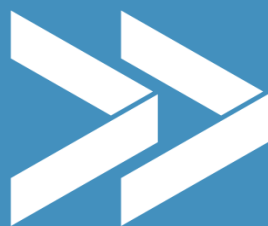


VPEG4

DIVERSIFY
GROW
OUTPERFORM



Vantage Private Equity Growth 4, LP
Quarterly Report
30 June 2021

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IMPORTANT INFORMATION

This report has been prepared by Vantage Private Equity Management Partnership, LP, an authorised representative of Vantage Asset Management Pty Limited (ABN 50 109 671 123) AFSL 279186 ('VAM') (in its capacity as Investment Manager of Vantage Private Equity Growth 4, LP). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should seek their own advice about an appropriate investment or investment strategy. It should not be relied upon as personal advice nor is it an offer of any financial product. All \$ referred to in this report are Australian dollars.

SUMMARY

Vantage Private Equity Growth 4 ('VPEG4') is a multi-manager Private Equity investment fund consisting of Vantage Private Equity Growth 4, LP (VPEG4, LP) an Australian Fund of Funds (AFOF) Limited Partnership and Vantage Private Equity Growth Trust 4A (VPEG4A) an Australian Unit Trust.

VPEG4, LP is unconditionally registered with the Australian Government Department of Industry, Innovation and Science as a complying investment for the Significant Investor Visa (SIV), focused on investing in the lowest risk sector, of the Venture Capital or Private Equity (VCPE) segment, Growth Private Equity.

VPEG4A has been established to undertake private equity investments that are not permitted to be made by an AFOF, in accordance with Australian regulations. As such only VPEG4 Investors that are not SIV investors, are unit holders in VPEG4A. VPEG4A also qualifies as a Managed Investment Trust (MIT) for Australian Tax purposes.

VPEG4 is focused on investing in professionally managed Private Equity funds that invest in businesses that are at a more mature stage of development, and in particular the Later Expansion and Buyout stages of Private Equity investment.

The Fund's investment objective for its Investment Portfolio is to achieve attractive medium term returns from its Private Equity investments while keeping the volatility of the overall investment portfolio low. This will be achieved by investing across a highly diversified portfolio of Private Equity assets, particularly profitable companies with proven products and services, with diversification obtained by allocating across fund manager, financing stage, industry sector, geographic region and Vintage Year.

VPEG4 will invest the majority of its Investment Portfolio into Australian based Private Equity funds who in turn are focused on investing into lower to mid-market sized companies headquartered in Australia and New Zealand, with enterprise value of between \$25m and \$250m at investment.

VPEG4 will develop a diversified portfolio of underlying investments by investing into between 6 to 8 underlying Private Equity funds, focused on investments into profitable companies in growth industry sectors including the Health Care, Consumer, Industrials, Information Technology and Agricultural Products sectors.

To date, VPEG4 has made a total of \$60 million of investment commitments across four Primary Private Equity funds. As a result, six underlying company investments exist within VPEG4's underlying portfolio at quarter end. VPEG4's investment commitments include; \$20 million to each of Advent Partners 2, CPE Capital 9 and \$10 million to each of Riverside Australia Fund III and Adamantem Capital Fund II.

SPECIAL POINTS OF INTEREST

VPEG4 commits \$20 million to Advent Partners 3 Fund, a \$400 million lower to mid market Growth Private Equity fund, managed by Advent Partners Pty Limited of Melbourne Australia

VPEG4 commits an additional \$10 million to CPE Capital 9 (CPEC 9) increasing the total investment commitment to CPEC 9 to \$20 million

VPEG4 investee Riverside Australia Fund III (RAF III) completes an investment in Smartways Logistics, a specialist provider of transport and logistic Services of medical devices, consumables and equipment in Australia and New Zealand

As at 30 June 2021, VPEG4 has made a total of \$60 million of investment commitments across four Primary Private Equity funds. As a result, six underlying company investments exist within VPEG4's underlying portfolio

PERFORMANCE

During the period 1 April 2021 to 30 June 2021, an additional \$30 million in Private Equity Commitments were approved by the VPEG4 Investment Committee, bringing the total Private Equity commitments of the Fund to \$60 million. In addition, one new underlying company investment was added to VPEG4's portfolio during the period.

As at 30 June 2021, VPEG4 had called 15% of investors Committed Capital (Capital Calls No. 1 & 2) to fund the calls from underlying Private Equity Funds; Riverside Australia Fund III's for the funds investments in Alpha-H (April 2019), Independent Living Specialists (March 2020), Altius Holdco Pty Ltd (March 2021) and recently completed investment Smartways Logistics (June 2021), and to Adamantem Capital Fund II for the funds investments in Climate Friendly & Linen Services Australia (both completed in March 2021).

