



**Partners Group**  
REALIZING POTENTIAL IN PRIVATE MARKETS

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# INTERIM REPORT & FINANCIAL STATEMENTS

PARTNERS GROUP GENERATIONS FUND

30 June 2018

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## Directory

### Registered Office of the Company

14th Floor, 110 Bishopsgate  
London EC2N 4AY  
United Kingdom

### Authorised Corporate Director

Partners Group (UK) Limited  
14th Floor, 110 Bishopsgate  
London EC2N 4AY  
United Kingdom

### Investment Adviser

Partners Group AG  
Zugerstrasse 57  
6341 Baar  
Switzerland

### Depository

The Bank of New York Mellon (International) Limited  
Principal Place of Business  
One Canada Square  
London E14 5AL  
United Kingdom

### Registrar

The Bank of New York Mellon (International) Limited  
One Canada Square  
London E14 5AL  
United Kingdom

### Auditor

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT  
United Kingdom

### Legal Adviser

Macfarlanes LLP  
20 Cursitor Street  
London EC4A 1LT  
United Kingdom

**The Authorised Corporate Director's Report**

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The Authorised Corporate Director ("ACD") presents herewith the interim long report ("the report") for Partners Group Generations Fund ("the Company") for the six month period to 30 June 2018.

**The Company**

The Company is an Investment Company with Variable Capital ("ICVC") under regulation 12 (Authorisation) of the Open-Ended Investment Company Regulations 2001 ("the OEIC Regulations"). The Company is incorporated in England & Wales with registered number IC001047 and was recognised as an authorised OEIC by the FCA on 22 January 2016. The Instrument of Incorporation can be inspected at the office of the ACD.

The company is a Non-UCITS Retail Scheme ("NURS") fund of alternative investment funds ("FAIF"). The company is an AIF for the purposes of AIFMD.

The Company has an "umbrella" structure meaning that it comprises a number of separate Sub-funds holding different portfolios of assets. The Company currently has only one Sub-fund in existence. Further Sub-funds may be made available in due course, as the ACD may decide.

The ACD of the Company is Partners Group (UK) Limited. The ACD is the sole director of the Company and is authorised and regulated by the Financial Conduct Authority.

**The TEF Regime**

The Partners Group Generations Fund I Sub-fund has had an application accepted by HM Revenue and Customs to be treated as a Tax Elected Fund ("TEF").

The broad aim of the Tax Elected Fund (TEF) regime is to move the point of taxation from an authorised investment fund (AIF) structured as an OEIC to the investors in the fund. This is, broadly, achieved either by virtue of the fund's income being exempt or by treating distributions by the fund of its taxable income to investors as deductible interest paid by the fund. A TEF may, however, have other categories of taxable receipt which remain subject to taxation in the fund.

The ACD conducted the affairs of the Partners Group Generations Fund I Sub-fund in a way which satisfied all of the TEF Conditions throughout the accounting period, which allows it to continue to be treated as a TEF. However, no assurance can be given that such conditions will be satisfied at all times in future accounting periods.

**Protected Cell**

On 21 December 2011, the Open Ended Investment Companies Regulations 2011 (as amended) ("the Regulations") were amended to introduce a Protected Cell Regime for OEICs. Under the Protected Cell Regime, each Sub-fund represents a segregated portfolio of assets and accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other Sub-funds and shall not be available for such purpose. The shareholders of the Company are not liable for the debts of the Company.

**Security Financing Transactions (SFTs)**

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) are required on all report & accounts published after 13 January 2017. For the period to 30 June 2018 and at the balance sheet date, the Partner Group Generations Fund did not engage in SFTs.

**Sub-fund cross-holdings**

The Company currently has only one Sub-fund in existence therefore there are no cross holdings at the end of the period.

**Certification of the Interim Report by the ACD**

This report is signed in accordance with the requirement of the COLL sourcebook.

*FOR and on behalf of Partners Group  
(UK) Limited*

In accordance with COLL 4.5.8BR, the interim report and the financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 31 August 2018.

**Andrew Campbell**  
Director

*31 August 2018*

**Sergio Jovele**  
Director

## Manager's Report

### Investment objective and policy

The Sub-fund provides the opportunity to invest in private market asset classes through a more liquid vehicle than traditional funds investing in private equity, private real estate, private infrastructure or private debt.

