

# Barwon Global Listed Private Equity Fund

## Monthly Report March 2024

The Barwon Global Listed Private Equity Fund aims to provide wholesale investors with a high performing portfolio of private equity investments in a fee efficient manner whilst offering daily liquidity.

### Net Performance as at 31 March 2024

	1 month	3 months	1 year	3 years p.a.	5 years p.a.	10 years p.a.	ITD p.a. <sup>2</sup>
Net Return <sup>1,3</sup>	2.7%	6.4%	35.2%	9.9%	13.4%	10.1%	7.5%

1. A\$ domiciled unit trust. The Fund hedges foreign currency exposures.
2. Inception date is 1 June 2007.
3. Returns are after management fees, performance fees, and other fund expenses.

NAV Price	0.9871
Entry Price	0.9901
Exit Price	0.9841

### Market Commentary

Early in March, two members of Barwon’s investment team spent a week in London meeting with private equity (“PE”) managers, analysts, and other investors, including all of the Fund’s UK-based holdings.

Sentiment remains broadly positive, with PE managers encouraged by the underlying revenue and earnings growth in their portfolios and the positive growth in private equity portfolio valuations. However, some consumer and retail businesses are facing excess inventory and de-stocking challenges in stark contrast to the acute global supply chain shortages experienced at the end of 2021.

That said, the Fund’s largest underlying investment – Action, a European discount brick & mortar retailer and a portfolio company of our investment in 3i Group – has seen its growth accelerate. Its store rollout program continues with significant operating scale across 2,500 stores. Its strategy of rotating SKUs (2/3 of its SKUs are non-fixed) and very low price point (67% of items sold are below €2 per item) is gaining even more traction. Like-for-like sales growth accelerated over the year to 17% as consumers increasingly switch to cheaper merchants for daily necessities.

An issue facing private equity portfolios has been muted M&A transaction activity since 2022. Private equity exits are down c.65% in 2023 from peak 2021 levels. Realisations as a percentage of opening portfolio value are at their lowest since the GFC. Across our Fund’s portfolio, realisations over the past two years have only been 25% of opening portfolio value, about half of typical turnover levels.

When private equity investments are sold however, they have been at a transaction value 20-30% above the prevailing private valuation, proving a positive validation of the private asset marks.

Despite this, the share prices of UK-listed PE funds have lagged the recent strong returns seen in other parts of our portfolio and remain at widely discounted levels. And while they have started to re-rate, the average discount to NAV of almost 30% is almost double their longer-term average.

Pressure has been building on Boards of listed PE funds to revisit capital allocation policies, and the “value” on offer is increasingly being recognised. There is a clear opportunity to capitalise on this pricing disconnect by repurchasing their own shares at a deep discount to NAV. Now, all of the Fund’s UK-listed PE holdings trading at a discount to NAV have implemented some form of capital return and share repurchase program.

The improving backdrop (early signs of IPO window re-opening and buyer and seller price expectations converging) and our time in London reinforce our constructive view on the sector.



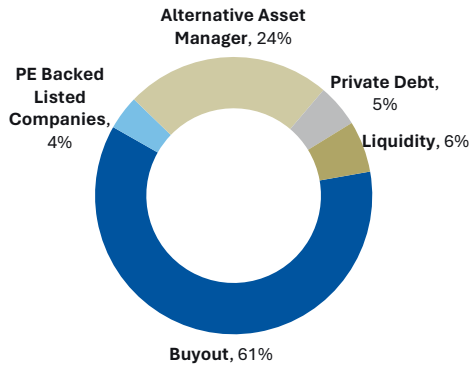
## Portfolio Summary

### Monthly Contributors & Detractors

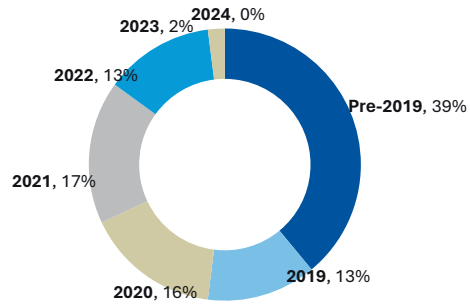
Contributors	Currency	Return	Detractors	Currency	Return
3i Group plc	GBP	+13.8%	Instructure Holdings	USD	-6.7%
HgCapital Trust plc	GBP	+7.3%	Apax Global Alpha	GBP	-1.0%
ICG	GBP	+6.7%	ICG Enterprise Trust plc	GBP	-2.9%

### Underlying Investment Exposures on a Look Through Basis

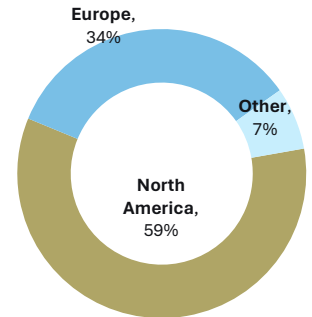
#### Investment Classification



#### Vintage Year



#### Geographic Exposure



### Five Largest Holdings by Weight

Company	Type
Eurazeo	Buyout
Blackstone Group Inc	Alternative Asset Manager
KKR & Co Inc	Alternative Asset Manager
HgCapital Trust plc	Buyout
Golub Capital BDC Inc	Private Debt



## Key Information

<b>Trustee &amp; Manager</b>	Barwon Investment Partners
<b>Applications &amp; Withdrawals</b>	Daily
<b>Unit Prices</b>	Daily
<b>Minimum Investment</b>	A\$50,000
<b>Buy-Sell Spread</b>	0.30%
<b>Distributions</b>	Annual
<b>Management Fee</b>	0.65% p.a.
<b>Performance Fee</b>	15% in excess of 12% hurdle
<b>Bloomberg Fund Code</b>	BAGLLPE AU Equity
<b>APIR Code</b>	BAR0001AU

Barwon offers access to the same strategy via a feeder fund, the **Barwon Global Listed Private Equity Fund AF (Access Fund)**, offered under a PDS and is for financial advisors, financial intermediaries, and investors investing via platforms, and through a Luxembourg-domiciled UCITS fund, the **Pareturn Barwon Listed Private Equity Fund**.

### Access Fund Platform Availability:

- AMP North
- Asgard
- BT Panorama
- Colonial First Wrap
- Macquarie Wrap
- Netwealth
- Hub24
- PowerWrap
- Praemium



**BARWON**

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