

13 February 2014

Federation Managed Accounts added to AU PFS approved platform list

Australian Unity Personal Financial Services (AU PFS) has added Federation Managed Accounts (Federation) to its approved platform list, a move it expects will contribute to future business growth.

Steve Davis, Chief Executive Officer of AU PFS, said Federation offers advisers and their clients clear value for money and this, coupled with operational structure and the option for clients to become shareholders in Federation Alliance, made it a unique offer in the platform market.

“We made the decision to put Federation on our preferred platform list primarily to take advantage of the structure of the platform, which operates as an IDPS-like managed investment scheme,” Mr Davis says.

“This structure allows us to build our model portfolios into the platform and our advisers can use them to better automate the investment management process for their clients.”

Mr Davis says the Federation structure means it operates like a managed discretionary account (MDA), but without requiring any variation to the advice licence or the additional compliance requirements for advisers that are usually required to operate an MDA.

It also offers efficiency benefits. “As a result of some of the additional administrative burden under the FoFA regime, we believe helping our advisers operate a more efficient practice is even more important. Federation helps our advisers to significantly improve the efficiency of the advice process,” Mr Davis says.

“Adding Federation was also a way to provide advisers with an alternative to the platforms owned by the major banks/institutions.

“We see there being a place for both institutional and independent platform models – they key for us is to give advisers the choice,” Mr Davis says.

“This is becoming even more important in a post FoFA world where advisers need to be even clearer in relation to meeting their obligations under their best interests duty.”

Enquiries:
Steve Davis
Australian Unity Personal
Financial Services
03 8682 6321

Richard Dixon
Federation Alliance
03 8682 4539

Contact details:
Australian Unity Limited
114 Albert Road
South Melbourne VIC 3205
Tel: 13 29 39

Mr Davis says PFS' primary focus is to help its advisers continue the strong growth they have been experiencing in revenue, FUM and risk insurance business, but that further growth for PFS is also on the agenda.

"We do expect to continue to grow adviser numbers and more importantly plan to continue to strongly grow our network of accountants as referral partners and advisers," Mr Davis says.

"In May 2011 we hit the \$1 billion in funds under advice milestone and had 72 advisers. As at 31 December 2013 we were up to \$3.2 billion in FUA with 117 advisers.

"There is going to be continuing convergence between the accounting and advice professions and we are well placed to help support accountants provide high quality financial services to their clients.

"Federation, and its ability to facilitate automated direct equity portfolios, can be a very complementary investment structure for accountants and their SMSF clients, who appreciate the transparency and ownership of direct equities, but are less interested in day to day management of the portfolio" Mr Davis says.

Richard Dixon, Chief Operating Officer of Federation Alliance, said Federation Managed Accounts is a comprehensive investment administration platform that provides easy access to a broad range of investment options

"As technology delivers further efficiencies and cost savings in this competitive part of the market, Federation's equity participation option provides an effective way to pass future benefits to clients."

Mr Dixon says work has begun on a superannuation vehicle which is expected to launch in the second quarter of this year.

About Australian Unity

Australian Unity is a national healthcare, financial services and retirement living organisation providing services to some 600,000 Australians, including 320,000 members nationwide. Australian Unity's history as a trusted mutual organisation dates back 170 years. It has grown organically—by continually evolving and providing the services and products needed by the

Enquiries:
Steve Davis
Australian Unity Personal
Financial Services
03 8682 6321

Richard Dixon
Federation Alliance
03 8682 4539

Contact details:
Australian Unity Limited
114 Albert Road
South Melbourne VIC 3205
Tel: 13 29 39

communities it serves—as well as through successful strategic mergers and diversification into new business activities.

About Federation Managed Accounts

The Federation Managed Accounts platform was launched in 2013 through a partnership between a group of financial services industry experts and Australian Unity. The partnership brings together the long-standing experience of the Federation Alliance key principals and Australian Unity, an independent mutual with a history spanning more than 170 years. The key principals have many years' experience working in senior capacities in the financial services sector.

Federation Managed Accounts is a comprehensive investment administration platform that provides easy access to a broad range of investment options. For additional information visit fedalliance.com.au

-oOo-

Enquiries:

Steve Davis
Australian Unity Personal
Financial Services
03 8682 6321

Richard Dixon
Federation Alliance
03 8682 4539

Contact details:

Australian Unity Limited
114 Albert Road
South Melbourne VIC 3205
Tel: 13 29 39