

FUND MONTHLY REPORT

BARWON GLOBAL LISTED PRIVATE EQUITY FUND AF

INVESTMENT PERFORMANCE

Rolling Return ²	Barwon Global Listed Private Equity Fund (BGLPEF)			Barwon Global Listed Private Equity Fund AF					
	Since inception ¹ % p.a.	10 years % p.a.	5 years % p.a.	3 years % p.a.	2 years % p.a.	1 year %	3 months %	1 month %	
	7.39	9.82	12.86	10.86	6.82	26.48	10.51	2.00	
Calendar Year Return	2023 %	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %
BGLPEF	34.6	(24.6)	33.9	8.5	33.3	(8.7)	15.7	16.7	(1.4)

¹ Inception date - BGLPEF 1 June 2007; ² A\$ domiciled unit trust. The Fund hedges foreign currency exposures. Source: Mainstream. BGLPEF AF (feeder fund) has an inception date of 4 June 2020, hence longer-term performance history has been provided for the BGLPEF (underlying fund). Returns are after management fees, performance fees, and other fund expenses. Past performance is not an indication of future performance.

INVESTMENT OBJECTIVE

The Barwon Global Listed Private Equity Fund AF (BGLPEF AF) seeks an indirect exposure to returns from a private equity portfolio which generates performance comparable to a private equity program of top tier private equity managers and which outperforms public equity markets over the medium term.

It is a feeder fund investing in units of the Barwon Global Listed Private Equity Fund (BGLPEF, underlying fund).

KEY FEATURES

- Bottom up, research driven investment approach
- Benchmark unaware portfolio
- Unleveraged, long only, open ended fund with daily liquidity
- Transparency and flexibility, unlike traditional private equity approach
- Value-oriented approach to security selection
- The strategy has been running for 15 years.

MONTHLY COMMENTARY

The Barwon Global Listed Private Equity Fund AF rose in February as it returned 2.00% (in AUD terms, net of fees).

Contributors over the month included KKR & Co (USD+13.7%), Apollo Global Management (USD +11.8%) and Intermediate Capital Group (GBP +7.8%). Detractors to performance over the month included PowerSchool Holdings (USD -11.3%), HarbourVest Global Private Equity (GBP -3.7%) and Instructure Holdings (USD -6.9%).

Q4 Private Equity ("PE") NAVs were positive off the back of a supportive valuation read-across from the public equity market rally at the end of the year and sustained growth in underlying company revenue and earnings.

Many listed PE buyout funds continue to stand out as outliers on valuation grounds in the listed private equity universe. However, we are starting to see the re-rating, which started last year, gaining momentum. On average, the Fund's listed buyout fund investments still trade at a very wide 29% discount to NAV on average. While the average discount to NAV had been as wide as 36% 12 months ago, it remains almost double the pre-COVID average of 15% at the end of 2019. Moreover, at these levels, the sector continues to price in significant economic deterioration.

We have seen Boards of LPE funds become more receptive and undertake more substantial share repurchase programs. There is a back-log of private equity investments waiting to be sold due to the muted transaction activity we've seen over the past 18 months. PE

sponsors are under increasing pressure to generate realisations from both an IRR hurdle perspective on their carried interest and from their investors. After an extended period of stand-off, buyer and seller pricing expectations are getting closer to converging. Anecdotally, we understand M&A teams at investment banks are busy organising a number of sales processes started this year by sponsors seeking an exit if market conditions continue to stabilise or improve throughout the year. In general, we feel portfolios are well positioned for a substantial pick up in realisations this year.

KKR and Apollo Global were the strongest contributors to Fund returns last month. Over the past 5 years, we have seen the largest global alternative asset managers take a disproportionately large share of the structural growth in alternative assets. More recently since rates have started rising, managers with strong credit franchises have been the outperformers in a more challenging market. Both KKR and Apollo fall into this category. It is interesting to note that both also have “balance sheet heavy” operating models with wholly owned insurance subsidiaries (Global Atlantic and Athene/Athora respectively), which have historically traded at a discount to their ‘balance sheet lite’ peers (e.g. Blackstone).

KKR raised a total of \$70bn across its platform in 2023, more than half of which (\$46bn) was for credit strategies which now account for over 40% of its total AUM. Global Atlantic, its wholly owned insurance company focused on retirement and life insurance products, has been a resounding success. Only 2.5 years since KKR’s acquisition, it has scaled its AUM from \$70bn to over \$160bn. As KKR enters a flagship fundraising cycle in 2024/25 for its private equity and infrastructure funds, as well as growing out its private wealth oriented ‘K-series’ products, we maintain a constructive outlook on its medium-term outlook.

Apollo has seen incredibly rapid growth in its credit business and has scaled to have the largest credit platform amongst its AAM peers at \$480bn in ‘yield’ AUM. The credit strategies offered by Apollo now span across 16 different direct origination platforms from sub-investment grade corporate direct lending to investment grade asset backed financing. This allows Apollo to manage a greater proportion of insurance money AUM. Its insurance platform Athene, now the largest seller of fixed annuities in the US, and Athora – its European equivalent, are now the single largest drivers of AUM growth across Apollo’s platform. Its high-returning private equity strategies continue to perform well (e.g. its \$24.6bn 2017 vintage Fund IX has delivered a 22% net return), but its contribution to Apollo’s growth has been dwarfed by private credit.

