

H1 2021 at a glance - Clients



Clients

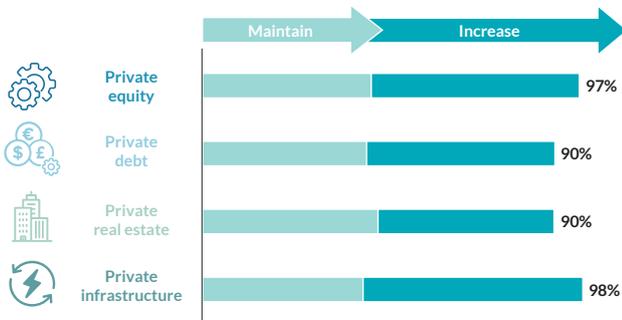
USD 12 billion gross client demand in H1; AuM increased by 9% to USD 119 billion.

Fundraising environment

We expect the secular growth trajectory of the private markets industry in general, and for Partners Group in particular, to continue and client demand to remain diversified across regions and product types. Supported by the recovering macro-economic environment, pent-up demand and strong investment activity during the period, the industry continued to observe strong demand for private markets solutions in H1 2021². Furthermore, a recent survey amongst institutional investors reconfirmed that more than 80% of investors expect to commit more or the same amount of capital to private markets over the next twelve months³ and more than 90% envisage to increase the longer-term allocations, a structural trend we have observed first-hand.

2 Source: Private equity international, July 2021, Fundraising Report H1 2021.
3 Source: Preqin, March 2021, Investor Outlook Alternative Assets H1 2021.

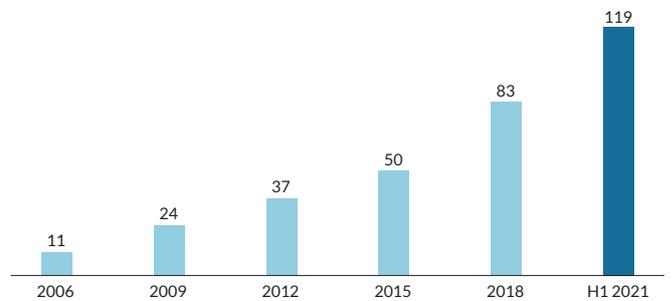
Investors' intentions for their private markets allocations over the long-term



Source: Preqin, March 2021, Investment Outlook Alternative Assets H1 2021.

In H1 2021, we saw continued strong client demand across all private markets asset classes and received USD 12.1 billion in new commitments. This demand for programs and mandates brings total AuM to USD 118.9 billion as of 30 June 2021 (31 December 2020: USD 109.1 billion), an increase of 9%.

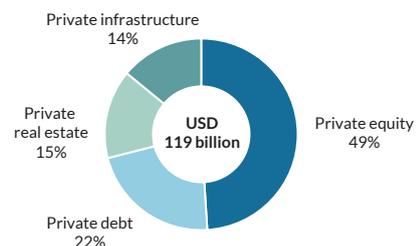
Total assets under management (in USD bn)



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

The breakdown of total AuM across asset classes as of 30 June 2021 is as follows: USD 59 billion private equity (49%), USD 26 billion private debt (22%), USD 17 billion private real estate (15%), and USD 16 billion private infrastructure (14%).

