

Monthly report as of 28 February 2021

February NAV per share decreased 0.6%

In February, the NAV per share of the Partners Group Global Real Estate Fund (AUD) decreased by 0.6%, resulting in annualized performance since inception of 5.2% and cumulative performance since inception of 21.4%. The Fund's underlying portfolio NAV was neutral during the month, with a negative impact due to foreign exchange effects. Below we highlight two recent transactions.

Recently, Partners Group acquired a portfolio of eleven class-A office properties, Project Rhino, located in Kraków and Wrocław, Poland, Europe's key back-office and shared services markets. The Polish office portfolio comprises 100'000sqm of standing assets built between 2018 and 2020 (with in-place occupancy levels of 89% backed by good-quality tenants) and an additional 25'000sqm of assets under construction. In terms of portfolio level splits, 60% of the portfolio is made up of stabilized cash-flowing properties, 20% value-add potential buildings (two recently completed office properties with a total area of 25'000sqm located in Wrocław), and 20% development assets. The older standing assets are largely leased to well-known, global organizations. The assets were acquired from a motivated seller that has been fatigued by a delayed disposal process due to the global pandemic. Partners Group approached them directly and offered a proposal which met the sellers' objectives. Thanks to this structured and off-market solution, Partners Group managed to negotiate an attractive discount. At acquisition, the properties were 89% occupied, and Partners Group plans to increase occupancy above 95%. All buildings have been designed and built to cater to tenants' post-Covid-19 requirements. Moreover, the investment in the portfolio benefits from Poland's robust economy. Prior to COVID-19, Poland was amongst the fastest-growing economies in Europe with GDP growth of 4.1% and an unemployment rate of 3.3% in 2019. Following COVID-19, GDP forecasts show that Poland is expected to outperform 17 European countries.

Additionally, Partners group acquired Italian PRS, a portfolio of eleven private rented sector (PRS) residential assets with a total gross leasable area of about 58'000sqm. The assets are located in the Italian cities of Milan, Rome and Turin. Partners Group finds the Italian PRS acquisition attractive due to its discounted entry price, value-uplift potential and stable cash flows. The portfolio, 100% owned by a Turin-based insurance company, is approximately 50% under-rented compared to current market levels as a result of the owner's passive asset management of the portfolio since the 1990s. The properties have limited tenant turnover, and a number of the apartments are leased to the owner's employees with subsidized rent schemes. Partners Group sees an opportunity in Milan as domestic and international core buyers have refocused on the city since the COVID-19 pandemic began. Partners Group also believes Milan has been historically protected from Italy's political and economic issues, and it is Europe's 4th largest economy behind London, Paris and Madrid. Overall, Italian PRS is in line with Partners Group's relative value strategy of focusing on cities that benefit from transformative trends and changing market conditions. The Milan residential market has seen a constant improvement year-on-year since 2006 and throughout the global financial crisis and sovereign debt crisis. The demand for residential space for rent is also expected to increase, underpinned by millennials' affordability and mobility needs.

Monthly net performance - hedged (APIR ETL0480AU)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017					0.8%	0.7%	1.1%	0.8%	0.7%	1.2%	1.9%	0.7%	8.2%
2018	-0.1%	0.0%	1.4%	2.4%	0.6%	2.2%	-0.5%	0.9%	1.1%	-0.2%	-0.1%	3.0%	11.1%
2019	1.2%	0.6%	1.0%	0.5%	0.2%	1.5%	-0.3%	1.1%	1.8%	0.0%	0.5%	1.8%	10.3%
2020	1.0%	0.9%	-5.4%	-1.8%	0.4%	-0.2%	-1.8%	-1.5%	1.6%	1.1%	-1.4%	-0.7%	-7.9%
2021	0.0%	-0.6%											-0.6%

Past performance is not indicative of future results. There is no assurance that similar investments will be made nor that similar results will be achieved.

Monthly net performance - unhedged (APIR ETL6184AU)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017					1.1%	-1.6%	-1.9%	1.3%	1.6%	2.9%	2.4%	-1.5%	4.2%
2018	-3.4%	3.3%	2.4%	2.9%	0.5%	3.0%	-0.6%	4.5%	1.1%	1.3%	-2.3%	5.8%	19.6%
2019	-1.3%	2.2%	1.2%	1.1%	1.2%	0.5%	1.1%	2.7%	1.7%	-1.4%	1.9%	-0.7%	10.7%
2020	4.5%	3.4%	-1.4%	-4.6%	-0.2%	-1.7%	-3.3%	-2.6%	2.8%	1.9%	-3.3%	-2.4%	-7.2%
2021	0.3%	-0.9%											-0.7%

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Key figures			
In AUD	31.01.2021	28.02.2021	YTD
NAV per share	1.2023	1.1950	-0.6%
Master Fund size (in million)	316.82	311.59	
Investment level	94.0%	94.9%	
Performance (since inception)	22.1%	21.4%	
Monthly volatility (since inception)	4.8%	4.8%	

Performance	
MTD	-0.6%
3M	-1.3%
1Y	-10.1%
ITD	5.2%
Annualized volatility	4.8%

Largest five direct investments		
Asset	Region	Sector
1. Project Omega	WEU	Office
2. Project Moon (Beijing office and retail asset)	APC	Office
3. The Complex	APC	Office
4. UK Light Industrial Portfolio	WEU	Industrial
5. Project Creekside	NAM	Industrial

Largest five partnership investments	
Project	Instrument
1. Project Cargo	Secondary
2. Florida Office Portfolio (Fairway)	Secondary
3. Project Acadia (US diversified fund portfolio)	Secondary
4. 20 Cecil Street (Singapore office)	Secondary
5. US Industrial Portfolio II (Creekside)	Secondary



