



QUARTERLY REPORT SEPTEMBER 2023



Palisade's Diversified Infrastructure Fund (PDIF)



Energy market update

For some time now Australian Federal and state-based emissions reduction targets have been enshrined in law. The one notable absence however was the lack of any such target for Australia's most populous state. Despite this, New South Wales (**NSW**) has been active in promoting renewable energy development via its NSW Energy Roadmap announced in November 2020, a coordinated program to invest and support new wind, solar and large-scale battery storage to replace the state's aging coal fleet, as well as establish three Renewable Energy Zones (**REZ**) to house 12GW of new renewable energy capacity and 2GW of storage.

Fast forward three years and the new NSW Labor government has introduced the *Climate Change (Net Zero Future) Bill 2023*, which will commit NSW to cutting greenhouse gas emissions by at least 50% by 2030 and reaching net zero by 2050. The introduction of the bill to parliament comes on the back of the NSW Government announcing \$1.8 billion in funding as part of the recent budget to continue to support renewables, \$800m of which will be committed to the Transmission Acceleration Facility to connect the State's REZ's to the grid sooner.

The Queensland Government also continues to progress its decarbonisation plans. In July 2023, the Queensland Draft Renewable Energy Zone Roadmap was released for public consultation. The draft roadmap has been developed in line with the Queensland Energy and Jobs Plan to meet the state's renewable energy target of 80 per cent by 2035, and outlines 22GW of generation required to meet these targets.

The roadmap also identifies 12 potential REZs across Queensland to be developed by 2035. More specifically, in October CleanCo, the Queensland state-owned energy company, opened up an expression of interest process for up to 3GW of wind and solar generation, which will include project development acquisitions, joint venture investments and offtake agreements.

The support of both the Federal and state governments witnessed recently has been critical in providing investors comfort in the Australian renewable market, and attracting private capital to participate in the next phase of build out required to meet Australia's targets.

Transaction activity

During the quarter, Palisade reached agreement to acquire Consolidated Communications' Washington (US)-based assets. The transaction includes Consolidated's incumbent networks in Ellensburg and Yelm comprising a mixture of fiber-to-the-home and DSL technologies. Palisade intends to accelerate the build out of the fiber network in these markets, providing high speed, low latency connectivity to households and businesses.

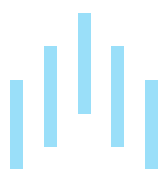
This is Palisade's second broadband investment in Washington State following the announcement of the transaction to acquire Rainier Connect in December 2022. The transaction will form part of Palisade's US fiber platform, which is currently owned 100% by Palisade's Diversified Infrastructure Fund (**PDIF**).

This represents Palisade's fourth transaction in North America and follows the closing of its investment in the PureSky Energy community solar platform in June 2023.

Also during the quarter Palisade announced the acquisition of 100% of South Eastern Livestock Exchange (**SELX**) and Western Victoria Livestock Exchange (**WVLX**). The transaction will be funded entirely by PDIF through its Regional Livestock Exchange platform (**RLX**).

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 2018.

The addition of SELX and WVLX to the RLX portfolio provides numerous benefits to existing operations, including greater levels of geographical diversity and operational efficiencies across the portfolio.

