

Federation Alternative Investments II – Investor Update

1 August 2022

Dear Federation Investors,

We wish to inform you that we are making the following changes to the terms of Federation Alternative Investments II (F2) to come into effect on Thursday, 1 September 2022:

- Unit pricing on a monthly basis
- Applications processed on a monthly basis
- Redemptions processed on a monthly basis

With respect to application requests, valid requests can be made any time prior to 3.00pm on the last business day of any given month. Applications will be processed based on the unit price applicable on the last business day of that month. Confirmations will typically be provided to investors within 5 business days following the issuance of units.

With respect to redemption requests, valid requests must be submitted by 3.00pm on the last business day of any given month. Redemptions will be processed based on the unit price applicable on the last business day of that month, subject to a sell spread (currently nil). Redemption requests are typically accepted within 5 business days and are generally paid within 21 days of acceptance.

Further discussion of these changes can be found in the latest F2 Product Disclosure Statement which is available on Federation's website (<https://www.federationam.com/>).

We believe that this represents a positive change for investors due to reduced volatility, increased visibility over capital flows and an enhanced ability to manage the portfolio.

Thank you for your investment with Federation. Should you have any questions, please do not hesitate to get in touch at contact@federationam.com or +61 2 8650 4500.

Yours sincerely,



Cameron Brownjohn
Chief Executive Officer
Federation Asset Management