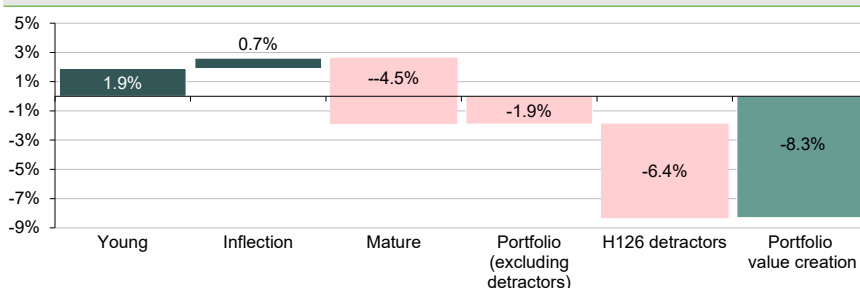


Partners Group Private Equity

Aiming to turn the tide

Partners Group Private Equity's (PEY's) development in recent years was a tale of two halves. On the one hand, it delivered substantial realisations, at 22% and 15% of opening NAV in 2025 and 2024, and saw the introduction of shareholder-friendly measures, such as a new buyback framework and favourable changes to the fee structure. On the other hand, it delivered sub-par returns, due to slower value creation within its 2021–23 vintages, macroeconomic headwinds (including negative fx effects) and adverse idiosyncratic factors at some companies. Partners Group (PG, PEY's investment manager) has recently made several additions to its team of operators, with extensive sector expertise to facilitate earlier and deeper operational engagement in its portfolio companies and, in turn, improve returns. This, together with the recent board proposal (subject to the outcome of the prospective EGM), could support a narrowing of PEY's discount to NAV from the current 40%.

Exhibit 1: Contribution of PEY's vintages to portfolio performance*



Source: Partners Group Private Equity data; Note: *Last 12-month performance to end-H126.

Selectiveness of global PE investors

Global private equity (PE) market activity picked up in H225 and into early Q126, but the war in the Middle East and associated inflationary pressure resulted in a pull-back. KPMG notes that the rolling 12-month global PE investment value declined only slightly from \$2.4trn to \$2.3trn, but this reflects a focus on top-tier assets and larger transactions in selected sectors. The potential for higher dealmaking is underpinned by \$1.3tn of global dry powder (according to Bain & Co), most of which comes from funds raised in 2022 and 2023, putting pressure on GPs to deploy capital. However, the uncertainty around the prospective base interest rate trajectory in major economies may act as a restraining factor. Looking beyond the near term, PE has established itself as an important asset class for institutional investors and remains a meaningful part of the opportunity set for suitable long-term investors.

Why consider PEY now?

A potential catalyst for PEY's shares could be the recommended dual-share class structure announced by the board recently, designed to provide shareholders with a choice between continued long-term participation in the company's existing investment strategy and a defined pathway to liquidity over time. This could be further supported by sustained robust realisations in 2026 (with €110.6m realised in H126), a potential pick-up in value creation of the 2021–23 vintages and sustained strong performance of younger holdings.

Not intended for persons in the EEA.

Investment companies
Listed private equity

2 October 2026

Price	€6.94
Market cap	€457m
Shares in issue	65.9m
Code/ISIN	PEY/GG00B28C2R28
Primary exchange	LSE
AIC sector	Private equity
Financial year end	31 December
52-week high/low	€10.9 €6.8

Fund objective

Partners Group Private Equity is an investment holding company domiciled in Guernsey that mainly provides equity capital to private companies in the middle and upper-middle market. Its portfolio consists mostly of direct investments, and it has a small portfolio of legacy third-party fund investments that is currently in run-off. It aims to provide shareholders with long-term capital growth and an attractive dividend yield.

Bull points

- Attractive dividend policy and a well-structured buyback framework.
- PG has strengthened its team of experienced operational experts.
- Robust exits and potential for substantial buybacks.

Bear points

- NAV total return below peer average in recent years.
- Worsening investor sentiment in private credit markets may influence debt refinancing conditions for PE-backed companies.
- Portfolio exposed to a potential further depreciation of the US dollar against the euro.

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is a research client of **Edison**
Investment Research Limited

Strengthening its operator leadership

PEY offers a balanced exposure across private developed markets and selected emerging markets via direct investments, with approximately equal weighting to North America (44% of its end-June 2026 portfolio value) and Europe (45%), complemented by smaller allocations to Asia-Pacific and the rest of the world (see Exhibit 2). It has a history dating back to 1999. The company raised \$700m through the issuance of a convertible bond, which was successfully converted into shares in 2006. Since 2007, its shares have been listed on the London Stock Exchange under the ticker PEY (euro), with a sterling quote (PEYS) added in 2017 to broaden investor access (although the latter will be discontinued).

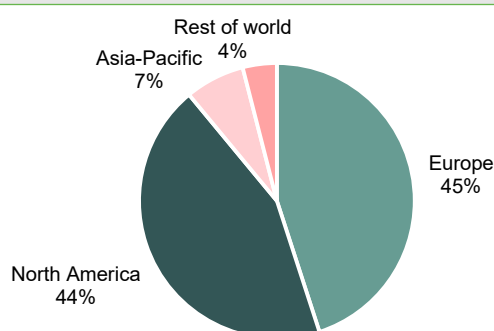
PEY is managed by PG, one of the largest firms in the global private markets industry, with assets under management (AUM) of around \$186bn at end-June 2026 (of which \$79.2bn is in PE) across more than 800 institutional investors. PG has around 2,000 employees across 25 offices and leverages its entrepreneurial governance approach in seeking to develop its portfolio companies into market leaders.

PG seeks to identify attractive, transformative trends across sectors and invest in companies and assets with strong development potential through a team of more than 500 investment professionals, supported by a large advisory network.

It targets the global extended mid-market with companies generating an EBITDA of €50–250m, representing an equity investment of €0.5–2.0bn, and achieving an EBITDA margin in excess of 20%.

PG aims at earlier and deeper operational engagement in its portfolio companies to drive value creation through stronger involvement of PE operators with extensive sector experience. PG made several important team additions in this respect, including a new co-head of PE goods & products (September 2025), two managing directors in its technology and health & life verticals (October 2025), a new co-head of PE technology (November 2025) and a new co-head of its PE health & life vertical (who will join in September 2026). Each of PG's portfolio companies will be supported by one operator, one leader and two further professionals. We consider sector expertise an increasingly important competitive advantage in the PE industry, as higher interest rates require stronger operational involvement to achieve attractive returns.

