

Barwon Global Listed Private Equity Fund

Monthly Report – March 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 March 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	-3.9%	5.9%	-14.6%	17.4%	7.6%	9.7%	6.0%

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	0.7301
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Entry Price	0.7323
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Exit Price	0.7279
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The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of March 2023 was -3.9%. Over the 10 years ended 31 March 2023 the Fund has returned 9.7% p.a.

Market Commentary

Contributors over the month included 3i Group plc (GBP +3.6%), Ares Management Corporation (USD +4.5%) and Eurazeo (EUR +2.7%). Detractors to performance included Apax Global Alpha (GBP -13.0%), Onex Corporation (CAD -13.4%) and Intermediate Capital Group plc (GBP -13.2%).

In March, Lisa Swanton (Portfolio Manager) and Levina Pham (Investment Analyst) travelled to New York and met with 20 listed PE managers across the Alternative Asset Manager, Private Debt and Buyout sectors. This included companies and funds such as Ares Capital Corp, TPG Inc, Blackstone Secured Lending and Brookfield Business Partners. The trip coincided with the week following the collapse of Silicon Valley Bank (SVB) and Signature Bank (SB). Management teams were coming straight off the back of a weekend spent reviewing their portfolios to determine their exposure. An interesting time to have been on the ground in New York.

Some of our key takeaways from the week:

- The managers in our portfolio and indeed all the managers we met with in New York had no direct exposure to either SVB or SB. Moreover, they had very limited indirect exposure through their portfolio companies and nearly all of which was manageable and supported by the US Treasury guaranteeing all deposits.
- There were a lot of conversations about what the collapse of these regional banks meant for commercial lending in the US. The view echoed by many of the private credit managers was that we are likely to continue seeing further pullback in commercial lending by regional banks resulting in even greater market share for private credit lenders. An investment professional from BlackRock TCP Capital Corp commented that it may result in "less pushback on deal terms and better lender protection."
- It is a very good time to be lending money. Deal terms for lenders have become far more

attractive with lower leverage, higher interest rates and spreads, and increased covenants in new loans. Furthermore, only the best companies are getting financed. Amidst the market volatility in March, we took the opportunity to add to the Fund's private debt exposure, adding one new investment (discussed below).

- Companies delivered good earnings growth in 2022, however managers spoke a lot about the slowing of topline growth with businesses no longer being able to pass on the continued price increases to consumers. Whilst some cost pressures have eased, the primary cost pressure that remains is wage inflation and this is widespread across industries.

During the research trip, Lisa and Levina met with Ian Simmonds, CFO of Sixth Street Specialty Lending (TSLX). TSLX is a US-listed Business Development Company (BDC) providing senior secured loans to middle market companies. It has a US\$2.8bn portfolio of private loans to c. 80 companies, and is part of a broader US\$65 billion Sixth Street Partners credit platform. TSLX has generated one of the highest returns in the BDC sector and has a proven ability to generate significant value through market dislocations. Following the collapse of the regional banks and subsequent market volatility, the Fund acquired a 3.5% position in TSLX at an attractive valuation. TSLX is currently paying a gross dividend yield between 10.4% and 11.8%, with the range dependent on the level of supplementals it pays out. TSLX's portfolio of predominately senior secured floating rate loans is well positioned for a weaker credit environment and we expect it to outperform the market.

Underlying Investment Exposures on a Look Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	48%	Pre-2017	25%	North America	61%
PE Backed	4%	2017	9%	Europe	30%
Alternative Asset Manager	33%	2018	18%	Other	9%
Private Debt	8%	2019	12%	Total	100%
Liquidity	7%	2020	14%		
Total	100%	2021	15%		
		2022	7%		
		Total	100%		

5 Largest Holdings by Weight

Company	Type
KKR & Co Inc	Alternative Asset Manager
Eurazeo	Buyouts
Blackstone Group Inc	Alternative Asset Manager
Brookfield Asset Management	Alternative Asset Manager
HarbourVest Global Private Equity	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.



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

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