



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

16 JANUARY 2020

2019 AuM announcement

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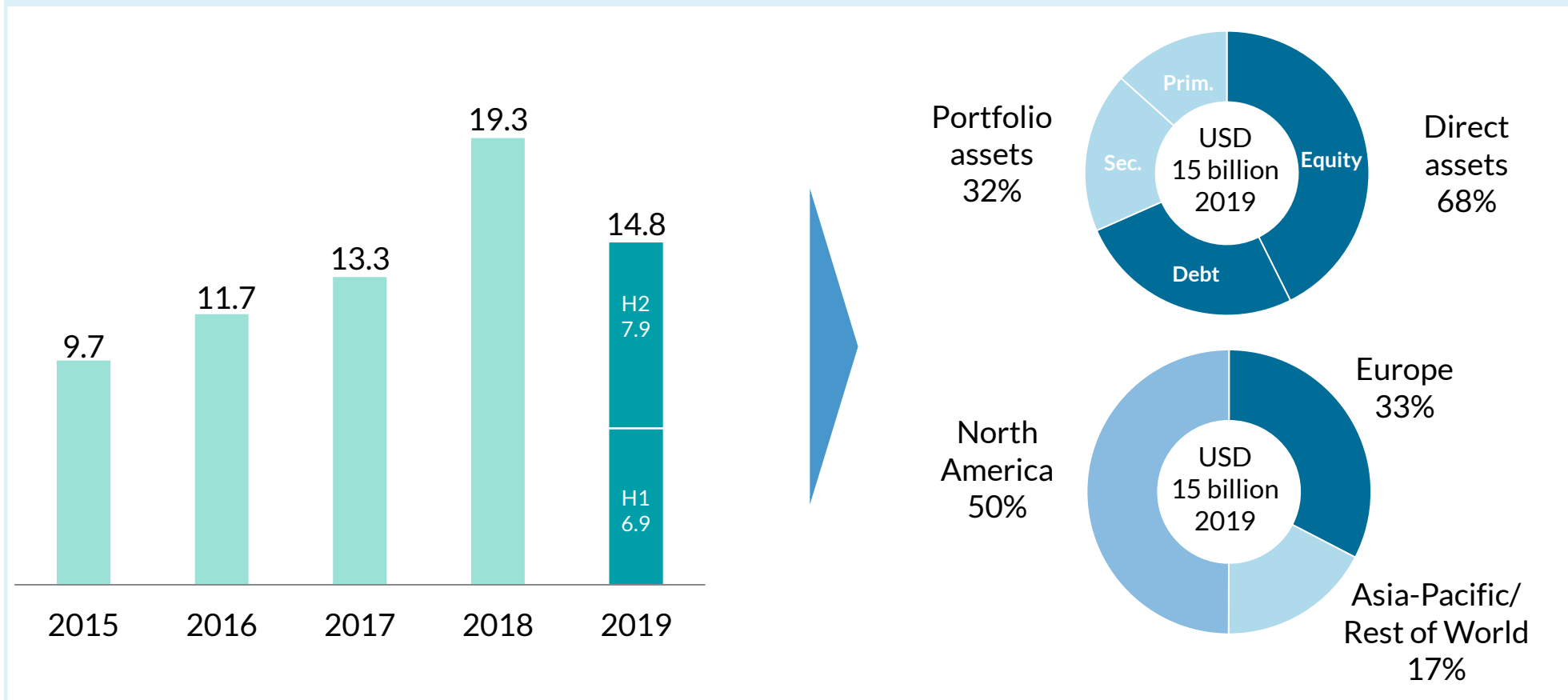
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Continued successful investment activities across the globe and all asset classes

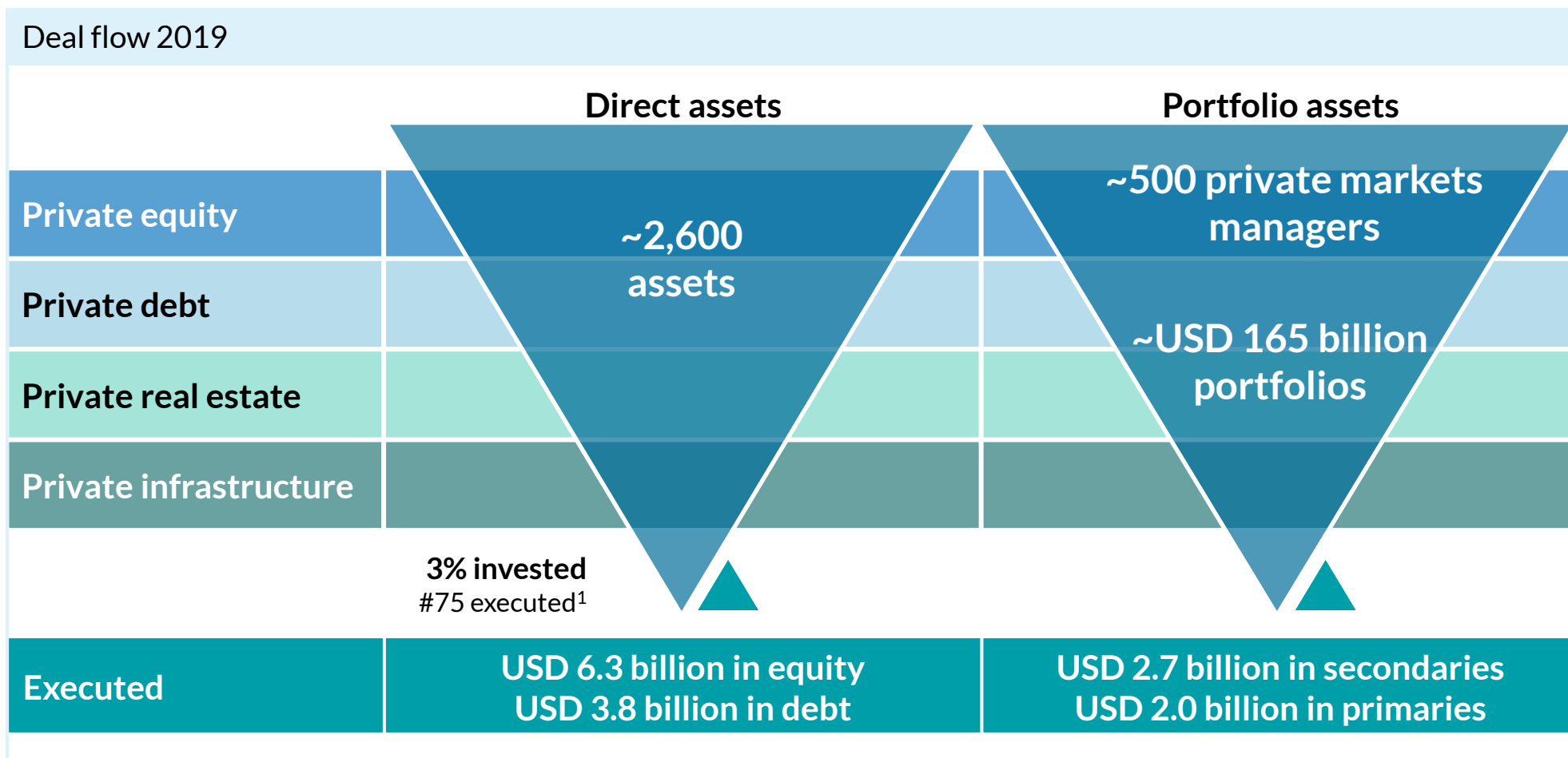
Partners Group's private markets investments¹ (in USD billion)



