

# Barwon Global Listed Private Equity Fund

## Monthly Report – April 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 30 April 2023<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	2.7%	-1.4%	-4.8%	14.6%	7.7%	9.6%	6.1%

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	0.7494
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Entry Price	0.7516
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Exit Price	0.7472
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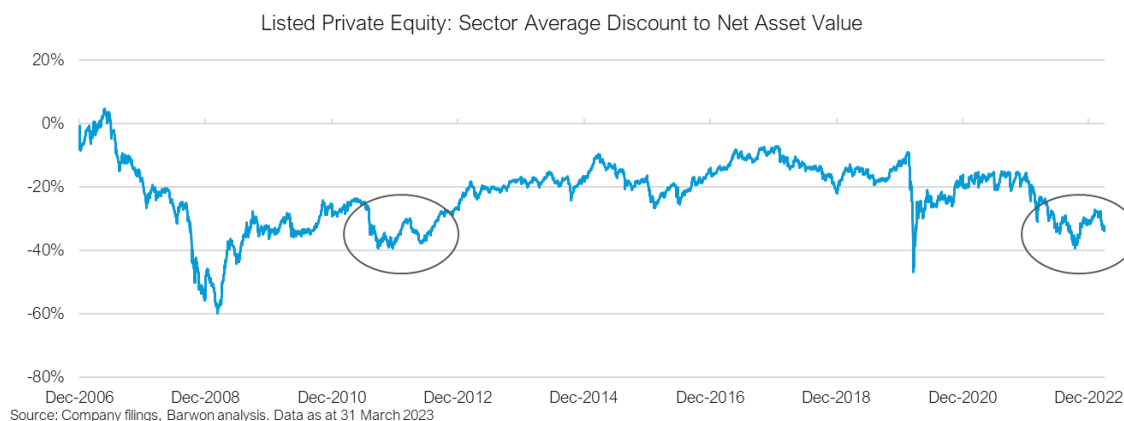
The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of April 2023 was 2.7%. Over the 10 years ended 30 April 2023 the Fund has returned 9.6% p.a.

## Market Commentary

Contributors over the month included Apax Global Alpha (GBP +9.0%), Pantheon International (GBP +7.7%) and Intermediate Capital Group plc (GBP +6.9%). Detractors to performance included Brookfield Business Partners LP (CAD -8.9%), Onex Corporation (CAD -1.1%) and Golub Capital BDC (USD -0.6%).

There is a lot of conversation about the divergence in private and public market valuations, and for the same asset we can see very different valuations being applied by public markets. Who is right?

2022 was a tough year for Listed Private Equity (LPE). The NAVs of our Fund holdings returned on average +13% over 2022, but share prices were down 14% over the same period. This resulted in the average LPE discount to NAV widening to over 30%, the widest discount for the sector since 2012, aside from a very brief period in 2020 (see LPE Sector Average Discount to Net Asset Value chart below for a full year history).

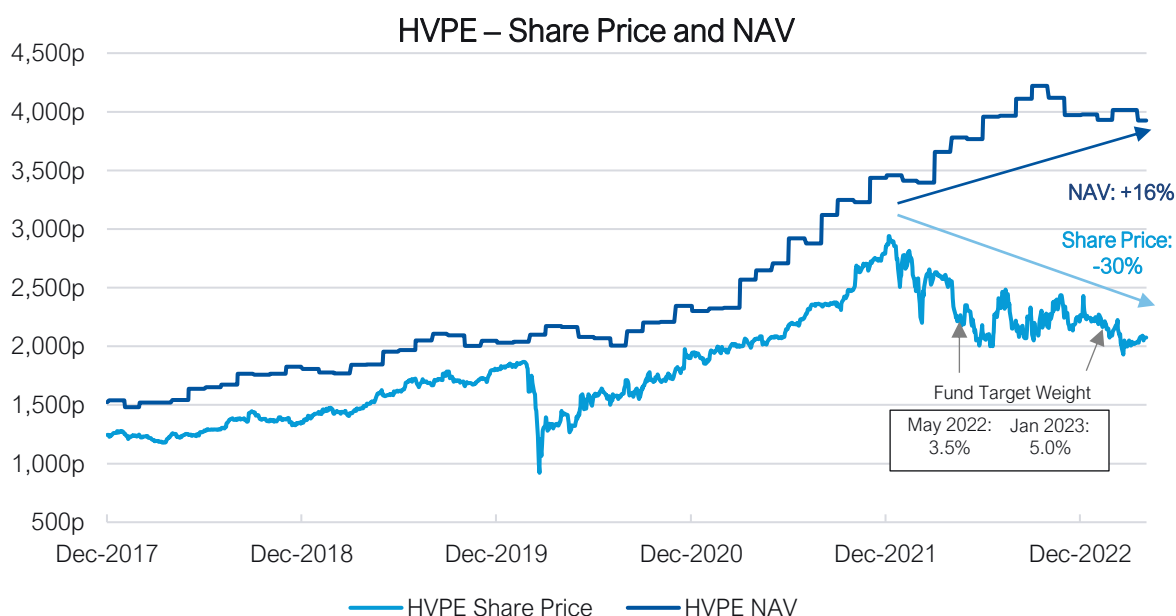


We view this sell off in listed private equity as a function of there being more sellers than buyers in the risk off market, and we think public markets are getting ahead of themselves on the downside. There is the view that the market is concerned PE NAVs are overstated, however we would disagree. The underlying operating performance of companies has been robust, and in fact better than expected, with solid revenue and earnings growth in 2022 driving the NAV increases. This has been somewhat offset by reference valuation multiples declining as valuations are marked to comparable market multiples.

LPEs have continued to sell assets at uplifts to carrying values over 2022. Albeit a quieter transaction market, we followed 36 exits from LPE portfolios in 2022 (including some diversified portfolio transactions within that mix) and they were completed at an average uplift to carrying value of 47%. This further reinforces our view of the latent value in NAVs and the conservative valuation policies of LPE managers.

Moreover, a key benefit of private equity ownership is that private owners are not forced sellers and in a market like today they can continue to hold onto good assets if that is the better decision for investors.

We have increased the Fund’s exposure to LPE Buyout Funds in recent months, focusing on high quality PE managers and portfolios, that are deeply discounted. One example where we have seen the widest divergence in public and private market valuations is HarbourVest Global Private Equity (HVPE), a London-listed investment fund with a GBP1.7 billion market cap. HVPE traded out to a 45% discount to its reported NAV in January, offering an attractive opportunity to increase the Fund’s holding. HVPE’s portfolio is comprised of primary commitments to top quartile global PE managers, its comparable to a PE portfolio you might find in a diversified institutional private equity portfolio. We view this as a compelling entry point for the stock as ultimately its long-term return will be driven by the underlying PE investments but it offers the added benefit of capturing the discount over time as the market stabilises.



## Underlying Investment Exposures on a Look Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	50%	Pre-2018	33%	North America	62%
PE Backed	4%	2018	17%	Europe	30%
Alternative Asset Manager	33%	2019	12%	Other	8%
Private Debt	9%	2020	14%	Total	100%
Liquidity	5%	2021	15%		
Total	100%	2022	8%		
		2023	0%		
		Total	100%		

## 5 Largest Holdings by Weight

Company	Type
KKR & Co Inc	Alternative Asset Manager
Blackstone Group Inc	Alternative Asset Manager
Eurazeo	Buyouts
Golub Capital BDC Inc	Private Debt
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	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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