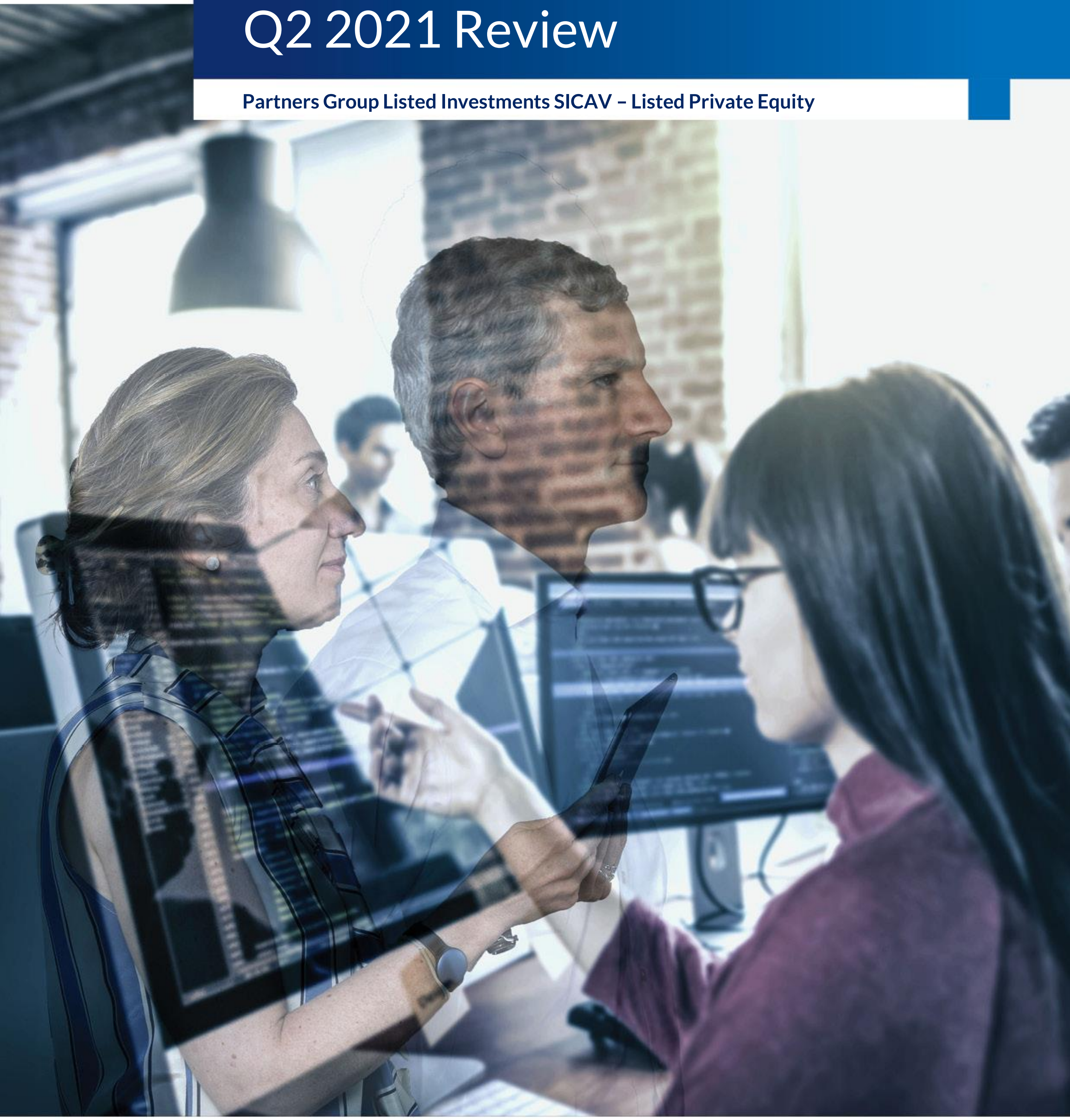
Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

30 JUNE 2021

Q2 2021 Review

Partners Group Listed Investments SICAV – Listed Private Equity



Disclaimer

This material has been prepared solely for purposes of illustration and discussion. Under no circumstances should the information contained herein be used or considered as an offer to sell, or solicitation of an offer to buy any security. Any security offering is subject to certain investor eligibility criteria as detailed in the applicable offering documents. The information contained herein is confidential and may not be reproduced or circulated in whole or in part. The information is in summary form for convenience of presentation, it is not complete and it should not be relied upon as such.

All information, including performance information, has been prepared in good faith; however Partners Group makes no representation or warranty express or implied, as to the accuracy or completeness of the information, and nothing herein shall be relied upon as a promise or representation as to past or future performance. This material may include information that is based, in part or in full, on hypothetical assumptions, models and/or other analysis of Partners Group (which may not necessarily be described herein), no representation or warranty is made as to the reasonableness of any such assumptions, models or analysis. Any charts which represent the composition of a portfolio of private markets investments serve as guidance only and are not intended to be an assurance of the actual allocation of private markets investments. The information set forth herein was gathered from various sources which Partners Group believes, but does not guarantee, to be reliable. Unless stated otherwise, any opinions expressed herein are current as of the date hereof and are subject to change at any time. All sources which have not been otherwise credited have derived from Partners Group.