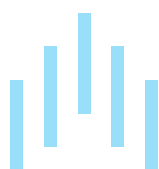
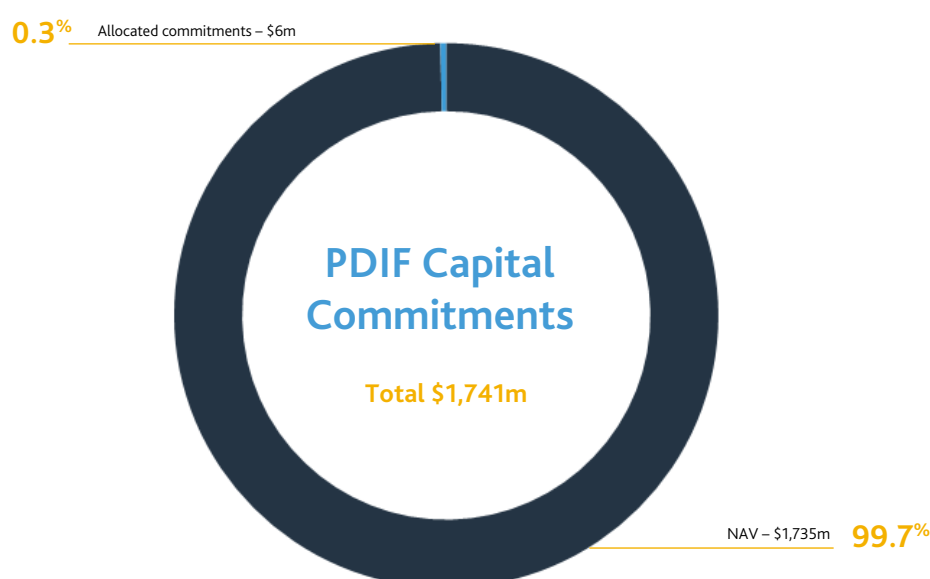
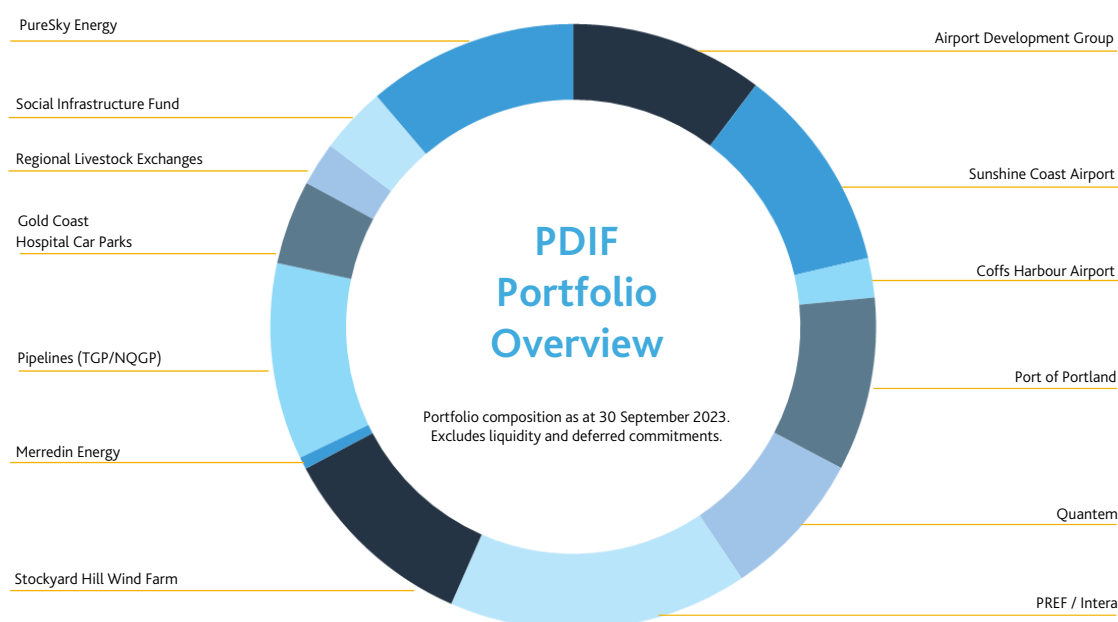




Fund overview

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.



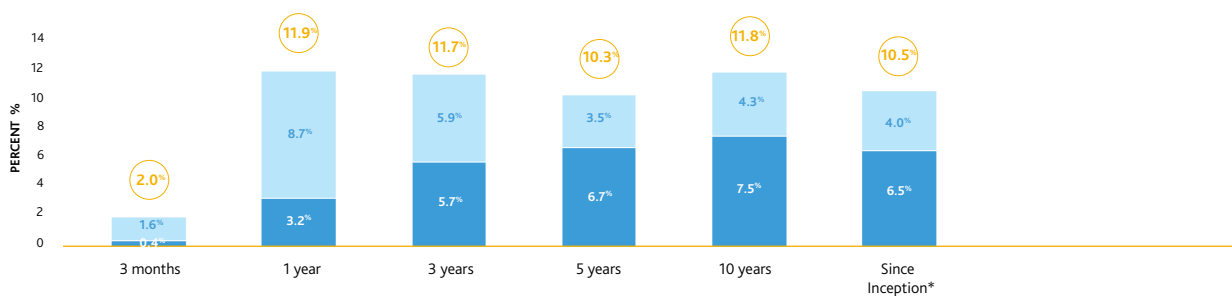


PDIF Q1 Key Highlights

- During the quarter Palisade agreed to acquire 100% of Consolidated Communications' Washington-based assets and 100% of the South Eastern and Western Victoria livestock exchange businesses. The acquisitions will be undertaken by Palisade's US fiber platform and livestock exchange platforms respectively, both of which PDIF are invested in.
- Unallocated commitments currently stand at zero. PDIF is actively seeking new capital commitments from existing and new investors with new commitments to be drawn down in the short-term to fund committed transactions.

