

Barwon Global Listed Private Equity Fund

Monthly Report – January 2023

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 January 2023¹

	1 Month	3 Months	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	ITD p.a. ²
Net Return	10.2%	9.5%	-13.4%	6.2%	7.4%	11.1%	6.3%

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	0.7602
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Entry Price	0.7625
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Exit Price	0.7579
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The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of January 2023 was 10.2%. Over the 10 years ended 31 January 2023 the Fund has returned 11.1% p.a.

Market Commentary

Contributors over the month included Blackstone Group Inc (USD +29.3%), KKR & Co Inc (USD +20.2%), and Intermediate Capital Group plc (GBP +20.9%). Detractors to performance included Apax Global Alpha (GBP -5.5%), HarbourVest Global Private Equity (GBP -2.0%), and PowerSchool Holdings (USD -2.4%).

The Fund has started the year strongly returning 10.2% in January. Markets rallied as the very negative market sentiment at the end of last year met better than expected macroeconomic developments. Solid Q4'22 results which are still being released have also supported the market.

Fourth quarter 2022 PE NAVs are showing healthy gains of between 2-5%, as public market valuations stabilised in the fourth quarter. Median full year 2022 PE returns look to be modestly negative, the first negative calendar year since 2008.

At this point, companies continue to perform well delivering good earnings growth. However, a noticeable slowdown in earnings growth due to pressure on profit margins remains a headwind. Encouragingly, the Golub Capital Altman Index, an index of 150 private US mid-market companies in Golub Capital's portfolio, showed a healthy 10.8% revenue and 9.2% EBITDA YoY growth for Q4 2022. And PE sponsors with a focus on operational improvement such as Brookfield are able to generate value and better mitigate the higher supply chain and energy costs. For example, in the first six months of acquiring CDK Global last year, a software provider to automotive dealers, they've appointed a new senior leadership team, reduced global headcount by 15% and commenced initiatives to improve the business' EBITDA by \$200M, or 33%, when fully implemented.

The alternative asset managers, which includes Fund investments in Blackstone, KKR, and Apollo Global Management, were up strongly after being some of the largest detractors to Fund performance in 2022. The annual results were robust, with the managers delivering fee earnings per share growth of over 10% in 2022. Whilst there is a widely reported slowdown in fundraising, the leading managers had their second largest fundraising years on record. For example, Blackstone raised \$43.1bn in Q4'22, bringing full year inflows to \$226bn, just shy of its record 2021. Similarly, KKR raised \$81bn in 2022 which is more than 2019 and 2020 combined. Despite their strong start to the year, they continue to trade on an attractive valuation and are much stronger, more diversified businesses compared to three years ago.

Underlying Investment Exposures on a Look Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	44%	Pre-2017	25%	North America	60%
PE Backed	4%	2017	8%	Europe	31%
Alternative Asset Manager	32%	2018	18%	Other	9%
Private Debt	5%	2019	12%	Total	100%
Liquidity	15%	2020	15%		
Total	100%	2021	15%		
		2022	7%		
		Total	100%		

5 Largest Holdings by Weight

Company	Type
Blackstone Group Inc	Alternative Asset Manager
KKR & Co Inc	Alternative Asset Manager
Eurazeo	Buyouts
Oakley Capital Investments	Buyouts
3i Group plc	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	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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