The Sub-fund is a fund of alternative investment funds. The Sub-fund's objective is to provide long term capital growth. The Sub-fund aims to provide this via a portfolio comprising:

- transferable securities (including equity, debt and hybrid instruments) predominantly comprising listed infrastructure, listed real estate, listed private equity, opportunistic fixed income/insurance linked, high yield bonds and certain senior loans;
- unregulated collective investment schemes investing in private market investments such as private equity, private real estate, private infrastructure and/or private debt (including senior loans); and
- other instruments and underlying funds as determined by the ACD and permitted by the Sourcebook including warrants, money market instruments, regulated collective schemes, cash and near cash and deposits.

The ACD will determine the asset allocation of the Sub-fund's assets and will direct investments ensuring the proper diversification and spread of investment amongst the Sub-fund. This allocation will be reviewed and, if required, rebalanced regularly. Derivatives and forward transactions will only be used for Efficient Portfolio Management (FX hedging) purposes.

### Performance review

Throughout the first half year, Partners Group Generations Fund I ("the Fund") profited from the solid operational development of its underlying private equity direct investments like Civica, Allied Universal and CPA Global as well as from recently acquired Project Paris 2.0. The private equity direct investment revaluations were mainly attributable to the portfolio companies' positive financial development. In addition, two of the three companies executed add-on transactions to strengthen their offering and to build out their platforms.

Project Paris 2.0 is a secondary acquisition of 20 funds containing high quality buyout, special situations and venture capital assets rarely seen in the secondary market. The portfolio consists of attractive inflection assets, with meaningful value uplift potential given the investment vintages of underlying portfolio companies and minimal public exposure.

### Activity review

In January, Partners Group completed an investment in Stratford School Holdings, a California-based private school operator, specializing in early childhood to eighth grade education. Stratford's curriculum and teaching practices have received high recognition from leading institutions such as the White House and the US Department of Education. Each year, over 90% of graduates are admitted into top choice private high schools or are placed into advanced placement classes in public high schools. Partners Group believes that the company is an attractive investment opportunity given its strong branding and high cash flow visibility. Going forward, Stratford will focus on expanding its operations in South California, entering the adjacent market for high school education and enhancing its course offerings.

In February the Fund invested in Project Dante, a portfolio of six Italian shopping centers that comprise a total of 79'311sqm in gross leasable area. The portfolio is more than 95% occupied, with a diversified tenant base and a weighted average lease term above five years. Partners Group considers this investment attractive due to the historically stable net operating income levels. Additionally, the expected rental income is approximately 80% contracted and hence not dependent on lease renewals, providing downside protection in the event of a lack of liquidity. Further, Partners Group has significant visibility over the portfolio, and has in place a pre-agreed, quantifiable set of value creation initiatives to be implemented within the first two years of the holding period, which is expected to have a positive impact on the existing rent level.

## Manager's Report (continued)

### Activity review (continued)

In March, capital was invested to acquire the Botanic Tower, a 29'895sqm, 19-story office building located in Brussels, Belgium. Situated in the North District next to the train station and overlooking the Botanical Garden, the asset stands to benefit from the lack of good quality grade A and B office space in its vicinity. Furthermore, the area is under-served in terms of multi-let buildings that offer flexible floor plates to smaller tenants. Partners Group considers the transaction attractive due to the building's discounted entry basis and strategic location, as well as the positive demand and supply dynamics in the submarket.

Furthermore in March, Partners Group invested in Refresco Group, an independent bottler for retailers and branded beverage companies across Europe and North America, alongside PAI Partners. The company has a market leading position in both private label and packaging, and is the only global player to offer a full set of products and packaging types. It produces approximately twice as much private label drinking products as compared to its closest competitor and has a significant market share in Europe's packaging market segment. Partners Group's investment thesis centers on the resilient characteristics of Refresco's business, which is underpinned by the non-cyclical nature and robust growth of outsourced subsector of the beverage market, as well as its sticky customer base. As the only bottling company that has the scale to cater to large retailers and brands, the company has secured long-term relationships with its blue chip customer base; enabling it to maintain a history of profitable growth and strong cash flow generation, even during market downturns. Since 2000, Refresco has made several add-on acquisitions to broaden its service offerings, expand its customer base in new geographies and enter new product segments, particularly in co-packing. Looking ahead, Refresco aims to create further value creation opportunities through strategic accretive acquisitions to extract synergies and complement its business.

