



QUARTERLY REPORT DECEMBER 2023



Palisade's Diversified Infrastructure Fund (PDIF)



Market update

Capacity Investment Scheme

Momentum around renewable energy policy has been building for some time in the Australian market. As discussed previously, since Australia's existing renewable energy policy mechanism in the form of the Large-scale Renewable Energy Target (**LRET**) of 33,000 GWh p.a. was met ahead of its 2020 target date, the responsibility for legislating policy and emissions reduction targets has largely fallen on the state governments. Whilst financial stimulus from the Federal Government for energy transition – such as the \$20bn Rewiring the Nation initiative – in recent times has continued to provide much needed support for Australia to meet its decarbonisation goals, the lack of clear renewable policy from the Federal Government has undoubtedly dampened new development activity in the period post the LRET being met.

In this regard, it was pleasing to see that on 23 November the Australian Government announced its new renewable energy policy to underpin the next phase of buildout required for Australia to meet its clean energy ambitions. In essence the policy is an expansion of the existing Capacity Investment Scheme (**CIS**) which was in place for new dispatchable (storage) generation, to include a broader range of renewable generation. The policy will see the Australian Government provide long-term revenue underwriting through a price floor/ceiling mechanism for 23GW of new renewable generation capacity and 9GW of dispatchable capacity. This will be delivered through regular tenders to be held approximately every six months commencing from April/May 2024.

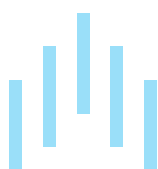
The details of the scheme are still to be worked through and communicated to market participants, particularly with respect to how the expanded CIS will interact with existing state support schemes. Pleasingly, the introduction of a nationally coordinated policy with respect to Australia's clean energy transition will provide greater certainty for all stakeholders, including financial investors, who stand ready to fund the next phase of Australia's renewable buildout.

PREF capital raising

Given the strong tailwinds in the Australian renewables sector, further supported by policies such as the CIS, Palisade has commenced a \$1 billion capital raising for Palisade's Renewable Energy Fund (**PREF**). As the lead shareholder in Intera Renewables – Palisade's proprietary renewables platform – PREF represents an opportunity for investors to gain access to an existing 1GW+ portfolio of operational wind and solar assets with an enterprise value of \$2bn, whilst also being able to participate in the next wave of renewable energy buildout expected to occur in Australia over the next decade. Intera is a growth business which intends to use its existing operational asset base as a platform from which to significantly expand by participating in the energy transition.

