

QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH 4

QUARTERLY INVESTOR REPORT
31 DECEMBER 2023

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' or the 'Fund') 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) program, 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 who 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 funds across fund managers, financing stages, industry sectors, geographic regions, and vintage years.

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 an enterprise value of between \$25m and \$250m at investment. VPEG4 will develop a diversified portfolio of underlying investments by investing in 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 2023, VPEG4 has made a total of \$172.5 million of investment commitments across seven Primary Private Equity funds and six co-investments. As a result, 31 unique 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, CPE Capital 9 and Anchorage Capital Partners Fund IV, \$20 million to Potentia Capital Fund II and \$10 million to each of Riverside Australia Fund III and Adamantem Capital Fund II. VPEG4's co-investments includes a \$2 million investment in each of Imaging Associates Group (IAG), Gull New Zealand, EventsAir, Integrated Control Technology (ICT) and Compare Club, and a \$2.5 million investment in Pac Trading.

SPECIAL POINTS OF INTEREST

Riverside Australia Fund III announces the sale of Energy Exemplar to global private equity firms Blackstone and Vista Equity Partners for a media-reported \$1.6 billion, one of 2023's largest M&A transactions and representing VPEG4's first exit from the portfolio

Advent Partners 3 Fund completes an investment into RMS Cloud, a leading provider of cloud-based SaaS Property Management Software

Advent Partners 3 also completes an investment in MySite, a leading global provider of SaaS solutions for community and stakeholder engagement

As at 31 December 2023, VPEG4 had \$172.5 million of investment commitments across seven primary private equity funds and six co-investments. As a result, thirty-one unique underlying portfolio companies exist within VPEG4's underlying portfolio

PERFORMANCE

During the quarter, the Fund reached a significant milestone of the evolution of VPEG4 with the announcement of the successful sale of the Fund's first portfolio company exit completed by Riverside Australia Fund III.

As at 31 December 2023, VPEG4 had called 55% of investors Committed Capital (Capital Calls No.1, 2, 3, 4, 5 and 6) to fund the required calls from underlying private equity funds for the Fund's share of thirty-one investments completed to date.

It is worth noting that a number of the companies in VPEG4's portfolio are well on their way to successfully implementing their investment strategies, resulting in consistent earnings growth over the past few quarters. As these businesses continue to meet their goals, their respective managers will re-evaluate their value, which will lead to increases in the valuation for VPEG4's portfolio over the next six to twelve months.

In addition, as earlier company investments in VPEG4's portfolio approach the end of their three-year holding period, exit discussions are now being canvassed. With a number of anticipated exits in the next six to twelve months, investors can expect an increase in distributions, generating further value across 2024. These exits will ultimately contribute to delivering strong risk adjusted returns for investors over the short to medium term time frame.

KEY PORTFOLIO DEVELOPMENTS

During the December 2023 quarter, there was an elevated level of M&A activity in the Australian Lower to Middle Market segment, which saw the announcement of the Fund's first portfolio company exit through secondary sale. In addition, two new company investments were added to VPEG4's portfolio at quarter end.

In November 2023, VPEG4's portfolio reached a significant milestone in the evolution of the Fund's tenure. This milestone occurred with the announcement of the Fund's first portfolio company sale (exit), completed by Riverside Australia Fund III of portfolio company Energy Exemplar, by way of a secondary sale to global private equity firms Blackstone and Vista Equity Partners for a media-reported \$1.6 billion, marking it as one of Australia's largest M&A transactions in 2023.

In addition, two new portfolio company investments were completed by the Advent Partners 3 Fund during the quarter, as detailed below;

- RMS Cloud, a leading provider of cloud-based SaaS Property Management Software (PMS) for the accommodation sector, including serviced apartments, campgrounds & parks, hotels, motels and other lodging forms.
- MySite, a leading global provider of SaaS solutions for community and stakeholder engagement, whose clients consist of governments, consultants and corporate organisations to effectively engage and manage stakeholders in Australia, North America and UK/Europe.

