

**Petershill Partners plc (the “Company” or “Petershill Partners”), the diversified, global alternatives investment group focused on private capital strategies, today publishes its Q3 trading update for the quarter ended 30 September 2022**

**Strong fundraising activity in a challenging environment: fee eligible assets of US\$55bn raised in 2022**

**Performance Update**

- Organic gross fee-eligible AuM raise of US\$55bn year-to-date ahead of updated guidance of \$50bn demonstrating our Partner-firms’ robust fundraising ability, despite the current environment, and development in the Company’s future fee base.
- Aggregate Partner-firm AuM of US\$282bn, increasing 6% during the quarter and 39% in the last twelve months.
- Aggregate Fee-paying Partner-firm AuM of US\$189bn, increasing 3% during the quarter and 30% in the last twelve months.
- For the last twelve months, Partner Fee Related Earnings (FRE) were flat at US\$208 million.
  - In the third quarter, Partner Net Management and Advisory Fees were 17% lower than in Q3 2021 reflecting higher management fee offsets and lower Transaction and Advisory Fees. Partner Blended Net Management Fee Rate is expected to be ~1.4% for FY2022 and guidance is maintained at ~1.5% in FY2023 and the medium term.
  - Partner FRE margin expected at the lower end of 65-70% guidance for FY2022.
- Partner Realised Performance Revenues represent approximately 19% of total Partner-firm revenues for the nine months ended 30 September 2022 and our guidance of 15%-20% for FY2022 is maintained.
- During the quarter, the Company made two acquisitions of new Partner-firm non-controlling equity stakes through investments in LLR Partners and SLR Capital Partners, LLC (“SLR Capital Partners”) alongside the Petershill IV private fund and a follow-on acquisition of additional equity in Kayne Anderson Real Estate (“Kayne Anderson”). The aggregate amount invested was US\$180 million, of which US\$52 million was funded at close and the remaining US\$128 million structured as deferred consideration. These combined acquisitions contributed US\$8bn to Aggregate Partner-firm AuM and US\$6bn to Aggregate Partner-firm Fee-paying AuM. It is expected that these acquisitions will be approximately 6% accretive to 2023 earnings estimates.
- The Company successfully completed the US\$50 million share buyback programme announced on 20 April 2022 with a total of 21,296,432 ordinary shares having been purchased at an average price of approximately 202p per ordinary share.

**Statement from the Co-Heads of the GSAM Petershill Business**

“Our Partner-firms continued to experience strong fund-raising activity with US\$55 billion of gross fee eligible assets raised year-to-date, significantly surpassing our original guidance, and supporting our 2023 and long-term net management fee growth. As covered through 1H guidance, the current period and near-term outlook for Partner Realised Performance Revenues is subdued due to the wider market environment. We successfully completed three acquisitions during the quarter but remain highly selective and focused on the risk-adjusted outlook for new investments. Our diversified business model, healthy cash generation and strong balance sheet, means that Petershill Partners is well positioned to continue to navigate the uncertain market backdrop.”

Petershill Partners plc commenced conditional trading on the London Stock Exchange on September 28, 2021, on which date the initial acquisition of the portfolio of Partner-firms by the Company was completed. Prior to this date the Company did not trade and therefore does not have reportable results. For completeness and transparency, the information in this document includes operating metrics for periods prior to the initial acquisition date, presented as if the Company's assets as at the time of the IPO had been owned by the Company during the historical periods presented <sup>[1]</sup>.

