

Australian Unity Capital Secure Funeral Bond Fund

Announcement – 23 December 2014

We would like to provide an update about the new increased funeral bond contribution limits and a number of changes that have been made to the Fund.

Exempt funeral investments threshold

The exempt funeral investment threshold has increased from \$11,750 (for the 2013-2014 financial year) to \$12,000 for the 2014-2015 financial year. This threshold is indexed to the CPI on 1 July each financial year.¹

Asset Allocation as at 30 November 2014

The table below shows the asset allocation ranges of the Fund and the current asset allocation within those ranges.

Asset class	% of Fund net assets		
	Actual	Min	Max
Cash & cash equivalents	16.60	15	85
Australian fixed interest	58.11	30	85
International fixed interest	0.00	0	20
Mortgages	2.00	0	20
Defensive Assets	76.71	70	100
Property	13.83	0	20
Australian shares	1.46	0	10
International shares	8.00	0	10
Growth Assets	23.29	0	30

Management Fee allowable maximum

The maximum Management fee permitted under the Fund Rules (also known as the Constitution) is 3% pa (Allowable Maximum).

We review Management fees annually, and while we have maintained the fee at 1.5% pa in the past, with increasing regulatory costs and our aim to optimise investor outcomes by using specialist investment managers for the Fund (see more details below), effective from 24 March 2015 the Management fee may fluctuate up to the Allowable Maximum.

The Investment Managers for the Fund

Within the Fund, several of our specialist investment managers have been appointed to manage assets in the portfolio on behalf of investors. By managing money directly and with talented boutique managers across all major asset classes including fixed interest, cash, property and equities, we maintain our focus on bringing unique products to market while our partners focus on what they do best – investing.

Australian Unity Investments – australianunityinvestments.com.au

The internal Portfolio Management division at Australian Unity Investments (AUI) division actively manages the cash and cash equivalents of the Fund.



Australian Unity Real Estate Investment – australianunityinvestments.com.au

Australian Unity Real Estate Investment (AUREI) is an established, well regarded investment manager of commercial property and lending products and services. AUREI aims to be the leading provider of unlisted commercial property assets. AUREI's value proposition includes combining its investment expertise with the insights from the broader Australian Unity Group, providing a deeper perspective and delivering this in an accessible, straightforward and transparent manner.

¹ Source: Department of Human Services

Platypus Asset Management – platypusassetmanagement.com.au

Specialist boutique Australian equities manager, Platypus Asset Management (Platypus), was founded in 1998 by Donald Williams and Nicholas Wright. Before forming its joint venture with Australian Unity Investments, the investment skills of Platypus were generally only available to institutional and high net worth, private investors. Platypus' investment approach focuses on companies with long-term growth potential. Recognised for its high conviction approach, Platypus invests in fewer stocks than many other Australian equity managers (generally between 25 and 35).



Acorn Capital – acorncapital.com.au

Established in 1999, Acorn Capital was Australia's first investment manager to focus solely on Australian shares outside the top 250 companies listed on the Australian Securities Exchange. Acorn specialises in extensive research so it can discover the hidden potential of stocks that are often neglected by other fund managers. Acorn Capital is one of Australia's few investment managers to systematically research the small capitalisation sector of Asian share markets. Acorn Capital seeks to manage the Asia small capitalisation portfolio in a way that is founded on structured, fundamental investment analysis, makes full use of their team's business and financial markets experience, and is professionally and academically rigorous.



ACORN CAPITAL

Wingate Asset Management – wingateassetmanagement.com.au

Wingate Asset Management (Wingate) is a boutique international equities fund manager with a large company, value-based investment philosophy. The investment process seeks to combine long-term capital growth with continual income generation. Wingate's approach is to invest in a concentrated portfolio of very high quality companies from around the world. Wingate describes its approach as 'conservative' and preserving investors' capital is a priority.



WINGATE
ASSET MANAGEMENT

Seres Asset Management – seresam.com

Seres Asset Management (Seres) is a boutique fund manager specialising in Asian equities and is based and registered in Hong Kong. Seres adopt an active, benchmark-unaware approach in Asian equities in order to achieve investment returns and performance regardless of the market cycle. It takes a bottom-up stock selection approach, which is overlaid with macro-economic views to determine country and sector allocations. Seres is relatively unconstrained in regard to country and sector allocation, with stock-picking managed in line with its high conviction approach.



Altius Asset Management – altiusam.com

Established in 2011, Altius Asset Management (Altius) is Australian Unity Investment's most recent joint venture. Altius takes a diversified, flexible approach to fixed interest funds management, combining both credit and duration strategies, and seeks to optimise returns for investors while aiming to protect capital in all market conditions. With significant experience in fundamental research analysis and security selection, the Altius team also look at what is happening in the world, and what is likely to happen, to sensibly manage risk.



Lifeplan Australia Friendly Society Limited

ABN 78 087 649 492 **AFSL** 237989

Address 111 Gawler Place, Adelaide SA 5000

Telephone 1300 1300 38

Facsimile 1800 804 890

Email enquiries@lifeplan.com.au