



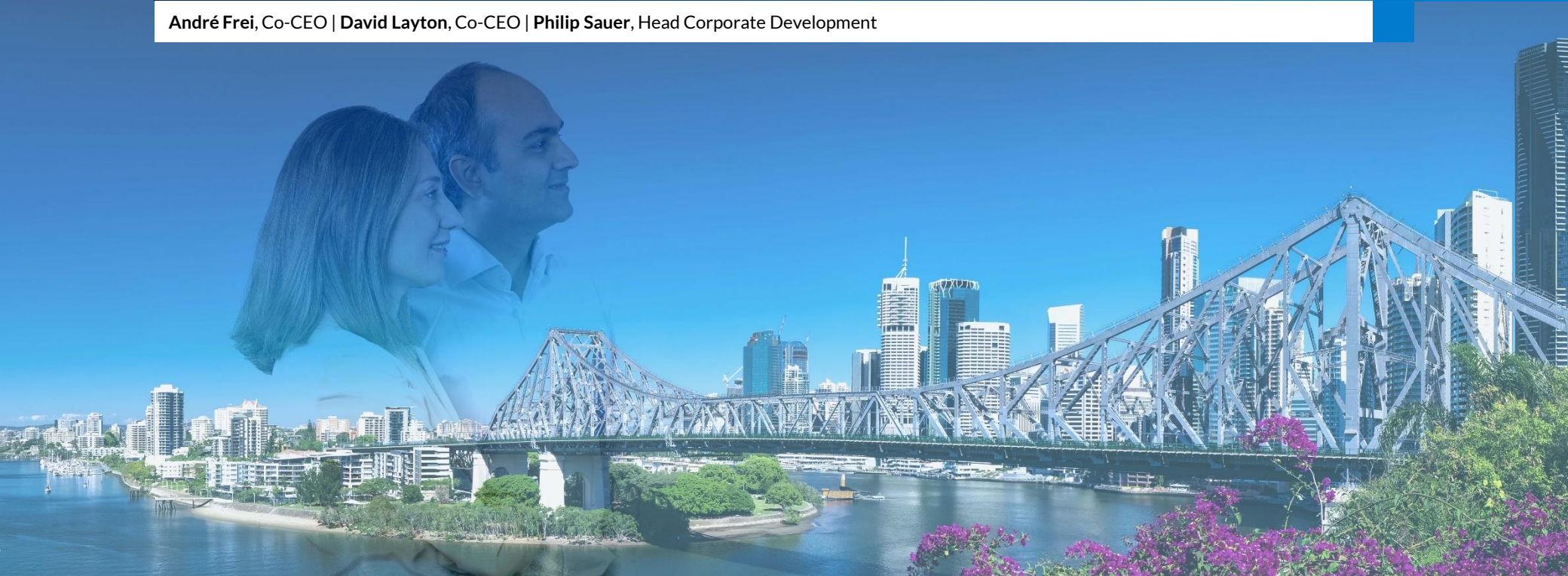
# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

14 JULY 2020

## H1 2020 AuM announcement

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# The mobilization of resources to safeguard portfolio stability in H1 2020...

## Entrepreneurial governance

- Weekly Investment Committee discussions on each asset
- Sharing best practices across our portfolio
- IVC playbook provided to companies in February

## Business continuity

- Implemented specific health & safety measures
- Ensured and adapted supply-chain
- Established ramp-up protocols

## Financing

- Secured sufficient liquidity for our portfolio companies
- Proactive communication with lenders

## Platform mobilization

- >650 investment professionals & >800 direct investments
- >60 external Operating Directors

## Employee support

- Personal protective equipment sourcing initiatives
- Hardship fund donations and support



Successful implementation of **COVID-19 action plans** for Partners Group's portfolio companies & assets, as well as their employees

...combined with a carefully selected, robust portfolio...

### Private equity

Overweight high-quality and resilient companies within the **healthcare**, **information technology** and **business services** sectors



### Private debt

Focus on **non-cyclical**, **larger-cap credits**, combined with negligible energy exposure and substantial underweighting of leisure, retail and transportation sectors



### Private real estate

Focus on **office and industrial asset classes** and limited exposure to retail, hospitality and student housing; **global diversification** has limited the exposure to any one city or sector



US office portfolio



China office & retail portfolio



European logistics & office portfolio



US industrial portfolio

### Private infrastructure

Concentration on essential services such as **renewable power generation**, **gas transportation** and **data transmission**; minimal portfolio exposure to commodity prices, GDP or traffic volumes



