2019 AuM announcement

André Frei, Co-CEO | David Layton, Co-CEO | Philip Sauer, Co-Head Group Finance & Corporate Development

16 JANUARY 2020
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Continued successful investment activities across the globe and all asset classes

Partners Group's private markets investments\(^1\) (in USD billion)

- North America: 50%
- Europe: 33%
- Asia-Pacific/Rest of World: 17%
- North America: $19.3 billion
- Europe: $11.7 billion
- Asia-Pacific/Rest of World: $6.9 billion

Portfolio assets: 32%
Direct assets: 68%

USD 15 billion 2019

\(^1\)Figures include add-on investments but exclude investments executed for short-term loans, cash management purposes and syndication partner investments. Direct equity investment include all direct private equity, direct infrastructure and direct real estate investments (including direct secondary transactions where Partners Group has a controlling interest).
Only the most attractive assets on a global basis are selected for investment

Deal flow 2019

Direct assets
- Private equity
- Private debt
- Private real estate
- Private infrastructure

Portfolio assets
- ~500 private markets managers
- ~USD 165 billion portfolios

Executed
- USD 6.3 billion in equity
- USD 3.8 billion in debt
- USD 2.7 billion in secondaries
- USD 2.0 billion in primaries

3% invested
#75 executed

USD 6.3 billion invested in 40 equity investments and USD 3.8 billion invested in 35 debt investments; figures include add-on investments but exclude investments executed for short-term loans, cash management purposes and syndication partner investments. Direct equity investment include all direct private equity, direct infrastructure and direct real estate investments (including direct secondary transactions where Partners Group has a controlling interest).
Lower exit volumes in Q1 2019 caused by market uncertainty mitigated by reasonably benign exit environment throughout the rest of the year.

Despite challenging market conditions in 2019, we successfully divested assets and businesses.

**Global private equity buyout exit activity**

(1) in USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>H1</th>
<th>H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>508</td>
<td>410</td>
<td>363</td>
</tr>
<tr>
<td>2016</td>
<td>410</td>
<td>363</td>
<td>430</td>
</tr>
<tr>
<td>2017</td>
<td>363</td>
<td>430</td>
<td>311</td>
</tr>
<tr>
<td>2018</td>
<td>430</td>
<td>311</td>
<td>10.2</td>
</tr>
<tr>
<td>2019</td>
<td>311</td>
<td>10.2</td>
<td>11.0</td>
</tr>
</tbody>
</table>

**Partners Group's underlying gross portfolio realizations**

(1) in USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>7.6</td>
<td>6.3</td>
</tr>
<tr>
<td>2016</td>
<td>10.2</td>
<td>4.7</td>
</tr>
<tr>
<td>2017</td>
<td>11.8</td>
<td>13.4</td>
</tr>
<tr>
<td>2018</td>
<td>13.4</td>
<td>11.0</td>
</tr>
</tbody>
</table>

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Source: Partners Group (2019). *Past performance is not indicative of future results.* For illustrative purposes only. Transaction examples include noteworthy investments and divestments across all asset classes and geographies in which Partners Group invested in 2019. There is no assurance that similar investments will be made. Diversification does not ensure a profit or protect against a loss.
Late cycle expansion continues at a modest pace. US more resilient than weakening Europe

Inflation remains anchored

Rising headwinds increase the chance of a deviation from our base case scenario

Modest global growth, with rising risks threatening benign outlook...

Fed to support (global) growth but not as much as market expects

Continued expansionary policy by the ECB and BoJ in the foreseeable future

Increased uncertainty may result in higher volatility/lower valuations

...more downside risk than upside potential for capital markets...

Rethink defensiveness. Create growth and stability proactively

Focus on transformative tailwinds with continued growth potential

Factor in longer holding periods & multiple contraction in current high valuation environment

...focus on value creation and entrepreneurial ownership

Macro summary: Thematic Sourcing and value add to create growth and resilience
Build a strong conviction for selected sub-sectors and remain more deliberate and disciplined in sourcing assets compared to a traditional top-down approach.

