Annual results 2016

Dr. Peter Wuffli, Chairman of the Board of Directors | André Frei, Co-CEO | Christoph Rubeli, Co-CEO | Dr. Cyrill Wipfli, CFO

21 MARCH 2017

Dr. Peter Wuffli Chairman of the Board of Directors | Dr. Kevin Lu Chairman of Asia and Head Investment Solutions Asia
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<td>Financials 2016</td>
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</tbody>
</table>
The Partners Group Expected Return Framework: expected broad industry returns per annum by asset class

**Private equity**

- Equity/debt
- Current (net): 9-13%
- Average (net): 11-16%
- Income: 8-11%
- Growth: 5-7%
- Valuation: 2-3%

**Private real estate**

- Equity/debt
- Current (net): 8-11%
- Average (net): 10-14%
- Income: 6-12%
- Growth: 6-8%
- Valuation: 2-4%

**Private infrastructure**

- Equity/debt
- Current (net): 6-10%
- Average (net): 8-12%
- Income: 5-7%
- Growth: 2-4%
- Valuation: 2-3%

**Public markets**

- Equity/debt
- Current (net): 4-6%
- Average (net): 6-10%
- Income: 4-6%
- Growth: 2-3%
Institutional investors continue to embrace private market assets

5% outperformance of private markets\(^1\)

Private equity outperformance vs. MSCI World TR (indexed) – last 10 years

Anticipated long-term changes to asset allocations\(^2\)

Survey of institutional investors’ intentions for their private markets allocations over the long term

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Increase/ Maintain</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private equity</td>
<td>94%</td>
<td></td>
</tr>
<tr>
<td>Private debt</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>Private real estate</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>Private infrastructure</td>
<td>89%</td>
<td></td>
</tr>
</tbody>
</table>

2 Preqin Alternative Asset Outlook (H1 2017).
Distinctive perspective on asset allocation

Liquidity profile & performance potential

- **Equity**
  - Small caps
  - Mid caps
  - Large caps
  - Emerging markets
  - Small & mid caps (public)
  - Large caps (public)

- **Credit**
  - Subordinated credit
  - First lien credit
  - Large syndicated credit
  - High yield
  - Emerging markets
  - Investment grade bonds
  - Treasuries

- **Real assets**
  - Development - stage real assets
  - Core real assets
  - REITs/MLPs
  - Listed Infrastructure

Source: Partners Group.
The Partners Group "formula"

**Attractive industry**
- Institutional asset growth
- Rising private markets allocations
- Complex client needs/market consolidation

**Partners Group business model**
- Investment platform delivering outperformance
- Multi-asset class offerings
- Globally integrated service organization

**Competitive shareholder returns**
- Continued AuM growth
- Stable margins
- Balance sheet light approach
- Earnings growth
- Dividend growth

INTRODUCTION BY THE CHAIRMAN
Partners Group ranks as the second most valuable listed private markets investment manager globally at year-end 2016

### Market capitalization

<table>
<thead>
<tr>
<th>Rank</th>
<th>Firm</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Blackstone Group</td>
<td>32</td>
</tr>
<tr>
<td>2</td>
<td>Partners Group</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>KKR</td>
<td>12</td>
</tr>
<tr>
<td>4</td>
<td>Apollo Global Management</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>3i Group</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>Onex Corporation</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Oaktree Capital Group</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Carlyle Group</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Ares Management</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>Eurazeo SA</td>
<td>4</td>
</tr>
</tbody>
</table>

### Key figures 2016

- **973** CHF million revenue
- **601** CHF million EBITDA
- **930** professionals globally

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1 Bloomberg, as of 31 December 2016.
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1. Introduction by the Chairman  
2. AuM & value creation  
3. Investments & exits  
4. Financials 2016
**AUM & VALUE CREATION**

18% net AuM growth in 2016

**Total assets under management (in EUR billion)**

<table>
<thead>
<tr>
<th>2015</th>
<th>New money/commitments</th>
<th>Tail-downs &amp; redemptions</th>
<th>Other factors*</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 46.0</td>
<td>+9.2</td>
<td>-2.6</td>
<td>+1.6</td>
<td>EUR 54.2</td>
</tr>
<tr>
<td>No guidance provided</td>
<td>Guidance provided</td>
<td>Tail-downs: -2.0</td>
<td>FX +0.4</td>
<td>Performance &amp; others +1.2</td>
</tr>
</tbody>
</table>

