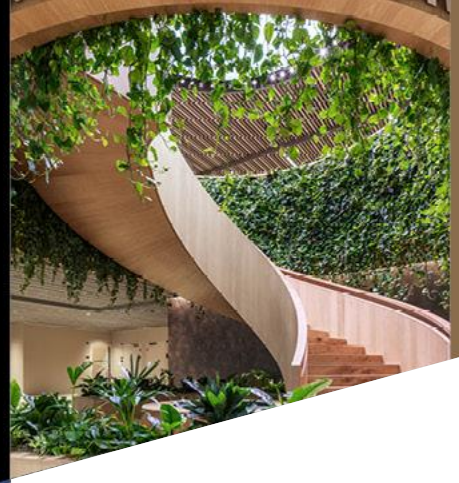
Private Credit: An Established Asset Class

Frankfurt: 24th June 2026





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Today's presenter



Stefan Krause
Senior Asset Class Manager
Partners Group

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Built Differently to **Build Differently**

Marketing Material

This is a marketing communication. Please refer to the prospectus of the AIF before making any final investment decisions.

Partners Group: a global, stable and independent private markets platform[1]

>30 years
of investment experience

USD 185bn
AUM[2]

c. 2'000
employees[3]

24 offices
worldwide

c. 25%
shareholder base represented by employees

Partners Group credit platform highlights

>USD 40bn
Private credit AuM[2]

>600
Private credit investments executed since 2002[4]

>20
years of experience



Source: Partners Group (2026). For illustrative purposes only. **1** Indicates access to Directs, Primaries, and Secondaries across five asset classes. **2** Unaudited, inclusive of all Partners Group affiliates, as of 31 December 2025. **3** Team figures as of 31 December 2025, includes >1700 Partners Group and >200 Empira employees. **4** As of 31 December 2025.

Strictly confidential

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Private credit landscape

CORPORATE CREDIT

Senior Direct Lending

- Lower Middle Market
- Middle Market
- Upper Middle Market
- Non-sponsored

Sector-focused

- Technology Lending
- Healthcare Lending
- Impact Lending

Junior Debt

- Sponsored Mezzanine
- Non-sponsored
- Structured / Preferred Capital

Structured Credit

- CLO Equity / Mezz
- Synthetic Risk Transfer (SRT)

Opportunistic

- Stressed
- Distressed
- Capital Solutions

Other

- Venture Debt
- Growth Lending

REAL ESTATE ASSET-BACKED CREDIT

Infrastructure Credit

- Diversified Infrastructure
- Energy & Power
- Renewables / Energy Transition
- Digital

Real Estate Credit

- CRE Lending
- Multi-family
- Residential
- Distressed / Special Sits

Structured Credit

- RMBS
- CMBS

ASSET BASED / SPECIALTY CREDIT

- Consumer Finance (Auto Loans / Leases, Credit Cards, Student Loans, Other Unsecured Consumer)
- Real Estate Finance (Residential Mortgage Loans, Commercial Real Estate)
- Hard Assets (Transportation, Infrastructure, Agricultural Lending, Equipment Leasing)
- Financial Assets (Royalties – Music / Pharma, Litigation, Finance, Inventory Finance, Trade Finance, SME Loans, Loan Portfolios, PE-NAV-Lending)

Function in Portfolio context: Capital Preservation | Return Enhancing | Diversification

Source: Partners Group (2026). For illustrative purposes only. Diversification does not ensure profit or protect against loss.

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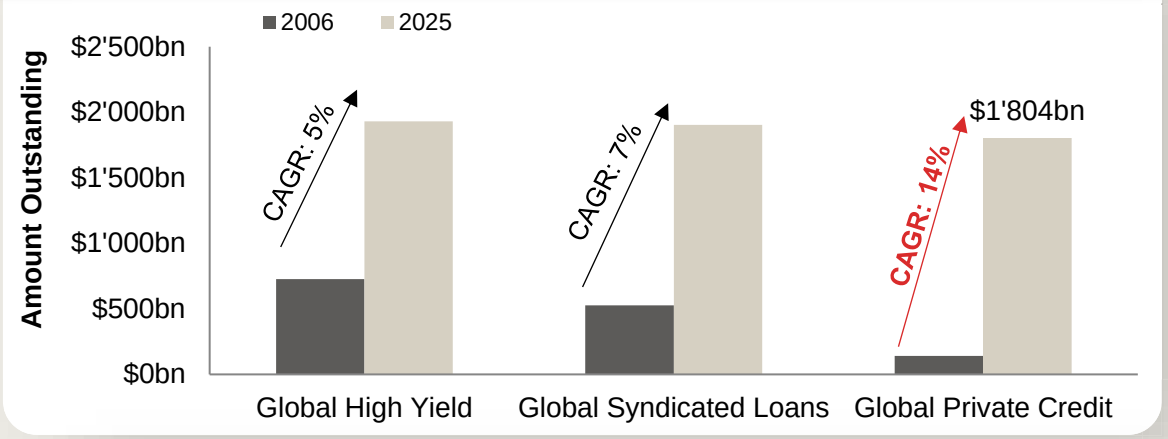
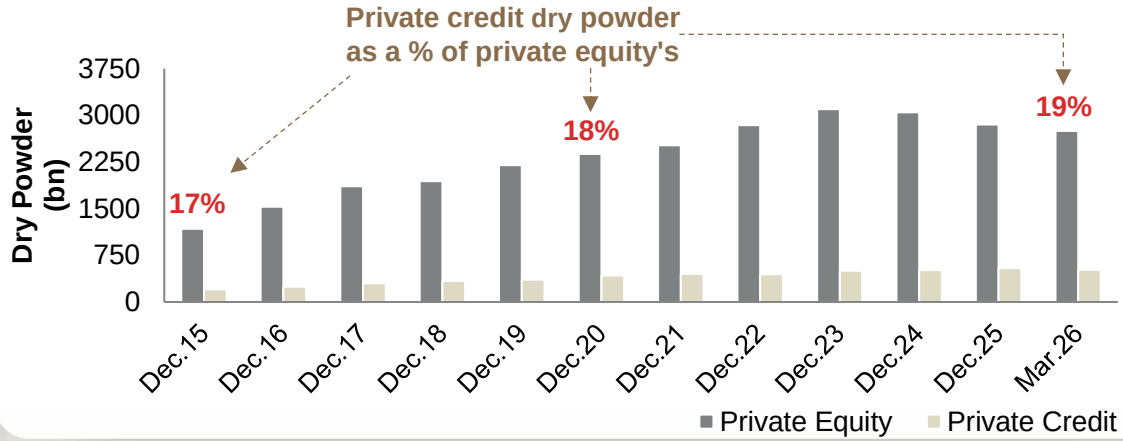
Private credit has grown alongside a growing opportunity set

