



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

15 JANUARY 2019

2018 AuM announcement

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Niche winners are a focus, as shown by our investment in **AMMEGA**

Important note

All figures related to assets under management (AuM) and investments are preliminary figures based on management's estimates for the 12-month period ended 31 December 2018 and as such are subject to change.

Figures provided have been rounded for presentation purposes and in certain instances rounding anomalies may arise.



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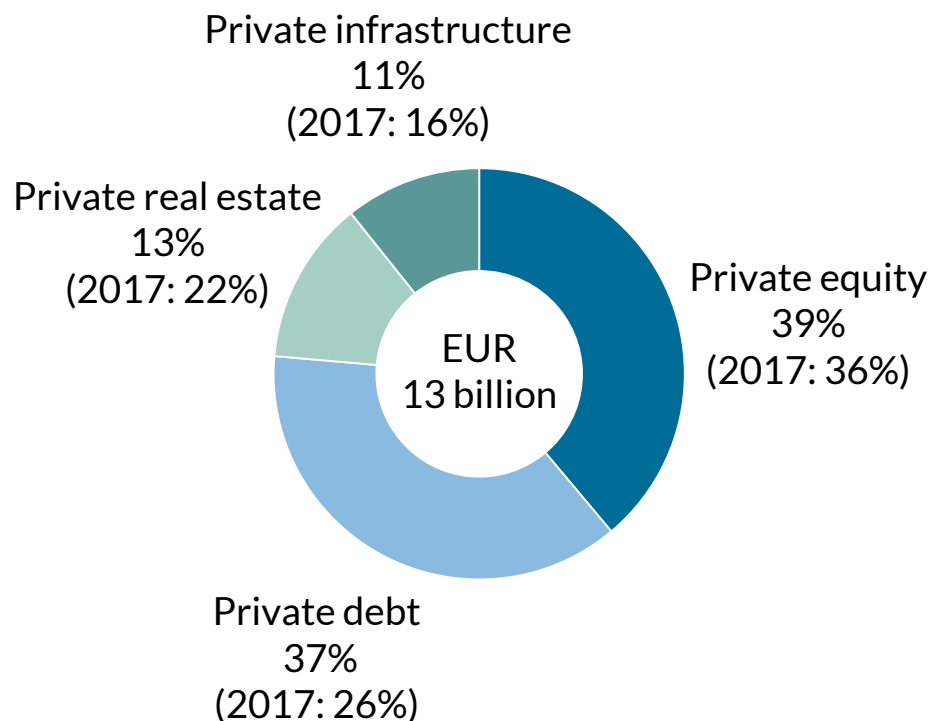
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Breakdown of assets raised in 2018

By asset class



By structure

Assets raised

- % in mandate solutions: ~45%
- % in closed-ended programs: ~35%
- % in liquid/semi-liquid programs: ~20%