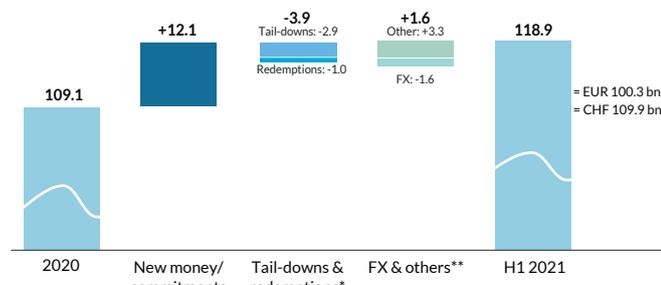
AuM by asset class



H1 2021 at a glance - Clients

AuM growth in the first half of the year was further supported by continued strong performance across Partners Group's private markets portfolios, which led to a positive contribution of USD 3.3 billion from a select number of investment programs which link AuM to NAV-development⁴. Tail-down effects from mature private markets investment programs amounted to USD -2.9 billion and redemptions from evergreen programs to USD -1.0 billion. Foreign exchange effects impacted underlying AuM growth by USD -1.6 billion, in particular the weakening of the Euro against the US Dollar. Overall, this resulted in net AuM growth of USD 9.8 billion during the period.

Total AuM development in H1 2021 (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.
 **Other consists of performance and investment program changes from select programs.

Client demand across all asset classes

Private equity was the largest contributor to assets raised in H1 2021, representing 58% of all new commitments (USD 7.0 billion). Client demand was seen across the entire suite of our traditional and bespoke client solutions offerings. On the traditional offerings side, fundraising was supported by demand for the firm's fourth buyout program, which is approaching its final close. On the bespoke client solutions side, alongside the strong growth of mandates and other open-ended funds, our flagship US evergreen fund was a key contributor to private equity fundraising, recording its highest ever inflows during the six-month period.

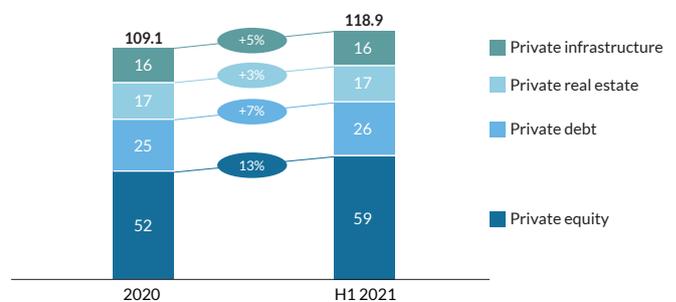
Private debt saw strong inflows, which represented 23% of all new commitments (USD 2.8 billion). Demand was spread over several different programs and mandates focused on our collateralized loan obligation (CLO) business, which contributed 48% of the assets raised, and our direct lending activities, which contributed the other 52% of new commitments. Today, our entire CLO business represents 6% of our AuM.

⁴ Partners Group reports fee-paying AuM. Most of the firm's evergreen programs base fees on NAV. The portfolio performance during the period impacts the NAV of these products and this translates to a corresponding change in firm-level AuM.

Private real estate new commitments represented 8% of overall new client demand (USD 1.0 billion), stemming from a diversified range of investment programs and mandates.

New client demand for **private infrastructure** represented 10% of all new commitments (USD 1.2 billion). Infrastructure is in the midst of fundraising for its next generation direct program, which contributed substantially to demand in H1 2021, and we expect the program to be a relevant contributor to fundraising over the next six months.

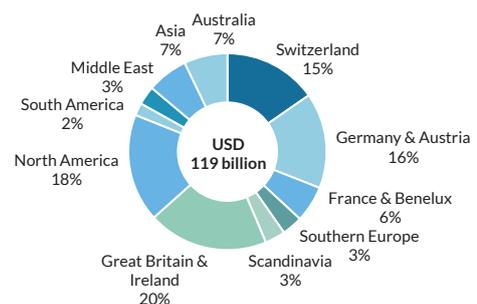
Net AuM growth by asset class (in USD bn)



Client demand by region and by type

We have a broadly diversified and international client base spanning a range of clients.

AuM by region



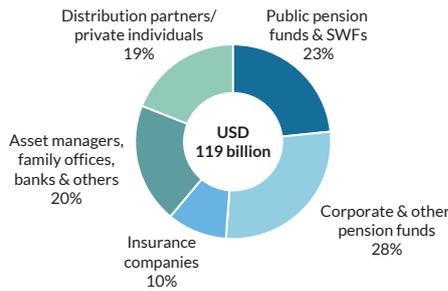
In terms of type of clients, the majority of our AuM stems from institutional clients such as corporate, public, and other pension funds, as well as sovereign wealth funds and insurance companies. These institutional investors often invest via bespoke solutions or traditional long-term closed-ended private markets programs.