Exhibit 2: PEY's portfolio breakdown by region at end-June 2026



Source: Partners Group Private Equity data

Sustained robust level of liquidity events in FY25 and H126

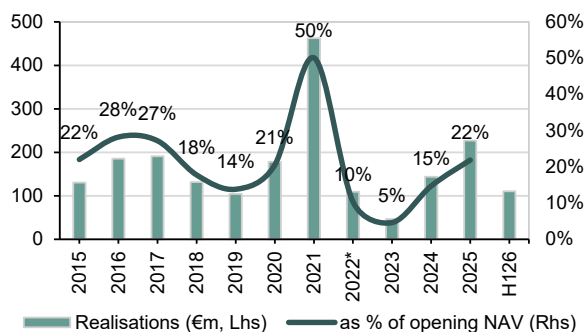
A notable positive of PEY's FY25 results was the considerable level of realisation proceeds at €227.3m (c 22% of opening NAV), of which c €55m were exit proceeds from listed assets, primarily Vishal Mega Mart, Galderma and Global Blue. This brought PEY's average distributions to opening NAV in the period 2022–25 to c 12.9%, which appears reasonable in the industry context despite being below the 2013–21 average of 24.1%. A decline in liquidity events has been seen across the global PE industry, and was triggered by the post-COVID interest rate rises and multiple market shocks, which reduced average distributions from c 25% of NAV in 2013–21 to c 11% in 2022–25, according to our calculations based on StepStone data.

PEY experienced further robust cash flow from liquidity events in H126, with €110.6m in distributions (12.4% of opening

NAV). These were led by the full exits of Convex Group (€22m, at a gross multiple on investment capital (MOIC) of over 2.5x) and Galderma (€19m, at more than 3.5x), the further sell down of PEY's listed position in Vishal Mega Mart (€15m, implying a combined realised and unrealised MOIC of over 8.5x) and a partial exit from STADA Arzneimittel (€11m, MOIC of over 2.0x). PEY also exited healthcare technology company Clario after Q126, realising a gross investment multiple of more than 1.5x since its initial investment in 2020, with €23m in proceeds received in April 2026. Overall, PEY's exit activity during the 12 months to end-June 2026 delivered a robust money-weighted average multiple of 2.9x cost. Importantly, PEY highlights that realisations continue to be executed at or above carrying value. PEY's exit activity reduced the share of listed holdings in its portfolio to 9% at end-June 2026 compared with 11% at end-2025. PG expects a level of realisations in 2026 that is similar to 2025. Post period end, PEY received a further €4.7m distribution in July from a dividend recapitalisation of Rosen Group.

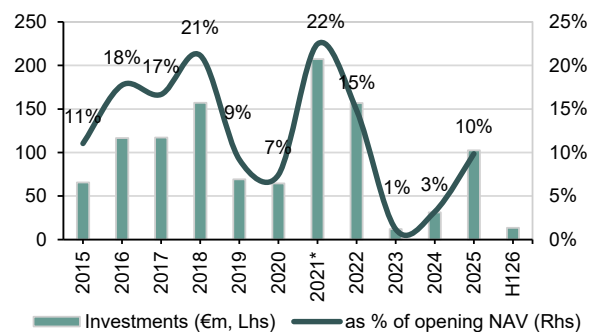
These realisations were accompanied by more measured deployment, with €13.5m of new and follow-on investments in H126, after more significant investments of €102.4m in FY25 (which included €39.0m of partial re-investments of exit proceeds into businesses exited during FY25, including PCI Pharma Services, International Schools Partnership and Techem). PEY believes that the stable, but slower growth environment supports a gradual recovery in transaction activity and exits, with continued focus on selective deployment. PG highlighted five new investments signed across thematic verticals that it expects to close in H226, including Aroma-Zone, a European natural beauty and wellness brand.

Exhibit 3: PEY's historical realisations



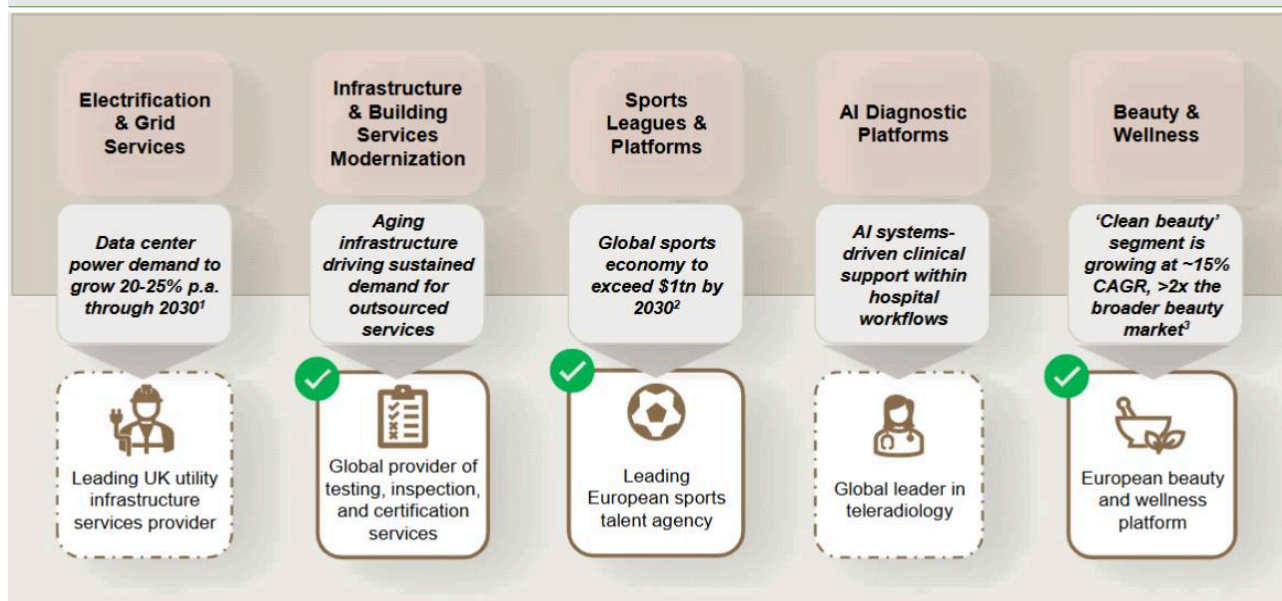
Source: Partners Group Private Equity data, Edison Investment Research