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



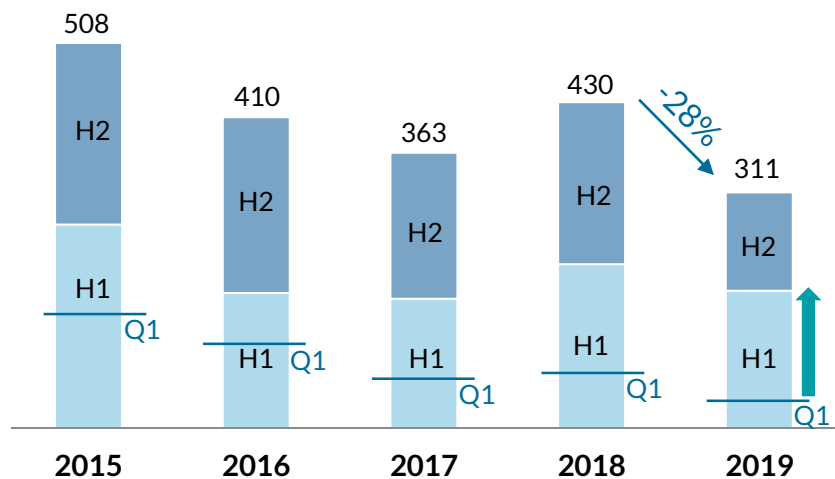
¹ USD 6.3 billion invested in 40 equity investments and USD 3.8 billion invested in 35 debt investments; figures include add-on investments but exclude investments executed for short-term loans, cash management purposes and syndication partner investments. Direct equity investment include all direct private equity, direct infrastructure and direct real estate investments (including direct secondary transactions where Partners Group has a controlling interest).



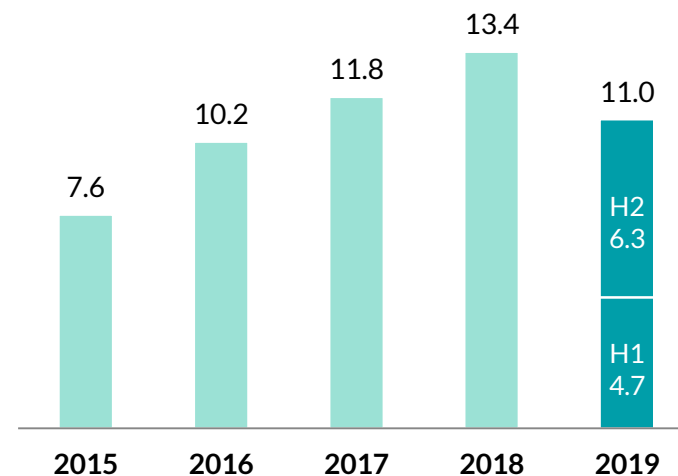
Lower exit volumes in Q1 2019 caused by market uncertainty mitigated by reasonably benign exit environment throughout the rest of the year

