



QUARTERLY REPORT DECEMBER 2021

Investing in the future of Australian infrastructure



Inside Palisade

Team update

Over the past six months, a number of new starters have joined the Palisade team.

Firstly, from an investment team standpoint, in October we were pleased to welcome Brandon Tang and Annabel Humphreys. Brandon has joined as an Investment Associate and will focus on origination and asset management across a number of assets and sectors, whilst Annabel has joined as Senior Legal Counsel, supporting Palisade's investment team with transaction execution and asset management. Consistent with our broader approach of ensuring we continue to meet the needs of investors from a reporting perspective, Rebecca Schmidt also joined as an Investment Manager in our Operations team. Rebecca was previously at Nikko Asset Management where she was responsible for the production of regular investment reporting and presentations across various asset classes including Equity, Fixed Income and Multi-Asset.

Palisade also welcomed a number of new starters within our operational management services team, Palisade Integrated Management Services (**PIMS**). Both Tom Lillywhite and Nick Chong Adams have joined PIMS' finance function which provides finance and treasury services to a number of Palisade-managed assets, whilst Rob Kulkarni has joined as a Senior Asset Engineer within PIMS' pipelines team. Finally, we are pleased to formally announce that Darren Sexton, GM Renewables, will takeover from Lindsay Ward as CEO of PIMS. Darren, who joined PIMS in 2020, has almost 30 years of experience working within asset management in the aviation and energy sectors, and most recently was responsible for the global management of Pacific Hydro's operational portfolio in Australia, Chile and Brazil. Darren will continue in his role as GM Renewables.

During the second half of 2021, Palisade was also pleased to formally launch two new strategies, Palisade Real Assets (**PRA**) and Palisade Impact (**PI**). Both strategies will be managed by separate teams within Palisade, with Stephen Burns (CEO PRA), Digby Beaumont (Head of Investments) and Annika Li (Senior Investment Manager) leading the Real Assets strategy, whilst Steve Gross (CEO PI), Jeremy Wernert (CIO PI) and Todd Smith (Senior Investment Manager) will lead the Impact strategy.

Last but not least, we are sad to announce that Ian Mitchell has retired from his position as Chair of the Palisade Investment Committee (**PIC**). Many will know that Ian was one of the founders of Palisade, and it goes without saying has been integral in the success that our investors have experienced over the last 13 years. We would like to take this opportunity to wish Ian all the best in retirement and thank him for his tireless service to Palisade and our investors over the years.

John Hughes, who has been on the Palisade Investment Committee since 2014 and is current Chair of Palisade, will replace Ian as Chair of PIC. John is also Chair of the Real Assets and Impact investment committees. Palisade is also pleased to announce that Fiona McIntyre has joined the Palisade (Infrastructure), Real Assets and Impact investment committees and Dr Barbara Weber has joined the Real Assets and Impact investment committees. Fiona was most recently Global Head of Energy & Utilities at National Australia Bank, whilst Barbara, who is based in Zurich, is the Founding Partner of B Capital Partners, an investment manager focused on sustainable infrastructure investing across Europe.

New investments

Macarthur Wind Farm

During the quarter, Palisade was pleased to announce it had reached an agreement to acquire 50% of Macarthur Wind Farm, a 420MW wind farm located in south-western Victoria. The wind farm has been operational since 2013, with all energy and green products sold to AGL under a Power Purchase Agreement until 2038. One of the key features of the asset is that it is not exposed to volume or generation risk, similar in structure to Hallett Wind Farm, which is also in the PREF portfolio.

The investment was made through existing portfolio company Granville Harbour Wind Farm (**GHWF**) - of which Palisade's Renewable Energy Fund (**PREF**) owns 50.2% - utilising a portfolio financing structure across both assets providing optimised investment returns across the combined entity. The acquisition ultimately provides PREF investors with increased forecast fund level returns, with improved downside protection across the portfolio.

The investment will see the total generation capacity of Palisade's renewable portfolio surpass its initial target of 1GW, with the energy generated from the portfolio enough to power over 530,000 homes and abate over 2 million tonnes of CO2 per year.

GeelongPort

Palisade also announced early in the new year that it had successfully reached an agreement alongside Spirit Super to acquire a 100% interest in GeelongPort. Spirit Super will have a 51% interest, whilst Palisade's managed 49% interest will be split equally between Palisade's Diversified Infrastructure Fund and a Direct Investment Mandate investor.

GeelongPort is a diversified bulk seaport located approximately 70km southwest of Melbourne, and is Victoria's largest bulk port managing 24% of the State's seaborne trade. The port is characterised by a mature and diverse trade profile, and will soon host the Spirit of Tasmania ferry service.

Both Macarthur Wind Farm and GeelongPort are expected to reach financial close in the first quarter of 2021.

