

Partners Group Private Equity

New board proposal announced

Partners Group Private Equity's (PEY's) board announced at the AGM on 18 June measures aimed at providing liquidity for investors at a narrower discount to NAV, while offering long-term investors an attractive proposition. It proposed the allocation of PEY's assets and liabilities (including undrawn commitments) to two separate independently managed share classes (both quoted in euros), created through the redesignation of existing shares. The Continuing Ordinary Shares will retain exposure to PEY's existing investment strategy, while the Realisation Shares (redesignation to which will be capped at 30% of share capital with a pro rata scale-back mechanism) will follow an orderly realisation strategy over an expected eight-year period from the effective date of the proposal and will not participate in new investments. 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% pa, while the incentive fee will remain unchanged (fees for Continuing Ordinary Shares will remain in line with existing ordinary shares). The board has the right to exercise a mandatory conversion of Realisation Shares into Continuing Ordinary Shares at the end of the eight-year realisation period or when NAV of the Realisation Shares falls below €25m (whichever occurs earlier).

PEY's dividend policy of distributing 5% of opening NAV pa will apply to both share classes, subject to sufficient liquidity. Both 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 unconditional). However, PEY's capital allocation policy (which is a well-structured framework for making NAV-accretive buybacks) will apply only to Continuing Ordinary Shares. Ongoing charges not attributable to any particular share class will be charged to both share classes in proportion to their latest quarterly NAV. Redesignation costs will be borne by all shareholders, with a one-off up to €1.5m contribution from PG.

PEY will soon convene a general meeting to seek shareholder approval for the proposal (which it expects would then become effective in Q426). Shares with no valid election will be deemed to have elected for the Continuing Ordinary Shares. If 50% or more existing ordinary shares are elected to redesignate to Realisation Shares, the board may re-evaluate PEY's position and (after consulting major shareholders) put forwards alternative proposals for its future. PEY will reassess its position, and the options for shareholders, five years after the redesignation has taken effect. We await further details of the proposal (expected in Q326), in particular on pro rata allocation at the individual asset level and inter-pool transfers.

Investment companies
Listed private equity

22 June 2026

Price	€8.56
Market cap	€577m
Shares in issue	67.4m
Code/ISIN	PEY/GG00B28C2R28
Primary exchange	LSE
AIC sector	Private equity
Financial year end	31 December
52-week high/low	€10.9 €8.0

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.

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