

Federation is a contemporary and competitively priced investment and superannuation administration platform that seeks to deliver powerful investor outcomes. It is suited to individual investors, superannuation and pension members, self-managed superannuation funds (SMSFs), partnerships, trusts and companies.

## WHY FEDERATION?

### → Ownership

What makes Federation different to other platforms is an additional and unique equity-sharing opportunity. Investors in the platform can choose to participate financially in Federation Alliance, the platform's promoter and distributor, and its future strategy by becoming a shareholder in the company. Investors who decide to take up the offer may participate in any future growth and dividends Federation Alliance aims to create from its activities, which may have the effect of indirectly reducing their administration costs.

### → Online capability

Federation is an online platform designed to make it easy for you to engage with your investments and monitor your account 24 hours a day, seven days a week. The Federation Portal provides you with online access to your investments to view and report on your account details, portfolio valuations, asset allocations and performance analysis, and access a wide range of consolidated reports.

### → Ease of transacting

Federation's sophisticated transacting functionality provides convenience and efficiency, enabling your adviser, to place orders on your behalf across multiple investment types and market exchanges—all through one service.

### → Investment choice and flexibility

Federation offers greater flexibility and responsiveness in your portfolio construction by accessing a broad choice of investments, which includes managed funds, ASX listed securities, international listed securities, model portfolios (separately managed accounts), exchange traded funds, term deposits, fixed interest and cash.

### → Transparency and control

For investors looking for more control, Federation can provide you with greater transparency of the fees you pay for administration, investment and advice relating to your account. Through the model portfolios, you can see the value of the underlying investments and how they are performing.

**Federation**  
offers two solutions  
for investors:

1. **Federation Managed Accounts** and
2. **Federation Super™**

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## What is a platform?

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A platform is a transacting and reporting administration service that brings a range of investments and insurance together in one place. Platforms provide a consolidated and transparent view of all your investments and an efficient way for you, with the support of your financial adviser, to manage your investments.

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## What are model portfolios?

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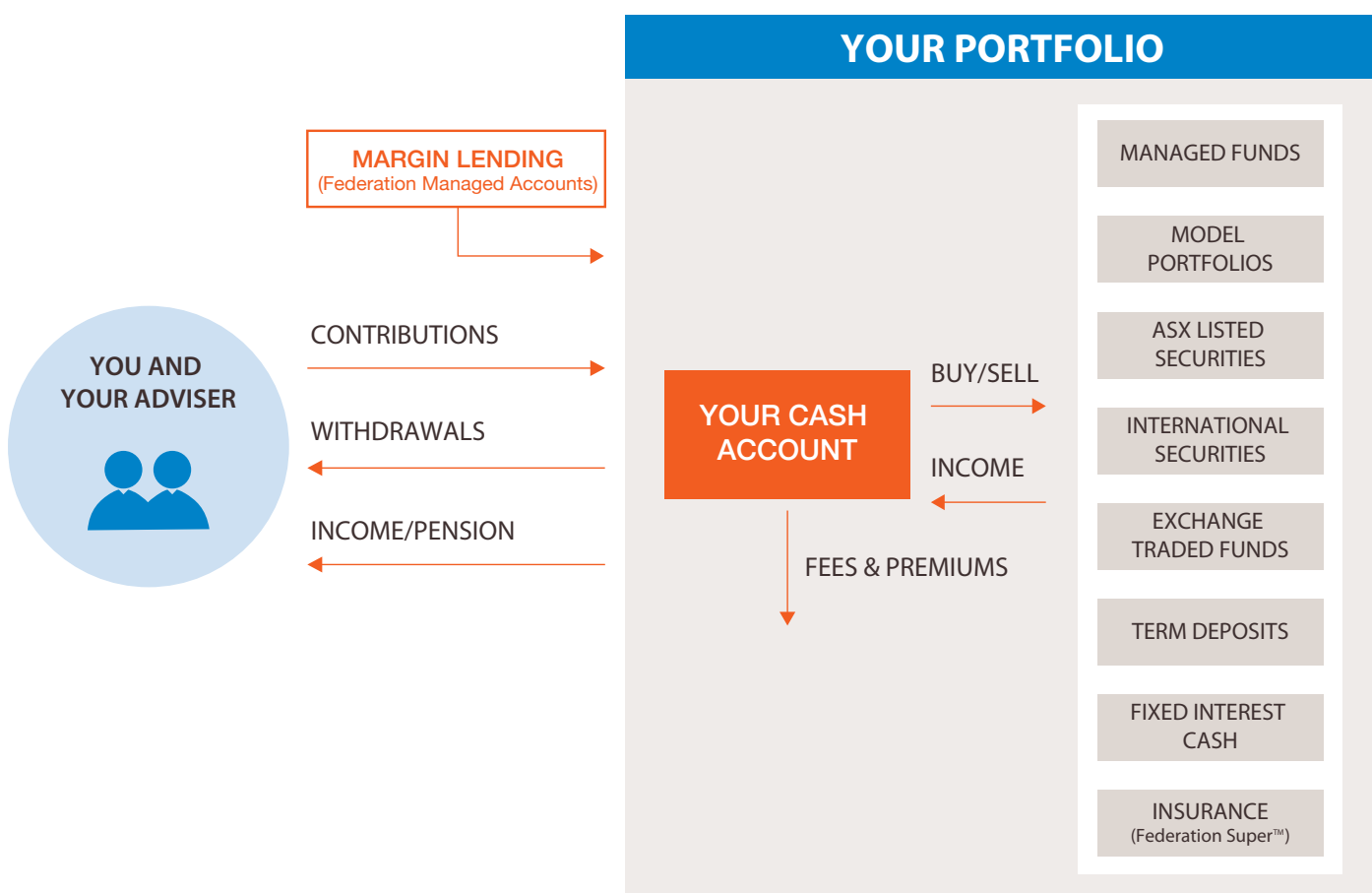
In the Federation platform, model portfolios, also known as separately managed accounts (SMAs), are a flexible and efficient way to invest. They are professionally managed portfolios that allow you to retain ownership of the underlying investments such as listed securities or managed funds. Model portfolios give you greater transparency of the underlying investments and the transactions relating to the decisions made by the model portfolio investment manager. Model portfolios may increase tax effectiveness and lower transaction fees.