Our Thematic Sourcing approach

- **Secular growth prospects**
  Focus on themes within sub-sectors with high visibility on 5-10 year secular growth.

- **Consolidation potential**
  Focus on sub-sectors where fragmentation levels are relatively high.

Our Thematic Sourcing approach results in a steady and predictable near- to mid-term pipeline of lead direct investment opportunities, which currently stands at around USD 100 billion for private equity.

Source: Partners Group Private Markets Navigator, November 2019. For illustrative purposes only.

Abbreviations: CRO: contract research organization, F&BS: financial & business services, ML: machine learning, MRO: maintenance, repair, and overhaul, TMT: technology, media and telecommunications.
Thematic Sourcing results for corporate assets in 2019

**Healthcare**
- Aging; value-based care
  - Fertility; physical therapy
  - Ophthalmology
  - Dental tech/digital dentistry
- Biologics; cell & gene industry
  - Oligos; viral vectors; equipment
  - Cell & gene manufacturers
- Next generation clinical trials
  - Unique contract research organizations
  - Remote monitoring/virtual trials
- Healthcare efficiency
  - Health IT
  - Telemedicine
  - Diagnostic automation

**Bus. & fin. services**
- Non-bank financials
  - Lender specialty finance
  - Insurance brokerage
- Financial digitization
  - Cashless payment
  - Modular governance, risk & compliance software

**Consumer**
- Customization; SKU proliferation
  - Contract manufacturing
  - Flavoring/ingredients
- Health & sustainability
  - Beauty
  - Healthy diet & lifestyle
  - Environmental sustainability
- Premiumization & specialty retail
  - Aspirational brands
  - Discount retail/bargain hunt
- Pet & vet
  - Services
  - Products

**Industrials**
- Automation
  - Industrial consumables
  - Sensors; control systems; connectivity
- Modern logistics
  - Systems
  - Peripheral components
- Advanced manufacturing
  - Critical components
  - Ceramics; metallurgic
  - Industrial software
- Industrial distribution
  - Specialty chemicals distribution
  - Maintenance, repair and operations

**TMT**
- IT infrastructure simplification
  - App development tools
  - App development outsourcing
- Enterprise digital transformation
  - Niche business process software
- Explosion of data
  - Analytical; machine learning tools
  - Public & digital security apps
- Network end-point proliferation
  - Devices & device engineering

**Note:** bullet points in black highlight sub-sectors that Partners Group believes are particularly attractive in the current environment. Abbreviations: EdTech: education technology, SKU: stock keeping units, TMT: technology, media, telecommunications.
Thematic Sourcing results for private real estate in 2019

Office & retail portfolio recapitalization
- Acquisition of a portfolio of undercapitalized multi-family projects; Portland, US
  - "Office; capex-starved assets"

Diversified portfolio buyout
- Acquisition and repositioning of a well diversified portfolio; Barcelona & Madrid, ES
  - "Office; properties with adjacent amenities"

Industrial portfolio buyout
- Acquisition of two industrial portfolios; Nashville & Norfolk, US
  - "Industrial; XXL logistics"

Note: bullet points in black highlight Partners Group focus areas.
Abbreviations: CBD: central business district.
Thematic Sourcing results for private infrastructure in 2019

Intermittency management

Renewable capacity build-out

Midstream energy infrastructure

Leading developer, owner and operator of power generation assets in Latin America

Power; grid stability

A large-scale, integrated renewable energy platform in Australia with 1.2GW capacity

Power; wind & solar platforms

A leading Norwegian offshore midstream infrastructure platform

Energy infrastructure; flow of energy resources

INVESTMENT REVIEW 2019 & OUTLOOK 2020

Note: bullet points in black highlight Partners Group focus areas.
Abbreviations: PPP: public private partnership, MaaS: mobility-as-a-service.
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Sustained growth of the platform

Development of total assets under management\(^1\) and number of professionals

Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies held up to 2013.