In May, Partners Group and Charlesbank Capital Partners acquired Hearthside Food Solutions ("Hearthside"), the largest independent bakery in the US, in partnership with management. Hearthside produces a broad range of high-quality nutrition bars, cookies, cereals and other baked foods and snacks for some of the world's premier food brands. Following the investment, Partners Group and Charlesbank will work closely with Hearthside's management team on a number of value creation initiatives. These will be focused on promoting organic growth by providing customers with an even wider range of innovative product solutions, executing select add-on acquisitions to further expand the business into adjacent industries and geographies, and optimizing existing manufacturing processes.

### Investment outlook

Partners Group will continue to identify attractive investment opportunities with value creation potential. Partners Group's conviction is that outperformance can only be achieved by having a value creation-focused investment process (i.e. focused on unlocking unrealized value), from sourcing, through due diligence and continuing during ownership. For new investments, Partners Group's relative value outlook has remained relatively unchanged over the past six months.

With respect to private equity investments, Partners Group focuses on platform companies with the potential to build a resilient market leader at a reasonable price. Those are leading companies with a strong management team and company infrastructure in fragmented industries, which can be further expanded through add-on acquisitions. This allows to bring small or lower mid-market business into the platform company's corporate infrastructure at lower acquisition multiples. Next to such platform investments, the focus is on finding 'category winners' that are leaders in terms of market share or growth potential in sub-sectors benefitting from trend-based tailwinds and also seek out niche leaders, not only with value creation potential but also with strong defensive capabilities.

Regarding private debt investments, Partners Group continues to see attractive relative value in large-cap second lien investments in the US and remains highly selective in the second lien space in Europe amid the highly competitive environment. In both, the US and Europe, Partners Group continues to overweight small to mid-cap first lien investments.

**Manager's Report (continued)****Investment outlook (continued)**

On the direct infrastructure side, Partners Group targets, like for private equity assets, the acquisition of platforms. Another focus area is the proactive building of core infrastructure. That means seeking out opportunities where strong long-term fundamentals in a particular market support the demand for building a select type of infrastructure. Finally, the focus lies on operational value creation, such as infrastructure investments that offer the potential to enhance operational value through growth and efficiency improvements.

The table below shows the top purchases and sales for the period:

| <b>Purchases</b>   | <b>£</b>   | <b>Sales</b>                                | <b>£</b> |
|--|------------|---|----------|
| Partners Group Generations S.A.,<br>SICAV-SIF - Private Markets<br>(GBP) Fund* | 26,750,000 | Kinnevik                                    | 700,733  |
| Partners Group Generations S.A.,<br>SICAV-SIF - Loan Access Fund*              | 10,269,539 | Eurocommercial                              | 671,058  |
| Partners Group Generations (GBP)<br>IC Limited*                                | 3,500,000  | Mid-America Apartment Communities           | 670,695  |
| Partners Group Generations (EUR)<br>IC Limited*                                | 2,725,307  | Sempra Energy                               | 442,032  |
| Partners Group Generations (USD)<br>IC Limited*                                | 1,770,538  | Apollo Global Management 'A'                | 433,474  |
| Wind Tre 2.75% FRN 20/1/2024   | 1,625,296  | Ferrovial                                   | 403,378  |
| TeamSystem 4% FRN 15/4/2023  | 1,259,169  | Veolia Environnement                        | 372,993  |
| Vinci  | 1,209,296  | Arrow Global Finance 4.75%<br>FRN 01/5/2023 | 338,934  |
| Virgin Media Receivables Financing<br>Notes I DAC 5.5% 15/9/2024               | 1,115,702  | Eurazeo                                     | 74,469   |
| Edison International   | 959,831    | APA   | 37,587   |

\*Related party investment.

**Partners Group Generations Fund I** continued**Fund Information****Launch date**

3 May 2016

**Accounting dates**

30 June (Interim)

31 December (Final)

**Income allocation dates**

31 August (Interim)

30 April (Final)

**Synthetic Risk and Reward Indicator (SRRRI)**

The Risk and Reward Indicator below demonstrates in a standard format where the Sub-fund ranks in terms of its potential risk and reward. It is based on simulated historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Sub-fund. The shaded area in the table below shows the Sub-fund's ranking. The higher the rank the greater the potential reward but the greater the risk of losing money.



