

VANTAGE PRIVATE EQUITY GROWTH 4



QUARTERLY INVESTOR REPORT
30 JUNE 2024

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EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Growth 4 (VPEG4) quarterly investor report for the quarter ending 30 June 2024.

The June 2024 quarter witnessed an active period for VPEG4's private equity managers, as a number of new underlying company investments were announced or completed during the quarter. VPEG4's private equity managers continue to make progress in executing their investment strategies, which has led to steady earnings growth in recent quarters. As portfolio companies continue to achieve their objectives, their respective private equity managers will reassess their value, likely resulting in increased valuations for VPEG4's portfolio over the next six to twelve months.

PORTFOLIO HIGHLIGHTS

During the quarter, two of VPEG4's private equity fund managers made new platform acquisitions, increasing the number of unique company investments in VPEG4's portfolio from 34 to 36. Another VPEG4 fund manager announced a new platform acquisition through a Public-to-Private transaction, which is expected to be completed during the September quarter. In addition, an existing portfolio company completed a significant bolt-on acquisition during the period.

VPEG4's underlying fund managers remain focused on deployment and are actively engaged in several potential investment opportunities across both public and private markets. Managers have highlighted that the current economic backdrop has provided a number of highly attractive opportunities. As these opportunities are assessed through rigorous due diligence processes and investment committee approvals, it is anticipated that the number of portfolio companies in VPEG4's underlying portfolio will increase across the next six to twelve months.

Additionally, earlier completed portfolio companies in VPEG4, that have been held for at least three years, are well on their way to achieving their growth targets, with many now planning for an exit. As these managers engage in exit negotiations with prospective buyers, either through a trade sale to a larger corporate or a

secondary sale to another financial sponsor, it is expected that the number of exits within the portfolio will increase, ultimately resulting in distributions to VPEG4's investors.

VPEG4 FUND ACTIVITY

During the period, a distribution totalling \$4,021,064 was received by Riverside Australia Fund III. The distribution was as a result of the completion of VPEG4's first portfolio company exit Energy Exemplar, which was sold to global private equity firms Blackstone and Vista Equity Partners for a media reported \$1.6 billion. As a result of the receipt of this distribution, VPEG4, LP conducted a **distribution totalling \$0.03 per dollar of committed capital**, which was paid to all investors on 16th of May 2024.

During the quarter, capital calls totalling \$4,883,536 were paid by VPEG4 to Allegro Fund IV, Riverside Fund III and Potentia Fund II. The capital called was utilized to fund the previously reported investment completed by Allegro Fund IV into Nutun Australia. In addition, capital was also called for VPEG4's share of Potentia Capital Fund II's 19% stake in ASX listed company Vista Group (ASX:VGL) during the period. Furthermore, capital was also called from VPEG4 for the follow-on investments into existing portfolio companies as well as for management fees and working capital requirements of underlying private equity funds across the period. No additional capital calls were issued by VPEG4 to investors during the period. As such, as at 30 June 2024, VPEG4 had called a total of \$0.63 per dollar of committed capital from investors.

To fund new underlying company acquisitions expected to be completed during the September 2024 quarter, VPEG4, LP issued a capital call on 15 August 2024, to all investors, equating to 3% of committed capital. The due date for the payment of the capital call is 30 August 2024. Should you have any question regarding the capital call or did not receive the capital call notice please contact Vantage's investor services team by email to info@vantageasset.com or call 03 9067 3133.



EXECUTIVE SUMMARY

As VPEG4's private equity managers progressively execute the growth strategies within each asset, a number of portfolio companies have witnessed a significant improvement in their earnings. For this reason, the operating performance has continued to improve, allowing the underlying managers to mark portfolio valuations accordingly relative to comparables. As such, VPEG4's Net Asset Value (NAV) as at 30 June 2024 increased to \$0.606 per dollar of committed capital, representing a total fund net return of 3.1% across the quarter and 14.0% across the year ending 30 June 2024*.

