



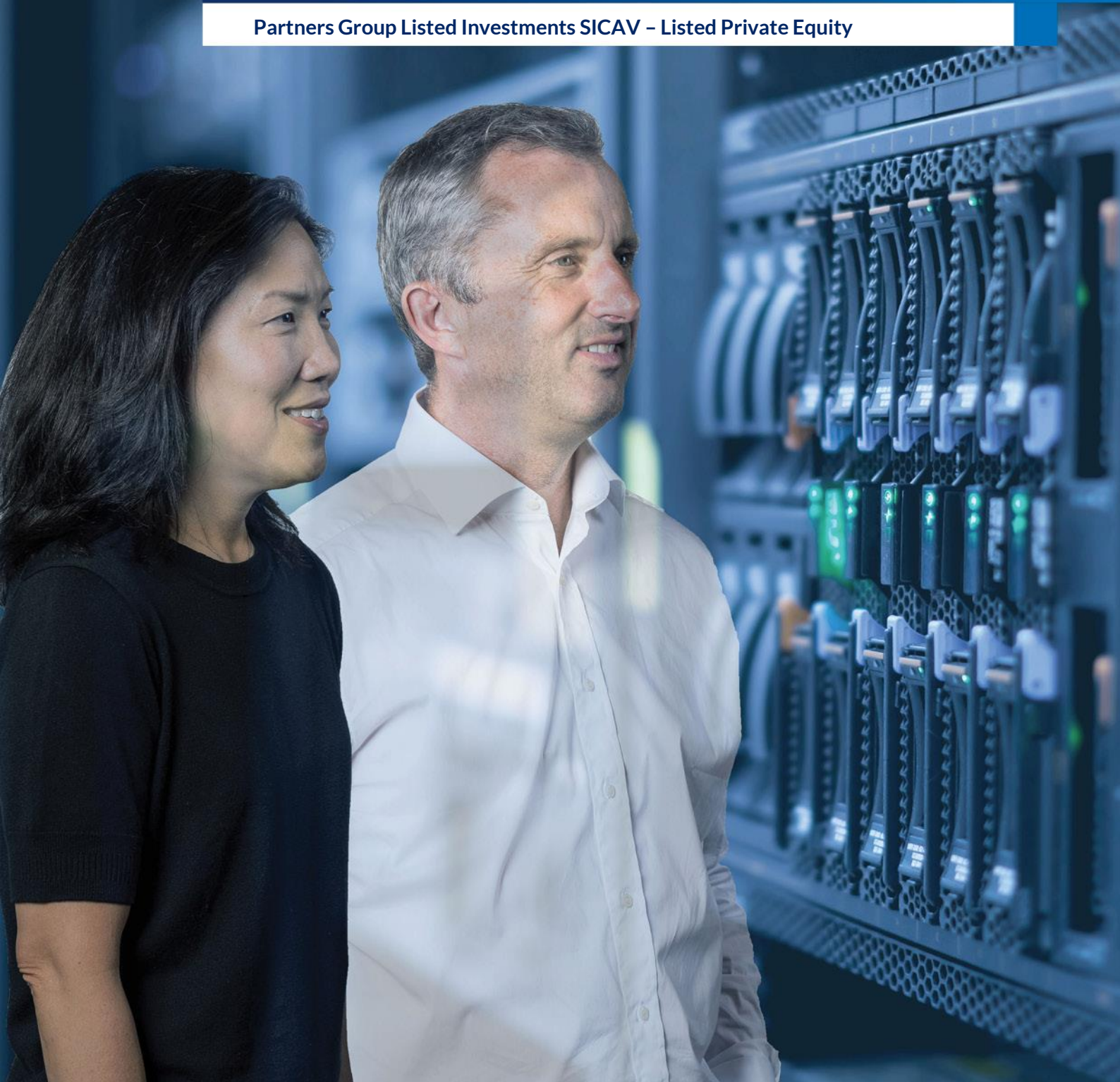
Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

30 SEPTEMBER 2022

Q3 2022 Review

Partners Group Listed Investments SICAV - Listed Private Equity



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2022 Q3 review

Partners Group Listed Investments SICAV – Listed Private Equity declined by 6% in the third quarter. The market environment remained challenging and volatile. It was again driven by macroeconomic concerns, in particular rising interest rates and persistently high inflation. Like in the previous quarters, the performance was mainly driven by a correction in valuation multiples and not by weakening fundamentals. During the reporting season, our portfolio companies published results in line or even above expectations.

Private debt vehicles performed best. Their portfolios are primarily invested in floating rate loans and benefit from rising interest rates. During the last quarter, our portfolio holdings generated higher interest income and increased their dividend coverage. Importantly, all holdings reported healthy net investment activity and portfolios remained well invested. We stay very selective within private debt vehicles and focus on defensive portfolios with a high share of senior secured loans and strong credit quality.

Alternative asset managers have suffered during the first half of the year, but market sentiment consolidated during the third quarter as companies continued to report strong results. EQT was amongst the best performers. The Swedish private equity manager continues to see attractive fundraising momentum with high demand for the private equity flagship fund and prepares to launch fundraising for its second flagship product, the infrastructure fund. Performance of older funds held up well, supporting the current fundraising efforts. Lastly, business development is well on track. EQT has diversified its platform in terms of strategies and geographies. It has built out real estate and growth strategies as well as expanded into Asia. Another good performer during the last quarter was Ares Management. The company manages several debt strategies and benefits from rising interest rates through strong performance of their debt funds as well as high investor demand, resulting in capital inflows. Management reiterated its positive outlook and expected to grow fee-related earnings and dividends at a CAGR of more than 20% until 2025.

Private equity vehicles performed the weakest during the quarter. The segment suffered from widening discounts to NAV, in particular portfolios with exposure to higher growth sectors, while fundamentals of portfolio companies remained solid. The Swedish direct investment company, Kinnevik, was among the worst performers. After spinning off its core investment, Zalando, the portfolio became younger and suffered from declining valuation multiples of growth companies. At the same time management remains very optimistic about the portfolio and points out high growth rates. In addition, Kinnevik benefits from a significant cash position, which provides the potential to acquire new investments or add-ons at low valuations. Finally, HarbourVest, the British fund-of-funds, developed similarly. Despite solid reports published, the share price declined during the past quarter. The company reported stable NAV with healthy distributions and high investment activity.

We moderately increased our exposure to alternative asset managers after valuations have become more attractive. We also adjusted our exposure within the segment and focus more on managers with attractive fundraising pipelines and strong performance of current funds. We slightly reduced allocations to smaller private equity vehicles with more cyclical exposure or less liquid stocks.

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