Palisade transaction activity

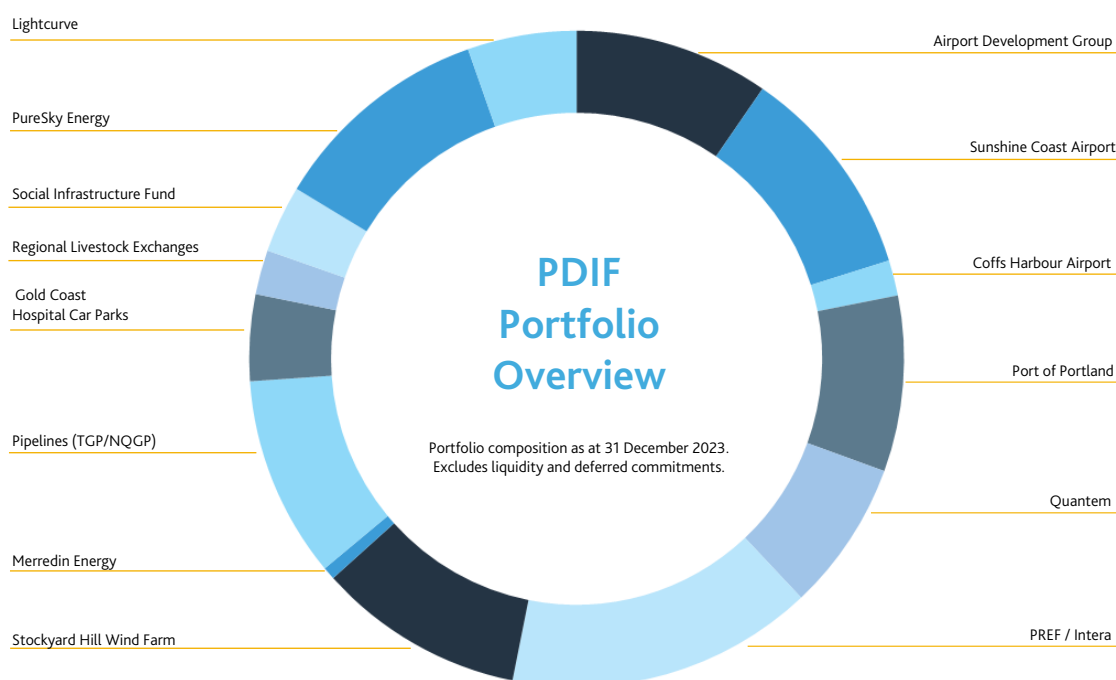
Following Palisade's announcement in August to acquire Consolidated Communications' US-based assets, in November Palisade reached financial close on the previously announced Rainier Connect transaction, a last-mile fibre business based outside of Seattle. Rainier has now changed its name to Lightcurve, with the Consolidated Communications assets falling under the Lightcurve group upon financial close of that investment which is expected in the first half of 2024. Both transactions form part of Palisade's plans to create a regional platform for fibre and high-speed broadband connectivity through the Pacific Northwest. Lightcurve is owned 100% by Palisade's Diversified Infrastructure Fund.



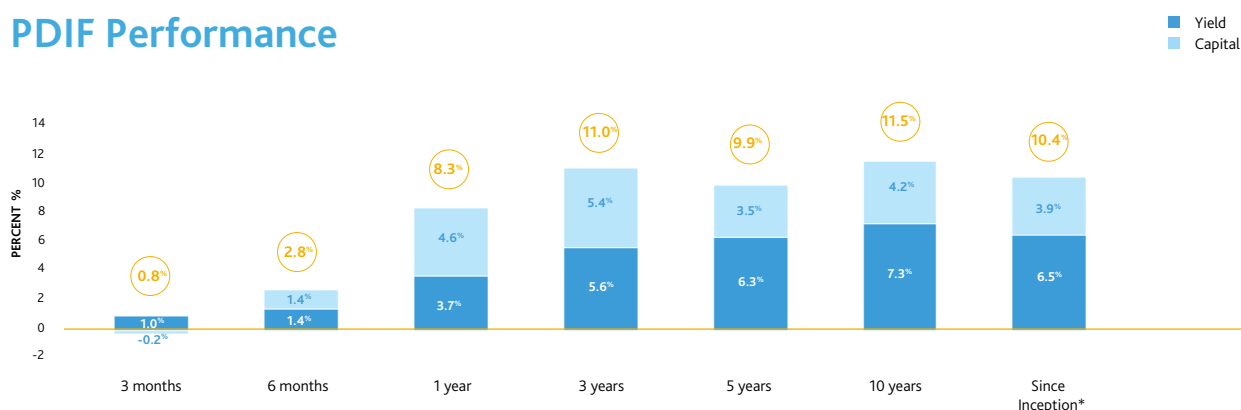
Fund overview

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.