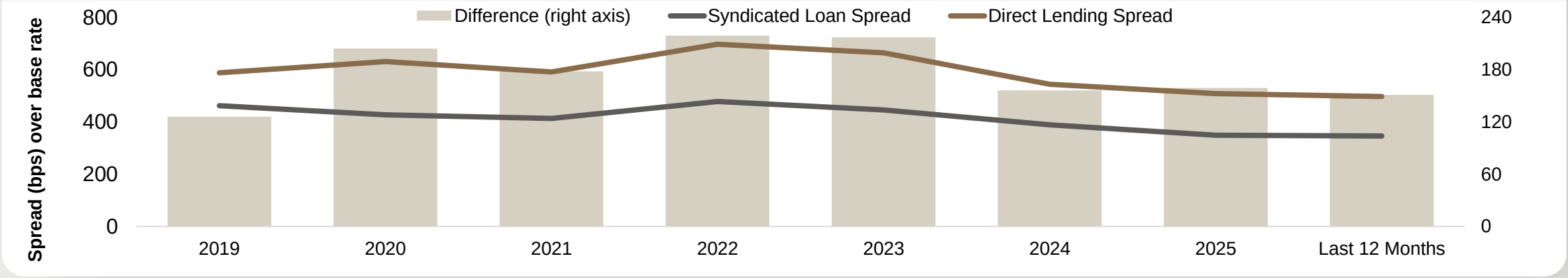
Private credit's expanding role within leveraged credit[1]



Private credit's growth is on pace with private equity



Though the liquidity premium has come in, direct lending maintains compelling relative value vs syndicated loans[1]



Source: Pitchbook, Preqin (31 March 2026). 1 Private credit amount outstanding as of 30 September 2025. Preqin data is typically compiled from funds that elect to self-report. Thus, this data may not be representative of all funds, and may be biased toward those funds that generally have higher performance. Additionally, the funds included in these measures may lack commonality. Over time, components of the data may change. Funds may begin or cease to be represented based on these factors, thereby creating a 'survivorship bias' that may additionally impact the data reported. For illustrative purposes only.

