



QUARTERLY REPORT DECEMBER 2024

Palisade's Diversified Infrastructure Fund (PDIF)

Market Update

Any change in government will generally draw strong interest from infrastructure investors. We often speak about the essential nature of the asset class, which provides strong downside protection, particularly during a softer economic cycle. It is this essential nature however that also means that infrastructure assets inextricably will have some level of attentiveness, oversight or even financial support from a government body.

Consequently, a large part of our role as an infrastructure investment manager is to navigate the political environment to ensure that our assets we are managing on behalf of our clients are not overly exposed to changes in government. An important part of this is ensuring as much as possible that where assets or sectors rely on payments from government, that this will very likely continue over the long-term and endure many political cycles. Having said this, perhaps what is more relevant in this regard is the scalability, or lack thereof, of an opportunity set in a scenario where a sector is not supported by government, rather than retrospective removal of support payments already in place, given the impact this would have on a sovereign's prospects of securing further private capital investment. Above all else, bipartisan support is important, which typically accompanies assets or sectors that address, or are expected to address, significant market, environmental or societal needs over the long-term.

Whilst from an "infrastructure investment" standpoint the recent Queensland election appears to have been relatively uneventful, what wasn't uneventful was the fact that Queensland's centre-right Liberal National Party (**LNP**) will lead the state for the first time since 2012. This aside, one particular area of focus for Palisade was on the LNP's approach to social and affordable housing, a sector which Palisade strongly believes will not only provide attractive risk-adjusted returns for investors, but also addresses a significant societal need. Of equal importance is the size of the need, allowing both smaller investors (via funds) and larger institutional investors (via a dedicated platform) to participate in the opportunity set. Given the "size of the need", it was perhaps unsurprising to see the LNP confirm its support for Queensland's \$2bn Housing Investment Fund (**HIF**) (the source of funds for support payments for approved social and affordable housing projects) put in place under the previous government, as well as announce as part of pre-election promises to deliver 53,500 additional social and community homes by 2044.

As previously noted, Palisade continues to work with Tier 1 Community Housing Provider Mission Australian on the delivery of an initial 185 social and affordable housing dwellings in Toowoomba (QLD), with the projects structured in such a manner to ensure that they deliver an "infrastructure" cashflow profile consistent with our mandate.

The project is expected to reach financial close in the first half of this calendar year, with further projects currently being considered by Palisade as part of the Queensland Government's HIF program and the Federal Government's Housing Australia Future Fund program.

Team update

During the quarter, Palisade welcomed Edward Mounsey, Michael Middleton and Matthew Flower to lead growth and development for Palisade's proprietary renewable energy platform, Intera Renewables (**Intera**). Edward, Michael and Matthew join from Squadron Energy (which acquired CWP Renewables in 2022), where they led the core development function responsible for the establishment of a 10GW pipeline of projects and the successful development into delivery of over 1.7GW of renewables investments.

Intera is the principal investment of Palisade's Renewable Energy Fund (**PREF**). PREF, which has a 50% ownership interest in Intera alongside Palisade's Diversified Infrastructure Fund (**PDIF**) and other co-investors, provides investors exposure to a portfolio of renewable energy assets diversified across locations, technologies and offtakers. Intera is Palisade's primary clean energy investment vehicle and has a mandate to invest in operating, construction and development phase renewables and storage assets in Australia. Intera is targeting mid-teens returns for investors, comprised of sustainable capital growth and stable income returns.

PREF is currently open to new commitments, with investors able to take advantage of the buildout required to meet Australia's significant energy transition requirements, whilst investing in an existing high yielding portfolio underpinned by a combined installed operating capacity of 1GW.

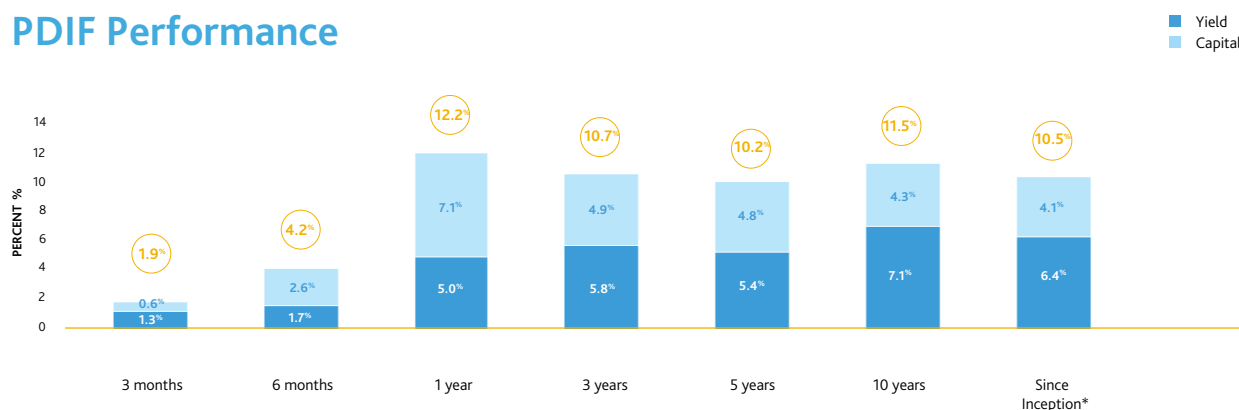
Fund overview

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 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

