

Partners Group Global Income Fund Unlisted

ARSN 655 099 960

Annual Report

**For the period 18 November 2021 to 31 December
2022**

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Contents

Directors' report

Auditor's independence declaration

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Directors' declaration

Independent auditor's report to the unit holders of Partners Group Global Income Fund Unlisted

This annual report covers Partners Group Global Income Fund Unlisted as an individual entity.

The Responsible Entity of Partners Group Global Income Fund Unlisted is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Partners Group Global Income Fund Unlisted (the "Fund"), present their report together with the financial statements of the Fund for the period 18 November 2021 to 31 December 2022.

Principal activities

The objective of the Fund is to provide unit holders with monthly income through exposure to a diversified pool of global private debt investments. The Fund's investment strategy is to access a diversified portfolio of private global debt investments through active origination, portfolio construction and risk management.

The strategy is implemented by dynamically allocating investment across the following three distinct private debt strategies:

- The First Lien Loan Strategy, which will represent 60-100% of Gross Asset Value ("GAV");
- The Second Lien and Subordinated Loan Strategy, which will represent 0-20% of GAV; and
- The Special Situations Strategy, which will represent 0-25% of GAV.

As part of the First Lien Loan Strategy, Partners Group Global Income Investments Loan Strategy Designated Activity Company, a designated activity company limited by shares and incorporated under the laws of Ireland (the "Company") invests in the Partners Group Global Senior Loan Master Fund SICAV ("PGGSLMF"), which holds a diversified portfolio of loans consistent with the First Lien Loan Strategy. Partners Group Private Markets (Australia) Pty Limited (the "Investment Manager") invests in PGGSLMF when it has excess cash awaiting deployment into new private debt investments in order to minimise the impact this excess cash may have on unit holder returns.

The Fund has economic exposure to the loans comprising the strategies mentioned above via investments in a profit participating note ("PPN") which is a security issued by the Company. The Company makes and holds the investments (in accordance with the Company's 'Investment Guidelines' which are consistent with the investment strategy of the Fund, as set out in the Product Disclosure Statement ("PDS")) and distribute income to the Fund via the PPN.

The Fund did not have any employees during the period.

There were no significant changes in the nature of the Fund's activities during the period.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Partners Group Private Markets (Australia) Pty Ltd
Custodian, Administrator and Registrar	The Northern Trust Company
Statutory Auditor	PricewaterhouseCoopers

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the period and up to the date of this report:

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	(appointed 24 May 2022)
David B Warren	(appointed 6 March 2023)

Review and results of operations

During the period, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance for the period ended 31 December 2022 was -4.48% (net of fees). The Fund does not operate against a benchmark.

Directors' report (continued)

The performance of the Fund, as represented by the results of its operations, was as follows:

	For the period 18 November 2021 to 31 December 2022
Profit/(loss) for the period (\$'000)	(487)
Distributions paid and payable (\$'000)	993
Distributions (cents per unit)	4.2154

Significant changes in state of affairs

On 24 May 2022, Mary A O'Connor was appointed as a director of Equity Trustees Limited.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the period.

Matters subsequent to the end of the period

On 6 March 2023, David B Warren was appointed as a director of Equity Trustees Limited.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may have a significant effect on:

- (i) the operations of the Fund in future financial years; or
- (ii) the results of those operations of the Fund in future financial years; or
- (iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investments and the markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity and its associates

Fees paid to the Responsible Entity and its associates out of Fund's property during the period are disclosed in Note 14 to the financial statements.

No fees were paid out of Fund's property to the directors of the Responsible Entity during the period.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 14 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 7 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Directors' report (continued)

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
31 March 2023



Auditor's Independence Declaration

As lead auditor for the audit of Partners Group Income Fund Unlisted for the period 18 November 2021 to 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'CJ Cummins', is written over a thin horizontal line.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
31 March 2023

Statement of comprehensive income

		For the period 18 November 2021 to 31 December 2022
	Note	\$'000
Investment income		
Distribution income		937
Net gains/(losses) on financial instruments at fair value through profit or loss		<u>(1,234)</u>
Total investment income/(loss)		<u>(297)</u>
Expenses		
Management fees	14	138
Custody and administration fees		18
Other expenses		<u>34</u>
Total expenses		<u>190</u>
Profit/(loss) for the period		<u>(487)</u>
Other comprehensive income		<u>-</u>
Total comprehensive income/(loss) for the period		<u>(487)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