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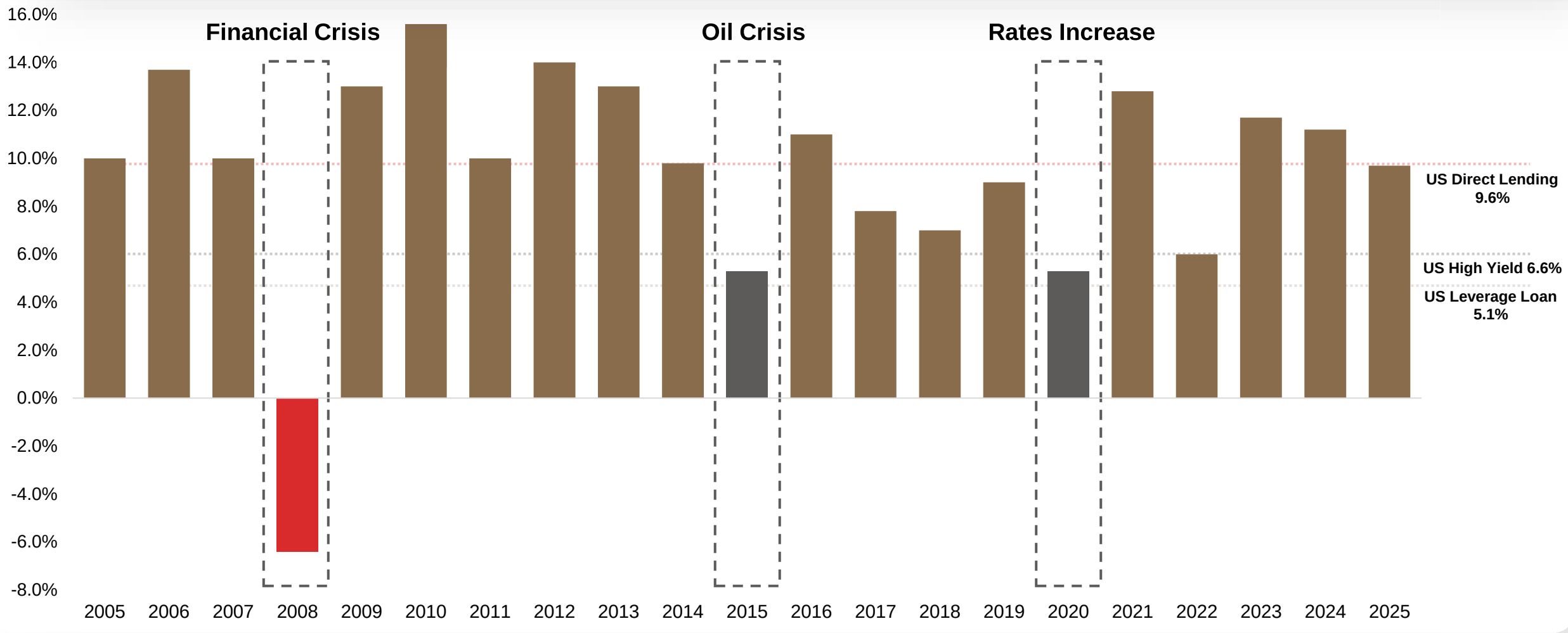
Direct lending demonstrates stability during periods of crisis