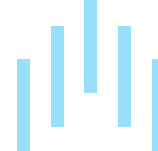
PDIF Performance



Gross performance including franking credits as at 31 December 2023

Returns for periods greater than 12 months have been annualised

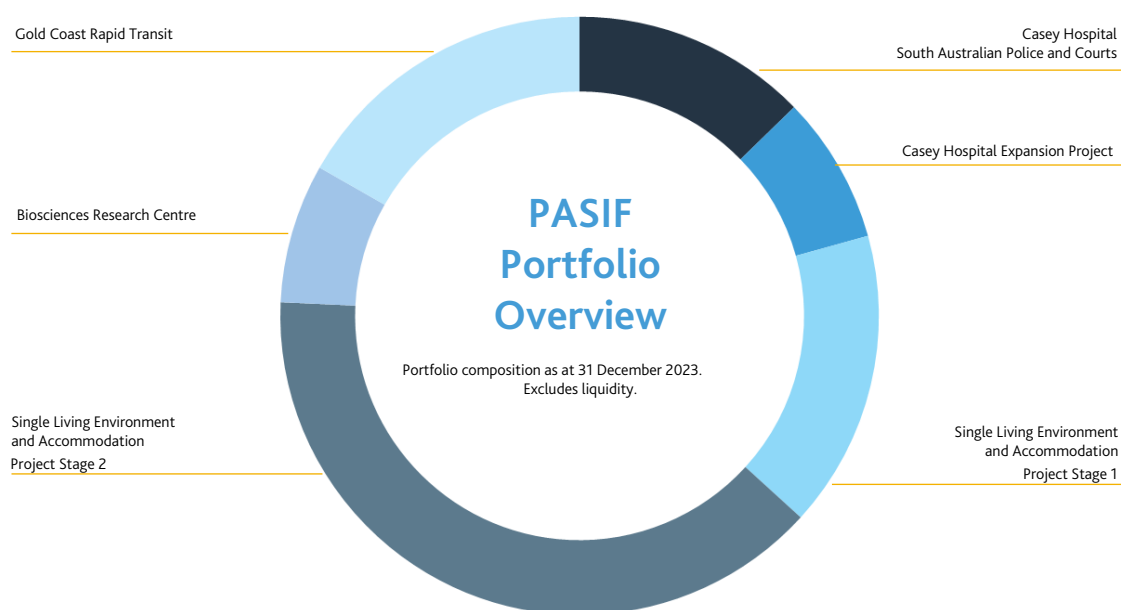
* Inception date August 2008 (Palisade management)



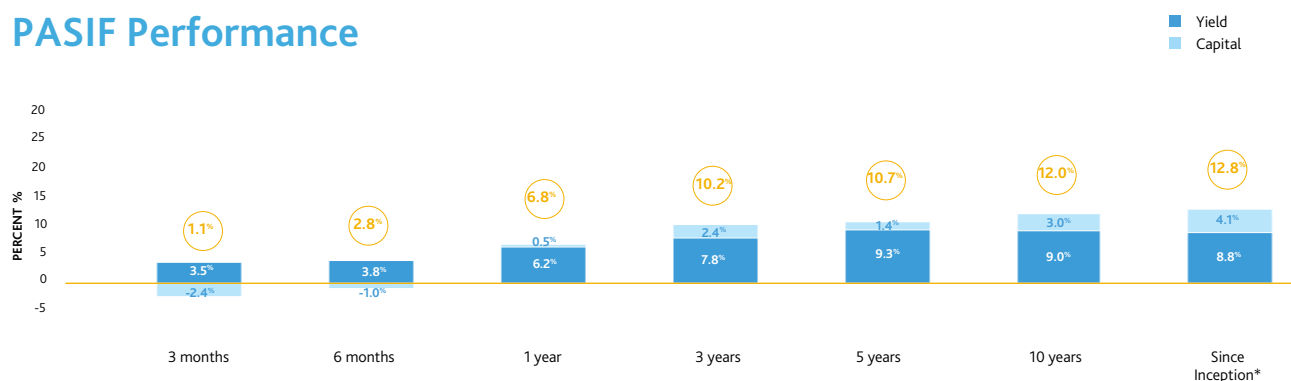
Fund overview

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.



