



QUARTERLY REPORT SEPTEMBER 2024

Palisade's Diversified Infrastructure Fund (PDIF)

Market Update

Renewable Energy Zones, otherwise known as “REZs”, have been part of the Australian renewables vernacular now for several years. With the announcement of the Southern Offshore Renewable Energy Zone earlier this year, we thought it would be worthwhile to not only take stock of the various REZs around Australia, but to provide an overview for investors of the benefits of REZs in the first place, and why they will play an important role in Australia's clean energy transition.

A REZ, put simply, is a geographic area identified and designated for the large-scale generation of renewable energy. Unsurprisingly, an area with strong resource availability (e.g. wind or solar irradiation) is key for a REZ, however, other more nuanced criteria such as proximity to transmission infrastructure and environmental and social considerations run a close second.

The benefits of REZs are clear. Lower costs, more efficient land use and permitting, and pooling of skilled labour within a particular area (and the associated benefits to regional centres) to name a few. Arguably however the most significant benefit is that it aids the development of new projects in a coordinated fashion within areas where significant upgrade of transmission infrastructure is taking place. This is meaningful as it reduces the risk of curtailment (i.e. being forced to reduce generation due to grid capacity issues) – something that has been a feature of the market not just in Australia but globally – which ultimately provides investors with a higher quality revenue stream.

Australia is well progressed in its establishment of REZs. New South Wales has been the most active with the establishment of several REZs, and for the most part has focused onshore. It is also the first state to select an operator of the Central West Orana REZ, which also happened to be Australia's first announced REZ in 2020. Queensland's focus has also been onshore, and has several REZs earmarked for future development, albeit is not as progressed as its southern neighbours.

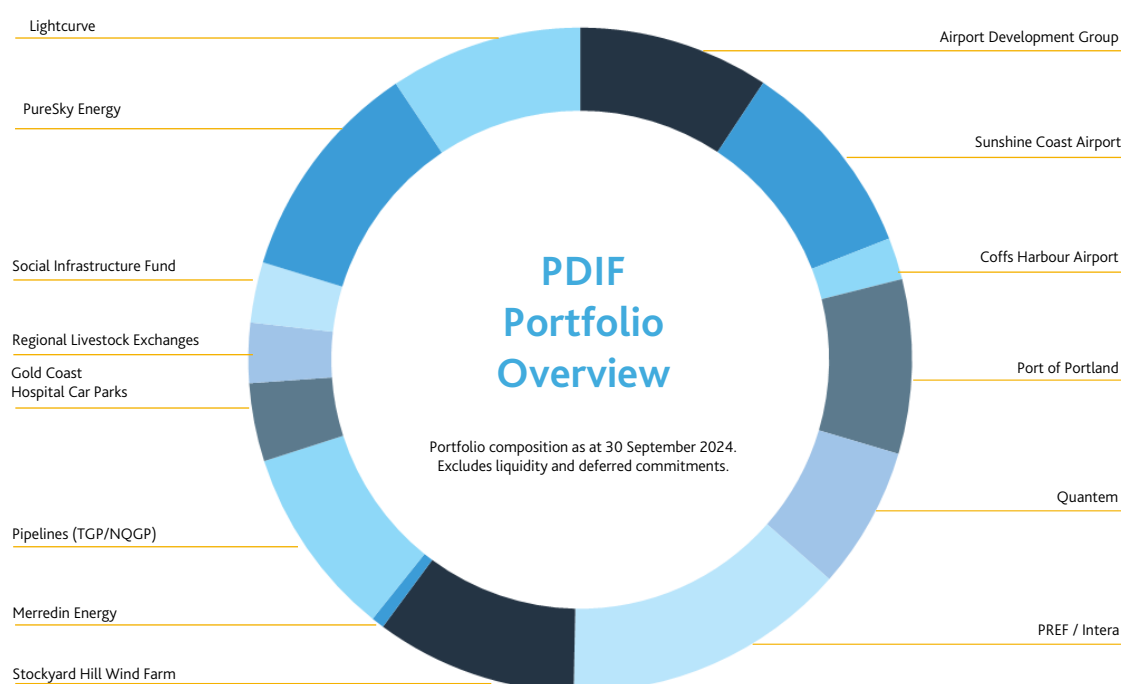
Whilst New South Wales and Queensland have perhaps unsurprisingly been focused on onshore REZs, it is Victoria that is paving the way with respect to offshore REZs, or “O-REZs”, given its natural comparative advantage. Whilst onshore REZs are still being considered, two significant O-REZ's – the Gippsland O-REZ (off the eastern part of the state) and the Southern O-REZ (off the western part of the state) – continue to be progressed. In regards to the latter, it was announced at the end of September that the first feasibility licence has been issued to Alinta Energy and Parkwind for their 1.2GW Spinifex project, which could potentially supply 10% of Victoria's electricity needs. As noted previously, the location of Port of Portland, an asset in the Palisade portfolio, means that it is not only well placed to take advantage of nearer-term onshore renewables development occurring in the south western part of the state, but also potentially longer-term trade and services associated with offshore wind projects.