Exhibit 4: PEY's historical investments



Source: Partners Group Private Equity data, Edison Investment Research

Exhibit 5: PG maintains an active pipeline of new opportunities



Source: Company data

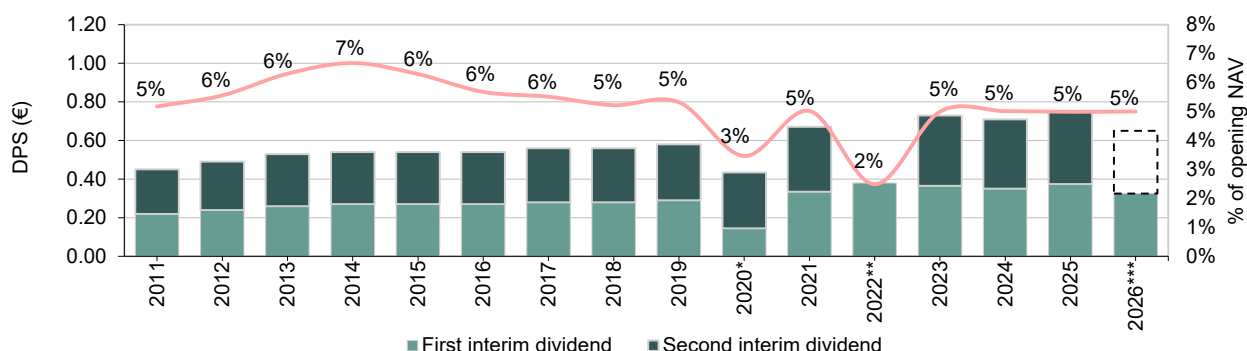
Note: 1 – S&P 500 Global. Data center grid-power demand to rise 22% in 2025, nearly triple by 2030 2 – Deloitte (2026). 2026 Global Sports Industry Outlook. 3 – PwC (2025). Global entertainment and media industry revenues to hit US\$3.5 trillion by 2029, driven by advertising, live events, and video games: PwC Global Entertainment & Media Outlook – 3 Fortune Business Insights (2026). Clean Beauty Market Size, Industry Share, Growth, Report, 2034

An attractive combination of dividends and buybacks

PEY maintains a robust balance sheet with €51.1m in cash and equivalents at end-July 2026. The company completed an early renewal of its credit facility in Q425 at a lower commitment fee (80bp vs 100bp previously) and a lower margin on drawn amounts (270bp vs between 295bp and 325bp previously). The new facility matures in November 2029. The facility was also slightly upsized from €140m to €150m and was fully undrawn at end-July 2026. This available liquidity more than covers PEY's outstanding investment commitments of €113.6m as of end-June 2026 (or 12.7% of end-June 2026 NAV), of which PEY expects only €60–70m to be drawn over the next two to four years (it anticipates that the remaining commitments will be undrawn).

PEY's robust level of liquidity events, measured new investments and the resulting strong holding-level balance sheet support shareholder returns via dividends and buybacks. PEY pays out a solid annual dividend of 5% of the previous year-end NAV in semi-annual payments, which it has been able to successfully deliver since 2011 with few exceptions (see Exhibit 6). In line with its dividend policy, PEY paid its first interim dividend for FY26 of €0.325. Given the current wide c 40% discount to NAV at which PEY's shares trade (versus a 10-year average of c 20%), this dividend represents, on an annualised basis, an attractive yield of 9.4%.

Exhibit 6: PEY's historical dividend payments



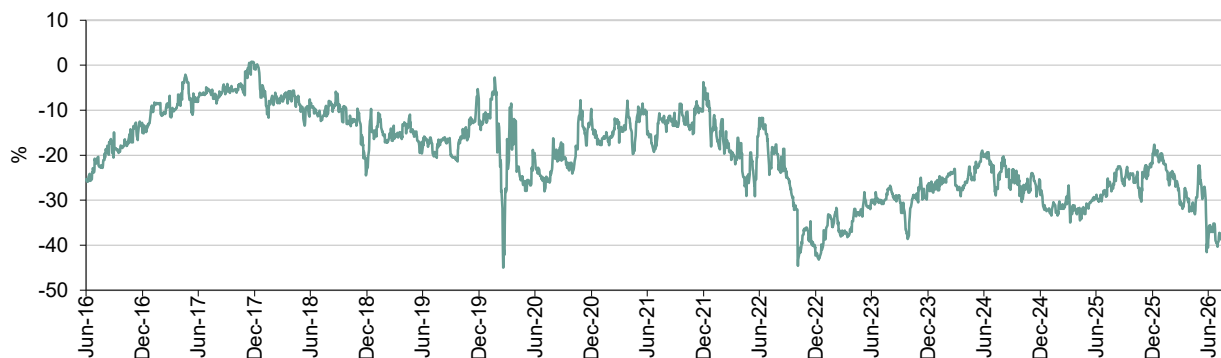
Source: Partners Group Private Equity data, Edison Investment Research.

Note: *Lower dividend due to COVID-19 pandemic. **Second interim dividend cancelled due to high cash flows for FX hedges (PEY subsequently abandoned its hedging policy). ***Dividend yield based on annualised first interim dividend, as the second interim dividend has not been announced yet.

Furthermore, the company has a well-structured framework for conducting NAV-accretive buybacks. This is designed to ensure a significant part of PEY's free cash flow will be allocated to share repurchases if its shares trade at a wide discount to NAV. If PEY's share price discount to last reported NAV reaches 30% or more (which is currently the case, see Exhibit 7), PEY will allocate 75% of the free cash flow it generates (calculated at the beginning of each quarter) to share repurchases. At a discount of 20% or more (but below 30%), it will use 50% of free cash flow. However, even if the discount is narrower than 20%, the board retains the right to embark on share buybacks if it considers it beneficial to PEY. This framework highlights PEY's clear focus on limiting the discount to NAV and performing share repurchases when these are particularly NAV-accretive. We discussed further details of PEY's buyback policy in our [April 2024 note](#).

Under this capital allocation policy, the board allocated €18m to share repurchases based on free cash flow as at end-March 2026, in addition to the remaining €1.6m capital previously allocated to buybacks. PEY's free cash flow as at end-June 2026 was negative and therefore no further capital was allocated to buybacks. PEY bought back €13.4m of shares during H126, with another €5.1m spent after reporting date as at the time of PEY's interim report 2026.

Exhibit 7: PEY's 10-year discount to NAV history



Source: Partners Group Private Equity data, LSEG Data & Analytics, Edison Investment Research