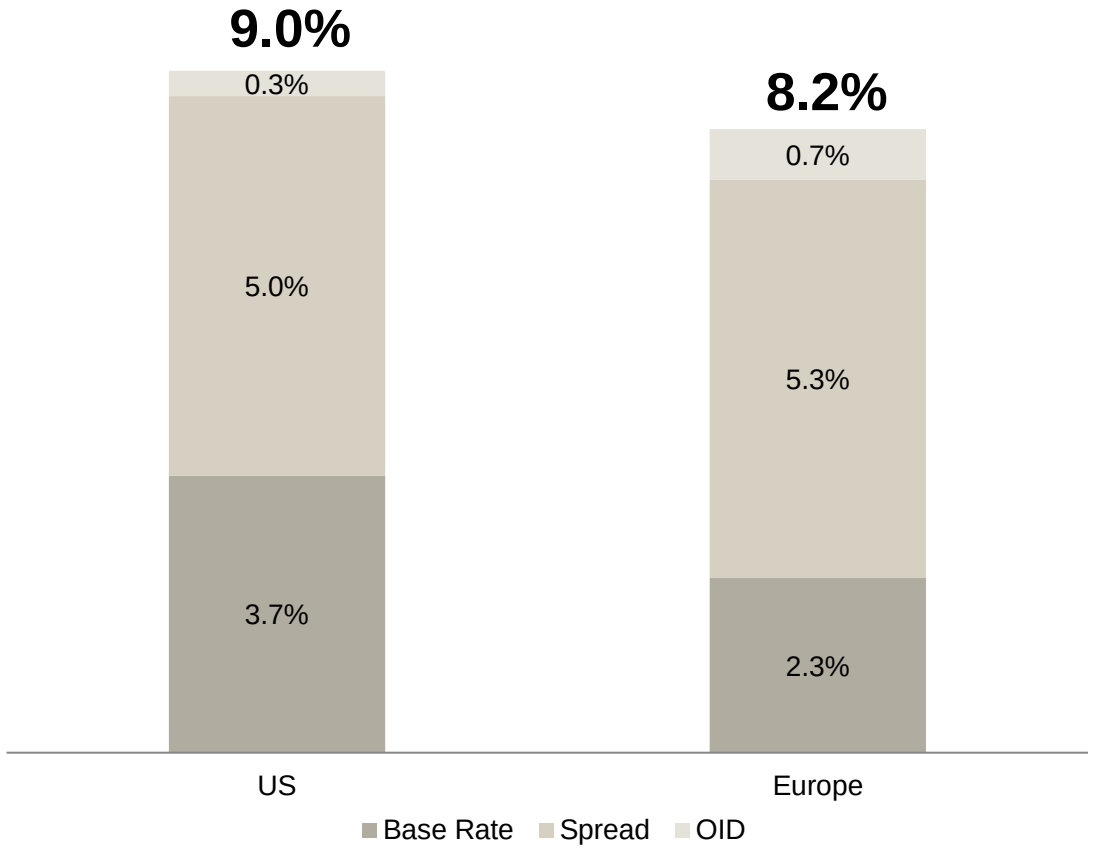
US Direct Lending Annual Returns



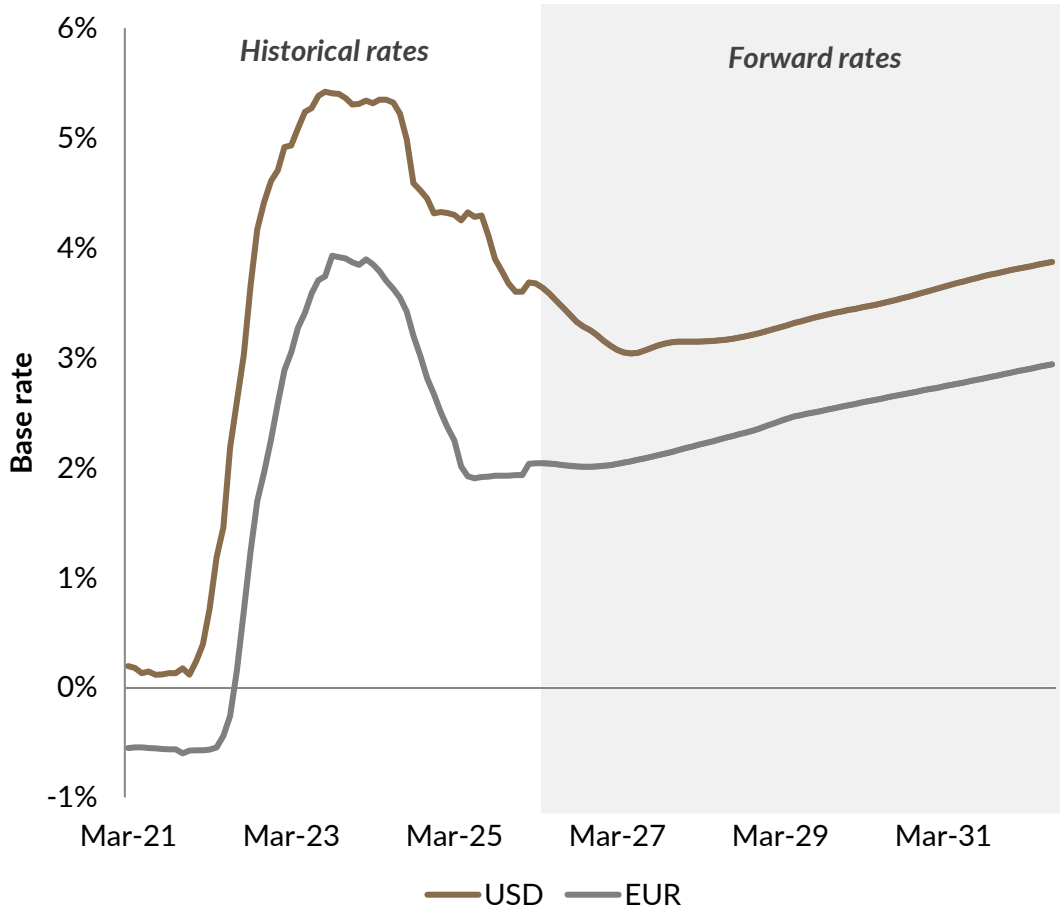
Source: Partners Group (2026). For illustrative purposes only.

Indicative direct lending returns in today's rate environment: USA vs. Europe

Attractive direct lending returns



Base rates continue to be elevated

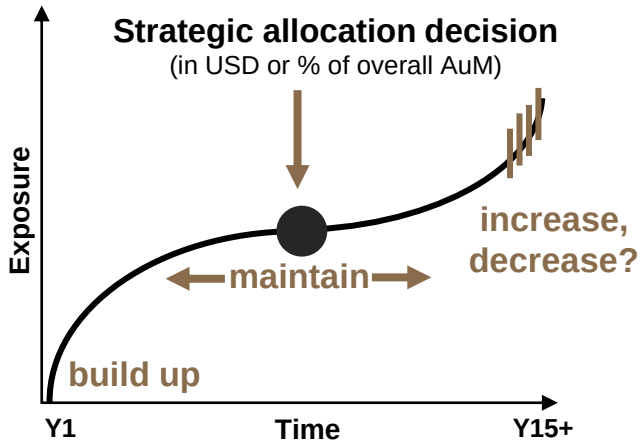


Source: Partners Group (2026). The indicative spread and OID are based on Partners Group's investments and pipelines. Original issue discounts (OIDs) are amortized over a 3-year period. Base rate reflects the average 3M rate over each year, as of March 2026. Past performance does not guarantee future results. The actual development of the investments depends on many factors and may differ significantly. For illustrative purposes only.

