

H1 2020 at a glance - Clients



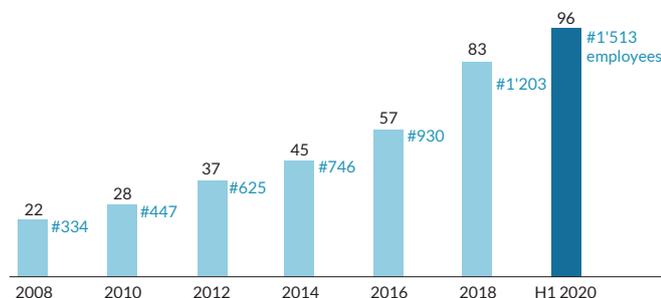
Clients

USD 8.3 billion gross client demand in H1 2020; AuM stands at USD 96 billion.

Despite an uncertain short-term outlook, we expect long-term prospects for private markets investing, and for Partners Group in particular, to remain strong. The structural growth drivers continue to be the growth of institutional assets under management, the rising allocations of institutional investors to private markets and the outperformance of private markets against public markets. Moreover, we observe a concentration of private markets allocations with those managers that have the capacity and ability to onboard sizeable commitments and deploy larger amounts of capital.

In H1 2020, we saw continued strong client demand across all private markets asset classes despite COVID-19 and received USD 8.3 billion in new commitments. This demand for programs and mandates brings total AuM to USD 96.3 billion as of 30 June 2020 (31 December 2019: USD 94.1 billion).

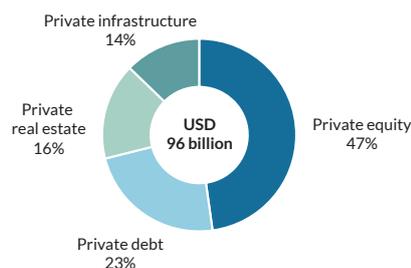
Total assets under management (in USD bn)



Note: assets under management exclude discontinued public alternative investment activities and divested affiliated companies held up to 2013.

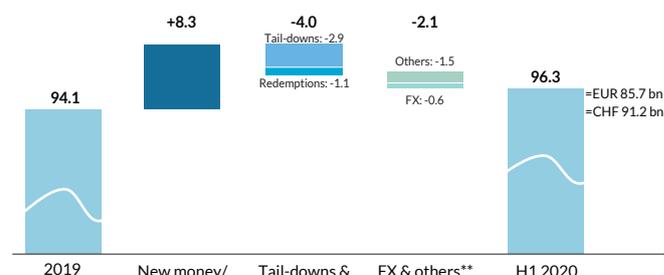
The breakdown of total AuM as of 30 June 2020 is as follows: USD 45 billion private equity, USD 22 billion private debt, USD 15 billion private real estate, and USD 14 billion private infrastructure.

AuM by asset class



Alongside new commitments received during the period, tail-down effects from mature private markets investment programs amounted to USD -2.9 billion and redemptions from evergreen programs amounted to USD -1.1 billion in H1 2020. Over the same period, a negative contribution of USD -1.5 billion stemmed mainly from performance-related effects of a select number of investment programs. A further USD -0.6 billion was driven by foreign exchange effects. Overall, this resulted in net AuM growth of USD 2.2 billion.

Total AuM development in H1 2020 (in USD bn, except where stated otherwise)



*Tail-downs & redemptions: tail-downs consist of maturing investment programs (typically closed-ended structures); redemptions stem from evergreen programs.

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

H1 2020 at a glance - Clients

Client demand across all asset classes

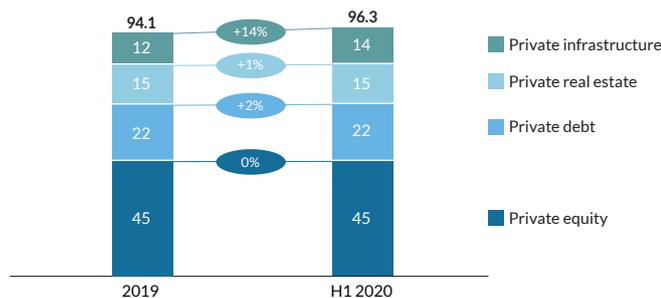
Private equity was the largest contributor to assets raised in H1 2020, representing 35% of all new commitments (USD 2.9 billion). Demand was split across a wide range of different programs and mandates, with our next-generation private equity direct and secondaries programs as well as our evergreen programs being the main contributors.