*Other factors consist of currency effects, performance, investment program changes and other effects.*
Demand driven by new and existing clients across all private markets asset classes

Breakdown of assets raised by asset class

- Private real estate: 28% (AuM growth: +38%)
- Private infrastructure: 19% (AuM growth: +33%)
- Private equity: 47% (AuM growth: +14%)

Source: Partners Group.
Diversified client base across regions and type of investors

**AuM by region** (as of 31 December 2016)

- UK 22%
- South America 2%
- North America 15%
- Scandinavia 5%
- Southern Europe 3%
- France & Benelux 5%
- Germany & Austria 19%
- Switzerland 16%
- Asia/ Middle East 8%
- Australia 5%

**AuM by type** (as of 31 December 2016)

- Public pension funds 27%
- Corporate pension funds 28%
- Insurance companies 12%
- SWFs and other endowments 5%
- Family offices, banks and others 15%
- Distribution partners/ private individuals 13%

Source: Partners Group.
Diversified client base across individual institutions; cross-asset class investing continues

**AuM by client** (as of 31 December 2016)

- Largest client: 4%
- Top 2-5 clients: 9%
- Top 6-10 clients: 7%
- Top 11-20 clients: 7%
- ~900 other institutional clients: 73%
- EUR 54 billion

**Number of asset classes per client**¹ (as of 31 December 2016)

- 1 asset class: 10%
- 2 asset classes: 32%
- 3 asset classes: 37%
- 4 asset classes: 8%
- 1 asset class: 15%
- 2 asset classes: 37%
- 3 asset classes: 10%
- 4 asset classes: 8%

² Figures are calculated as total client commitment split by the number of Private Markets asset classes held by the client through Partners Group products/mandates.

---

1 Figures are calculated as total client commitment split by the number of Private Markets asset classes held by the client through Partners Group products/mandates.
Expected gross client demand in 2017

**AuM, client demand and other effects (in EUR billion, estimates)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Client Demand</th>
<th>Tail-downs &amp; redemptions*</th>
<th>FX &amp; others**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>31.6</td>
<td>(0.0)</td>
<td>-2.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tail-downs &amp; redemptions*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+2.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FX &amp; others**</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>37.6</td>
<td>(0.0)</td>
<td>-2.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tail-downs &amp; redemptions*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+2.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FX &amp; others**</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>46.0</td>
<td>(-1.0)</td>
<td>-2.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tail-downs &amp; redemptions*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+1.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FX &amp; others**</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>54.2</td>
<td>8-10</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(-3 to -4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tail-downs &amp; redemptions*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>+/- 1.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>FX &amp; others**</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>=</td>
<td>Total AuM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9.2</td>
<td></td>
</tr>
</tbody>
</table>

*Tail-downs consist of maturing investment programs; redemptions stem from liquid and semi-liquid programs (~10% of AuM).
**Others consist of performance from select programs and other effects.
Note: negative effects consist of both tail-downs & redemptions as well as FX & others.
Partners Group's Expected Return Framework applied to private equity

Expected return components

\[ R = Y + G + \Delta P \]

- **Return from income** \( Y \): Annual cash flows from the investment and other income-like components of an asset's return.
- **Return from growth** \( G \): The rate at which the value of an investment increases due to fundamental drivers.
- **Valuation change** \( \Delta P \): The change in the price the market pays for a cash flow stream consisting of both income and growth.

**Private equity**

\[ \text{Private equity} = \text{Free cash flow after financial expenses} + \text{Earnings growth & value creation} + \text{Change in EV/EBITDA multiples} \]

Note: for illustrative purposes only.
Universal Services of America: focus on platform roll-out

<table>
<thead>
<tr>
<th>Provider of security guard services, janitorial services and security systems</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country:</strong> US</td>
</tr>
<tr>
<td><strong>Industry:</strong> Financial &amp; business services</td>
</tr>
<tr>
<td><strong>Entry:</strong> 2013</td>
</tr>
<tr>
<td><strong>Exit:</strong> 2015</td>
</tr>
</tbody>
</table>

**Expected return**

\[ R = \beta + \alpha \]

\[ R = 3x \]

**Return from income**

\[ Y = 0\% \]

**Return from growth**

\[ G = 8\% \]

\[ \alpha = 84\% \]

**Valuation change**

\[ \Delta P = 8\% \]

