

QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH 4

QUARTERLY INVESTOR REPORT
30 SEPTEMBER 2021

VPEG4 DIVERSIFY
GROW
OUTPERFORM



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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 \$112 million of investment commitments across five Primary Private Equity funds and one co-investment. As a result, nine underlying company investments exist within VPEG4's underlying portfolio at quarter end. VPEG4's investment commitments include; \$30 million to each of Allegro Fund IV, Advent Partners 3 and CPE Capital 9 and \$10 million to each of Riverside Australia Fund III and Adamantem Capital Fund II. VPEG4's co-investment includes a \$2 million commitment into Imaging Associates Group (IAG).

SPECIAL POINTS OF INTEREST

VPEG4 commits \$30 million to Allegro Fund IV, a \$600 million mid market turnaround and special situations fund based in Sydney, managed by Allegro Funds Pty Ltd

VPEG4 commits an additional \$10 million to Advent Partners 3 Fund (AP3) increasing the total investment commitment to AP3 to \$30 million

VPEG4 commits an additional \$10 million to CPE Capital 9 (CPEC 9) increasing the total investment commitment to CPEC 9 to \$30 million

VPEG4's Investment Committee approve a \$2 million co-investment alongside Advent Partners 2 Fund into Imaging Associates Group (IAG), one of the leading independent providers of diagnostic imaging services in Victoria and regional New South Wales.

As at 30 September 2021, VPEG4 had made a total of \$112 million of investment commitments across five Primary Private Equity funds and one co-investment. As a result, nine underlying company investments exist within VPEG4's underlying portfolio

PERFORMANCE

The period 1 July 2021 to 30 September 2021 saw an additional \$52 million in Private Equity Commitments made by VPEG4, bringing the total Private Equity commitments of the Fund to \$112 million. In addition, three new underlying company investments were either completed or announced during the period, increasing the total number of underlying investments in VPEG4's portfolio to 9.

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

It is anticipated that as new underlying company investments are finalised by VPEG4's managers throughout the remainder of CY21 and into 2022, 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 Capital Call No. 3 to investors in the order of 5% to 10% of investors committed capital, to the fund the anticipated new underlying company investments during the first quarter of CY2022.

KEY PORTFOLIO DEVELOPMENTS

Across the September 2021 quarter, VPEG4 continued its Private Equity investment program receiving investment committee approval for the investment commitment to one new (primary) Private Equity Fund, as well as increasing the investment commitment to two existing underlying funds. In addition, the VPEG4 investment committee also approved the Fund's first co-investment alongside Advent Partners 2.

During July 2021, CPEC 9 announced an investment in Pushys, an Australian-based online cycling retailer, selling bike parts, accessories, clothing and bikes to ~130,000 customers nationally.

During August 2021, CPEC 9 also made an investment into Rocla and the simultaneous bolt-on investment of Civilmart, Australia's 3rd and 4th largest manufacturers of concrete pipes and precast products. This merger creates the 2nd largest manufacturer of concrete pipes and precast products in Australia, with operations in New South Wales, Queensland and South Australia. These two acquisitions represent CPEC 9's first two investments for that fund and VPEG4's ninth underlying investment.

During August 2021, the VPEG4 investment committee approved an investment commitment of \$30 million to Allegro Fund IV (Allegro IV), managed by Sydney based mid market turnaround and special situations manager, Allegro Funds Pty Ltd.

During September 2021, the VPEG4 investment committee approved an additional investment commitment of \$10 million to CPE Capital 9 (CPEC 9), increasing VPEG4's total commitment to CPEC 9 to \$30 million.

Additionally, the VPEG4 investment committee approved an additional investment commitment of \$10 million to Advent Partners 3 (AP3), increasing VPEG4's total commitment to AP3 to \$30 million.

Finally, during September 2021, the VPEG4 investment committee approved a \$2 million co-investment alongside the Advent Partners 2 Fund into Imaging Associates Group (IAG), one of the leading independent providers of diagnostic imaging services in Victoria and regional New South Wales.

