We continue to observe the structural trend of increasing allocations to private markets. Against a backdrop of expected outperformance over public markets and driven by a growing pool of investors seeking to enhance returns and to diversify risks in their portfolios, the fundraising environment remains generally supportive.

In H1 2019, we saw solid client demand across all private markets asset classes. While our fundraising was spread over around 20 individual programs and numerous mandates across all asset classes, our next-generation flagship programs were the ones that contributed more significantly to fundraising during the period and are also expected to do so over the next twelve to 18 months.

**AuM grew to EUR 80 billion**

In H1 2019, we received EUR 7.4 billion in new commitments from our global client base across all private markets asset classes (guidance for the full year: EUR 13 to 16 billion). This demand for programs and mandates brings total AuM to EUR 79.8 billion as of 30 June 2019 (31 December 2018: EUR 72.8 billion), representing a net growth of 9%.

**Total assets under management (in EUR bn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets under Management (in EUR bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>12.6</td>
</tr>
<tr>
<td>2009</td>
<td>16.6</td>
</tr>
<tr>
<td>2011</td>
<td>24.1</td>
</tr>
<tr>
<td>2013</td>
<td>31.6</td>
</tr>
<tr>
<td>2015</td>
<td>46.0</td>
</tr>
<tr>
<td>2017</td>
<td>61.9</td>
</tr>
<tr>
<td>H1 2019</td>
<td>79.8</td>
</tr>
</tbody>
</table>

**Clients**

**EUR 7.4 billion gross client demand in H1 2019; AuM stands at EUR 80 billion.**

Alongside new commitments received during the period, tail-down effects from mature private markets investment programs and redemptions from semi-liquid vehicles amounted to a total of EUR -1.7 billion. Tail-downs are expected to be strongly skewed towards the second half of the year, as a number of larger closed-ended programs will reach the end of their lifetime (full-year guidance for tail-downs and redemptions: EUR -6.5 to -7.5 billion). A positive contribution of EUR +1.0 billion stemmed mainly from performance- and investment-related effects from a select number of investment programs. The remaining EUR +0.2 billion was driven by foreign exchange effects. Overall, this resulted in net AuM growth of EUR 6.9 billion during the period.

**Total assets under management development (in EUR bn)**

- **2018**: EUR 72.8
- **New money/commitments**: EUR +7.4
- **Tail-downs & redemptions**: EUR -1.7
- **FX & others**: EUR +1.2
- **Full-year guidance provided**: +13 to +16
- **Full-year guidance provided**: -6.5 to -7.5
- **No guidance provided**: -1.2
- **H1 2019**: EUR 79.8

*Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from semi-liquid programs (>20% of AuM).

**Others consist of performance and investment program changes from select programs.**

Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies held up to 2013. For a definition of AuM, please refer to the “Key definitions and alternative performance metrics (APM)” section on page 20.
H1 2019 at a glance - Clients

Client demand across all asset classes

Private equity was the largest contributor to assets raised in H1 2019, representing 54% of all new commitments (EUR 4.0 billion). Demand was split across a wide range of different programs and mandates, with our next-generation private equity flagship program and our semi-liquid strategies being the main contributors. Our private equity AuM grew by 11% in H1 2019, bringing total private equity AuM to EUR 40 billion.

Private debt saw strong inflows in H1 2019, which represented 27% of all new commitments (EUR 2.0 billion). Demand was spread over several different programs and mandates focused on our direct lending activities, which contributed more than half of the assets raised, and our collateralized loan obligation (CLO) business, which contributed about 40% of new commitments. Today, our entire CLO business represents only around 4% of our AuM, but this proportion is expected to grow strongly in the years to come, depending on market receptiveness to CLOs. Private debt AuM grew by 12% in H1 2019 to EUR 17 billion. This makes it the fastest-growing business line within our firm.

Private real estate new commitments represented 11% of overall new client demand (EUR 0.8 billion). This was mainly due to the limited number of open investment programs during the period. Our last investment program closed in 2017 and is still in investment mode. However, we recently launched our new flagship program, which targets global real estate opportunities, and expect the program to contribute to fundraising in the next twelve months. Overall, our private real estate AuM grew by 4% in H1 2019 and stands at EUR 13 billion.

New client demand for private infrastructure represented 9% of all new commitments (EUR 0.6 billion). Similar to real estate, we are in the early stages of approaching the market with our new direct flagship offering and expect the program to make a more meaningful contribution to fundraising in six to twelve months from now. Private infrastructure AuM increased by 8% to EUR 10 billion in H1 2019.