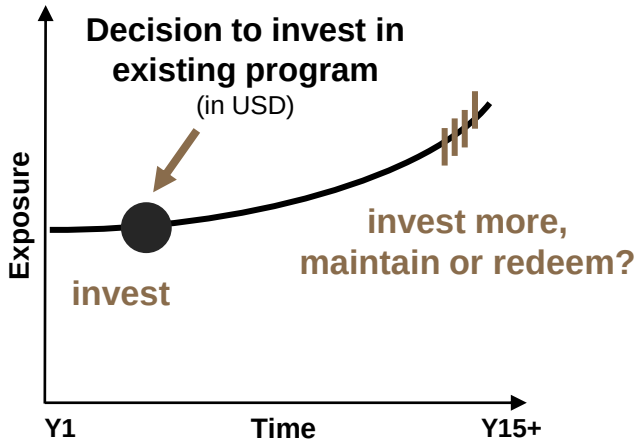
Different ways to build up exposure to Private Credit

Illustrative example of program characteristics from a client's perspective

Mandates

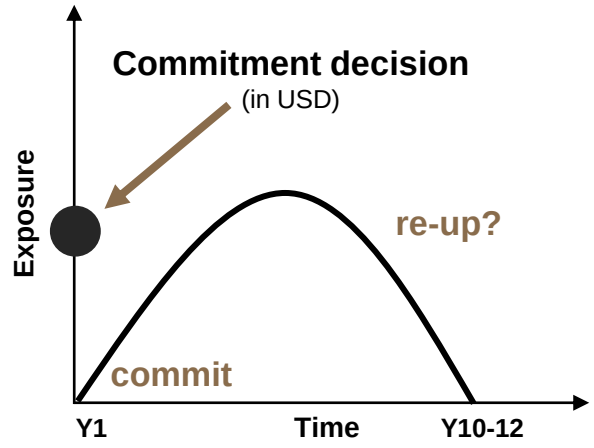


Evergreens



Asset manager typically provides full portfolio management and investment level steering for clients

Traditional funds



Clients handle portfolio management and cash flows themselves

Source: Partners Group (2026). For illustrative purposes only.

News headlines raise concerns for private credit

How Bad Is Finance's Cockroach Problem? We Are About to Find Out.

Oct. 27, 2025

Dimon Cockroaches Are Living in Risk Markets' Heads

Many investors now believe that private credit is bad enough to need an exterminator.

BANKING • PRIVATE EQUITY

Private credit deals see a rise in 'bad PIKs' showing 'cracks' in the market for corporate debt

Private Credit's Rising Pile of 'Bad PIK' Points to Default Woes

Private Debt Defaults Set to Climb as Middle-Market Firms Wobble

From Collapse to Clarity | What Tricolor and First Brands Teach Us About Credit Insurance

Do Recent Defaults Signal a Coming Credit Crisis?

Jamie Dimon issues private credit warning: 'When you see one cockroach, there are probably more'

What is private credit, and should we be worried by the collapse of US firms?

First Brands and Tricolor failures raise concerns for wider financial sector, including traditional banks

The rise of private credit, and why 'ordinary people's money is on the line'

OCTOBER 29, 2025 · 6:36 PM ET

MARKETS & FINANCE | INVESTING

The Private-Credit Party Turns Ugly for Individual Investors

Funds called BDCs that make corporate loans have had a rough 2025, just as the private-credit industry looks to 'democratize' their offerings

How to tackle private credit's 'cockroaches' as contagion fears build

PUBLISHED FRI, OCT 24 2025•1:58 AM EDT | UPDATED FRI, OCT 24 2025•3:36 AM EDT

Cracks in the Credit Market Could Be a Warning for Wall Street

How many cockroaches does it take to sink a ship? We may soon find out.

Credit Cockroaches: Infestation or Isolation?

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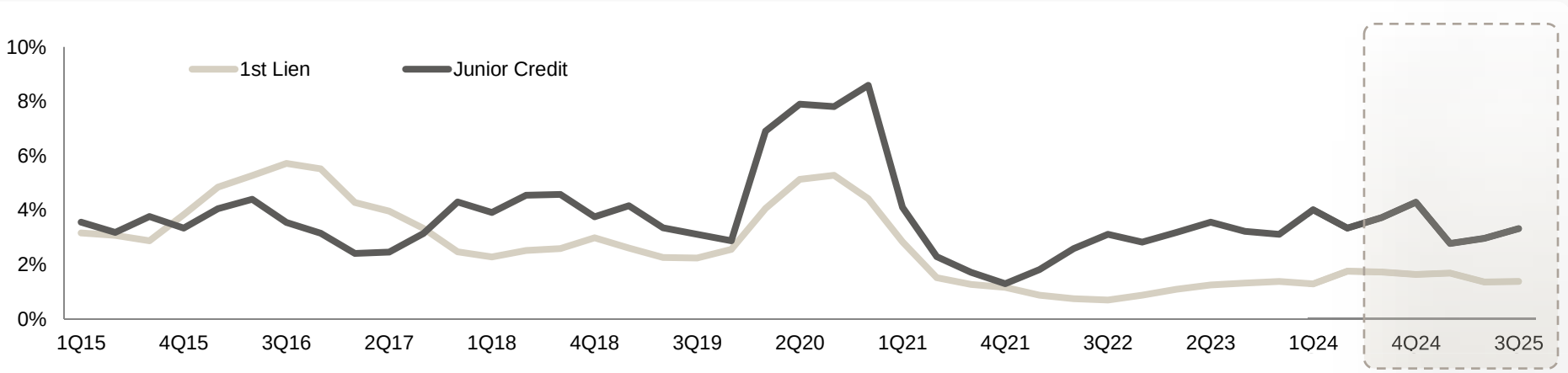
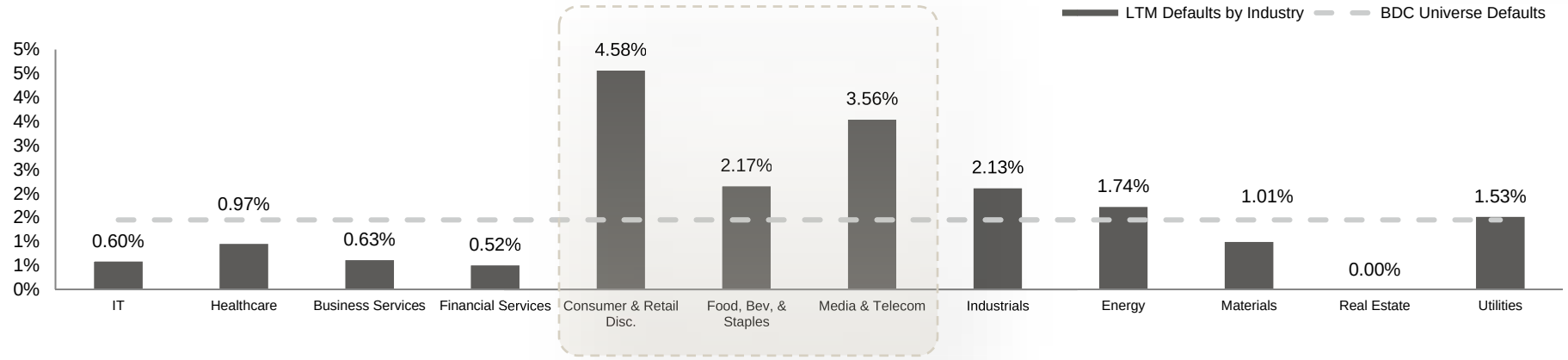
Defaults are a concern and will always be, but no evidence of a systemic risk today

