

Pareturn Barwon Listed Private Equity Fund

Monthly Report June 2024

The Pareturn Barwon Listed Private Equity Fund aims to provide investors with a high performing portfolio of private equity investments in a fee efficient manner whilst offering daily liquidity. It is offered in three-unit classes: EUR, GBP, and USD.

Net Performance as at 30 June 2024

Net Return	Unit Price	1 month	3 months	1 year	3 years p.a.	5 years p.a.	ITD p.a.
Class I - EUR ¹	632.74	0.9%	1.7%	28.6%	8.8%	14.1%	13.2%
Class G – GBP ²	525.22	0.3%	0.9%	27.1%	8.3%	12.9%	13.6%
Class U – USD ³	573.30	-0.4%	1.0%	26.4%	5.3%	12.6%	10.0%

1. Inception date 30 November 2012
2. Inception date 4 December 2012
3. Inception date 17 June 2013

Market Commentary

The Fund has had a solid first half of the year. Listed private equity continues to be in the mid-stages of a recovery supported by a stabilising backdrop. Resilient economic data has pushed back the timing and size of previously projected interest rate cuts across most major economies.

Businesses are generally performing well and valuations are moving upwards. This has supported a narrowing of the discount to NAV on which our LPE buyout investments trade to an average of -27%. However, all eyes remain on private equity exit activity, or the lack thereof. We are yet to see a meaningful pickup in transaction activity across private equity portfolios this year. Encouragingly, there are recent signs of risk appetite returning to the market.

This year, we have observed five IPOs of listed private credit funds, the IPO of alternative asset manager CVC Capital Partners, and 13 IPOs of private equity backed companies (compared to only 3 in all of 2023). Interestingly, there have been examples of high growth tech-oriented or enabled businesses going public or seeking listing. This includes the online retailer Shein, which is the largest underlying company of HarbourVest Global Private Equity.

Private equity sponsors have employed other mechanisms short of a complete sale to return capital to investors, such as NAV financing, dividend recaps and continuation vehicles. We could see transaction activity remain muted for another 6 to 12 months (or even longer) so having ample balance sheet liquidity at this point is very important.

Late in the month Apax Global Alpha (AGA), a 5% Fund position, held a capital markets day. It announced an updated capital allocation policy. For the first time since its IPO in 2015, AGA will have a share buyback programme which activates when its shares trade at a discount to NAV of greater than 23%.

Capital for repurchasing shares will be earmarked by AGA in a “Distribution Pool” (DP) which has already been seeded with €30M to enable share repurchases to commence immediately. Net cash flow from its portfolio will be allocated to the DP until the pool builds up to 5% of NAV. AGA also revised its high dividend payout policy. It has switched from a distribution payout of 5% p.a. of NAV currently, to a fixed 11p per share dividend (equivalent to 5% of today’s NAV). This allows it to gradually lower the burden of the cash dividend over time as NAV grows, without technically cutting the dividend itself.

We have had recent engagement with AGA’s Board, and believe they have landed at a sensible balance between maintaining liquidity and capitalising on the window to conduct NAV accretive share repurchases. The policy brings AGA in line with its peers who have announced their own active share repurchase programs, following stakeholder pressure on LPE Boards.



Portfolio Summary

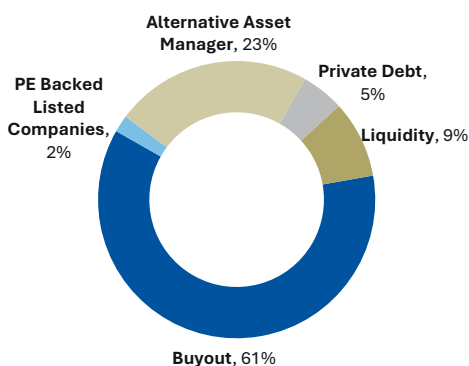
Monthly Contributors & Detractors

Contributors	Currency	Return
3i Group plc	GBP	+8.3%
KKR & Co	USD	+2.3%
Blackstone Group	USD	+2.7%

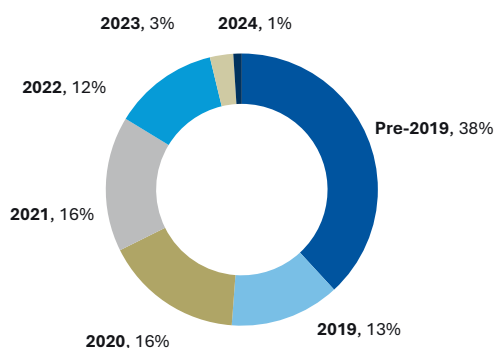
Detractors	Currency	Return
Eurazeo	EUR	-3.8%
Pantheon International	GBP	-6.1%
Golub Capital BDC	USD	-4.9%

Underlying Investment Exposures on a Look Through Basis

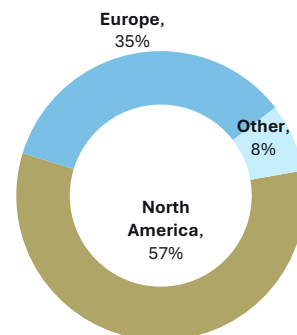
Investment Classification



Vintage Year



Geographic Exposure



Five Largest Holdings by Weight

Company	Type
Blackstone Group Inc	Alternative Asset Manager
Eurazeo	Buyout
KKR & Co	Alternative Asset Manager
Apax Global Alpha	Buyout
HarbourVest Global Private Equity	Buyout



Key Information

Strategy	High conviction, value-orientated, bottom-up stock selection. Long-only, unlevered, benchmark unaware.
Structure	Luxembourg-domiciled SICAV authorised as a UCITS
Management Company	Waystone
Delegate Investment Manager	Barwon Investment Partners Pty Ltd
Share Classes, ISIN	<ul style="list-style-type: none">▪ Class I: Distribution, EUR - LU0856658553▪ Class G: Distribution, GBP - LU0856664106▪ Class U: Accumulation, USD - LU0940438756
Bloomberg Ticker	<ul style="list-style-type: none">▪ Class I, PARBLPI LX Equity▪ Class G, PARINDG LX Equity▪ Class U, PARUIUC LX Equity
Pricing & Dealing	Daily
Minimum Investment	<ul style="list-style-type: none">▪ Class I: €2,500▪ Class G: £2,500▪ Class U: US\$3,000
Income Distributions	Annual for distributing classes
Entry / Exit Fees	None
Management Fee	0.65% p.a.
Performance Fee	15% of outperformance over a 12% p.a. compounding hurdle.



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