

WELCOME TO 2024

Dear Investors and readers, welcome to the Vantage Newsletter April 2024 edition. 2024 has seen a busy start with elevated deal activity across our portfolios, a refreshed corporate brand, a growing team, and the launch of our latest flagship Fund. We are energised by what the year holds and look forward to continuing to deliver on our objectives.

Private Equity activity in Australia across the first quarter has been elevated, particularly in the lower to mid-market segment. The momentum comes off the back of strong broader tailwinds for Australia's private sector as a desirable segment for both foreign and domestic sponsors to acquire high quality assets. Across Vantage's flagship strategy, five new investments have been completed, and added to our portfolios.

FINDEX GROUP - MERCURY FUND TWENTY2



VPEG5 investee Mercury Fund Twenty2 invested in Findex, Australia's sixth-biggest accounting firm, with \$17 billion in funds under advice and 3,000-plus staff. Mercury secured a significant minority stake in Findex from KKR. Under Mercury's leadership, Findex aims to triple the business size over the next five years. Mercury will focus on building the Findex team and investing in technology to grow the business to target markets, including underserved regional areas.



NUTUN AUSTRALIA – ALLEGRO FUND IV

VPEG4 & VPEG5 investee Allegro Fund IV completed the acquisition of Nutun Australia, via a corporate carveout deal from the company's South African parent. Nutun Australia is a provider of business process outsourcing services for Australia's largest banks, insurers, utilities and telecommunication providers. Their business process outsourcing is across credit collections, CV, insurance claims recovery, insource solutions and legal services. The team consists of 900 employees across Australia, New Zealand and Fiji. Allegro will leverage its expertise in complex corporate carve outs to broaden Nutun Australia's product offering in Australia and internationally.

FYFE - MERCURY FUND TWENTY2



VPEG5 investee Mercury Capital Twenty2 completed the acquisition of Fyfe, an Australian-owned and fully integrated engineering, environment, planning and survey firm operating in defence, energy, resources, renewables, property and infrastructure sectors. Fyfe is supported by a workforce of 465 staff operating across 16 offices in Australia. Mercury see this as an attractive opportunity in a fragmented market to consolidate and unlock economies of scale in a multi-disciplinary engineering, surveying and environmental firm.

GLOBEWEST – NEXT CAPITAL FUND V **GLOBEWEST**

VPEG5 investee Next Capital Fund V completed an investment in GlobeWest, a leading Australian designer and supplier of premium furniture into the B2B trade segment. Established in 2003 with operations across Australia and New Zealand, GlobeWest has developed a differentiated model which is focused specifically on servicing the trade channel. Next Capital will leverage the management team's 20 years of consistent growth by continuing to grow market share, improve operational & distributor efficiencies, focus on international expansion and enter into adjacent verticals.

MODUS PROJECTS – CPE CAPITAL 9



VPEG4 & VPEG5 investee CPE Capital 9 completed the acquisition of Modus Projects a leading provider of construction and facilities management across Australia. Established in 2010 Modus Projects has 11 branches nationwide offering facilities maintenance services, construction, project management and fit-outs servicing to tier one customers such as 7-Eleven, COS, Commonwealth Bank, Snap Fitness and Caltex Foodary.

Additionally, exit activity continues to increase as several underlying managers have executed on their investment value creation strategies, significantly improving the overall earnings of these businesses across the tenure of their investment.

Four portfolio companies that have engaged with sell-side advisors recently, are highlighted in the table below.

Deal Name	Fund	Status
HQ Travel Group	Mercury Capital Fund 2 (VPEG2)	Cameron Partners engaged to prepare a two-part sale process for Mercury's 71% stake.
Compass Education	Advent Partners 2 Fund (VPEG3)	RBC engaged to provide a strategic review of the business including M&A/capital raising opportunities.
Eptec Group	Next Capital Fund IV (VPEG3)	MA Moelis engaged to find bidders for strategically important asset.
Noisette	Next Capital Fund III (VPEG2)	KPMG engaged to find a buyer for the artisanal bread maker.

Upon the completion of the sale processes of these portfolio companies, anticipated across the next three to six months, Vantage will receive strong returns from each respective fund holdings in each portfolio company, providing elevated distributions to Vantage Fund investors through the 2024 calendar year.

WHY IS AUSTRALIAN PRIVATE EQUITY EXPERIENCING ELEVATED LEVELS OF DEAL ACTIVITY?

Australia holds a unique position as an attractive global market, thanks to a combination of favourable conditions. These include a relatively stable political and economic environment, robust regulatory frameworks, a highly skilled workforce, and diversified range of investment opportunities across key sectors such as finance, technology, healthcare, industrials, and energy. Furthermore, serving as the gateway to the dynamic Asia-Pacific region enhances Australia's attractiveness.

