



QUARTERLY REPORT MARCH 2024



Palisade's Diversified Infrastructure Fund (PDIF)



Market update

Palisade has been an investor in the Australian mid-market infrastructure sector for over 15 years, and over this time we have continued to see strong deal flow across the infrastructure spectrum. This strong opportunity set has allowed Palisade to build a portfolio of over 25 assets invested across 8 different infrastructure sub-sectors on behalf of our clients.

Whilst the market remains as opportunistic as ever, in our view there is a confluence of a number different factors which provides us confidence that the opportunity set over the next three to five years will be one of the strongest we have witnessed in our 15 year history. A strong opportunity set of course does not guarantee strong returns, but it does allow experienced managers such as Palisade with a strong foothold in various sectors of the market to price new investments in a manner which generates attractive risk-adjusted returns for our clients.

At a high level, we expect a favourable demand / supply dynamic to drive good opportunities over the medium term. Firstly, the higher interest rate environment is meaning corporates and local councils are focusing more heavily on capital efficiency, including not only how infrastructure spend is funded, but also how they can monetise existing assets on balance sheet. Clearly, the private sector has an important role to play here. Secondly, the growth, but more importantly the ongoing concentration of the Australian superannuation market is meaning that some mid-market assets are deemed to be "too small" for these superannuation funds, leading to them firstly not being interested in new opportunities in the mid-market space, but equally driving them to rationalise portfolios into fewer positions which is creating secondary opportunities. The mooted sale of Queensland Airports (predominantly Gold Coast Airport) appears to be an example of this.

In addition to the above, government policy, ongoing technological advancement and the broader geopolitical environment are key themes which we believe will drive significant deal flow in the infrastructure market over the medium term. In the energy transition sector, market factors – such as the need for new generation to replace Australia's aging coal fleet – will drive significant opportunities in the renewable energy sector, which will only be supported further by government spending and policy such as the \$20bn Rewiring the Nation initiative and the recently announced Capacity Investment Scheme.

New and upgraded infrastructure such as fibre and data centres will be required to support exponential data growth. The tailwinds in this sector are clear, supported by the fact that 90% of the world's data was generated in the last two years alone. And finally, we see significant opportunity in the broader transport and logistics sectors, particularly as government and industry look to build resilience into supply chains and focus on "reshoring" manufacturing capability in light of Covid and the current geopolitical environment. The Federal Government's recently announced '*Future Made in Australia*' Act signifies the Government's commitment to this cause.

Palisade transaction activity

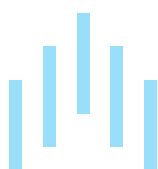
In April Palisade reached financial close on the acquisition of 100% of South Eastern Livestock Exchange (**SELX**) and Western Victoria Livestock Exchange (**WVLX**). The investment was funded entirely by Palisade's Diversified Infrastructure Fund via portfolio company Regional Livestock Exchanges.

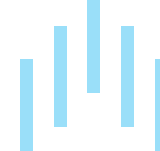
SELX is located outside of Yass in the southern tablelands of NSW, 60km northwest of Canberra, and has been operating since August 2016. Its surrounding geography contains some of NSW's premier cattle and sheep producing regions. WVLX is located at Mortlake in south-western Victoria and is strategically located in the centre of the western district of Victoria's cattle producing population, with livestock sales commencing at the site in January of 2018.

The addition of SELX and WVLX will increase the RLX portfolio from eight to 10 sites spread across the eastern seaboard, with the RLX platform comprising approximately 3% of the PDIF portfolio.

North America update

During the quarter Palisade launched market testing of its new North American focused fund with prospective Australian and North American investors. Palisade is seeking to raise \$1.5 billion to target mid-market opportunities in the broader North American market, focusing on assets in the renewables, digital and transport sectors. The fund is expected to formally launch at the end of June 2024.