Elevated defaults today are concentrated in junior credit



Current defaults mainly fall in cyclical sectors



Source: Partners Group, Cliffwater (2026). Default rates represent the trailing Q4 defaults based on the Cliffwater Direct Lending Index, as of September 2025. A default is defined as a loan being moved to non-accrual status within the trailing four-quarter period. The Partners Group global default d loss rates are for fully realized investments and are calculated on a total invested capital basis, as of 31 December 2025. ere can be no assurance as to the levels of defaults and or recoveries that may be experienced on underlying investments; an increase in default levels could have a material adverse effect. Past performance is not indicative of future results. There is no assurance that similar results will be achieved. For illustrative purposes only

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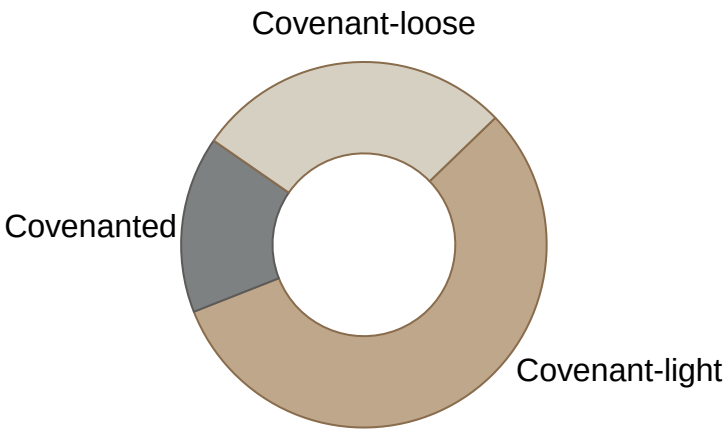
Other warning signs investors focus on these days for the credit market

Loss of Protection

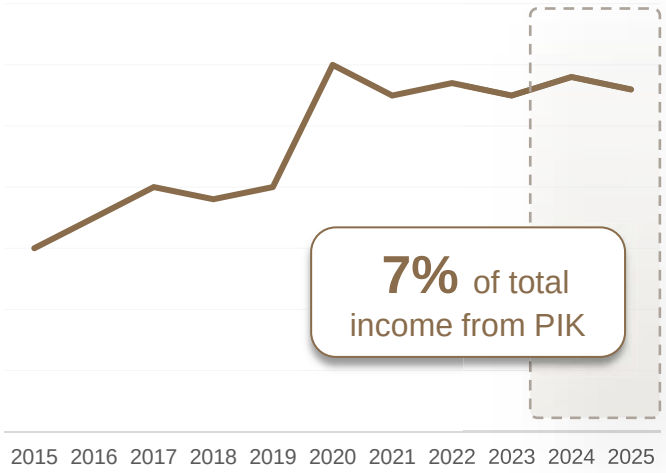
Dilution of credit terms & covenants at large end of market



>90% no meaningful covenants

PIK Election

Increasing PIK amendments for assets that cannot service their interest



Inconsistent Valuations

Varying valuation approaches may lead to inflated investment valuations, in turn could be masking losses

- Approach to third-party valuation
- Valuation focus
- Frequency

Source: Partners Group, Cliffwater, JPMorgan (2026). PIK data as of 30 September 2025. Figures represent the CDLI PIK as a % of total income. Past performance is not indicative of future results. There is no assurance that similar results will be achieved. For illustrative purposes only.