There is little doubt momentum is gathering within the Australian renewables sector, and we can confidently say that Palisade's renewables pipeline is as large as it has ever been. Accordingly, we continue to seek capital for both our diversified strategy (which has an exposure to renewable energy) and our dedicated Australian renewable energy fund, which will provide investors the ability to participate in this once in a generation investment opportunity.

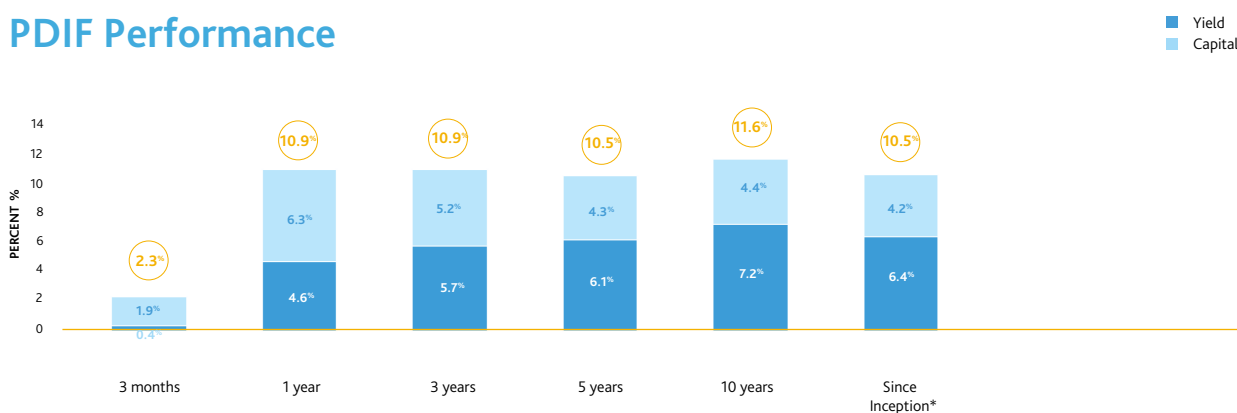
Fund overview

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 30 September 2024

Returns for periods greater than 12 months have been annualised

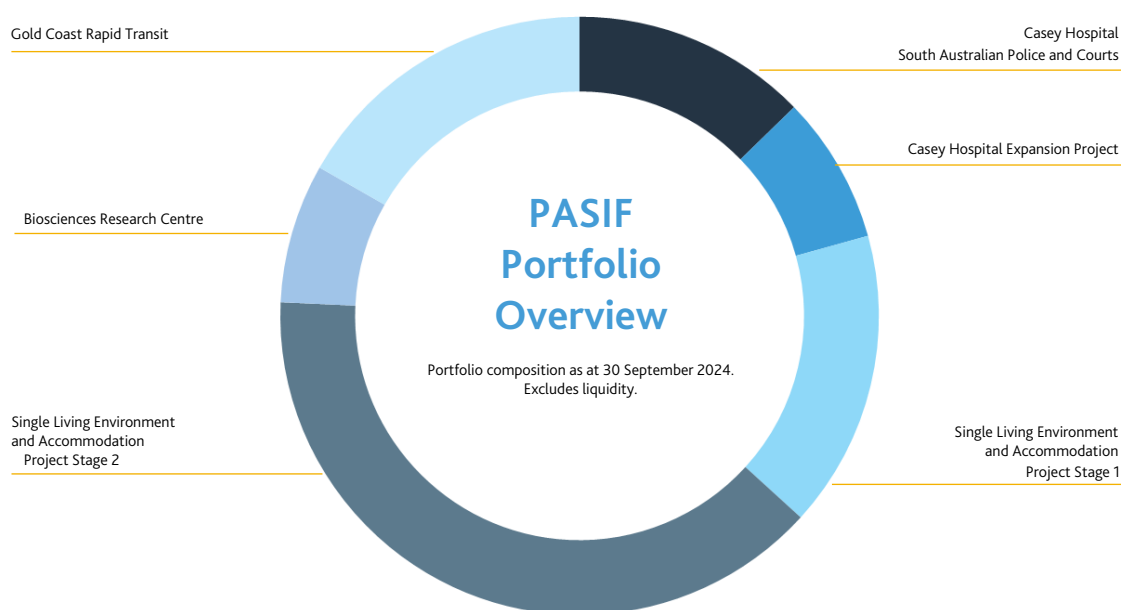
* Inception date August 2008 (Palisade management)