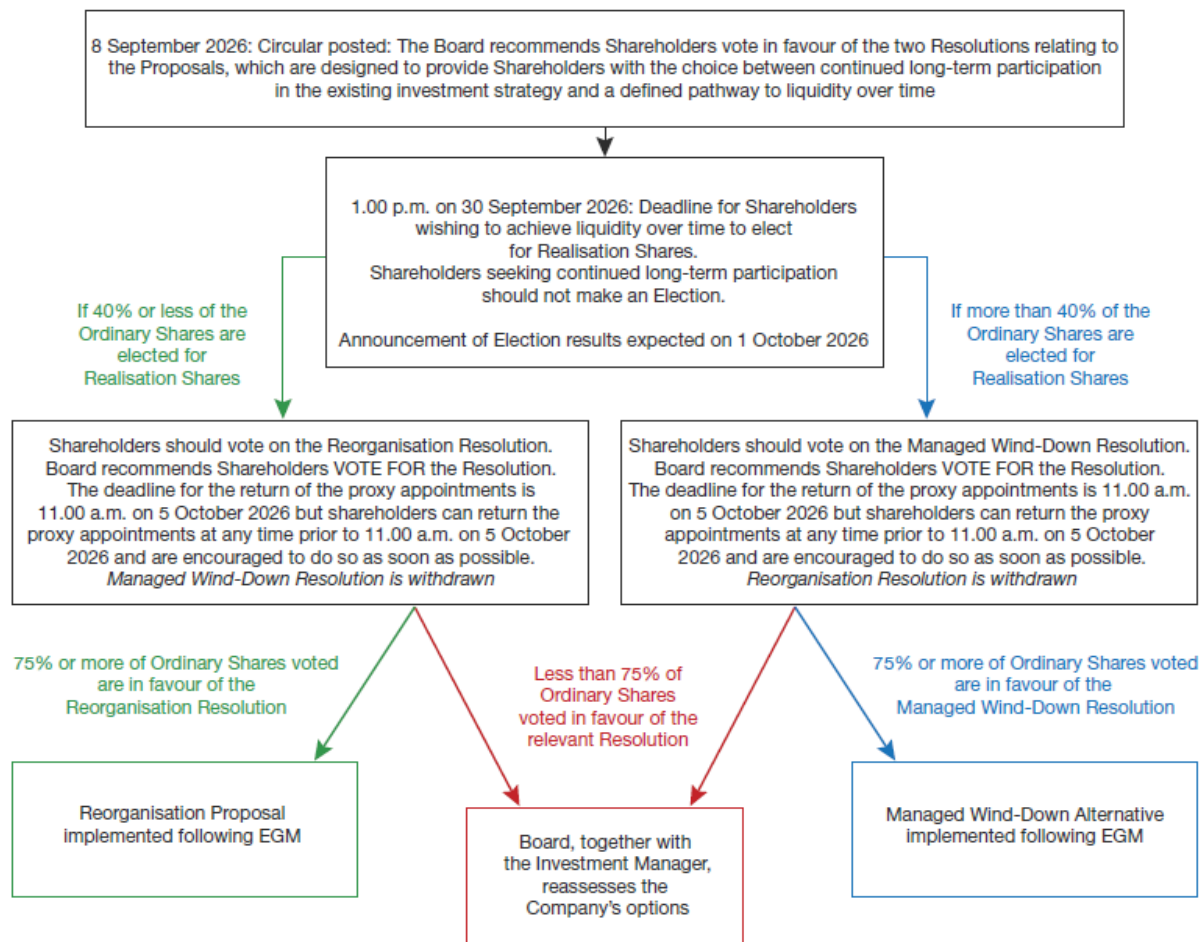
Dual-share class proposal

Peter McKellar (the company's chairman since November 2023) has led the implementation of several improvements to the company's corporate governance.

PEY recently published a circular outlining details of the board's updated proposal for a dual-share class structure (Reorganisation Proposal), which was initially announced in June 2026, and notifying investors of the upcoming extraordinary general meeting (EGM) to be held on 7 October 2026. PEY's board proposal is intended to give shareholders seeking an exit a defined pathway to liquidity over time, while allowing longer-term investors to retain exposure to the existing strategy and supporting a narrower share price discount to NAV. The key change from the proposal announced in June is that the maximum aggregate proportion of shares that can be redesignated as Realisation Shares has been extended to 40% from 30% previously, with no scale-back mechanism. If PEY receives valid elections for Realisation Shares of more than 40% of the ordinary shares in issue (excluding treasury shares), the Reorganisation Proposal will lapse, and, subject to shareholder approval, PEY would instead proceed with a proposed alternative to realise the entire portfolio and return net proceeds over time.

The circular, prospectus and shareholder FAQ are available on PEY's website. We strongly encourage shareholders to vote at the upcoming EGM. The shareholder decision is a two-step process (see Exhibit 8). Investors first decide whether to elect for Realisation Shares. Shareholders who do not make a valid election for Realisation Shares will hold the Continuing Ordinary Shares as the default option if the Reorganisation Proposal proceeds. The deadline for elections of Realisation Shares is 2 October, and PEY expects to announce the election results on 5 October.

The second step involves submitting voting instructions in respect of two resolutions, one of which will apply depending on the election outcome: the Reorganisation Resolution (applicable if 40% or less of PEY's ordinary shares are elected for Realisation Shares) and the Managed Wind-Down Resolution (applicable if more than 40% of PEY's ordinary shares are elected for Realisation Shares). Shareholders may submit proxy instructions for both resolutions in advance (including before the election results are announced), and only the resolution relevant to the level of Realisation Share elections will actually be put to the meeting. In both cases, the deadline for the return of the proxy appointments is 5 October 2026. However, investors holding shares through intermediaries may face earlier deadlines and as a guide, PEY recommends that investors allow at least 10 calendar days before the above deadline and contact their relationship manager or intermediary as soon as possible to confirm the relevant procedures and cut-off dates. Both resolutions require at least 75% of votes cast to pass, or else PEY's board and investment manager will reassess the company's options.

Exhibit 8: Summary of board proposal


Source: Company data

The Reorganisation Proposal involves the allocation of PEY's assets and liabilities (including undrawn commitments) on a pro rata basis to two separate independently managed share classes (both quoted in euros), created through the redesignation of existing shares. The company intends to cease the PEYS sterling quote from the day after the EGM. The Continuing Ordinary Shares will retain exposure to PEY's existing investment strategy, while the Realisation Shares will follow an orderly realisation strategy over an expected eight-year period from the effective date of the proposal and will generally not participate in new investments, except in limited circumstances. The board hopes that this will result in a shareholder base whose investment horizon and objectives are better aligned with PEY's investment approach.

The investment strategy for the Realisation Shares will prioritise progressive return of cash from realisations, with the aim of optimising rather than necessarily maximising the value of investments. Exits will be aligned with the business plan of each asset but may involve opportunistic secondary market sales and corporate activity (if it is not detrimental to the value of Continuing Ordinary Shares). The Realisation Shares may participate in follow-on investments in certain cases. Capital return to holders of Realisation Shares is expected to be through semi-annual redemptions (with the flexibility to increase frequency), which PEY expects to be executed at the prevailing NAV of the Realisation Shares less any redemption costs. The board and Partners Group (PG, PEY's investment manager) agreed to a 25bp management fee reduction for the Realisation Shares to 1.25% per year, while the incentive fee will remain unchanged (fees for Continuing Ordinary Shares will remain in line with existing ordinary shares). The fee of 1.25% per year would also apply under the proposed alternative scheme. The board has the right to exercise a mandatory conversion of Realisation Shares into Continuing Ordinary Shares when NAV of the Realisation Shares falls below €25m, less than 10% of the Realisation Shares are held in public hands (as defined in the UK Listing Rules), or on and from the eight anniversary of the effective date.