PDIF Performance

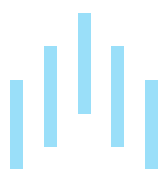
■ Yield
■ Capital

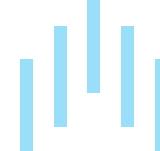


Gross performance including franking credits as at 30 September 2023

Returns for periods greater than 12 months have been annualised

* Inception date August 2008 (Palisade management)

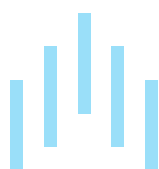
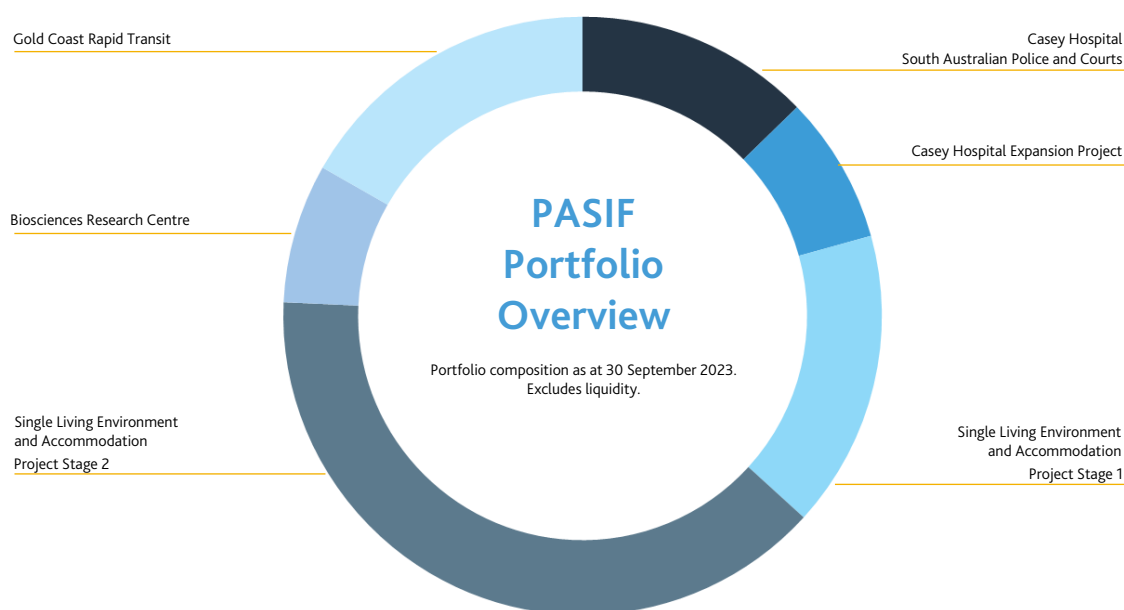




Fund overview

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.



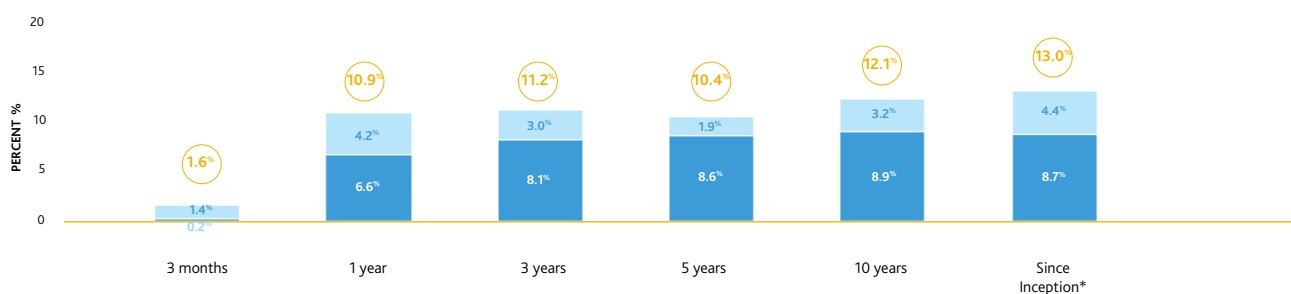


PASIF Q1 Key Highlights

- For Stage 3 of Gold Coast Light Rail, all five new light rail vehicles have been delivered to the Gold Coast. The first section of rail has been delivered and will be installed near the Broadbeach south station on the Gold Coast Highway, linking the existing network with Stage 3 systems.