\(^1\) Partners Group aims to mirror the fee basis for its various programs and mandates when calculating AuM. AuM covers programs, mandates and assets to which Partners Group renders (full or partial) investment management or advisory services, but does not cover consultant, transaction or other ancillary services it may render to clients or assets from time to time. AuM is typically calculated as either i) the program size, ii) outstanding commitments to investments, iii) the net asset value or the outstanding principal of investments, or iv) the respective investment exposure. The AuM basis is increased by the amount of assets raised that are based on i) subscriptions, or ii) new fee-paying assets and amounts planned to be invested which would become fee-paying assets in the following six months. Reductions in the AuM basis for mature programs i) may follow a fixed schedule, ii) can be based on the cost of realizing assets, or iii) may be the result of such programs being liquidated. The AuM basis is also reduced by redemptions on open-ended programs. Further changes in the AuM basis may be explained by factors such as performance or changes in FX rates.
We will report our AuM in USD going forward

- We expect a further broadening of USD-denominated offerings and USD-denominated mandates
- We will align our AuM reporting currency with the existing USD reporting currency of our investment activity

Note: all figures are based on estimates and currency denomination of underlying programs; assets under management exclude discontinued public alternative investment activities and divested affiliated companies.
### Breakdown of assets raised and AuM

#### Breakdown of assets raised by asset class in 2019

- **Private real estate (15%)**
  - Real estate opportunities
  - Global integrated
  - Customized mandates

- **Private equity (43%)**
  - Direct equity
  - Global integrated
  - Customized mandates

- **Private debt (30%)**
  - Global senior loans
  - Multi-asset credits
  - Customized mandates

- **Private infrastructure (12%)**
  - Global integrated
  - Customized mandates

**USD 16.5 billion**

#### Breakdown of AuM as of 31 December 2019

- **Private equity**
  - USD 94 billion
  - 48%

- **Private real estate**
  - USD 16.5 billion
  - 16%

- **Private debt**
  - USD 23 billion
  - 23%

- **Private infrastructure**
  - USD 13 billion
  - 13%

- **Traditional private markets programs**
  - ~35%

- **Tailored private markets programs**
  - ~65%
Continued strong client demand in line with guidance

Total assets under management development (in USD billion, except where stated otherwise)

1. EUR guidance for the full-year was EUR 13-16 billion; in USD, guidance translates into USD 14.5-18.0 billion, rounded to the next 0.5 billion (average EUR/USD FX-rate of 1.12).
2. EUR guidance for the full-year was EUR -6.5 to -7.5 billion; in USD, guidance translates into USD -7.5 to -8.5 billion, rounded to the next 0.5 billion (average EUR/USD FX-rate of 1.12).
3. Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from semi-liquid structured fund solutions (~25% of AuM).
4. Others consist of performance and investment program changes from select programs.
### Assets under management development 2019 (in USD million)

<table>
<thead>
<tr>
<th>USD</th>
<th>AuM 2018</th>
<th>New money/commitments</th>
<th>Other factors&lt;sup&gt;1&lt;/sup&gt;</th>
<th>AuM 2019</th>
<th>Net growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private equity</td>
<td>41,133</td>
<td>7,142</td>
<td>-3,291</td>
<td>44,984</td>
<td>9%</td>
</tr>
<tr>
<td>Private debt</td>
<td>17,565</td>
<td>4,979</td>
<td>-638</td>
<td>21,908</td>
<td>25%</td>
</tr>
<tr>
<td>Private real estate</td>
<td>14,105</td>
<td>2,495</td>
<td>-1,354</td>
<td>15,247</td>
<td>8%</td>
</tr>
<tr>
<td>Private infrastructure</td>
<td>10,495</td>
<td>1,897</td>
<td>-418</td>
<td>11,974</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total AuM</strong></td>
<td><strong>83,298</strong></td>
<td><strong>16,513</strong></td>
<td><strong>-5,700</strong></td>
<td><strong>94,113</strong></td>
<td><strong>13%</strong></td>
</tr>
</tbody>
</table>

