



DECEMBER QUARTERLY REPORT 2019

Investing in the future of Australian infrastructure

Transaction Activity

It was a busy end to the half year for Palisade with the successful acquisition of two new investments for the portfolio. Both acquisitions are an example of Palisade's mid-market portfolio development strategy of building out investments within sector verticals; in this case the renewables and bulk liquids terminals sectors.

Snowtown 2 Wind Farm

On 17 December, Palisade reached financial close on the acquisition of the 270MW Snowtown 2 Wind Farm (**S2WF** or the **Project**) from Tilt Renewables. The Project, which has been operating since 2014, is situated approximately 130km north of Adelaide, and comprises 90 individual turbines. The location of S2WF is one of the premier locations for South Australian wind generation, and has contributed to S2WF having frequently been the top performing wind farm by capacity factor (average power generated divided by its rated peak power) in South Australia. All electricity and green certificates produced by S2WF is sold to Origin Energy under a fixed-price power purchase agreement to 2035. Importantly, the cashflow profile of the Project further strengthens the overall contracting metrics of Palisade's Renewable Energy Fund (**PREF**), which has a focus on delivering long-term, contracted cashflows to its investors.

The Project will also further strengthen the portfolio's renewable energy credentials, with the portfolio now generating enough electricity to power over 350,000 homes and abate over 1 million tonnes of CO₂ per year.

GrainCorp Bulk Liquid Terminals

On 31 December, financial close was reached on ANZ Terminals' (**ANZT**) acquisition of GrainCorp Liquid Terminals (**GLT**). Palisade-managed investors are collectively the largest shareholder in ANZT. GLT represents a significant transaction for ANZT, with the acquisition increasing ANZT's earnings by approximately 70%. Importantly, GLT opens up access to key markets in Queensland, Western Australia and Tasmania, and also provides further product diversification into fats and edible oils (which the existing ANZT business had minimal exposure to) which represent approximately one-third of the revenue of GLT. As part of the transaction, GrainCorp has also entered into a long-term storage agreement with ANZT.

Following the transaction, the combined business, which will be rebranded Quantem, now provides storage solutions at 11 key ports across Australia and New Zealand with storage capacity of 600,000 cubic metres.

Sydney Metro Northwest

During the quarter Palisade also reached financial close on the sale of its managed stake in Sydney Metro Northwest. As reported previously, Palisade decided to sell its managed interests in the project as part of the proposed Sydney Metro City & Southwest Augmentation.

Inside Palisade

Waterloo Wind Farm (WWF)

This quarter we are highlighting selected Environmental, Social, and Governance (**ESG**) aspects of Palisade's investment in Waterloo Wind Farm (**WWF**).

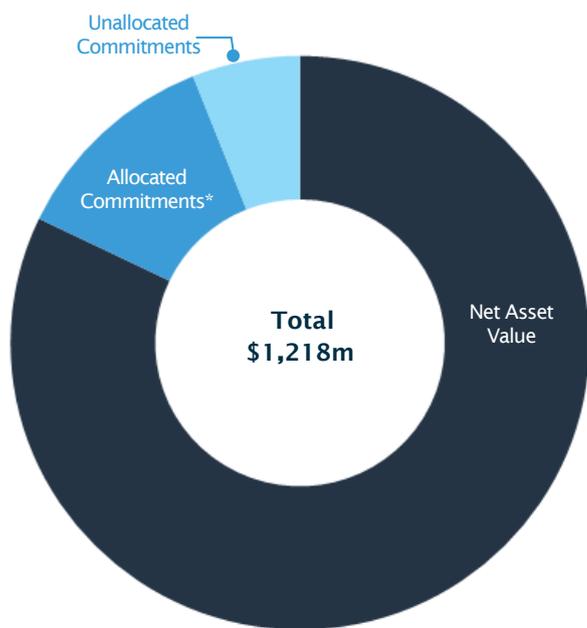
WWF is a 131MW wind farm located in the mid-north region of South Australia. It comprises two stages, with the 111MW Stage 1 commissioned in 2010 and the 20MW Stage 2 commissioned in 2016.

