

— Street Talk

# Palisade backs ex-Macquarie duo for new manager Palisade Impact

Anthony Macdonald, Yolanda Redrup and Kanika Sood

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Palisade Investment Partners is set to throw its capital and name behind a new Australian fund manager set up by a pair of former senior Macquarie operatives and targeting investments in the energy, transport, waste and telecommunications sectors.

Palisade, which has \$3.3 billion in Australian infrastructure investments, has teamed up with ex-Macquarie duo Steve Gross and Jeremy Wernert to create Palisade Impact, a specialist impact investing platform due to launch as early as this week.



Palisade Impact Jeremy Wernert, left, and Steve Gross, are expected to be pitching for capital in coming months. **Tash Sorensen**

Palisade will own a minority stake in Palisade Impact and provide back office/corporate support, and has also helped form the new manager's investment committee.

"We have a strong 12-year track record now; in our core fund we are producing 11 to 12 per cent a year returns," Palisade CEO Roger Lloyd told Street Talk on Monday.

"It made sense to us to piggy back off our track record, and Steve's, to do this. And it's something investors want as well."

Gross, who spent 16 years at Macquarie and was most recently head of impact investing for Macquarie Asset Management, said the new manager would seek to raise an open-ended fund in coming months, and would target investments worth at least \$50 million and addressing environmental and social challenges.

Gross and Wernert, a former head of Macquarie Capital Asia, and their team, will own the lion's share of Palisade Impact, while Palisade, a well-known foundation and an impact investing body will have minority stakes.

The new firm expects to raise capital from Australian superannuation funds and family offices, and plans to deploy that capital in mostly Australian investments.

It's expected to target higher returns from its investments than the bigger Palisade, which mostly invests in core infrastructure.

"Palisade's brand and team is aligned with what impact is about," Gross told Street Talk.

"We'll be looking for everything from energy and the energy transition, zero emission transport, to more effective ways of dealing with waste and driving waste down to zero, and digital connectivity, which could be bringing cheaper forms of connectivity to under-served Australians and enabling smarter, greener infrastructure.

"We may also look at zero emission accommodation, for example, greener and smarter homes and affordable housing using an infrastructure set of cash flows."

New investments would be overseen by Palisade Impact's independent investment committee which includes Macquarie's former global head of principal investments John Hughes, Zurich investment house B Capital Partners' Barbara Webber, ex-Macquarie head of debt capital markets David Bennett, NAB's former head of energy and utilities Fiona McIntyre, and Palisade's Lloyd.

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**Anthony Macdonald** co-edits Street Talk, specialising in private equity, investment banking, M&A and equity capital markets. He has 10 years' experience as a business journalist and worked at PwC, auditing and advising financial services companies. *Connect with Anthony on [Twitter](#). Email Anthony at [a.macdonald@ufr.com](mailto:a.macdonald@ufr.com)*

**Yolanda Redrup** is an award-winning journalist who writes on technology and healthcare from our Melbourne newsroom. *Connect with Yolanda on [Twitter](#). Email Yolanda at [yolanda.redrup@ufr.com.au](mailto:yolanda.redrup@ufr.com.au)*

**Kanika Sood** is a Street Talk reporter. *Email Kanika at [kanika.sood@ufr.com.au](mailto:kanika.sood@ufr.com.au)*