		As at 31 December 2022 \$'000
	Note	
Assets		
Cash and cash equivalents	9	62
Receivables	11	14
Financial assets at fair value through profit or loss	5	<u>28,629</u>
Total assets		<u>28,705</u>
Liabilities		
Distributions payable	8	176
Payables	12	<u>45</u>
Total liabilities		<u>221</u>
Net assets attributable to unit holders - equity	7	<u>28,484</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Note	For the period 18 November 2021 to 31 December 2022 \$'000
Total equity at the beginning of the financial period		-
Comprehensive income for the period		
Profit/(loss) for the period		(487)
Other comprehensive income		<u>-</u>
Total comprehensive income		<u>(487)</u>
Transactions with unit holders		
Applications	7	33,446
Redemptions	7	(3,507)
Reinvestment of distributions	7	25
Distributions paid and payable	7	<u>(993)</u>
Total transactions with unit holders		<u>28,971</u>
Total equity at the end of the financial period		<u>28,484</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

		For the period 18 November 2021 to 31 December 2022
	Note	\$'000
Cash flows from operating activities		
Payments for purchase of financial instruments at fair value through profit or loss		(29,864)
Distributions received		937
Management fees paid		(126)
Other expenses paid		(18)
RITC received/(paid)		(15)
Net cash inflow/(outflow) from operating activities	10(a)	<u>(29,086)</u>
Cash flows from financing activities		
Proceeds from applications by unit holders		33,446
Payments for redemptions by unit holders		(3,507)
Distributions paid to unit holders		(791)
Net cash inflow/(outflow) from financing activities		<u>29,148</u>
Net increase/(decrease) in cash and cash equivalents		62
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	9	<u>62</u>
Non-cash operating and financing activities	10(b)	25

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents

1	General information
2	Summary of significant accounting policies
3	Financial risk management
4	Fair value measurement
5	Financial assets at fair value through profit or loss
6	Structured entities
7	Net assets attributable to unit holders - equity
8	Distributions to unit holders
9	Cash and cash equivalents
10	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities
11	Receivables
12	Payables
13	Remuneration of auditor
14	Related party transactions
15	Events occurring after the reporting period
16	Contingent assets and liabilities and commitments

1 General information

These financial statements cover Partners Group Global Income Fund Unlisted (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme, which was constituted on 5 November 2021, registered with Australian Securities and Investment Commission on 18 November 2021 and commenced investment operations on 4 April 2022. The Fund will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The objective of the Fund is to provide unit holders with monthly income through exposure to a diversified pool of global private debt investments.

The Fund has economic exposure to the loans comprising the strategies mentioned in the Product Disclosure Statement (PDS) via an investment in a profit participating note ("PPN") which is a security issued by the Partners Group Global Income Investments Loan Strategy Designated Activity Company, a designated activity company limited by shares and incorporated under the laws of Ireland (the "Company"). The Company makes and holds the investments (in accordance with the Company's 'Investment Guidelines' which are consistent with the investment strategy of the Fund, as set out in the PDS) and distributes income to the Fund via PPN.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial period that have a material impact on the Fund.

(iii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been early adopted in preparing these financial statements.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iv) Investment entity

The Fund and Company operate as an integrated structure whereby the Fund invests solely into the Company and is exposed to the underlying investments of the Company via the PPN. Movements in the fair value of the Company's investment portfolio and corresponding movements in the fair value of the Company may expose the Fund to gains or losses.

Management has determined that it meets the definition of an 'Investment Entity' as defined by AASB 10 *Consolidated Financial Statements* and is required to account for the investment in the Company via the PPN at fair value through profit and loss. The Fund has multiple unrelated investors and indirectly holds multiple investments through the Company via the PPN. Ownership interests in the Fund are in the form of units which are classified as equity in accordance with AASB 132 *Financial Instruments: Presentation* and which are exposed to variable returns from changes in the fair value of the Fund's net assets. The Fund has been deemed to meet the definition of an Investment Entity per AASB 10 as the following conditions exist:

- (a) The Fund has obtained funds for the purpose of providing investors with investment management services;
- (b) The Fund's business purpose, which has been communicated directly to investors, is investing solely for returns from capital appreciation and investment income from the Company via the PPN; and
- (c) The performance of investments made through the Company are measured and evaluated on a fair value basis. Although the Fund itself does not meet all of the typical characteristics of an Investment Entity (namely, the Fund does not have multiple investments), management believe it is nevertheless an Investment Entity because it was formed in conjunction with the Company and effects multiple investments through the Company via PPN.