## Key Operating Metrics<sup>2</sup>

(US\$m, unless otherwise indicated)	Q3			Q3 YTD			Q3 LTM			
	2022	2021	(Δ%)	2022	2021	(Δ%)	2022	2021	(Δ%)	
Aggregate Partner-firm AuM <sup>3</sup>	(\$bn)	282	203	39%	282	203	39%	282	203	39%
Aggregate Fee-paying Partner-firm AuM <sup>3</sup>	(\$bn)	189	145	30%	189	145	30%	189	145	30%
Partner Blended Net Management Fee Rate	(%)	1.22%	1.78%	-56 bps	1.36%	1.49%	-13 bps	1.42%	1.52%	-10 bps
Implied Blended Partner-firm FRE Ownership	(%)	13.4%	14.2%	-80 bps	13.4%	14.2%	-80 bps	13.6%	14.2%	-60 bps
Partner Net Management and Advisory Fees	(\$m)	75	90	(17%)	243	223	9%	327	290	13%
Management Fees	(\$m)	69	66	5%	232	189	23%	310	247	26%
Transaction and Advisory Fees	(\$m)	6	24	(75%)	11	34	(68%)	17	43	(60%)
Partner Fee Related Expenses	(\$m)	(28)	(23)	22%	(86)	(63)	37%	(119)	(84)	42%
<b>Partner Fee Related Earnings (FRE)</b>	<b>(\$m)</b>	<b>47</b>	<b>66</b>	<b>(29%)</b>	<b>157</b>	<b>160</b>	<b>(2%)</b>	<b>208</b>	<b>207</b>	<b>0%</b>
Partner Realised Performance Revenues (PRE)	(\$m)	16	29	(45%)	63	67	(6%)	125	93	34%
Partner Realised Investment Income	(\$m)	6	11	(45%)	18	33	(45%)	27	65	(58%)
<b>Partner Distributable Earnings</b>	<b>(\$m)</b>	<b>69</b>	<b>107</b>	<b>(36%)</b>	<b>238</b>	<b>261</b>	<b>(9%)</b>	<b>360</b>	<b>364</b>	<b>(1%)</b>
Partner FRE Margin	(%)	63%	74%	-11 pts	65%	72%	-7 pts	64%	71%	-7 pts
Partner Distributable Earnings Margin	(%)	71%	82%	-11 pts	73%	81%	-8 pts	75%	81%	-6 pts
Partner Realised PRE as a percentage of Partner Revenue	(%)	16%	23%	-7 pts	19%	21%	-2 pts	26%	21%	+5 pts
Partner Realised PRE over Average Performance Fee Eligible AuM <sup>4</sup>	(bps)	0.7 bps	1.7 bps	-1.0 bps	2.7 bps	4.2 bps	-1.5 bps	5.7 bps	5.9 bps	-0.2 bps
<b>Additional Metrics:</b>										
Partner Private Markets accrued carried interest	(\$m)	644	575	12%	644	575	12%	644	575	12%
Investment capital	(\$m)	398	282	41%	398	282	41%	398	282	41%

<sup>[1]</sup> The methodology applied here is consistent with that used in the 2021 Annual Report and the Petershill Partners IPO Prospectus published by the Company.

<sup>[2]</sup> Aggregate Partner-firm AuM, Aggregate Fee-paying Partner-firm AuM, Partner Private Markets accrued carried interest and Investment capital are all reported by the Partner-firms on a one quarter lag and are as of 30 June 2022. Amounts or %s in the table may not tie due to rounding.

<sup>[3]</sup> Represents key operating metrics that reflect data reported to the Operator on a three-month lag.

<sup>[4]</sup> Realised Performance Fee Revenues for the period divided by the Aggregate Average Performance Fee Eligible AuM. The Aggregate Performance Fee Eligible AuM Represents the mean of the start and each quarter end of the reporting period.

## Review of AuM

All AuM figures are based on a three-month lag due to the timing of the financial information received by the Operator from the Partner-firms.

### Aggregate Partner-firm AuM

Aggregate Partner-firm AuM grew 6% in the quarter and 39% year-over-year to US\$282bn.

The largest contribution of AuM by a single Partner-firm fund represented 5% of Aggregate Partner-firm AuM, highlighting the diversified nature of the Company.

### Aggregate Fee-paying Partner-firm AuM

Aggregate Fee-paying Partner-firm AuM grew 3% in the quarter and 30% year-over-year to US\$189bn. Notably we had a significant increase in 'AuM not yet paying fees' in the period to US\$19bn, representing AuM raised where we expect management fees to turn on in Q4 or 2023.

The below table reconciles Aggregate Fee-paying Partner-firm AuM to Aggregate Partner-firm AuM as of 30 September 2022:

		Q3
		2022
<i>(US\$bn unless otherwise indicated)</i>		
Aggregate Fee-paying Partner-firm AuM	(\$bn)	189
AuM not yet paying fees	(\$bn)	19
Fee Exempt AuM	(\$bn)	17
Investment performance	(\$bn)	57
<b>Aggregate Partner-firm AuM</b>	<b>(\$bn)</b>	<b>282</b>

The table below shows the changes in Aggregate Partner-firm AuM and Aggregate Fee-paying Partner-firm AuM for the quarter ended and nine months ended 30 September 2022:

		Quarter ended 30 September		Nine months ended 30 September	
		AuM	Fee-paying AuM	AuM	Fee-paying AuM
<i>(US\$bn unless otherwise indicated)</i>					
Aggregate AuM Prior Period	(\$bn)	266	184	234	158
Inflows	(\$bn)	21	3	66	39
Realisations	(\$bn)	(5)	(3)	(21)	(8)
Investment performance	(\$bn)	(8)	(1)	1	(3)
M&A	(\$bn)	8	6	2	3
<b>Aggregate AuM Current Period</b>	<b>(\$bn)</b>	<b>282</b>	<b>189</b>	<b>282</b>	<b>189</b>

Private markets represent the majority of AuM. The following table reflects the Aggregate Partner-firm AuM and Aggregate Fee-paying Partner-firm AuM by Asset Class as of 30 September 2022:

Asset Class <i>(US\$bn unless otherwise indicated)</i>	AuM	Percentage	Fee-paying AuM	Percentage
Private equity	176	62%	98	52%
Private credit	30	11%	27	14%
Private real assets	47	17%	35	19%
Absolute return	29	10%	29	15%
<b>Total Current Period</b>	<b>282</b>	<b>100%</b>	<b>189</b>	<b>100%</b>

## **Review of additional Key Operating Metrics**

### **Partner Net Management and Advisory Fees**

Partner Net Management and Advisory Fees were US\$75 million for the quarter, down from US\$90 million in the comparative quarter, and US\$327 million for the last twelve months. The decrease reflected significantly lower transaction and advisory fees, down from US\$24 million in Q3 2021 to US\$6 million in Q3 2022, due to lower transaction activity in the few Partner-firms that contribute to transaction and advisory fees. This more than offset a 5% increase in management fees. Certain Partner-firms provide transaction and advisory services, as well as services to monitor ongoing operations of portfolio companies. Management fees paid to the Partner-firms may be subject to fee offsets, which are reductions to management fees and are based on monitoring fees, as well as a percentage of the transaction and advisory fees paid by portfolio companies to the Partner-firms. Such amounts reduce the Management Fees reported. Management fees in the quarter of US\$69 million (Q3 2021 US\$66 million) were stated after offsets of US\$12 million (Q3 2021 US\$1 million) primarily due to transaction and advisory fees earned in the prior year. Excluding the offsets, Management fees in Q3 2022 were US\$81 million, up from US\$67 million in Q3 2021.

For the last twelve months, Management Fees increased 26% compared to the same period for the prior year, commensurate with the growth in Aggregate Fee-paying Partner-firm AuM.

The Partner Blended Net Management Fee Rate was 1.22% for the quarter and 1.42% for the last twelve months. The reduction in the rate for the quarter was primarily due to higher management fee offsets. Guidance for 2022 has been amended to ~1.4%. 2023 and medium-term guidance is retained at ~1.5%.

### **Partner Fee Related Earnings (FRE)**

Partner Fee Related Earnings were US\$47 million in the quarter and US\$208 million for the last twelve months.

For the last twelve months, Fee Related Earnings were flat compared to the same period for the prior year. The current period reflects higher expenses as Partner-firms executed on their growth strategies.

### **Partner Realised Performance Revenues (PRE)**

Partner Realised Performance Revenues (PRE) represent a direct participation in any upside performance of Partner-firms' funds and products and totalled US\$16 million in the quarter and US\$125 million for the last twelve months, representing 26% of total Partner-firm revenue for the last twelve months.

Lower transaction volumes due to the current market environment resulted in us updating full year PRE guidance to represent 15%-20% of total Partner-firm revenue for FY2022.

### **Partner Realised Investment Income**

As an owner of equity in the Partner-firms, the Company shares in a percentage of investment income generated by the Partner-firm through direct commitments to their underlying products. This income is reported when realised.

Realised Investment Income totalled US\$6 million in the quarter and US\$27 million for the last twelve months. The reduction over the same period for the prior year reflects lower transaction volume given the current market environment.

### **Partner Distributable Earnings**

Partner Distributable Earnings totalled US\$69 million in the quarter, down 36% on the comparative quarter, and US\$360 million for the last twelve months, down 1% on the comparative period. Growth in management fees was more than offset by lower transaction and advisory fees and lower realisations reflecting lower transaction volumes.