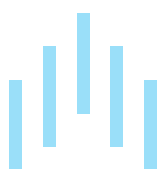
PASIF Performance



Gross Performance including franking credits as at 31 December 2023

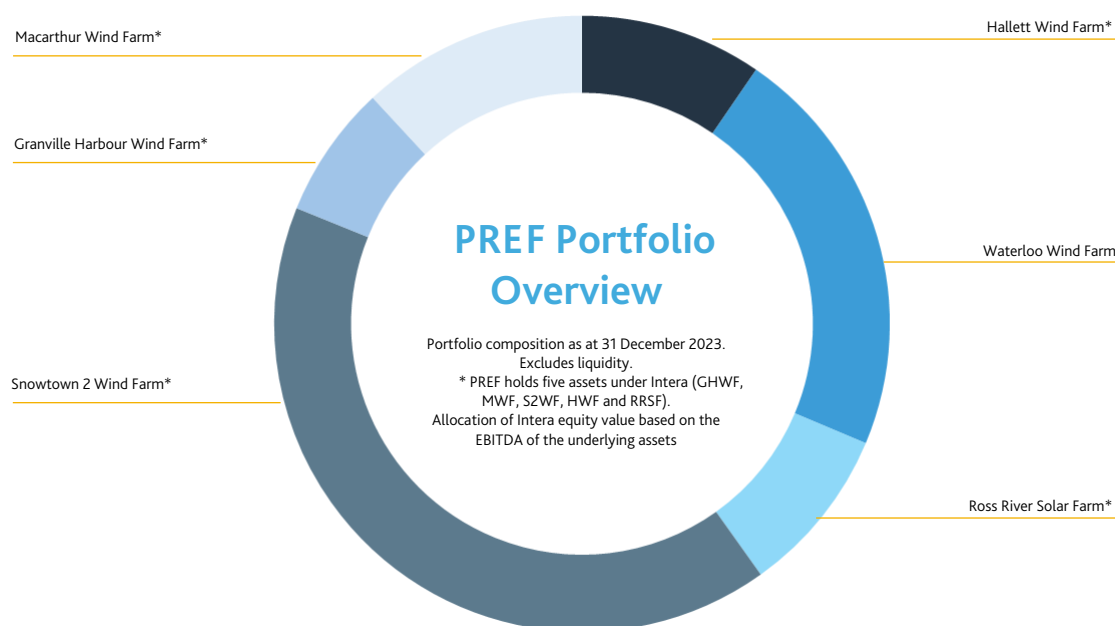
Returns for periods greater than 12 months have been annualised

* Inception date May 2011

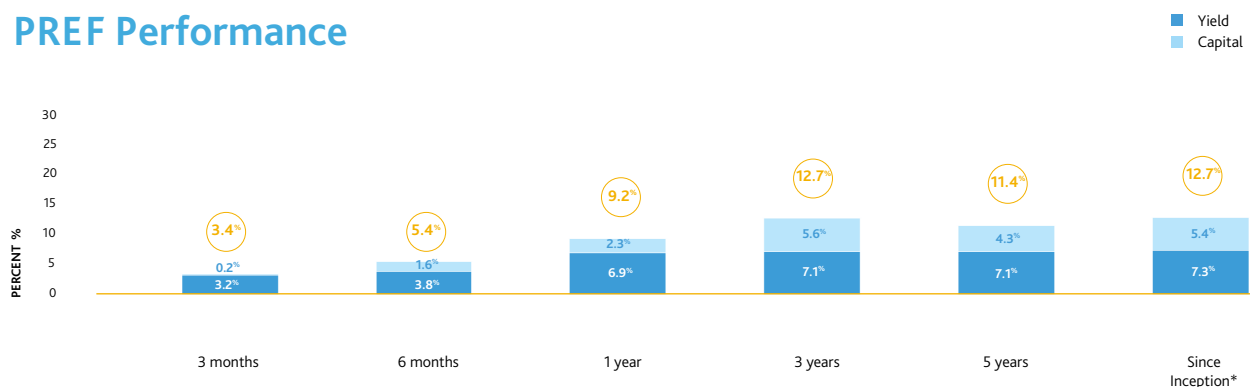


Palisade's Renewable Energy Fund (PREF)

PREF provides investors with an opportunity to invest in a diversified portfolio of Australian utility scale wind and solar assets, primarily through a 50% ownership in Intera Renewables, and aims to provide investors with long-term capital growth and stable cash distributions.



PREF Performance



Gross performance including franking credits as at 31 December 2023

Returns for periods greater than 12 months have been annualised

* Inception date September 2016



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