

# Barwon Global Listed Private Equity Fund

## Monthly Report – October 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 October 2022<sup>1</sup>

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	ITD p.a. <sup>2</sup>
Net Return	8.1%	-9.2%	-24.4%	5.2%	6.4%	11.6%	5.8%

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

<b>NAV Price</b>	0.6942
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<b>Entry Price</b>	0.6963
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<b>Exit Price</b>	0.6921
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The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of October 2022 was 8.1%. Over the 10 years ended 31 October 2022 the Fund has returned 11.6% p.a.

### Market Commentary

Contributors over the month included KKR & Co Inc (USD +13.1%), Blackstone Group Inc (USD +9.9%), Ares Management (USD +22.4%), and Eurazeo (EUR +7.3%). Detractors to performance included Brookfield Asset Management (USD -3.1%), Chrysalis Investments (GBP -8.9%), and Apax Global Alpha (GBP -3.5%).

In the third quarter, private equity valuations have been mixed – generally ranging from +/-5%. Year-to-date, private equity valuations have proven resilient. The pressure on valuation multiples due to the de-rating in public equities continues to be a headwind but is being offset by resilient, albeit decelerating, earnings growth. Supply chain and logistical challenges encountered early in the year have eased substantially. However, labour availability remains tight and wage inflation remains persistent.

In private markets, investors still have abundant capital in the form of dry powder – i.e., committed but uninvested capital. However, the uncertain macroeconomic outlook has driven buyer and seller expectations apart causing a drop in transaction activity.

Selectivity is the narrative. Where a business has visibility to resilient growth in the face of a softening economy, buyers coalesce and competition for the asset remains high. A recent example is Oakley Capital's partial realisation of its investment in Wishcard, a European white-label gift card service. Oakley acquired the business in 2019 partnering with original founders. Over the last three years, revenues have quadrupled and the business remains on a very strong growth path. In its short period of ownership, Oakley has realised a 4.5x return on invested capital, but even more encouragingly, the value for which it was sold was 37% above its prevailing carrying value, confirming the latent value in Listed Private Equity portfolios.

Demand has been decelerating quickest in Europe and Asia in geographic terms, and in discretionary purchases for 'price sensitive' consumers. However, as always, specific underlying businesses continue to grow in their respective niches.

The Fund's largest underlying exposure is a European brick and mortar discount retail chain called Action. It has been owned by UK-listed 3i Group since 2011, and now represents over half the total portfolio value of 3i due to its extraordinary performance. Despite inflationary cost pressures, the highly successful discount retailer with over 2,000 stores has seen earnings growth accelerate to 35%, and like for like sales growth of 15.7% year over year. And we continue to expect strong returns from Action as it continues on its path of store roll-outs.

## Underlying Investment Exposures on a Look Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	44%	Pre-2017	35%	North America	61%
PE Backed	6%	2017	9%	Europe	30%
Alternative Asset Manager	32%	2018	18%	Other	9%
Private Debt	5%	2019	11%	<b>Total</b>	<b>100%</b>
Liquidity	13%	2020	14%		
<b>Total</b>	<b>100%</b>	2021	11%		
		2022	2%		
		<b>Total</b>	<b>100%</b>		

## 5 Largest Holdings by Weight

Company	Type
Eurazeo	Buyouts
KKR & Co Inc	Alternative Asset Manager
Blackstone Group Inc	Alternative Asset Manager
Intermediate Capital Group plc	Alternative Asset Manager
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 over 40 investment professionals focused on healthcare property, property finance and global investments.



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