

Barwon Global Listed Private Equity Fund

Monthly Report – May 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 May 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	1.0%	-0.4%	-3.1%	12.7%	7.7%	9.5%	6.2%

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	0.7574
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Entry Price	0.7597
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Exit Price	0.7551
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The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of May 2023 was 1.0%. Over the 10 years ended 31 May 2023 the Fund has returned 9.5% p.a.

Market Commentary

Contributors over the month included HgCapital Trust plc (GBP +16.6%), 3i Group plc (GBP +10.7%) and Pantheon International (GBP +8.2%). Detractors to performance included Brookfield Asset Management (USD -8.1%), Eurazeo (EUR -1.2%), and PowerSchool Holdings (USD -9.3%).

During the month, our team attended over 40 meetings visiting companies in London, Paris, and New York on two separate research trips.

Sentiment among private equity managers and investors appears to be improving. Over the past 12 months, we have seen significant easing in shipping costs back to pre-Covid levels, normalisation of input and energy prices, and wage inflation ease (albeit remaining relatively high).

Importantly, underlying companies have delivered better than expected revenue and earnings growth. Private equity and private credit managers are reporting high single digit earnings growth across their underlying companies / private equity portfolios. In general, companies operating in the healthcare and technology sectors are reporting stronger sustained organic growth in the low-teens, while consumer businesses and industrials have seen a more marked deceleration from peak 2021 levels.

Within our Fund's holdings, underlying companies have generated trailing 12m EBITDA growth of circa 15% on average. This is driven in part by add-on acquisitions to platform investments but for even the most acquisitive portfolios, organic growth represents more than half the total. And indeed has been the primary driver of positive NAV growth, offsetting some valuation multiple headwinds.

Our current holdings in listed buyout funds have also generated NAV growth of +13% since the end of 2021, whilst their share prices have declined 10% on average. The average discount to NAV on which our buyout fund holdings trade is over 30%, which is very cheap relative to the secondary market for unlisted PE funds (~10% discount). This disconnect between private and public market

performance has created an attractive entry point. Six of the last seven positions the Fund has added (or added to) have been UK listed buyout funds, which have exhibited the greatest disconnect.

The fundraising environment remains challenging for private equity, with the denominator effect still impacting investors' ability to commit to funds. The intense competition for private equity dollars has shown even large managers can be vulnerable to performance or corporate issues that could give investors reason to say no. For example, fundraising for Carlyle's flagship private equity fund, Carlyle Partners VIII has stalled substantially short of Carlyle's US\$22bn target. The effect of this goes beyond lower management fee earnings for the manager. It can impact the manager's ability to recruit and retain investment talent, or place pressure to exit existing investments to return capital to investors (potentially on less-than-ideal terms). On the positive front, demand for private credit and infrastructure strategies has been strong and this has benefitted managers with scaled offerings in those asset classes including Ares Management, Apollo Global Management, and Brookfield Asset Management (particularly through their Oaktree subsidiary).

Underlying Investment Exposures on a Look Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	52%	Pre-2018	34%	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	2%	2021	15%		
Total	100%	2022	8%		
		2023	0%		
		Total	100%		

5 Largest Holdings by Weight

Company	Type
Blackstone Group Inc	Alternative Asset Manager
KKR & Co Inc	Alternative Asset Manager
Eurazeo	Buyouts
Intermediate Capital Group plc	Alternative Asset Manager
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.



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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