Private debt saw strong inflows, which represented 27% of all new commitments (USD 2.2 billion). Demand was spread over several different programs and mandates focused on our direct lending activities, which contributed about half of the assets raised, and our collateralized loan obligation (CLO) business, which contributed the other half of new commitments. Today, our entire CLO business represents around 5% of our AuM.

Private real estate new commitments represented 12% of overall new client demand (USD 1.0 billion). About 40% of new assets raised in private real estate stemmed from our real estate opportunities investment strategy. The remainder stemmed from a diversified range of investment programs and mandates.

New client demand for **private infrastructure** represented 26% of all new commitments (USD 2.1 billion). Our infrastructure platform is in the midst of fundraising of its next generation direct offerings.

Net AuM growth by asset class (in USD bn)

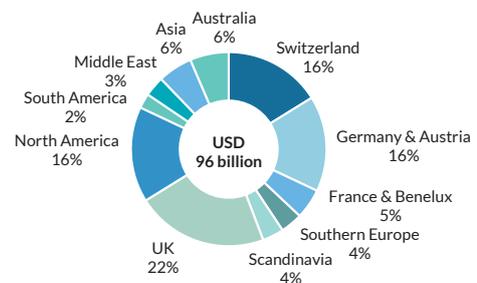


Client demand by region

We have an international client base of around 900 institutions. In H1 2020, client demand was again well-diversified across regions: the UK accounted for the largest share of client demand, with 19% of new inflows, followed by North America and Switzerland, which represented 16% and 16% of client demand, respectively. Germany contributed 15% total inflows. The remainder stemmed from all other regions, with France/Benelux, Asia and Australia making strong contributions.

Following these inflows in H1 2020, our total AuM by region as of 30 June 2020 stands as follows.

AuM by region



Client demand by type

The USD 8.3 billion of inflows in H1 2020 stemmed from a broad and diverse range of clients, as outlined below.

Corporate, public, other pension funds and sovereign wealth funds continued to be the key contributors to AuM growth, representing 40% of total client demand. These investors typically seek to further enhance the risk/return profile of their portfolios by increasing their private markets exposure.

A further 21% of total client demand stemmed from a more diversified group of investors, such as **asset managers, family offices and other investors**.

Insurance companies accounted for 18% of overall inflows, displaying particular appetite for yield-generating private debt offerings as well as interest for equity investments.

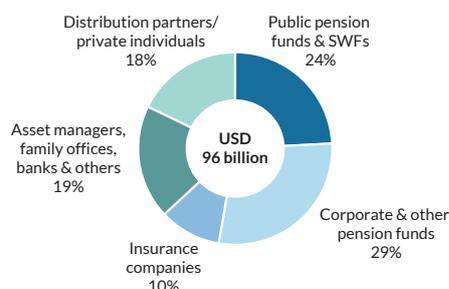
We saw continued demand from **distribution partners**, which accounted for 15% of client demand. They represent private individuals and smaller institutional investors, who increasingly recognize the benefits of private markets and aim to mirror the allocations of institutional investors in their own investment portfolios. Usually, they seek to access private markets through semi-liquid evergreen programs.

Banks also supported our fundraising, with a focus on our CLO offerings. They strengthened our position in the European and US broadly syndicated debt markets and made up 6% of our total fundraising.

H1 2020 at a glance - Clients

Following these inflows in H1 2020, our total AuM by investor type as of 30 June 2020 stands as follows.

AuM by type



Client demand by product structure

Managing around 300 diverse private markets portfolios in different stages of their lifecycle and across all private market asset classes is our strength and a key differentiator for our firm. These encompass traditional private markets vehicles such as comingled, closed-ended limited partnerships; mandates for large institutions, which allow us to steer investment exposure across multiple private markets asset classes in line with clients' longer-term investment horizons; and evergreen programs.

In H1 2020, 55% (USD 4.6 billion) of overall inflows were raised via **traditional private markets programs**, typically limited partnerships, with a pre-defined contractual life, often with an initial term of 10-12 years for closed-ended equity offerings and 5-7 years for closed-ended debt offerings.