Based on the assessment above, management has concluded that the Fund and the Company meet the definition of an Investment Entity under AASB 10 and IFRS 10, respectively. As a result, the Fund is exempted from consolidation in accordance with AASB 10 and the Fund's investment in the Company via the PPN is measured as financial asset at fair value through profit or loss. This conclusion will be reassessed should the investment strategy of the integrated structure change.

None of these are expected to have a material effect on the financial statements of the Fund.

(b) Financial instruments

(i) Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

The Fund's investment in the Company via the PPN is classified as measured at fair value through profit or loss.

For the PPN, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, management fees payable, custody and administration fees payable and other payables).

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expired.

(iii) Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of 'financial assets and liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents and receivables are carried at amortised cost.

(iv) Impairment

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units can be put back to the Fund at any time for cash based on the redemption price which is equal to a proportionate share of the Fund's net asset value attributable to the unit holders.

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unit holders (continued)

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

The Fund's units are classified as equity as they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

(e) Investment income

(i) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

(ii) Distribution income

Distribution income in respect of PPN is recognised in the statement of comprehensive income on the ex-distribution date.

(iii) Other income

Other income is brought to account on an accruals basis.

(iv) Net gains/(losses) on financial instruments

Net gains/(losses) on financial instruments arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point.

Changes in the fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

2 Summary of significant accounting policies (continued)

(h) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of changes in equity.

(i) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates. Such fluctuations are included with the net gains/(losses) on financial instruments at fair value through profit or loss.

(j) Receivables

Receivables may include amounts for interest and trust distributions. Trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a monthly basis. Amounts are generally received within 30 days of being recorded as receivables.

(k) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 31 December in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 January of the following financial year.

(l) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(m) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 95.5%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(n) Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current period and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. For more information on how fair value is calculated, please refer to Note 4 to the financial statements.

Please see Note 3 for more information on credit risk.

For more information on the Fund and the Company's assessment of its Investment Entity status in accordance with AASB 10 and IFRS 10, please refer to Note 2(a)(iv) to the financial statements.

2 Summary of significant accounting policies (continued)

(o) Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

3 Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk and foreign exchange risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All securities investments present a risk of loss of capital. The maximum loss of capital on unlisted securities is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Partners Group Private Markets (Australia) Pty Ltd ("Partners Group"), under an Investment Management Agreement ("IMA") approved by the Responsible Entity, and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

The Fund is exposed to price risk on its investment in the PPN. Price risk arises from investments held by the Fund for which prices in the future are uncertain.

The Fund has a significant concentration of risk arising from its exclusive investment via the PPN. As at 31 December 2022, the Fund's investment in the Company represents 100% of the Fund's financial assets at fair value through profit or loss.

The table at Note 3(b) summarises the sensitivities of the Fund's PPN to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests move by +/- 3.5%.

(ii) Foreign exchange risk

The financial instruments of the Fund are denominated in Australian dollars. Accordingly, the Fund is not directly exposed to foreign exchange risk.

(iii) Interest rate risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. The impact of interest rate risk on net assets attributable to unit holders and operating profit is considered immaterial to the Fund.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit/(loss) and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

	Impact on operating profit(loss)/net assets attributable to unit holders	
	Price risk	
	+5.0%	-5.0%
	\$'000	\$'000
As at 31 December 2022	1,431	(1,431)

(c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in the Company via the PPN. The PPN is a financial asset with a fixed or determinable payment that is not quoted in an active market. It is unsecured, unrated, interest-free and repayable upon demand.

The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivables.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss.

As at 31 December 2022, all receivables, cash and short-term deposits are held with counterparties limited to high credit quality financial institutions with a minimal credit rating of A-1+ or higher as assessed and determined by Standard & Poor's Financial Services (S&P) and are either callable on demand or due to be settled within 1 week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

(i) Investment in the Company

The Fund has a significant concentration of credit risk that arises from its exposure to a single counterparty in relation to its investments in the Company via the PPN.