FUND HOLDINGS

The Fund’s top 10 holdings are shown in alphabetical order in the following table:

Stock	
3I Group	
Blackstone	
Eurazeo	
Golub Capital	
HarbourVest Global	
HgCapital	
Intermediate Capital	
KKR & Co	
Oakley Capital	
Onex Corporation	
Total % of Fund	59.5
Number of stocks held	22

Based on BGLPEF (Underlying Fund) data
Source: Barwon

FUND ATTRIBUTION

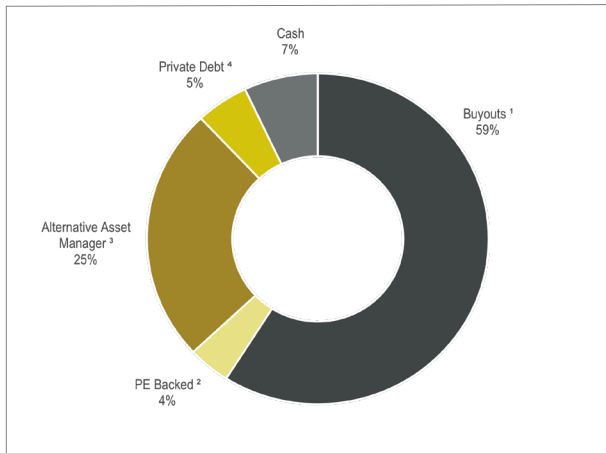
The top contributors to and detractors from the Fund over the past month are shown in the tables below:

Top Contributors
KKR & Co
Apollo Global
Intermediate Capital
Blackstone
Golub Capital

Top Detractors
PowerSchool Holdings
HarbourVest Global
Instructure Holdings
Eurazeo

Given the benchmark unaware nature of the Fund, absolute contribution rather than relative attribution is used. Based on BGLPEF (Underlying Fund) data.
Source: Barwon

SECTOR ALLOCATION



Based on BGLPEF (Underlying Fund) data
Source: Barwon

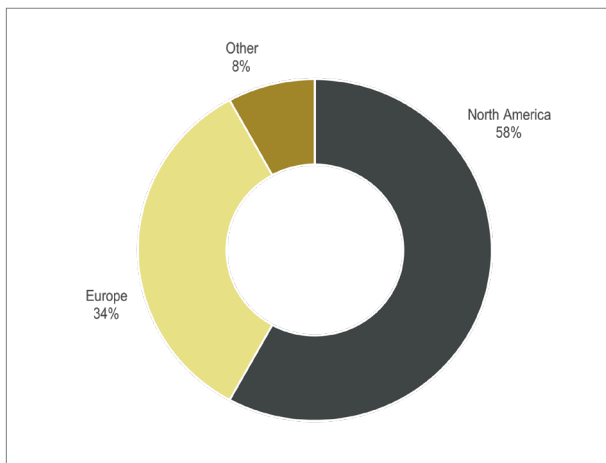
RESEARCH OPINIONS

The Fund has been assessed by key research houses and has received the following ratings as at 29 February 2024:

Qualitative Ratings



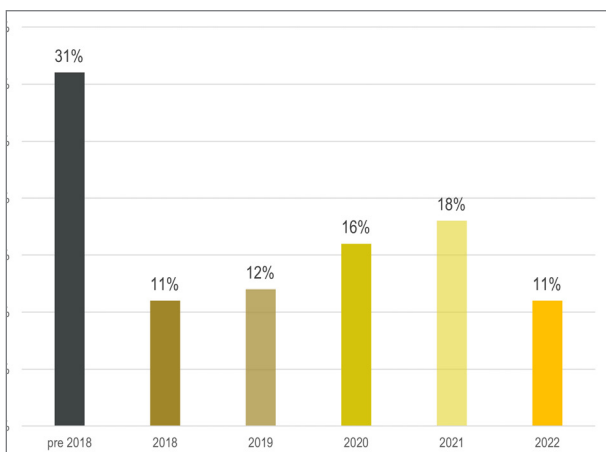
REGIONAL ALLOCATION



Based on BGLPEF (Underlying Fund) data with additional look-through to geographic exposure of individual holdings in the portfolio
Source: Barwon

“Listed private equity provides investors with PE returns, but with public market liquidity. It is an inefficient market, so alpha can be generated through active management.”

VINTAGE YEARS ⁵



Based on BGLPEF (Underlying Fund) data
Source: Barwon

¹ A buyout is the act of a firm or fund that invests in established companies, often with the intention of improving operations and/or financials. The firm or fund will typically acquire the whole, majority or a controlling stake in the company and investment often involves the use of leverage.

² PE Backed Securities includes listed equity securities of companies which have a level of ownership ('backing') by a private equity / alternative asset manager.

³ The Alternative Asset Manager classification includes listed equity securities of private equity / alternative asset management firms where the company itself is listed on a recognised stock exchange.

⁴ Private debt includes any debt extended to privately held companies and most commonly involves non-bank institutions making loans to private companies.

⁵ A vintage year is the milestone year in which the first significant influx of investment capital is delivered to a project or company.



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Barwon Global Listed Private Equity Fund AF's Target Market Determination is available at <https://documents.feprecisionplus.com/tmd/PCT/TMD/DJ7Z-PIM7967AU.pdf>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

Applications to invest in the Barwon Global Listed Private Equity Fund AF must be made on the application form which can be obtained by contacting PAN-Tribal on (03) 9654 3015. This document is issued on 22 March 2024.

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