AuM growth by asset class (in EUR bn)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private infrastructure</td>
<td>9</td>
<td>10</td>
<td>+11%</td>
</tr>
<tr>
<td>Private real estate</td>
<td>12</td>
<td>13</td>
<td>+8%</td>
</tr>
<tr>
<td>Private debt</td>
<td>15</td>
<td>17</td>
<td>+12%</td>
</tr>
<tr>
<td>Private equity</td>
<td>36</td>
<td>40</td>
<td>+6%</td>
</tr>
</tbody>
</table>

Client demand by region

We have an international client base of over 900 institutions around the world. In H1 2019, client demand was again well-diversified across regions: one third of new commitments came from the US and UK. Notably resilient countries were Switzerland and Germany, which together contributed about 30% of total inflows. The remainder stemmed from all other regions, with Australia, Asia and Southern Europe making strong contributions.

Following these inflows in H1 2019, our total AuM by region as of 30 June 2019 stands as follows.

AuM by region

Client demand by type

In H1 2019, corporate, public and other pension funds continued to be the key contributors to AuM growth, representing 44% of total client demand. These investors typically seek to further enhance the risk/return profile of their portfolios by increasing their private markets exposure.

Banks and asset managers supported our fundraising in the first half of the year, with a focus on our CLO offerings. These institutions strengthened our position in the European and US broadly syndicated debt markets and made up 15% of our total fundraising in H1 2019. A further 12% of total client demand stemmed from family offices and other investors.

We saw continued demand from distribution partners/private individuals, which represented 16% of client demand in H1 2019. These types of investors increasingly recognize the benefits of private markets and aim to mirror the allocations of institutional investors in their own investment portfolios. Usually, they seek to access private markets through semi-liquid structures, which offer quarterly, limited monthly and in some cases limited daily liquidity. We have been a notable pioneer in the structuring of innovative semi-liquid programs for investors and to-date manage more than 20% of our total AuM in such vehicles.
Insurance companies accounted for 9% of overall inflows in H1 2019, displaying particular appetite for yield-generating private debt offerings as well as renewed interest for equity investments.

Sovereign wealth funds and endowments accounted for approximately 4% of total assets raised in H1 2019 and generally engage with us seeking highly tailored private markets solutions to complement their existing portfolios. We expect client interest in these segments to intensify going forward.

Following these inflows in H1 2019, our total AuM by investor type as of 30 June 2019 stands as follows.

**AuM by type**

- Distribution partners/private individuals: 16%
- Public pension funds: 21%
- Corporate & other pension funds: 30%
- SWFs & other endowments: 5%
- Asset managers, family offices, banks & others: 18%
- Insurance companies: 10%
- EUR 80 billion
Client outlook

2019 gross client demand expected to be solid; guidance of EUR 13-16 billion reconfirmed.

Based on robust client demand for programs and mandates and driven by the steady increase in our investment capacity, we confirm our guidance of EUR 13-16 billion for the anticipated bandwidth of gross client commitments for the full-year 2019. This guidance assumes that the fundraising environment will remain favorable, which is our base case scenario.

Our full-year estimates for tail-down effects from the more mature Partners Group programs and potential redemptions from semi-liquid programs have not changed and amount to EUR -6.5 to -7.5 billion. We expect these tail-downs and redemptions to be strongly skewed towards H2 2019, as a number of larger closed-ended programs will reach the end of their lifetime.

Fundraising will be spread across a variety of solutions spanning all private markets asset classes, including flagship programs, customized mandates and the firm’s extensive range of innovative semi-liquid offerings.

We continue to observe the structural trend of increasing allocations to private markets by institutional investors. Moreover, clients are often concentrating their relationships with those managers that can offer the necessary investment capacity for them to build up more meaningful exposure to private markets.

Based on our strong track record of investment performance, as well as client service excellence, we believe that we are well positioned to continue to be a strong partner to global investors.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Tail-downs &amp; redemptions*</th>
<th>FX &amp; others**</th>
<th>Total AuM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.2</td>
<td>-1.0</td>
<td>46.0</td>
</tr>
<tr>
<td>2017</td>
<td>-1.6</td>
<td>-5.5</td>
<td>54.2</td>
</tr>
<tr>
<td>2018</td>
<td>1.5</td>
<td>-2.4</td>
<td>61.9</td>
</tr>
<tr>
<td>2019</td>
<td>-6.5 to -7.5</td>
<td>13.3</td>
<td>72.8</td>
</tr>
</tbody>
</table>

*Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from semi-liquid programs (>20% of AuM).
**Others consist of performance and investment program changes from select programs.