



Partners Group

REALIZING POTENTIAL IN PRIVATE MARKETS

Press release

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Partners Group secures EUR 6 billion for direct private equity

Partners Group, the global private markets investment manager, has received record commitments for its 2016/17 direct private equity vintage. The 2016/17 vintage consists of the flagship program Partners Group Direct Equity 2016, which was capped at EUR 3 billion, together with EUR 3 billion of additional capital committed to direct private equity.

Investors in the program constitute a mix of new and existing clients, including public and corporate pension plans, sovereign wealth funds, insurance companies, endowment funds and foundations from around the world. Partners Group's founders, partners, and other employees, together with affiliates of the firm, are making a substantial investment into the program, committing in excess of 5% of Partners Group Direct Equity 2016.

Partners Group Direct Equity 2016 is the successor to Partners Group Direct Investments 2012, which closed in early 2014 and has a net IRR of 23.9%.¹ Like the 2012 program, Partners Group Direct Equity 2016 will be deployed globally on behalf of investors in mid-market and select large-cap companies across a broad range of industry sectors, including healthcare, education, business services, information technology, industrials, and consumer. Partners Group's investment strategy involves identifying transformative growth trends within specific sub-sectors and finding the companies best-placed to profit from these trends with the help of an active value creation strategy.

David Layton, Partner and Head of Private Equity at Partners Group, states: "In a sluggish macroeconomic environment, we are concentrating our efforts on specific market niches that are experiencing above-average growth. Within these pockets of growth, we look for companies with recurring revenue streams and highly visible cash flows, which are not only well-positioned to perform during a variety of economic scenarios but show significant upside potential and a clear path to value creation."

¹ Blended IRR across the entire program as of 31 March 2017. For illustrative purposes only. Past performance is not indicative of future returns.

Among the transformative trends prioritized within Partners Group's current relative value outlook are the rise of outsourcing in healthcare and information technology, the digitalization of business services and consumer companies, and the emergence of new business models in consumer services and social infrastructure.

At the time of its final close, Partners Group Direct Equity 2016 was already committed to a number of investments in line with these investment views, including US-based Curvature (formerly Systems Maintenance Services and SMS | Curvature), a global provider of IT network and data center lifecycle services; Cerba HealthCare, a leading European operator of clinical pathology laboratories; and Aavas Financiers (formerly Au Housing Finance), a provider of housing loans in India's affordable housing segment.

Fredrik Henzler, Partner and Co-Head of Industry Value Creation at Partners Group, comments: "We have more than 160 separate value creation initiatives ongoing at our current lead- and joint-lead portfolio companies. Almost 50% of these are top-line focused projects aimed at increasing market share, while the other 50% are either bottom-line focused efficiency drives or risk-reduction strategies. The extensive sector experience of our global Industry Value Creation team enables us to work alongside management teams to implement such projects and ensure their effectiveness."

This structured approach to value creation has contributed to measurable results for Partners Group's existing direct private equity portfolio, which has recorded compound annual growth rates of 15% in terms of revenue and 19% in terms of EBITDA since 2014.²

Christoph Rubeli, Partner and Co-CEO, Partners Group, adds: "We would like to thank our direct private equity investors for placing their trust in our firm in a challenging investment environment characterized by high valuations. With more than 700 private markets platform professionals globally and a highly selective investment approach, we believe we have the sourcing capabilities and the investment discipline required to continue to generate solid returns."

² CAGR for revenue and EBITDA are exposure-weighted and based on all active and exited investments acquired before December 2016 by the Partners Group Direct Investments 2012 and Partners Group Direct Equity 2016 programs. For illustrative purposes only. Past performance is not indicative of future returns.

About Partners Group

Partners Group is a global private markets investment management firm with over EUR 57 billion (USD 66 billion) in investment programs under management in private equity, private real estate, private infrastructure and private debt. The firm manages a broad range of customized portfolios for an international clientele of institutional investors. Partners Group is headquartered in Zug, Switzerland and has offices in San Francisco, Denver, Houston, New York, São Paulo, London, Guernsey, Paris, Luxembourg, Milan, Munich, Dubai, Mumbai, Singapore, Manila, Shanghai, Seoul, Tokyo and Sydney. The firm employs over 950 people and is listed on the SIX Swiss Exchange (symbol: PGHN) with a major ownership by its partners and employees.

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