

QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH 4

QUARTERLY INVESTOR REPORT
31 DECEMBER 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.

As at 31 December 2021, VPEG4 has made a total of \$112 million of investment commitments across five Primary Private Equity funds and one co-investment. As a result, 11 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

Riverside Australia Fund III completes the investment in Energy Exemplar, a leading integrated electric power/water/gas simulation software provider, with a global customer base

Riverside Australia Fund III completes an investment in Avance Clinical, Australia's largest full-service CRO specialising in delivering quality clinical trials, with globally accepted data in Australia and New Zealand for international biotechs

VPEG4 portfolio company Altius Group completes the bolt-on acquisition of Nabenet, a leading provider of injury management and workplace health services, further broadening Altius Groups ability to reach the mental health sector of rehabilitation

As at 31 December 2021, VPEG4 has made a total of \$112 million of investment commitments across five Primary Private Equity funds and one co-investment. As a result, eleven underlying company investments exist within VPEG4's underlying portfolio

PERFORMANCE

The period 1 October 2021 to 31 December 2021 saw continued Private Equity activity across VPEG4's portfolio with the addition of two new underlying company investments completed during the period increasing the total number of underlying investments in VPEG4's portfolio to eleven.

As at 31 December 2021, VPEG4 had called 15% of investors Committed Capital (Capital Calls No. 1 & 2) to fund the required calls from underlying Private Equity Funds for the Fund's share of the eleven underlying company investments completed to date and added to VPEG4's portfolio.

It is anticipated that as new underlying company investments are acquired by VPEG4's managers, the Fund will be obligated 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 June 2022 quarter.

KEY PORTFOLIO DEVELOPMENTS

The December 2021 quarter saw extensive Private Equity activity across VPEG4's portfolio as two new underlying investments were completed during the period. These two investments were completed by VPEG4 investee Riverside Australia Fund III (RAF III). In addition to these new portfolio company investments, one bolt-on investment was completed, further expanding the operations of that business at quarter end.

During October 2021, RAF III completed the investment in Energy Exemplar, a leading integrated electric power/water/gas simulation software provider, with a global customer base.

In November 2021, RAF III completed an investment in Avance Clinical, Australia's largest full-service Contract research Organisation (CRO) specialising in delivering quality clinical trials, with globally accepted data, in Australia and New Zealand, for international biotechs.

In December 2021, VPEG4 investee RAF III portfolio company Altius Group completed the bolt-on acquisition of Nabenet, a leading provider of injury management and workplace health services. This acquisition further broadens Altius Groups ability to reach the mental health thematic via a national employee assistance program offering, delivered by in-house clinical psychologists.

Draw downs during the quarter from VPEG4, totalled \$6,038,512, were paid to underlying funds CPE Capital 9, Riverside Fund III and Adamantem Capital Fund II and for the co-investment with Advent Partners 2 into Imaging Associates Group.

The calls were predominately used to fund the two new investments and one bolt-on acquisition completed, as well as for the payment of the bridge financing facility used to acquire one previously completed investment during the December 2021 quarter.

VPEG4 managers' continue to report that there are several interesting potential investment opportunities that meet their investment criteria that, subject to extensive due diligence could be completed during the next three to six months.

It is expected that Private Equity investment activity within VPEG4's portfolio will remain elevated across the short to medium term, as managers undertake due diligence on these investment opportunities, which once completed, will ultimately be added to VPEG4's portfolio, across the remainder the first half of CY2022.

OVERVIEW OF NEW UNDERLYING INVESTMENTS

ENERGY EXAMPLER – RIVERSIDE AUSTRALIA FUND III

In October 2021, Riverside Australia Fund III completed the acquisition of Energy Exemplar, the leading integrated electric power/water/gas simulation software solutions provider with a global customer base.



The diverse capabilities of the Exemplar's platforms serve a wide range of clients, including generation companies, electricity and gas market operators, energy commission and regulators, energy traders, price forecasting agencies, power plant manufacturers, and power plant construction companies.

The company's primary goal is to offer the most advanced simulation software solutions to its users, while continuing to demonstrate a strong track record by being first-to-market with innovations in mathematical optimisation-based 'system of systems' simulations.

AVANCE CLINICAL – RIVERSIDE AUSTRALIA FUND III

In November 2021, Riverside Australia Fund III completed the acquisition of Avance Clinical, Australia's largest full-service Contract Research Organisation (CRO) specialising in delivering quality clinical trials, with globally accepted data, in Australia and New Zealand for international biotechs.



