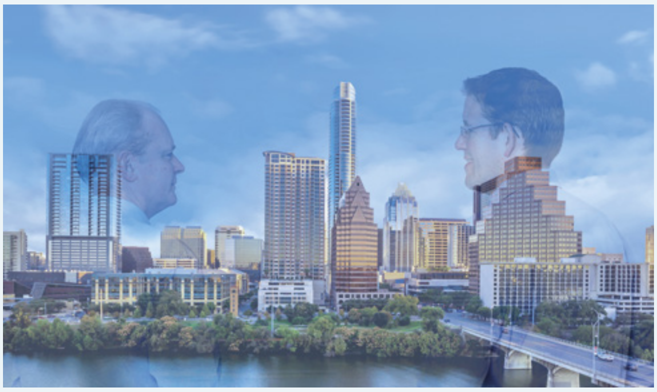
2017 at a glance – Partners Group's business model and review of financial performance



Clients

EUR 13 billion gross client demand in 2017; AuM stands at EUR 62 billion.

Since Partners Group's IPO in 2006, we have seen a sustained growth in assets under management (AuM). Clients from all over the world have entrusted us with their capital in order to increase their exposure to private markets in different economic environments.

In 2017, we continued to see strong client demand across asset classes and regions, mainly driven by ongoing transformative trends in the asset management industry.

The most important structural driver remains the growth in institutional AuM combined with rising allocations to private markets. This has led to a CAGR of over 10% for the private markets industry over the last decade.[1] Partners Group has benefited from this trend and has been able to outpace the market. This is in particular due to the fact that investors increasingly turn to managers with a truly global and institutional set-up. These managers are required to:

- cover multiple asset classes;
- create value at asset-level and throughout cycles; and
- onboard sizable commitments and manage them through comprehensive ancillary portfolio services.

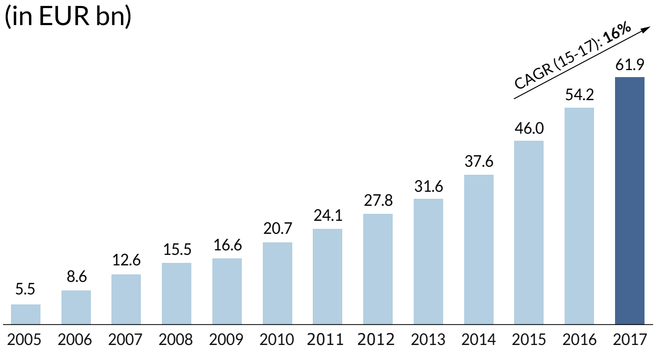
In 2017, we further consolidated Partners Group's position among the global leaders in private markets investment management with our institutionalized operational set-up and the ability to provide global solutions across private markets asset classes and capital structures.

AuM grew to EUR 62 billion; up 14% year on year

We received EUR 13.3 billion in new commitments from our global client base across all private markets asset classes in 2017, moderately exceeding the communicated expected bandwidth of EUR 10-12 billion for the full year.

Total AuM stood at EUR 61.9 billion as of 31 December 2017 (2016: EUR 54.2 billion), an increase of 14% year on year.

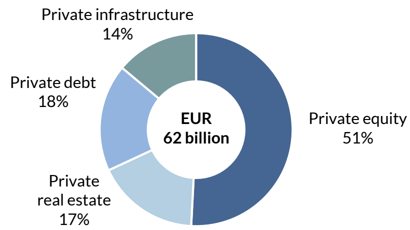
Total AuM
(in EUR bn)



Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies.

The breakdown of total AuM as of 31 December 2017 is as follows: EUR 32 billion private equity, EUR 11 billion private debt, EUR 11 billion private real estate, and EUR 8 billion private infrastructure.

AuM by asset class



Note: as of 31 December 2017.