## ...resulted in our portfolio outperforming public market benchmarks

### Portfolio performance overview for the five-month period ending on 31 May 2020

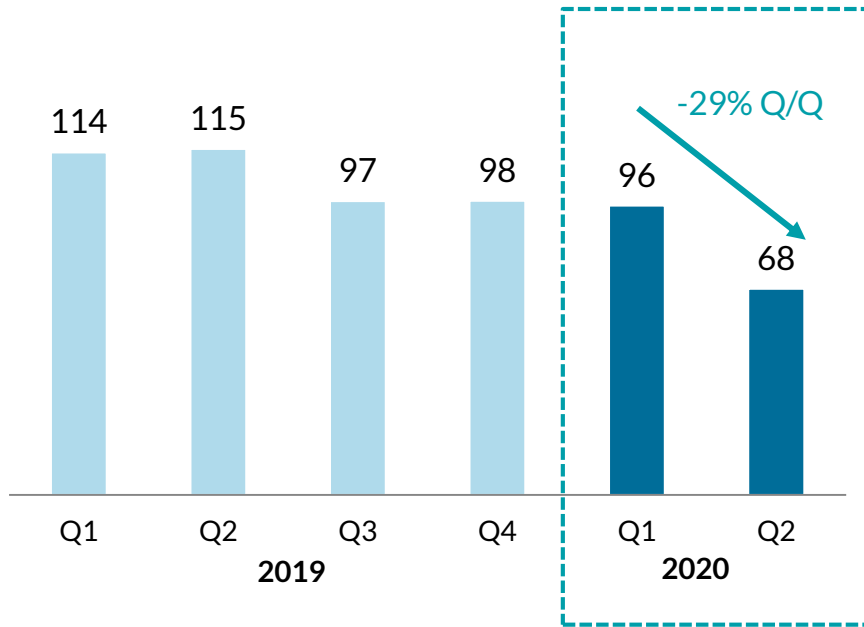
	YTD as of 31 May 2020	
	Partners Group <sup>1</sup>	Reference index return <sup>2</sup>
Private equity (direct)	-3.7%	-8.2%
Direct lending	-5.5%	-5.5%
Liquid loans	-4.6%	-5.4%
Private real estate (direct)	-8.9%	-23.0%
Private infrastructure (direct)	-1.0%	-18.3%

<sup>1</sup> Partners Group shows performance as model net returns, which are based on gross investment performance and standard fee parameters for the five-month period ending on 31 May 2020. All cash flows and valuations are converted to USD using fixed FX rates as of 31 May 2020. Return figures denote de-annualized pooled internal rates of returns (IRR). For liquid loans, performance refers to Partners Group Global Senior Loan Master Fund SICAV Class P (USD) D share class, which is not subject to any management or performance fees; return figures reflect time-weighted returns denominated in USD. Reference index returns denote time-weighted returns. Model net figures do not include the impact of other possible factors, such as any taxes incurred by investors, organizational and administration expenses or ongoing operating expenses incurred by the investment program (e.g. audit, hedging etc.). The performance presented reflects model performance an investor may have obtained had it invested in the manner and the time period shown and does not represent performance that any investor actually attained. <sup>2</sup> For reference purposes, Partners Group private equity, direct lending, liquid loans, private real estate and private infrastructure performances are compared, respectively, to the following USD-denominated indices: MSCI World Net Total Return USD Index (ticker: NDDUWI); ICE BofA Global High Yield Index USD-hedged (ticker: HW00); a composite of 75% S&P/LSTA Leveraged Loan Index in USD (ticker: SPBDAL) and 25% S&P European Leveraged Loan Index USD-hedged (ticker: SPBDELUH); FTSE EPRA NAREIT Developed Total Return Index USD (ticker: RUGL); and S&P Global Infrastructure Total Return Index USD (ticker: SPGTINTR).

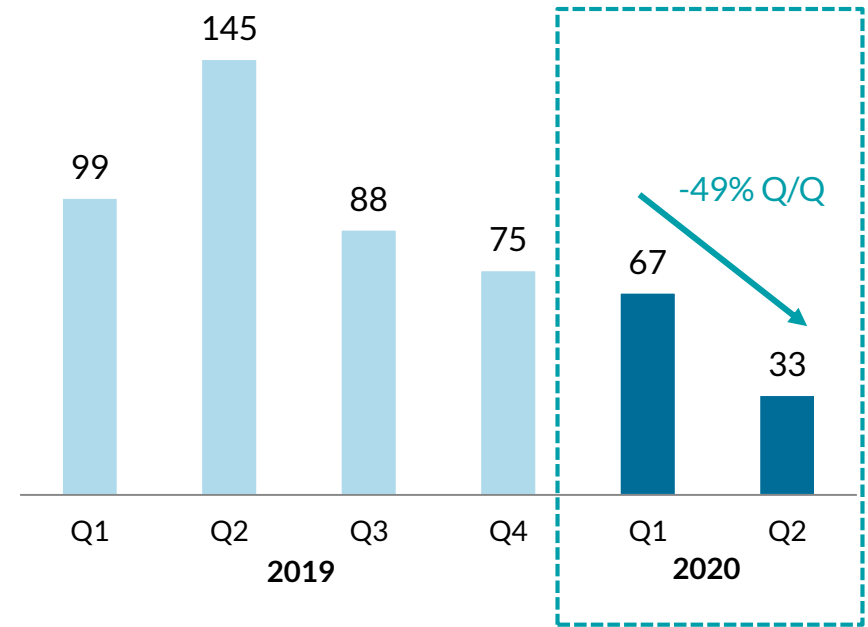


Due to COVID-19, global transaction value in Q2 2020 was at one of the lowest levels of the last decade<sup>1</sup>

Global private equity buyout investments<sup>1</sup> (in USD billion)



Global private equity buyout exits<sup>1</sup> (in USD billion)