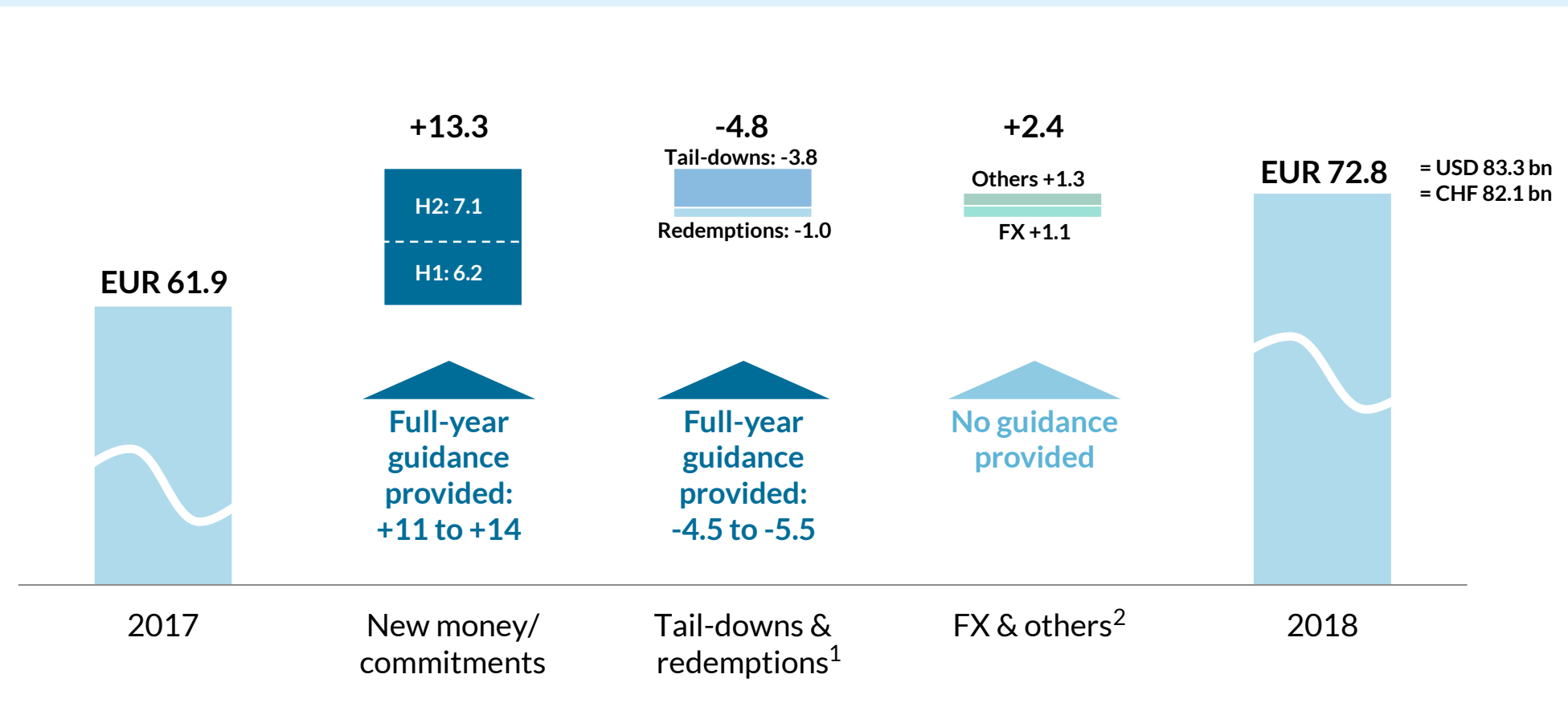
Assets under management

- % in mandate solutions: ~40%
- % in closed-ended programs: ~40%
- % in liquid/semi-liquid programs: ~20%



EUR 10.9 billion net AuM growth in 2018

Total assets under management development (in EUR billion)



¹Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from liquid and semi-liquid programs (~ 20% of AuM).

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



Client demand spread across all asset classes

Assets under management development 2018 (in EUR million)

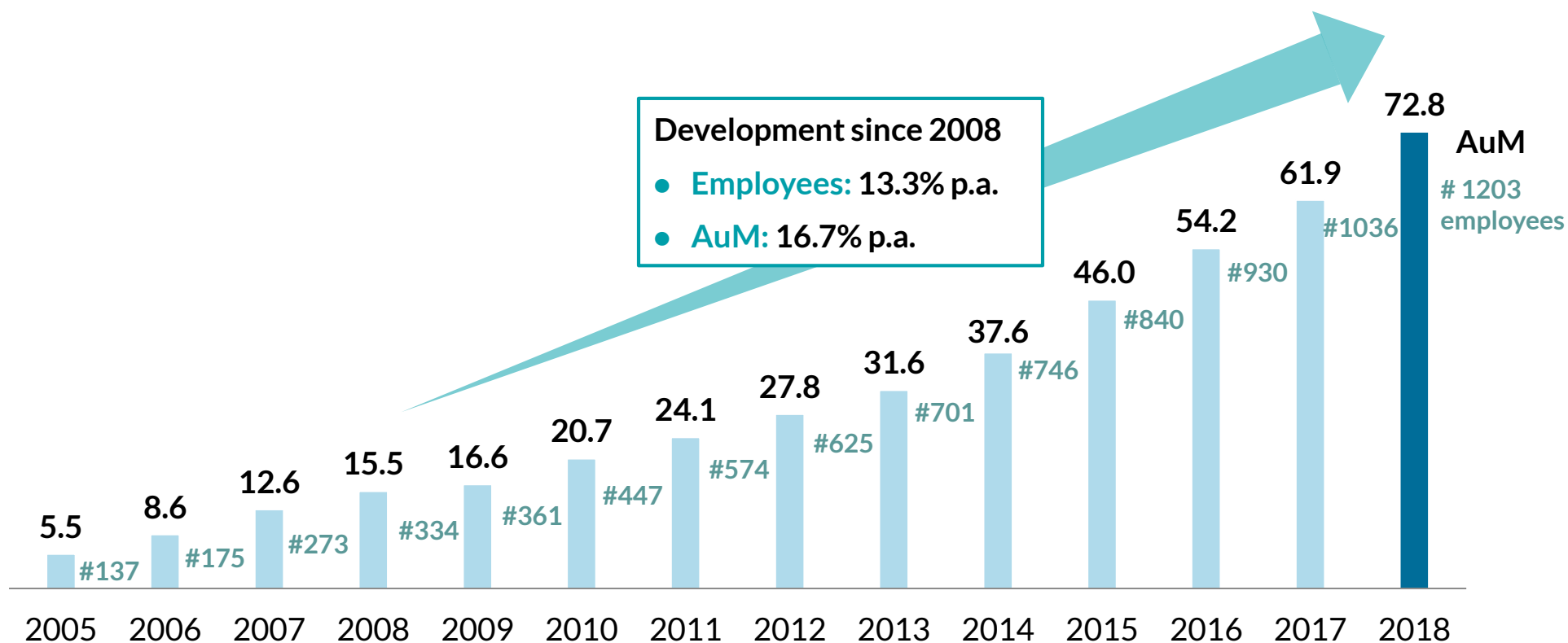
EUR	AuM 2017	2018 New money/ commitments	2018 Other factors ¹	AuM 2018	<i>Net growth</i>
Private equity	31,656	5,160	-844	35,972	14%
Private debt	11,206	4,974	-819	15,361	37%
Private real estate	10,760	1,711	-136	12,335	15%
Private infrastructure	8,314	1,423	-559	9,178	10%
Total AuM	61,936	13,268	-2,358	72,846	18%