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

**Global private equity buyout
exit activity¹**
(in USD billion)



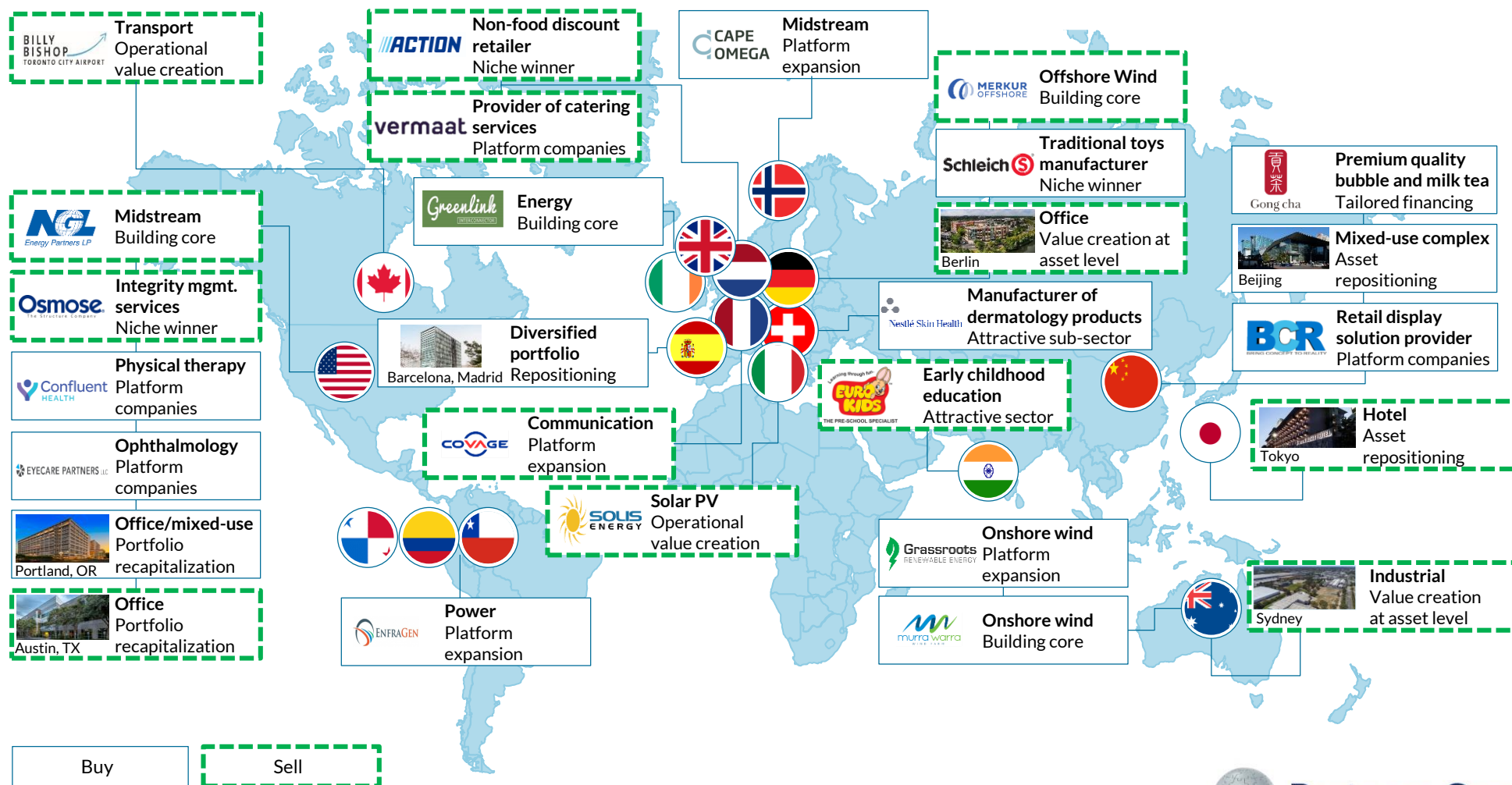
**Partners Group's underlying gross portfolio
realizations**
(in USD billion)



¹ Preqin Quarterly Update: Private Equity & Venture Capital, Q3 2019 (Data Pack). Data for Q4 2019 downloaded from Preqin Pro.



Successful transactions completed in 2019 (select examples)



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.



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Macro summary: Thematic Sourcing and value add to create growth and resilience

Global GDP growth



- **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...

Lower rates for longer



- **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...

Investment implications



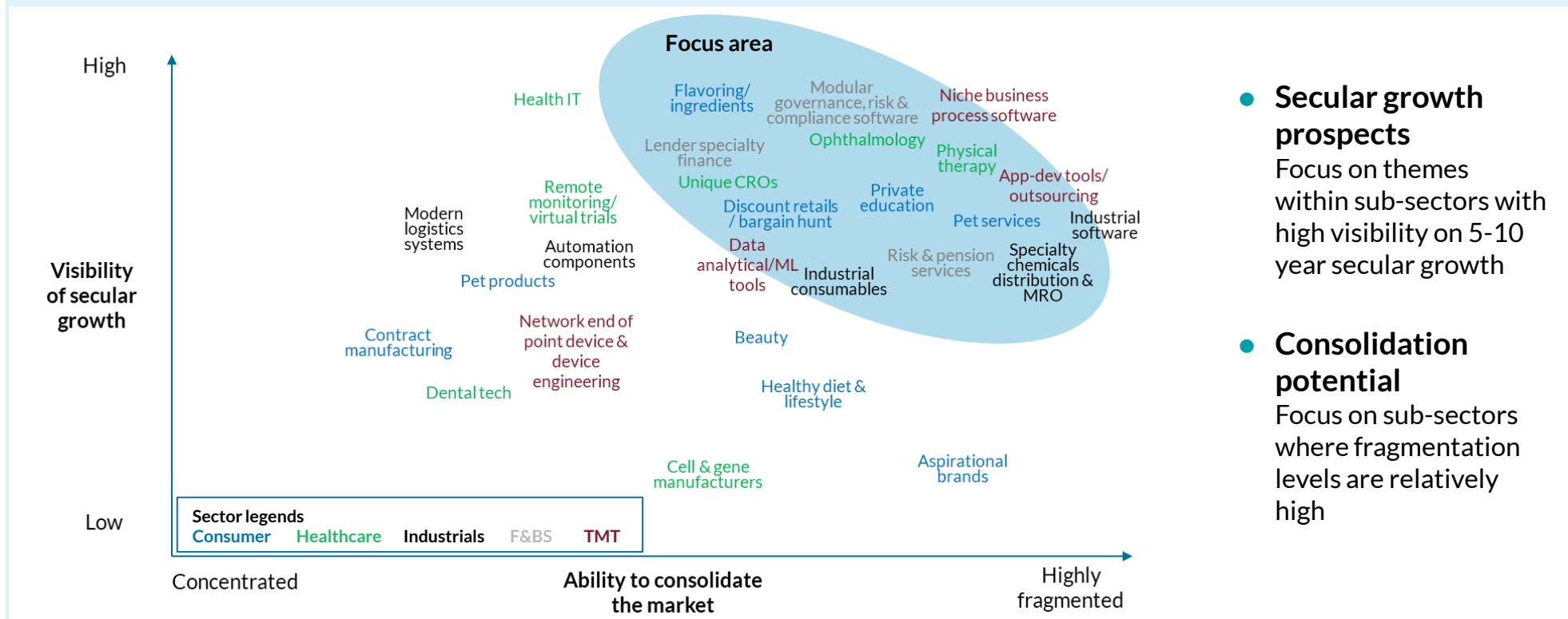
- **Rethink defensiveness.** Create growth and stability proactively
- Focus on **transformative tailwinds** with continued growth potential
- Factor in **longer holding periods** & **multiple contraction** in current high valuation environment

...focus on value creation and entrepreneurial ownership



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



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.