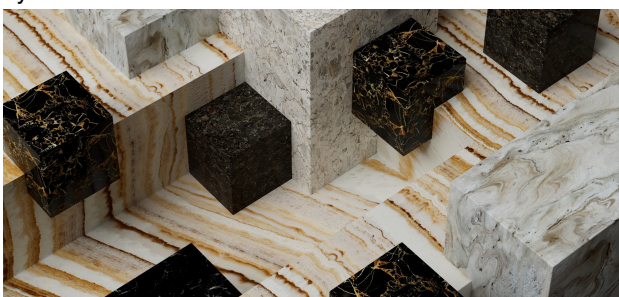
In recent years, there has been a noticeable increase in foreign involvement in Australian private equity deals. Data from Preqin reveals that ~58% of Australian private equity deals during FY22 and FY23 involved foreign acquirers or investors, compared to around 48% in the preceding period spanning FY19 to FY21.

Supported by ample dry powder and Australia's conducive market conditions, the private equity market is poised for continued robust growth, despite potential global economic headwinds. Australia stands poised to welcome heightened foreign investment interest, given its favourable market dynamics and investors' pursuit for diversification across geographical regions and industry sectors.

VANTAGE MODEL PROVING A COMPELLING WAY FOR INVESTORS TO GENERATE RETURNS FROM THESE TAILWINDS

Vantage's Fund of Funds strategy provides Investors with a significant level of diversification across Managers, Vintage Years, Financing stage, and Geography. This diversification results in an underlying portfolio of ~50 companies across a highly diverse range of industry sectors. This diversity means that during different market dynamics and cycles, Vantage's portfolios are well placed for deal activity and as a result, providing distributions to Investors.

The mid-market private equity space is particularly attractive as there are various avenues for exits for our portfolio companies. Vantage Funds are not reliant on equity markets to be open to facilitate an IPO. Many of our portfolio companies are sold on to other Sponsors, Corporates, or complete platform acquisitions that are attractive to offshore investors. This provides several different alternatives for an exit across a range of market cycles.



LAUNCH OF VANTAGE PRIVATE EQUITY GROWTH 6

Vantage is delighted to announce the launch of the latest fund in our flagship private equity strategy, Vantage Private Equity Growth 6 (VPEG6).

Building on Vantage's 20-year track record of global top quartile private equity returns, VPEG6 will follow Vantage's proven investment strategy and invest into 8-10 top quartile performing private equity funds in Australia within the lower to mid-market segment, diversified across vintage year, manager, geography, and financing stage.

Vantage provides unique access to private equity funds managed by the top quartile performing growth capital, turnaround and buyout private equity managers in the country. A Fund of Funds approach to investing offers investors significant advantages with the potential to deliver superior returns with lower risk than direct buyout funds.

Vantage funds have invested in 31 underlying funds who in turn have invested in 169 companies of which 88 have been sold. Those 88 exits to date have generated a 2.9x money multiple equating to an average gross IRR of 49.7% p.a.

[VIEW VPEG6 INVESTOR FACTSHEET](#)

[INVEST NOW](#)

If you wish to learn more about VPEG6 as a potential investment opportunity, please contact Vantage's Investor Services Team via email at info@vantageasset.com to request a meeting with a Vantage executive for more information.

WELCOME TO THE TEAM

Vantage is delighted to welcome three new team members as the business continues to grow. Paul Capito, Jack Leggott and Joseph Rodriguez bring a wealth of knowledge and experience in their respective fields and further bolster the diverse skillset and experience of the Vantage team.



PAUL CAPITO
Investment
Director



JACK LEGGOTT
Financial
Accountant



JOSEPH RODRIQUEZ
Head of
Private Capital



RELEASE OF NEW VANTAGE BRANDING & WEBSITE

On 7th March 2024, Vantage was pleased to announce the release of the firm's new branding, which signifies a distinctive logo reflecting Vantage's two-decade-long heritage of providing investors unique access to the attractive returns of private equity utilising the lowest risk approach.

The Vantage Elephant, an essential part of telling the story of our heritage, is a distinctive and memorable symbol. Embodying the core values of the Vantage brand – Confidence, Stability, Strength – it tells a story of confidence, positioning the firm as the standard-bearers rather than followers. Vantage also embarked on a journey to relaunch our website, which now provides all stakeholders with a compelling visual narrative of the firm across our various strategies, Primary, Secondary and Co-investment.

We invite you to learn more and explore our latest updates on www.vantageasset.com.



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