



QUARTERLY REPORT MARCH 2023

Palisade's Diversified Infrastructure Fund (PDIF)

Clean energy transition - Part 3

In our last two quarterly reports we commented that the last 12 months has seen a very clear step change in Australia's push to accelerate the development of new clean and reliable energy. A key signal of this step change from a policy standpoint was the legislation of a 43% reduction in emissions from 2005 levels (an increase from the previous target of 26-28%). This legislative requirement, coupled with the \$20bn of funding from the Federal Government as part of the "Rewiring the Nation" scheme will provide much needed support for ongoing investment into the Australian renewable energy market. In addition to this, the various state government schemes and corporates continually looking to decarbonise their energy needs will play a critical role in underwriting investment cases with long-term price offtake certainty.

Whilst the above ensures the right fundamentals are in place, perhaps what is more intriguing is the broader geopolitical environment, and potential disruption that external events may have on the ability for Australians to access cheap and reliable energy. After all, it was less than 12 months ago that the Australian Energy Market Operator was forced to "suspend" the energy market for the first time ever, as a result of extraordinary electricity prices. Now, whilst many have said this was a confluence of many factors, one of those factors was indeed high global gas prices as a result of Russian's invasion of Ukraine. Domestic generation in the form of renewables clearly has a role to play in not only decarbonising our energy system, but in mitigating against external factors in what some consider to be a more "deglobalized" world than say 24 months ago.

The tailwinds behind the Australian renewables sector cannot be disputed with the opportunity set as attractive as ever, particularly for those investors who are able to leverage platform value to gain access to those opportunities. In this regard it is a fitting conclusion to our previous quarterly report commentaries on the clean energy transition that during the quarter Palisade announced the establishment of Intera Renewables (Intera). In a transaction that took over 12 months to bring to fruition, the transaction involved working with our co-investment partners to aggregate Palisade's managed renewable energy assets into a single entity of scale, with a common ownership, governance, management and portfolio financing structure (replacing asset specific project level debt). Intera will provide investors with immediate and stable income returns and downside protection, driven by an established 1GW geographically diverse portfolio of four operating wind farms and one operating solar farm with long term power offtake agreements with corporate and state counterparties, whilst also providing investors the ability to participate in the next wave of Australia's renewable energy build out. Intera's focus will be an extension of Palisade's 15 year track record in the renewable energy sector, with a focus on investing across late-stage development, construction-ready and operating assets.

Both Palisade's Renewable Energy Fund and Palisade's Diversified Infrastructure Fund will be key investors in Intera alongside our co-investment partners HESTA, the Clean Energy Finance Corporation and Aware Super, and accordingly both funds are open for investment with immediate deployment available.

Transaction activity

Following the establishment of Palisade's New York office in July last year and the successful signing of last-mile fibre business Rainier Connect (due to reach financial close Q3 2023), in February Palisade announced the successful acquisition of a 50% interest in Amp US, a leading developer, owner and operator of US community solar and storage projects.

Since entering the US market in 2016, Amp US has experienced significant growth, placing the platform in a primary position within the distributed generation market. With headquarters in Denver, Colorado, the company has built a portfolio with generation capacity of approximately 200 MWDC across 39 operating or under construction projects expected to be completed in the short term. Additionally, the company has a large pipeline of solar and storage projects expected to be developed and built across existing and new US markets.

