# Pareturn Barwon Listed Private Equity Fund

## Monthly Report September 2025

The Pareturn Barwon Listed Private Equity Fund (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 EUR, GBP and USD share classes.

## Net Performance as at 30 September 2025

| 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] | 675.51 | 0.4% | 5.0% | 2.6% | 16.6% | 14.6% | 12.4% |
| Class G – GBP[2] | 576.70 | 1.0% | 7.0% | 7.5% | 16.3% | 13.8% | 13.0% |
| Class U – USD[3] | 670.03 | 0.6% | 5.0% | 7.8% | 23.9% | 14.6% | 10.3% |

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

## Market Commentary

During the month, the Fund saw mixed performance across the portfolio. Private Equity buyouts delivered positive returns offset by declines in the share prices of the alternative asset managers and private credit funds.

Signs of a recovery in private equity transaction activity are emerging. Over the past few months, we have seen this evidenced through more managers preparing or initiating investment sales processes in a relatively more stable capital market environment. There has also been a pick-up in announced transaction activity across the Fund's underlying portfolio companies. For example, ICG Enterprise Trust announced sales processes are underway for three of its four largest portfolio companies.

The nature of transactions has evolved. Rather than complete cash exits, we are more commonly seeing continuation vehicles, minority equity sales or sales with a rollover of minority equity.

The buyouts' positive share price performance was also supported by additional quarterly results affirming positive 2Q PE NAV growth. 2Q NAV growth from our holdings in listed PE funds were encouraging: Onex Corporation (+4% USD), ICG Enterprise Trust (+1.9%), and NB Private Equity Partners (+3.6% USD).

Brookfield Business Partners held an investor day during the month providing an encouraging update on its largest portfolio positions and an updated NAV per share of US$54 (to which the shares now trade at a 42% discount). It also announced a restructuring of its shares. The restructure will simplify its listing by merging existing partnership and corporate units into a single publicly traded corporation. This will also improve the on-market trading liquidity and unlock index eligibility for the stock. This triggered a positive 12.5% reaction in the partnership line held by the Fund and should support an improved rating in the share price longer term.

The share prices of the alternative asset managers were weaker on broader macro concerns. Investors shifted their focus to slower near-term realisations resulting in lower carried interest revenue and tight spreads in private credit as a potential headwind to the sector overall. Moreover, the retail/401(k) adoption narrative is likely to play out over a multi-year period. The sector's fundamental growth outlook remains as robust inflows continue across private wealth, credit and infrastructure. Upcoming flagship fundraising cycles particularly for TPG, Bridgepoint and KKR will be key in reaffirming their competitive edge.

Listed private credit funds declined on the back of the Fed rate cut and continued heightened competition in corporate direct lending. Overall credit quality has been stable year to date with some signs of credit stress limited to issuers in transport, food, packaging and dental services. Spreads on US corporate direct lending are stabilising at record low levels in the 450-475bps range.

The declining income trajectory for private credit will result in dividend cuts later this year and into the next across the listed private credit sector. This is starting to be priced in as the sector has de-rated to an average 0.9x P/BV. We took the opportunity in the volatility to rotate our single private credit position out of Golub Capital BDC into Morgan Stanley Direct Lending Fund (MSDL) on relative valuation.

Morgan Stanley has rapidly scaled its direct lending platform to $20bn. Its listed BDC, MSDL, has been one of the worst performers in public markets year to date amongst the scaled BDCs despite robust credit fundamentals. It has a diversified $3.8bn portfolio invested in 210 credits, the vast majority of which is first lien/unitranche, and only 5% are considered to be "ARR" loans to software companies. We believe MSDL's current share price already prices in a future dividend cut as it trades at 0.8x P/BV despite its above average platform scale and credit book fundamentals.

