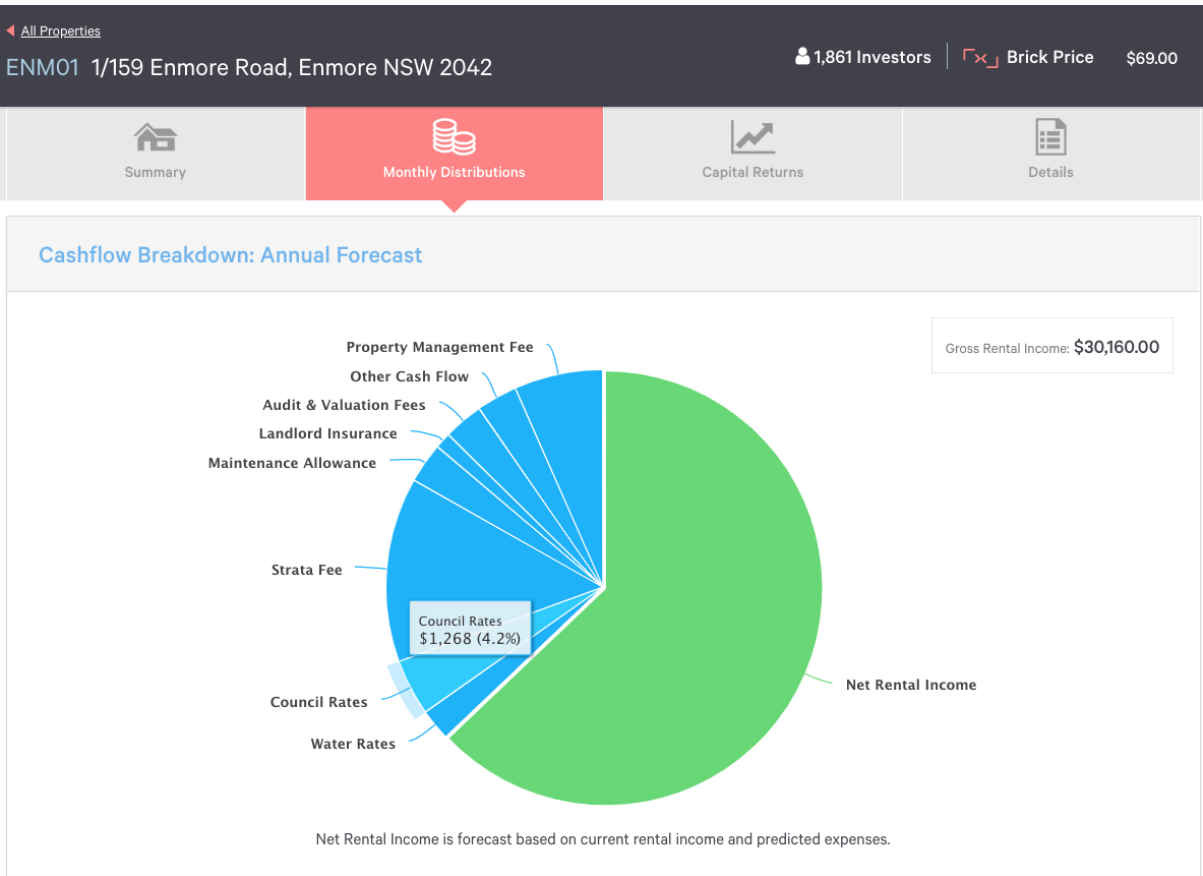
Please see the calculation below to get more detail.

Distribution payment calculation

Gross Rental Income – (strata levies + water rates + council rates + maintenance + management fees + annual audit and valuation fees + property taxes + debt interest + principal repayments + other costs)

10,000 Blocks

Each property has different levels of expenses you can see a full breakdown of the forecasted costs per property on the Monthly **Distributions Tab** of each property. Here is an example from our Enmore property.



All costs relating to the property are derived from gross rental income, and Block Holders are not required to make any further payments towards these expenses.

The Property management fee is charged in line with industry standard which is 6%+GST of the rental income.

Annual audit and valuation fee is charged at \$0.09 per Block per annum

Note: Each property has a Cash Reserve, which is raised at the initial purchase of a property. This can be drawn down and replenished over time from the gross income. The main purpose of the Cash Reserve is to cover ongoing costs over a vacant period or any large unexpected expenses relating to the property (e.g. major repairs or special levies)

What else do I need to know?

On registration to the SPO Markets Platform you are required to deposit a minimum of \$250 into your SPO Markets wallet to activate your account. This includes a one-off \$10 application fee to become a Member of the Platform. The \$10 is credited back to you in your Digital Wallet along with the rest of your initial deposit, and made available to you to put towards your first Block purchases. We just needed to let you know that!

You should read our [Product Disclosure Statement](#) for further details around fees.