The Continuing Ordinary Shares will retain PEY's existing dividend policy of paying annually 5% of the previous year-end NAV. Insofar as practicable, the same policy will apply to the Realisation Shares, subject to sufficient liquidity and cash flows in the Realisation Pool. The board also intends to retain the existing dividend policy under the proposed

alternative scheme, but would terminate the dividend reinvestment plan. Both the Continuing Ordinary Shares and Realisation Shares will be also subject to PEY's current gearing policy, and PEY will be able to use borrowings to accelerate the return of proceeds from the Realisation Shares pool (once proceeds are wholly unconditional and free from any right of clawback). However, PEY's capital allocation policy (which is a well-structured framework for making NAV-accretive buybacks) will apply only to Continuing Ordinary Shares. Costs, expenses and liabilities that are not directly attributable to either share class will be allocated between the Continuing Ordinary Share and Realisation Share pools in proportion to their latest published quarter-end NAVs. Redesignation costs will be borne by all shareholders, with a one-off contribution of up to €1.5m from PG.

The dual-share class structure is expected to become effective on 2 November 2026, with Realisation Shares admitted to trading at 8am BST that day. The proposed alternative scheme would instead take effect at the conclusion of the EGM on 7 October 2026, if approved. This proposed alternative scheme would be implemented over an expected period of around eight years (ie the same time frame as the one assumed for the Realisation Shares in the dual-share class proposal). Under both the Realisation Shares and the proposed alternative, the board currently intends no capital returns before 31 March 2027 to give investors sufficient time to assess tax implications and decide if they prefer to sell their shares in the market ahead of any return of capital. If elections are below the 40% threshold and the Reorganisation Proposal proceeds, the board will reassess PEY's position and options available to shareholders no later than the fifth anniversary of the structure's effective implementation date.

Other measures introduced by the board in recent years include:

- strengthening of the board of directors with the appointments of Axel Holtrup and Gerhard Roggemann in 2024 and Nicola Paul in April 2025;
- introducing the above-mentioned capital allocation policy;
- enhancing direct engagement with shareholders; and
- completing a detailed review of the investment management terms to ensure PG's alignment with shareholders, which resulted in changes to the fee structure (see our [June 2025 review note](#) for details).

Performance: Seeking to accelerate value creation

PEY's wide discount to NAV raises the bar in terms of returns from new investments required to outpace the return from reinvesting capital into the existing portfolio via buybacks. However, the attractiveness of ongoing share repurchases compared to a more extensive deployment of capital into new opportunities is dependent on the prospective performance of the current portfolio, which recently can be described as somewhat disappointing, as the company reported an 8.7% NAV total return (TR) decline in euro terms in FY25.

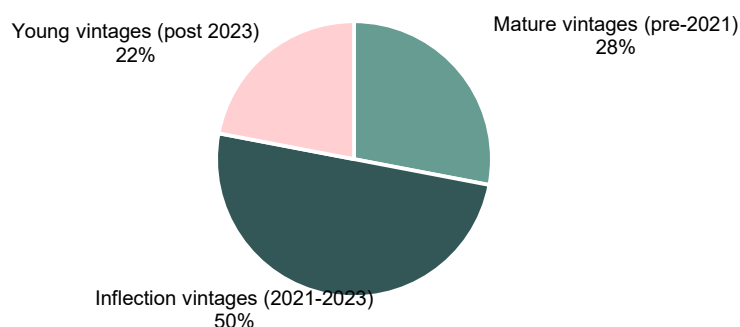
Although most of the fall came from adverse fx movements (5.7pp) due to the depreciation of PEY's US dollar exposure (42% of end-June 2026 portfolio), performance at constant currency was also muted, with a modest 0.7% NAV accretion from value creation across PEY's portfolio in FY25. Three holdings faced idiosyncratic challenges that weighed on PEY's performance and had a 5.1pp negative NAV impact: KinderCare Learning Companies (a listed US childhood education services provider whose share in PEY's portfolio fell to just 0.9% at end-2025), Ammega (a provider of belting solutions) and Pharmathen (a contract development and manufacturing organisation for complex generic drugs). For a more detailed discussion on these challenges, see our [April 2026 note](#).

In H126, PEY posted an 8.6% NAV TR decline, as value creation across its private portfolio was again moderated by weak developments at a few portfolio companies (USIC, Emeria, Ammega and Pharmathen), as well as renewed macroeconomic headwinds. Pharmathen was adversely affected by regulatory and operational challenges following an FDA Import Alert that restricted supply to the US market, and the investment was therefore written down to zero. USIC, a North American provider of underground utility locating services (1.4% of end-June 2026 NAV), was negatively affected by customer in-sourcing and operational headwinds. We note that PEY initially invested in USIC in 2016 and extended its ownership in 2021, by which time it realised a gross total value to paid-in capital (TVPI) of 3.0x. Emeria, a provider of real-estate services and technologies with a strong footprint in France and the UK (6.2% of PEY's end-July 2026 NAV), was affected by renewed macro headwinds in the French brokerage market in 2026. Furthermore, some of PEY's mature vintages (such as Vishal Mega Mart, KinderCare and Guardian) were negatively affected by market dynamics, including share price de-rating.

That said, the company highlighted an attractive early performance from its younger vintages (investments made in

2024–25), which represented 22% of the end-June 2026 portfolio value and added 1.9% to PEY's last-12-months (LTM) portfolio performance to end-H126 (see Exhibit 1). PG disclosed at the time of publishing its FY25 results that the entry EV/EBITDA multiples for this younger group were lower by one to three times EBITDA compared to its 2021–23 vintages (which represented a much higher share in the portfolio at 50% at end-June 2026, see Exhibit 9). The younger holdings also delivered higher average EBITDA growth in 2025 of 15% (compared to 6% on average for its 2021–23 vintages), which meets the 10–12% annual EBITDA growth required in the current higher interest rate environment of a PE investment to generate a MOIC of 2.5x over a five-year holding period (a desired outcome for PE managers), according to Bain & Co. PEY's younger vintages so far had achieved a gross internal rate of return of over 20% (fx adjusted) since initial investment to end-2025 and were held at an average MOIC of 1.2x at end-June 2026. PEY's NAV TR in July 2026 was 0.1%.