## 2022 Guidance

### Headline Guidance

- Organic AuM growth: c.US\$55bn FY2022 organic gross Aggregate Fee-paying AuM raise. The Company's full-year estimate for realisation and reduction in Aggregate Fee-paying AuM from more mature investment programs amounts to between US\$5 to US\$10bn.
- Acquisitions: US\$100 – US\$300 million across 3-6 transactions
- Progressive dividend
- Company margin: 85-90% adjusted EBIT margin excluding exceptionals

### Detailed Guidance

- Partner FRE Margin: Stable on an organic basis at c. 65-70%; expected at the lower end of guidance for FY2022
- Partner FRE ownership: Stable on an organic basis at 13-14%
- Partner Blended Net Management Fee Rate: ~1.4% for 2022 and ~1.5% in 2023 and medium term
- Partner Realised PRE as a percentage of Partner Revenue: 15-20% in 2022 and c. 20%-30% of total Partner Revenues maintained for 2023e and medium term
- Tax and Tax Equivalent: c. 12-14% on a medium-term basis

## ABOUT LLR PARTNERS

LLR Partners is a North American private equity firm specialising in providing capital to middle market growth companies in the technology and healthcare sectors. LLR Partners was founded in 1999 and is headquartered in Philadelphia, PA.

Additional information is available at [www.llrpartners.com](http://www.llrpartners.com)

## ABOUT SLR CAPITAL PARTNERS

SLR Capital Partners is an independent asset manager focused on direct lending with expertise across a range of primarily senior secured financing solutions for U.S. middle market companies. SLR Capital Partners is a diversified commercial finance solutions provider encompassing cash flow, asset-based lending and specialty finance from funds including permanent capital vehicles. They were founded in 2006 and the firm headquartered in New York, NY.

Additional information is available at [www.slrcapitalpartners.com](http://www.slrcapitalpartners.com)

## Details of investor and analyst conference call

There will be a conference call for investors and analysts at 12.00pm GMT today hosted by Ali Raissi and Robert Hamilton Kelly to discuss the Q3 2022 Trading Statement, followed by a Q&A session.

All interested parties are invited to participate via telephone or the audio webcast. Please click here to access the [webcast](#).

Conference Call Information:

Domestic: +44(0)330-165-4013

International: +1-646-828-8221

Conference ID: 2322602

All participants are asked to dial in approximately 10-15 minutes prior to the call, referencing “Petershill Partners” when prompted.

Replay Information:

An archived replay of the call will be available on the webcast link.

Please direct any questions regarding obtaining access to the conference call to Petershill Partners Investor Relations, via e-mail, at [PHP-Investor-Enquiries@gs.com](mailto:PHP-Investor-Enquiries@gs.com)

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Petershill Partners will provide a 2022 AuM update on 20 January 2023.

The conference call will not be open to investors located in the United States or to “U.S. persons” as defined in Regulation S under the US Securities Act of 1933, as amended, (Regulation S) except to “qualified purchasers” as defined in the US Investment Company Act of 1940, as amended (the Investment Company Act). In addition, the conference call will not be open to persons located in or resident of any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. By attending the conference call, you represent to being (i) (a) outside the United States and not a “U.S. person” as defined in Regulation S or (b) a “qualified purchaser” as defined in the Investment Company Act, and (ii) not located in or resident of any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

### ABOUT PETERSHILL PARTNERS

Petershill Partners plc (the “Company” or “Petershill Partners”) and its Subsidiaries (the “Group”) is a diversified, global alternatives investment group focused on private equity and other private capital strategies. Through our economic interests in 23 alternative asset management firms (“Partner-firms”), we provide investors with exposure to the growth and profitability of the alternative asset management industry. The Company completed its initial acquisition of the portfolio of Partner-firms on 28 September 2021 and was admitted to listing and trading on the London Stock Exchange on 1 October 2021 (ticker: PHLL). The Company is operated by Goldman Sachs Asset Management (“Goldman Sachs” or the “Operator”) and is governed by a diverse and fully independent Board of Directors (the “Board”).

Through our Partner-firms, we have exposure to US\$282 billion of total assets under management (“AuM”), comprising a diverse set of more than 200 long-term private equity and other private capital funds where capital is typically locked in over a multi-year horizon. These underlying funds generate recurring management fees and the opportunity for meaningful profit participation over the typical 8+ year lifecycles of such funds. We believe our approach is aligned with the founders and managers of our Partner-firms and, as a result, allows the Company to participate in these income streams in a way that provides high-margin, diversified and stable cash flows for our shareholders.