Draw downs during the quarter from VPEG4, totalled \$3,000,000, which was as a result of capital call No. 1 by CPE Capital 9 for their investments in Pushys and Rocla / Civilmart

Notwithstanding the COVID-19 situation, VPEG4's Private Equity managers note that the pipeline for investments remains substantially elevated compared to pre COVID times. Managers have reported a steady flow of new opportunities and also that deal execution has continued at pace despite the challenging environment.

VPEG4's managers continue to maintain high standards for due diligence and recognise that critical parts of their investment decisions depend on qualitative analysis of the business and more importantly the strength of the management teams before they enter into any deal negotiations with vendors.

As such it is expected that Private Equity investment activity within VPEG4's portfolio will remain elevated across the short to medium term, as managers continue to evaluate and complete due diligence on these investment opportunities, which once completed, will ultimately be added to VPEG4's portfolio, across the remainder of calendar year 2021 and into 2022.

OVERVIEW OF NEW INVESTMENT COMMITMENT

ALLEGRO FUND IV

In August 2021, the VPEG4 Investment Committee approved a \$30 million investment commitment to Allegro Fund IV, a mid-market turnaround and special situations manager based in Sydney, managed by Allegro Funds Pty Ltd.



Allegro Fund IV (Allegro IV), is managed by Allegro Funds Pty Ltd (www.allegrofunds.com.au) of Sydney Australia. Allegro IV is a target \$600 million turnaround fund with an investment focus on primarily mid market businesses with an enterprise value of up to \$500 million.

Allegro are specialists in “Transformational Capital” – applying capital and expertise to unlock and create value. Allegro invest equity funds on behalf of their investors, and work in partnership with management to realise growth potential and deliver enduring value to their investors.

In September 2008, Allegro became the first fund manager to be backed unanimously by institutional investors to replace the incumbent manager of an Australian private equity fund, when it was appointed to manage the \$300 million ABN AMRO Capital Australia Fund II (renamed Allegro Private Equity Fund I).

In June 2015, Allegro Fund II completed its final close with total commitments of \$180 million. Allegro II subsequently invested in eight businesses across Australia and New Zealand.

In December 2017, Allegro III completed its final close with total commitments of \$290 million. Allegro III subsequently invested in six businesses across Australia and New Zealand.

Today Allegro is recognised as a leading fund manager in the mid-market segment. Allegro’s team, which includes twenty six investment professionals, bring deep and varied experience in investing, turnaround management and operational value creation. Allegro have a proven ability to originate, evaluate and execute quality deals, and to drive value from mid-market businesses.

An active manager of portfolio assets, Allegro prefers hands-on involvement in both strategy and overseeing operational improvement. Allegro believe that staying close to portfolio companies is the surest path to extracting the value, and returns, that investors demand.

As the winner of the TMA Turnaround of the Year Awards in 2008, 2010, 2011 2012, 2016 and 2021 Allegro are the most recognised and awarded turnaround team in Australia. The top-tier performance of Allegro Funds I, II and III bears the hallmark of their distinctive investment approach.

OVERVIEW OF NEW CO-INVESTMENT

IMAGING ASSOCIATES GROUP (IAG) - ADVENT PARTNERS 2 FUND

During September 2021, VPEG4's Investment Committee approved a \$2 million co-investment alongside the Advent Partners 2 Fund into Imaging Associates Group (IAG), one of the leading independent providers of diagnostic imaging services in Victoria and regional New South Wales.



Established in 2008, Imaging Associates Group (IAG or the Business) is an independent diagnostic imaging provider which is owned and operated by a team of 24 shareholders, including 19 radiologists. IAG operates across five private practices and holds two large hospital reporting contracts with Eastern Health (EH) and Murrumbidgee Local Health District (MLHD).

The business has rapidly grown to 51 core reporting doctors and has established private practices in Box Hill, Mitcham, Tecoma and Baw Baw in Victoria, and Wagga Wagga in New South Wales. IAG is also opening a sixth private practice in Rowville VIC in the second half of 2021.

The business is led by a highly commercial radiologist, Chris Holden, with the management support of an experienced CEO/COO Philip Read, and a highly regarded set of sub-specialist radiologist clinical leaders.

Advent management will look to grow the business organically through the rollout of further greenfield private practices in attractive locations and deliver on operational initiatives to increase earnings.