Exhibit 9: PEY's portfolio breakdown by vintage at end-June 2026



Source: Partners Group Private Equity data

PG has acknowledged that value creation for the 2021–23 vintages took longer than initially expected, as some of these holdings were affected by factors such as higher interest rates, high levels of leverage, rising labour costs and supply chain disruptions. These direct assets were on average valued at a 1.2x gross MOIC at end-June 2026 (vs 1.4x at end-2025). PG indicated that it is also seeing an acceleration in value creation and returns across the 2021–23 vintages (which added 0.7% to LTM portfolio performance to end-H126) and now refers to this group of assets as 'inflection vintages' (although we note that this group also includes some of the holdings facing idiosyncratic challenges at present, such as Pharmathen). Still, PEY expects to realise a 2.0x gross multiple on this cohort, which is somewhat below the returns it normally targets. Top holdings in this bucket by value include the above-mentioned Emeria and USIC, as well as:

- **DiversiTech**, a producer of parts and supplies for US residential heating, ventilation and air conditioning (HVAC) (6.9% of end-July 2026 NAV), which introduced a nimble pricing model, leading to improved gross margins. PEY highlighted the company's resilient organic execution coupled with further upside from M&A activity. DiversiTech is also progressing on its agenda to digitalise customer experience and has started building a European platform. Overall, the asset is performing according to PG's plan.
- **Foundation Risk Partners** (3.8%), a US insurance brokerage and consulting firm. PG highlighted that the company's collaboration with Version 1 (another PEY portfolio company) resulted in tangible benefits, including a 94% reduction of processing cycle time for new clients, a doubling in close rates, a 1.2pp uplift in EBITDA margin and a \$10m positive EBITDA impact.
- **Forterro**, a pan-European enterprise resource-planning software provider to small- and mid-sized manufacturing businesses (3.7%). This is another holding that is performing in line with PG's plan, driven by recurring revenue growth and positive mix effects, as well as the scaling of its platform through M&A, transition to the cloud and an AI-enabled offering. PEY highlighted Forterro as a good exit candidate in the next 12 to 18 months.
- **Forefront Dermatology** (2.5% of end-June 2026 NAV), a large dermatology platform in the US, which delivered strong year-on-year revenue growth and aims to expand through expansion of its provider network, AI-enabled workflows and selective M&A. This asset is also performing according to plan.
- **PremiStar** (1.5% of end-June 2026 NAV), an after-market commercial HVAC services provider, which is experiencing growth from a healthy backlog and industry tailwinds despite near-term project timing headwinds.

The remaining 28% of PEY's portfolio was held in more mature assets (such as Vishal Mega Mart, Rovensa and Allied Universal Security Services), which on average were valued at a 1.7x gross MOIC at end-June 2026 (and delivered a

multiple of 2.7x on the realised part). This bucket continued to provide PEY with good exit opportunities, as all the exits in Q126 were from this cohort.

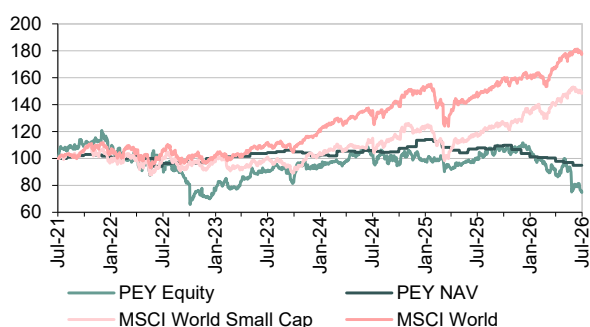
We believe that while NAV-accretive share repurchases are favourable for shareholders, PEY should in parallel continue realising its mature assets while deploying capital into new opportunities to further increase the share of post-2023 vintages with greater earnings growth potential (and leverage PG's strengthened value creation team).

Overall, LTM portfolio value creation to end-June 2026 was a negative 8.3%, while weighted average LTM EBITDA growth across PEY's relevant top 20 holdings was 4.5%. This is below PG's expectations, and the manager highlighted its focus on accelerating earnings growth across the portfolio, including through AI adoption supported by more than 175 AI specialists. PG sees an EBITDA opportunity of more than \$170m from the first set of AI initiatives, translating into an over \$2.5bn value creation opportunity in terms of EV across PG's platform. PEY highlighted at the time of its Q226 results that 64% of its direct investments were performing in line with or above plan, and it expects the portfolio to return to its historical EBITDA growth run-rate of c 13–15% per year by 2027.

PG highlighted that its performance in recent years was also negatively affected by common post-pandemic headwinds, such as online disruption (Careismatic Brands, Schleich, Ecom Express) and the combination of an inflationary surge (which proved difficult to pass on to customers) and talent shortages, which, for instance, affected several of PEY's healthcare services holdings (Forefront Dermatology, Axia Women's Health, Confluent Health, BlueRiver PetCare and EyeCare Partners), as well as PremiStar and BlueSky. However, some of these holdings (Blue River PetCare, PremiStar and Confluent Health) have recently grown their EBITDA by 15–20% per year from their respective lows, aided by PG's deeper operational leadership.

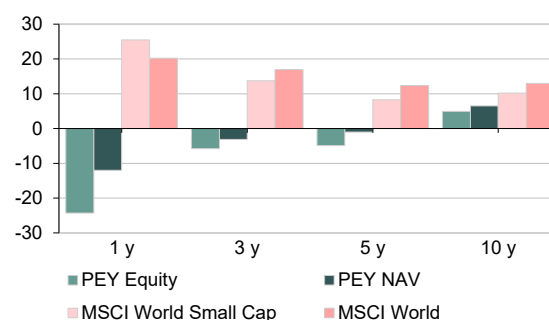
PEY's three-year NAV TR to end-July 2026 reached -9.1% and its five-year return was -5.1% in euro terms, compared to peer averages of 15.7% and 50.6%, respectively, see Exhibit 12.

Exhibit 10: Price, NAV and benchmark TR performance, five years re-based



Source: Partners Group Private Equity data, LSEG Data & Analytics, Edison Investment Research

Exhibit 11: Price, NAV and benchmark TR performance (%)



Source: Partners Group Private Equity data, LSEG Data & Analytics, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised.

Exhibit 12: PEY's peer comparison at 1 October 2026* in euro terms

%	Market cap (€m)	NAV TR (1-year)	NAV TR (3-year)	NAV TR (5-year)	NAV TR (10-year)	Discount	Ongoing charge	Performance fee	Latest net gearing	Dividend yield
Partners Group Private Equity	457	(12.0)	(9.1)	(5.1)	88.0	(40.1)	1.8	Yes	103	10.1
HgCapital Trust	1,992	(1.4)	15.4	51.0	291.9	(28.4)	1.5	Yes	101	1.3
GIMV	1,686	12.9	33.6	46.3	95.7	(19.9)	3.5	Yes	100	4.3
Oakley Capital Investments	994	4.8	19.0	80.1	287.6	(33.5)	3.1	Yes	111	0.0
Neuberger Private Equity Partners	645	3.3	1.9	24.4	156.6	(37.1)	1.9	Yes	103	4.8
Deutsche Beteiligungs	361	(1.6)	2.3	15.6	114.9	(42.9)	-**	Yes	133	5.2
HarbourVest Global Private Equity	2,676	4.3	14.4	52.5	226.3	(28.4)	2.2	Yes	111	0.0
Pantheon International	1,684	3.3	15.5	47.0	172.1	(28.1)	1.4	Yes	110	0.0
Patria Private Equity Trust	1,023	7.4	24.1	79.0	229.4	(30.4)	1.1	No	110	3.0
ICG Enterprise Trust	973	1.6	16.4	59.0	198.8	(32.1)	1.4	Yes	107	2.9
CT Private Equity Trust	388	6.7	14.7	51.4	208.9	(33.1)	1.2	Yes	119	6.0
Peer average	1,242	4.1	15.7	50.6	198.2	(31.4)	1.9	-	110	2.8
Rank	9	11	11	11	11	10	5	-	9	1

Source: Partners Group Private Equity data, LSEG Data & Analytics, Edison Investment Research

Note: Net gearing is total assets less cash and equivalents as a percentage of net assets. *12-month NAV total return (TR) performance in euro terms based on end-July 2026 or latest earlier available NAV. **Deutsche Beteiligungs's ongoing charges are lower than the company's fee income.