**Key drivers:**
- No dividends were paid in order to invest in growth
- 22 add-on acquisitions
- USD 100m net accounts growth
- Multiple cost-saving programs
- Maintain best-in-class employee retention rate
- Effective LBO mechanism in an easing environment
- Valuation changes for equities
- Scalable business model

**Finance**

- GDP growth
- Inflation

Source: Partners Group. Return shown gross of fees on annualized basis. Past performance is not indicative of future results.
VAT: focus on top- and bottom-line growth*

<table>
<thead>
<tr>
<th>Expected return</th>
<th>Return from income</th>
<th>Return from growth</th>
<th>Valuation change</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>Y</td>
<td>G</td>
<td>∆P</td>
</tr>
</tbody>
</table>

VAT is a leading developer, manufacturer and supplier of high-end vacuum valves

**Country:** Switzerland  
**Industry:** Industrials  
**Entry:** 2014  
**Exit:** 2016 (partial)

- **Top line**
  - Build-out of sales and technical reach into East Asian markets
  - Increase after-sales services

- **Bottom line**
  - Optimize supply chain
  - Upgrade management team

- **Finance**
  - Introduction of hedging concept
  - Conversion to IFRS as reporting framework

**Key drivers:**
- Working capital optimization
- Industry growth
- GDP growth
- Inflation
- Optimize supply chain
- Upgrade management team
- Introduction of hedging concept
- Conversion to IFRS as reporting framework

**Expected return**

\[ R = 3x \]

**Return from income**

\[ Y = 0\% \]

**Return from growth**

\[ G = 3\% \]

\[ \beta = 51\% \]

**Valuation change**

\[ \Delta P = 46\% \]

* Values as of 14 April 2016, date of VAT’s IPO.  
Source: Partners Group. Return shown gross of fees on annualized basis. Past performance is not indicative of future results.
The power of combining local deal teams with global Industry Value Creation specialists

The hard work in 2016

- >160 on-going value creation initiatives
- >80 initiatives realized in 2016
- >200 board meetings held
- >95 business introductions throughout portfolio
- >100 new projects initiated in 2016
- Actively engaged on >80 value creation projects

The tangible impact

- >10’000 jobs added
- +13 new customer segments
- +19 new plants opened
- +42 add-on investments
- +10 countries expanded into
- Online stores opened in three continents

The financial results

- 14% Revenue growth
- 15% EBITDA growth
- Stable leverage

Creating transformational change and significant value through active ownership

2 Online stores opened in Europe (2), US (1) and LatAm (1).
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<td>Investments &amp; exits</td>
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<tr>
<td>4</td>
<td>Financials 2016</td>
</tr>
</tbody>
</table>
Partners Group's 2016 investment platform overview

**Investment platform update**

- More than **700 private markets professionals** globally
- **Over 900 total employees**
- **USD 11.7 billion** invested in private markets opportunities on behalf of our clients
  - **3'794 direct opportunities screened**
    - **USD 4.4 billion invested in 33 assets**
    - **USD 3.2 billion invested in 41 credits**
  - **USD 129 billion screened on the secondary market and USD 1.8 billion invested**
  - **USD 2.3 billion** invested with select best-in-class managers in the private markets industry

**74 direct investments across the globe**

- **North America**: 36 direct investments
- **Europe**: 28 direct investments
- **Asia-Pacific/ RoW**: 10 direct investments

---

Note: investment figures exclude investments executed for cash management, for syndication purposes, as well as short-term loans.
Continued significant deal flow in 2016

<table>
<thead>
<tr>
<th>First screenings in 2016</th>
<th>Directs</th>
<th>Secondaries</th>
<th>Primaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private equity</td>
<td>1'168</td>
<td>USD 82 billion</td>
<td>269</td>
</tr>
<tr>
<td>Private debt</td>
<td>476</td>
<td>n/a</td>
<td>2</td>
</tr>
<tr>
<td>Private real estate</td>
<td>1'448</td>
<td>USD 36 billion</td>
<td>249</td>
</tr>
<tr>
<td>Private infrastructure</td>
<td>702</td>
<td>USD 12 billion</td>
<td>88</td>
</tr>
<tr>
<td>Total screened</td>
<td>3'794</td>
<td>USD 129 billion</td>
<td>608</td>
</tr>
</tbody>
</table>

| Executed | USD 7.6 billion 74 transactions* | USD 1.8 billion 25 transactions | USD 2.3 billion 49 commitments |