Avance Clinical, a Frost & Sullivan Asia-Pacific CRO Market Leadership Award recipient, has been providing CRO services in the region for the past 24 years. The company's clients are biotechs in their early phases of drug development that need fast, agile, and adaptive solution-oriented clinical research services. Avance Clinical offers pre-clinical services with their experienced ClinicReady team, right through to Phase 1 and 2 trials leveraging significant Government incentive rebates and rapid start-up regulatory processes.

With experience across more than 105 indications the CRO can deliver world-class results and high-quality internationally accepted data for FDA and EMA review. Avance Clinical delivers customised solutions designed around specific client needs rather than a one size fits all approach. As a company, Avance Clinical has focused on state-of-the-art technology and systems across all functional areas to provide clients with the most effective processes. Medidata, Oracle, and Medrio are just some of Avance Clinical's trusted technology partners.

PORTFOLIO STRUCTURE

VPEG4's PORTFOLIO STRUCTURE - 31 DECEMBER 2021

The tables and charts below provide information on the breakdown of VPEG4's investments as at 31 December 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 31 December 2021, VPEG4, LP's investment portfolio consisted of eight completed investments for which funds had been called from and paid by VPEG4, LP, which include; Climate Friendly, Alpha-H, Independent Living Specialists, Altius Group, Smartways Logistics, Pushys, Energy Exemplar and Avance Clinical.

VPEG4, LP			
Cash	Fixed Interest Investments	Private Equity	
43.5%	0.3%	Later Expansion	32.0%
		Buyout	24.2%

As at December 2021, the Private Equity component of VPEG4A's investment portfolio consisted of three investment for which funds had been called from VPEG4A, Linen Services Australia, Rocla / Civilmart and Imaging Associates Group (IAG).

VPEG4A			
Cash	Fixed Interest Investments	Private Equity	
0.0%	0.0%	Later Expansion	78.7%
		Buyout	21.3%

PRIVATE EQUITY PORTFOLIO

The table below provides a summary of VPEG4's Private Equity commitments and completed or announced investments as at 31 December 2021.

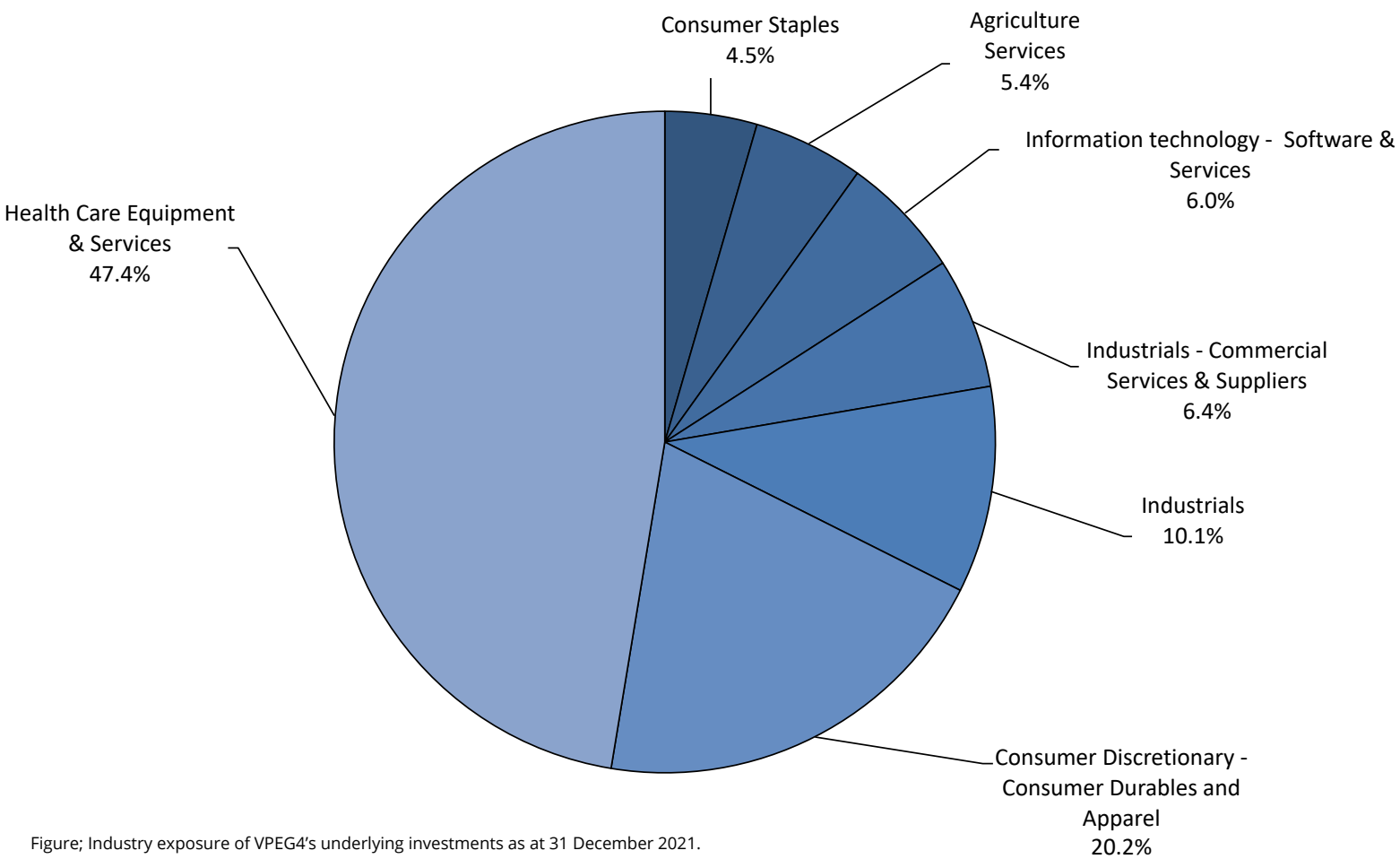
Private Equity Fund Name	Fund / Deal Size	Vintage Year	Investment Focus	VPEG4 Commitment	Capital Drawn Down	Total No. of Investee Companies
Riverside Australia Fund III	\$350m	2019	Lower to Mid Market Expansion / Buyout	\$10.0m	\$6.53m	6
CPE Capital 9	*\$800m	2020	Mid Market Buyout	\$30.0m	\$4.55m	2
Adamantem Capital Fund II	\$727m	2020	Mid Market Expansion / Buyout	\$10.0m	\$2.22m	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	\$2.04m	1
			Total	\$112.0m	\$15.34m	11

