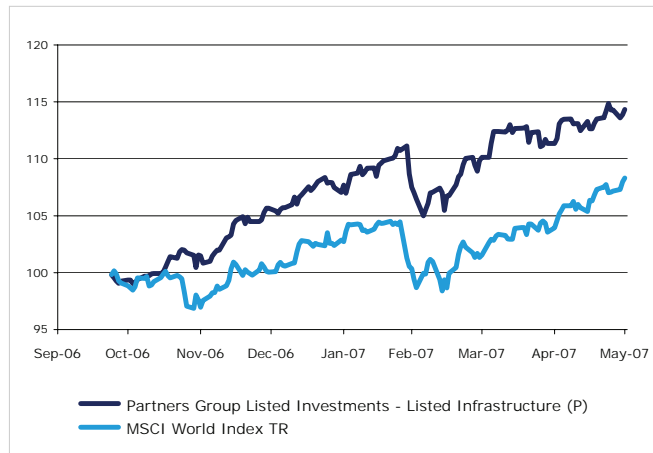


LISTED INFRASTRUCTURE



Title: Fund's performance since inception
Source: Partners Group

PARTNERS GROUP LISTED INFRASTRUCTURE FUND

Focus: Actively managed fund that offers access to "listed core infrastructure" companies

Strengths: • Daily liquidity

• "on-the-ground" approach to due diligence

Weakness: • Better suited to those with a medium to long term outlook

• Since inception, fund's performance has tended to mimic the course charted by equity investments (not an index hugger - fund aims to deliver superior risk adjusted return)

Opportunities: • According to a study published by the OECD*, the annual world-wide capital requirements for infrastructure projects will amount to EUR 1'000bn until 2030 (*"Infrastructure to 2030", OECD 2006)

• Excess demand for infrastructure projects versus limited availability of capital

• The lack of capital is increasingly covered by the private sector

Threats: • Underlying assets are sensitive to changes in real interest rates (ie an increase in real interest rates may be detrimental to performance, whereas a decrease should be positive)

• Exhibit sensitivity to regulatory and legal issues

Risk Management

- Major risk at fund level: manager's assessment of the underlying's return is skewed to the downside owing to unpredictable and unforeseen events: regulatory, fraudulence, time lags etc.
- Ability to identify listed infrastructure investment opportunities: ☐☐☐☐☒
- Ability to invest at attractive valuations: ☐☐☐☐☒
 - Universe: typically ltd. to companies with market cap > EUR 100mn and/or avg. daily volume of > EUR 100,000
 - Universe: avg. market cap of approx. EUR 2.7bn and avg. daily volume of EUR 63mn
- Expertise in portfolio construction: ☐☐☐☐☒
 - Correlation amongst fund's underlyings oscillates between a band of: -0.3 to 0.8
- Volatility of returns: ☐☒☐☐☐

☐ Low ☐ Low / Moderate ☐ Moderate ☐ Moderate to High ☒ High

- Leverage risk: None at the portfolio level
 - Owing to the inelastic nature they exhibit (predictable and stable cash flow generation) the underlying's themselves maybe highly leveraged (by up to 90%)
- Currency risk: ☐☐☒☐☐

(fund does not actively hedge it - rather diffuses the risk posed via broad-based diversification)
- Underlying's performance related risk: ☐☐☒☐☐

(systematically reduced and managed by conducting on-site assessments, monitoring)
- Regulatory risk: ☐☐☒☐☐
- Underlying's performance assessment skills: ☐☐☒☐☐

(pursue a conservative outlook)

Performance Parameters

☒ Low ☐ Low / Moderate ☐ Moderate ☐ Moderate to High ☒ High

- No. of positions in the portfolio: 20-30
- Efficiency in putting investor capital to work: ☒☒☒☒
- Diversification:
 - Geographic: broadly, and well diversified
 - Sector: broad (exception: 24% is allocated toll road related investments owing to their predictable cash flows)
 - Underlying's avg. investment horizon: 3 years
- Liquidity: under normal conditions*: 91% in one week, 98% in two weeks, 100% in 3 weeks (*assuming that the fund can only trade 25% of the avg. daily volume of the last 6 months)

- Ability of investment to perform in:
 - Rising markets: outperforms
 - Falling markets: not immune to sudden, unanticipated, sharp, short-lived pull backs
- Most challenging situations for such a fund: averted owing to diversification - but the impact of regulatory, legal, issues could potentially skew performance to the downside
- All inclusive annual expense ratio: 2.3%

Outlook

- Barriers to entry: labour intensive due-diligence; network, evaluation models
- Outlook on the infrastructure sector: upside potential
- Outlook for Partner's listed infrastructure fund: upside potential
- Threat posed by competition: exists but not detrimental

- Ability to deliver net annual targeted returns over:
 - Next 12 months: realistic
 - Next 3-5 years: high
- Outperformance can be expected when: majority of the assessments, for underlying's performance, held in the portfolio are accurate; markets are stable, real interest rates are stable/declining

Investment

- Current AuM: EUR58mn
- Targeted AuM: currently unconstrained
- Fund is targeted at: a broad based investor universe
- In order to optimise returns recommended holding period: min 18-24months
- Geographic restriction: apply
- Fund's base currency: EUR

- Fund's complexity for an investor: simple
- Transparency provided: high
- Fund/manager Reg. with: group registered with FSA, publicly listed co. in Switzerland
- Fund Ratings/awards: 2007: Fund Innovation of the year award (Finanzen Euro, a German finance publication)

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