As a result of these acquisitions and the exit during the period, VPEG4's portfolio consisted of thirty-one unique company investments with one portfolio company exit at quarter end.

Drawdowns during the quarter from VPEG4 totalling \$22,812,546, were paid to Advent Partners 3 Fund, Allegro Fund IV, Anchorage Capital Partners Fund IV, Potentia Capital Fund II and Riverside Australia Fund III. During the quarter, the majority of the capital called was for investments made by Advent Partners 3 Fund in RMS Cloud and MySite, as well as for the completion of Allegro Fund IV's investment into Scyne Advisory (announced July 2023). Additionally, capital was called from VPEG4 for the repayment of the financing facilities used by Allegro Fund IV to acquire portfolio company Gull New Zealand, as well as by Potentia Capital Fund II for the acquisitions of Saprano Design and Nitro Software. The remainder of the capital called, was to fund VPEG4's share of management fees and working capital requirements incurred by underlying funds during the quarter.

As a result of these capital calls from underlying managers, VPEG4A and VPEG4, LP issued Capital Call Notices No.5 & No.6, representing 3% and 7%, respectively, of total investors committed capital to VPEG4. As a result of these capital calls, VPEG4, LP's and VPEG4A's total called capital increased to 34% and 21%, respectively, of investors committed capital to VPEG4 (55% on a consolidated basis) to fund VPEG4's share of the thirty-one unique company investments completed to date.

OVERVIEW OF RECENTLY ANNOUNCED EXIT

ENERGY EXAMPLAR - RIVERSIDE AUSTRALIA FUND III

In November 2023, Riverside Australia Fund III (RAF III) announced the 100% sale of Energy Exemplar by way of a secondary sale to global private equity firms Blackstone and Vista Equity Partners for a media reported \$1.6 billion, making it one of Australia's largest M&A transactions of 2023.



Under the stewardship of RAF III, Energy Exemplar experienced substantial growth from around 70 employees and \$20 million in revenue, to over 600 employees and a revenue of over \$150 million. Energy Exemplar's solutions now offer best-in-class functionality, allowing users to model and understand the increasingly complex energy transition landscape in a single unified platform. Across RAF III's ownership the platform has grown at 30% CAGR and currently serves over 500 customers in 79 countries.

As the company sought an optimal financial sponsor to propel it to the next stage of development, Energy Exemplar's exit stands as a significant milestone as the first exit from the portfolios RAF III and VPEG4. Not only does it place the company among Australia's largest M&A transactions, but it also represents a noteworthy triumph for VPEG4 investee Riverside Australia.

Completion of the exit will occur on final approval from the Foreign Investment Review Board (FIRB), anticipated to occur during March 2024.

Once completed, the exit will deliver RAF III and VPEG4 with a strong top quartile return across a 2.1 year investment hold period, with a distribution anticipated to be paid to VPEG4 investors following the receipt of the net sale proceeds by VPEG4 from RAF III.

OVERVIEW OF NEW UNDERLYING INVESTMENTS

RMS CLOUD – ADVENT PARTNERS 3 FUND

In December 2023, Advent Partners 3 Fund completed an investment into RMS Cloud, a leading provider of cloud-based SaaS Property Management Software (PMS) for the accommodation sector, including serviced apartments, campgrounds & parks, hotels, motels and other lodging forms.



Founded in 1983, RMS offers an all-in-one PMS solution with a suite of features, including bookings, reservation management, marketing, channel management, housekeeping, back office and compliance reporting. Recently, RMS launched a payment processing service “RMS Pay” to monetise the AUD\$7 billion of gross transaction value from its existing customer base. RMS has c.160 staff and is headquartered in Melbourne, Australia.

Advent’s investment thesis is focused on;

1. Supporting the go-to-market in international markets
2. Accelerating the penetration of RMS pay in the existing customer base
3. Continuing to invest in the product to build the platform’s functionality advantage,
4. Building back-office capabilities
5. Retaining and attracting management talent to support growth and eventual exit.

