

Pareturn Barwon Listed Private Equity Fund

Monthly Report September 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 September 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	661.42	2.8%	4.5%	28.6%	8.6%	14.0%	13.4%
Class G - GBP ²	539.94	1.7%	2.8%	23.7%	7.5%	12.7%	13.6%
Class U - USD ³	625.10	3.8%	9.0%	36.0%	7.3%	14.3%	10.6%

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

Market Commentary

3i Group, a London-listed private equity company and core Fund holding, hosted a capital markets seminar in late September. The session focused on investments outside of Action (3i's largest investment – accounting for c70% of NAV). Overall, performance remains good across its private equity portfolio. A number of assets that had more challenging performance last year have reported improved trading. Less than a week after the seminar, short seller ShadowFall Capital reportedly took a short position in 3i of an undisclosed amount. While their report is not publicly disseminated, their short thesis is reportedly predicated on the inflated valuation and outlook of Action. The share price traded marginally lower (2.5%) on the day of the report and has not reacted since.

By way of background, Action is the most successful private equity buyout of all time. In 2011, 3i invested £115M in the discount retailer. 13 years on, its original stake has grown over 100x (including dividends), and the total current unrealised value including follow-ons is valued at £14.8bn. This has naturally driven outsized gains at 3i, and Action now represents the largest investment in 3i's portfolio. It is also the largest underlying exposure in our Fund (through 3i and other LPE portfolios).

Action's like-for-like sales growth has fallen from an incredible high-teens in 2022/23 to 9.6% 2024 CYTD which is still very strong. It has been a beneficiary of the higher inflationary environment as consumers have "traded down" in spending choices. Almost 90% of its organic growth in 2023 was driven by an increase in sales volume.

In our view, the most challenging part of the

investment thesis today is justifying the 50% premium to NAV on which 3i's shares now trade. The last time 3i traded at a 50% premium to NAV was in September 2017, almost exactly 7 years ago. Over that time, the shares have delivered an annual return of ~23% p.a. At these levels, the margin of safety is lower compared to historical points. Despite the rich valuation, we continue to hold high conviction in 3i's NAV growth and offering a reasonably compelling return proposition.

Apollo Global Management, a global alternative asset manager, has traded stronger on the back of its recent capital markets day. It has been vocal in breaking down the classic asset class segmentation of "alternative assets" (non-traded e.g., private equity, private credit) and "traditional assets" (equities & fixed income). Instead, they see capital segmented into Equity, Yield and Hybrid. In our view, this describes the changes that have been occurring for the past two decades in capital markets. From what was a private equity dominant business when it IPO'd in 2011, Apollo has been creating significant white space, even extending lower down the risk curve into investment grade credit. Alongside its robust growth outlook, Apollo hopes to follow Blackstone and KKR into the S&P500 Index. It is now the largest financial stock eligible for S&P500 Index inclusion.

Apollo has recently announced a \$25bn direct lending partnership with Citi. This is a slightly unusual situation where Apollo's direct lending funds (with participation from Mubadala and subsidiary Athene) will provide the capital, and Citi's investment banking arm will provide the loan origination. This is another step in Apollo's significant investment into expanding its origination funnel into different areas.



Portfolio Summary

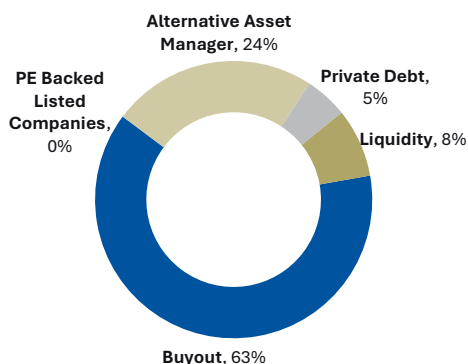
Monthly Contributors & Detractors

Contributors	Currency	Return
Blackstone Group	USD	+7.6%
ICG plc	GBP	+4.8%
KKR & Co	USD	+5.5%

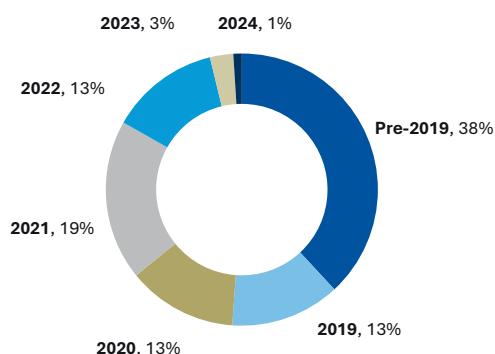
Detractors	Currency	Return
Partners Group Private Equity	EUR	-5.3%
Onex Corporation	CAD	-0.5%
Patria Private Equity	GBP	-2.9%

Underlying Investment Exposures on a Look Through Basis

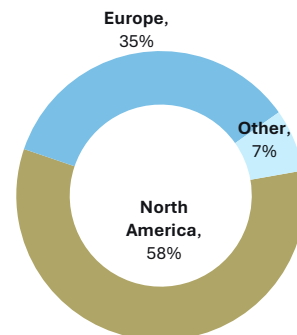
Investment Classification



Vintage Year



Geographic Exposure



Five Largest Holdings by Weight

Company	Type
Blackstone Group Inc	Alternative Asset Manager
KKR & Co	Alternative Asset Manager
Eurazeo	Buyout
Pantheon International	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 - LU0856658553Class G: Distribution, GBP - LU0856664106Class U: Accumulation, USD - LU0940438756
Bloomberg Ticker	<ul style="list-style-type: none">Class I, PARBLPI LX EquityClass G, PARINDG LX EquityClass U, PARUIUC LX Equity
Pricing & Dealing	Daily
Minimum Investment	<ul style="list-style-type: none">Class I: €2,500Class G: £2,500Class 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.

Key Contacts

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