1 Partners Group's calculation based on data provided by Preqin (December 2006-June 2017).

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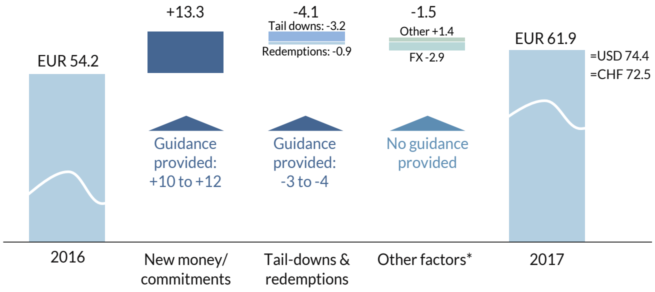
Next to gross client demand of EUR 13.3 billion in 2017, there were EUR -3.2 billion (2016: EUR -2.0 billion) in tail-down effects from mature private markets investment programs and EUR -0.9 billion (2016: EUR -0.6 billion) in redemptions from liquid and semi-liquid vehicles, amounting to a total of EUR -4.1 billion for the full year (guidance provided: EUR -3 to -4 billion).

Given that 36% of Partners Group's AuM is USD-denominated, the weakening of the US Dollar against the Euro by 12% in 2017 negatively affected the firm's total AuM in Euros. In 2017, foreign exchange effects amounted to EUR -2.9 billion.

Performance-related and other effects from certain investment vehicles contributed EUR +1.4 billion in 2017. As a result, AuM increased by EUR 7.8 billion for the full year.

Total AuM
(in EUR bn)



*Other factors consist of currency effects, performance, investment program changes and other effects.

Client demand across all asset classes

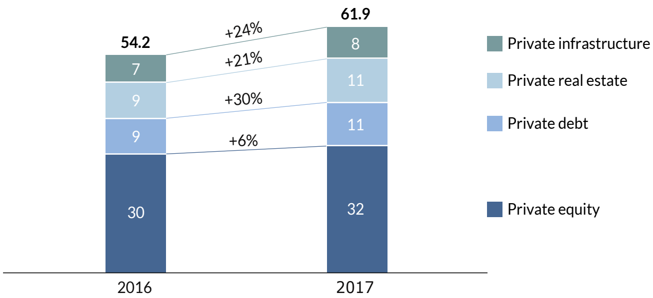
Private equity was the largest contributor to assets raised in 2017, representing 36% of all new commitments. The demand was split across a wide range of products and mandates with the flagship private equity direct program and the global private equity integrated programs being the main contributors. The year on year growth rate of private equity AuM amounted to 6% (the FX-adjusted growth rate amounted to 9%).

Private debt has seen a strong increase in demand, representing 26% of total new commitments. The demand was spread over several different programs and mandates, including, among others, the private markets credit strategy focusing on corporate senior debt and the multi-asset class strategy. We are also in the process of raising several new syndicated CLOs, allowing our clients to gain broader access to liquid senior debt market. The year on year growth of private debt AuM amounted to 30%.

Private real estate demand represented 22% of all new commitments. In H2 2017, one of our main flagship real estate programs was launched and started to contribute substantially to fundraising. Our private real estate business continues to profit from real asset demand globally and grew 21% year on year.

Private infrastructure represented 16% of overall client new commitments. Demand was spread over a number of different investment programs, with the largest contributors being the flagship global direct and global integrated investment programs. In 2017, private infrastructure AuM grew by 24%.

AuM
(in EUR bn)



Client demand spread across Europe, North America, Asia-Pacific and emerging markets

We have an international client base of over 1'000 institutional investors around the world. In 2017, client demand was again well-diversified across regions: notably strong countries in continental Europe were **Switzerland**, **Germany** and **France & Benelux** which together contributed around 40% of total inflows. Over 30% of AuM growth came from the **UK** and **US**. However, given the size of the US pension market, our market share is comparably smaller than in other regions. As such, there is significant potential ahead of us which we aim to realize in the years to come. The remainder was contributed by all other regions across the globe, with **Asia** and **Australia** also making a notably strong contribution.

To put our results into context, 2017 was also a successful year for the private markets industry more broadly. We benefited from a continued cycle of expansion in private markets and remained disciplined in capping our funds. Our dry powder was kept at reasonable levels, while still providing our clients with the capacity and flexibility to invest when attractive opportunities arise.

