

Barwon Global Listed Private Equity Fund

Monthly Report – March 2022

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 March 2022¹

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	ITD p.a. ²
Net Return	1.4%	-6.5%	14.7%	17.6%	12.7%	14.9%	7.5%

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	0.9700
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Entry Price	0.9729
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Exit Price	0.9671
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The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of March 2022 was 1.4%. Over the 10 years ended 31 March 2022 the Fund has returned 14.9% p.a.

Market Commentary

Contributors over the month included Eurazeo (EUR +10.32%), Oakley Capital Investments (GBP +8.83%), HgCapital Trust plc (GBP +5.71%), Intermediate Capital Group plc (GBP +4.17%). Detractors to performance included Instructure Holdings (USD -10.49%), Princess Private Equity Holding Ltd (EUR -8.71%) and KKR & Co Inc (USD -2.74%).

In the month, we further reduced the Fund's exposure to listed private debt funds through the exit of Ares Capital Corporation on valuation grounds. ARCC has one of the strongest and longest investment track records in US direct lending. Portfolio credit quality currently stands at its strongest in the company's history, with non-accruals at its lowest point in 14 years. 2021 was also a record year for new loan origination and repayments. The strong operating fundamentals, along with its floating rate exposure in the face of rising rates, has supported share price outperformance and a full valuation.

We also increased our target weight in Intermediate Capital Group (ICG), the European alternative asset manager, amidst the intra-month volatility which did not fairly reflect its robust fundamentals. The company's valuation fell to only 11x / 6x FY23E FRE / PRE despite a mid-teens top-line management fee revenue and earnings growth outlook. This presented an attractive opportunity to increase our investment in ICG.

As we have commented on in the past, the alternative asset management (AAM) sector is benefitting from structural long term growth trends. The listed AAM sector has grown over the past year with six new IPOs, and five potential IPOs in the pipeline (CVC, IK Partners, Ardian, PAG, Dyal).

Date	Company	Strategies	AUM at IPO	Mkt Cap at IPO
Jan 2022	TPG	Private Equity, Growth, Impact, Real Estate, Secondaries	\$113bn	\$2.1bn
Oct 2021	P10	Private Equity, Venture Capital, Private Credit, GP minority stakes	\$17bn	\$240M
Sep 2021	Antin Infrastructure	Private Equity infrastructure	€20bn	€4.3bn
Sep 2021	Petershill Partners	GP minorities (portfolio of investments)	n/a	£4.0bn
May 2021	Blue Owl	Dyal – GP minority stakes Owl Rock - private credit	\$52bn	\$14bn
Jan 2021	Patria	LatAm focused Private Equity, Infrastructure, Credit, Real Estate	\$14bn	\$2.4bn

Convergence of traditional and alternative asset managers

In addition to the IPO activity, there were a record 78 acquisitions of AAMs in 2021 (source: Piper Sandler) as financial investors, traditional asset managers and existing AAMs all seek to capture more of the growing pie.

In recent years, large traditional asset managers have been making direct investments in venture capital and growth equity investments, often through their public equity funds. Blackrock, Fidelity, T. Rowe Price have collectively invested \$92bn in venture and growth equity investments since 2010 (source: Preqin). But more recently, these traditional asset managers have expanded deeper into private markets and alternative investments through M&A. Two trends have been driving this: the declining margins in traditional funds management and the growth in alternative assets and relatively attractive margins.

For example, T Rowe Price recently acquired private credit specialist Oak Hill which managers \$52bn in AUM, valuing the business at \$4.2bn. Oak Hill will remain a standalone business but serves as T. Rowe's private markets platform. Incredibly, this is T. Rowe's first acquisition in over a decade. Other notable recent transactions are listed below.

Date	Acquiror	Target	Speciality	AUM	Price
Mar 2022	Alliance Bernstein	CarVal Investors	Opportunistic and Distressed Credit	\$14.3bn	\$750M
Nov 2021	Franklin Templeton	Lexington Partners	Secondaries	\$34bn	\$1.75bn
Oct 2021	T. Rowe Price	Oak Hill	Private Credit	\$52bn	\$4.2bn
Oct 2021	Macquarie	Central Park Group	Private Equity and Real Estate	\$3.5bn	n/d
July 2021	PGIM	Montana Capital Partners	Secondaries (small / mid cap)	\$3bn	n/d

It's not just traditional asset managers who have been active. Existing alternative asset managers themselves have also been busy on the M&A front, seeking to broaden their platforms across the growing alternative investment strategies. Among the listed AAMs, which represents 32% of the Fund currently, examples of acquisitions in just the last 12 months are listed below.

Date	Acquiror	Target	Speciality	AUM	Price
Mar 2022	Brookfield / Oaktree	17Capital	Private Credit (NAV lending)	n/d	n/d
Mar 2022	EQT AB	Barings PE Asia	Private Equity (Asia)	€17.7bn	€6.8bn
Feb 2022	TPG	NewQuest Capital	Secondaries (Asia)	\$2.4bn	n/d
Jan 2022	Ares Management	Spring Bridge	Secondaries (GP-led)	\$150M	n/d
Dec 2021	Blue Owl	Oak Street Real Estate	Private Equity Real Estate	\$15.4bn	\$950M
Dec 2021	Ares Management	AMP Infrastructure Debt	Infrastructure Debt	A\$7bn	A\$428M
Nov 2021	EQT AB	LSP	European Life Sciences Venture Capital	€2.2bn	€450M
Sep 2021	P10	Bonaccord	GP Minority stakes	\$700M	\$55M
Sep 2021	P10	Hark	Private Credit (NAV lending)	\$600M	\$7.2M
Sep 2021	CVC	Glendower	Secondaries (LP + GP-led)	\$8bn	n/d
Sep 2021	Patria	Moneda	Private Credit (Chile)	\$7.9bn	n/d
July 2021	Tikehau Capital	Foundation Private Equity	Secondaries (GP-led)	n/d	n/d
July 2021	StepStone	Greenspring Associates	Venture Capital	\$17bn	\$725M
May 2021	Ares Management	Black Creek	Real Estate	\$11.6bn	n/d
Mar 2021	Ares Management	Landmark Partners	Secondaries (LP)	\$19bn	\$1.1bn

Underlying Investment Exposures on a Look Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	47%	Pre-2016	26%	North America	56%
PE Backed	7%	2016	12%	Europe	37%
Alternative Asset Manager	32%	2017	8%	Other	6%
Private Debt	5%	2018	18%	Total	100%
Liquidity	10%	2019	11%		
Total	100%	2020	16%		
		2021	9%		
		2022	0%		
		Total	100%		

5 Largest Holdings by Weight

Company	Type
Eurazeo	Buyouts
Blackstone Group Inc	Alternative Asset Manager
KKR & Co Inc	Alternative Asset Manager
HgCapital Trust plc	Buyouts
Oakley Capital Investments Ltd	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 and wholesale clients.

Barwon is independently owned with an experienced team of 43 investment professionals focused on healthcare property, property finance and global investments.



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