MYSITE – ADVENT PARTNERS 3 FUND

Also during December 2023, Advent Partner 3 Fund completed an investment in MySite, a leading global provider of SaaS solutions for community and stakeholder engagement. Mysite’s products are used by governments, consultants, and corporate organisations in Australia, North America and UK/Europe, to effectively engage communities and manage stakeholders.



Established in 2003, MySite has expanded significantly via organic growth and acquisitions. It now operates internationally and offers two key products, Social Pinpoint, a Community Engagement (‘CE’) software solution and Consultation Manager, a Stakeholder Relationship Management (‘SRM’) software solution. The Business has ~75 staff and is headquartered in Brisbane, Australia.

Advent’s investment thesis will focus on five key areas

1. Accelerating growth in core markets,
2. Improving go-to-market strategy to allow efficient scaling,
3. Acquiring complimentary platforms to expand Mysite’s footprint and product portfolio,
4. Continuing to invest in the product, and
5. Retaining and attracting management talent and augmenting systems to enable the business to scale.

PORTFOLIO STRUCTURE

VPEG4's PORTFOLIO STRUCTURE - 31 DECEMBER 2023

The tables and charts below provide information on the breakdown of VPEG4's investments as at 31 December 2023.

CURRENT INVESTMENT ALLOCATION

The following table provides the percentage split of each of VPEG4's current investment portfolios 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.

VPEG4 Portfolio Breakdown			
Cash	Fixed Interest Investments	Private Equity	
3.5%	1.0%	Later Expansion	53.6%
		Buyout	41.9%

PRIVATE EQUITY PORTFOLIO

The table below provides a summary of VPEG4's Private Equity commitments and announced and completed investments and exits, as at 31 December 2023.

Private Equity Fund Name	Fund / Deal Size	Vintage Year	Investment Focus	VPEG4 Commitment	Capital Drawn Down	Total No. of Investee Companies	No. of Exits
Riverside Australia Fund III	\$350m	2019	Lower to Mid Market Expansion / Buyout	\$10.0m	\$8.71m	7	1
CPE Capital 9	\$729m	2020	Mid Market Buyout	\$30.0m	\$8.01m	4	-
Adamantem Capital Fund II	\$727m	2020	Mid Market Expansion / Buyout	\$10.0m	\$3.99m	5	-
Advent Partners Fund 3 Fund	\$410m	2021	Lower to Mid Market Expansion / Buyout	\$30.0m	\$12.35m	3	-
Allegro Fund IV	\$600m	2021	Mid Market Turnaround	\$30.0m	\$10.95m	3	-
Anchorage Capital Partners Fund IV	\$500m	2022	Mid Market Special Situation & Turnaround	\$30.0m	\$7.67m	3	-
Potentia Capital Fund II	\$635m	2022	Mid Market Buyout	\$20.0m	\$7.81m	3	-
Co-invest No.1 (Imaging Associates Group)	~\$120m	2021	Lower to Mid Market Growth Expansion	\$2.0m	\$2.05m	1	-
Co-invest No.2 (Gull New Zealand)	~\$500m	2022	Mid Market Special Situation	\$2.0m	\$2.00m	1	-
Co-invest No.3 (EventsAir)	~\$100m	2022	Lower to Mid Market Expansion / Buyout	\$2.0m	\$2.00m	1	-
Co-invest No.4 (Integrated Control Technology)	~\$110m	2022	Lower to Mid Market Expansion	\$2.0m	\$1.70m	1	-
Co-invest No. 5 (CompareClub)	\$110m	2022	Later Stage Buyout	\$2.0m	\$2.00m	1	-
Co-invest No. 6 (Pac Trading)	\$71m	2023	Growth Capital, Later Stage Expansion &	\$2.5m	\$2.55m	1	-
* Excluding Duplicates			Total	\$172.5m	\$71.79m	31*	1

PRIVATE EQUITY PORTFOLIO

The table below provides a summary of the top ten underlying private equity investments in VPEG4's portfolio for which capital had been called from VPEG4 as at 31 December 2023.