¹ Other factors: consist of tail-downs, redemptions, currency effects and others (i.e. performance and investment program changes from select programs).



Sustained growth in AuM over the last decade

Total assets under management¹ (in EUR billion)



¹ Assets under management exclude discontinued public alternative investment activities and divested affiliated companies.



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We are a long-term partner to business



Partners Group

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- **EUR 73 billion** assets under management
- **>1,200** professionals
- **19** offices globally

Corporate equity

EUR 36 billion AuM¹

Healthcare



Industrials



Consumer & Services



Technology



Real assets / financing

EUR 37 billion AuM²

Infrastructure



Real estate



Real asset services



Financing



- **Board and Management** are aligned on targets, value creation plans and strategy pre-signing
- **IVC / Operating Directors** are active board members, advisors to projects and coaches to management
- **Project management office** is installed to coordinate and implement strategic plans

¹ Corporate equity includes Partners Group's private equity AuM as of 31 December 2018.

² Real assets / financing includes Partners Group's AuM relating to private real estate, private infrastructure and private debt as of 31 December 2018.



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Partners Group 2018 investment platform overview

Investment platform update

Professionals

- **>1,200 professionals** across **19 offices** globally

Investments¹

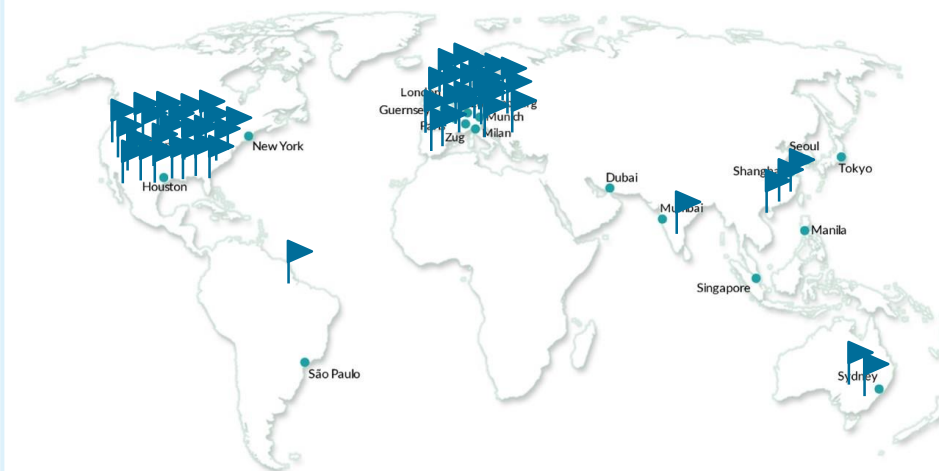
- **USD 19.3 billion** invested in private markets opportunities on behalf of our clients
- **USD 11.5 billion direct assets**
 - USD 6.3 billion invested in equity
 - USD 5.2 billion invested in debt
- **USD 7.7 billion portfolio assets**
 - USD 5.2 billion secondary investments
 - USD 2.5 billion invested with select best-in-class managers in the private markets industry