Key highlights from an ESG perspective include:

- For the second year running WWF facilitated the Mid-North Safety Forum, bringing together technicians and managers of five companies operating wind farms in the mid-north region of South Australia. This year's forum focused on risks arising from working with high voltage electrical equipment and working at heights
- The WWF community liaison group (**CLG**) which was established in 2011 recently met with WWF delegates for the annual CLG Christmas dinner. As well as keeping the community informed of operational matters at the wind farm, the evening was used as a forum for the local community to discuss bush fire readiness and share their fire survival plans
- There have been no lost time injuries at WWF since Palisade Integrated Management Services assumed operational management services in 2017
- So far in FY20 WWF has produced 201GWh of clean energy, representing a saving of circa 140,000 tonnes of CO₂

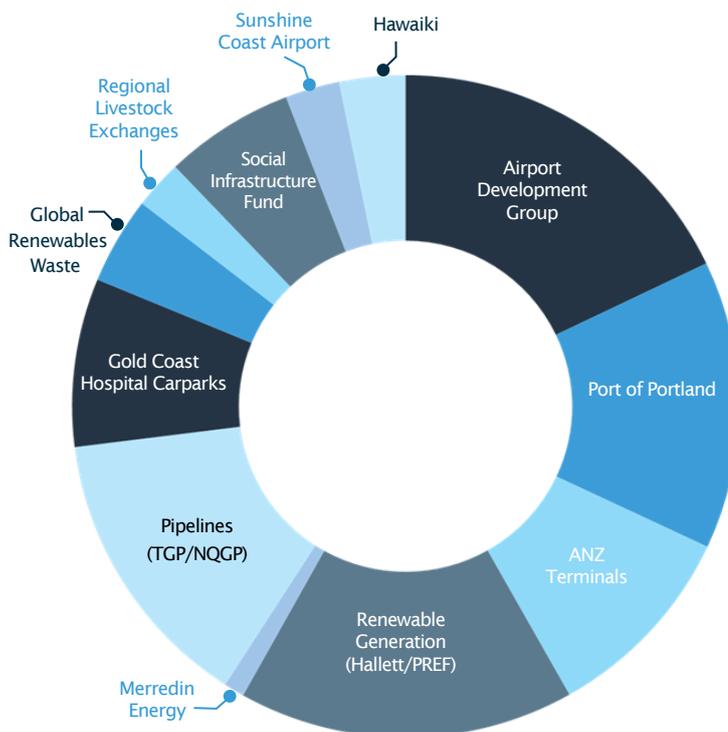
Palisade's Diversified Infrastructure Fund (PDIF)

PDIF Capital Commitments



* Estimated commitments relating to various investments

PDIF Portfolio Overview

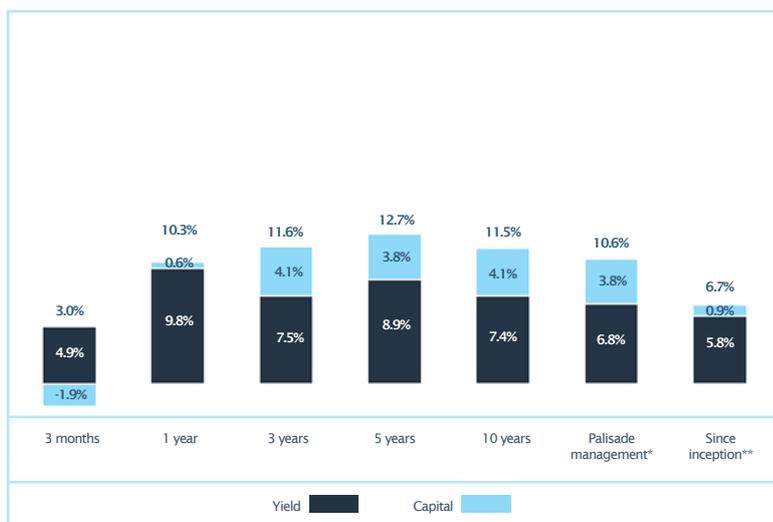


Portfolio composition as at 31 December 2019
Excludes deferred commitments for Sunshine Coast Airport and PREF

Q2 Key Highlights

- ANZT reached completion on the acquisition of GrainCorp's Bulk Liquids Terminals business and subsequently rebranded to Quantem
- Airport Development Group has been awarded winner in both the commercial and non-aeronautical development categories at the 2019 Australian Airports Association awards
- The new runway at Sunshine Coast Airport (SCA) is scheduled for commissioning on 21 May 2020 with community promotional events planned between March and May
- Refinancings were completed for both SCA and Port of Portland with a 60% and 35% reduction in the all-in cost of debt respectively