Rank	Investment	Fund	Description	% of VPEG4's Private Equity Investments	Cumulative %
1	David Jones	Anchorage IV	An Australian luxury department store	7.6%	7.6%
2	Gull Petroleum	Allegro IV / Co-invest No. 3	New Zealand petroleum distribution company and petrol station chain.	6.7%	14.3%
3	Integrated Control Technology	Advent Partners 3 Fund / Co-invest No. 4	Manufacturer of unified and intelligent electronic access control and security solutions	6.1%	20.4%
4	RMS Cloud	Advent Partners 3 Fund	Cloud-based SaaS property management software for accommodation sector	6.0%	26.4%
5	Scyne Advisory	Allegro Fund IV	Australian Public Sector advisory business	5.1%	31.5%
6	Ambrose Construct	CPE Capital 9	Provider of project management and head contractor services to insurance companies.	5.0%	36.5%
7	Slater & Gordon	Allegro IV	A leading compensation and class action law firm	4.8%	41.3%
8	EventsAIR	Riverside Australia Fund III / Co-invest No. 2	Event platform enabling unlimited possibilities for in-person, hybrid & virtual events	4.4%	45.7%
9	Mysite	Advent Partners 3 Fund	Global provider of SaaS solutions for community and stakeholder engagement	4.3%	50.0%
10	Nitro Software	Potentia II	SaaS leader in PDF software, document management and eSignature solutions	4.1%	54.1%

INDUSTRY SPREAD OF VPEG4'S UNDERLYING INVESTMENTS

As a result of the addition of portfolio company Scyne Advisory, completed by VPEG4 investee Allegro Fund IV during the quarter, VPEG4's exposure to the "Professional Services" industry sector increased from 4.9% to 9.8% at quarter end.

In addition, due to the Advent Partners 3 Fund acquisitions of RMS Cloud and Mysite during the period, VPEG4's exposure to the "Information Technology" industry sector, which also consists of Integrated Control Technology, EventsAir, Nitro Software, Compare Club, Soprano Design and Rex Labs, now represents VPEG4's largest industry sector totalling 36.8% at quarter end.