The Sub-fund is in the above risk category because it invests in less liquid private markets as well as opportunistic fixed income. The category shown is not guaranteed to remain unchanged and may shift over time. The risk and reward profile above is calculated by the ACD on a scale of 1-7 using standard calculations based on simulated historic volatility of the Sub-fund. The lowest category does not mean a Sub-fund is a risk free investment. The Sub-fund is subject to different risks which are not included in the risk reward indicator calculation.



**Fund Facts****Distribution Information****B Class Accumulation Shares**

The distribution payable on 31 August 2018 is 0.0000p net per share for accumulation shares.

**J Class Accumulation Shares**

The distribution payable on 31 August 2018 is 0.0000p net per share for accumulation shares.

**P Class Accumulation Shares**

The distribution payable on 31 August 2018 is 0.0000p net per share for accumulation shares.

**Performance Records**

| Net asset values             | Net asset value<br>of Sub-fund | Net asset value<br>per share | Shares<br>in issue |
|------------------------------|--------------------------------|------------------------------|--------------------|
| <b>31 December 2016</b>      |                                |                              |                    |
| B Class Accumulation Shares  | 18,168,224                     | 108.24                       | 16,784,822         |
| P Class Accumulation Shares  | 6,478,702                      | 101.22                       | 6,400,331          |
| <b>31 December 2017</b>      |                                |                              |                    |
| B Class Accumulation Shares  | 28,224,570                     | 119.54                       | 23,610,387         |
| J Class Accumulation Shares† | 45,352,850                     | 100.81                       | 44,990,010         |
| P Class Accumulation Shares  | 36,002,874                     | 111.82                       | 32,198,002         |
| <b>30 June 2018</b>          |                                |                              |                    |
| B Class Accumulation Shares  | 28,481,114                     | 120.63                       | 23,610,387         |
| J Class Accumulation Shares† | 132,698,978                    | 101.97                       | 130,134,969        |
| P Class Accumulation Shares  | 42,069,353                     | 112.87                       | 37,273,006         |

† J Class Accumulation Shares launched on 13 November 2017.