*Includes 41 credits amounting to USD 3.2bn.
Note: figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments.
Private markets investment activities in 2016 across the globe and all asset classes

Private markets investments during 2016

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
<th>Investment Amount USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>44%</td>
<td>4.2 billion</td>
</tr>
<tr>
<td>Europe</td>
<td>39%</td>
<td>4.6 billion</td>
</tr>
<tr>
<td>Asia-Pacific/RoW</td>
<td>17%</td>
<td>1.9 billion</td>
</tr>
<tr>
<td>Europe</td>
<td>39%</td>
<td>4.6 billion</td>
</tr>
<tr>
<td>Asia-Pacific/RoW</td>
<td>17%</td>
<td>1.9 billion</td>
</tr>
<tr>
<td>Directs</td>
<td>65%</td>
<td>7.5 billion</td>
</tr>
</tbody>
</table>

Note: figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments.
Current challenges in private markets

Continuing low global GDP growth¹

Abundant liquidity and increasing competition

- Absolute amount of dry powder at record high
- Competition for investments across asset classes is fierce

Rising interest rates (positive vs. adverse rate cycle)

<table>
<thead>
<tr>
<th>Return drivers</th>
<th>Positive</th>
<th>Adverse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>↑</td>
<td>→</td>
</tr>
<tr>
<td>Cash flow</td>
<td>→</td>
<td>→</td>
</tr>
<tr>
<td>Margin</td>
<td>→</td>
<td>→</td>
</tr>
<tr>
<td>Multiple</td>
<td>→</td>
<td>→</td>
</tr>
</tbody>
</table>

All-time high valuations (EV/EBITDA multiple)³

<table>
<thead>
<tr>
<th>Year</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>7.7x</td>
</tr>
<tr>
<td>2010</td>
<td>8.5x</td>
</tr>
<tr>
<td>2011</td>
<td>8.8x</td>
</tr>
<tr>
<td>2012</td>
<td>8.7x</td>
</tr>
<tr>
<td>2013</td>
<td>8.8x</td>
</tr>
<tr>
<td>2014</td>
<td>9.7x</td>
</tr>
<tr>
<td>2015</td>
<td>10.3x</td>
</tr>
<tr>
<td>2016</td>
<td>10.5x</td>
</tr>
</tbody>
</table>

Focus on selecting assets with strong valuation resilience that benefit from transformative trends

¹ Note: dashed lines represent period average growth. Source: IMF World Economic Database, October 2016.
² Source: Preqin (2016).
³ S&P LCD M&A stats Q4 2015: Purchase Multiple, all LBOs. Source: Partners Group.
### Investment focus

1. **Platform companies**
2. **Defensive leaders**
3. **Category winners**

### 2016 investment examples

| Australia: one of the largest Australian childcare groups and providers of early childhood education |
| US: leading global provider of IT systems maintenance and support services |
| US: global provider of outsourced pharmaceutical services, packaging and drug manufacturing |
| India: housing finance company focused on providing loans to low & middle income segments |

Source: Partners Group.
Private debt

Investment focus

Opportunities remain outside traditional debt markets

1. Attractive niches
2. Creative structures
3. Buy-and-build strategies

2016 investment examples

**SAI GLOBAL**
Australia: global provider of risk management and services and mortgage settlement services

**ACRISURE**
US: retail insurance brokerage that provides insurance and risk management solutions

**ERT**
US: provider of cloud-based patient data collection solutions for use in clinical drug development

**ADB Airfield Solutions**
Benelux: provider of airfield ground lighting used to signal, control and monitor takeoffs and landings

Source: Partners Group.
Private infrastructure

**Investment focus**

Looking for trend-based investment opportunities

1. Transformative growth
2. Value enhancement potential
3. Market-leading platforms

**2016 investment examples**

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>Developer, owner and operator of solar power production facilities in the US</td>
</tr>
<tr>
<td>Germany</td>
<td>Construction-ready approx. 400MW offshore wind farm development located in the North Sea</td>
</tr>
<tr>
<td>Australia</td>
<td>High Capacity Metro Trains Public Private Partnership Project (&quot;HCMT PPP&quot;)</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Solar power development platform with target to develop a portfolio of up to 550MW of power plants</td>
</tr>
</tbody>
</table>

