

**Palisade's Unlisted Infrastructure Trust**

**ABN 47 836 476 210**

Interim report for the half-year ended 31 December 2023

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## **Directors' Report**

The directors of Pinnacle Fund Services Limited (ABN 29 082 494 362, AFSL 238371) (the "Trustee"), the trustee of Palisade's Unlisted Infrastructure Trust (ABN 47 836 476 210) (the "Fund"), present their report together with the financial statements of the Fund.

The financial statements cover the period from 1 July 2023 to 31 December 2023 (the "reporting period").

### ***Trustee***

The registered office and principal place of business of the Trustee is Level 19, 307 Queen Street, Brisbane, QLD 4000.

### ***Directors***

The names of the directors of the Trustee who held office during the reporting period and up to the date of this report are:

<b>Name</b>	<b>Title</b>
Calvin Kwok	Director
Ian Macoun	Director
Andrew Chambers	Director

This report is made in accordance with a resolution of the directors.

### ***Principal activities***

The Fund is an unregistered wholesale managed investment scheme, constituted and domiciled in Australia. The investment manager of the Fund is Palisade Investment Partners Limited (ABN 32 124 326 361) (the "Investment Manager").

The principal activity of the Fund is to invest in high quality infrastructure assets in order to produce attractive risk-adjusted returns.

The Fund did not have any employees during the half-year.

### ***Distributions***

In respect of the half-year ended 31 December 2023, total cash distribution of \$1,400,000 has been declared to unitholders (2022: \$5,500,000). As at 31 December 2023, distributions payable was \$1,400,000 (30 June 2023: \$300,000).

**Directors' Report (continued)**

***Review and results of operations***

The results of the operations of the Fund are disclosed in the Condensed Statement of Profit or Loss and Other Comprehensive Income of the interim financial report. The profit attributable to unitholders for the half-year ended 31 December 2023 was \$5,421,693 (31 December 2022: \$8,643,334).

***Significant changes in state of affairs***

In the opinion of the directors, there were no other significant changes in the state of affairs in the Fund during the half-year.

***Subsequent events***

There has been no matter or circumstances occurring subsequent to the end of the half-year ended 31 December 2023 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

***Likely developments and expected results of operations***

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.


***Environmental regulation and performance***

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

***Indemnification of directors, officers and auditors***

During or since the end of the half-year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Trustee or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Trustee or auditor of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Trustee or auditor of the Fund.

On behalf of the directors of the Trustee, Pinnacle Fund Services Limited.



Calvin Kwok  
Director

Sydney  
7 March 2024

## Condensed Statement of Profit or Loss and Other Comprehensive Income

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
<b>Revenue</b>		
Interest income	88	40
Distribution income	1,420	6,476
Other income-performance fee rebate	45	-
Net gains/(losses) on financial assets at fair value through profit or loss	4,455	2,435
<b>Total revenue</b>	<b>6,008</b>	<b>8,951</b>
<b>Expenses</b>		
Administration fees	577	298
Professional fees	9	10
<b>Total expenses</b>	<b>586</b>	<b>308</b>
<b>Operating (loss)/profit for the half-year</b>	<b>5,422</b>	<b>8,643</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the half-year</b>	<b>5,422</b>	<b>8,643</b>

*The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

## Condensed Statement of Financial Position

	Note	31 December 2023 \$'000	30 June 2023 \$'000
<b>Assets</b>			
Cash and cash equivalents		315	678
Trade and other receivables		2,295	3,718
Financial assets at fair value through profit or loss	3	332,132	327,677
<b>Total assets</b>		<b>334,742</b>	<b>332,073</b>
<b>Liabilities</b>			
Trade and other payables		1,118	3,570
Distributions payable		1,400	300
<b>Total liabilities</b>		<b>2,518</b>	<b>3,870</b>
<b>Net assets attributable to unitholders - Equity</b>		<b>332,224</b>	<b>328,203</b>

*The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.*

## Condensed Statement of Changes in Equity

		Half-year ended	
		31 December 2023	31 December 2022
	Note	\$'000	\$'000
Opening balance		328,202	159,192
Redemptions of units by unitholders		-	(102)
Total comprehensive income		5,422	8,643
Distributions for the half-year	5	(1,400)	(5,500)
<b>Total equity at the end of the half-year</b>	6	<b>332,224</b>	<b>162,233</b>