Fund overview

Palisade's Diversified Infrastructure Fund (PDIF)

PDIF provides investors with an opportunity to invest in a diversified portfolio of infrastructure assets and aims to provide investors with long-term capital growth and stable cash distributions.

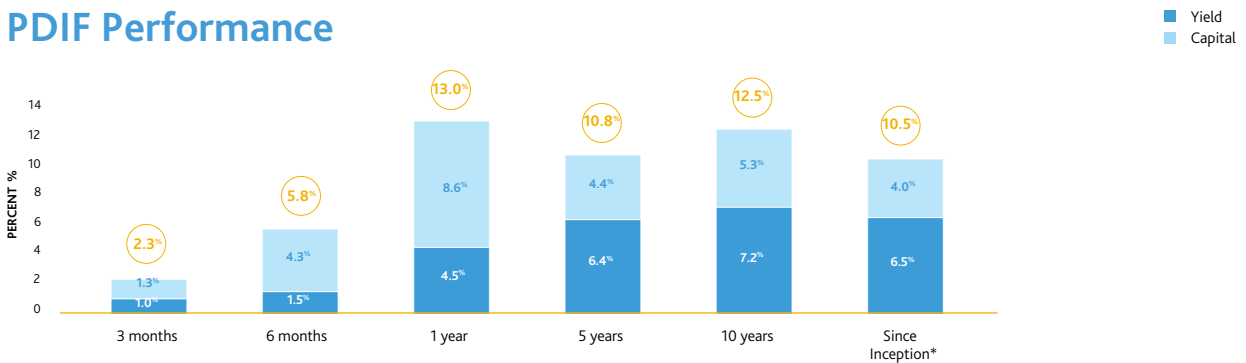


* Estimated commitments relating to signed but unfunded transactions

PDIF Q2 FY22 Key Highlights

- Port of Portland's strong performance has continued with EBITDA for the 5 months to November over 30% ahead of budget. The strong result has been driven by the higher than forecast grain volumes driven by favourable harvest conditions.
- In December, Palisade signed binding agreements to acquire Macarthur Wind Farm and GeelongPort. PDIF will hold a 24.5% direct interest in GeelongPort alongside a Palisade mandate investor and Spirit Super, whilst its exposure to Macarthur Wind Farm comes via its holding in Palisade's Renewable Energy Fund (see front section of report).
- On behalf of PDIF and two of Palisade's mandate investors, Palisade reached financial close on the acquisition of a pro-rata share in Quantem. Palisade-managed interests now total 41.3% and represents the largest shareholding in the asset.

PDIF Performance



Gross performance as at 31 December 2021

Returns for periods greater than 12 months have been annualised

* Inception date August 2008 (Palisade management)

Fund overview

Palisade's Australian Social Infrastructure Fund (PASIF)

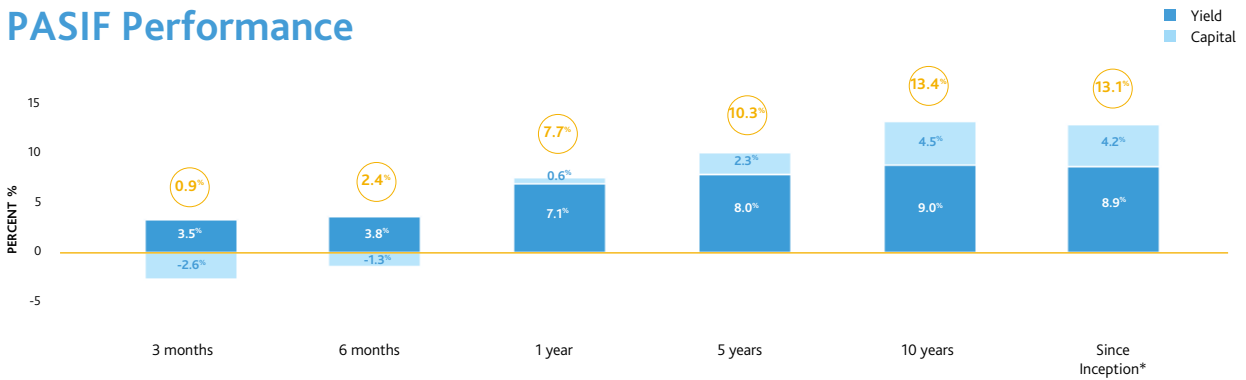
PASIF provides investors with an opportunity to invest in a portfolio of social infrastructure assets procured under the public private partnership delivery model with government bodies and aims to provide investors with low volatility and inflation-linked government revenue streams.



PASIF Q2 FY22 Key Highlights

- All assets continue to perform to plan, driven by the government-backed availability style nature of revenues.
- Early works for Gold Coast Light Rail Stage 3 are continuing with the State due to make a formal decision to proceed with the GoldlinQ (Project SPV) proposal in Q3 FY22. Stage 3 involves extension of the existing system down to Burleigh Heads.