Source: Partners Group.
## Private real estate

### Investment focus

Transformative trends redefine real estate

1. Buy below replacement cost
2. Buy, fix, sell
3. Develop core

### 2016 investment examples

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>Riverplace Tower, Jacksonville FL</td>
</tr>
<tr>
<td>US</td>
<td>Riverplace Tower is an over 441sqft Class A office building in downtown Jacksonville</td>
</tr>
<tr>
<td>Australia</td>
<td>IPS Logistics, Port of Brisbane, Australia</td>
</tr>
<tr>
<td>Australia</td>
<td>Australia: development of modern logistics facility located in one of Australia's major ports, the Port of Brisbane</td>
</tr>
<tr>
<td>Nordic</td>
<td>Real estate portfolio, Nordics</td>
</tr>
<tr>
<td>Nordic</td>
<td>Nordics: 99 assets are concentrated across the growth regions of Sweden and Finland</td>
</tr>
<tr>
<td>US</td>
<td>Riata Corporate Park, Austin TX</td>
</tr>
<tr>
<td>US</td>
<td>US: eight well-located quality office properties in Austin that are under-rented and under-occupied</td>
</tr>
</tbody>
</table>

Source: Partners Group.
## INVESTMENTS & EXITS

### 2016 realizations: USD 10 billion gross portfolio distributions in 2016\(^1\)

<table>
<thead>
<tr>
<th>Private equity</th>
<th>Private debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="STRATEGIC PARTNERS" /></td>
<td><img src="image2.png" alt="PLANTASJEN" /></td>
</tr>
</tbody>
</table>
| Leading supplier of medical uniforms and footwear in the US  
  Multiple: undisclosed | Norwegian garden outlet chain with operations across Europe  
  EV (2016): USD 7.5bn  
  Multiple: 2.5x |
| ![MultiPlan](image3.png) | ![Amplify SNACK BRANDS](image4.png) |
| ![Heyford Park](image5.png) | US provider of premium snacks and ready-to-eat popcorn  
  Multiple: 1.3x |

<table>
<thead>
<tr>
<th>Private real estate</th>
<th>Private infrastructure</th>
</tr>
</thead>
</table>
| ![A class B apartment property located in Cincinnati, Ohio (equity)](image6.png)  
  Multiple: 1.8x | ![Desalination plant in San Diego, California (partial sale)](image7.png)  
  Multiple: 1.8x |
| ![A 1’250-acre estate in Oxfordshire, UK with over 300 residential units](image8.png)  
  Multiple: 1.6x | ![European brownfield infrastructure portfolio (secondary)](image9.png)  
  Multiple: 2.6x |

---

\(^1\) Figures calculated net of underlying fees, gross of Partners Group fees. For illustrative purposes only. There is no assurance that target returns will be achieved. There is no assurance that similar investments will be made. Source: Partners Group.
Table of contents

1 Introduction by the Chairman
2 AuM & value creation
3 Investments & exits
4 Financials 2016
Strong financial performance across the board

Financial highlights 2016

**Management fees**
- 2015: CHF 554 million
- 2016: CHF 679 million

Management fees include management fees and other revenues, net, other operating income and share of results of associates.

**Performance fees**
- 2015: CHF 64 million
- 2016: CHF 294 million

Pearl Holding Limited generated a CHF 52 million gain in 2015 in the context of its successful conversion into a closed-ended structure, as requested by the program’s investors.

**EBITDA margin**
- 2015: 59%
- 2016: 62%

**IFRS profit**
- 2015: CHF 396 million
- 2016: CHF 558 million

Strong bottom line development

Development in line with average assets under management

Solid performance of mature client portfolios

FX support & continued disciplined cost management
Sustained growth in AuM over the last decade, in line with growth of employees

Total assets under management (in EUR billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>AuM (in EUR billion)</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>5.5</td>
<td>#137</td>
</tr>
<tr>
<td>2006</td>
<td>8.6</td>
<td>#175</td>
</tr>
<tr>
<td>2007</td>
<td>12.6</td>
<td>#273</td>
</tr>
<tr>
<td>2008</td>
<td>15.5</td>
<td>#334</td>
</tr>
<tr>
<td>2009</td>
<td>16.6</td>
<td>#361</td>
</tr>
<tr>
<td>2010</td>
<td>20.7</td>
<td>#447</td>
</tr>
<tr>
<td>2011</td>
<td>24.1</td>
<td>#574</td>
</tr>
<tr>
<td>2012</td>
<td>27.8</td>
<td>#625</td>
</tr>
<tr>
<td>2013</td>
<td>31.6</td>
<td>#701</td>
</tr>
<tr>
<td>2014</td>
<td>37.6</td>
<td>#746</td>
</tr>
<tr>
<td>2015</td>
<td>46.0</td>
<td>#840</td>
</tr>
<tr>
<td>2016</td>
<td>54.2 AuM</td>
<td>#930 employees</td>
</tr>
</tbody>
</table>

Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies.
A straightforward growth model

<table>
<thead>
<tr>
<th>AuM (average; EUR)</th>
<th>Revenue margin</th>
<th>Revenues¹ (CHF)</th>
<th>EBITDA margin</th>
<th>Profit (CHF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continued AuM growth driven by a superior client offering</td>
<td>Revenue margin driven by performance fees</td>
<td>Strong growth of management and performance fees</td>
<td>FX support; stable margin</td>
<td>Profit and EBITDA growth</td>
</tr>
<tr>
<td>+22%</td>
<td>1.39%</td>
<td>574m</td>
<td>60%</td>
<td>EBITDA347m</td>
</tr>
<tr>
<td>34bn</td>
<td>1.38%</td>
<td>619m</td>
<td>59%</td>
<td>EBITDA367m</td>
</tr>
<tr>
<td>42bn</td>
<td>1.74%</td>
<td>973m</td>
<td>62%</td>
<td>EBITDA601m</td>
</tr>
<tr>
<td>51bn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Revenues include revenues from management services, net, other operating income and share of results of associates.
² Since its IPO in 2006, Partners Group has adjusted its net profit for specific non-cash items related to the capital-protected product Pearl Holding Limited; the successful conversion of Pearl in September 2014 will consequently make Partners Group’s adjusted net profit equal to its IFRS net profit from 2015 onwards.
### Key financials (in CHF million)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th></th>
<th>2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>619</td>
<td>+57%</td>
<td>973</td>
<td>+57%</td>
</tr>
<tr>
<td>Management fees</td>
<td>554</td>
<td>+22%</td>
<td>679</td>
<td>+22%</td>
</tr>
<tr>
<td>Performance fees</td>
<td>64</td>
<td>&gt;4x</td>
<td>294</td>
<td>&gt;4x</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>367</td>
<td>+63%</td>
<td>601</td>
<td>+63%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>59%</td>
<td></td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td><strong>Financial result (adj.)</strong></td>
<td>81</td>
<td></td>
<td>38</td>
<td></td>
</tr>
<tr>
<td><strong>Pearl investment program</strong></td>
<td>52</td>
<td></td>
<td>68</td>
<td></td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>42</td>
<td></td>
<td>68</td>
<td></td>
</tr>
<tr>
<td><strong>IFRS profit (adj. by Pearl)</strong></td>
<td>344</td>
<td>+62%</td>
<td>558</td>
<td>+62%</td>
</tr>
<tr>
<td><strong>IFRS profit</strong></td>
<td>396</td>
<td>+41%</td>
<td>558</td>
<td>+41%</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>14.81</td>
<td></td>
<td>20.92</td>
<td></td>
</tr>
</tbody>
</table>

1. Revenues include revenues from management services, net, other operating income and share of results of associates.
2. Management fees include recurring management fees, late management fees and other income.
3. Pearl Holding Limited generated a CHF 52 million gain in 2015 in the context of its successful conversion into a closed-ended structure, as requested by the program’s investors.
Revenue growth outpaces AuM growth due to higher performance fees

Revenues (in CHF million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues 1</th>
<th>Performance fees</th>
<th>Management fees 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>619</td>
<td>64</td>
<td>554</td>
</tr>
<tr>
<td>2016</td>
<td>973</td>
<td>294</td>
<td>678</td>
</tr>
</tbody>
</table>

1 Revenues include revenues from management services, net, other operating income and share of results of associates.
2 Management fees include recurring management fees, late management fees and other income.
Performance fee payments “shifted” from 2010-2015 to 2016-2020

In the long run, performance fees are expected to grow in line with AuM growth

Note: assuming that the market remains favorable to exits, Partners Group expects to continue to generate significant performance fees from its underlying client portfolios due to the visibility that it has on the life cycles of its programs.
Outlook on the long-term average performance fee contribution