Market dislocation caused by COVID-19<sup>2</sup>

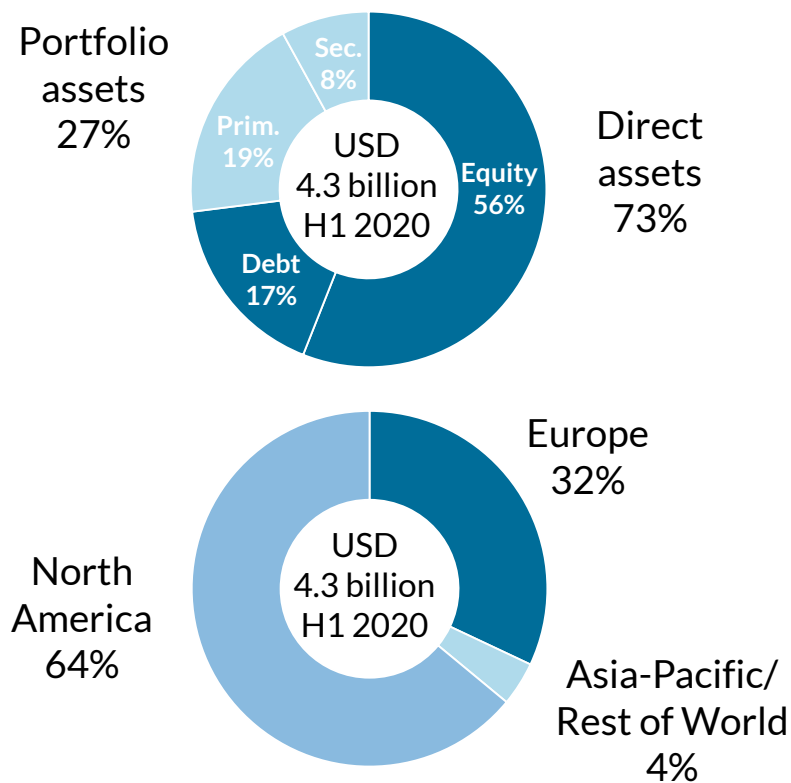
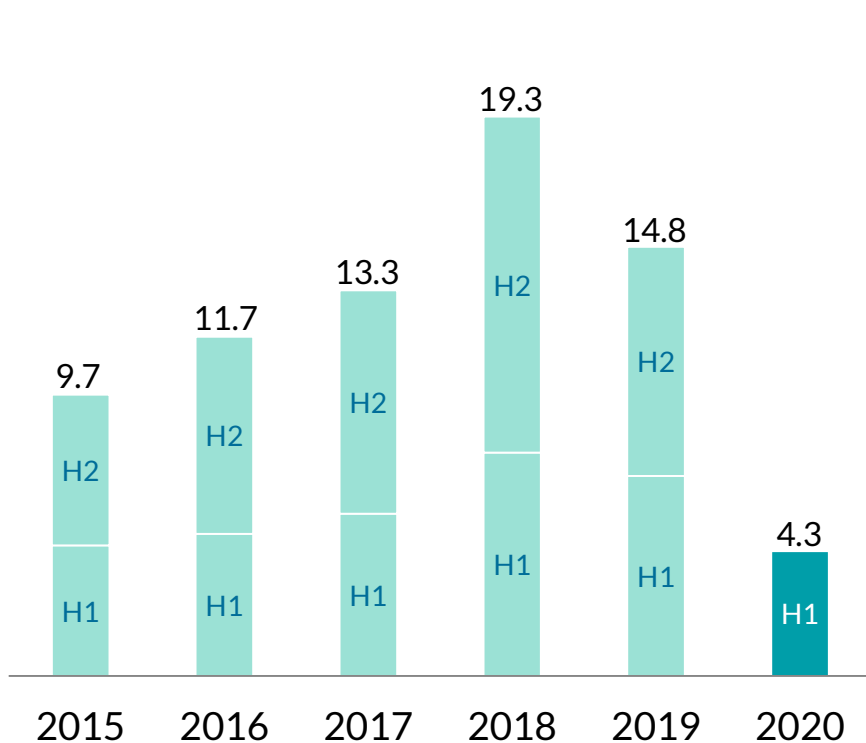
- Temporary distortion driven by lockdowns around the globe
- Initially limited direct / secondary volume due to high bid / ask spreads

<sup>1</sup> PreqinPro, as of 10 July 2020. <sup>2</sup> Source: Partners Group (2020).



# Investment activities predominantly skewed towards Q1 2020

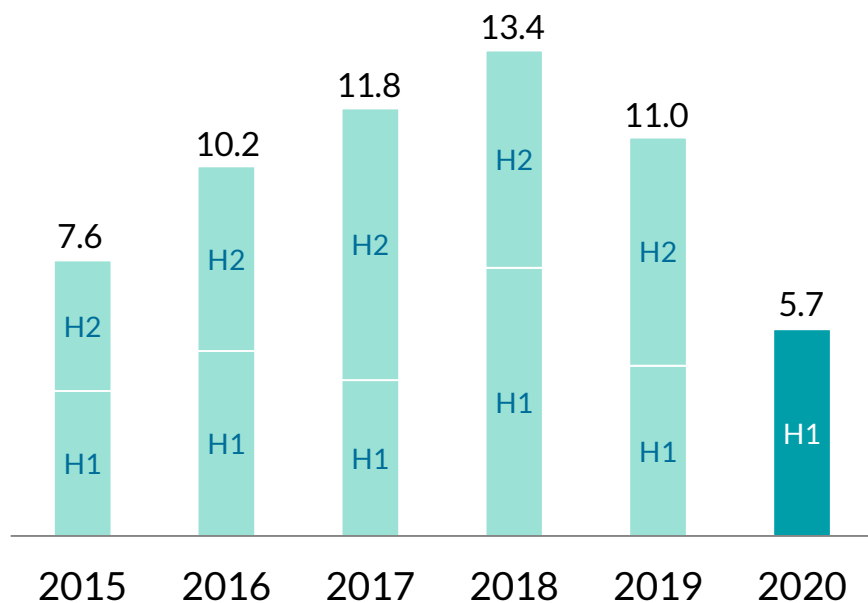
Partners Group's private markets investments<sup>1</sup> (in USD billion)



