



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PGG Weekly Update – Script (July 09th 2020)

Hello, my name is Andrew Bellis. This is the latest of our weekly updates for unitholders in the Partners Group Global Income Fund.

This past week has been particularly subdued in the US, and also to some extent European Senior Secured Loan and Private Debt markets due to the 4th July holiday weekend. The markets had seen a number of new loans being syndicated in the days running up to the holiday weekend and these transactions had generally been met with strong investor demand but since then, both new issue and secondary markets have seen lower levels of activity.

On a more macro perspective, we continue to be in the same broad “holding pattern” with markets changing their mind from one day to the next, between optimism over things such as economic re-openings and strong jobs numbers and negativity over still rising cases of COVID-19, particularly in the US. It is likely this environment will persist for a number of weeks until we see a material reduction in new COVID-19 cases or more concrete progress towards a vaccine.

On Monday 6th July, PGG announced its final monthly distribution of the fiscal year 2020. This distribution was in excess of our target monthly distribution of RBA+ 4% paid on the AUD2.00 per unit launch price. Our intention was always that were we able to generate income from the PGG portfolio throughout the fiscal year in excess of our target distribution, then we would pay that out as an additional distribution at the end of the fiscal year. This means that from the first distribution in December 2019, the average monthly distribution has been the equivalent of RBA+4.56% compared to the monthly target distribution of RBA+4% per unit.

We are very pleased that we have been able to do this despite the fund having only listed in late September and with the portfolio being ramped up over a number of months, which meant that income generation was low for the first few months post listing. As we have mentioned in previous updates, we believe the underlying portfolio of PGG is now generating an attractive level of income and will continue to do so on an ongoing basis.

Whilst we have seen the levels of volatility in all financial markets come down from those levels seen in late March, volatility and general uncertainty does remain when

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compared to historic levels. In that context, we continue to believe PGG represents an attractive investment opportunity given:

1. The defensive nature of the portfolio, predominantly first lien senior secured loans and highly diversified in nature
2. The attractive ongoing distributions and the potential for additional distributions at the end of each fiscal year based on the income generated by the underlying portfolio

Thank you, Andrew

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