PASIF Performance



Gross Performance as at 31 December 2021

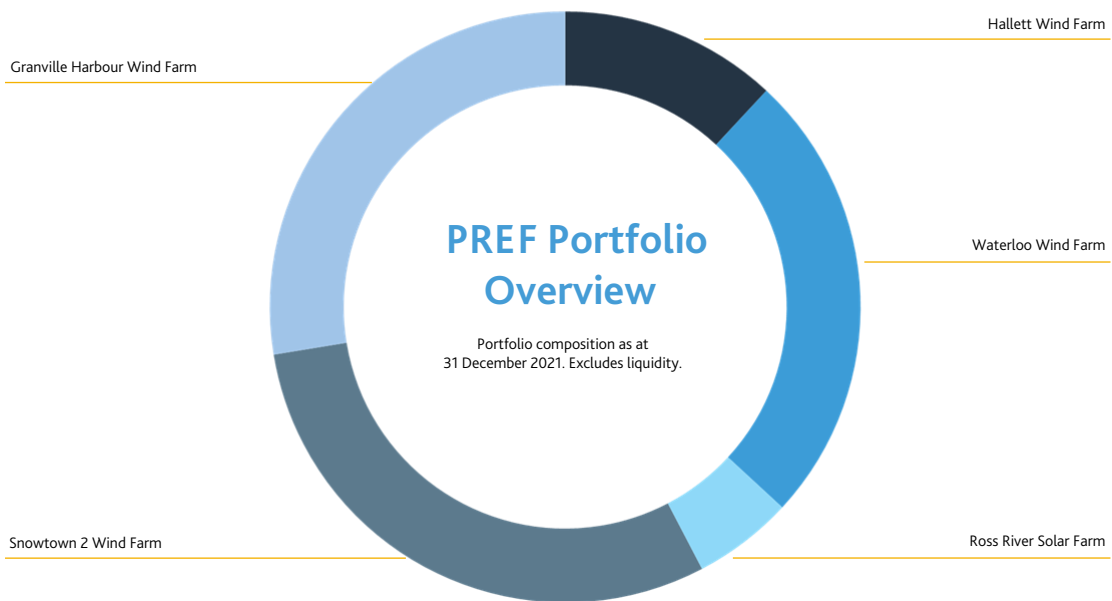
Returns for periods greater than 12 months have been annualised

* Inception date May 2011

Fund overview

Palisade's Renewable Energy Fund (PREF)

PREF provides investors with an opportunity to invest in a portfolio of renewable energy assets including utility scale wind and solar farms in Australia and aims to provide investors with long-term capital growth and stable cash distributions.



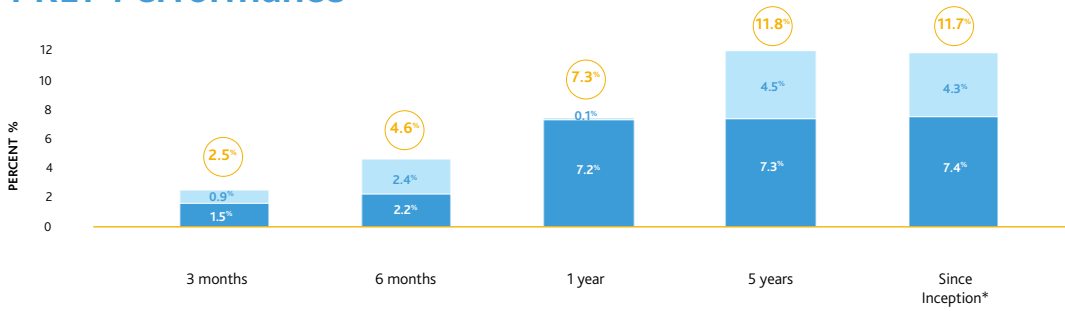
* Estimated commitments in relation to Macarthur Wind Farm

PREF Q2 FY22 Key Highlights

- In December Palisade signed a binding agreement to acquire 50% of Macarthur Wind Farm, a 420MW wind farm located in south-western Victoria (see front section of report).
- Strong performance at Granville Harbour Wind Farm continues, and in October once again had the highest capacity factor of any wind farm in the National Electricity Market (as determined by independent industry analyst Rystad Energy).

PREF Performance

■ Yield
■ Capital



Gross performance as at 31 December 2021

Returns for periods greater than 12 months have been annualised

* Inception date September 2016



FOR MORE INFORMATION CONTACT US

Level 25 Angel Place / 123 Pitt Street, Sydney NSW 2000
PO Box R1313, Royal Exchange, NSW 1225 Australia
Phone 02 8970 7800
palisadepartners.com.au

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