OVERVIEW OF NEW UNDERLYING INVESTMENTS

PUSHYS - CPE CAPITAL 9

In July 2021, CPEC 9 completed the acquisition of Pushys, an Australia-based online cycling retailer, selling bike parts, accessories, clothing and bikes to over 130,000 customers nationally. Pushys online business represents a significant majority of the company's sales, with the remaining proportion of sales from their three stores in Sydney, Adelaide and Canberra.



Pushys.com.au was established in 2011 as an online offshoot of Australia's largest cycling retailer, Pushys Bike Warehouse, based in Fyshwick, ACT. Pushys sells across all major bike categories including road bikes, mountain bikes, electric bikes and BMX, as well as scooters, skate and virtually every cycling accessory available.

The company's primary goal is to provide customers with the broadest range of products and brands at the best price possible with unparalleled customer service. Pushys growth strategy centres on building and sustaining a strong competitive advantage by focusing on delivering the best possible online customer service, as well as an extremely short dispatch and delivery turnaround.

ROCLA / CIVILMART - CPE CAPITAL 9

In August 2021, CPEC 9 made an investment into Rocla and the simultaneous bolt-on investment of Civilmart, Australia's 3rd and 4th largest manufacturers of concrete pipes and precast products. This merger creates the 2nd largest manufacturer of concrete pipes and precast products in Australia, with operations in New South Wales, Queensland and South Australia.



Civilmart is a leading Australian supplier of concrete solutions to the building and construction industry. Rocla has been a part of the Civilmart Group since September 2021. Rocla provides a uniquely comprehensive range of innovative engineered solutions for stormwater piping, pits, headwalls and Box Culverts, sewerage piping and access systems, irrigation, stormwater detention and treatment, rainwater harvesting, water storage, bridging and earth retention, as well as concrete poles, building columns, boardwalks and railway sleepers.

The merger of Rocla / Civilmart's manufacturing and sales facilities enhances the Groups market coverage, decentralises the company's customer service network and provides extensive distribution capabilities. This enables the Group to provide exceptional service to their customers by manufacturing the highest quality products and delivering them in a reliable and timely manner.

PORTFOLIO STRUCTURE

VPEG4's PORTFOLIO STRUCTURE - 30 SEPTEMBER 2021

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

CURRENT INVESTMENT ALLOCATION

The following table provides the percentage split of each of the VPEG4, LP'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 September 2021, the component of VPEG4, LP's investment portfolio consisted of six completed investments for which funds had been called from and paid by VPEG4, LP, included; Climate Friendly, Alpha-H, Independent Living Specialists, Altius Group, Smartways Logistics and Pushys.

VPEG4, LP			
Cash	Fixed Interest Investments	Private Equity	
35.6%	0.6%	Later Expansion	34.7%
		Buyout	29.2%

As at September 2021, the Private Equity component of VPEG4A's investment portfolio consisted of two investment for which funds had been called from VPEG4A, including Linen Services Australia and Rocla / Civilmart.

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

PRIVATE EQUITY PORTFOLIO

The table below provides a summary of VPEG4's Private Equity commitments and completed or announced investments as at 30 September 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	\$30.0m	2
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	\$30.0m	-
Allegro Fund IV	*\$600m	2021	Mid Market Turnaround	\$30.0m	-
Co-invest No.1 (Imaging Associates Group)	\$52.0m	2021	Lower to Mid Market Growth Expansion	\$2.0m	1
Total				\$112.0m	9**