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## What are self-directed investments?

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In addition to model portfolios, you and your adviser have the flexibility to invest in any investment available on the platform, which may include managed funds, ASX listed securities, international listed securities, exchange traded funds, term deposits, fixed interest and cash.



For more information please speak with your financial adviser or visit [fedalliance.com.au](http://fedalliance.com.au)

# Federation's key features

	Federation Managed Accounts*	Federation Super <sup>TM</sup> A
	Suited to individual or joint investors, SMSFs, companies, partnerships and trusts	Suited to superannuation and pension members
Features	<ul style="list-style-type: none"> <li>• Investor directed portfolio-like service</li> <li>• Beneficial ownership—assets held by the custodian</li> <li>• In specie transfer of existing holdings</li> <li>• Access to a selection of margin lenders</li> </ul>	<ul style="list-style-type: none"> <li>• Choice of personal superannuation, transition to retirement (TTR) pension and account-based pension</li> <li>• Seamless transfers from superannuation to pension</li> <li>• Estate planning features including reversionary and non-lapsing binding death benefit nominations</li> <li>• Access to a selection of insurers for retail individual life insurance policies</li> </ul>
Investments available	Includes managed funds, ASX listed securities, international listed securities, model portfolios (separately managed accounts), exchange traded funds, term deposits, fixed interest and cash	
Initial investment	Minimum \$25,000 via electronic funds transfer, direct debit, cheque or in specie transfer	<ul style="list-style-type: none"> <li>• Minimum \$25,000 via electronic funds transfer, direct debit, or rollover</li> <li>• Minimum account balance \$5,000 for personal superannuation accounts and nil for pension accounts</li> </ul>
Additional investment	Additional investments are subject to investment option minimums	
Regular contribution plan	Regular monthly investments from your external bank account into your cash account with a minimum monthly amount of \$100	
Dollar cost averaging	Regular monthly investments from your cash account into managed funds and ASX securities, with a minimum monthly investment amount of \$500 and minimum of \$50 per transaction	
Minimum cash balance	2% of your account balance	Target 3% of your account balance with a minimum of 2%
Withdrawals	Any singular amount or a regular payment from the account to your nominated bank accounts may be implemented (subject to preservation requirement for Federation Super <sup>TM</sup> )	
Income	Any income from your investments such as dividends, distributions and interest income are paid into your cash account. Income generated from a model portfolio will be taken as cash and paid into the model portfolio that holds the security from which the income was received.	
Online access	Online access to the Federation Portal 24 hours a day, seven days a week	
Online reporting	<ul style="list-style-type: none"> <li>• Account details including a list of your investments</li> <li>• The value of your investments, updated daily</li> <li>• The performance of your account and investments</li> <li>• Contributions and withdrawals made</li> <li>• Cash transactions, purchases and sales made on your behalf</li> <li>• Details of income paid to your account</li> <li>• Details of fees, taxes, costs and other charges deducted from your account</li> <li>• Superannuation and pension details</li> </ul>	
Electronic communications (only available through the Federation Portal)	<ul style="list-style-type: none"> <li>• Annual tax pack</li> <li>• Audit report</li> </ul>	<ul style="list-style-type: none"> <li>• Annual statement</li> <li>• Confirmation of transactions</li> <li>• Annual report</li> <li>• Trustee communications and significant event notices</li> </ul>