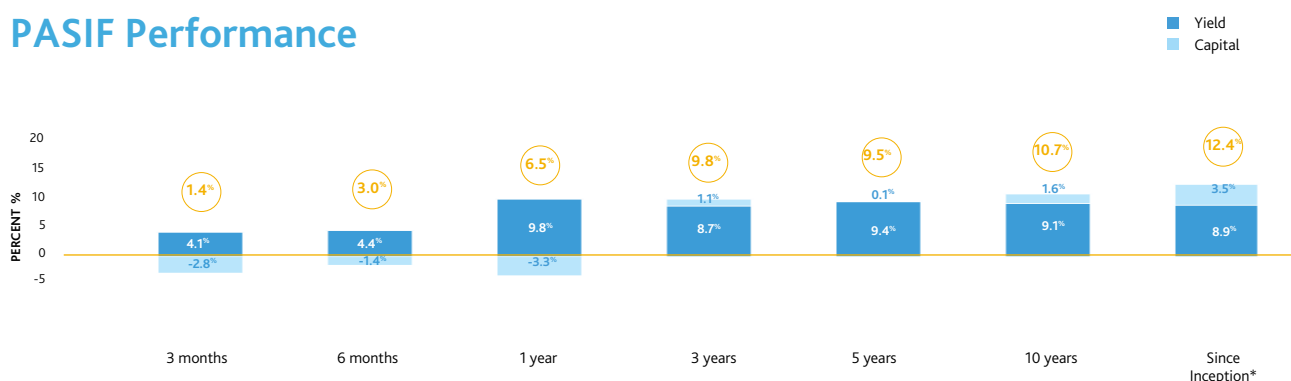
Fund overview

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 December 2024

Returns for periods greater than 12 months have been annualised

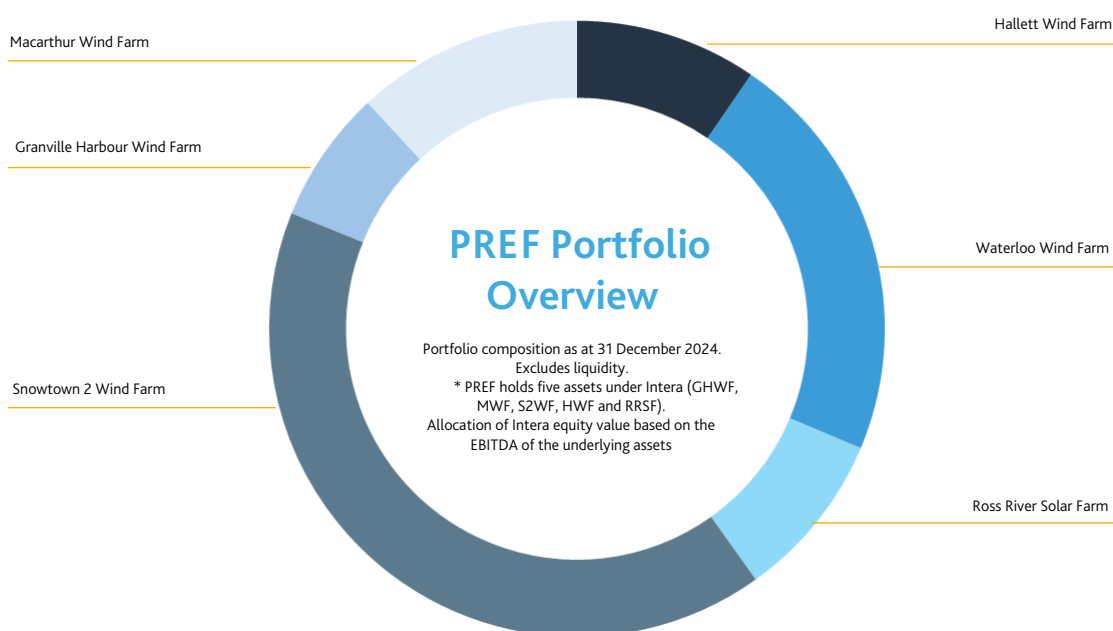
*Inception date May 2011

Past performance is not indicative of future returns

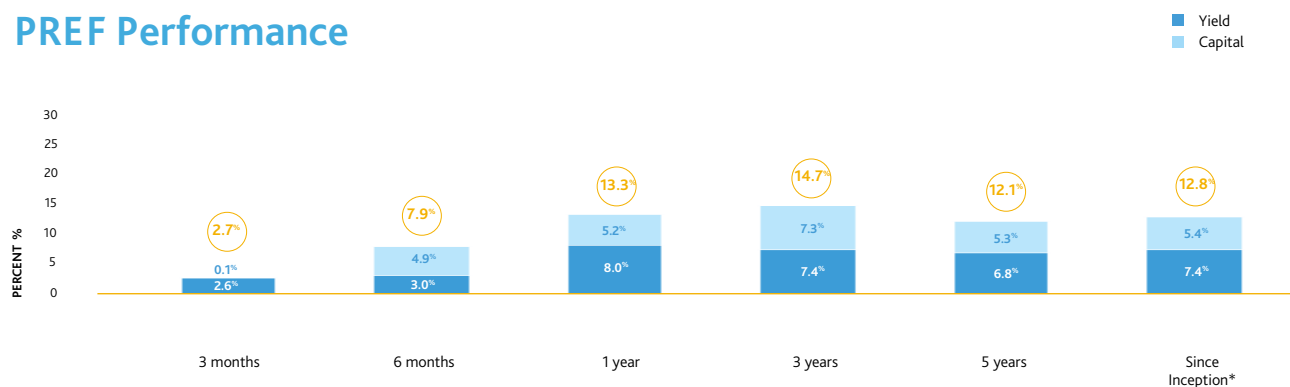
Fund overview

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



Gross performance including franking credits as at 31 December 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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