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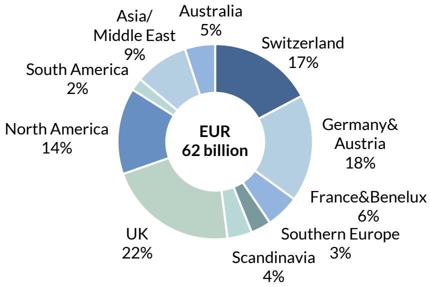
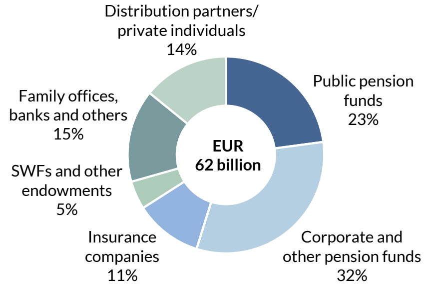
The chart below shows our AuM by region as of 31 December 2017.

AuM by region



The chart below shows our total AuM by investor type as of 31 December 2017.

AuM by type



Client demand from pension funds still the major contributor

We continued to grow all of our private markets asset classes with different types of investors and entered into new collaborations with some of the largest and most sophisticated institutional investors globally. In 2017, **corporate, public and other pension funds** continued to be the key contributors to AuM growth, representing about half of the total client demand during 2017. These investors typically seek to further enhance the risk/return profile of their portfolios by reducing traditional public markets exposure. **Insurance companies** accounted for around 10% of overall assets raised in 2017 and became increasingly active in private markets investments, displaying particular appetite for our yield-generating private debt offerings. **Sovereign wealth funds and endowments** accounted for approximately 5% of total assets raised in 2017 and generally engage with us seeking highly tailored private markets solutions to complement their existing portfolios. We saw increasing demand from **distribution partners/private individuals**, which represented 15% of client demand in 2017. These types of investors recognize the benefits of private markets and aim to mirror the allocations of institutional investors in their private portfolios. Usually, they seek to access private markets through liquid and semi-liquid structures, which are still unusual in an industry dominated by illiquid, long-duration funds. Approximately 20% was split among **family offices**, banks and other investors.

Partners Group has been a notable pioneer in the structuring of innovative liquid and semi-liquid programs for investors and as of the end of 2017 managed around 20% of its total AuM in such vehicles.

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Client outlook

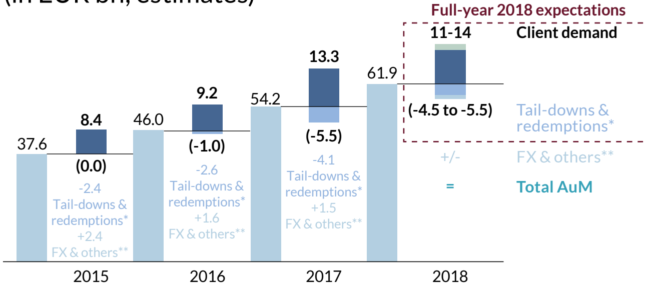
2018 gross client demand expected to lead to similar results as last year; new **guidance EUR 11-14 billion**.

Client demand in 2017 was characterized by the successful closing of a number of flagship programs across all private markets asset classes. We have started 2018 with a sustained pipeline of demand from clients across the globe and expect the supportive fundraising environment to lead to similar results as last year.

For the full-year 2018, we project gross client demand of EUR 11-14 billion, together with EUR -4.5 to -5.5 billion in tail-down effects from our more mature investment programs, including potential redemptions from liquid and semi-liquid programs.

This increase in demand is anticipated as a result of the continued build-out of our investment platform, which enables us to offer our clients the investment capacity they look for, as well as strong interest from existing clients and prospects to invest in private markets with Partners Group based on our global reach, investment track record and service excellence.

AuM, client demand and other effects
(in EUR bn, estimates)



*Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from liquid and semi-liquid programs (<20% of AuM).
**Others: consist of performance from select programs and other effects.
Note: negative effects (2014-2017) consist of both tail-downs & redemptions as well as FX & others.

In 2018, fundraising is again expected to be spread across a variety of programs and mandates, across all asset classes. As in 2017, we expect private debt to be a significant contributor, as we will continue to scale our platform. While no flagship funds are foreseen for 2018, we have a substantial number of established offerings open for investors, such as our semi-liquid structures.