*The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## Condensed Statement of Cash Flows

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
<b>Cash flows from operating activities</b>		
Interest received	88	40
Administration fees paid	(1,318)	(457)
Professional fees paid	(9)	(7)
Distribution received	1,176	13,555
Other income received	-	279
<b>Net cash (used in)/provided by operating activities</b>	<b>(63)</b>	<b>13,410</b>
<b>Cash flows from financing activities</b>		
Payments for redemptions by unitholders	-	(102)
Distributions paid to unitholders	(300)	(6,692)
<b>Net cash used in financing activities</b>	<b>(300)</b>	<b>(6,794)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(363)</b>	<b>6,616</b>
Cash and cash equivalents at the beginning of the half-year	678	111
<b>Cash and cash equivalents at the end of the half-year</b>	<b>315</b>	<b>6,727</b>

*The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.*



## Palisade's Unlisted Infrastructure Trust

### Notes to the Interim Financial Statements

#### 1. General information

This interim financial report covers Palisade's Unlisted Infrastructure Trust (ABN 47 836 476 210) (the "Fund") which is an unregistered managed investment scheme.

The Trustee of the Fund is Pinnacle Fund Services Limited (the "Trustee"). The Trustee's registered office is Level 19, 307 Queen Street, Brisbane, QLD 4000.

The interim financial report covers the half-year from 1 July to 31 December 2023 (the "reporting period").

The Fund was constituted on 4 November 2019, and is an unregistered, wholesale managed investment scheme structured as a unit trust. The Fund commenced operations on 28 April 2021.

The investment manager of the Fund is Palisade Investment Partners Limited (ABN 32 124 326 361) (the "Investment Manager").

The principal activity of the Fund is to invest in high quality infrastructure assets in order to produce attractive risk-adjusted returns.

The interim financial report was authorised for issue by the directors of the Trustee on 7 March 2024.

#### 2. Basis of preparation of interim financial statements

The accounting policies applied in this interim report are the same as those applied to the Fund's financial statements for the year ended 30 June 2023.

There are no standards, interpretations or amendments to existing standards that are not yet effective and that are expected to have a material impact on the amounts recognised in the prior periods or will affect current or future reporting periods and on foreseeable future transactions.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have been early adopted.

#### 3. Financial assets held at fair value through profit or loss

	<b>31 December 2023 \$'000</b>	<b>30 June 2023 \$'000</b>
Investment in Palisade's Diversified Infrastructure Fund 1	<b>162,987</b>	161,448
Investment in Palisade's Diversified Infrastructure Fund 2	<b>162,987</b>	161,448
Investment in Palisade's Diversified Infrastructure Fund 3	<b>6,158</b>	4,781
<b>Total</b>	<b>332,132</b>	327,677

#### 4. Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis.

- Financial assets at fair value through profit or loss (FVPL)

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

##### *(i) Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets are based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in the Fund's annual financial report for the year ended 30 June 2023. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

##### *(ii) Fair value in an inactive or unquoted market (level 2 and level 3)*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

**Notes to the Interim Financial Statements**

**4. Fair value measurement (continued)**

The Fund values its investments in accordance with the accounting policies set out in Note 3 to the financial statements for the year ended 30 June 2023.

The following table presents the Fund's assets measured and recognised at fair value as at 31 December 2023:

**As at 31 December 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Financial assets at fair value through profit or loss				
Unlisted unit trusts	-	<b>332,132</b>	-	<b>332,132</b>
<b>Total assets</b>	-	<b>332,132</b>	-	<b>332,132</b>

**As at 30 June 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Financial assets at fair value through profit or loss				
Unlisted unit trusts	-	<b>327,677</b>	-	<b>327,677</b>
<b>Total assets</b>	-	<b>327,677</b>	-	<b>327,677</b>

*(iii) Transfers between levels*

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2023: nil)

**5. Distributions to unitholders**

The distributions declared during the half-year were as follows:

	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
December (payable)	<b>1,400</b>	<b>0.0047</b>	5,500	0.0363
<b>Total</b>	<b>1,400</b>	<b>0.0047</b>	5,500	0.0363

**Notes to the Interim Financial Statements**

**6. Net assets attributable to unitholders**

Under AASB 132 Financial Instruments: Presentation, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Movements in the number of units and net assets attributable to unitholders during the financial half-year were as follows:

	<b>Half-year ended 31 December 2023</b>	
	<b>No. of Units '000</b>	<b>\$'000</b>
Opening balance as at 1 July 2022	<b>297,633</b>	<b>328,202</b>
Distributions paid to unitholders	-	<b>(1,400)</b>
Profit/(loss) for the half-year	-	<b>5,422</b>
<b>Closing balance as at 31 December 2023</b>	<b>297,633</b>	<b>332,224</b>

	<b>Half-year ended 31 December 2022</b>	
	<b>No. of Units '000</b>	<b>\$'000</b>
Opening balance as at 1 July 2022	151,678	159,192
Redemptions	(96)	(102)
Distributions paid to unitholders	-	(5,500)
Profit/(loss) for the half-year	-	8,643
Closing balance as at 31 December 2022	151,582	162,233

**7. Subsequent events**

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

**8. Commitments and contingencies**

There are no commitments or contingencies as at 31 December 2023 and 30 June 2023.

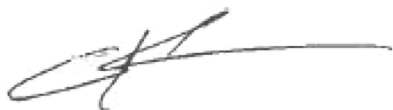
**Directors' Declaration**

The directors of Pinnacle Fund Services Limited (the "Trustee"), have determined that Palisade's Unlisted Infrastructure Trust (the "Fund") is not a reporting entity. The Directors have determined that this interim financial report should be prepared in accordance with those accounting standards and the basis of accounting outlined in the annual financial report for the year ended 30 June 2023.

The directors of the Trustee declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached interim financial report and notes set out on pages 3 to 10 are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in the annual financial report for the year ended 30 June 2023 and present fairly the financial position and performance of the Fund.

On behalf of the directors of the Trustee, Pinnacle Fund Services Limited.



Calvin Kwok  
Director

Sydney  
7 March 2024



## ***Independent auditor's review report to the unitholders of Palisade's Unlisted Infrastructure Trust***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Palisade's Unlisted Infrastructure Trust (the Unregistered Scheme) which comprises the Condensed statement of financial position as at 31 December 2023, the Condensed statement of changes in equity, Condensed statement of cash flows and Condensed statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors of the Trustee's declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Palisade's Unlisted Infrastructure Trust does not present fairly, in all material respects, the Unregistered Scheme's financial position as at 31 December 2023 and its financial performance and its cash flows for the half-year ended on that date, in accordance with the accounting policies as described in Note 2 to the financial statements.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Unregistered Scheme in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Emphasis of matter - basis of accounting and restriction on use***

We draw attention to Note 2 in the half-year financial report, which describes the basis of accounting. The half-year financial report has been prepared for internal purposes to assist Palisade's Unlisted Infrastructure Trust. As a result, the half-year financial report may not be suitable for another purpose. Our report is intended solely for Palisade's Unlisted Infrastructure Trust and its unitholders and should not be used by parties other than Palisade's Unlisted Infrastructure Trust and its unitholders. Our conclusion is not modified in respect of this matter.

#### ***Responsibilities of the directors of the Trustee for the half-year financial report***

The directors of the Trustee (Pinnacle Fund Services Limited) are responsible for the preparation and fair presentation of the half-year financial report in accordance with the accounting policies as described in Note 2 to the financial statements and for such internal control as the directors of the Trustee determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the financial position of the Unregistered Scheme as at 31 December 2023 and of its financial performance and its cash flows for the half-year ended on that date in accordance with the accounting policies as described in Note 2 to the financial statements.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A blue ink signature of a PricewaterhouseCoopers representative, written in a cursive style.

PricewaterhouseCoopers

A blue ink signature of Kristy van Horck, written in a cursive style.

Kristy van Horck  
Partner

Brisbane  
7 March 2024