It is anticipated that as new underlying company investments are made by VPEG4's managers throughout the remainder of CY21, the fund will be required to pay for its share of these underlying investments as they are completed. As a result, VPEG4 will be expecting to issue a Capital Call No. 3 to investors in the order of 5% to 10% of investors committed capital before year end, to the fund the anticipated new underlying company investments.

KEY PORTFOLIO DEVELOPMENTS

During the June 2021 quarter, VPEG4 continued its Private Equity investment program receiving investment committee approval for one new (primary) Private Equity Fund commitment, as well as increasing the investment commitment to an existing underlying fund.

During April 2021, VPEG4 completed an investment commitment of **\$20 million to Advent Partners 3 Fund (AP3)**, managed by Melbourne based lower to mid market growth private equity specialist, Advent Partners Pty Limited.

During June 2021, VPEG4 completed an additional investment commitment of **\$10 million to CPE Capital 9 (CPEC 9)**, increasing **VPEG4's total commitment to CPEC 9 to \$20 million**.

Furthermore, in June 2021 Riverside Australia Fund III announced an investment in Smartways Logistics, a specialist provider of transport and logistic Services of medical devices, consumables and equipment in Australia and New Zealand. This represents RAF III's fourth investment for that fund and VPEG4's sixth underlying investment.

Draw downs from VPEG4 during the quarter, totalling \$5,185,359 were paid to Adamantem Capital Fund II and Riverside Australia Fund III.

The calls were predominately used to fund the payment of the bridge financing facility used to acquire four previously finalised investments, as well as to fund the new investment completed during the June 2021 quarter.

VPEG4's underlying Private Equity managers' report that deal activity continues to remain strong. It is expected that Private Equity investment activity will remain elevated over the next three to six months as managers enter exclusive due diligence on a number of attractive investment opportunities, which will be added to VPEG4's portfolio, across the second half of CY21.

OVERVIEW OF NEW INVESTMENT COMMITMENT

ADVENT PARTNERS 3 FUND (AP3)

In April 2021, Vantage Private Equity Growth 4 completed a \$20 million investment commitment to Advent Partners 3 Fund (AP3).



Advent Partners 3 Fund, is managed by Advent Partners Pty Limited (<https://advent.com.au/>) of Melbourne Australia. AP3 is a target \$400 million growth private equity fund, focusing on investment into profitable companies in the lower to mid market businesses with an enterprise value of between \$30 million and \$200 million.

Established in 1984, Advent Partners is one of Australia's most experienced Private Equity fund managers. The Firm has operated continuously for over 36 years, establishing and managing seven funds and have invested in more than 85 private businesses. Since 2013, Advent partners has been led by its five Partners; Robert Radcliffe-Smith, Mark Jago, Brad Lynch, Symon Vegter and Rob Hooke have successfully worked together in private equity and invested for over 15 years.

The five Advent Partners have transitioned to become a specialist investment firm focused on four core sectors:

- I. Proven Technology & Software;
- II. Healthcare;
- III. Consumer Branded; and
- IV. Education & Training.

Advent Partners investment objective is to partner with and support management teams to build market leading businesses to generate top quartile Private Equity returns for investors.

OVERVIEW OF NEW UNDERLYING INVESTMENT

SMARTWAYS LOGISTICS – RIVERSIDE AUSTRALIA FUND III

On 16 June 2021, Riverside Australia Fund III completed an investment in Smartways logistics, a leading specialist provider of transport and logistics services for medical devices, consumables and equipment in Australia and New Zealand.



Established in 2004, Smartways is a specialist provider of logistics services to the medical and healthcare industries. The company is one of few specialist logistics providers of scale, with a broader service suite and network coverage than small specialists, but higher level of service than large generalists.

Smartways dedication to providing exceptional customer service through their domestic team, ease of access to decision makers and professional healthcare logistics couriers enables them to have a broad range of long-term client relationships with an average contract term of over eight to 10 years.

The company's focused B2B healthcare model means that they have limited competing market participants and enables them to assist medical and healthcare clients improve their stock turns, optimise stock holdings and achieve enhanced returns on capital invested in inventory.

Riverside completed the investment as it provides an attractive opportunity for Smartways to gain further market share, increase the term of contracts with existing clients, as well as accelerate expansion through new clients in a variety of medical verticals.

PORTFOLIO STRUCTURE

VPEG4's PORTFOLIO STRUCTURE - 30 JUNE 2021

The tables and charts below provide information on the breakdown of VPEG4's investments as at 30 June 2021

CURRENT INVESTMENT ALLOCATION

The following table provides the percentage split of each of the VPEG4 fund entity's current investment portfolio, across cash, fixed interest securities (term deposits) and Private Equity.

The Private Equity component of the portfolio is further broken down by the investment stage (Later Expansion or Buyout) of the underlying investments that currently make up VPEG4's Private Equity portfolio.