# Fee structure

	Federation Managed Accounts*	Federation Super <sup>TM</sup> ^
<b>Investment administration fees</b>		
→ First \$100,000	0.37% p.a.	0.294% p.a.*
→ \$100,001 - \$250,000		0.244% p.a.*
→ \$250,001 - \$500,000		0.208% p.a.*
→ \$500,001 - \$1,000,000		0.101% p.a.*
→ More than \$1,000,000		0.073% p.a.*
<b>Minimum investment administration fee</b>	\$15.50 per month	\$22.50 per month
<b>International Securities</b>	N/A	An administration fee of 0.103%* of the Australian Dollar value of the International Securities and Currency you hold in your account
<b>Account keeping fee*</b>	\$1.23 per Account per week	Not applicable
<b>Custodian fee*</b>	0.0121% p.a. of the net asset value of your Account	Included in investment administration fee
<b>Trustee fee*</b>	Not applicable	0.0836%, capped at \$836 per annum per account
<b>Investment fee</b>	Each Investment Option has its own investment fee structure, which currently ranges from nil to 3.90% of net asset value	
<b>Transaction fees</b>		
<b>Model portfolios</b>		
→ ASX securities	Greater of \$3.30 or 0.11% of the value of the transaction	Greater of \$3.30 or 0.11% of the value of the transaction
→ International equities*	0.10-0.30% brokerage of the value of the transaction amount (subject to a USD \$25 min per model portfolio trade) plus a 0.055% external broker transaction fee	0.10-0.30% brokerage of the value of the transaction amount (subject to a USD \$25 min per model portfolio trade) plus a 0.055% external broker transaction fee
→ Derivatives transaction	0.11% of the value of the transaction	0.11% of the value of the transaction
→ Cash and term deposits	Nil	Nil
→ Managed funds	\$5.50 per transaction	\$5.50 per transaction
<b>Self-directed investments</b>		
→ ASX securities	Greater of \$16.50 or 0.11% of the value of the transaction	Greater of \$16.50 or 0.11% of the value of the transaction
→ International equities*	0.22% of the value of the transaction plus \$44 brokerage	0.22% of the value of the transaction plus \$44 brokerage
→ Cash and term deposits	Nil	Nil
→ Managed funds	\$5.50 per transaction	\$5.50 per transaction
<b>Dollar cost averaging</b>		
→ ASX securities	0.11% of the value of Dollar Cost Averaging transactions	0.11% of the value of transactions
→ Managed funds	\$5.50 per transaction	\$5.50 per transaction

\* Inclusive of GST and net of RITC.

^Additional local market execution costs may apply if you buy and sell international equities. Brokerage rates can range from 0.10% to 0.30% depending on market invested in. Other fees and charges may apply. Please refer to the relevant Product Disclosure Statement for further information.

## Important information

\*Federation Managed Accounts ARSN 163 784 432 is issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFSL 234454.

^The Federation Alliance Superannuation Fund (Federation Super<sup>TM</sup>) ABN 20 543 903 424 is issued by Diversa Trustees Limited ABN 49 006 421 638, RSE Licence Number L0000635, AFSL 235153.

The offer of shares as part of the equity participation feature is made by Federation Alliance Limited (Federation Alliance) ABN 99 155 709 809, AFSL 437400 only. Federation Super<sup>TM</sup> is a trade mark of the Federation Alliance Superannuation Fund. 'Federation' is the collective name for Federation Managed Accounts and Federation Super<sup>TM</sup>. This information is general advice only that has been prepared without taking into account the objectives, financial situation or needs of any particular investor. Investors should consider their circumstances and the relevant disclosure documents before making any investment decision. The disclosure documents are available at fedalliance.com.au. The information prepared in this document is current as at 1 September 2017.

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