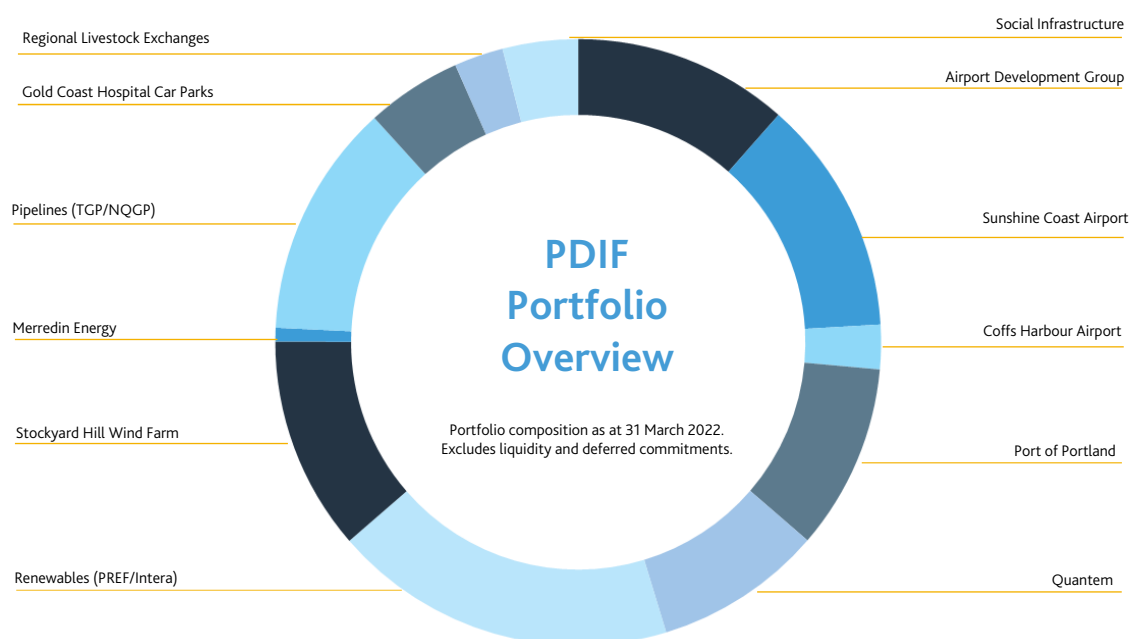
The transaction follows the passing of the Inflation Reduction Act in August 2022, which provides a robust and long-term renewable energy policy framework in the United States and accelerates the strong policy momentum for state-level community solar programs.

Palisade's Diversified Infrastructure Fund will acquire a 33% equity interest in Amp US alongside Palisade Impact Fund (17% interest) and Fiera Infrastructure (50% interest). The transaction is expected to reach financial close in Q2 2023. Amp US marks Palisade's third US-based investment.

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.



3% Allocated commitments* – \$50m



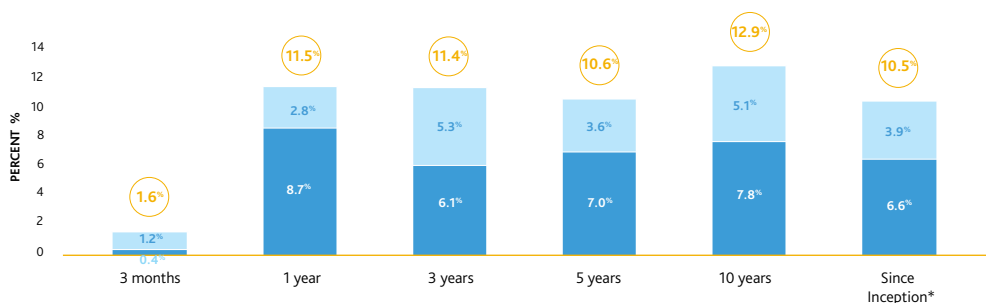
NAV – \$1,592m **97%**

PDIF Q3 Key Highlights

- Acquisition of a 33% interest Amp US alongside Palisade Impact and Fiera Infrastructure. Amp US will comprise approximately 11% of the PDIF portfolio once it reaches financial close in Q2 2023.
- Financial close reached on Intera Renewables, one of the largest operating renewable energy platforms in Australia. PDIF will hold a 31% interest in Intera (direct and indirect holding via Palisade's Renewable Energy Fund).
- Operations for Australia's newest airline Bonza commenced on 31 January. Sunshine Coast Airport (SCA) is the main hub for Bonza's aviation operations, with the 13 new routes making SCA the second most domestically connected airport in Queensland.

