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Impact Investing

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New platform Palisade Impact will invest in infrastructure and infra-like businesses driving the race to net zero, platform CEO Steve Gross says.

By **Tharshini Ashokan** - 15 October 2021

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Sydney-based asset manager **Palisade Investment Partners** has joined forces with two former Macquarie executives to launch a specialist impact investing platform.

Palisade Impact aims to invest in next-generation infrastructure and infrastructure-like businesses in Australia. Steve Gross, co-founder and chief executive of Palisade Impact, told *Infrastructure Investor* that it will take a cross-sector approach to target solutions for environmental and social issues, with a particular focus on mid-market businesses.

Gross, who was most recently the global head of impact investing for Macquarie Asset Management, founded the platform with Jeremy Wernert, who is chief investment officer at Palisade Impact and was formerly Macquarie Capital's head of Asia.

Gross said: "A lot of the [net-zero carbon emission] policy change in Australia is happening, not at the state or federal level, but at the local council level."

He continued: "[As a result], there are a lot of mid-sized companies looking to address these environmental challenges [...] There's a really big opportunity in the mid-market in this space and that's certainly where Jeremy and I see [the combination of] our background and Palisade's history: in the mid-market providing a lot of value."

In addition to seeking infrastructure and infrastructure-like businesses that "deliver the essential services of the future economy", the platform will focus on projects providing predictable returns and high barriers to entry, Gross said.

"Our job is to invest in those characteristics, but also enhance them over time. [We want to] strengthen those infrastructure-like characteristics through our period of ownership," he added.

"[We'll look to invest in] high-growth markets and help to deliver growth together with the management team, and also build scale through aggregation, bolt-on development and expansion capital."

According to Gross, partnering with a like-minded and established firm such as Palisade is essential in a market where investors are generally reluctant to take on new managers.

"Investors want to get into impact [investing] but they also want to be able to expand their portfolios using existing managers," he noted.

"Investors don't really want to add new managers to their roster. We felt it was important to partner with someone who shared our values and allowed us access to their brand, track record and history, while giving us the right amount of independence as we did that. [The decision to partner with Palisade] was very much driven by having the right partner but also doing the right thing by investors in this market."

The platform will be majority owned by the executive team and supported by Palisade's chief operating officer, Karen Gould.