Realizations

- **USD 13.4 billion** in underlying portfolio realizations

USD 19 billion¹ invested across the globe

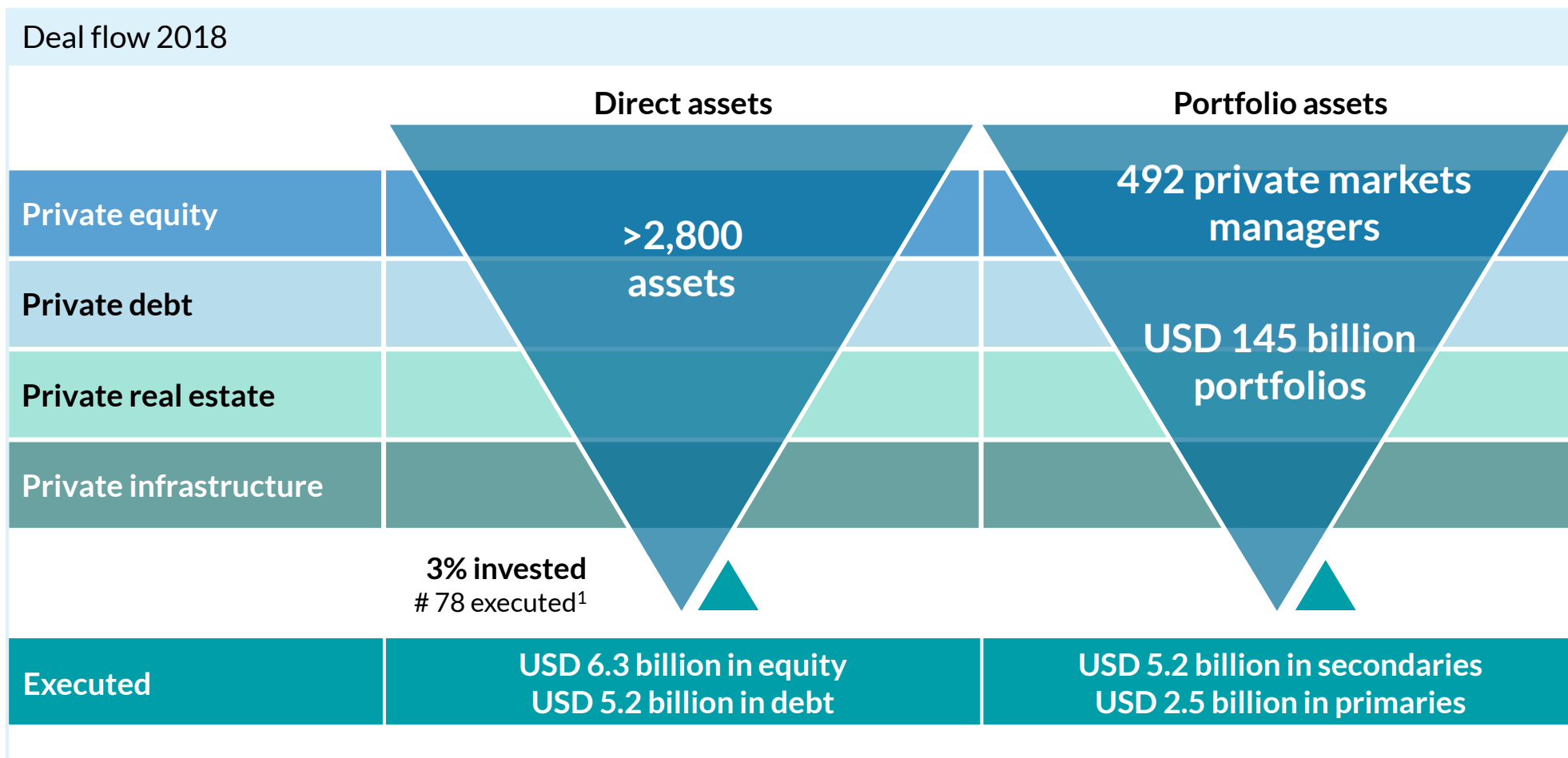
North America	Europe	Asia-Pacific/ Rest of World
29 direct investments	42 direct investments	7 direct investments



¹ Figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments.