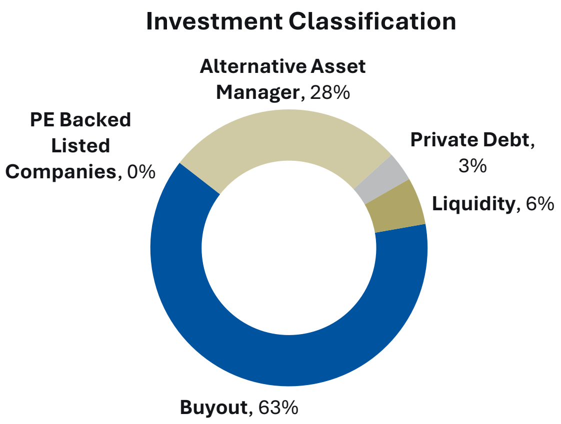
## Portfolio Summary

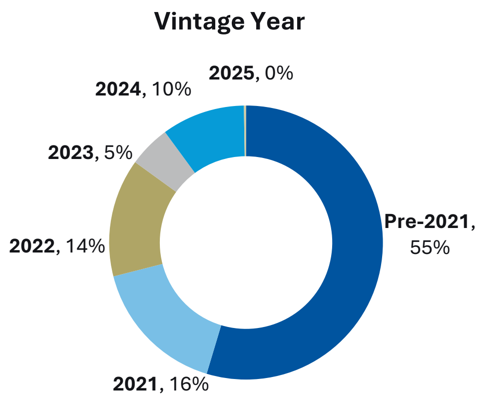
### Monthly Contributors & Detractors

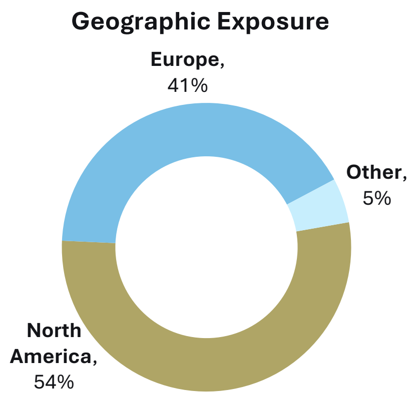
| Contributors | Currency | Return |
|---|---|---|
| Brookfield Business Partners | CAD | +23.6% |
| NB Private Equity Partners | GBP | +6.4% |
| Onex Corporation | CAD | +5.1% |

| Detractors | Currency | Return |
|---|---|---|
| KKR & Co | USD | -6.8% |
| Bridgepoint Group | GBP | -8.1% |
| TPG Inc | USD | -4.8% |

### Underlying Investment Exposures on a Look Through Basis




### Five Largest Holdings by Weight

| Company | Type |
|---|---|
| HarbourVest Global PE | Buyout |
| Onex Corporation | Buyout |
| Oakley Capital Investments | Buyout |
| KKR & Co | Alternative Asset Manager |
| Blackstone Group | Alternative Asset Manager |

## Key Information

| | |
|---|---|
| **Strategy** | High conviction, value-orientated, bottom-up stock selection.<br>Long-only, unlevered, benchmark unaware. |
| **Structure** | Luxembourg-domiciled SICAV authorised as a UCITS |
| **Management Company** | Waystone |
| **Delegate Investment Manager** | Barwon Investment Partners Pty Ltd |
| **Pricing & Dealing** | Daily |
| **Share Classes** | GBP, USD, and EUR share classes available |
| **Pricing & Dealing** | Daily |
| **Income Distributions** | Annual for distributing classes |
| **Entry / Exit Fees** | None |
| **Management Fee** | 0.65% p.a.* |

* Founder share class open for limited time.

## Key Contacts

| | |
|---|---|
| **Distribution Partner** | **Cadarn Capital**<br>Tom Dixon: +44 78131 01790 \| tom@cadarncapital.com \| cadarncapital.com |
| **Delegated Fund Manager** | **Barwon Investment Partners Pty Ltd**<br>Bob Liu: bob.liu@barwon.net.au<br>Unit Registry and Operations team: investors@barwon.net.au |
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