## Partners Group Generations Fund I continued

## Portfolio Statement

as at 30 June 2018

| Investment  | Currency | Holding   | Market Value (£)  | Total Net Assets (%) |
|---|----------|-----------|-------------------|----------------------|
| <b>Transferable securities admitted to an official stock exchange</b> |          |           |                   |                      |
| <b>Corporate Bonds 7.62% (2017 - 8.92%)</b>                           |          |           |                   |                      |
| Arrow Global Finance 5.125% 15/9/2024                                 | GBP      | 500,000   | 462,185           | 0.23                 |
| Crayon 6.67% FRN 06/4/2020  | NOK      | 6,750,000 | 642,789           | 0.32                 |
| GLX AS 6.27% FRN 08/12/2023   | NOK      | 8,500,000 | 811,642           | 0.40                 |
| HCA 5.875% 01/5/2023  | USD      | 1,080,000 | 848,703           | 0.42                 |
| Inmarsat Finance 6.5% 01/10/2024                                      | USD      | 1,800,000 | 1,366,787         | 0.67                 |
| Læringsverkstedet 5.02% FRN 01/6/2022                                 | NOK      | 8,500,000 | 794,706           | 0.39                 |
| ML 33 AS 5.5% 27/12/2021  | NOK      | 9,000,000 | 849,967           | 0.42                 |
| MPT Operating Partnership 5.5% 01/5/2024                              | USD      | 1,895,000 | 1,453,276         | 0.71                 |
| Picard 3% FRN 30/11/2023  | EUR      | 2,130,000 | 1,839,382         | 0.90                 |
| SIG Combibloc 7.75% 15/2/2023   | EUR      | 970,000   | 887,064           | 0.44                 |
| SoftBank 6% 30/7/2025   | USD      | 1,100,000 | 846,056           | 0.42                 |
| TeamSystem 4% FRN 15/4/2023   | EUR      | 1,420,000 | 1,251,408         | 0.61                 |
| Virgin Media Receivables Financing Notes I                            |          |           |                   |                      |
| DAC 5.5% 15/9/2024  | GBP      | 1,960,000 | 1,927,660         | 0.95                 |
| Wind Tre 2.75% FRN 20/1/2024  | EUR      | 2,045,000 | 1,500,577         | 0.74                 |
|   |          |           | <b>15,482,202</b> | <b>7.62</b>          |
| <b>Equities 19.41% (2017 - 20.23%)</b>                                |          |           |                   |                      |
| Ackermans & van Haaren  | EUR      | 2,500     | 324,121           | 0.16                 |
| Aena  | EUR      | 10,210    | 1,403,621         | 0.69                 |
| American Water Works  | USD      | 25,500    | 1,649,267         | 0.81                 |
| APA   | AUD      | 103,763   | 571,396           | 0.28                 |
| Apollo Global Management 'A'  | USD      | 17,500    | 422,439           | 0.21                 |
| Ares Capital  | USD      | 77,647    | 967,463           | 0.48                 |
| Ares Management   | USD      | 36,000    | 564,439           | 0.28                 |
| Atlantia  | EUR      | 62,100    | 1,389,458         | 0.68                 |
| Atmos Energy  | USD      | 19,800    | 1,351,844         | 0.66                 |
| Brookfield Infrastructure Partners                                    | USD      | 46,200    | 1,343,746         | 0.66                 |
| Castellum   | SEK      | 106,800   | 1,311,156         | 0.64                 |
| Cellnex Telecom   | EUR      | 42,600    | 813,384           | 0.40                 |
| CK Infrastructure   | HKD      | 138,000   | 774,738           | 0.38                 |
| Crown Castle International  | USD      | 20,600    | 1,683,107         | 0.83                 |
| Edison International  | USD      | 22,000    | 1,054,300         | 0.52                 |
| Enbridge  | CAD      | 75,700    | 2,046,912         | 1.01                 |
| Eurazeo   | EUR      | 4,538     | 258,856           | 0.13                 |
| Eurocommercial  | EUR      | 21,200    | 678,700           | 0.33                 |
| Eutelsat Communications   | EUR      | 57,100    | 884,715           | 0.43                 |
| Ferrovial   | EUR      | 47,800    | 742,734           | 0.37                 |
| Flughafen Zuerich   | CHF      | 6,400     | 987,094           | 0.49                 |
| Fortis  | CAD      | 32,300    | 780,951           | 0.38                 |
| Gimv  | EUR      | 19,100    | 878,355           | 0.43                 |
| Intermediate Capital  | GBP      | 58,000    | 638,580           | 0.31                 |
| Investor 'B'  | SEK      | 31,600    | 975,481           | 0.48                 |
| Italgas   | EUR      | 194,000   | 809,627           | 0.40                 |
| KKR   | USD      | 37,400    | 703,950           | 0.35                 |
| Link REIT   | HKD      | 97,000    | 670,987           | 0.33                 |
| Mid-America Apartment Communities                                     | USD      | 9,240     | 704,557           | 0.35                 |
| National Grid   | GBP      | 96,775    | 811,362           | 0.40                 |
| New Mountain Finance  | USD      | 51,722    | 532,792           | 0.26                 |
| Onex  | CAD      | 10,200    | 562,360           | 0.28                 |
| Partners  | CHF      | 1,770     | 982,208           | 0.48                 |
| Republic Services   | USD      | 10,600    | 548,848           | 0.27                 |
| Sofina  | EUR      | 2,850     | 364,457           | 0.18                 |
| Solar Capital   | USD      | 31,817    | 492,588           | 0.24                 |

