

Barwon Global Listed Private Equity Fund

Monthly Report – August 2021

The Barwon Global Listed Private Equity Fund aims to provide wholesale investors with a high performing portfolio of private equity investments in a fee efficient manner whilst offering daily liquidity.

Net Performance at 31 August 2021¹

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	ITD p.a. ²
Net Return ³	1.6%	8.6%	51.3%	17.4%	16.5%	16.5%	8.0%

1. A\$ domiciled unit trust. The Fund hedges foreign currency exposures
2. Inception date is 01 June 2007
3. Returns are after management fees, performance fees, and other fund expenses

NAV Price	0.9922
------------------	--------

Entry Price	0.9952
--------------------	--------

Exit Price	0.9892
-------------------	--------

The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of August 2021 was 1.6%. Over the 10 years ended 31 August 2021 the Fund has returned 16.5% p.a.

Market Commentary

Contributors over the month included Blackstone Group Inc (USD +9.07%), Eurazeo (EUR + 6.61%), Chrysalis Investments Ltd (GBP +10.4%) and Pantheon International plc (GBP +10.96%). The largest detractors to performance were Onex Corp (CAD -0.70%), ADT Inc (USD -18.40%) and SolarWinds Corporation (USD -18.10%).

We often like to comment on private equity investment trends. One trend we are seeing through the likes of listed alternative asset managers (AAMs) Blue Owl and Ares Management is investments in professional sports teams and leagues. The world of pro sport is another example of private equity finding new realms of investment opportunity. Drawn to the low correlation between the value of sports franchises with other asset classes, several funds dedicated to the strategy have already been raised by the likes of Blue Owl, Silver Lake and CVC. In this year alone, Ares Management has invested over \$1bn in sports related investments – including a \$40M structured loan to Rugby Australia costing the Wallabies over 10% p.a. to see it through to the next Lions tour in 2025.

Ownership stakes in professional sports teams and associations have traditionally been the bastion of the ultra-wealthy, royal families, and oligarchs. However, just as access to finance is 'democratising', so is the ownership of many beloved professional sports franchises. Over the last few years, the NBA (National Basketball Association), MLB (Major League Baseball), and the MLS (Major League Soccer) took the big step of allowing private equity financing in numerous teams. In sports leagues around the world, private equity firms are now knocking at their doors, scaling up their investments and even raising dedicated investment funds.

While some fans are uneasy seeing their favourite team as a commercial enterprise, the economics of professional sports clubs and leagues can present a unique and attractive asset. They are essentially natural local monopolies with strict association rules around expansion and new team

entrants. And the handful of elite leagues and competitions in each respective sport draw the vast majority of global revenue.

There is big money in pro sports. The top 4 US sports leagues (NFL, NBA, MLB, NHL) have 124 teams which brought in US\$28bn total club revenue for the 2020 season, an average of almost US\$250M per team. The top 5 European football leagues contain 98 clubs projected to generate €17.5bn in annual revenue, almost €200M per club.

While the eye-watering salary packages of top athletes are the headlines, professional sports organisations have favourable economics to support this in the form of long-term revenue visibility through season tickets and media rights. For example, Amazon recently acquired exclusive rights to stream Thursday Night Football (NFL) for 11 years from 2022. The contract reportedly cost Amazon over \$1bn p.a. – an incredible sum considering there are only 15 regular season games on Thursday per year.

Digital disruption of traditional media and the shift to on-demand streaming has also meant viewers can engage with their team/sport on many more levels. The global consumer can now directly subscribe to stream games, for exclusive content, and even digital collectibles (e.g. NBA Top Shot). On-demand content streaming also increases global viewership due to its availability and convenience.

The increasing commercialization is not without controversy as sports organisations balance economic imperatives with their own identity. The highly successful New Zealand All Blacks national rugby team faces this dilemma at the time of writing as it weighs a 12.5% minority sale to Silver Lake against a public listing in an effort to raise capital. Nonetheless, we believe this trend will continue as unique content becomes increasingly sought after and the greater monetization of fan engagement drives the commercial growth opportunity.

Underlying Investment Exposures on a Look-Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	45%	Pre-2016	22%	North America	57%
PE Backed	6%	2016	16%	Europe	36%
Alternative Asset Manager	30%	2017	11%	Other	7%
Private Debt	12%	2018	23%	Total	100%
Liquidity	8%	2019	15%		
Total	100%	2020	13%		
		2021	1%		
		Total	100%		

5 Largest Holdings by Weight

Company	Type
Blackstone Group Inc	Alternative Asset Manager
Hg Capital Trust PLC	Buyouts
KKR & Co Inc	Alternative Asset Manager
Eurazeo	Buyouts
Brookfield Business Partners LP	Buyouts

The Barwon Global Listed Private Equity Fund is an Australian domiciled unit trust offering daily liquidity. Foreign currency exposures are substantially hedged into Australian dollars.

Key Information	
Trustee & Manager	Barwon Investment Partners
Applications & Withdrawals	Daily
Unit Prices	Daily
Minimum Investment	\$50,000
Buy-Sell Spread	0.30%
Distributions	Semi-annual
Management Fee	0.65% p.a.
Performance Fee	15% in excess of 12% hurdle
Bloomberg Fund Code	BAGLLPE AU Equity
APIR Code	BAR0001AU

Barwon offers access to the same strategy via a feeder fund, the BGLPEF AF (Access Fund), offered under a PDS and is for financial advisors, financial intermediaries and investors investing via platforms.

**Access Fund
Ratings & Platform Availability**

- AMP North
- Asgard
- BT Panorama
- Colonial First Wrap
- Macquarie Wrap
- Netwealth
- Hub24
- PowerWrap
- Praemium



Barwon also manages the [Pareturn Barwon Listed Private Equity Fund](#), a Luxembourg-domiciled UCITS Fund and the [Barwon Global High Income Fund](#), an Australian-domiciled unit trust.

About Barwon Investment Partners

Barwon Investment Partners is an Australian fund manager with a 15+ year track record of generating strong investment returns for institutional, wholesale and retail clients.

Barwon is independently owned with an experienced team of 35+ investment professionals focused on healthcare property, property finance and global investments.



Contact Us
+61 2 9216 9600

Barwon Investment Partners
Level 10, 17 Castlereagh Street
Sydney NSW 2000 Australia

For More
Information

Sam Armstrong sam.armstrong@barwon.net.au
Kate Hayward kate.hayward@barwon.net.au
www.barwon.net.au

DISCLAIMER While all care has been taken in the preparation of this fact sheet (using sources believed to be reliable and accurate), no person including Barwon Investment Partners ABN 19116012009 / AFSL No 298445 (Barwon), or any other affiliated company, accepts responsibility for any loss suffered by any person arising in reliance on this information other than under law which cannot be excluded. This fact sheet is intended to provide general information only and does not take into account any particular investor's objectives, financial situation or needs. Investors should seek their own financial and taxation advice before making investment decisions or dealing with their investment. An Information Memorandum explaining the Fund is available from Barwon.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned December 2020) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at www.zenithpartners.com.au/RegulatoryGuidelines