Over the last three years, we have seen strong demand from distribution partners, which typically accounted for between 15-25% of client demand. They represent private individuals and smaller institutional investors, who increasingly recognize the benefits of private markets and aim to mirror the

H1 2021 at a glance - Clients

allocations of institutional investors in their own investment portfolios. Usually, they seek to access private markets through open-ended programs with limited liquidity features (evergreen programs).

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 2021, 36% (USD 4.4 billion) of overall inflows were raised via **traditional private markets programs**, typically limited partnerships with a pre-defined contractual life and often an initial term of 10-12 years for closed-ended equity offerings and 5-7 years for closed-ended debt offerings.

Our **mandate** business focuses on building up private markets exposure for large institutional clients, often to achieve long-term target allocations. 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 38% (USD 4.6 billion) of our client commitments stemmed from relationships with clients through mandates⁵.

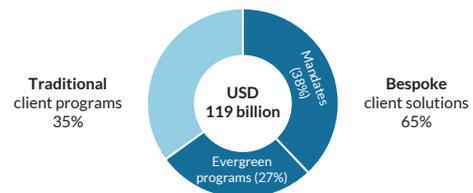
The remaining 26% (USD 3.1 billion) of new commitments stemmed from our **evergreen programs**. Evergreen programs were the fastest growing category and grew 15% in H1 2021. This was driven by strong performance combined with robust inflows. We are a global leader in evergreen programs for investments 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 2021, we manage 27% of our AuM (USD 32.5 billion) in evergreen programs.

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 up to 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 2021, our total AuM by product structure as of 30 June 2021 stands as follows.

AuM by program structure



AuM well-diversified across programs and clients

As of 30 June 2021, our two largest investment programs, which are both globally diversified, accounted for 14% 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 combines private equity and private debt investments and caters to private investors in Europe.

AuM by private market programs and mandates



Note: total assets under management of USD 119 billion as of 30 June 2021.

⁵ "Mandates" AuM also include commitments by select mandate clients into traditional programs; therefore, the corresponding amount is not included within the AuM category "traditional" but within "mandates".

H1 2021 at a glance - Clients

Client outlook

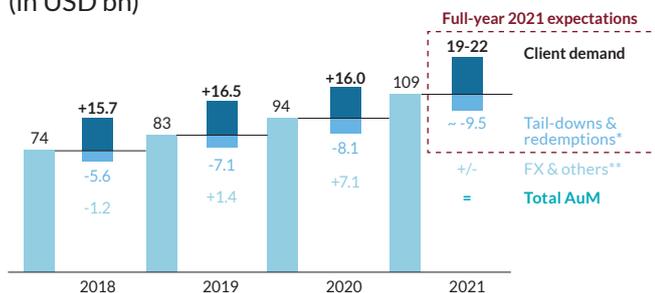
We confidently expect 2021 to be a solid fundraising year. Based on robust client demand for programs and mandates in H1 2021 and facilitated by the solid increase in our investment capacity, we confirm our guidance of USD 19-22 billion expected gross client demand for the full-year 2021.

Fundraising is expected to be balanced across all program types, from customized mandates and the firm's extensive range of evergreen fund solutions to our 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 around USD -9.5 billion.

Growing numbers of clients appreciate the flexibility of choice presented by our range of non-traditional private markets offerings. We believe our ability to tailor access to private markets, and to create and actively manage bespoke programs that match different clients' targets, remains unparalleled in the industry. As such, we believe that these structures will continue to drive demand for Partners Group in the years to come. Further building blocks of growth are expected to stem from global DC pension plans as well as from various initiatives to democratize the access to private markets to a broader set of investors around the world.

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 partner of choice for global investors.

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



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

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