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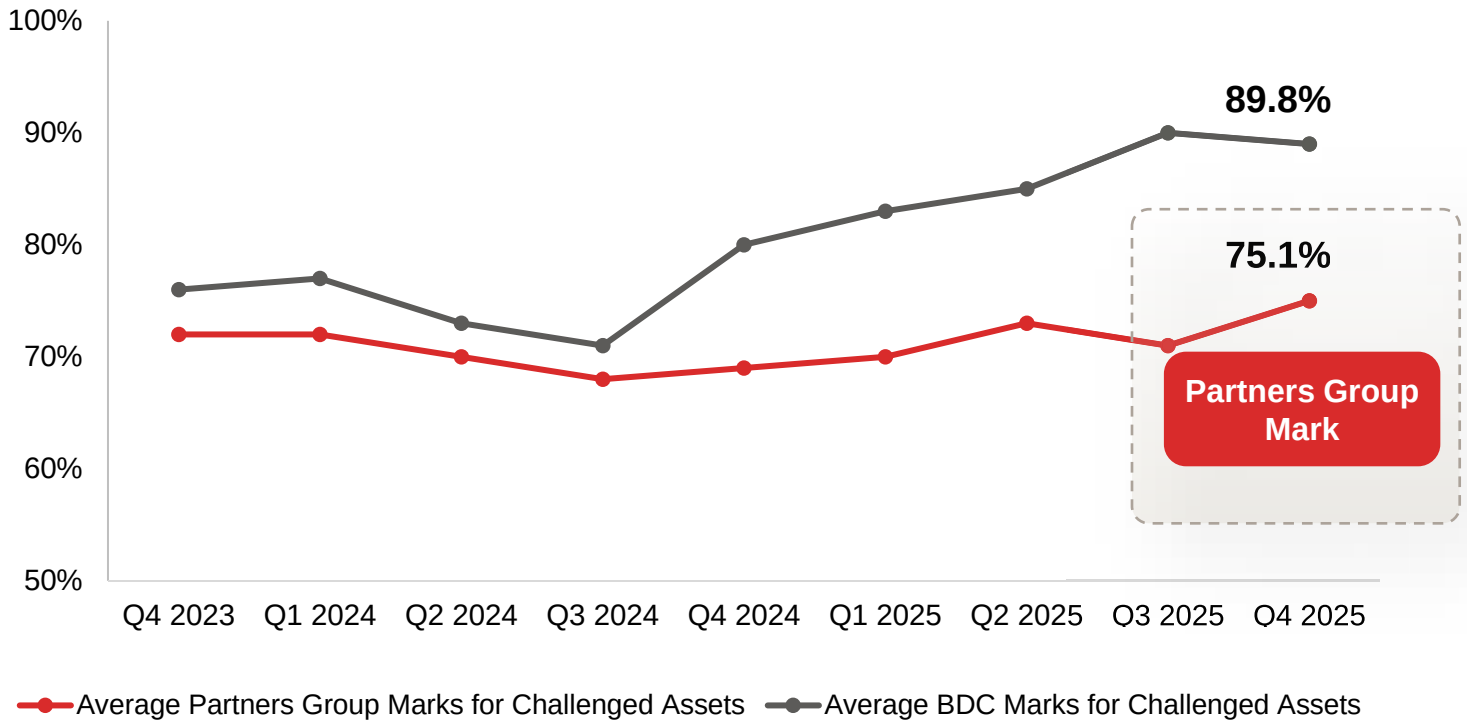
Inconsistent valuations have become more frequent, investors should look for third-party marks

Stressed private credit investment marks vary across BDCs[1]



	Partners Group
Approach to third-party valuation	Point estimate of value
Valuation focus	Fair value of an asset
Frequency	Monthly

- Less discretion to modify valuations
- Proactive risk reporting
- Validated third-party marks
- Focus on actual asset value vs. likelihood of par repayment

Source: Partners Group (31 December 2025). 1 Represents a 4-asset sample set (same assets between Partners Group and club lender BDC marks). For illustrative purposes only.

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Investment example – Groundwater management business

Groundwater management and purification services provider for infrastructure and construction projects

€24m
EBITDA

4.3x
Total net leverage

52%
Equity cushion

LOCATION
Germany

Contracted revenue base with strong visibility: High revenue visibility driven by a sizable order book and limited competition for large-scale projects due to market capacity constraints driving project win rates.

Strong value proposition: The Company provides groundwater management services including (i) de-watering, (ii) groundwater purification, (iii) temporary pump installations and (iv) ground protection products to infrastructure and building projects. High customer satisfaction and the Company's ability to execute large projects on time result in a strong track record.

Large and stable end market: Growth of the EUR 0.5bn German and Dutch de-watering market is driven by (i) strong infrastructure demand, (ii) increased purification requirements due to stricter regulation, and (iii) ongoing shortage of skilled labor.