The risk is managed by the Company's Investment Manager and mitigated through investment diversification. The Company's Investment Manager monitors investment diversification parameters as specified in the PDS.

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA- (as determined by the Standard and Poor's) or higher.

(iii) Other

The Fund is not materially exposed to credit risk on other financial assets.

(iv) Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemption during the period 18 November 2021 to 31 December 2022.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. However, for net assets attributable to unit holders, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

As at 31 December 2022	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
Distributions payable	176	-	-	-	176
Payables	-	45	-	-	45
Contractual cash flows (excluding derivatives)	176	45	-	-	221

4 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

(a) Fair value in an inactive or unquoted market (level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Trust holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

(b) Recognised fair value measurements

The table below presents the Fund's financial assets measured and recognised at fair value as at 31 December 2022.

As at 31 December 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Profit Participating Note*	-	-	28,629	28,629
Total financial assets	-	-	28,629	28,629

*As of 31 December 2022, the Fund valued the PPN using cum price. This comprised of the opening fair value adjusted for unrealised gains/(losses) and expected distribution income on the PPN for the financial period.

4 Fair value measurement (continued)

(c) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(d) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the period 18 November 2021 to 31 December 2022 by class of financial instrument.

	Profit Participating Note \$'000
Purchases	29,863
Gains/(losses) recognised in the statement of comprehensive income	(1,234)
Closing balance - 31 December 2022	28,629

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements. See Note 4(a) above for the valuation techniques adopted.

Description	Fair value \$'000	Unobservable inputs	Range of inputs (probability - weighted average)	Relationship of unobservable inputs of fair value
As at 31 December 2022 Profit Participating Note	28,629	Net assets attributable to the PPN holder	N/A	N/A

(ii) Valuation processes

At each reporting date, the Investment Manager determines the fair value of the PPN with the assistance of the Company's third party administrator, the Bank of New York Mellon. The fair value is determined by adjusting the opening fair value of the PPN based upon the following factors as it relates to the Company, on a look through basis:

- Cumulative unrealised gains/(losses) recognised on the net assets attributable to the PPN holder during the reporting period; and
- Where a distribution is declared on or before reporting date, adjusting for ex-price. Where a dividend is not declared as of the reporting date, adjusting for cum price, inclusive of estimated distribution income as determined appropriate by the Investment Manager.

Where applicable, the Investment Manager would also consider and adjust for the impact from events deemed material and with significant impact on the valuation of the PPN.

The stated fair value of the PPN at the end of the reporting period then represents the Investment Manager's best estimate as at the end of the reporting period.

(e) Financial instruments not carried at fair value

The carrying value of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

5 Financial assets at fair value through profit or loss

	As at 31 December 2022 \$'000
Profit Participating Note	28,629
Total financial assets at fair value through profit or loss	28,629

6 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangement.

The Fund considers its investment in the Company via the PPN to be a structured entity. The Fund invests in the Company for the purpose of capital appreciation and/or earning investment income.

The exposure to investments in the Company at fair value is disclosed in the following table:

	Fair value of investment 31 December 2022 \$'000
Partners Group Global Income Investments Loan Strategy Designated Activity Company	28,629
Total investments	28,629

The fair value of the Company is included in financial assets at fair value through profit or loss in the statement of financial position.

The Fund's maximum exposure to loss from its interest in the Company is equal to the fair value of its investments in the Company as there are no off-balance sheet exposures relating to the Company. Once the Fund has disposed the PPN, it ceases to be exposed to any risk from the Company.

During the period ended 31 December 2022, total gains/(losses) incurred on investment in the Company were (\$1,234,000). The Company declared distributions of \$937,000 as the distribution for the PPN for the period ended 31 December 2022.

7 Net assets attributable to unit holders - equity

Movements in the number of units and net assets attributable to unit holders during the period were as follows:

	For the period 18 November 2021 to 31 December 2022	
	Units '000	\$'000
Applications	35,003	33,446
Redemptions	(3,823)	(3,507)
Reinvestment of distributions	25	25
Distributions paid and payable	-	(993)
Profit/(loss) for the period	-	(487)
Closing balance	31,205	28,484

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

There are no separate classes of units and each unit has the same right attaching to it as all other units of the Fund.

