

## Media Release

### Federation marks five years with strong returns for investors



4 September 2023: Leading alternative investment manager Federation Asset Management is demonstrating that private equity continues to deliver over the long-term, having built a strong five year track record.

"We are proud of what our team has achieved over the past five years. Our flagship fund, the Federation Alternative Investment fund, has achieved an unrealised gross return on investments of 20 per cent per annum since we established Federation five years ago. Australian equities returned around half that during the same time frame," Cameron Brownjohn, chief executive officer of Federation said.

"Today, overall, we have delivered 23% pa on \$4 billion of exits. We have been able to deliver this return to investors through investing in companies that tackle diabetes, stroke and heart disease; provide critical financial services and logistics; and businesses at the forefront of Australia's energy transition.

"We believe in creating 'Profit with Principles', and we believe the pathway to long-term value creation is to invest in companies that address ESG considerations. This is evident in our investments in housing for Australians with disability and early education facilities. Our investment in windfarms alone has an impact equivalent to the annual carbon capture of 770 million trees," said Brownjohn.

The Federation Alternative Investments portfolio is comprised of seven assets, one of which is the unlisted disability housing trust Synergis.

"Synergis is now housing hundreds of Australians living with disability, with a diligenced pipeline for multiples thereof. We recently secured additional commitment of institutional capital from a global investment company which gives us significant confidence that we can meet the funds scale objectives over the next few years," said Brownjohn.

"We are proud of the contribution this investment has made to housing some of Australia's most vulnerable community, while simultaneously providing a return to investors. More properties are due to be completed over the next 12 months," Brownjohn said.

Federation Alternative Investments II Fund (F2) is open for investment. It targets the same opportunity set as the flagship fund but offers monthly liquidity and is available to financial planners and wholesale investors via a range of wealth management platforms.

"We launched F2 to take advantage of an exciting pipeline of investment opportunities. It provides access to investment grade private equity opportunities otherwise reserved for institutional clients. Our team is currently conducting due diligence on over \$1 billion of prospective investments in healthcare, technology financials and real assets," Brownjohn said.

This year has been volatile for most asset classes. Higher interest rates have the potential to impact all businesses, both listed and unlisted.



"But private equity can be considered a safe haven in the current high interest rate environment because of its ability to navigate weaker operating environments for longer periods of time. Also, good private equity managers, like Federation, make investment decisions from a cautious, long-term viewpoint, as opposed to the next quarterly earning result," Brownjohn said.

"Federation also has limited exposure to higher interest rates via gearing as we have no, or very conservative, gearing levels in our portfolio companies. We consider this important for the pipeline deals we do due diligence on," he said.

Ends

### **About Federation**

Federation invests in businesses that meet economic and social needs. We aim to become Asia-Pacific's leading investor in renewable energy, health and education real estate and operating companies with strong growth potential. Our team has a strong track record of working together over a number of years and offers unrivalled investment experience across these sectors.

The firm manages capital commitments of A\$1.7 billion for clients across the Asia Pacific region, including in Australia. Federation is a signatory to the United Nations Principles for Responsible Investing (UNPRI) and is certified by the Responsible Investment Association of Australasia (RIAA).

For more information please visit: <https://www.federationam.com/>

LinkedIn: <https://www.linkedin.com/company/federation-asset-management/>

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