As at 30 June 2021, VPEG4, LP's investment portfolio consisted of five completed investments for which funds had been called from and paid by VPEG4, LP, including; Climate Friendly, Alpha-H, Independent Living Specialists, Altius Group and Smartways Logistics.

VPEG4, LP			
Cash	Fixed Interest Investments	Private Equity	
40.3%	0.7%	Later Expansion	41.5%
		Buyout	17.5%

As at June 2021, the Private Equity component of VPEG4A's investment portfolio consisted of one investment for which funds had been called from VPEG4A, Linen Services Australia.

VPEG4A			
Cash	Fixed Interest Investments	Private Equity	
0.0%	0.0%	Later Expansion	0.0%
		Buyout	100.0%

Subsequent to the June 2021 quarter end, a drawdown of \$3,000,000 was paid by VPEG4 to CPE Capital 9 to Fund VPEG4's share of CPE Capital 9's first portfolio company investment for that fund. Details of this underlying investment will be provided in the VPEG4 September 2021 quarterly investor report.

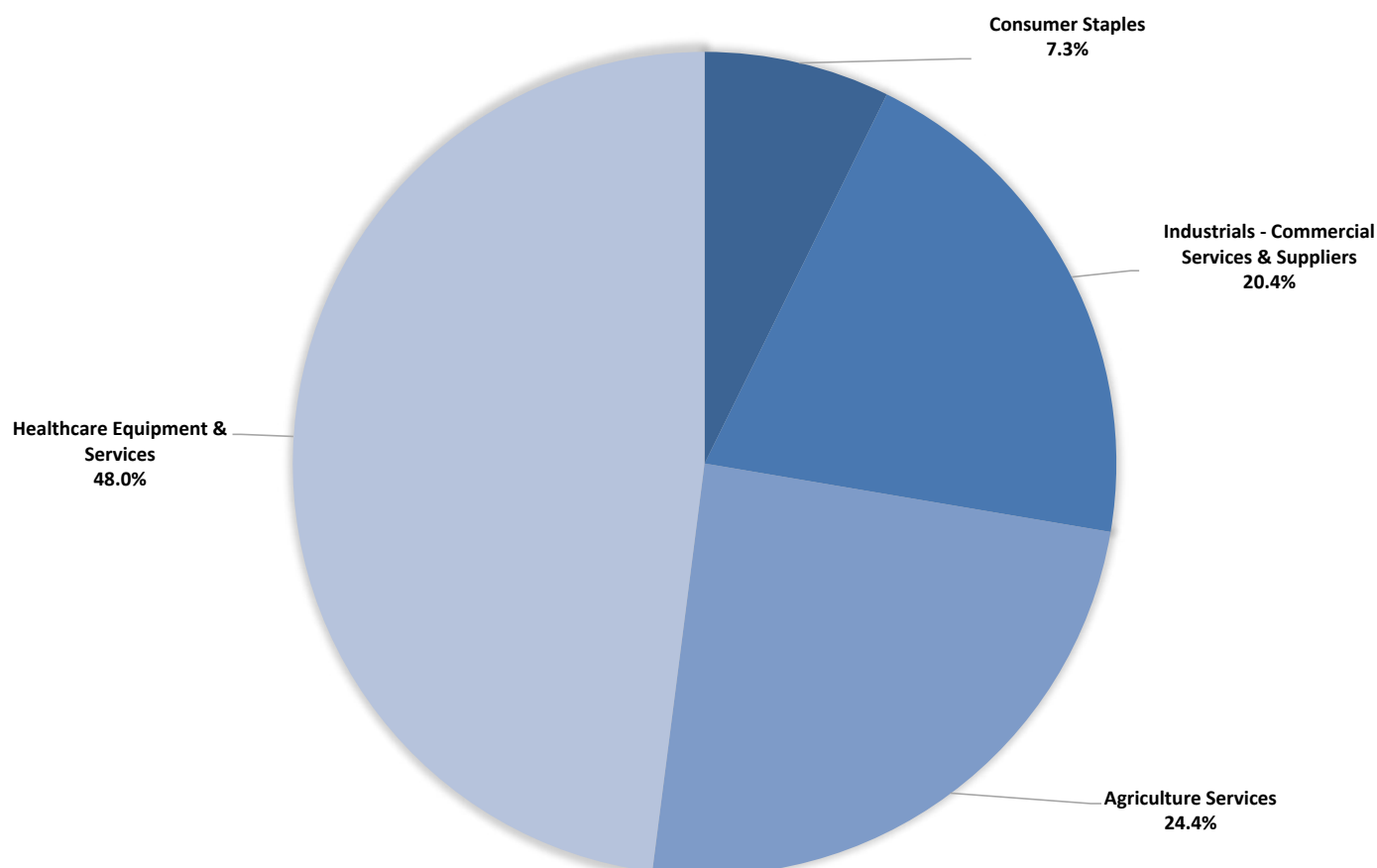
PRIVATE EQUITY PORTFOLIO

The table below provides a summary of VPEG4's Private Equity commitments and completed investments as at 30 June 2021.