<sup>1</sup> Other factors consist of tail-downs, redemptions, currency effects and others (i.e. performance and investment program changes from select programs).
### Assets under management development 2019 (in EUR million)

<table>
<thead>
<tr>
<th>EUR</th>
<th>AuM 2018</th>
<th>New money/commitments</th>
<th>Other factors¹</th>
<th>AuM 2019</th>
<th>Net growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private equity</td>
<td>35,972</td>
<td>6,380</td>
<td>-2,284</td>
<td>40,067</td>
<td>11%</td>
</tr>
<tr>
<td>Private debt</td>
<td>15,361</td>
<td>4,448</td>
<td>-296</td>
<td>19,513</td>
<td>27%</td>
</tr>
<tr>
<td>Private real estate</td>
<td>12,335</td>
<td>2,229</td>
<td>-984</td>
<td>13,580</td>
<td>10%</td>
</tr>
<tr>
<td>Private infrastructure</td>
<td>9,178</td>
<td>1,695</td>
<td>-207</td>
<td>10,666</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total AuM</strong></td>
<td><strong>72,846</strong></td>
<td><strong>14,752</strong></td>
<td><strong>-3,771</strong></td>
<td><strong>83,826</strong></td>
<td><strong>15%</strong></td>
</tr>
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</table>

¹ Other factors consist of tail-downs, redemptions, currency effects and others (i.e. performance and investment program changes from select programs).
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Strong team growth across the entire platform in 2019 (to 1,465 professionals)

Growth of number of professionals (from 1 January 2019 to 31 December 2019)

+262 professionals in 2019 (+22%)

- Americas
  +74 professionals (+30%)
- Europe
  +85 professionals (+15%)
- Asia-Pacific
  +103 professionals (+26%)

- Investments
  Americas: +47
  Europe: +58
  Asia-Pacific: +23
- Clients
  Americas: +7
  Europe: +16
  Asia-Pacific: +13
- Services
  Americas: +8
  Europe: +9
  Asia-Pacific: +41
- Corporate
  Americas: +12
  Europe: +2
  Asia-Pacific: +26
We are committed to further building out our platform globally

Leading asset management business model & organizational focus areas

- **Platform growth**
  We focus on developing talent via training and leadership programs and on onboarding new professionals

- **Service & Operational Excellence**
  We foster cross-departmental learning and expect operational effectiveness to improve constantly across all teams

- **Systems & technology**
  We invest significantly in systems and technologies that allow us to leverage private markets data and know-how (e.g. PRIMERA).  

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1 PRIMERA is Partners Group’s proprietary private markets database.
### Expected client demand in 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>AuM (in USD billion)</th>
<th>Client demand</th>
<th>Tail-downs &amp; redemptions</th>
<th>Full-year 2020 expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>50.0</td>
<td>-2.9</td>
<td>-0.1 FX &amp; others²</td>
<td>15 - 19 Full-year 2020</td>
</tr>
<tr>
<td>2017</td>
<td>57.2</td>
<td>+10.1</td>
<td>+6.2 FX &amp; others²</td>
<td>-7.5 to -9.0</td>
</tr>
<tr>
<td>2018</td>
<td>74.4</td>
<td>+15.0</td>
<td>-5.6 +1.4 FX &amp; others²</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>83.3</td>
<td>+15.7</td>
<td>-7.1 +16.5</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>94.1</td>
<td>+16.5</td>
<td>Total AuM = 94.1</td>
<td></td>
</tr>
</tbody>
</table>

1. Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from semi-liquid structured fund solutions (~25% of AuM).

2. Others consist of performance and investment program changes from select programs.
Contacts

Investor relations contact:
Philip Sauer
T +41 41 784 66 60
philip.sauer@partnersgroup.com

Media relations contact:
Jenny Blinch
T +44 207 575 25 71
jenny.blinch@partnersgroup.com

Zugerstrasse 57
6341 Baar-Zug
Switzerland
T +41 41 784 60 00
partnersgroup@partnersgroup.com

www.partnersgroup.com
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