



Federation Asset Management created the Sustainable Australian Real Assets Fund (SARA) to invest in sustainable infrastructure including renewable generation, battery storage, bioenergy and waste-to-energy projects. The opportunity exists to deploy up to A\$1,000m of capital into SARA, with targeted risk-adjusted returns of 15%+ over the fund life. Federation is inviting investors to commit to SARA with first close targeted for Q2 2023.

Investment Summary and Objectives



Sustainable real assets



Portfolio diversified by location and technologies



Large scale market opportunity



Partner with experienced Federation team

>25GW pipeline

Includes proprietary access to Windlab's 20GW development book

15%+ p.a.

Targeted equity return over the fund life

A\$1,000m

Target investment size over the next 4 years



ESG is at our core

Investment Highlights

- 1 **Attractive risk-adjusted returns for infrastructure:** SARA is a 10-year close-ended fund with a 15%+ equity return target over the fund life
- 2 **Once-in-a-generation capital formation event:** The Australian Energy Market Operator's (AEMO) forecast implies Australia's energy transition will require >A\$100bn of capex on new-build sustainable infrastructure by 2030⁽¹⁾
- 3 **Scalable and diversified platform:** SARA mitigates risk via diversification in technology, geography and contracting. SARA invests in both development and operating assets.
- 4 **'Platforms and Portfolios' approach:** SARA's investment approach involves seeking a calibrated equity interest in project development companies for the purpose of gaining privileged access and optionality over a pipeline of quality projects
- 5 **Proprietary opportunities:** Strong proprietary sustainable infrastructure pipeline of +20GW, representing equity deployment opportunity of US\$15bn, US\$2bn executable within 12 months
- 6 **Partner with experienced investors:** Federation's core investment team are ex-senior members of Macquarie's Principal Investment team who have a track record of 23.3% IRR on A\$2.9bn realized value of infrastructure investment

(1) Based on Draft 2022 AEMO Integrated System Plan forecasts

WHY INVEST WITH FEDERATION?



PEOPLE

Federation's senior team is known for its **investment acumen** and its **disciplined, prudent, measured and transparent** approach to investing. The team has **deep domain of expertise** and **long-term experience** as a team



PERFORMANCE

Federation's investment team has a compelling track record over many years:

- **Value creation:** 23% gross IRR on prior infrastructure equity investments
- **Scale:** A\$1.4bn of investments in infrastructure related industries
- **Longevity:** Federation team has operated together in various formats since 2011
- **Breadth:** Experience and track record investing in both bull and bear markets



PROCESS

Investing in areas that make the greatest difference to society:

- **Powerful origination capabilities:** Over 20GW proprietary renewables pipeline
- **Investment discipline:** Capital preservation bias and calibrated risk appetite
- **Risk management and capital protection:** fundamental analysis, structuring & negotiation; **three stage investment committee oversight**
- Best-in-class **corporate governance** via an independent trustee, finance, administration and compliance functions



PURPOSE

ESG commitment: Federation invests in assets and businesses that meet a social and economic need across renewable energy, social infrastructure and private equity

Federation is a member of the Responsible Investment Association of Australasia and is a signatory to the UN Principles for Responsible Investment



CERTIFIED BY RIAA



SARA TEAM AND EXPERIENCE



Stephen Panizza, Head of Renewable Energy

30+ years relevant experience
Member, Australia Korea Business Council
Formerly Chief Investment Risk Officer, CEFC
Macquarie, Head of Principal Investments Asia



Ann Sherry AO, Chair

Non-executive Director, National Australia Bank
Non-executive Director, Infrastructure Victoria
Non-executive Director, Sydney Airport



Loughlin Nolan, Investment Team

Former Head of Corporate Development, Gas, APA Group
Technical expertise, execution, project management



Neil Brown, Investment Team

Partner and investment committee member
Former Macquarie Principal Investment
Experience in PPA, project finance, DA, EPC / O&M



Cameron Farrar, Sales Director

Formerly of Macquarie Investment Management, Australian Unity Investments.



Cameron Brownjohn, Investment Team

Partner and investment committee member
Formerly Macquarie, Head of Principal Investments Australia
Experience in development equity, restructuring, financing

If you are interested in the SARA investment opportunity, please contact:

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