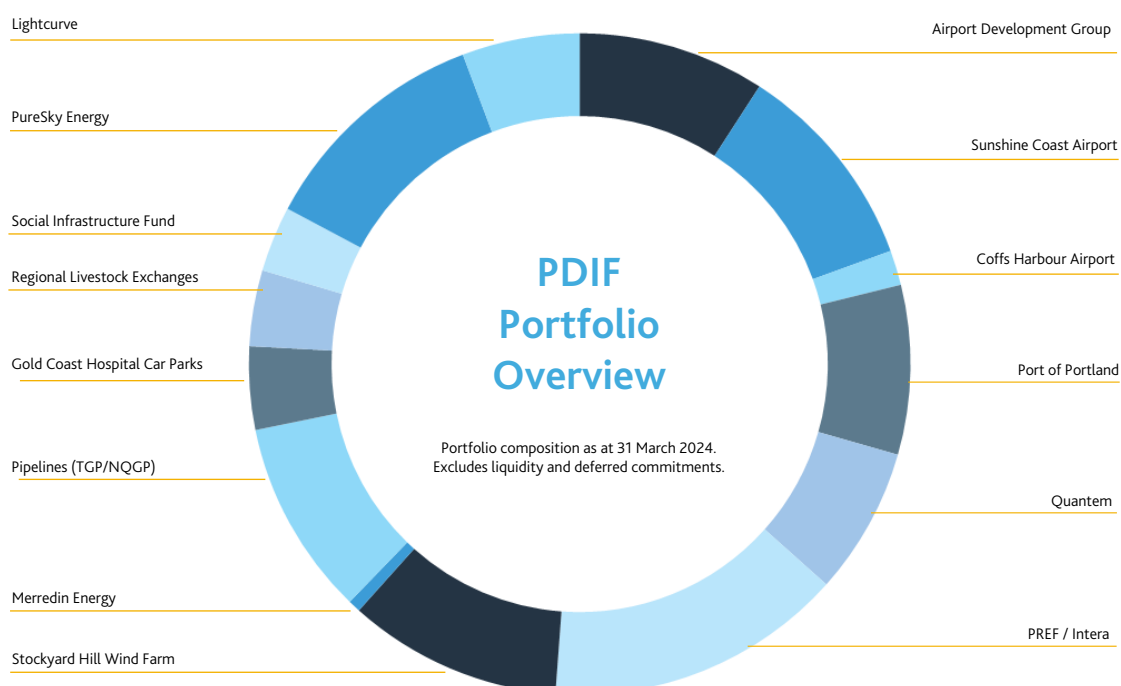




Fund overview

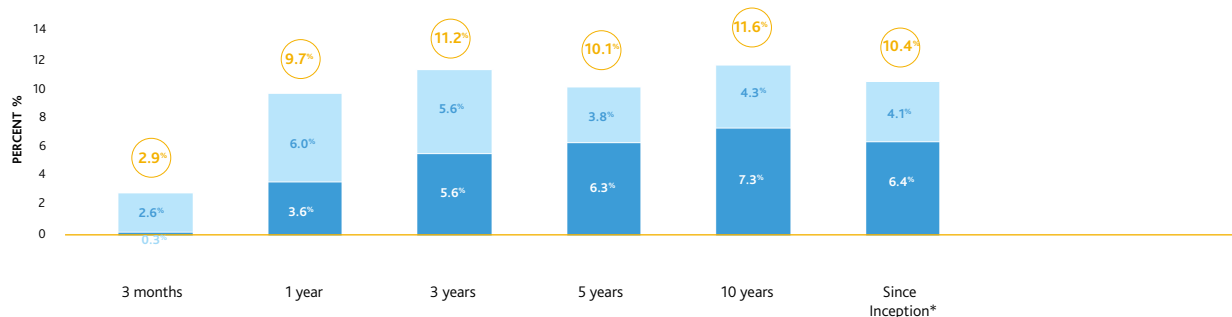
Palisade's Diversified Infrastructure Fund (PDIF)

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

■ Yield
■ Capital

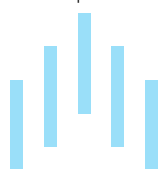


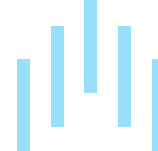
Gross performance including franking credits as at 31 March 2024

Returns for periods greater than 12 months have been annualised

* Inception date August 2008 (Palisade management)