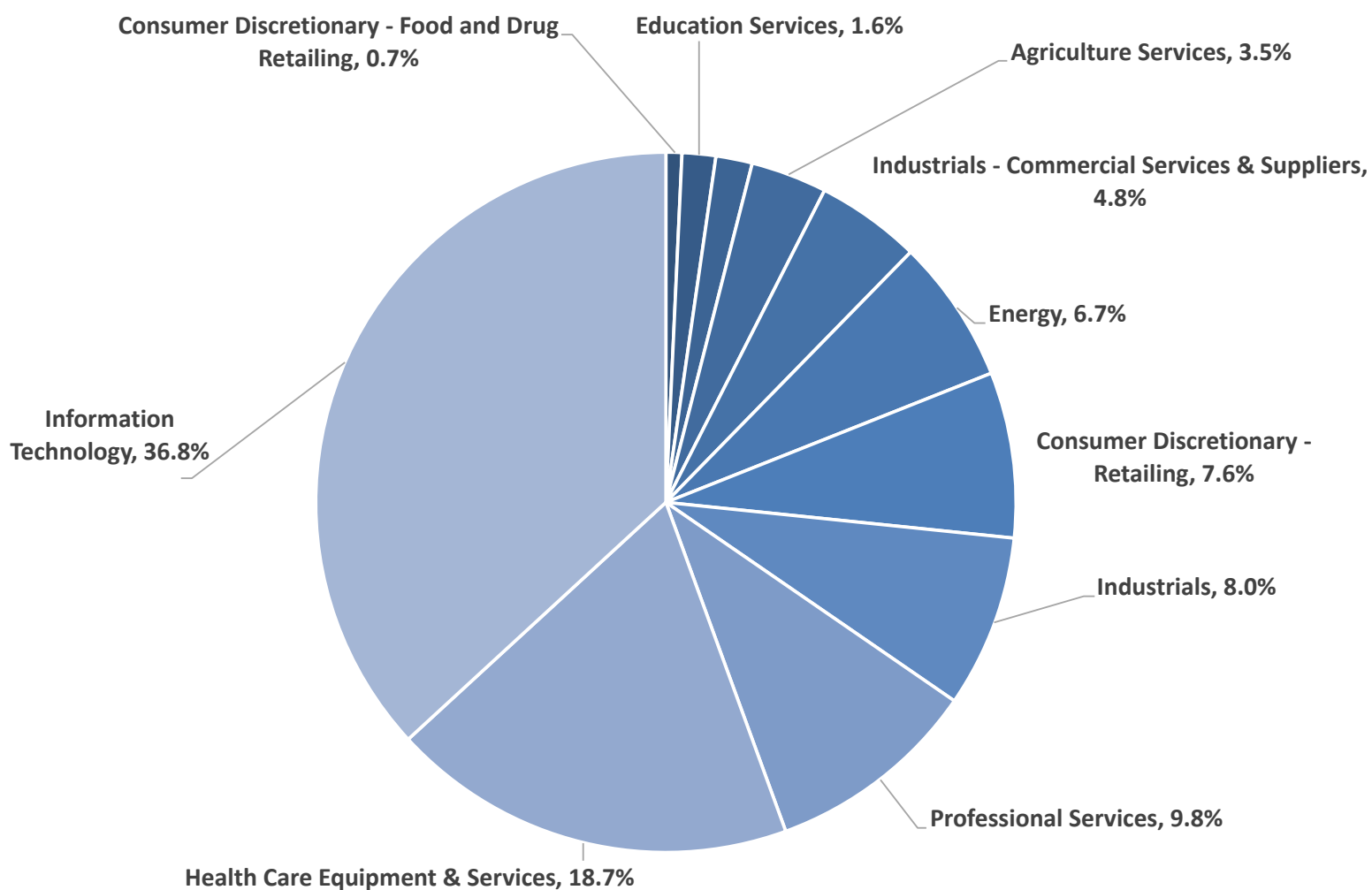


Figure: Industry exposure of VPEG4's underlying investments as at 31 December 2023.

ECONOMIC & MARKET UPDATE

The economic landscape in the concluding quarter of 2023 exhibited a substantial amelioration of inflationary pressures, defying earlier market projections. Both the quarter-on-quarter (q/q) and year-on-year (y/y) headline inflation rates stood at 0.6% and 4.1%, respectively, significantly below the market's prior expectations. The Reserve Bank of Australia's (RBA) favoured metric for underlying inflation, the trimmed mean, mirrored this trend, decelerating to 0.8% q/q, surpassing both RBA predictions and broader market expectations.

Services and Goods Prices:

Delving deeper into sectoral dynamics, domestic market services prices reflected a discernible deceleration, indicating not only weakened demand but also a slowdown in wage cost growth. Concurrently, tradables prices, excluding fuel, fruit, and vegetables, experienced a marked decline, with consumer durable goods prices notably affected.

Inflation Breadth Measures:

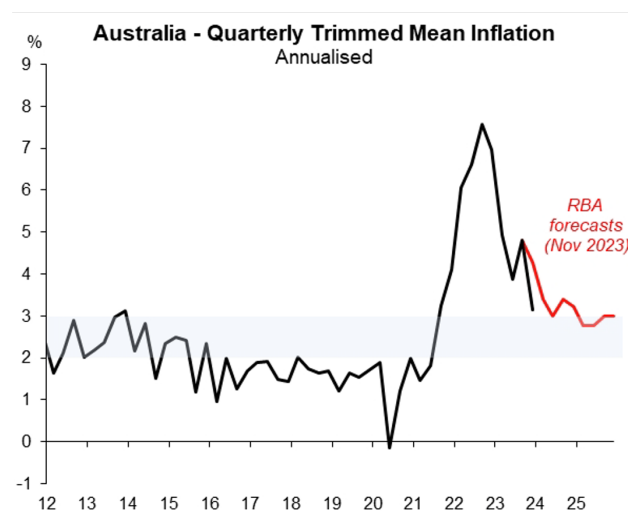
While certain inflation breadth measures exhibited signs of improvement, the distribution of price increases remained skewed. A substantial share of items recorded increases exceeding 3%, painting a nuanced picture of inflationary dynamics.