<sup>1</sup> USD 2.4 billion invested in 7 equity investments and USD 0.7 billion invested in 9 debt investments. Figures include add-on investments but exclude investments executed for short-term loans, cash management purposes and syndication partner investments. Direct equity investments include all direct private equity, direct infrastructure and direct real estate investments (including direct secondary transactions where Partners Group has a controlling interest). USD 0.3 billion invested in secondaries and USD 0.8 billion invested in primaries. Source: Partners Group (2020).

## H1 2020 distribution activities dominated by "closing" of signed investments








Partners Group's underlying portfolio realizations (in USD billion)



- Divestment activities skewed towards the first two months of the year
- Underlying portfolio realizations dominated by cash distributions stemming from closings
- Decision to postpone divestment decisions in H1 is expected to lead to lower portfolio realizations in H2



# Long-term transformative tailwinds persist, despite structural changes likely arising due to COVID-19

	 Tailwind	Headwind 
Consumer 	<ul style="list-style-type: none"> <li>E-commerce &amp; digitalization of leisure time</li> <li>Nutrition &amp; alternative ingredients</li> <li>Health &amp; personal care</li> </ul>	<ul style="list-style-type: none"> <li>Offline consumption</li> <li>Event services</li> <li>International travel</li> <li>Hospitality</li> </ul>
Financial, Education and Business Services 	<ul style="list-style-type: none"> <li>Accelerating processing automation</li> <li>Remote delivery of services</li> <li>Online education</li> <li>Cashless payment</li> </ul>	<ul style="list-style-type: none"> <li>Discretionary facilities services</li> <li>Shrinking government spending</li> <li>Fewer cash payments</li> <li>Recruitment services</li> </ul>
Healthcare 	<ul style="list-style-type: none"> <li>Telehealth</li> <li>Healthcare efficiency</li> <li>Gene therapy</li> <li>Platform consolidation</li> </ul>	<ul style="list-style-type: none"> <li>Price pressure in commoditized areas</li> <li>Funding shortage</li> <li>Decline of acute care</li> </ul>
Industrials 	<ul style="list-style-type: none"> <li>Accelerating automation</li> <li>Price reflation on the supply side</li> <li>Local for local (right-shoring)</li> <li>Flexible / modular production</li> </ul>	<ul style="list-style-type: none"> <li>Global supply chain stretch</li> <li>Inventory build up in the supply chain</li> <li>R&amp;D / capex delay / cancellation</li> </ul>
Telecom, Media and Technology 	<ul style="list-style-type: none"> <li>Exponential internet traffic; need for faster network bandwidth</li> <li>Enterprise digitization</li> <li>Simplifying IT infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Hardware becoming commoditized</li> <li>Reduced IT budget for enterprises</li> <li>Low demand in challenged end-verticals</li> </ul>

For illustrative purposes only. Source: Partners Group (2020).

# The amplification of key fundamental themes drives performance of existing portfolio...

## Software product engineering / digital outsourcing

Increased need for **software and digital product engineering services** by public and private sector



## Vision care / pet & vet services / physical therapy



**Consolidation opportunities** at better terms as doctors and smaller centers opt for larger corporate platforms

## Modern education systems / EdTech solutions

Requirements for **online education / distance learning** will benefit larger school groups with access to capital



## Outsourced contract manufacturing



Increased demand for **supply chain near-shoring**; capex by large brands will be shielded from production site expenses

## Submetering & energy efficiency solutions

Trend towards **remote monitoring** benefits larger players with high degree of remote reading capabilities and digital offerings



## Clean power (wind, solar & storage)



Surge in **renewable energy consumption**; platform investments allow diversification across geographies, technologies and subsidies models

## Grid stability

Investments into supporting the reliability and flexibility of power grids as **electricity generation** becomes more **intermittent**