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Thematic Sourcing results for corporate assets in 2019

Private equity  **EYECARE PARTNERS**



The largest vertically integrated medical vision services provider in the US
Healthcare; ophthalmology

Private debt  **GONG CHA**



A leading global provider of premium quality Taiwanese bubble and milk tea
Consumer; flavoring/ingredients

Private equity  **Schleich**



One of Germany's largest toy manufacturers of figurines, playsets and accessories
Consumer; aspirational brands

Healthcare	Bus. & fin. services	Consumer	Industrials	TMT
Aging; value-based care <ul style="list-style-type: none"> Fertility; physical therapy Ophthalmology Dental tech/digital dentistry 	Non-bank financials <ul style="list-style-type: none"> Lender specialty finance Insurance brokerage 	Customization; SKU proliferation <ul style="list-style-type: none"> Contract manufacturing Flavoring/ingredients 	Automation <ul style="list-style-type: none"> Industrial consumables Sensors; control systems; connectivity 	IT infrastructure simplification <ul style="list-style-type: none"> App development tools App development outsourcing
Biologics; cell & gene industry <ul style="list-style-type: none"> Oligos; viral vectors; equipment Cell & gene manufacturers 	Financial digitization <ul style="list-style-type: none"> Cashless payment Modular governance, risk & compliance software 	Health & sustainability <ul style="list-style-type: none"> Beauty Healthy diet & lifestyle Environmental sustainability 	Modern logistics <ul style="list-style-type: none"> Systems Peripheral components 	Enterprise digital transformation <ul style="list-style-type: none"> Niche business process software
Next generation clinical trials <ul style="list-style-type: none"> Unique contract research organizations Remote monitoring/virtual trials 	Outsourced services <ul style="list-style-type: none"> Risk & pension services Facility & hygiene services 	Premiumization & specialty retail <ul style="list-style-type: none"> Aspirational brands Discount retail/bargain hunt 	Advanced manufacturing <ul style="list-style-type: none"> Critical components Ceramics; metallurgic Industrial software 	Explosion of data <ul style="list-style-type: none"> Analytical/machine learning tools Public & digital security apps
Healthcare efficiency <ul style="list-style-type: none"> Health IT Telemedicine Diagnostic automation 	Education & training <ul style="list-style-type: none"> Private education EdTech & modular learning management 	Pet & vet <ul style="list-style-type: none"> Services Products 	Industrial distribution <ul style="list-style-type: none"> Specialty chemicals distribution Maintenance, repair and operations 	Network end-point proliferation <ul style="list-style-type: none"> 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.



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Thematic Sourcing results for private real estate in 2019

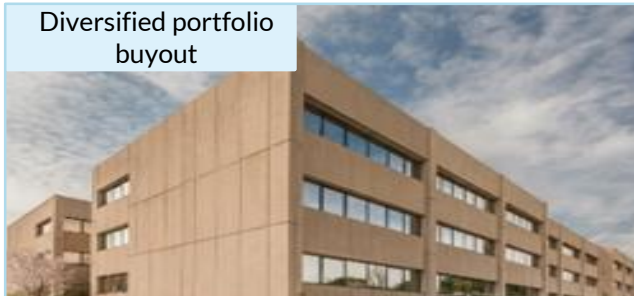
Office & retail portfolio recapitalization



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

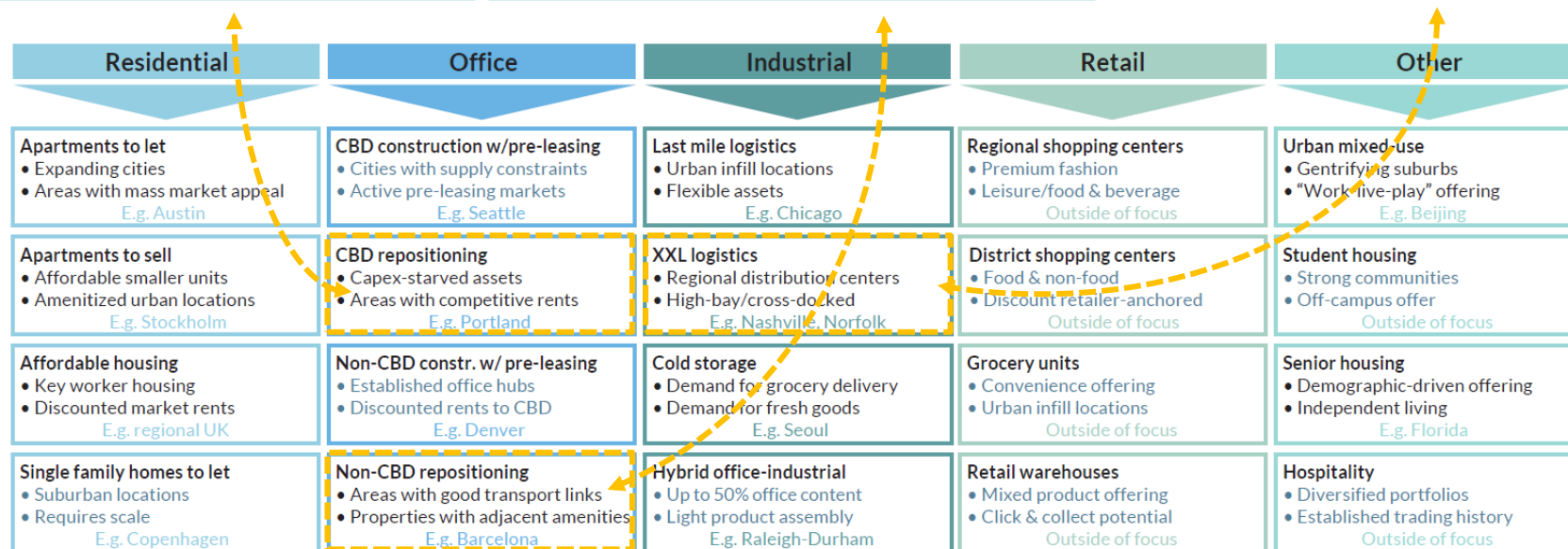
Office; properties with adjacent amenities

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.



