

Barwon Global Listed Private Equity Fund

Monthly Report – September 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 September 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	-0.3%	2.8%	26.6%	12.5%	8.1%	9.5%	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	0.8125
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Entry Price	0.8149
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Exit Price	0.8101
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The Barwon Global Listed Private Equity Fund's (Fund) net return for the month of September 2023 was -0.3%. Over the 10 years ended 30 September 2023 the Fund has returned 9.5% p.a.

Market Commentary

Contributors over the month included Golub Capital BDC (USD +2.0%), ICG Enterprise Trust plc (GBP +10.0%) and Eurazeo (EUR +3.7%). Detractors to performance included Compass Diversified Holdings (USD -9.1%), Onex Corporation (CAD -4.4%) and Oakley Capital Investments (GBP +0.1%).

A number of our portfolio holdings conducted capital markets days in September. Here are some key highlights from our observations:

- Onex Corporation** – The Canadian-listed private equity group hosted its capital markets day on September 28, offering an update on leadership succession, restructuring progress, and near-term strategic direction. We are encouraged by the measures taken by the new CEO, Bobby Le Blanc, to refocus the organization following the setback of failing to raise its flagship private equity fund. Onex owns both an asset management business with \$34 billion in third-party fee-generating AUM and a \$8 billion balance sheet of investments, both of which are performing well. As of 30 June 2023, the 12-month NAV growth of its balance sheet was +9%. With \$1.5 billion in cash (19% of NAV) and no debt, its balance sheet is well-capitalized. Despite the pause in fundraising for its large-cap PE fund, Onex still trades at a substantial discount to its intrinsic value. The shares currently trade at a 40% discount to NAV, with no value attributed to its third-party asset management business, which generates over \$250 million in annual revenue.

- **3i Group** – During its capital markets day on September 20, 3i provided a positive update on its largest investment, Action, which accounts for 70% of its NAV. Action continues to deliver impressive year-to-date sales growth (+31% YoY) and even more impressively, like-for-like sales growth of 20%. Its robust growth and cash flow generation have led to rapid deleveraging, with a net debt to run-rate EBITDA ratio of 1.3x, potentially paving the way for a cash distribution to shareholders through a dividend recap. We expect the rest of the portfolio to deliver very strong NAV growth even in a slower macroeconomic backdrop.
- **Brookfield** – Brookfield held their annual capital markets days for its listed entities including Brookfield Asset Management (the asset manager spun-out at the end of 2022) and its listed private equity vehicle Brookfield Business Partners. The asset manager is performing well and on track for a record year of fundraising of almost \$100 billion in private capital and another \$50 billion in insurance capital inflows. However, the share price performance of Brookfield Business Partners, its listed PE vehicle, has been very disappointing. The shares now trade at a distressed valuation of >60% discount to NAV. Surprisingly, the decline in share price has not coincided, as it typically does, with a decline in NAV. Although its balance sheet is stretched, there is visibility to significant deleveraging when the sale of Westinghouse, announced a year ago, finally closes (expected by year end).

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
Eurazeo	Buyouts
KKR & Co Inc	Alternative Asset Manager
Blackstone Group Inc	Alternative Asset Manager
Pantheon International	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 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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