## Last-mile logistics / XXL logistics

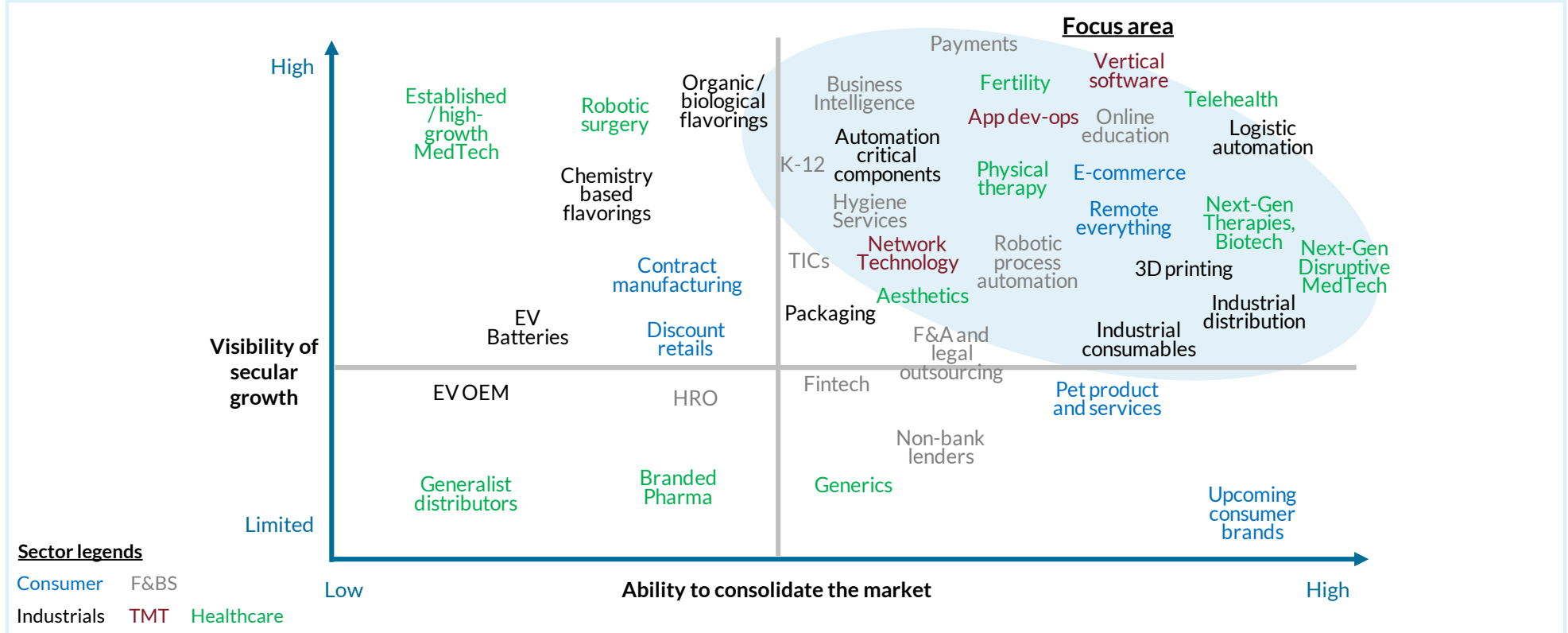


**Rapid growth of e-commerce** will continue to drive the growing need for logistics space



# ...and reinforces our investment theses across various sub-sectors

## Private equity & private debt



Our Thematic Sourcing approach results in a steady and predictable near- to mid-term pipeline

For illustrative purposes only. Source: Partners Group (2020).

Abbreviations: EV OEM: electric vehicle original equipment manufacturer, EV: electric vehicle, HRO: human resources outsourcing, F&A: finance & accounting, F&BS: financial & business services, TICs: testing, inspection and certification, TMT: technology, media and telecommunications.

# Our relative value outlook for real assets remains broadly unchanged

## Private real estate

Post-COVID-19: remains unchanged

Select growth cities

Focus on office, logistics and residential

Avoid speculative development

Post-COVID-19: anticipated changes

Single family homes to let  
 > Suburban locations  
 > Requires scale  
 > E.g. Copenhagen



Single family homes to let  
 > Suburban locations  
 > Requires scale  
 > E.g. Copenhagen

Hospitality  
 > Diversified portfolios  
 > Established trading history  
 > Outside of focus







Hospitality  
 > Diversified portfolios  
 > Established trading history  
 > Distress

Unchanged: need for office, logistics and residential

## Private infrastructure

Until 2035: USD 69tn of infra investment needed<sup>1</sup>

Renewables	Energy incl. midstream	Transport	Communications
10tn	20tn	29tn	10tn
Renewables to expand by over 920 GW through 2022 <sup>2</sup>	Disruption in US energy landscape <sup>3</sup>	The number of cars worldwide is set to double by 2040 <sup>4</sup>	In 2023, mobile data traffic will surpass 100 ExaBytes <sup>5</sup>
			

Unchanged: substantial funding gap

1 McKinsey Global Institute report titled "Bridging Infrastructure Gaps: has the World made Progress" (Oct 2017). 2 International Energy Agency (IEA), (Oct 2017). 3 Partners Group Private Markets Navigator 2019. 4 Quoted from report UK Infrastructure and Projects Authority: National Infrastructure Delivery Plan 2016-2021. 5 Quoted from Financial Times: US fails to rake in Infrastructure cash (30 April 2018). Source: Infrastructure Hub (May 2020); IMF (October 2019 and April 2020). For illustrative purposes only. Source: Partners Group (2020).