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Thematic Sourcing results for private infrastructure in 2019

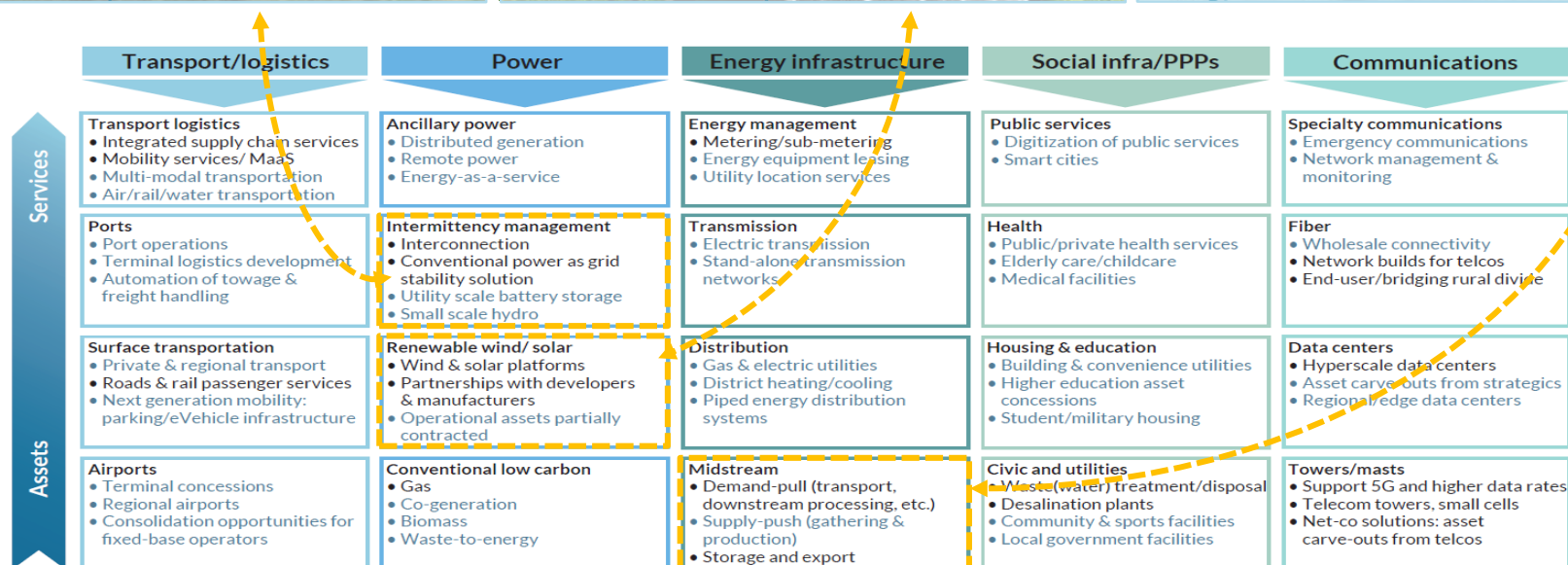
Intermittency management



Renewable capacity build-out



Midstream energy infrastructure



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



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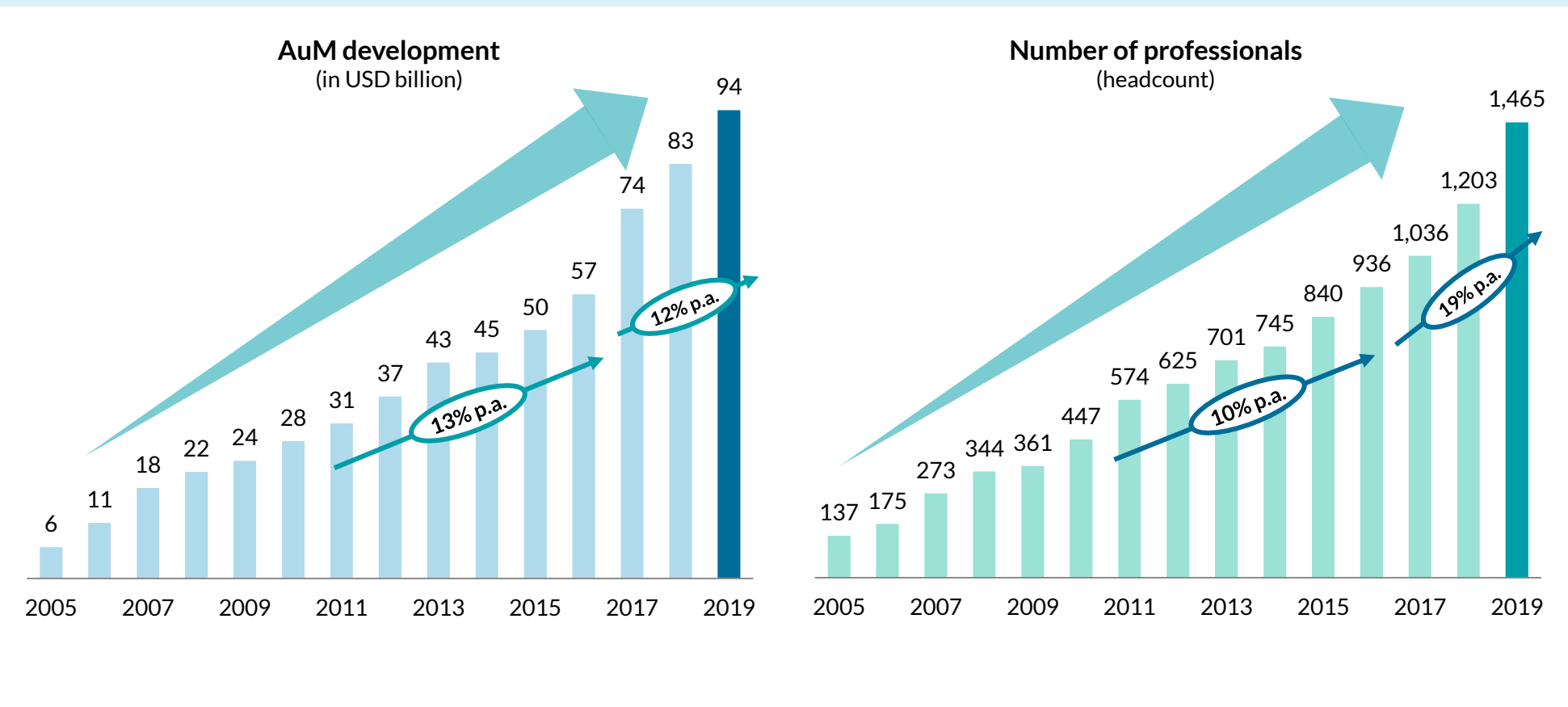
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Sustained growth of the platform