PDIF Portfolio Performance



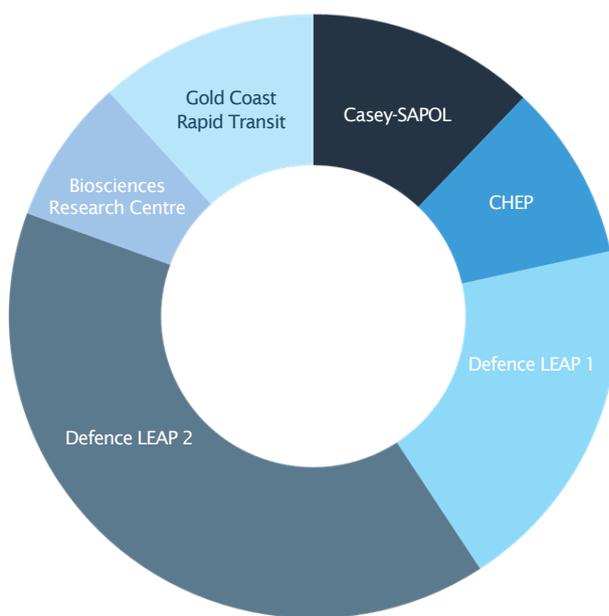
Gross performance as at 31 December 2019
Returns for periods greater than 12 months have been annualised
* Palisade management inception August 2008
** Inception date December 2004 and includes the period of Perpetual management to July 2008

Palisade's Australian Social Infrastructure Fund (PASIF)

PASIF Capital Commitments



PASIF Portfolio Overview



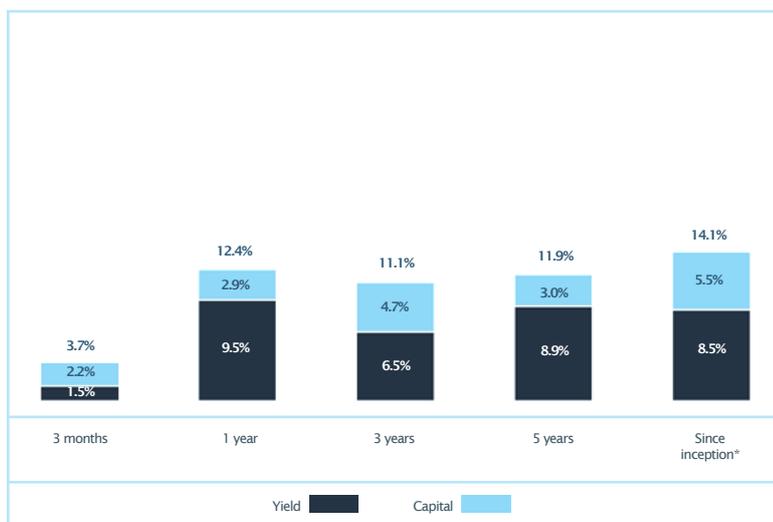
Portfolio composition as at 31 December 2019

Q2 Key Highlights

- The proposed Stage 3 extension of the Gold Coast Light Rail from Broadbeach South to Burleigh Heads was announced in November. The project will be delivered under a Public Private Partnership with GoldLinQ (the project vehicle of GCRT), who will oversee the procurement, construction, operations and maintenance of the extension

- Palisade reached financial close on the sale of its managed stake in Sydney Metro Northwest, generating a realised IRR of 34.4%