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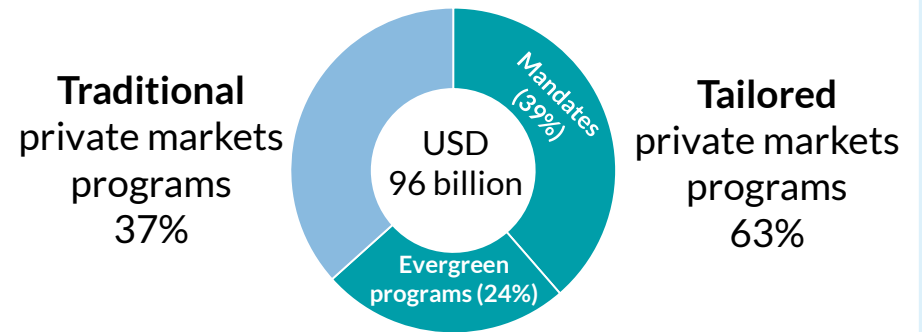
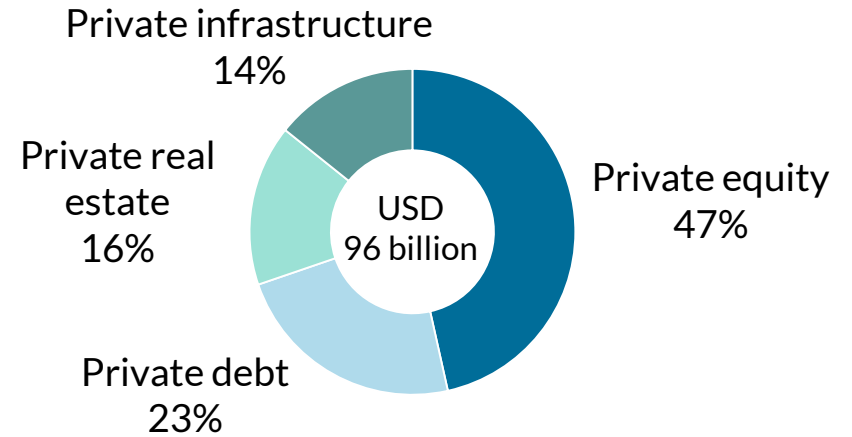
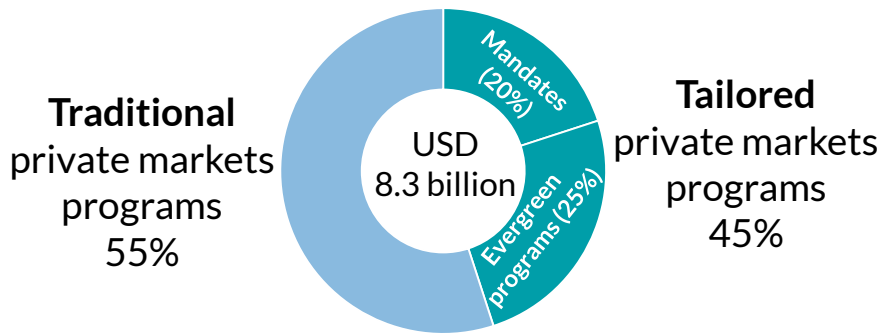
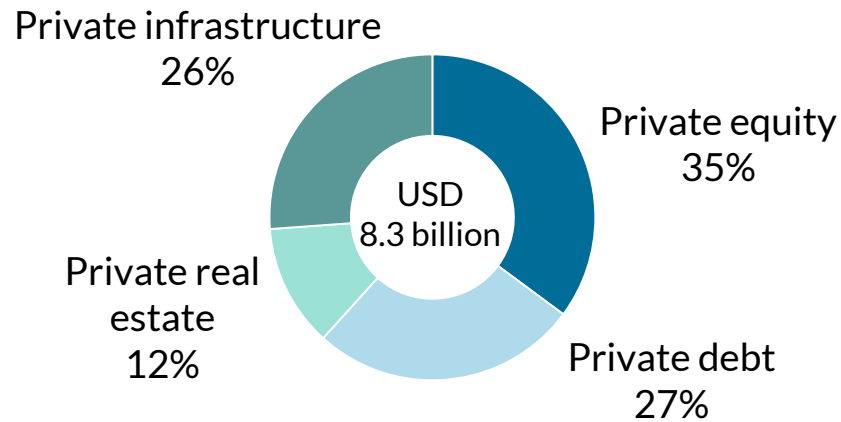
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# Breakdown of assets raised and AuM