For more information, visit <https://www.petershillpartners.com>. Information on the website is not incorporated by reference into this press release and is provided merely for convenience.

# Appendix

## AuM\*

(US\$bn, unless otherwise indicated)		Sep-30-2022	Jun-30-2022	Mar-31-2022	Dec-31-2021	Sep-30-2021	Q3	YTD***	LTM
							Q-on-Q	(Δ%)	(Δ%)
Aggregate Partner-firm AuM	(\$bn)	282	266	266	234	203	6%	21%	39%
Aggregate Fee-paying Partner-firm AuM	(\$bn)	189	184	184	158	145	3%	20%	30%
Average Aggregate Fee-paying Partner-firm AuM **	(\$bn)	169	159	153	142	138	6%	19%	22%
Aggregate Performance Fee Eligible Partner-firm AuM	(\$bn)	256	241	241	208	178	6%	23%	44%
Average Aggregate Performance Fee Eligible Partner-firm AuM **	(\$bn)	220	204	187	167	156	8%	32%	41%
<b>Additional Metrics</b>									
Partner Private Markets Accrued Carried Interest	(\$m)	644	700	710	649	575	(8%)	(1%)	12%
Investment capital	(\$m)	398	395	369	369	282 <sup>1</sup>	1%	8%	41%

\*All AuM figures are based on a one-period (3-month) lag due to the timing of the financial information received by the Operator from the Partner-firms.

\*\* Average Aggregate AuM figures represent the twelve month mean and use the start and each quarter end of the reporting period adjusted for acquisitions and dispositions where applicable.

\*\*\* Percentage change relative to Dec-31-2021.

<sup>1</sup>Amount has been updated to reflect revised information reported by the Partner-firms. Amount reported in the Q3 trading statement ending 30 September 2021 was \$256 million.

## Key Operating Metrics – Definitions

This document contains certain key operating metrics that are not defined or recognised under IFRS.

The Operator and the Directors use these key operating metrics to help evaluate trends, assess the performance of the Partner-firms and the Company, analyse and test dividends received from the Partner-firms and inform operating, budgeting and re-investment decisions. The Directors believe that these metrics, which present certain operating and other information in respect of the Partner-firms, provide an enhanced understanding of the underlying portfolios and performance of the Partner-firms and are therefore essential to assessing the investments and performance of the Company.

The key operating metrics described in this section are derived from financial and other information reported to the Operator by the Partner-firms. The Operator, with the assistance of an independent accounting firm, performs due diligence procedures on the information provided by the Partner-firms. It should be noted, however, that these due diligence procedures do not constitute an audit.

In addition, each Partner-firm may account for and define certain financial and other information differently from one another. For example, each Partner-firm may calculate its fee-paying AuM differently, the result of which being that the inputs of the Company's Aggregate FP AuM are not consistently calculated.

Whilst the operating metrics described in this section are similar to those used by other alternative asset managers, there are no generally accepted principles governing their calculation, and the criteria upon which these metrics are based can vary from firm to firm. These metrics, by themselves, do not provide a sufficient basis to compare the Partner-firms' or the Company's performance with that of other companies.

None of Partner Distributable Earnings, Partner FRE, Partner Realised Performance Revenues or Partner Realised Investment Income are measures of or provide any indication of profits available for the purpose of a distribution by the Company within the meaning of section 830 of the Companies Act 2006, or of any Partner-firm in accordance with the equivalent applicable rules.

### Aggregate Partner-firm AuM

Aggregate Partner-firm AuM is defined as the sum of (a) the net asset value of the Partner-firms' underlying funds and investment vehicles, and in most cases includes co-investment vehicles, GP commitments and other non-fee paying investment vehicles and (b) uncalled commitments from these entities, as reported by the Partner-firms to the Operator from time to time and aggregated by the Operator without material adjustment. This is an aggregated figure across all Partner-firms and includes Partner-firm AuM outside of the Company's ownership interest in the Partner-firms.

The Operator and the Directors consider Aggregate Partner-firm AuM to be a meaningful measure of the size, scope and composition of the Partner-firms, as well as of their capital raising activities. The Operator uses Aggregate Partner-firm AuM to inform operating, budgeting and re-investment decisions.

