

# PARTNERS GROUP GLOBAL INCOME FUND (ASX:PGG) Monthly report as of 31.07.2021

Listing date

NTA per unit

Target distribution	Current distribution	Yield to 3yr	# of loans
RBA+4.0%	RBA+4.6%	8.0%	379

Key facts
In AUD 31.07.2021

26 09 2019

1.93

The target distribution is only a target and may not be met.

Net performance based on NTA (%)									
	1 month	3 months	6 months	1 year	3 years	5 years	Since inception		
Total return	0.17%	1.41%	3.00%	12.83%	-	-	4.70%		

Market 521'373'751

Past performance is not indicative of future results, there is no assurance that similar results will be achieved. Partners Group (2021). Performance figures are net of PG and underlying fees.

Total NTA	529'750'664
Total NTA	529'/50'664

Monthly distribution based on \$2.00 issue price (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	0.4%	0.4%	0.4%	0.4%	0.4%	0.7%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	4.6%
2021	0.3%	0.3%	0.3%	0.3%	0.3%	0.7%	0.3%	-	-	-	-	-	2.7%

ASX price 1.90



Leverage (%) 38.55%

Distribution frequency Monthly

Responsible entity Equity Trustees Limited

### Monthly update

### Portfolio activity

# New/increased exposures: 27

# Exited/reduced exposures: 16

For July, the monthly net performance (change in NTA plus distributions made) per unit was 0.17%. PGG continues to distribute its distribution target of RBA +4% per annum.

In July, PGG added ten new companies directly to its portfolio across the financials, environmental services, telecoms, business services, education, food retail, containers & packaging and logistics sectors and increased its exposure to 17 existing companies in which we hold strong credit conviction. The Fund reduced exposure to one company and exited its exposure in 15 companies due to a combination of there being relatively more attractive opportunities and refinancing activity. The portfolio continues to be fully deployed, with no defaults.

#### Market activity

The leveraged loan market recorded its lowest monthly performance in July, since the large sell-off in March 2020. This recent pullback is mainly attributed to the recent increase of delta variant cases and concerns that more government restrictions which could lead to a slower-than-expected recovery. The US S&P Leveraged Loan Index returns were flat for the month of July, resulting in returns of 3.3% since the start of 2021. In Europe, the ELLI index improved by 0.2% in July, bringing the index's YTD return to 3.4%.

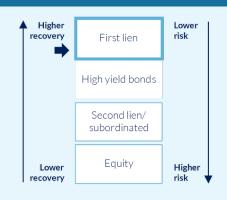
In the US, prices fell slightly across the entire spectrum, with higher-quality loans outperforming. Excluding the interest component of returns, the index's secondary prices fell 0.35% in July, the largest decline over the last 16 months. Another trend reversal was seen with a pullback in industries that were most affected during the onset of COVID-19, such as Leisure and Air Transport. In addition to these declining prices, the average secondary market yield-to-maturity remains compressed at 4.30%, near all-time lows of 4.21%. For comparison, a year ago, the average index loan had a yield of 6.11%. These historically low yields will likely continue to entice investors looking for higher yield to chase lower down the quality spectrum. In Europe, the ELLI index remained positive, and like the US, the market-value component of return was negative, at -0.17%. The single-B grouping outperformed other cohorts in July, however over the last 12 months the triple-C class remains the best-performing cohort. Due to an increase in M&A activities and more primary issuances, the secondary market saw a slight price decline due to investor's ability to be more selective when loans broke for trading. The weighted average bid for the ELLI remains above pre-pandemic levels with the majority of the index priced below par. The percentage of loans priced at or above par declined from 14% in June 2021, to 8.8% at the end of July.

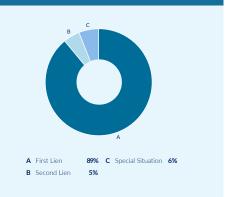
### Portfolio strategy

The investment objective is to provide monthly income through exposure to a diversified pool of global private debt investments.

The investment strategy is to access a diversified portfolio of private debt investments through active origination, portfolio construction and risk management. The strategy will be implemented by dynamically allocating investments across the following three distinct private debt strategies:

- The First Lien loan strategy, representing 60-100%
- The Second Lien and Subordinated loan strategy, representing 0-20%
- The Special Situations strategy, representing 0-25%





#### Portfolio diversification Investments by industry sector Investments by concentration Investments by country A Health Care Providers & Services 52% G Australia 10% | Specialty Retail **A** 1 - 10 **7% G** 61 - 70 A USA 10% J Insurance **B** 11 - 20 **7% H** 71 - 80 B United Kingdom 16% H Sweden 3% 4% 2% **B** Software C 21 - 30 **6% |** 81 - 90 K Food Products 3% 4% C France 8% | Switzerland 2% I Chemicals 3% **D** 31 - 40 **6% J** 91 - 100 4% D Netherlands 5% J Belgium 1% D Hotels, Restaurants & Leisure 6% E Germany MHealth Care Technology 3% **E** 41 - 50 **5% K** 101+ 47% 4% K Others 4% 5% N Health Care Equipment & 2% F 51 - 60 F Spain 4% F Media 5% O Aerospace & Defense 2% G Diversified Telecommunication Services H Commercial Services & 4% P Other 29% H Supplies

Company name	Country	Industry sector	Seniority	In %
Cognita Schools	UK	Diversified Consumer Services	First Lien	1.0%
Upstream Rehabilitation	USA	Health Care Providers & Services	First Lien	0.8%
Sivantos	USA	Health Care Equipment & Supplies	First Lien	0.8%
Motor Fuel Group	UK	Specialty Retail	First Lien	0.8%
Hotelbeds	Spain	Hotels, Restaurants & Leisure	First Lien	0.8%
Sedgwick	USA	Insurance	First Lien	0.8%
Axel Springer	Germany	Media	First Lien	0.8%
Nestle Skin Health	Switzerland	Personal Products	Special Situation	0.7%
DigiCert	USA	IT Services	First Lien	0.7%
Busy Bees	UK	Diversified Consumer Services	First Lien	0.7%
Total largest 10 companies				7.9%
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### **About Partners Group**

Partners Group is one of the largest private markets investment managers in the world.

Founded in Switzerland in 1996, we have endeavoured to be an innovative investment partner to clients and business partners worldwide. Over the last 25 years we have grown from our headquarters in Zug, Switzerland to 20 offices globally with more than 1,500 professionals. Partners Group's investment approach encompasses private equity, private real estate, private debt, private infrastructure and liquid private markets investments. Our focus is investing in quality companies and assets with growth and development potential. We proactively source these investment opportunities in different markets through our large, local investment teams and network of industry experts.

Platforms
MacquarieWrap, BT Wrap, Asgard,
BT Panorama, CFS FirstWrap, Netwealth,
MLC (Investment only), Hub 24

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