PDIF Performance

■ Yield
■ Capital



Gross performance as at 31 March 2023

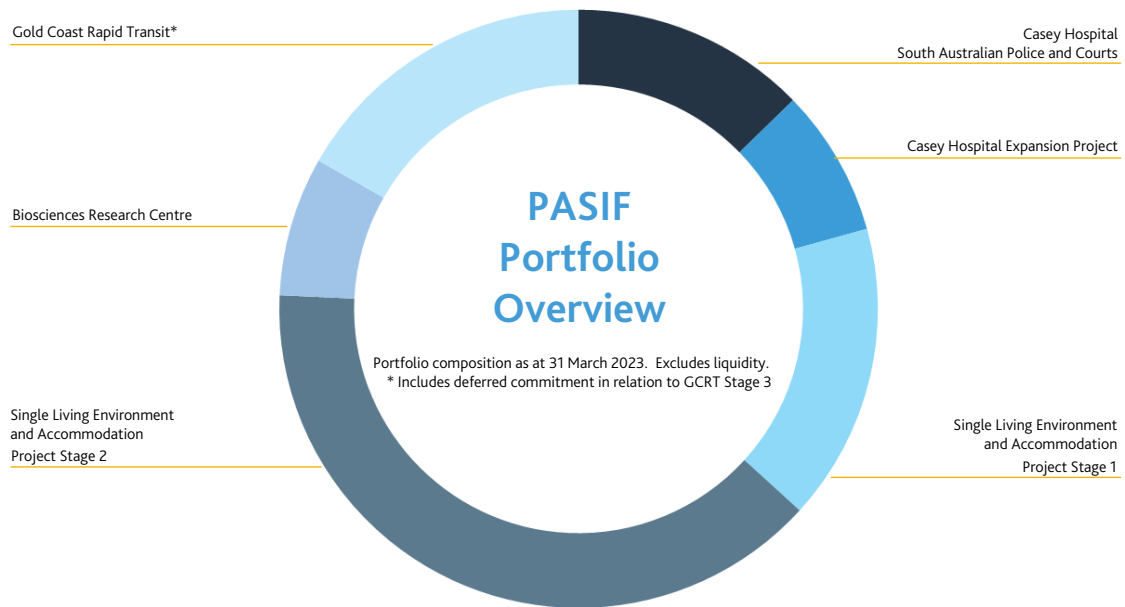
Returns for periods greater than 12 months have been annualised

* Inception date August 2008 (Palisade management)

Fund overview

Palisade's Australian Social Infrastructure Fund (PASIF)

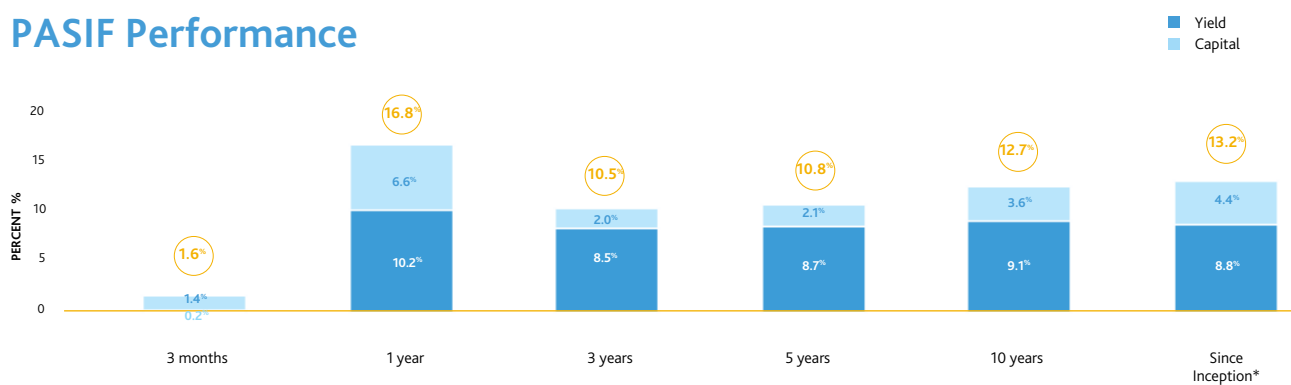
PASIF provides investors with an opportunity to invest in a portfolio of social infrastructure assets procured under the public private partnership delivery model with government bodies and aims to provide investors with low volatility and inflation-linked government revenue streams.



PASIF Q3 Key Highlights

- The portfolio continues to perform strongly with a 12-month total return of 16.8%, predominantly driven by passthrough of inflation.