Past performance is not indicative of future returns

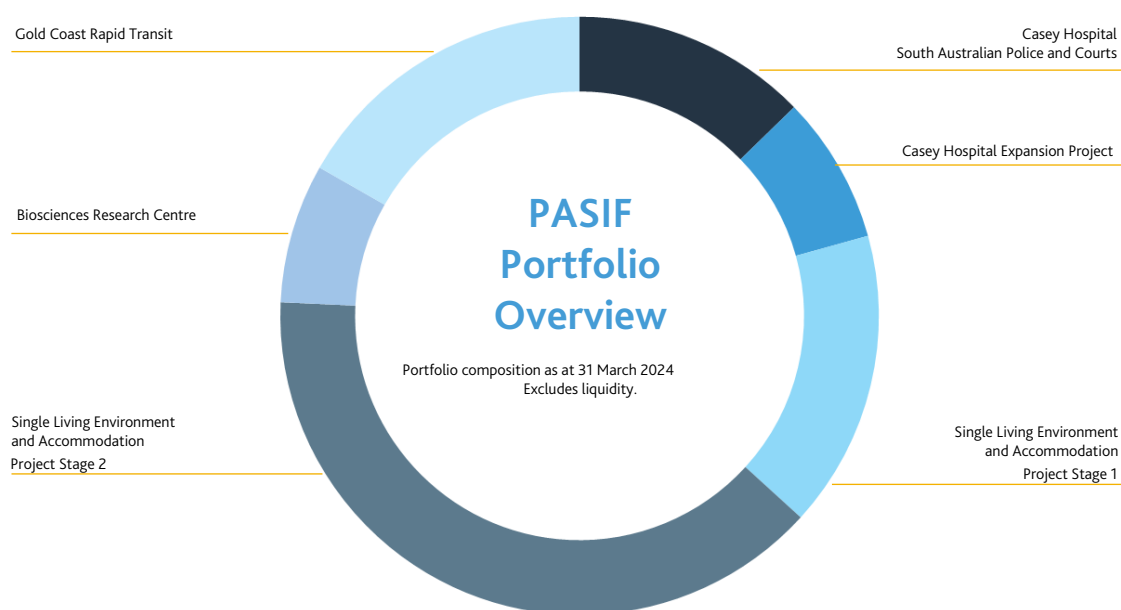




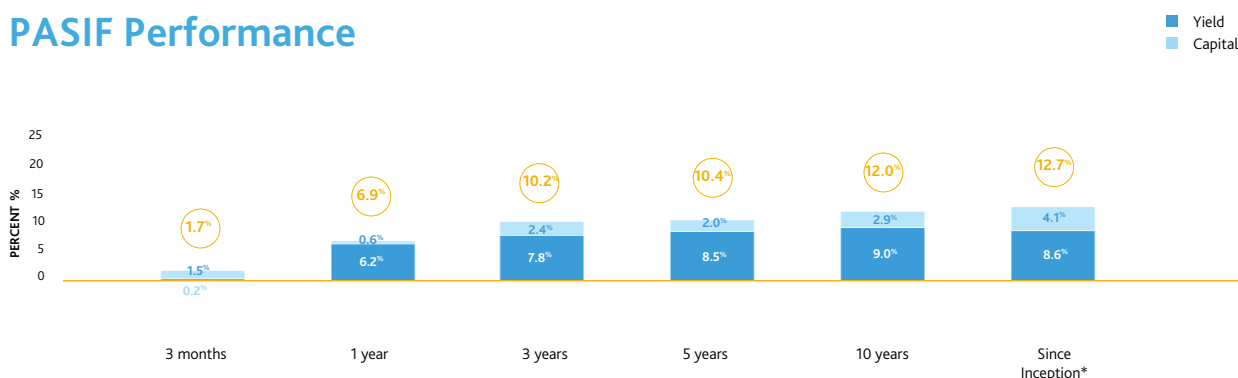
Fund overview

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

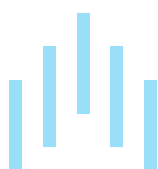


Gross Performance including franking credits as at 31 March 2024

Returns for periods greater than 12 months have been annualised

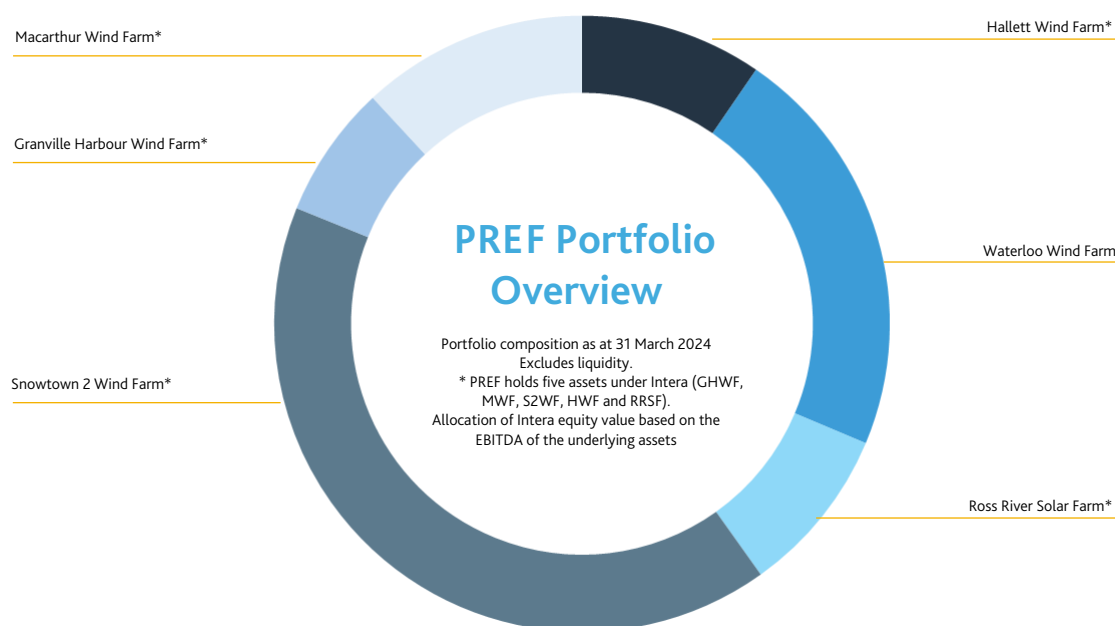
