



# Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

## PGG Weekly Update – Script (June 24<sup>th</sup> 2020)

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

We discussed last week how we suddenly saw a return to volatility in global financial markets given the concerns building over a resurgence in COVID-19 cases particularly in the US. We also noted, very importantly, that the First Lien Senior Secured Loan and Private Debt markets did not react in the same way as late March and that the price moves in these markets were far more muted than those large moves of late March.

Over the last week whilst fears of a resurgence of COVID-19 haven't gone away (and if anything those fears have probably grown given the increase in cases in states such as Texas and Arizona) the market has shown more stability from a mark to market perspective.

In the First Lien Senior Secured Loan and Private Debt markets, the general negative price moves we saw just over a week ago have largely been reversed and the market is fairly stable with muted levels of activity in both the new issue and secondary markets over the last few days. This is perhaps reflective of the general uncertainty of investors as to whether a resurgence in COVID-19 will continue and lead to renewed, but perhaps more localized lockdowns.

This renewed period of calm has led to a number of new syndications being launched in the last couple of days. One notable transaction that is coming to market is the First Lien Senior Secured Loan that will back the EUR 17.2bn takeover of ThyssenKrupp Elevator by Advent International, Cinven and RAG that was agreed in March. The financing is sizeable with over EUR3bn of First Lien Senior Secured Loans alongside a similar sized secured and unsecured high yield bond offering. This will be a good test of market conditions given it is one of the first sizeable syndications of a leveraged buy out that was agreed pre-COVID with the banks now looking to syndicate the financing that they committed to.

We will leave this week's update here, just given what has been a fairly quiet week. As per our usual reminder, we continue to generate what we believe to be an attractive level of income on the portfolio and hence pay our regular monthly distributions of RBA +4% as based on the launch NTA of AUS2.00 per share.

Thank you, Andrew

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