* Target Fund size

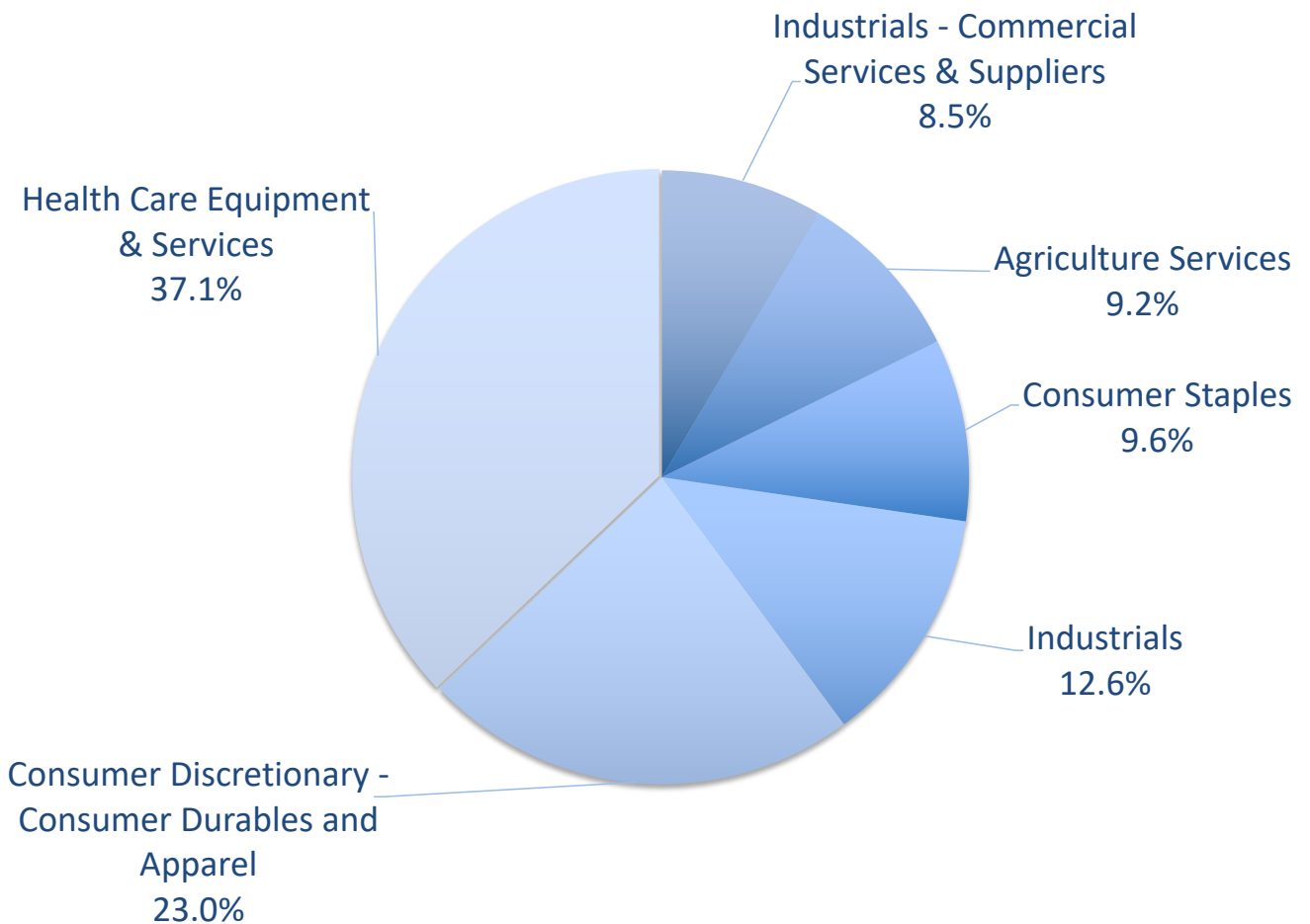
** Includes announced and completed underlying investments

INDUSTRY SPREAD OF VPEG4’S UNDERLYING INVESTMENTS

VPEG4 investee CPE Capital 9’s investment in Pushy’s during the September quarter commenced the Funds investment portfolio exposure to the “Consumer Discretionary – Consumer Durables and Apparel” industry sector, representing 23.0% of VPEG4’s total portfolio.

CPE Capital 9’s investment in Rocla / Civilmart during the quarter commenced the Funds investment portfolio exposure to the “Industrials” industry sector, representing 12.6% of VPEG4 total portfolio.

VPEG4’s exposure to the “Healthcare Equipment & Services” industry sector, which consists of Independent Living Specialists, Altius Group and Smartways Logistics represents VPEG4’s largest industry sector exposure representing 37.1% of VPEG4’s total Private Equity portfolio at September quarter end.



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