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 30 September 2024

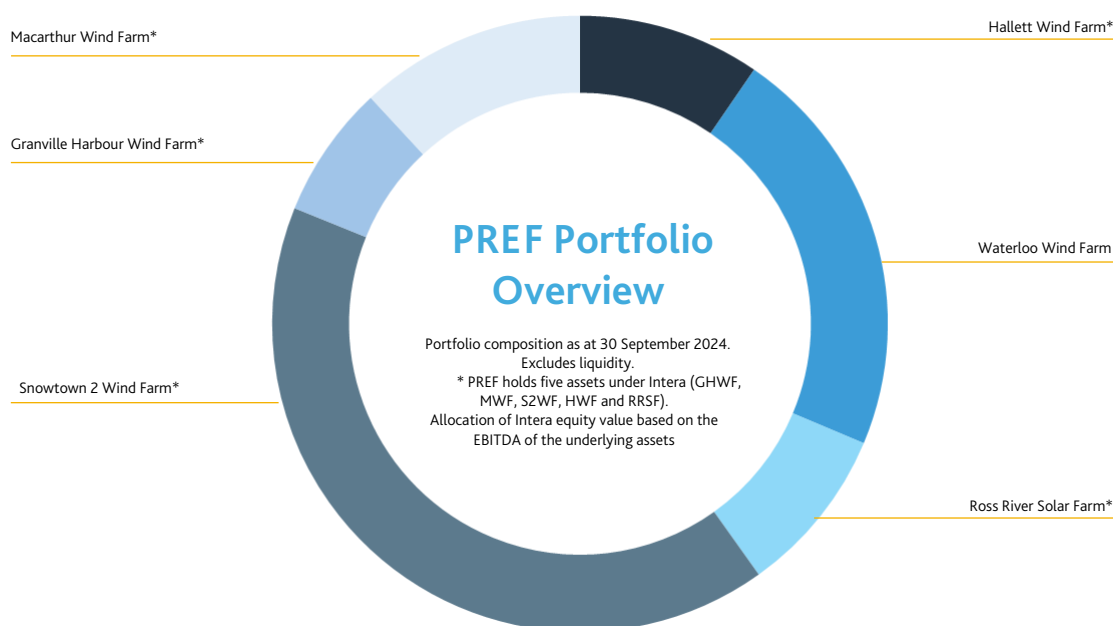
Returns for periods greater than 12 months have been annualised

* Inception date May 2011 Past performance is not indicative of future returns

Fund overview

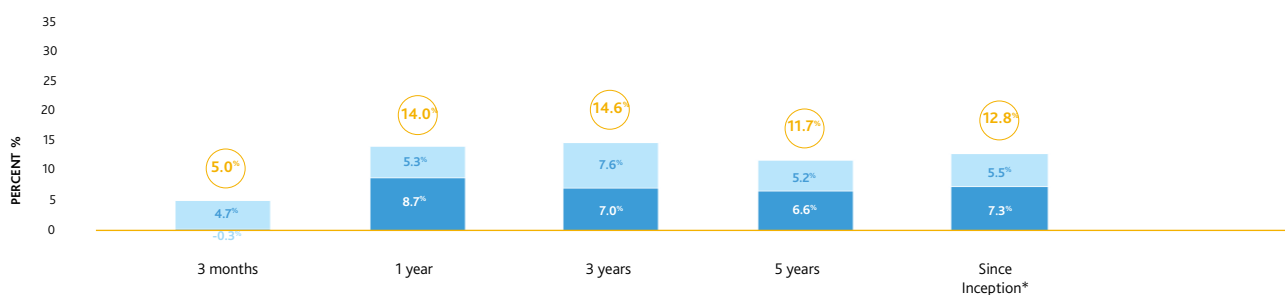
Palisade's Renewable Energy Fund (PREF)

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 Performance

■ Yield
■ Capital



Gross performance including franking credits as at 30 September 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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