Revenue composition

- **Performance fees catch-up: 30%**
- **Management fees**
- **Performance fees**

**2006-2015**
- around 90%

**2016**
- 70%

**long-term**
- around 70-80%

Performance fees¹
“quasi-recurring”
Over 200 programs highly diversified across vintage years, regions and industries

Management fees²
“contractually recurring”
Long-term client contracts (typically 10-12 years)

¹ Assuming that the market remains favorable to exits, Partners Group expects to continue to generate significant performance fees from its underlying client portfolios due to the visibility that it has on the life cycles of its programs.
² Management fees include recurring management fees, late management fees and other income.
### Stable revenue margin with focus on management fees

Revenue margin (calculated as revenues divided by average daily AuM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Management fees</th>
<th>Performance fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1.35%</td>
<td>7%</td>
</tr>
<tr>
<td>2007</td>
<td>1.36%</td>
<td>9%</td>
</tr>
<tr>
<td>2008</td>
<td>1.25%</td>
<td>1%</td>
</tr>
<tr>
<td>2009</td>
<td>1.26%</td>
<td>0%</td>
</tr>
<tr>
<td>2010</td>
<td>1.36%</td>
<td>4%</td>
</tr>
<tr>
<td>2011</td>
<td>1.23%</td>
<td>4%</td>
</tr>
<tr>
<td>2012</td>
<td>1.39%</td>
<td>9%</td>
</tr>
<tr>
<td>2013</td>
<td>1.33%</td>
<td>8%</td>
</tr>
<tr>
<td>2014</td>
<td>1.39%</td>
<td>6%</td>
</tr>
<tr>
<td>2015</td>
<td>1.38%</td>
<td>10%</td>
</tr>
<tr>
<td>2016</td>
<td>1.74%</td>
<td>30%</td>
</tr>
</tbody>
</table>

1. Management fees include recurring management fees, late management fees and other income.
## Total costs driven mainly by personnel costs

### Key financials (in CHF million)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>619</td>
<td>973</td>
</tr>
<tr>
<td>Total costs, of which</td>
<td>-251</td>
<td>-372</td>
</tr>
<tr>
<td>Personnel expenses (regular)</td>
<td>-176</td>
<td>-200</td>
</tr>
<tr>
<td>Personnel expenses (performance fee-related)</td>
<td>-26</td>
<td>-117</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-49</td>
<td>-55</td>
</tr>
<tr>
<td>EBITDA</td>
<td>367</td>
<td>601</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>59%</td>
<td>62%</td>
</tr>
</tbody>
</table>

1 Revenues include revenues from management services, net, other operating income and share of results of associates.
2 Regular personnel expenses exclude extraordinary non-recurring costs.
~60% EBITDA margin target on new business unchanged

EBITDA margin development

Foreign exchange influences EBITDA margin of existing business

Newly generated mgmt. fees and perf. fees on existing and new AuM

Note: EUR/CHF foreign exchange rates in daily averages in respective years/periods.
Foreign exchange rates and their impact on EBITDA margin

Currency exposure in 2016

EUR/USD foreign exchange fluctuations have a greater impact on CHF management fees than on CHF costs while their impact on performance fees and their corresponding costs is equal.

Note: all figures are based on estimates and currency denomination of underlying programs; revenues include revenues from management services, net, other operating income and share of results of associates.

1 Representing a 40% cost/income ratio on management and performance fees.
Strong balance sheet, ROE of 40% in 2016 and continued high earnings visibility

<table>
<thead>
<tr>
<th>Assets, of which</th>
<th>Liabilities(^2), of which</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>895 CHF million net liquidity(^1)</td>
<td>1'541 CHF million equity</td>
<td>3% dividend yield(^2)</td>
</tr>
<tr>
<td>576 CHF million in own investments</td>
<td>40% return on equity</td>
<td>High dividend payout in CHF and %</td>
</tr>
</tbody>
</table>

CHF ~1'500 million

---

\(^1\) Incl. working capital facilities to investment programs, currently undrawn as of 31 December 2016.

\(^2\) As of 31 December 2016 share price of CHF 477.25.
Dividend of CHF 15.00 proposed based on solid operating results and confidence about the future potential of the business.

*As per proposal to be submitted to the 2017 Annual General Meeting of shareholders on 10 May 2017.

Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies.
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