Sector-Specific Insights:

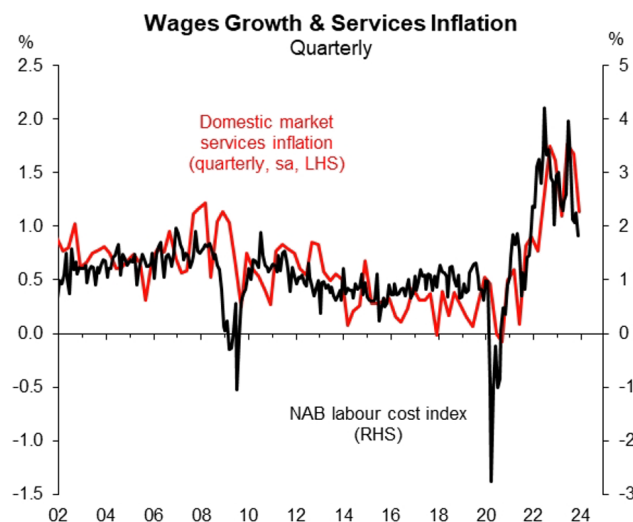
Within the domain of domestic market services prices, a substantial easing was observed, primarily propelled by a slowdown in the growth of meals out and takeaway food. Insurance and financial services, on the other hand, displayed a solid uptick, attributed to rising insurance fees, particularly in categories like motor vehicle, house, and home contents insurance. Consumer durables inflation witnessed its most significant decline in over a decade, marked by noteworthy price reductions in furniture, household appliances, and clothing & footwear.

New motor vehicle prices seemed to have reached a peak, while international holiday travel and accommodation prices experienced a decline. Simultaneously, domestic holiday travel and accommodation prices registered a third consecutive quarterly decrease.

Healthcare prices demonstrated an upward trajectory, driven by increases in health insurance premiums. This was partially offset by lower pharmaceutical prices, resulting from an increase in the share of consumers qualifying for subsidies under the Pharmaceutical Benefits Scheme. Electricity and gas prices displayed mixed



Source: ABS, NAB, RBA, Macrobond, Macquarie Macro Strategy



Source: ABS, NAB, RBA, Macrobond, Macquarie Macro Strategy

trends, with electricity prices witnessing a substantial year-on-year increase.

In the realm of housing inflation, focusing on rents and new dwelling purchase prices, there was a moderation primarily due to a decline in rents inflation. In contrast, new dwelling purchase price inflation continued its upward trajectory, driven by the ongoing pass-through of labour and material costs.

Australia and New Zealand Private Equity Activity

Against this economic backdrop, the private equity landscape witnessed noteworthy activity in the December 2023 quarter. Seven acquisitions and eight exits were announced or completed across diverse sectors, including business services, real estate, and software. Despite economic uncertainties affecting deal activity in 2023, as evidenced by bid-ask spreads and higher funding costs, there is a palpable shift as market confidence grows with stabilised inflation.

Anticipations for heightened deal activity in 2024 are rooted in equity markets pricing in a soft landing, open credit markets, and businesses becoming more assessable, fostering a favourable deal environment. Forecasts indicate a potential surge in secondary transactions as a backlog of private equity assets are expected to enter the market. Additionally, the latter half of 2024 may witness an increase in sponsor-backed Initial Public Offerings (IPOs) if the IPO market presents favourable conditions.

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