



## ifund fundmanager interview



with Markus Pimpl, Partners Group Listed Investments SICAV – Listed Infrastructure

“A more stable development in challenging market environments”

Zug, May 11<sup>th</sup> 2016

**ifund:** What is your fund all about and what differentiates it from your competitors?

**Markus Pimpl:** Partners Group Listed Investments SICAV – Listed Infrastructure is a daily liquid fund investing in infrastructure operators globally. The fund targets core infrastructure companies, i.e. the actual owners and operators of core infrastructure assets that exhibit a monopoly-like market situation. Partners Group emphasizes the combination of a top-down and bottom-up approach while most listed infrastructure managers follow a pure bottom-up approach. We believe that regulation, the political environment as well as macro-economic and technological factors can have a major impact on achievable returns and that top-down considerations are therefore of great importance.

**ifund:** How do you add value for your investors?

**Pimpl:** We believe that active management has the potential to add significant value when investing in listed infrastructure. Consequently we construct our portfolio independently, without reference to infrastructure indices which in our view are overly exposed to certain sectors, geographies and regulatory regimes. Our listed infrastructure portfolios tend to be more diversified both from a sector and geography point of view, which helps to mitigate regulatory or sector-specific risks. For example, our decision to significantly reduce pipeline exposure in late 2014/throughout 2015 meant that the impact of falling oil prices on our portfolio was limited. Partners Group also avoids sectors that do not meet our core infrastructure definition, such as power generation which is heavily exposed to energy prices. We have been investing with the same strategy since 2006, thereby demonstrating one of the longest track records in the industry. Furthermore, the

Fund benefits from the profound knowledge about the regulatory and political environment of Partners Group, s global private infrastructure investment team.

**ifund:** How do you generate investment ideas?

**Pimpl:** We have been investing in private infrastructure since 2001 and in listed infrastructure since 2005. As a result, we cover a universe of listed core infrastructure companies that we actively follow and decide on sector allocations top-down by analyzing return drivers, regulation, etc. This helps us to identify the most attractive risk-adjusted investment opportunities at a given point in time.

At a portfolio level, we monitor changing demographic, social and technological trends that can help identify long-term investment themes. For example, population growth and the demands this places on transport infrastructure and utilities, or the increase in data consumption and the need for new communications infrastructure. We continue to research new ideas. Finally the overall regulatory attractiveness and potential changes of infrastructure sectors and individual companies play a major role in generating investment ideas.

**ifund:** How is your team structured and who is responsible for the investment decisions?

**Pimpl:** The team consists of seven individuals, based in Zug, London and Singapore. Reto Munz and myself are responsible for the investment decisions.

**ifund:** In which market environment does your investment style work best?

**Pimpl:** Partners Group Listed Investments SICAV – Listed Infrastructure was launched almost ten years

ago and has outperformed broader equity markets. While the Fund was able to develop in line with equity markets in upwards trending markets, the portfolio has proven its defensive characteristic with exposure to inelastic demand and steady, typically inflation-linked, cash-flows which resulted in a more stable development in challenging market environments.

**ifund:** *Where do you currently see the best potential and largest risks in the market?*

**Pimpl:** The biggest risk in the market, as always, is market sentiment. Minor events have nowadays the potential to trigger major corrections. That unfortunately also results in drawdowns for companies that are usually not at all affected e.g. defensive infrastructure assets. However, the recovery is usually faster since the fundamentals typically do not change. Negative regulatory changes and deflation are the biggest risks currently. Even though we are still very cautious about Emerging Markets, they might offer opportunities selectively. Furthermore, we have a positive view on European transportation infrastructure.

**ifund:** *Which aspects of responsible investing do you consider in your investment process?*

**Pimpl:** Partners Group implemented responsible investing standards many years back on a firm wide level. Already in 2008, Partners Group became signatory to the United Nations Principles for Responsible Investments (UNPRI). In our listed funds we actually follow two strategies to ensure ESG compliant investment process: passively, like most of our peers, we ensure that we do not invest in companies that are „blacklisted“ by various organizations e.g. the Norwegian Government or the World Bank. In addition we apply an active approach that is based on internal assessment and monitoring of potential ESG-risks on company level, the framework of this active process is based on the UNPRI principles. We constantly receive positive feedback in client meetings about the thoroughness of the ESG factors within our investment processes.

**ifund:** *How do you invest your own personal assets?*

**Pimpl:** My personal investment philosophy typically matches my professional convictions. Diversification, yield sources outside the „mainstream“ and capital protection are key. Private equity and infrastructure obviously plays a major role in this concept. I have also a significant part of my portfolio invested in Partners Group Holding AG shares.

**ifund:** *What do you do in your leisure time? What is your preferred hobby and why?*

**Pimpl:** In my leisure time I enjoy running, sailing and skiing.

#### About Partners Group

Partners Group is a global private markets investment manager, serving over 700 institutional investors worldwide. We have over EUR 46 billion in assets under management, including EUR 5 billion in dedicated infrastructure programs and more than 840 professionals across 18 offices worldwide. We realize potential in private markets by financing and developing great companies, desirable real estate and essential infrastructure. We create value in our investments through active and long-term responsible ownership.

#### About ifund

ifund provides fund research, manager selection and asset management based on liquid investment funds. Clients include banks, asset managers, family offices, pension funds and insurance companies in Europe. ifund has signed the UN Principles for Responsible Investment and integrates sustainability criteria in fund analysis. [www.ifundservices.com](http://www.ifundservices.com), [info@ifundservices.com](mailto:info@ifundservices.com), +41 44 286 8000

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