Development of total assets under management¹ and number of professionals



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

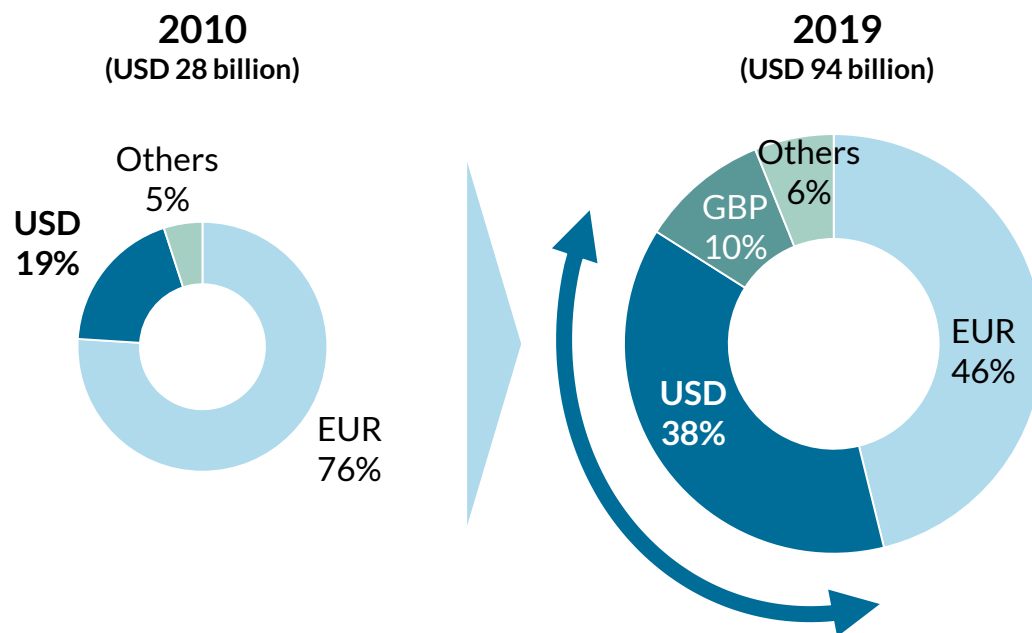
¹ Partners Group aims to mirror the fee basis for its various programs and mandates when calculating AuM. AuM covers programs, mandates and assets to which Partners Group renders (full or partial) investment management or advisory services, but does not cover consultant, transaction or other ancillary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



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Aligning our reporting currencies

AuM by currency exposure



- 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

We will report our AuM in USD going forward

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.



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Breakdown of assets raised and AuM

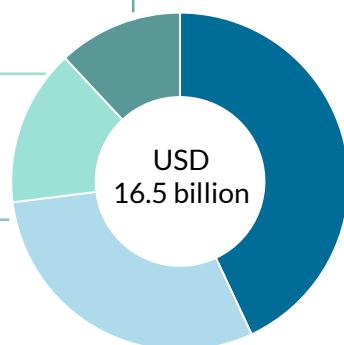
Breakdown of assets raised by asset class in 2019

Private real estate (15%)

- Real estate opportunities
- Global integrated
- Customized mandates

Private infrastructure (12%)

- Global integrated
- Customized mandates



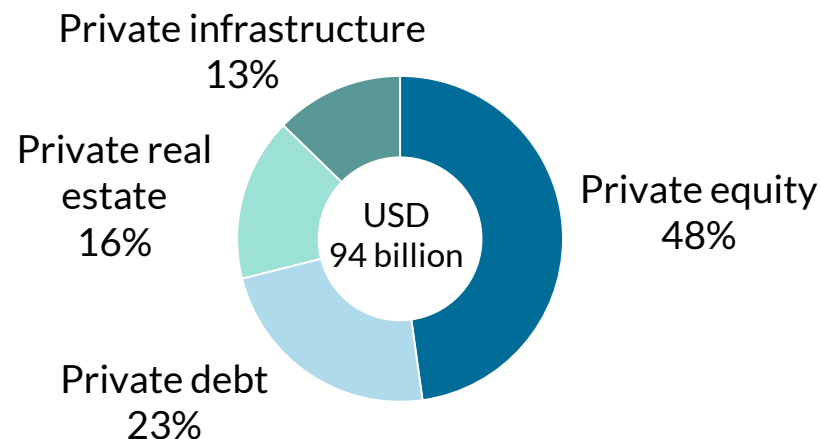
Private debt (30%)

- Global senior loans
- Multi-asset credits
- Customized mandates

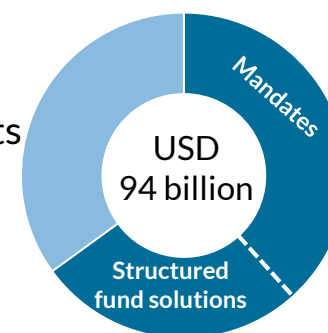
Private equity (43%)

