

Barwon Global Listed Private Equity Fund

Monthly Report – August 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 August 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	0.0%	7.6%	13.8%	12.2%	8.6%	10.0%	6.5%

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	0.8150
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Entry Price	0.8174
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Exit Price	0.8126
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The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of August 2023 was 0.0%. Over the 10 years ended 31 August 2023 the Fund has returned 10.0% p.a.

Market Commentary

Contributors over the month included KKR & Co (USD +6.1%), Golub Capital BDC (USD +6.2%) and Blackstone Group (USD +1.5%). Detractors to performance included Brookfield Business Partners LP (CAD -10.0%), Compass Diversified Holdings (USD -8.3%) and PowerSchool Holdings (USD -8.5%).

As we approach the close of the third quarter of 2023, private equity NAVs are likely to continue their growth supported by better-than-expected resilience in underlying earnings growth, and improving valuations in broader public equity markets. Although average discounts to NAV on listed buyout funds have come in from almost 40% to 30% this year, the discount remains at almost double the 10-year average of 15%, and significantly wider than where unlisted private equity funds are trading on the secondary market. After three consecutive quarters of positive PE NAV growth since Q4'22 (and possibly four if markets remain stable through Q3'23), concerns of overvaluation of unlisted PE assets has somewhat abated. Arguably for some, their investments have grown in to that valuation as earnings haven't slowed down as precipitously as feared, and others have benefitted from a recovery in valuations of the harder hit growth and technology sectors. Whatever the case, our confidence in private equity NAVs across the space has improved through the year, and exit activity – albeit limited to date – has continued to validate the conservativeness of valuations.

At the start of September, S&P announced Blackstone would be added to the S&P500 Index effective 18th September. It was long awaited as the \$130bn plus market cap company was the largest eligible company not yet in the widely followed index. Even though its entry was widely anticipated, the incremental demand is substantial. In total, estimates for demand could be up to 15-20% of Blackstone's total free float from the c\$8tn in AUM that either passively tracks or is benchmarked to the index. This represents over 40x average daily volume. The inclusion marks an important milestone for the trillion-dollar AUM manager, has provided a technical boost to Blackstone's share price, and has now firmly put it on the radar of more institutional investors.

Blackstone's inclusion also opens the door for other alternative asset managers – namely KKR and Apollo Global Management as the next two largest by market cap.

Underlying Investment Exposures on a Look Through basis

Investment Classification		Vintage Year		Geographic Exposure	
Buyouts	54%	Pre-2018	31%	North America	59%
PE Backed	4%	2018	17%	Europe	32%
Alternative Asset Manager	28%	2019	11%	Other	9%
Private Debt	5%	2020	15%	Total	100%
Liquidity	9%	2021	16%		
Total	100%	2022	10%		
		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
Onex Corp	Buyouts
Pantheon International	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 16-year track record of generating strong investment returns for institutional and wholesale clients.

Barwon is independently owned with an experienced team of over 50 investment professionals focused on healthcare property, property finance and global investments.



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