### Aggregate Fee-paying Partner-firm AuM

Aggregate Fee-paying AuM is defined as the portion of Aggregate Partner-firm AuM for which Partner-firms are entitled to receive management fees, as reported by the Partner-firms to the Operator. The principal difference between Aggregate FP AuM and Aggregate Partner-firm AuM is that Aggregate FP AuM typically excludes co-investment on which Partner-firms generally do not charge fees and, to a lesser extent, fund commitments in Partner-firm funds (i) on which fees are only earned on investment, rather than from the point of commitment and (ii) where capital has been raised but fees have not yet been activated. This may also include legacy assets where fees are no longer being charged.

The Operator and the Directors consider Aggregate Fee-paying AuM to be a meaningful measure of the Partner-firms' capital base upon which they earn management fees and use the measure in assessing the management fee related performance of the Partner-firms and to inform operating, budgeting and re-investment decisions.

### **Aggregate Performance Fee Eligible Partner-firm AuM**

The amount of Aggregate Partner-firm AuM that is eligible for carried interest.

### **Partner Blended Net Management Fee Rate**

Partner Blended Net Management Fee Rate is defined as Partner Net Management and Advisory Fees for the period divided by the average Aggregate Fee-paying AuM weighted for the Company's ownership interests in each Partner-firm. The average Aggregate Fee-paying AuM is calculated as the mean of the Aggregate Fee-paying AuM at the start and each quarter end of the reporting period. Excludes new acquisitions where the Company has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner Blended Net Management Fee Rate to be a key metric in assessing the Company's overall management fee-related performance.

### **Implied Blended Partner-firm FRE Ownership**

Implied Blended Partner-firm FRE Ownership is defined as the weighted average of the Company's ownership stake in the Partner-firms' management fee-related earnings and is calculated based on the contribution of average Aggregate FP AuM from Partner-firms, at the start and each quarter end of the reporting period. It will therefore be expected to change to some degree from period to period based on the contribution to average Aggregate FP AuM of each Partner-firm, even if the actual ownership of each underlying Partner-firm does not change. Excludes new acquisitions where Petershill has not yet started to receive or have only received partial period amounts of Partner Net Management and Advisory Fees.

The Operator and the Directors consider Implied Blended Partner-firm FRE Ownership to be a meaningful measure of the composition of the Company's investments.

### **Partner Net Management and Advisory Fees**

Partner Net Management and Advisory Fees is defined as the Company's aggregate proportionate share of the Partner-firms' net management fees (as reported by the Partner-firms to the Operator), including monitoring and advisory fees, payable by the Partner-firms' funds to their respective Partner-firms for the provision of investment management and advisory services.

The Operator and the Directors consider Partner Net Management and Advisory Fees to be a meaningful measure of the management fee-related performance of the Partner-firms, and the Operator uses this metric to analyse and test income received from the Partner-firms and to inform operating, budgeting and re-investment decisions.

### **Partner Fee Related Earnings (FRE) and Partner FRE Margin**

Partner FRE is defined as Partner Net Management and Advisory Fees, less the Partner-firms' operating expenses and fixed and bonus compensation (but not performance fee-related expenses) allocable to the Company's share of Partner Net Management and Advisory Fees, as reported by the Partner-firms to the Operator, and subject to applicable contractual margin protections in respect of certain Partner-firms. Partner FRE Margin is defined as Partner FRE divided by Partner Net Management and Advisory Fees.

The Operator and the Directors consider Partner FRE and Partner FRE Margin to be meaningful measures of the management fee-related earnings of the Partner-firms and key performance indicators of the Company's income from investments in management companies derived from management fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

### **Partner Realised Performance Revenues**

Partner Realised Performance Revenues is defined as the Company's aggregate proportionate share of the Partner-firms' realised carried interest allocations and incentive fees payable by the Partner-firms' funds to their respective Partner-firms, less any realised performance fee-related expenses of the Partner-firms allocable to the Company's share of performance fee-related revenues, as reported by the Partner-firms to the Operator.

The Company's share of the Partner-firms' performance fee-related earnings will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' performance fee-related earnings is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Performance Revenues to be a meaningful measure of the performance fee-related earnings of the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from performance fee income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.

### **Partner Realised Investment Income**

Partner Realised Investment Income is defined as the Company's aggregate proportionate share of Partner-firm earnings resulting from the realised gains and losses or any distributed income from the investments held on Partner-firms' balance sheets, as reported by the Partner-firms to the Operator. Partner Realised Investment Income is also realised by the Company through a limited number of direct stakes in certain Partner-firms' funds. Realised Investment Income includes income that has been realised but not yet paid, as well as amounts that are realised and either fully or partially reinvested.