- Direct equity
- Global integrated
- Customized mandates

Breakdown of AuM as of 31 December 2019



Traditional private markets programs
~35%



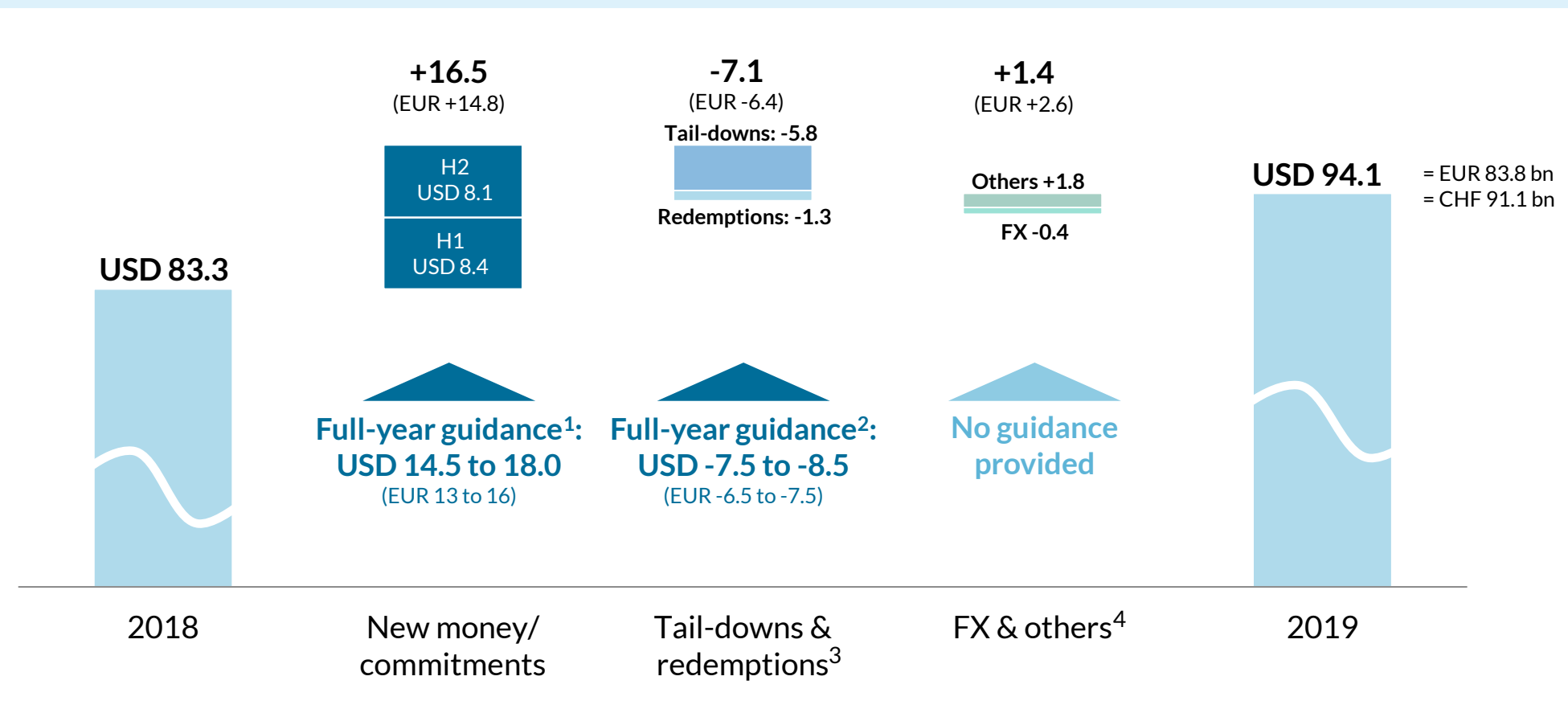
Tailored private markets programs
~65%



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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.



AuM development by asset class (in USD)

Assets under management development 2019 (in USD million)

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

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



AuM development by asset class (in EUR)

Assets under management development 2019 (in EUR million)

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

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)



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+262 professionals in 2019 (+22%)

Americas
+74 professionals (+30%)

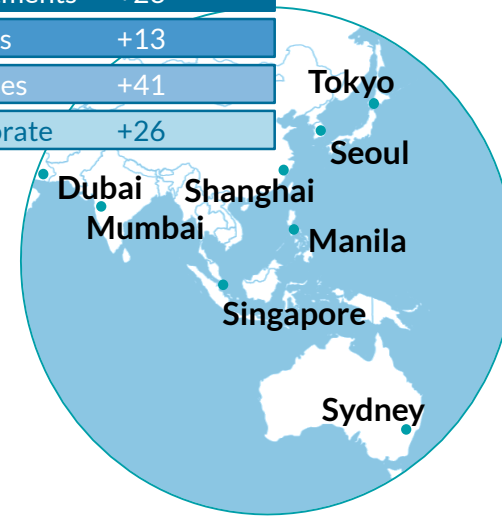
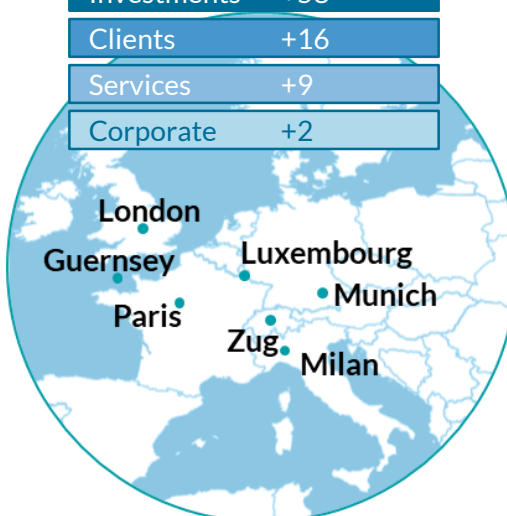
Europe
+85 professionals (+15%)

Asia-Pacific
+103 professionals (+26%)