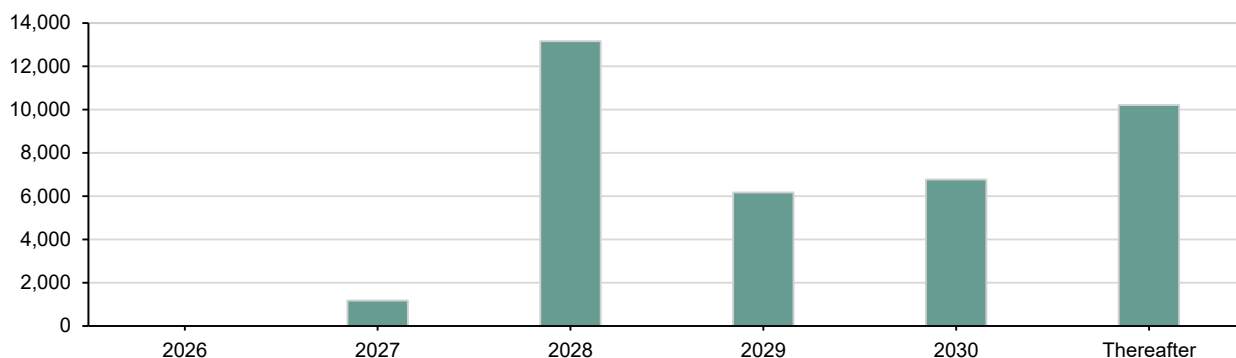
Exhibit 13: Five-year discrete performance data

12 months ending	Share price (%)	NAV (%)	MSCI World Small Cap (%)	MSCI World (%)
29/07/2022	(4.7)	(3.6)	0.1	6.1
31/07/2023	(4.8)	8.4	0.9	5.5
31/07/2024	14.5	0.8	13.8	21.1
31/07/2025	(3.5)	2.5	3.0	9.9
31/07/2026	(24.3)	(12.0)	25.4	20.2

Source: Partners Group Private Equity data, LSEG Data & Analytics. Note: All % on a TR basis in euros.

PG currently expects a limited first-order impact on PEY's portfolio from the war in the Middle East, with a minor potential impact on eight of its direct investments and no exposure to energy-intensive businesses.

Average net debt to EBITDA across the top 20 holdings stood at 6.9x at end-June 2026. As of end-2025, there were no debt maturities in 2026 and the value of debt maturing in 2027 was limited, with 97% of debt maturing in 2028 or later (see Exhibit 14). Around 78% of PEY's debt was covenant-lite, providing additional flexibility, and 66% of the debt had an organic fixed rate or was hedged as of end-2025.

Exhibit 14: PEY's portfolio debt maturity profile at end-2025 (€m)


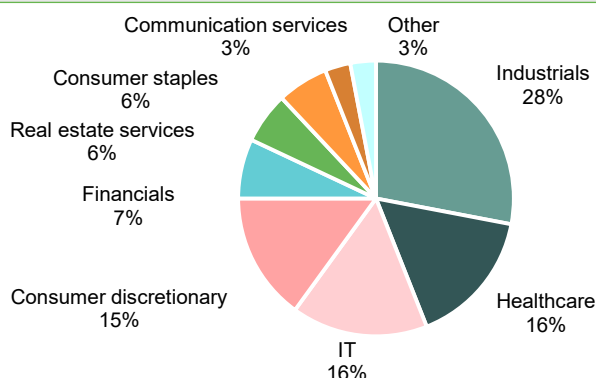
Source: Partners Group Private Equity data. Note: Proportion of all outstanding debt amounts. Refers to all unrealised direct private equity investment where PG is the controlling investor.

We note that investor sentiment across private credit markets has deteriorated recently, but one of the important drivers of this has been concerns about AI disruption of software. PG has consistently kept PEY's exposure to software companies below that of the broader PE industry and its total IT exposure was 16% at end-June 2026. PG also highlighted that many of its software holdings benefit either from data- or vertical-specific moats, including Forterro, VelocityEHS, SHL and Precisely.

Overall, PEY's portfolio is well diversified across sectors, with the largest exposure to a diverse set of industrial, healthcare and IT businesses (see Exhibit 15), whose portfolio share is above the weightings of these sectors in the

MSCI World Small Cap Index as of 31 July 2026 of 19.9%, 10.7% and 13.8%, respectively. This is followed by consumer discretionary (15%, ahead of 10.5% for index).

Exhibit 15: PEY's balanced sector exposure



Source: Partners Group Private Equity Limited data as of end-June 2026

PE investors focus on top-tier assets from selected sectors

Activity across global PE markets picked up in H225 and into early Q126, but the war in the Middle East and associated inflationary pressure resulted in a pull-back, with global PE investment in H126 at \$1.0trn, an annualised rate that is somewhat below the investment pace in 2025 of \$2.3trn, while the rolling 12-month global PE investment value declined only slightly from \$2.4trn to \$2.3trn. Deal count was more muted at 9,294 compared to 21,646 in the entire 2025, with a rolling 12-month deal count to end-Q226 of 20,105, which is a more than five-year low, according to KPMG. This illustrates investor focus on top-tier assets and larger transactions in selected sectors, such as AI, energy infrastructure and hardware related to industrial manufacturing. Exit value remained steady in H126, despite lower exit volume.

The realisation pipeline arising from extended holding periods remains rich, with Bain & Co estimating that the industry is sitting on 32,000 unsold companies worth \$3.8trn. The general partners (GPs) try to mitigate this partly via liquidity mechanisms such as continuation vehicles, but these represent less than 10% of today's exit value, according to Bain & Co. Against this liquidity-constrained backdrop, buyout fund-raising fell by 16% in 2025. The potential for higher dealmaking is also underpinned by \$1.3trn of global dry powder, most of which comes from funds raised in 2022 and 2023, putting pressure on the GPs to deploy capital. However, the possible end to US interest rate cuts and potential rate hikes may act as a restraining factor in the near term, limiting the process of clearing the PE backlog.