2021 Q2 review

Partners Group Listed Investments SICAV – Listed Private Equity continued to perform strongly and generated a total return of 15% during the second quarter and 30% during the first half of 2021. Market sentiment remained positive and was driven by increasing vaccination rates, particularly in the US and Europe, which led to opening economies, robust industrial production, and rising consumer confidence. All sectors of the listed private equity portfolio performed well and reported earnings in line or above expectations. The asset class benefitted from the favorable fundraising environment, increasing transaction activity, and strong portfolio returns, resulting in increasing NAVs.

Alternative asset managers performed best and generated a total return of 24% on average during the second quarter. The fundamental situation remained very favorable. All managers reported strong fundraising, which translates into higher fee-related earnings. Blackstone was among the best performers. Capital inflows were driven by long dated and perpetual strategies as well as an expansion into the insurance segment. The company acquired Allstate Life Insurance, which adds another USD 100bn to its assets under management. Transaction activity was high, which is reflected in strong deployments and exits. EQT was among the most active deployers and investors expect management to raise successor funds earlier than initially planned. In terms of exits, KKR performed strongly as intra-quarter realizations exceeded investor's expectations by 30%.

Direct investment companies were the second-best performer and gained 11% on average. The underlying companies performed well, in particular portfolios with higher exposure to defensive sectors such as technology. Among the best performers was Kinnevik. The company exited its main investment, Zalando, generating a money multiple of more than 8x. The remaining portfolio is focused on digital consumer sectors as well as healthcare services and is expected to have an even more attractive growth profile than Zalando. Another strong performer was Investor AB. The underlying portfolio companies reported NAV growth of 16% for the first quarter, driven by strong fundamentals with EBITDA of core holdings being up 26%.

Business development companies (BDCs) generated an average return of 7%. The sector benefitted from increasing transaction activity and consequently strong loan originations, which resulted in net investment income growth. In addition, BDCs are well positioned to benefit from rising interest rates as most of the loans in the portfolio have floating interest rates. However, an elevated level of non-accruals remains a key concern.

During the second quarter, fund-of-funds was the weakest sector, yet increased by 5% on average. The underlying portfolios posted solid, high single digit NAV growth. ICG Enterprise Trust was among the better performers and reported strong exits, realizing a 3.9x money multiple and an average uplift to NAV of 42% on divestments.

The portfolio remains well-positioned to benefit from the favorable fundraising environment and increasing transaction activity. We increased exposure to alternative asset managers, which will raise flagship funds near-term. During the second quarter, we added one new alternative asset manager, Brookfield Asset Management. The company has a diversified product platform, strong deployment capabilities and is at the start of a USD 200bn fundraising cycle. We also increased exposure to direct investment companies with exposure to software and IT. We reduced our allocation to BDCs after the sector recovered and added exposure to the direct investment company Kinnevik, given its improved growth potential.

Contacts

partnersgroup@partnersgroup.com
www.partnersgroup.com

Zug
Zugerstrasse 57
6341 Baar-Zug
Switzerland
T +41 41 784 6000

Denver
1200 Entrepreneurial Drive
Broomfield, CO 80021
USA
T +1 303 606 3600

Houston
5847 San Felipe Street, Suite 1730
Houston, TX 77057
USA
T +1 713 821 1622

Toronto
Exchange Tower, 130 King Street West,
Suite 1843
Toronto, ON M5X 1E3
Canada
T +1 416 865 2033

New York
The Grace Building
1114 Avenue of the Americas, 41st Floor
New York, NY 10036
USA
T+1 212 908 26 00

São Paulo
Rua Joaquim Floriano, 1120 – 11° andar
CEP 04534-004, São Paulo – SP
Brazil
T +55 11 3528 6500

London
110 Bishopsgate, 14th floor
London EC2N 4AY
United Kingdom
T +44 20 7575 2500

Guernsey
P.O. Bos 477
Tudor House, Le Bordage
St Peter Port, Guernsey
Channel Islands, GY1 1BT
T +44 1481 711 690

Paris
14, rue Cambacérès
75008 Paris
France
T +33 1 70 99 30 00

Luxembourg
35D, avenue J.F. Kennedy
L-1855 Luxembourg
B.P. 2178, L-1021 Luxembourg
T +352 27 48 28 1

Milan
Via della Moscova 3
20121 Milan
Italy
T +39 02 888 369 1

Munich
Skygarden im Arnulfpark
Erika-Mann-Str. 7
80636 Munich
Germany
T +49 89 38 38 92 0

Dubai
Dubai International Financial Center
Level 3, Gate Village 10
P.O. Box 125115
Dubai, UAE
T +971 4 401 9143

Mumbai
Suite 3103 (Four Seasons Hotel)
Plot No. 1/136, Dr. E Moses Road, Worli
Mumbai 400 018
India
T +91 22 2481 8750

Singapore
8 Marina View
Asia Square Tower 1 #37-01
Singapore 018960
T +65 6671 3500

Manila
18/F Net Park Building
5th Avenue Corner 26th Street
Bonifacio Global City, Taguig
1634 Metro Manila
Philippines
T + 63 2804 7100

Shanghai
Unit 1904-1906A, Level 19
Tower I, Jing An Kerry Center
No. 1515 West Nanjing Road
Jing An District, Shanghai 200040
China
T +8621 2221 8666

Seoul
25th Fl. (Gangnam Finance Center,
Yeoksam-Dong) 152 Teheranro
Gangnam-Gu, Seoul 135-984
South Korea
T +82 2 6190 7000

Tokyo
Daido Seimei Kasumigaseki Bldg. 5F
1-4-2 Kasumigaseki, Chiyoda-ku
Tokyo 100-0013
Japan
T +81 3 5532 2030

Sydney
Level 32, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000
Australia
T +61 2 8216 1900