Investments	+47
Clients	+7
Services	+8
Corporate	+12

Investments	+58
Clients	+16
Services	+9
Corporate	+2

Investments	+23
Clients	+13
Services	+41
Corporate	+26

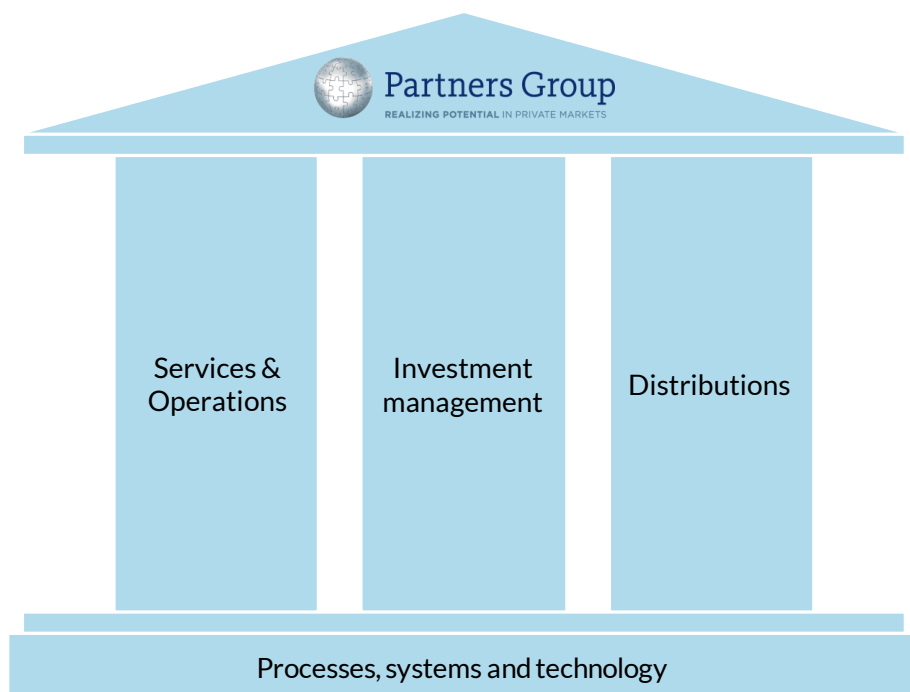


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We are committed to further building out our platform globally

Leading asset management business model & organizational focus areas



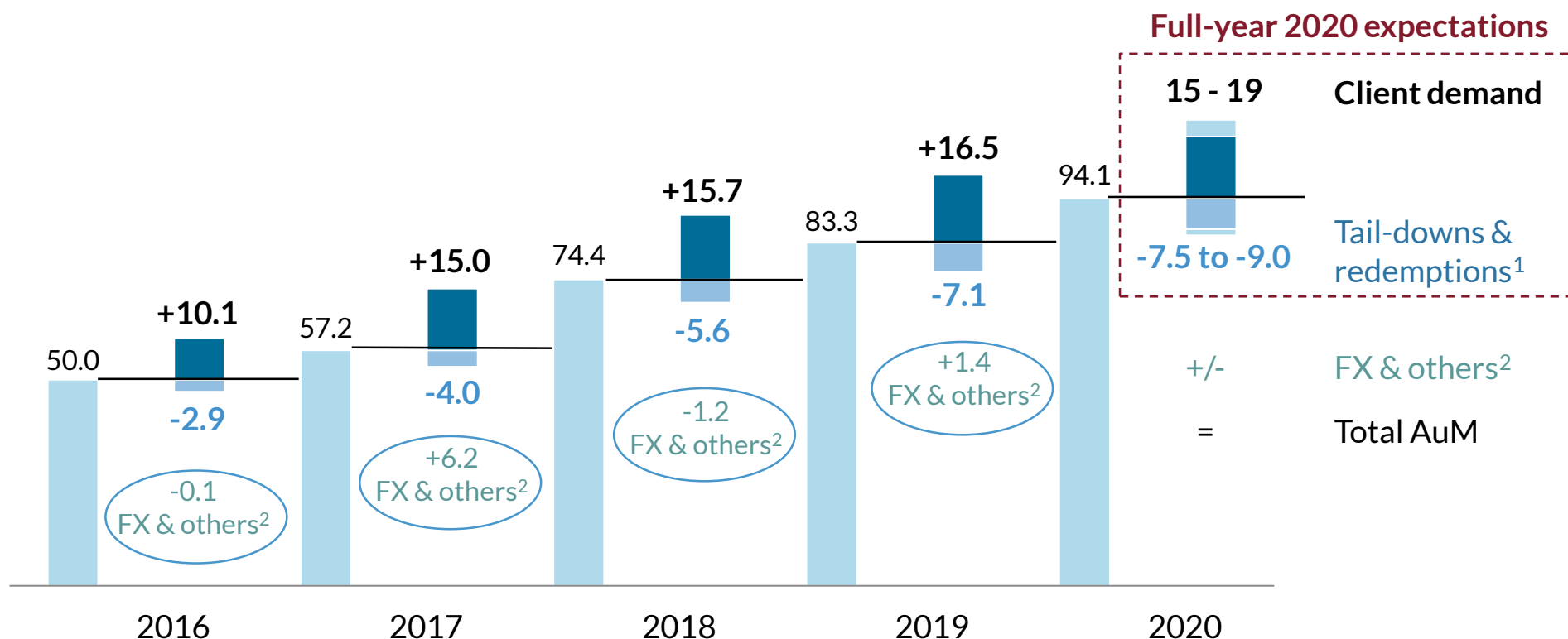
- **Platform growth**
We focus on developing talent via training and leadership programs and on onboarding new professionals
- **Service & Operational Excellence**
We foster cross-departmental learning and expect operational effectiveness to improve constantly across all teams
- **Systems & technology**
We invest significantly in systems and technologies that allow us to leverage private markets data and know-how (e.g. PRIMERA¹)

We are committed to further building out our team globally and expect the team to grow in line with AuM

¹ PRIMERA is Partners Group's proprietary private markets database.

Expected client demand in 2020

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



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.



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