**Portfolio Statement** continued  
as at 30 June 2018

| Investment   | Currency | Holding    | Market Value (£)   | Total Net Assets (%) |
|--|----------|------------|--------------------|----------------------|
| <b>Equities (continued)</b>  |          |            |                    |                      |
| Terna  | EUR      | 142,000    | 581,563            | 0.29                 |
| TransCanada  | CAD      | 24,700     | 808,827            | 0.40                 |
| Two Harbors Investment   | USD      | 34,300     | 410,483            | 0.20                 |
| Union Pacific  | USD      | 17,300     | 1,856,646          | 0.91                 |
| Veolia Environnement   | EUR      | 61,400     | 993,694            | 0.49                 |
| Vinci  | EUR      | 25,500     | 1,855,078          | 0.91                 |
| Vonovia  | EUR      | 18,000     | 650,595            | 0.32                 |
| Wendel   | EUR      | 5,950      | 620,915            | 0.31                 |
|  |          |            | <b>39,458,394</b>  | <b>19.41</b>         |
| <b>Fund Investments 57.95% (2017 - 60.43%)</b>                                       |          |            |                    |                      |
| BBGI   | GBP      | 1,206,000  | 1,628,100          | 0.80                 |
| HG Capital Investment Trust  | GBP      | 44,900     | 868,815            | 0.43                 |
| ICG Enterprise Trust   | GBP      | 71,000     | 606,340            | 0.30                 |
| Partners Group Generations (EUR) IC Limited <sup>1</sup>                             | EUR      | 5,908,715  | 10,219,598         | 5.03                 |
| Partners Group Generations (GBP) IC Limited <sup>1</sup>                             | GBP      | 3,500,000  | 3,963,676          | 1.95                 |
| Partners Group Generations (USD) IC Limited <sup>1</sup>                             | USD      | 8,583,736  | 10,358,263         | 5.10                 |
| Partners Group Generations S.A., SICAV-SIF - Loan Access Fund <sup>1</sup>           | USD      | 3,442,907  | 27,833,499         | 13.69                |
| Partners Group Generations S.A., SICAV-SIF - Private Markets (GBP) Fund <sup>1</sup> | GBP      | 4,497,471  | 62,301,002         | 30.65                |
|  |          |            | <b>117,779,293</b> | <b>57.95</b>         |
| <b>Derivatives</b>   |          |            |                    |                      |
| <b>Forward Currency Contracts (0.26%) (2017 - 0.19%)</b>                             |          |            |                    |                      |
| Buy GBP-44,912,429 / Sell EUR-50,900,000   | GBP      | 44,912,429 | (213,122)          | (0.10)               |
| Buy GBP-4,774,226 / Sell EUR-5,400,000   | GBP      | 4,774,226  | (13,160)           | (0.01)               |
| Buy GBP-62,327,480 / Sell USD-82,800,000   | GBP      | 62,327,480 | (220,701)          | (0.11)               |
| Buy GBP-4,517,936 / Sell USD-6,100,000   | GBP      | 4,517,936  | (97,458)           | (0.05)               |
| Buy GBP-2,960,368 / Sell USD-3,900,000   | GBP      | 2,960,368  | 14,258             | 0.01                 |
| Buy USD-2,800,000 / Sell GBP-2,108,713   | USD      | 2,800,000  | 6,443              | —                    |
|  |          |            | <b>(523,740)</b>   | <b>(0.26)</b>        |
| <b>Portfolio of investments</b>  |          |            | <b>172,196,149</b> | <b>84.72</b>         |
| <b>Net current assets</b>  |          |            | <b>31,053,296</b>  | <b>15.28</b>         |
| <b>Total net assets</b>  |          |            | <b>203,249,445</b> | <b>100.00</b>        |

<sup>1</sup>Related party investments which are unlisted securities.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

**Financial Statements****Statement of total return**

for the period 1 January 2018 to 30 June 2018

|   | 01/01/2018 to 30/06/2018 |                  | 01/01/2017 to 30/06/2017 |                  |
|---|--------------------------|------------------|--------------------------|------------------|
|   | £                        | £                | £                        | £                |
| Income  |                          |                  |                          |                  |
| Net capital gains   |                          | 2,856,613        |                          | 1,391,696        |
| Revenue   | 1,236,210                |                  | 271,391                  |                  |
| Expenses  | (1,605,425)              |                  | (408,399)                |                  |
| Interest payable and similar charges  | (680)                    |                  | (546)                    |                  |
| Net expense before taxation   | (369,895)                |                  | (137,554)                |                  |
| Taxation  | (75,680)                 |                  | (126,367)                |                  |
| Net expense after taxation  |                          | (445,575)        |                          | (263,921)        |
| <b>Total return before distributions</b>  |                          | <b>2,411,038</b> |                          | <b>1,127,775</b> |
| Distributions   |                          | —                |                          | —                |
| <b>Change in net assets attributable to shareholders from investment activities</b> |                          | <b>2,411,038</b> |                          | <b>1,127,775</b> |

**Statement of change in net assets attributable to shareholders**

for the period 1 January 2018 to 30 June 2018

|  | 01/01/2018 to 30/06/2018 |                    | 01/01/2017 to 30/06/2017 |                   |
|--|--------------------------|--------------------|--------------------------|-------------------|
|  | £                        | £                  | £                        | £                 |
| <b>Opening net assets attributable to shareholders</b>                       |                          | <b>109,580,294</b> |                          | <b>24,646,926</b> |
| Amounts receivable on issue of shares  | 91,426,868               |                    | 16,779,690               |                   |
| Amounts payable on cancellation of shares                                    | (168,755)                |                    | (2,000,000)              |                   |
|  |                          | 91,258,113         |                          | 14,779,690        |
| Dilution adjustment  |                          | —                  |                          | 2,802             |
| Change in net assets attributable to shareholders from investment activities |                          | 2,411,038          |                          | 1,127,775         |
| <b>Closing net assets attributable to shareholders</b>                       |                          | <b>203,249,445</b> |                          | <b>40,557,193</b> |