7 Net assets attributable to unit holders - equity (continued)

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

8 Distributions to unit holders

The distributions declared during the period were as follows:

	For the period 18 November 2021 to 31 December 2022	
	\$'000	CPU
Distributions		
April	23	0.3422
May	49	0.3598
June	87	0.4708
July	103	0.4266
August	113	0.4700
September	132	0.5051
October	149	0.5283
November	161	0.5483
December (payable)	176	0.5643
Total distributions	993	4.2154

9 Cash and cash equivalents

	As at 31 December 2022 \$'000
Cash at bank	62
Total cash and cash equivalents	62

10 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	For the period 18 November 2021 to 31 December 2022 \$'000
Profit/(loss) for the period	(487)
Payments for purchase of financial instruments at fair value through profit or loss	(29,864)
Net (gains)/losses on financial instruments at fair value through profit or loss	1,234
Net change in receivables	(14)
Net change in payables	<u>45</u>
Net cash inflow/(outflow) from operating activities	<u>(29,086)</u>
(b) Non-cash operating and financing activities	
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	<u>25</u>
Total non-cash operating and financing activities	<u>25</u>

11 Receivables

	As at 31 December 2022 \$'000
GST receivable	<u>14</u>
Total receivables	<u>14</u>

12 Payables

	As at 31 December 2022 \$'000
Responsible Entity fees payable	12
Custody and administration fees payable	18
Other payables	<u>15</u>
Total payables	<u>45</u>

13 Remuneration of auditor

During the period the following fees were paid or payable for services provided by the auditor of the Fund:

	For the period 18 November 2021 to 31 December 2022 \$
PricewaterhouseCoopers	
<i>Audit and other assurance services</i>	
Audit of financial statements	20,000
Audit of compliance plan	<u>2,346</u>
Total auditor remuneration and other assurance services	<u>22,346</u>
 <i>Taxation services</i>	
Tax compliance services	<u>30,032</u>
Total remuneration for taxation services	<u>30,032</u>
Total remuneration of PricewaterhouseCoopers Australian Firm	<u>52,378</u>

The auditor's remuneration is borne by the Fund. Fees are stated exclusive of GST.

14 Related party transactions

The Responsible Entity of Partners Group Global Income Fund Unlisted is Equity Trustees Limited (ABN 46 004 031 298)(AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Partners Group Private Markets (Australia) Pty Ltd to act as Investment Manager for the Fund and The Northern Trust Company to act as Administrator, Registrar and Custodian for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the period and up to the date of this report.

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	(appointed 24 May 2022)
David B Warren	(appointed 6 March 2023)

(ii) Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

(iii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the period.

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

14 Related party transactions (continued)

(c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 31 December 2022.

(d) Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial period and there were no material contracts involving management personnel's interests existing at period end.

(g) Responsible Entity's fees, Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and the Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

The transactions during the period and amounts payable as at period end between the Fund, and the Responsible Entity and the Investment Manager were as follows:

	For the period 18 November 2021 to 31 December 2022 \$
Management fees for the period	109,779
Responsible Entity fees for the period period	28,645
Responsible Entity fees payable at period end	12,367

For information on how management fees are calculated please refer to the Fund's Product Disclosure Statement.

(h) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held no units in the Fund as at 31 December 2022.

(i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the reporting period.

15 Events occurring after the reporting period

On 6 March 2023, David B Warren was appointed as a director of Equity Trustees Limited.

No other significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 31 December 2022 or on the results and cash flows of the Fund for the period ended on that date.

16 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2022.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 to 24 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its performance for the period ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
31 March 2023



Independent auditor's report

To the unitholders of Partners Group Global Income Fund Unlisted

Our opinion

In our opinion:

The accompanying financial report of Partners Group Global Income Fund Unlisted (the Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its financial performance for the period 18 November 2021 to 31 December 2022 (the period)
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2022
- the statement of comprehensive income for the period then ended
- the statement of changes in equity for the period then ended
- the statement of cash flows for the period then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors of Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information comprises the information included in the annual report for the period ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written over a light blue horizontal line.

CJ Cummins
Partner

Sydney
31 March 2023