Only the most attractive assets on a global basis are selected for investment

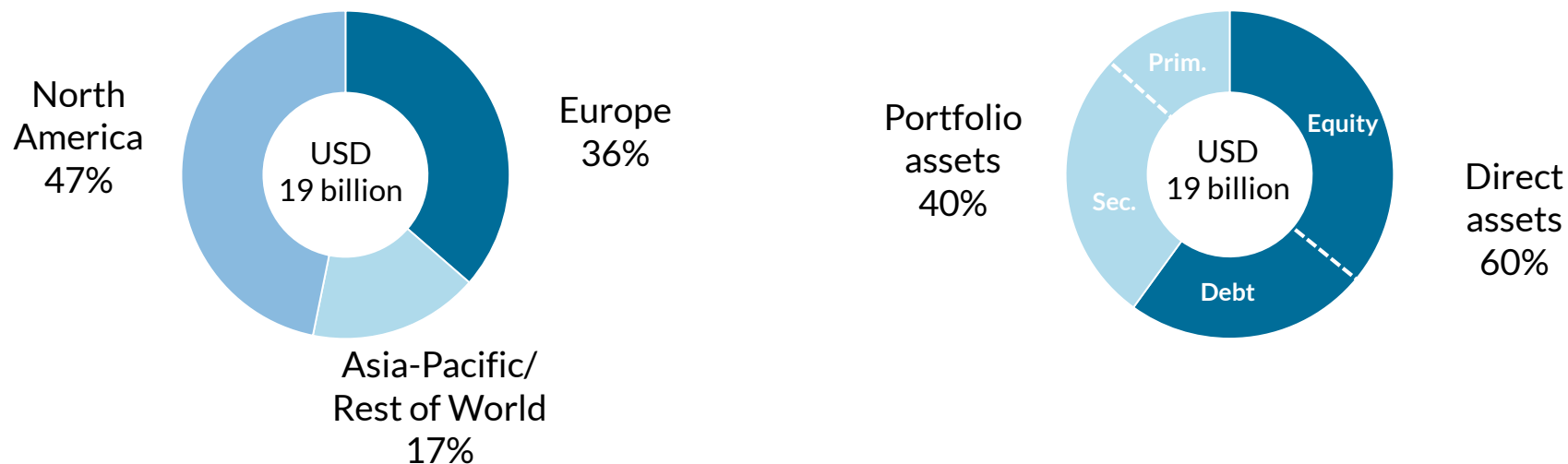


¹ USD 6.3 billion invested in 31 equity investments and USD 5.2 billion invested in 47 debt investments; debt investments exclude investments executed for short-term loans, cash management purposes and syndication partner investments.



Private markets investment activities in 2018 across the globe and all asset classes

Private markets investments¹ during 2018

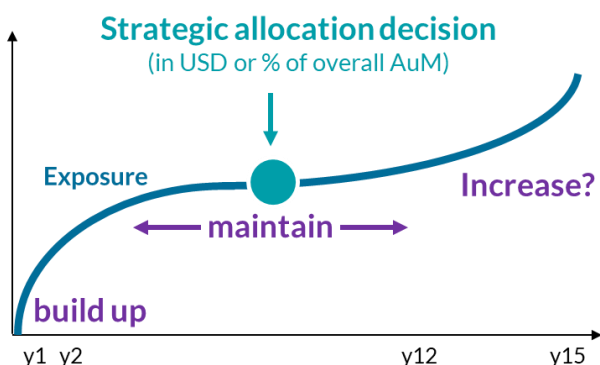


¹ Figures exclude investments executed for short-term loans, cash management purposes and syndication partner investments.

Business & corporate development focus 2019

Clients

- Raising **flagship** programs across all asset classes
- Strengthening client collaboration with "evergreen" mandates



Partner to business

- Building out our **Industry Value Creation** team
- Broadening our **Operating Directors** circle

We actively engage with our portfolio companies and drive value through entrepreneurial ownership on portfolio company boards.

Operational excellence & culture

- Ensuring **operational excellence** across the firm
- Preserving our **culture & values** despite strong growth

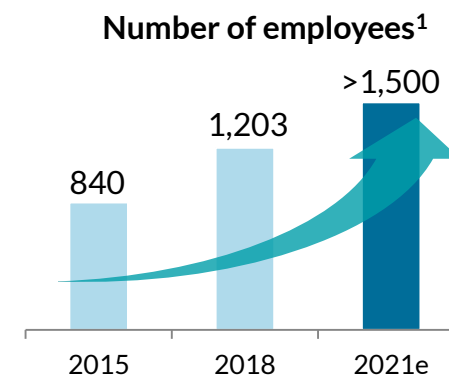


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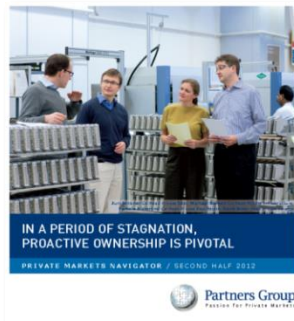
Relative value: core views and investment themes change over time

2010: buying quality assets at trough earnings



- **Earnings bottoming out** but top-line growth to remain below trend
- Focus on **stable, "real" assets**
- **Mezzanine** is the sweet spot in private debt

2012: in a period of stagnation, proactive ownership is pivotal



- **Assetflation** but low top-line growth
- **Bifurcated markets** in real estate and infrastructure, crowded core space
- Attractive supply-demand imbalance in **debt** space as lenders retreating

2014/16: assetflation losing steam, search for transformative growth



- Amid elevated valuations, **valuation upside limited**
- Seek **stable assets** benefiting from **transformative growth**
- Increased focus on **value creation**