Close: Jan '25

E + 5.25% (0.00% floor)

97.50 OID

grid pricing based on total net leverage

Prepayment protection
NC1, 101 (6 months)

Financial maintenance covenant
total net leverage

Capital structure
€105m unitranche,
€45m acquisition credit facility



Source Partners Group (2026). All investment metrics as of close of the transaction. There is no assurance that the above stated investment strategy will occur, or that similar investments will be made. For illustrative purposes only. This investment example gives an overview of a recent credit investment in a groundwater management and purification services provider. Selected investments represent a sample of Private Credit investments that Partners Group made on behalf of its investors. The examples shown represent transactions made in 2025 and may be part of several Credit and open-ended products, managed by Partners Group.

Strictly confidential

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Risks

The risks are not exhaustive and investors should refer to the relevant fund documents such as the prospectus and if applicable the key information sheet for the full list of risks to which the fund is subject.

Risk of total loss	Investing in this fund involves risks. The value of the investment and the income generated from it are subject to considerable fluctuations, and there is the possibility that an investor may not get back the full amount originally invested or suffer a total loss. In extreme cases, the complete failure of the repayment of his capital investment harbors a risk of personal bankruptcy for the investor.
Investment risk	As the sub-fund uses highly speculative investment techniques and highly concentrated portfolios, as well as taking majority and minority interests and investing in illiquid investments, an investment in the fund is unsuitable for certain investors and should in any case only represent a limited proportion of the total investments . There is no guarantee that (i) the Fund will generate profits, (ii) cash will be available for distributions, (iii) the Fund's income will exceed its expenses, (iv) the Fund's net asset value will increase, or (v) Investors will get back their investment in the Fund.
Illiquidity risk	The fund has a minimum term of 10 years. It can be extended for a further 3 years. The fund is illiquid for investors during this maximum of thirteen years and is not suitable for investors who are unwilling or unable to invest capital over this period. A secondary market is not expected to develop for the fund. Illiquidity can result from the lack of a secondary market for fund units, as well as from legal or contractual restrictions on their resale by the fund or its assets. Therefore, an investor should enter into payment obligations on the assumption that the shares in the sub-fund cannot be redeemed and that no authorization for a transfer will be given.
Blind pool risk	The way the Fund operates does not allow an investor to assess the Sub-Fund's assets prior to investing. These are often not yet fixed at the time of drawing. Due to the lack of transparency at the time of subscription, the investor cannot obtain a detailed picture of the individual assets of the fund in advance and therefore cannot assess the risks associated with them.
Forecast risk	The current development or historical development of other investment funds of the manager or his affiliated companies are not an indicator of the future performance of the fund. There can be no assurance that the administrator will achieve comparable results or any particular income. The fund is a newly launched investment and has no historical data. The value of investments can go down as well as up and an investor may get back substantially less than what he invested. The past performance, in particular of other investments of the manager, is no guarantee of future results for the sub-fund.
Fund-specific investment risk	A certain (high) degree of diversification into different assets cannot be guaranteed. The fund may only participate in a limited number of investments. As a result, the performance of the fund can be significantly affected by an unfavorable performance of an individual investment.
Risk of late payment by other investors	If one or more investors fail to comply with a notification of capital calls and the payments made by other investors are insufficient, the fund may not be able to meet its liabilities when they become due. As a result, the Fund may face significant penalties. This, together with the funds not available for investments, can limit the possibilities for diversifying investments and can have a significant negative impact on the returns of investors (including those who do not default). As a result, the performance of the sub-fund could be significantly negatively impacted. This also affects the value of the capital investments of all other investors and can lead to considerable losses for them.
Term risk	It is not possible for the sub-fund to redeem units before the sub-fund's term has expired (including extensions, if applicable). According to the contractual conditions of the sub-fund, an investor cannot request the redemption of his units before the end of the sub-fund's term (possibly including extensions). Deviating from this, something else may apply if this is necessary to comply with applicable laws or regulations.
Multiple cost levels	The Fund and its investments incur and / or charge management and / or administrative costs and expenses and incentive awards, respectively. Investors pay their share of these fees proportionally.
Tax Risks	There are complex income tax and other tax considerations associated with investing in the Fund. They are different for every prospective investor. Every prospective investor is encouraged to read the information in the supplement to the prospectus on tax aspects for German investors and to consult their tax advisor on income tax issues and other tax implications of an investment in the fund.
Dependence on Partners Group (Luxembourg) S.A.	Partners Group (Luxembourg) S.A. has full discretion in identifying, structuring, allocating, executing, managing, monitoring and liquidating the investments of the Sub-Fund. A prior consultation with the investors does not take place. Accordingly, an investor must rely on the skills of the manager. An investor should not invest in the Fund if they are unwilling to entrust all of the Fund's investment and management decisions to the Manager.
Currency risk	The sub-fund's assets may be invested in a currency other than the fund's currency. The sub-fund receives the income, repayments and proceeds from such investments in the other currency. If the value of this currency falls in relation to the sub-fund currency, the value of such investments and thus also the value of the fund's assets are reduced.
Risks in connection with foreign currency hedging transactions	The Fund may enter into hedging transactions to protect against unfavorable currency, interest rate or other risks. While such transactions reduce certain risks, they can introduce other risks. Unforeseen changes in exchange rates or other factors can result in a poorer overall performance of the fund than if it had not entered into any hedging transactions.