Approach to sustainability

PEY aligns its sustainability approach with PG's Global Sustainability Directive and annual Sustainability Report, while noting that sustainability is considered as part of the investment process rather than being PEY's predominant investment strategy. PG has embedded sustainability in its private markets investment approach since 2006, when it established its first sustainability directive, and has been a signatory of the UN Principles for Responsible Investment since 2008. We also note the implementation of improvements to PEY's corporate governance under Peter McKellar's leadership discussed above.

PG integrates material sustainability factors across sourcing, due diligence, ownership and exit, using proprietary tools to assess climate, greenhouse-gas emissions, labour and human rights, health and safety, cybersecurity and corporate governance risks. PG's climate approach is centred on the Net Zero Investment Framework, to which PG publicly committed in 2023 and which it began implementing from 2024 for relevant in-scope investments. PG has set 2030 interim targets for direct controlled investments and aims to achieve net zero across its corporate activities by 2030, while supporting portfolio companies in reaching net zero by 2050.

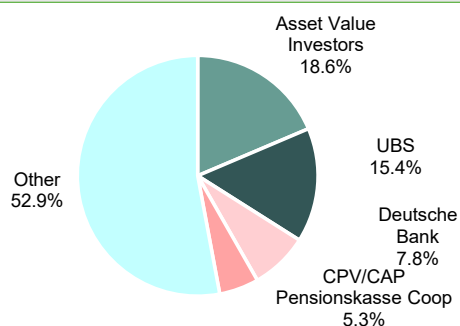
For direct controlled private equity and infrastructure investments, PG applies a structured ownership model. Following acquisition, portfolio companies undergo a 12-month sustainability onboarding phase, during which board-level oversight is established, sustainability key performance indicators are aligned with the value creation plan and relevant net-zero milestones are initiated. Progress is monitored through governance reviews, annual sustainability data collection and PG Alpha, PG's proprietary digital platform. At exit, PG reviews sustainability progress and supports continuity of key

initiatives under new ownership.

Capital structure

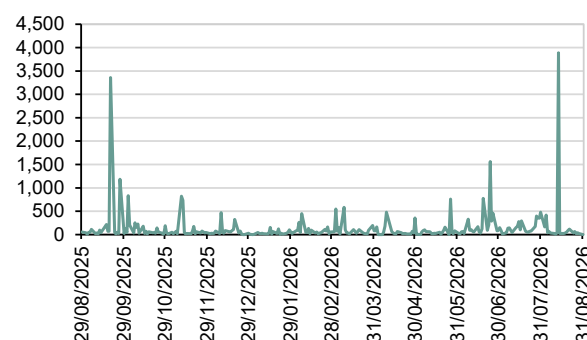
PEY is structured as a limited liability investment holding company domiciled in Guernsey and listed on the Main Market of the London Stock Exchange. It has one class of share, with c 65.9m ordinary shares outstanding at 1 October 2026, although the shares are quoted in both euros (PEY) and sterling (PEYS).

Exhibit 16: PEY's shareholder structure



Source: Bloomberg data as of 2 October 2026

Exhibit 17: Average daily traded value (€'000s)



Source: LSEG Data & Analytics

Board

PEY's board currently consists of five independent non-executive directors.

Peter McKellar (chair) was appointed chair in November 2023. He is a non-executive director of 3i Group and Investcorp Capital, was a non-executive member of Scottish Enterprise, and is also an adviser to Bonaccord Capital Partners. He was previously executive chair and global head of private markets at Aberdeen Group, overseeing £55bn of AUM across private equity, infrastructure, real estate, natural resources and certain private credit capabilities. Before that, he was head of private equity and infrastructure at Standard Life Investments and lead manager of Standard Life Private Equity Trust. He has over 30 years of private markets experience.

Fionnuala Carvill (chair of the management engagement committee) is a Chartered Fellow of the Chartered Institute for Securities & Investment, a Fellow of the London Institute of Banking & Finance, a Fellow of the Chartered Governance Institute and a governance professional. She is currently a non-executive director of Investec Bank (Channel Islands), Fair Oaks Income and the Guernsey Community Foundation, and is a philanthropic adviser to a family office. Her previous executive roles include managing director of Kleinwort Benson (Channel Islands) Investment Management, director of Kleinwort Benson (Channel Islands), commission secretary and head of innovation at the Guernsey Financial Services Commission, and director of Rothschild Bank (CI). She also has a master's degree in corporate governance.

Axel Holtrup is a seasoned private equity investor with more than 30 years of investment experience. He is an early-stage technology investor and serves on the supervisory board of Deutsche Beteiligungs. Previously, he spent around 20 years as a partner at private equity firms AEA Investors, Silver Lake Partners and Investcorp, with responsibilities including sourcing, executing and managing major private equity transactions across Europe. He began his career in investment banking at Morgan Stanley in 1995.

Gerhard Roggemann is a board member of the Else-Kroener-Fresenius Foundation, deputy chair of the supervisory board of Bremer and an independent business consultant. He previously served as a non-executive director and later chair of the supervisory board of Deutsche Beteiligungs, and has also been a non-executive director of several prominent companies, including Deutsche Boerse, Fresenius SE & Co, Friends Life Group, F&C Asset Management and Resolution Ltd Guernsey. Earlier in his career, he held senior management positions at JP Morgan & Co, Norddeutsche Landesbank and WestLB, with responsibilities spanning investment banking, trading and investment management. He recently stepped down as a member of PEY's audit and risk committee to clarify the independence of the committee, given the size of his shareholdings. He remains a member of the management engagement committee and the nomination committee.

Nicola Paul (chair of the audit and risk committee) was appointed to the board in April 2025. She is a Fellow of the Institute of Chartered Accountants in England and Wales and has over 30 years of finance industry experience in the Channel Islands. Before becoming a non-executive director, she worked for Deloitte as an associate partner in the UK and Channel Islands, leading audit and controls engagements for listed and private investment funds and asset management entities. She also specialised in advising on accounting, corporate governance and risk management matters. She is a former executive committee member of the Guernsey Society of Chartered and Certified Accountants and served as chair of its technical sub-committee for 15 years until 2024. She is also a non-executive director of Sequoia Economic Infrastructure Income Fund.

Exhibit 18: PEY's board of directors

Board member	Date of appointment	Remuneration in FY25 (€)	Shareholdings at end-FY25
Peter McKellar (chairman)	23 November 2023	115,000	43,000
Fionnuala Carvill	1 September 2018	75,000	-
Axel Holtrup	15 February 2024	65,000	-
Gerhard Roggemann	21 March 2024	65,000	818,460
Nicola Paul	2 April 2025	48,750	-

Source: Company data. Note: Excludes Merise Wheatley who retired in June 2026.

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