2019: strong governance and value creation skills are key to outperformance



- Continued **modest growth** but rising **global challenges**
- **Disciplined asset selection** for downside protection
- Strong emphasis on **"thematic sourcing"** driven by **global megatrends**

Strong emphasis on "thematic sourcing" to identify best-in-class businesses

Consumer	Industrials	Healthcare	Bus&Fin Services	TMT
Personalization and Customization <ul style="list-style-type: none"> ● Niche market leaders ● Co-manufacturing 	Automation <ul style="list-style-type: none"> ● Vision sensors, MEM sensors and drives ● Industrial consumables 	Ambulatory multi-site <ul style="list-style-type: none"> ● Employer on-site ● Physical therapy 	Financial Services <ul style="list-style-type: none"> ● Off-balance sheet FIs ● Payment and transaction banking 	Enterprise software <ul style="list-style-type: none"> ● B2B enterprise software ● PaaS/SaaS models ● Cyber security software
Lifestyle & Sustainability <ul style="list-style-type: none"> ● Health and wellness ● Infant markets ● Pet products and services 	Modern logistics <ul style="list-style-type: none"> ● Integrators ● Material handling systems ● Machine vision 	Outsourced Device Manufacturing <ul style="list-style-type: none"> ● Orthopedics ● Multi-line outsourcers 	BPO <ul style="list-style-type: none"> ● Solutions for non-core functions ● Technology solutions 	IT services & infrastructure <ul style="list-style-type: none"> ● IT network & data center services ● IOT and edge computing
Premiumization & emerging middle class <ul style="list-style-type: none"> ● Aspirational brands ● High growth categories 	Adv. manufacturing <ul style="list-style-type: none"> ● 3D-printing ● Technical components ● Predictive maintenance 	Life Science Supplies and Reagent <ul style="list-style-type: none"> ● Genomic based supplies ● Calibration standards 	Testing, Inspection & Cert. <ul style="list-style-type: none"> ● New technologies and regulation ● Rising end-user expectations 	IT & tech outsourcing <ul style="list-style-type: none"> ● {X}AAS (anything as service) ● Digitalization ● Outsourced Product Dev.
Digitization <ul style="list-style-type: none"> ● Deep customer insights ● Channel/ product disruption ● Customer engagement 	New materials <ul style="list-style-type: none"> ● Ceramics ● Metallurgic ● Nano-tech 	Physician Practice Management <ul style="list-style-type: none"> ● Single specialty ● Multi-specialty 	Commercial Services <ul style="list-style-type: none"> ● Industrial / onsite service ● Residential services 	Big data <ul style="list-style-type: none"> ● Big data intelligence ● Big data analytics ● Database platform

Note: bullet points in black highlight sub-sectors with active investment opportunities. Bullet points in gray highlight future areas of focus for research or investment.



Private equity: creating a global leader in mission critical belting solutions

Focus

Facilitate growth and resilience through active ownership

Platform companies
where we buy add-on firms
to grow the platform

Niche winners
with particularly strong
products or services

Franchise companies
with strong defensive
capabilities

Automation drives industrial consumables demand



Industry: Industrials, Automation, Industrial consumables

Assets: AMMEGA (Ammeraal Beltech & Megadyne Group)

Sites: >25 manufacturing sites¹ & >100 sales branches¹

HQ: Netherlands (AB), Italy (MD)

Employees: >5,000¹

EV: EUR 2 billion

Closing date: July (AB) & Sep 2018 (MD)

Investment rationale

- **Attractive market** supported by strong secular growth driven by global industrial automation
- **Vision to create a category leader** in power transmission & lightweight conveyor belting

Partners Group value creation

- Unique investment opportunity
- Active governance
- Strategic growth opportunities
- Operational excellence
- Merger synergies



Private debt: financing the expansion of one of the largest private school operators

Focus

Protecting capital
in a competitive
market

Creative structures
to support cash flow and
working capital needs

Attractive sub-sectors
with strong underlying
growth fundamentals

Buy & build strategies
to provide add-on financing
in a timely manner

Direct loans in Asia-Pacific: cross-border and non-bank institutional financing



Industry: Education

Asset: Spring Education Group

Sites: >220 facilities across 18 states

Geography: United States

Equity partner: Primavera Capital

Total second lien: USD 225 million

Investment date: July 2018

Investment rationale


- One of the largest multi-brand pre-K through 12th grade private school operators in a resilient and growing sector
- Creation of geographically more diversified and complementary private school service in the US

Partners Group value creation

- Support the acquisitions with subordinated financing to create the largest US private pre-K to 12th grade education platform
- Provision of reliable direct lending financing solution in choppy market environment



Private markets outlook: real assets



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Entrepreneurial ownership holds the key to private markets outperformance

