

## **Palisade's Renewable Energy Fund secures \$140 million of new long-term debt facilities for Waterloo Wind Farm**

**December 2018**

**Sydney, Australia** – Palisade Investment Partners (**Palisade**) on behalf of Palisade's Renewable Energy Fund (**PREF**) is pleased to announce the successful refinancing of a new \$140 million, 11.5 year debt facility for Waterloo Wind Farm (**Waterloo**).

Waterloo's new long-term debt facility has been underwritten by MUFG Bank and will be syndicated to institutional investors in the Japanese lending and insurance market, with MUFG retaining a material stake in the facility.

The refinancing has achieved highly attractive pricing and terms reflecting the strong credit position of Waterloo and underlying strength of Waterloo's performance under Palisade management.

Palisade Integrated Management Services (**PIMS**) assumed asset management responsibilities in 2017, and since then have significantly reduced the operating cost base of Waterloo, while continuing to enhance Waterloo's long-term operational risk profile through a range of proactive risk management initiatives.

Palisade also expanded the site's capacity through the development of six new Vestas 3.3MW wind turbines in 2016. The expansion was delivered ahead of time and budget and has resulted in a material enhancement to the existing stable, long-term returns received by investors.

Palisade CEO Roger Lloyd said: "The refinancing represents a major achievement for PREF and Waterloo, and is a natural next step for the asset following the previous value enhancing activities implemented by Palisade and PIMS. The facility significantly de-risks Waterloo's capital structure over the long-term, while at the same time achieving attractive pricing and terms for investors."

Geoff Daley, head of the Australian Structured Finance Office, MUFG said "We are delighted to support Waterloo with this innovative refinancing which combines our long standing relationship with Palisade and our ability to underwrite long tenor solutions for distribution across our Japanese investor base. MUFG presently finances all four of Palisade's renewable energy assets and we look forward to further opportunities to support Palisade's growth in this sector."

Waterloo's refinancing has been executed in accordance with PREF's broader treasury risk management framework, which seeks to manage refinancing risk by targeting diversity of funding tenor and source across the portfolio, enhancing risk adjusted returns to investors.

Mr Lloyd said: "We are currently observing attractive long-term debt pricing due to increased competition from existing and new entrant funding providers. Combined with a historically low and flat yield curve, it is an opportune time to be targeting long-term debt for the renewable energy assets we manage."

Palisade manages Waterloo on behalf of PREF and a direct investment mandate client. PREF has received over \$300 million in commitments from institutional investors, including a \$75 million cornerstone commitment from the Australian Government's Clean Energy Finance Corporation (**CEFC**), and has a portfolio of renewable energy assets which also includes Hallett Wind Farm, Ross River Solar Farm and Granville Harbour Wind Farm.

PREF, which is currently open to new commitments, has generated a total return since inception to 30 September 2018 of 16.0% per annum, including a cash yield of 7.7% per annum.

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**About Waterloo Wind Farm**

Waterloo Wind Farm is a 131MW facility located near the town of Clare, South Australia. Stage 1 comprises 37 turbines (111MW) and has offtake agreements with Hydro Tasmania and EnergyAustralia to 2028. Stage 2 (19.8MW) comprises 6 turbines. PIMS is responsible for asset management activities and Vestas are responsible for facility maintenance under a long-term contract. Palisade manages 74% of the project with the remaining 26% managed by Northleaf Capital Partners.

**About Palisade Investment Partners**

Palisade is a specialist, independent infrastructure manager that provides institutional investors with access to Australian infrastructure projects through tailored portfolios and comingled funds. Palisade's multi-disciplinary and experienced team focuses on attractive midmarket assets that are essential to the efficient functioning of the communities and economies they serve.

For further information, visit: <http://www.palisadepartners.com.au/>

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