* Inception date May 2011

Past performance is not indicative of future returns

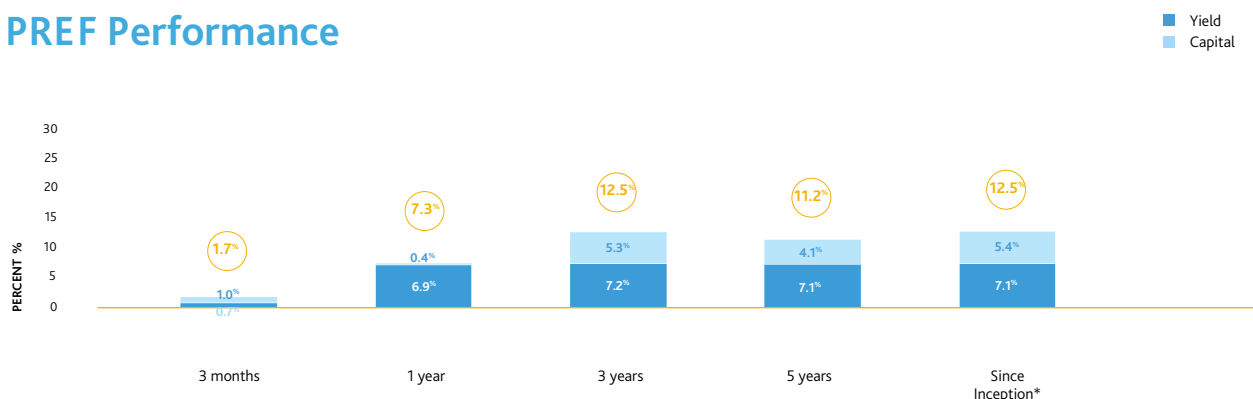


Palisade's Renewable Energy Fund (PREF)

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 March 2024

Returns for periods greater than 12 months have been annualised

* Inception date September 2016

Past performance is not indicative of future returns



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