Private Markets Navigator Outlook 2019

Anthony Shontz Co-Head Private Equity Integrated Investments Americas | Adam Howarth Head Portfolio Management Americas

Real estate sub-sector matrix: relative value focus areas and investable universe

Residential	Office	Industrial	Retail	Other
Residential to let <ul style="list-style-type: none"> Expanding cities Areas with mass market appeal E.g. Vienna 	CBD development <ul style="list-style-type: none"> Cities with supply constraints Active pre-leasing markets E.g. Seattle 	XXL logistics <ul style="list-style-type: none"> Regional distribution centers High-bay/cross-docked E.g. Australian East Coast 	Regional shopping centers* <ul style="list-style-type: none"> Premium fashion Leisure/food & beverage 	Hospitality* <ul style="list-style-type: none"> Diversified portfolios Properties with established trading history
Residential to sell <ul style="list-style-type: none"> Micro living Amenitized urban locations E.g. Stockholm 	CBD repositioning <ul style="list-style-type: none"> Capex-starved assets Submarkets with competitive rents E.g. Paris 	Last mile logistics <ul style="list-style-type: none"> Urban infill locations Flexible assets E.g. Chicago 	District shopping centers* <ul style="list-style-type: none"> Food & non-food Discount retailer-anchored 	Co-working* <ul style="list-style-type: none"> Flexible offer Freehold or leased estate
Affordable housing <ul style="list-style-type: none"> Key worker housing Discounted market rents E.g. regional UK 	Non-CBD development <ul style="list-style-type: none"> Established office hubs Public transport connectivity E.g. Denver 	Light manufacturing <ul style="list-style-type: none"> Hi-tech industries Established industrial hubs E.g. Shanghai 	Grocery units* <ul style="list-style-type: none"> Convenience offering Urban infill locations 	Senior housing <ul style="list-style-type: none"> Demographic-driven offering Independent living E.g. Florida
Student housing <ul style="list-style-type: none"> Strong student communities Off-campus offering E.g. Melbourne 	Non-CBD repositioning <ul style="list-style-type: none"> Areas with good transport links Properties with adjacent amenities E.g. Sydney 	Hybrid office-industrial <ul style="list-style-type: none"> Space with up to 50% office content Light product assembly E.g. Raleigh-Durham 	Retail warehouses* <ul style="list-style-type: none"> Mixed product offering Click & collect potential 	Urban mixed-use <ul style="list-style-type: none"> "Work-live-play" offering Gentrifying suburbs E.g. Brisbane

Infrastructure sub-sector matrix: relative value focus areas and investable universe

	Transport/logistics	Power	Energy infrastructure	Social infra/PPPs	Communications
Services	Transport logistics <ul style="list-style-type: none"> Integrated supply chain services Multi-modal transportation Air/rail/water transportation equipment leasing 	Ancillary power <ul style="list-style-type: none"> Distributed generation Installation of power supplies Utility scale battery storage 	Energy management <ul style="list-style-type: none"> Metering/sub-metering Energy equipment leasing Utility location services 	Public services <ul style="list-style-type: none"> Transport solutions: mobility as a service Digitization of public services Smart cities 	Specialty communications <ul style="list-style-type: none"> Emergency communications Network management & monitoring
	Ports <ul style="list-style-type: none"> Port operations Terminal logistics development Automation of towage & freight handling 	Renewable - wind/solar <ul style="list-style-type: none"> Building core offshore wind Platform expansion of onshore wind & solar Integrated renewables platforms 	Transmission <ul style="list-style-type: none"> Electric transmission Smart grids Stand-alone transmission networks 	Health <ul style="list-style-type: none"> Public/private health services Elderly care/child care Medical facilities 	Fiber <ul style="list-style-type: none"> Wholesale connectivity Network builds for Telcos End-user/bridging rural divide
	Surface transportation <ul style="list-style-type: none"> Public transportation Roads & short line rails Next generation mobility: parking/eVehicle infrastructure 	Renewable - other <ul style="list-style-type: none"> Hydro Waste-to-energy solutions Biomass 	Distribution <ul style="list-style-type: none"> Gas & electric utilities District heating/cooling Piped energy distribution systems 	Housing & education <ul style="list-style-type: none"> Building & convenience utilities Higher education asset concessions Student/military housing 	Data centers <ul style="list-style-type: none"> Hyperscale data centers Asset carve-outs from strategics Regional/edge data centers
	Airports <ul style="list-style-type: none"> Terminal concessions Regional airports Consolidation opportunities for fixed-base operators 	Conventional <ul style="list-style-type: none"> Thermal generation that is complementary to renewables Gas Co-generation 	Midstream <ul style="list-style-type: none"> Gathering & processing Pipelines for refined products/natural gas/natural gas liquids Storage solutions 	Civic and utilities <ul style="list-style-type: none"> Waste(water) treatment/disposal Community & sports facilities Local government facilities 	Towers/masts <ul style="list-style-type: none"> Support 5G and higher data rates Telecom towers, small cells Net-co solutions: asset carve-outs from Telcos

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

* Currently outside of our investment focus. Note: bullet points in black highlight Partners Group focus areas.