PASIF Portfolio Performance



Gross performance as at 31 December 2019

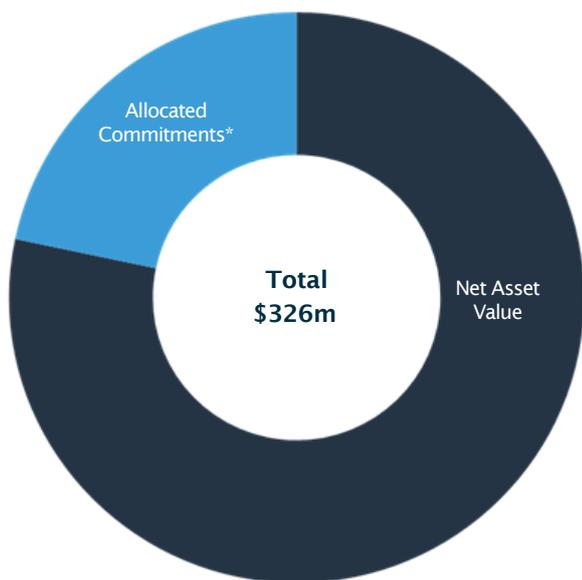
Distribution in relation to the sale of Sydney Metro Northwest has been included in capital returns

Returns for periods greater than 12 months have been annualised

* Inception date May 2011

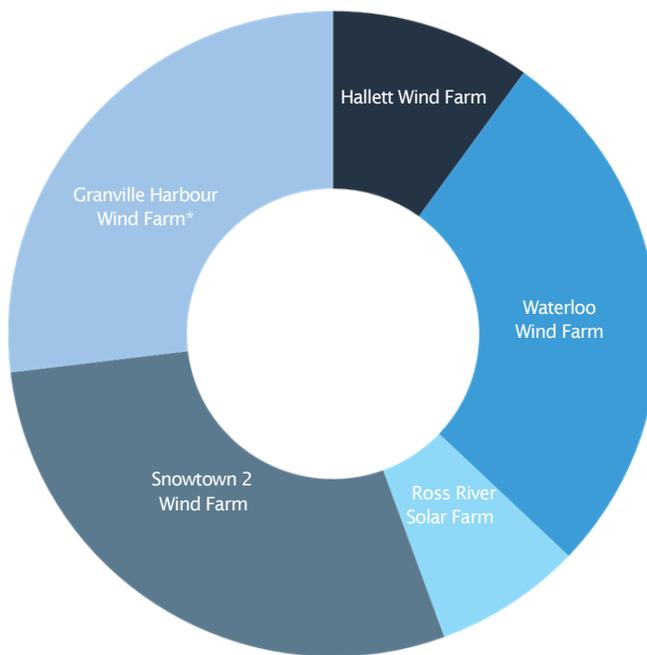
Palisade's Renewable Energy Fund (PREF)

PREF Capital Commitments



* Estimated commitments relating to Granville Harbour Wind Farm

PREF Portfolio Overview

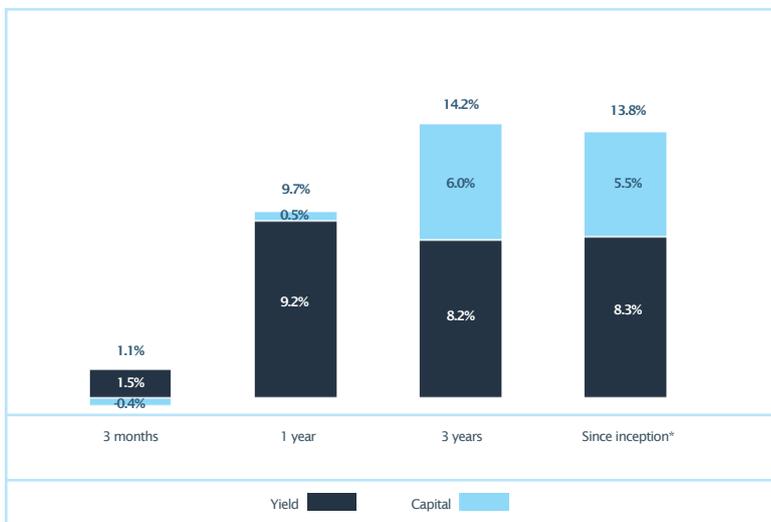


Portfolio composition as at 31 December 2019
* Includes expected deferred equity commitment

Q2 Key Highlights

- Palisade successfully reached financial close on the acquisition of the 270MW Snowtown 2 Wind Farm in South Australia. The project is underpinned by a Power Purchase Agreement with Origin Energy to 2035
- A number of key milestones were achieved on the construction of Granville Harbour Wind Farm, including Practical Completion of the transmission line and assembly of first turbines

PREF Portfolio Performance



Gross Performance as at 31 December 2019
Returns for periods greater than 12 months have been annualised
* Inception date September 2016



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