PASIF Performance



Gross Performance as at 31 March 2023

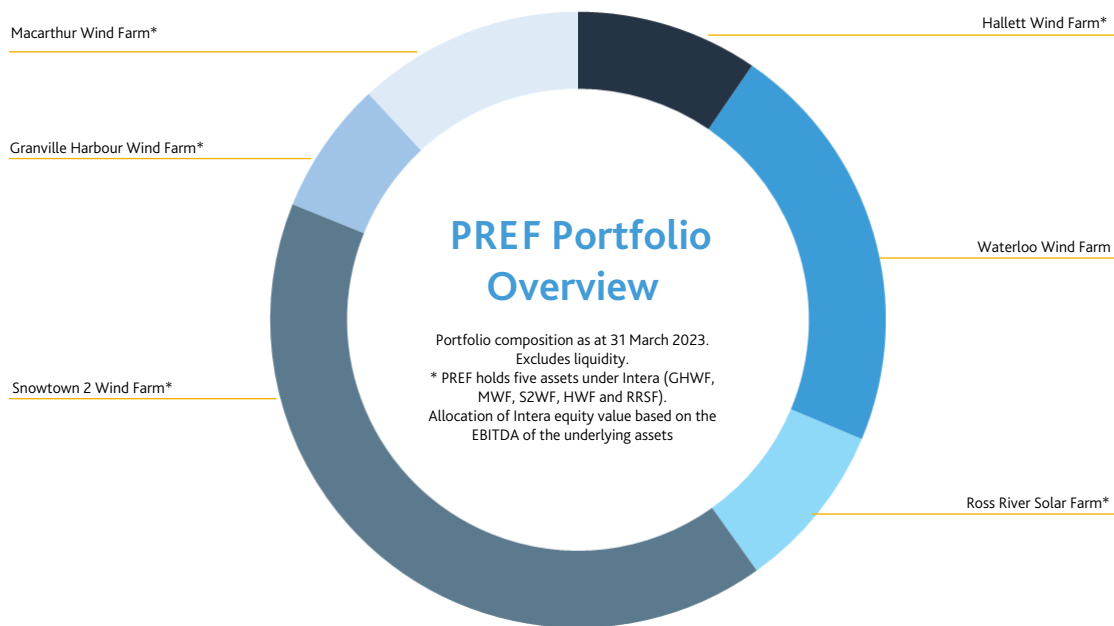
Returns for periods greater than 12 months have been annualised

* Inception date May 2011

Fund overview

Palisade's Renewable Energy Fund (PREF)

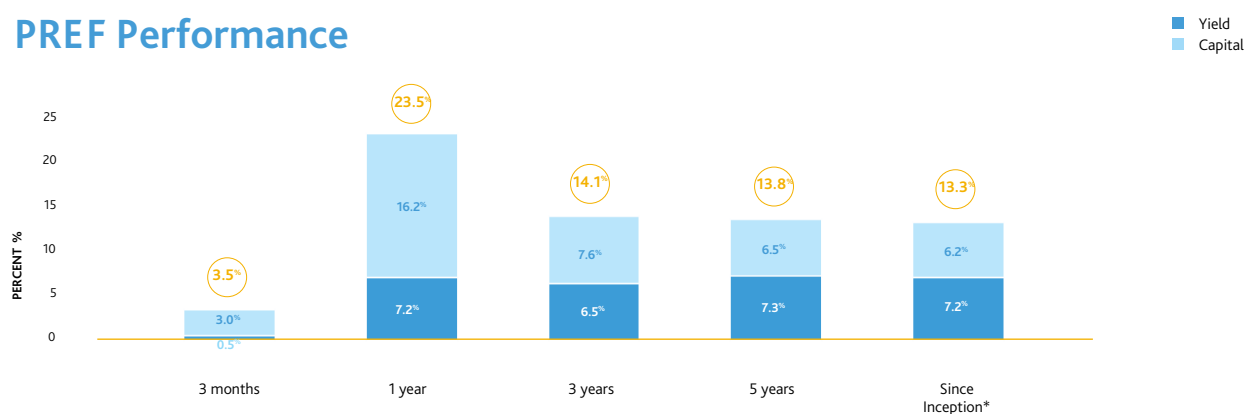
PREF provides investors with an opportunity to invest in a portfolio of renewable energy assets including utility scale wind and solar farms in Australia and aims to provide investors with long-term capital growth and stable cash distributions.



PREF Q3 Key Highlights

- Financial close reached on Intera Renewables, one of the largest operating renewable energy platforms in Australia. PREF will be the largest investor in Intera with a 49.9% interest.
- Intera will provide PREF and its investors with the opportunity to continue to participate in Australia's renewable energy build out through a platform entity of scale.

PREF Performance



Gross performance as at 31 March 2023

Returns for periods greater than 12 months have been annualised

* Inception date September 2016



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