2018 realization and partial realization examples

Private equity

Switzerland: VAT Group AG



Leading developer and manufacturer of high-end vacuum valves

Hong Kong: Trimco International¹



Global supplier of labels, tags and brand identification solutions

Private debt

France: Alltub



Global producer of aluminum tubes & cartridges and aerosol cans

US: Acrisure¹



Retail brokerage with local insurance and benefits agencies and specialties

Private real estate

US: Aventine



A 574-unit, Class A apartment property in Alexandria, Virginia

China: Pacific Century Place, Beijing



A mixed-use property in a prime office area in Beijing, China

Private infrastructure

Japan: Japan Solar



Platform of Japanese solar power assets

US: Silicon Ranch Corporation



Developer, owner and operator of solar energy facilities in the US

USD 13.4 billion gross portfolio realizations in 2018²

Past performance is not indicative of future results. For illustrative purposes only. There is no assurance that similar investments/realizations will be made.

1 Partially realized. 2 Realizations from underlying investments/portfolio to Partners Group's advised vehicles converted to USD using FX rates as of the respective transaction date.



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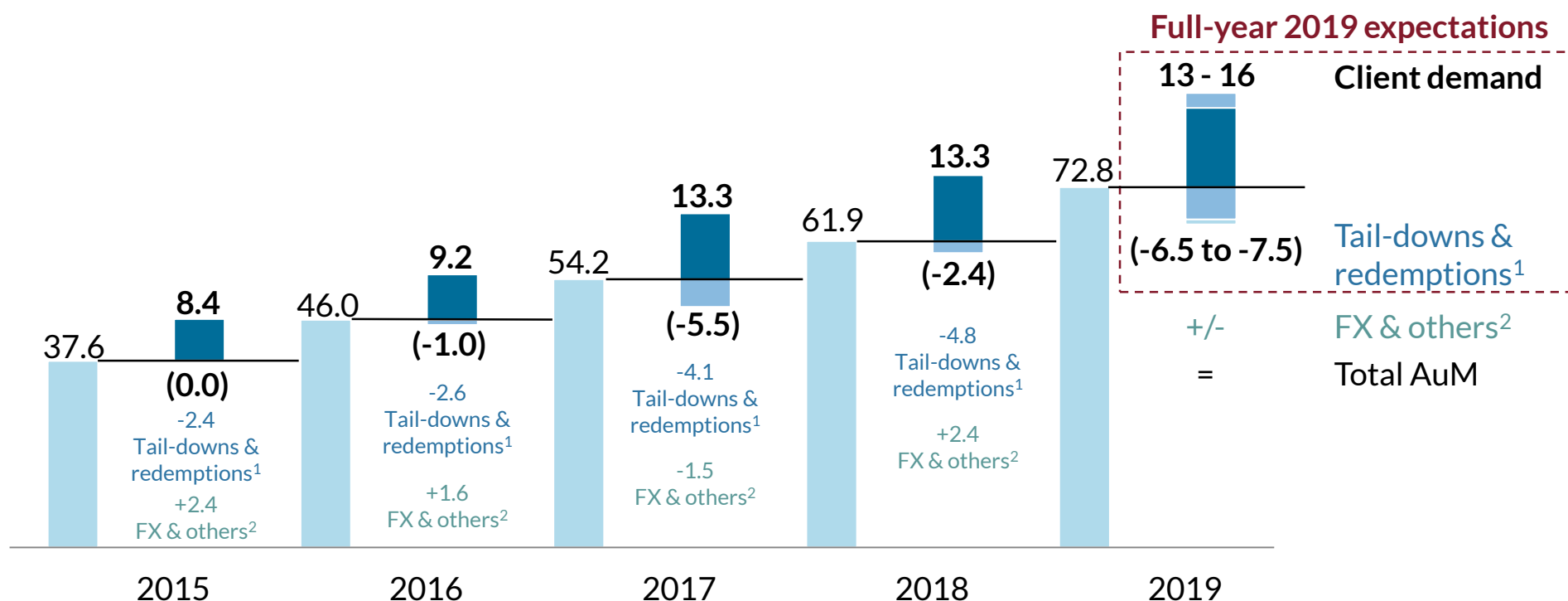
3 Investment outlook

4 **AuM outlook 2019**



Expected client demand in 2019

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



1 Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from liquid and semi-liquid programs (~20% of AuM).

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



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