Breakdown of **assets raised** during H1 2020

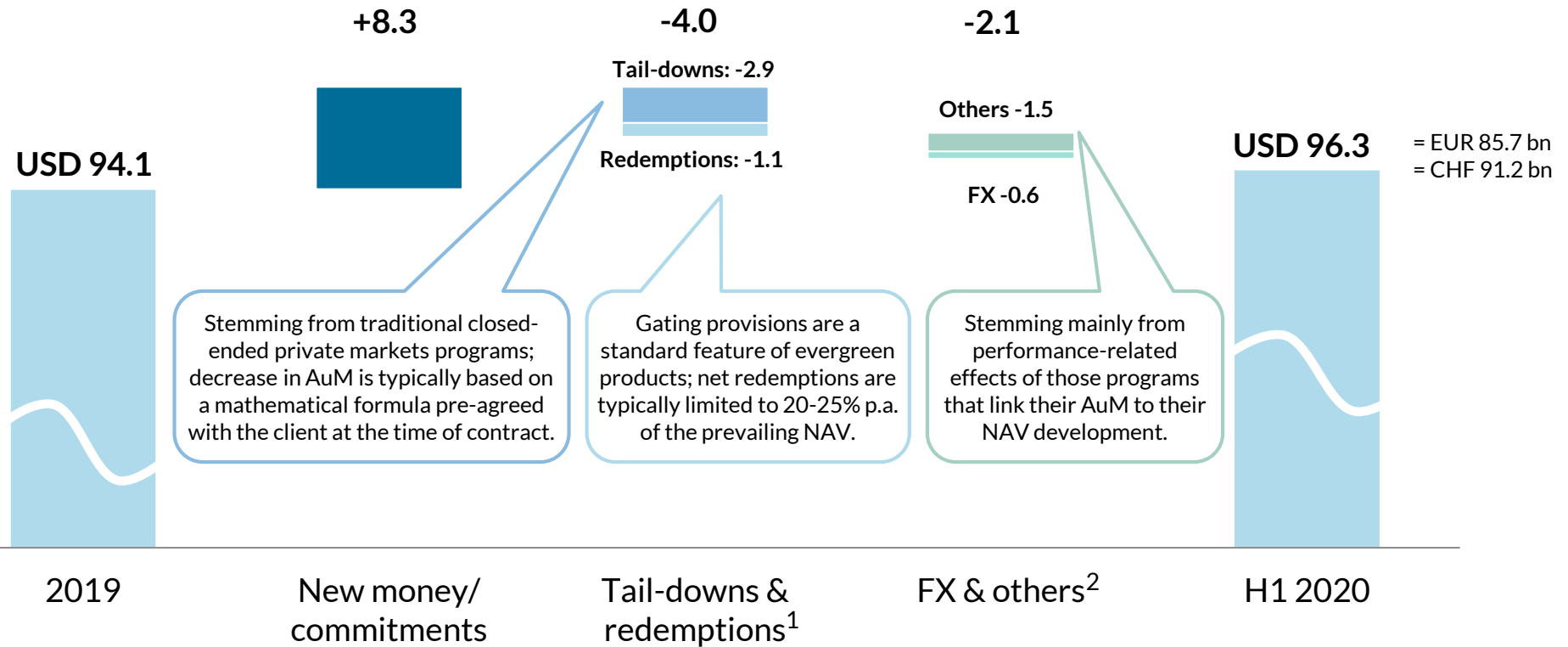
Breakdown of **AuM** as of 30 June 2020



Source: Partners Group (2020).

# Continued solid client demand

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



<sup>1</sup> Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from evergreen programs.

<sup>2</sup> Others consist of performance and investment program changes from select programs.

Source: Partners Group (2020).



## AuM development by asset class (in USD)

### Assets under management development H1 2020 (in USD million)

USD	AuM 2019	H1 2020 New money/ commitments	H1 2020 Other factors <sup>1</sup>	AuM H1 2020	<i>Net growth</i>
Private equity	44,984	2,923	-3,112	44,795	0%
Private debt	21,908	2,234	-1,737	22,405	2%
Private real estate	15,247	1,020	-856	15,411	1%
Private infrastructure	11,974	2,114	-431	13,657	14%
<b>Total AuM</b>	<b>94,113</b>	<b>8,291</b>	<b>-6,136</b>	<b>96,267</b>	<b>2%</b>

<sup>1</sup> Other factors consist of tail-downs, redemptions, currency effects and others (i.e. performance and investment program changes from select programs).  
Source: Partners Group (2020).