PASIF Performance

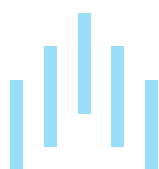
■ Yield
■ Capital



Gross Performance including franking credits as at 30 September 2023

Returns for periods greater than 12 months have been annualised

* Inception date May 2011

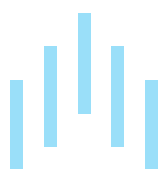
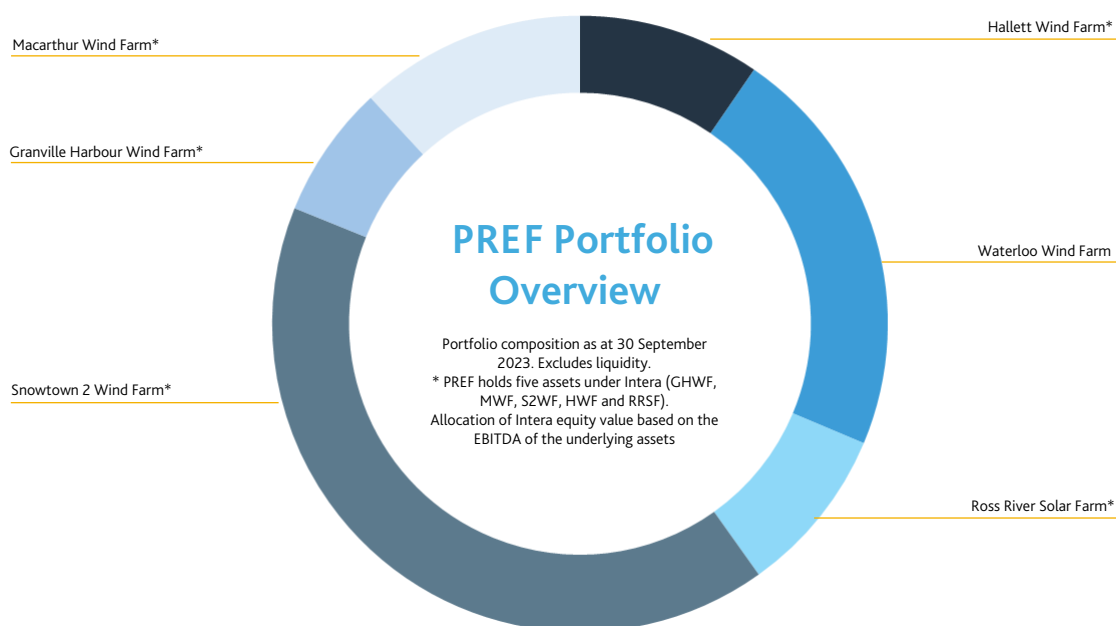




Fund overview

Palisade's Renewable Energy Fund (PREF)

PREF provides investors with an opportunity to invest in a 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.



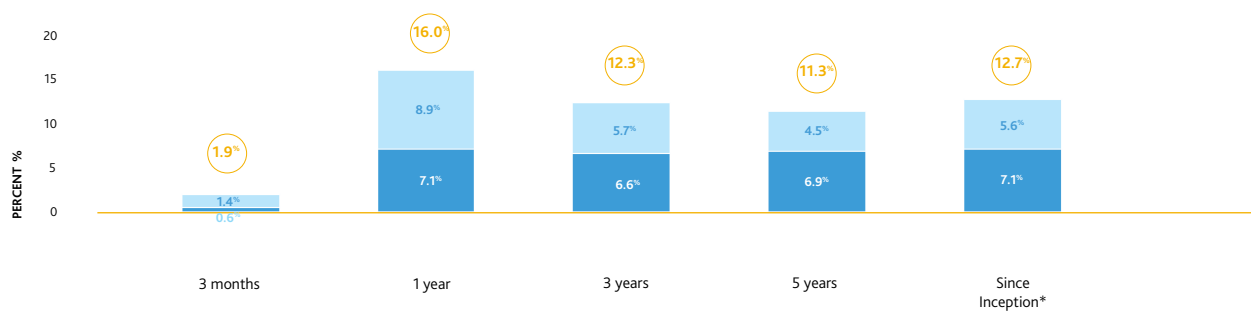


PREF Q1 Key Highlights

- Following the establishment of Intera in March 2023, the strategy development and business plan is progressing, with workshops planned with the investors and Board over the next two months.

PREF Performance

■ Yield
■ Capital



Gross performance including franking credits as at 30 September 2023

Returns for periods greater than 12 months have been annualised

* Inception date September 2016





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