The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

## Financial Statements continued

**Balance sheet**

as at 30 June 2018

|  | 30/06/2018<br>£           | 31/12/2017<br>£           |
|--|---------------------------|---------------------------|
| <b>Assets</b>                                  |                           |                           |
| Fixed assets                                   |                           |                           |
| Investment assets                              | 172,740,590               | 98,522,603                |
| Current assets                                 |                           |                           |
| Debtors  | 670,305                   | 551,000                   |
| Cash and bank balances                         | 32,064,196                | 11,399,442                |
| Total assets                                   | <u>205,475,091</u>        | <u>110,473,045</u>        |
| <b>Liabilities</b>                             |                           |                           |
| Investment liabilities                         | (544,441)                 | (154,921)                 |
| Creditors                                      |                           |                           |
| Bank overdrafts                                | (244,570)                 | —                         |
| Creditors                                      | (1,436,635)               | (737,830)                 |
| Total liabilities                              | <u>(2,225,646)</u>        | <u>(892,751)</u>          |
| <b>Net assets attributable to shareholders</b> | <b><u>203,249,445</u></b> | <b><u>109,580,294</u></b> |

## Financial Statements continued

## Cash flow statement

for the period 1 January 2018 to 30 June 2018

|  | 01/01/2018 to 30/06/2018 |                   | 01/01/2017 to 30/06/2017 |                    |
|--|--------------------------|-------------------|--------------------------|--------------------|
|  | £                        | £                 | £                        | £                  |
| <b>Cash flows from operating activities</b>      |                          |                   |                          |                    |
| Net cash flow from operating activities          |                          | (1,526,574)       |                          | 467,403            |
| <b>Cash flows from investing activities</b>      |                          |                   |                          |                    |
| Payments to acquire investments                  | (73,478,020)             |                   | (19,852,979)             |                    |
| Receipts from sales of investments               | 4,167,345                |                   | 1,407,663                |                    |
|  |                          | (69,310,675)      |                          | (18,445,316)       |
| <b>Cash flows from financing activities</b>      |                          |                   |                          |                    |
| Servicing of finance:                            |                          |                   |                          |                    |
| Bank interest                                    | (680)                    |                   | (546)                    |                    |
| Financing:                                       |                          |                   |                          |                    |
| Amounts received on issue of shares              | 91,426,868               |                   | 17,479,690               |                    |
| Amounts paid on cancellation of shares           | (168,755)                |                   | (2,000,000)              |                    |
| Dilution adjustment                              | —                        |                   | 2,802                    |                    |
|  |                          | 91,257,433        |                          | 15,481,946         |
| <b>Net increase/(decrease) in cash in period</b> |                          | <b>20,420,184</b> |                          | <b>(2,495,967)</b> |

**Notes to the Financial Statements**

as at 30 June 2018

**Accounting policies**

The financial statements have been prepared on a going concern basis in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (now known as the Investment Association) in May 2014 (the "SORP").

The Interim Financial Statements have been prepared in accordance with accounting policies set out in the most recent Annual Financial Statements.

**Other information****Pricing basis**

The Company deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the sale or redemption is agreed.

**Subscriptions, Redemptions and Switches of Shares in the Company**

The dealing office of the Registrar is open from 9.00 a.m. until 5.00 p.m. GMT on each Dealing Day to receive requests for the subscription, redemption and switching of Shares, which will be effected at prices determined at the next Valuation Point following acceptance of such request. Valid instructions for subscriptions, redemptions and/or switches will be processed by the Registrar.

There is an initial offer period of one day from launch of a Sub-fund and the initial offer period will end after this time. The initial price of a Share is £1.00 (Shares will not be redeemed or issued in any other currency). Please note that if in the reasonable opinion of the ACD, the operation of the Company is not viable at the end of the initial offer period, the ACD may, subject to compliance with the Sourcebook and subject to the agreement of the Depositary, wind up the Company or consider any other alternative as may be appropriate in the circumstances.

**Publication of Prices**

Shareholders can obtain the price of their Shares from the Registrar or on the following webpage: [www.pgenerationsfund.com](http://www.pgenerationsfund.com).