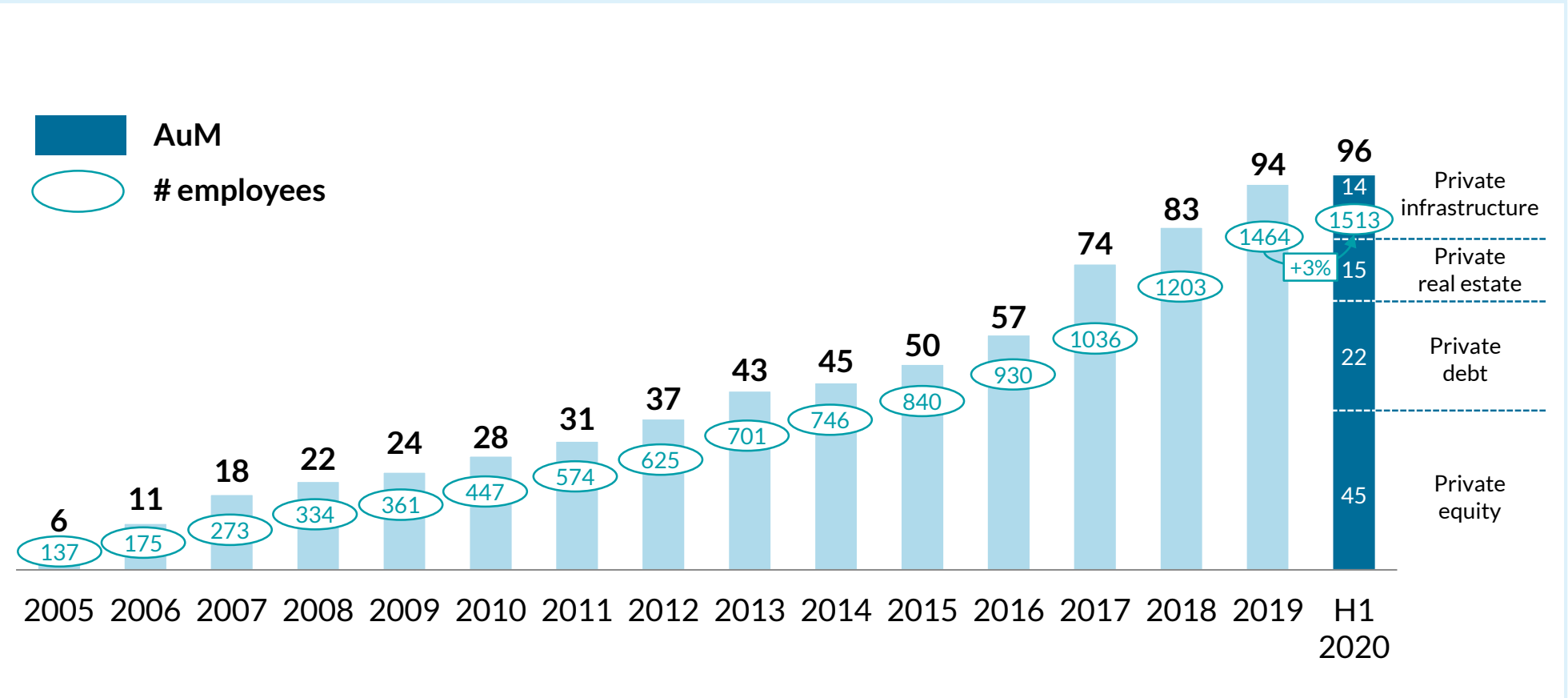


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# Stable platform development in H1 2020

Total assets under management<sup>1</sup> (in USD billion)



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

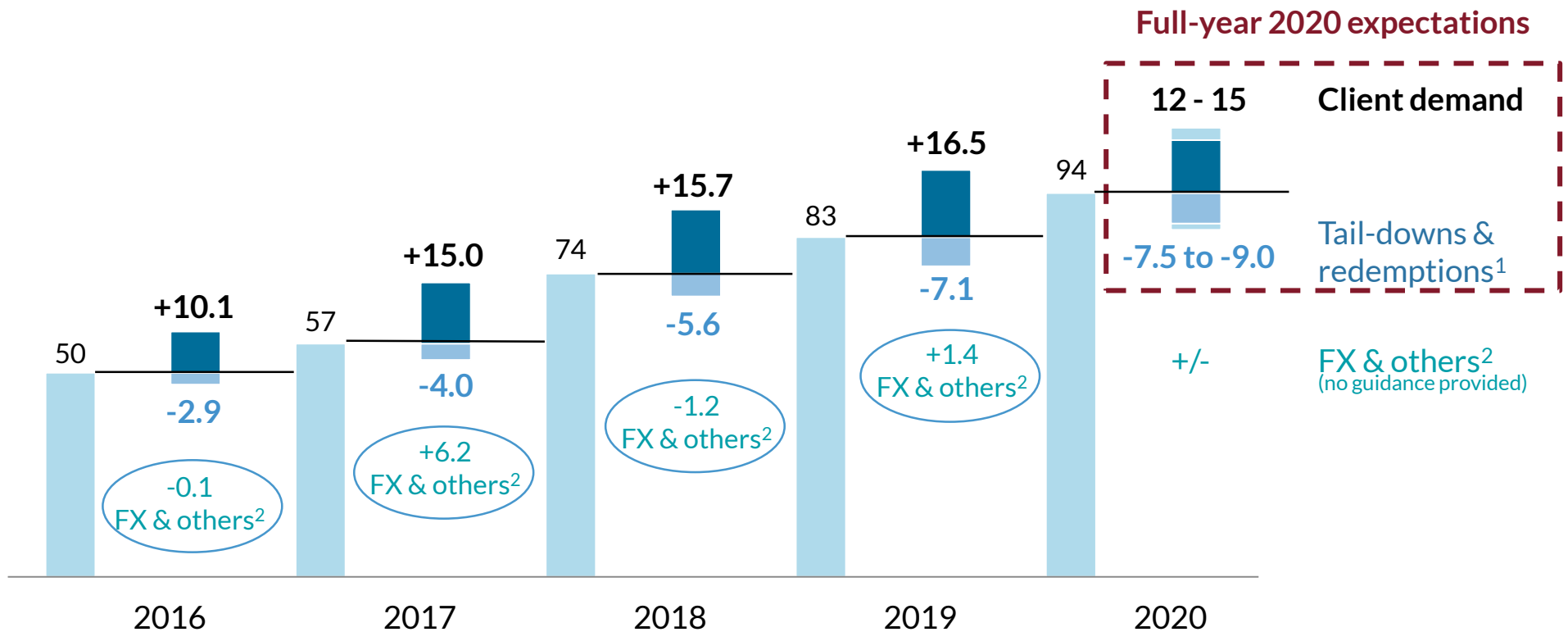
<sup>1</sup> Partners Group aims to mirror the fee basis for its various programs and mandates when calculating AuM. AuM covers programs, mandates and assets to which Partners Group renders (full or partial) investment management or advisory services, but does not cover consultant, transaction or other 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.

Source: Partners Group (2020).



# Full-year guidance on new gross client demand in 2020

AuM, client demand and other effects (in USD billion)



<sup>1</sup> Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from evergreen programs.

<sup>2</sup> Others consist of performance and investment program changes from select programs.

For illustrative purposes only. Source: Partners Group (2020).



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