* Target Fund size

INDUSTRY SPREAD OF VPEG4’s UNDERLYING INVESTMENTS

As Riverside Australia Fund III’s investment in Energy Exemplar was completed during October 2021, VPEG4’s exposure to the “Information Technology – Software & Services” industry sector commenced and represented 6.0% of VPEG4’s total Private Equity portfolio at quarter end.

VPEG4’s investments in the “Healthcare Equipment & Services” industry sector, which consists of Independent Living Specialists, Altius Group, Smartways Logistics and Avance Clinical represents VPEG4’s largest industry sector exposure, representing 47.4% of VPEG4’s total Private Equity portfolio at December quarter end.



Figure; Industry exposure of VPEG4’s underlying investments as at 31 December 2021.

MARKET & ECONOMIC UPDATE

In Australia, the December quarter commenced with the reopening of New South Wales and Victoria following a stringent lockdown period instituted in response to the outbreak of the COVID-19 Delta variant. With this easing in restrictions, the economy rebounded quicker than previously anticipated, supported by the return of domestic tourism in the eastern Australian states and the surge in retail sales from the release of pent-up demand and robust pre Christmas trading.

During December, evidence of the new COVID-19 variant was detected in Australia and since then, the number of cases has continuously increased, particularly in New South Wales and Victoria. The spread of the Omicron variant has had considerable social and economic impacts domestically, including the material contraction of consumer spending.

The near-term outlook for both Australia and New Zealand looks very positive in broad terms. Both economies are growing at rates well above trend and consumer and business sentiment remains strong. Inflationary pressures are more obvious in New Zealand, while CPI growth in Australia remains comfortably within the RBA's target band. Both countries are operating essentially with full employment and job shortages are more of an ongoing issue than unemployment statistics.

Public markets continued to climb during the quarter before cooling in the last weeks of January 2022 to a 6-month low. Corporate cash balances are at elevated levels following a period of under investment and there remains a significant number of investment opportunities for private equity funds including those within VPEG4's portfolio.

Industry deal flow was strong through the quarter but tailed off significantly towards the end of the calendar year. There were 15 buyout transactions announced or completed (11 in Australia and four in New Zealand) and 17 private equity exits (14 in Australia and three in New Zealand) during the quarter. Regarding the exits, the majority were to trade buyers, with 13 announced, and four were secondary private equity transactions.

VPEG4's underlying managers are also starting to entertain purchase offers for those companies within their portfolios that have achieved their investment thesis. As a result we expect that the first exits from VPEG4's underlying portfolio could be achieved during the later half of 2022 or early 2023.

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