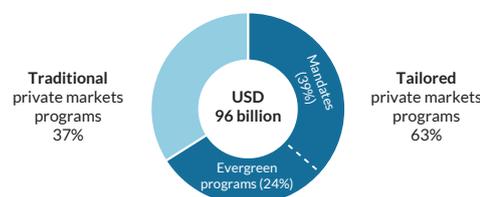
Our **mandate** business concentrates on building up a client's private markets exposure on an ongoing basis. Capital is committed via long-term partnerships, which are often not limited to a specific contractual life and will continue for a perpetual term, unless new commitments are discontinued. Some 20% (USD 1.7 billion) of our client commitments in H1 2020 stemmed from relationships with clients through such mandates.

The remaining 25% (USD 2.0 billion) of new commitments stemmed from our **evergreen programs**. We are a global leader in evergreen programs for investments in private markets. These open-ended evergreen vehicles cater mostly to high-net-worth individuals and have no contractual end but are subject to potential redemptions. As of 30 June 2020, we manage 24% of our AuM (USD 23.6 billion) in evergreen programs, of which USD 21.3 billion are subject to potential redemptions. In H1 2020, net inflows have exceeded redemptions across all our evergreen products by USD 0.9 billion.

Gating provisions are a standard feature of these evergreen programs in order to protect remaining investors and performance; net redemptions in these investment programs are typically limited to 20-25% p.a. of the prevailing net asset value, depending on the investment strategy and content of the program. When deemed to be in the best interest of the investment program, stricter gating rules can be enforced for select share classes for a period of up to two years.

Following these inflows in H1 2020, our total AuM by product structure as of 30 June 2020 stands as follows.

AuM by program structure



As a pioneer in creating private markets products which are accessible for the defined contribution (DC) pensions industry, a highlight for our firm in H1 2020 was the Information Letter issued by the US Department of Labor (DoL) in response to our initiative to seek guidance for the US DC industry on investing in private markets. The DoL clarified that, under federal law, DC pension plan fiduciaries could prudently incorporate certain private markets strategies into diversified investment options, such as target-date funds. Previously, DC plan sponsors had been reluctant to include private equity into their investment options for fear of breaching their fiduciary duty under federal law. In its guidance, the DoL also clarified that Partners Group's dedicated evergreen offering for the US DC market is well-suited for these investment options. This is important as it not only enables Partners Group to help modernize the US DC market and provide participants with potentially improved retirement outcomes, but it also offers the US DC pension system vital access to the broader economy by providing the opportunity to be a substantial future investor in the growing proportion of businesses that choose not to list publicly.

The two largest programs account for 11% of AuM

As of 30 June 2020, our two largest investment programs, which are both globally diversified, accounted for 11% of our AuM. While the largest program combines private equity and private debt investments and caters to private investors in the US, the second largest program offers investors exposure to all private equity investment strategies.

H1 2020 at a glance - Clients



Client outlook

Solid **gross client demand** expected for 2020, despite uncertain economic backdrop; **guidance of USD 12-15 billion.**

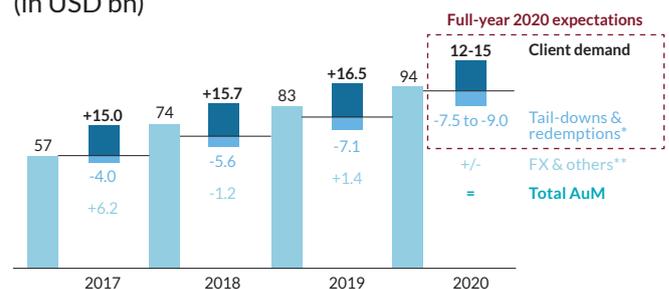
For the full-year 2020, we anticipate gross client demand of USD 12-15 billion. This outlook considers the potential for temporarily limited investment volumes and longer conversion periods for new commitments due to the market uncertainty and disruption caused by COVID-19.

Fundraising is expected to be spread across a variety of solutions spanning all private markets asset classes, including customized mandates, the firm's extensive range of evergreen fund solutions and traditional closed-ended programs.

Our full-year estimates for tail-down effects from more mature investment programs and potential redemptions from evergreen programs amount to USD -7.5 to -9.0 billion.

While uncertainty remains, we are confident that 2020 will be a solid fundraising year for our firm, despite the current environment. Based on our strong track record of investment performance, we believe we are well-positioned to continue to be a partner of choice for global investors.

AuM, client demand and other effects (in USD bn)



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