The Company's share of the Partner-firms' investment and balance sheet income will be lower than its share of the Partner-firms' management fee-related earnings because the Company's ownership stake in the Partner-firms' investment and balance sheet income is lower than its ownership stake in the Partner-firms' management fee-related earnings.

The Operator and the Directors consider Partner Realised Investment Income to be a meaningful measure of the investment performance of certain assets held by the Partner-firms and key performance indicator of the Company's income from investments in management companies derived from investment income. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions.



## **Partner Distributable Earnings and Partner Distributable Earnings Margin**

Partner Distributable Earnings is defined as the sum of Partner FRE, Partner Realised Performance Revenues and Partner Realised Investment Income. Partner Distributable Earnings Margin is defined as Partner Distributable Earnings divided by the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Distributable Earnings and Partner Distributable Earnings Margin to be meaningful measures of the overall performance of the Partner-firms and key performance indicators of the Company's total income from investments in management companies. The Operator uses this metric to analyse and test dividends received from the Partner-firms, as well as to inform operating, budgeting and re-investment decisions. These measures reflect any contractual margin protections or revenue share interests that the Company may have with the Partner-firms, which means that the Partner Distributable Earnings Margin may differ from the margins achieved by other shareholders or partners of the Partner-firms.

## **Partner Revenues**

Partner Revenues is defined as the sum of Partner Net Management and Advisory Fees, Partner Realised Performance Revenues and Partner Realised Investment Income.

The Operator and the Directors consider Partner Revenues to be a meaningful measure of the overall performance of the Partner-firms. The Operator uses this metric to inform operating, budgeting and re-investment decisions.

## **Partner Private Markets Accrued Carried Interest**

Partner Private Markets Accrued Carried Interest is defined as the Company's proportionate share of the Partner-firms' balance sheet accrued carry (as reported by the Partner-firms to the Operator) and represents the Company's proportionate share of the accumulated balance of unrealised profits from the Partner-firms' funds.

The Operator and the Directors consider Partner Accrued Carried Interest to be a meaningful measure of the performance of the private markets Partner-firms and potential future private markets Partner Realised Performance Revenues. Absolute return performance fees are not accrued and are instead realised annually. The Operator uses Partner Accrued Carried Interest to assess future expected carried interest payments and inform operating, budgeting and re-investment decisions. This key operating metric reflects data reported to the Operator on a three-month lag.

## **Investment Capital**

Investment Capital is defined as the sum of the reported value of the balance sheet investments from the Partner-firms. The Operator and the Directors consider Investment Capital to be a meaningful measure of the performance of the Partner-firms' balance sheet investments and potential future Partner Realised Investment Income. The Operator therefore uses Investment Capital to assess future expected Partner Realised Investment Income and inform operating, budgeting and re-investment decisions.

## **AuM and associated data**

The data presented in this document for the following key operating metrics reflects AuM data reported to the Operator on a three-month lag. This three-month data lag is due to the timing of the financial information received by the Operator from the Partner-firms, which generally require at least 90 days following each period end to present final financial information to the Operator. The key operating metrics reflected on a three-month lag are:

- Aggregate Partner-firm AuM
- Aggregate FP Partner-firm AuM
- Average Aggregate FP Partner-firm AuM
- Aggregate Performance Fee Eligible Partner-firm AuM
- Average Aggregate Performance Fee Eligible Partner-firm AuM
- Partner Blended Net Management Fee Rate
- Implied Blended Partner-firm FRE Ownership
- Partner Private Markets Accrued Carried Interest
- Investment Capital

In respect of Investment Capital, the data may be adjusted for any known valuation impacts following the reporting date of the information received from the Partner-firms.

This announcement has been prepared solely to provide additional information to shareholders and meets the relevant requirements of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The announcement should not be relied on by any other party or for any other purpose.

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#### FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning the business, operating results, financial condition and other similar matters. These statements represent the Company's belief regarding future events that, by their nature, are uncertain and outside of the Company's control. There are likely to be events in the future, however, that we are not able to predict accurately or control. Any forward-looking statement made by us in this press release is based upon information known to the Company on the date of this press release and speaks only as of such date. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward looking statements. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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