



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

PGG Update – 24th October 2023

Hello, my name is Andrew Bellis.

This is the latest update for unitholders in PGG

Firstly and most importantly we would like to remind unitholders that the fund is scheduled to be de-listed from the ASX and convert to an open-ended unit trust on 22 November 2023. Unitholders who intend to remain invested in the Fund after de-listing must complete a Transition Identification Form in order to continue receiving monthly income distributions, to have the ability to apply for new Units, or to withdraw existing Units in the Fund after the Fund is de-listed. The Transition Identification Form is available on Partners Group's website (www.partnersgroupaustralia.com.au).

Forms must be submitted and processed prior to the Fund's scheduled de-listing date of 22 November 2023. We recommend that investors submit their form at least two weeks prior to this date to ensure that there is sufficient time for form processing.

Since our last update financial markets are still in the camp of not being able to make up their mind whether to be bullish or bearish. Uncertainty remains as to if rates have finally peaked in the major economies and the US in particular. Indeed, recent commentary from the Federal Reserve that inflation is still too high intensifies the debate on whether another hike is needed and re-enforces the view that interest rates will remain high for some period of time.

Indeed, we have seen 10-year Treasury yields breach 5% for the first time since 2007 and the 30-year mortgage rate in the US close in on 8%; its highest level since 2000. Whilst the 30-year mortgage rate is an alarming headline it is also important to illustrate the differing impact of rate rises in the US versus other countries such as the UK. The vast majority of US homeowners have 30-year fixed rate mortgages that were put in place; or refinanced in recent years when the mortgage rate was dramatically lower. So, whilst high mortgage rates materially slow house purchase activity in the US it has very little impact on existing homeowners. This is quite a contrast to other markets such as the UK and also helps to explain perhaps why the US consumer has been so resilient to date.

Very sadly we have seen some incredibly traumatic events in the middle east over the last 2-weeks. Whilst the knock on to financial markets has been limited thus far; if it escalates into a broader conflict which drags in more players this may start to have a more profound impact on financial markets.

As noted in the last update we have continued to benefit from improved market conditions within the senior secured loan market. New issue syndicated loan issuance has picked up

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and we see an uptick in M&A activity driving further investment flow as we head into year end, although increased volatility over the last 10 days has put this market improvement on pause. Our pipeline of direct Debt opportunities remains robust however.

In September, the net performance (change in NTA plus distribution) per unit was 1.33%. This brings returns for the third quarter of 2023 to just over 5% and year-to-date returns of over 14.5%. PGG continues to provide its distribution target of RBA +4% per annum. The Underlying Fund has also outperformed the Global Loan index by 445bps since the start of the year.

During the month, the Underlying Fund continued to increase its direct debt allocation by investing in a leading manufacturer of rotationally molded poly and welded steel bulk store; a human resource consulting services firm; an independent insurance brokerage firm; and a provider of infrastructure business. The direct debt exposure of the Underlying Fund increased significantly over the last two months to stand almost 24% as at 30 September 2023.

The Underlying Fund also participated in several add-ons over the month; these are additional loans to companies where we already have a loan outstanding in the fund and is often used by those companies to further their growth.

Elsewhere, the Underlying Fund sold a bond from a global healthcare company to benefit from recent good trading levels. The Underlying Fund also sold a number of first lien loans to reduce the downside risk of the Portfolio.

We continue to focus on the active management of the portfolio and taking advantage of attractive new investment opportunities to add further long term value to the portfolio.

Many thanks for your continued support, Andrew

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Partners Group Global Income Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT) and is the Responsible Entity. This update has been prepared by Partners Group Private Markets (Australia) Pty Ltd ACN 624 981 282 AFSL 509285 ("PGA"), to provide general information only. In preparing this update, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither PGA, Equity Trustees nor any of their related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

The advice provided in this investor call script is provided by PGA. Any advice provided is general financial product advice only and does not take into account your objectives, financial situation or needs. Before acting on the advice, you should consider how appropriate it is having regard to your objectives, financial situation and needs. You should consider the product disclosure statement for the Partners Group Global Income Fund ARSN 634 678 381 (Fund), and consider talking to a financial adviser before making a decision to invest in, or continuing to hold interests in the Fund. Interests in the Fund are issued by Equity Trustees. The product disclosure statement for the Fund is available at https://www.partnersgroupaustralia.com.au/fileadmin/PG_Australia/PDF/Global_Income_PGG/Product-Disclosure-Statement_2.pdf#c11668.



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