Private Equity Fund Name	Fund / Deal Size	Vintage Year	Investment Focus	VPEG4 Commitment	Total No. of Investee Companies
Riverside Australia Fund III	\$350m	2019	Lower to Mid Market Expansion / Buyout	\$10.0m	4
CPE Capital 9	*\$800m	2020	Mid Market Buyout	\$20.0m	0
Adamantem Capital Fund II	\$727m	2020	Mid Market Expansion / Buyout	\$10.0m	2
Advent Partners Fund 3 Fund	*\$400m	2021	Lower to Mid Market Expansion / Buyout	\$20.0m	0
* Target Fund size			Total	\$60.0m	6

INDUSTRY SPREAD OF VPEG4's UNDERLYING INVESTMENTS

VPEG4 investee Riverside Australia Fund III's investment in Smartways Logistics during the June quarter further increased VPEG4's exposure to the "Healthcare Equipment & Services" industry Sector. As such, the "Healthcare Equipment & Services" industry sector, which consists of Independent Living Specialists, Altius Group and Smartways Logistics is currently VPEG4's largest industry sector exposure representing 48.0% of VPEG4's total Private Equity portfolio at June quarter end.



MARKET AND ECONOMIC CONDITIONS

The Australian economic rebound from the COVID-19 impacts in 2020 continued during the June 2021 quarter. Even after almost all emergency subsidies and support measures enacted last year concluded in the first quarter of this year, the Australian economy grew strongly, with nominal GDP now above pre-COVID levels, and the unemployment rate reaching a 10-year low in June of 4.9%. Growth has been underpinned by strong consumer spending, aided by high commodity prices, particularly iron ore, and continued loose government monetary policies. The early signs of inflation that have appeared in the US economy are not yet visible to the same degree in Australia, which recorded an inflation rate of 1.1% in the 12 months to March 2021.

Household consumption had increased by a little over 1 per cent in the March quarter, supported by growth in labour and financial income, and the household saving ratio remained around 12 per cent. Consumption growth in the June quarter as a whole is expected to be moderate, as restrictions on activity in Melbourne and the Greater Sydney region restrained spending.

The Australian government handed down an important budget in May. This represented a major departure from the bipartisan 'fiscally responsible' approach which has characterised the federal budget for close to 30 years, which focused on delivering balanced budgets and minimising government debt. The Budget contained a substantial increase in spending on health care, aged and disability care, support services and national infrastructure projects.

Private investment continued to be strong across the June quarter. Business investment responded to policy measures, including the temporary full expensing of asset purchases. The outlook for investment is supported by the recovery in demand and high-capacity utilisation, the increase in corporate profits over the preceding year and accommodative financing conditions. Surveyed measures of business conditions are also remaining strong. The near-term outlook for dwelling investment was underpinned by low interest rates and the large pipeline of construction work facilitated by the HomeBuilder program and state-based fiscal programs.

In Australia, the Bank's policy measures had continued to underpin very low interest rates and support the availability of credit. There had been little reaction in financial markets to the recent COVID-19 outbreaks and new restrictions imposed in many parts of the country in late June. Bank funding costs and lending rates had drifted down to historic lows. At the closure of the draw-down window for the Term Funding Facility (TFF) at the end of June, banks had accessed \$188 billion, or almost 90 per cent of the total allowances, with the major banks and mid-sized Australian banks having drawn down all of their allowances. TFF funding had accounted for around 4 per cent of all bank funding.

While bank lending to businesses had been little changed over preceding months, growth in broader measures of business debt had picked up to around the average of prior years. This pick-up had reflected lending to large businesses, including by entities that do not report to the Australian Prudential Regulation Authority as well as through corporate bond issuance. Lending to small businesses had also been little changed, although refinancing activity remained higher than usual as small businesses took advantage of the lower interest rates on offer.

During the quarter, there was a high level of private equity activity across Australia and New Zealand. A total of 12 buyout transactions (10 in Australia and two in New Zealand) were announced. These acquisitions spanned across a range of industries with four in consumer products, three in software, two in education, and one each in financial services, construction and business support services.

Similarly, there continued to be a high level of exits, with a total of 13 completed (12 in Australia and one in New Zealand) during the quarter. By exit type, there were six trade sales, three IPOs, and two secondary sales to domestic and global GPs.

Once again, a number of the exits that were completed or announced during the June 2021 quarter came from Vantage's underlying funds, VPEG2 and VPEG3, with those exits delivering these Vantage funds an average gross 4.9x return on invested capital representing an average annualised return of 73.9% per annum.

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