VPEG6 CONDUCTS FIRST CLOSE & COMMENCES INVESTMENT PROGRAM

On 17th July 2024, Vantage Private Equity Growth 6 (VPEG6) conducted its First Close, raising a total of \$30 million in capital commitments from investors. As a result of achieving this milestone, the Investment Program for VPEG6 has commenced, resulting in AUD\$28 million of capital commitments being made across two primary fund commitments. These investments included; a \$10 million commitment to Allegro Fund IV Side Car 2 and an AUD\$18 million (NZD\$20 million) commitment to Waterman Fund 5 LP. These early commitments place VPEG6 into a good position to commence building and growing its investment portfolio across the next 6 to 12 months.

VPEG6 will remain open for investment until either its target size of \$250 million is reached, or the second anniversary of the First Closing Date. If you wish to learn more about VPEG6 or would like to make an application, please contact your wealth adviser or Vantage's Investor Services Team via email at info@vantageasset.com or call 02 9067 3133.

An application can also be made by completing VPEG6's Online Application form by copying the following link into your web browser; <https://apply.automic.com.au/VPEG6>

VANTAGE TEAM ADDITIONS

Vantage's team continues to grow as a result of increasing investor demand and commitments to Vantage managed funds. During the quarter, Jonathan Kelly was appointed as a Non-Executive Director and Investment Committee Member of Vantage's Flagship private equity and secondary programs, bringing over 20 years of Australian mid-market private equity experience. His deep industry knowledge and strategic insights will undoubtedly assist to enhance Vantage's investment decisions as well as to contribute to the consistency of returns to Vantage fund investors. Additionally, the team welcomed David Abraham as an Investment Analyst from CDPQ's Infrastructure investment team and Alicia Cook as Investor Relations Manager from Ophir Asset Management, both bringing essential skills to strengthen Vantage's operations and investment processes.

*Total Net Returns quoted include the \$0.03 per dollar of committed capital distribution paid to all investors in May 2024.

PERFORMANCE



PERFORMANCE

QUARTER ENDING	30 JUNE 2024
FINAL CLOSE	SEPTEMBER 2021
STRATEGY	PRIVATE EQUITY FUND OF FUNDS
COMMITTED CAPITAL	\$179.42 MILLION
CALLED CAPITAL - PER \$ OF COMMITTED CAPITAL	\$0.630
UNCALLED CAPITAL - PER \$ OF COMMITTED CAPITAL	\$0.370
NET ASSET VALUE (NAV) - PER \$ OF COMMITTED CAPITAL	\$0.606
CUMULATIVE DISTRIBUTIONS PAID - PER \$ OF COMMITTED CAPITAL	\$0.040
DISTRIBUTED TO PAID IN (DPI) MULTIPLE	0.063x
TOTAL VALUE TO PAID IN (TVPI) MULTIPLE	1.025x
NET RETURN – QUARTER	3.1%
NET RETURN – 12 MONTHS	14.0%

PORTFOLIO

TOTAL COMMITTED CAPITAL TO PRIVATE EQUITY	\$172.50 MILLION
NO. OF PRIMARY COMMITMENTS	7
NO. OF CO-INVESTMENTS	6
NO. OF PORTFOLIO COMPANIES	36
NO. OF EXITS	1
NO. OF REMAINING PORTFOLIO COMPANIES	35



PRIVATE EQUITY PORTFOLIO





PRIVATE EQUITY PORTFOLIO

VPEG4 PRIVATE EQUITY PORTFOLIO

PRIVATE EQUITY FUND NAME	FUND / DEAL SIZE (\$M)	VINTAGE	INVESTMENT FOCUS	VPEG4 COMMITMENT (AUD\$M)	CAPITAL DRAWN (AUD\$M)	PORTFOLIO COMPANIES	EXITS
RIVERSIDE AUSTRALIA FUND III	\$352	2019	EXPANSION / BUYOUT	\$10.00	\$9.05	7	1
CPE CAPITAL 9	\$729	2020	BUYOUT	\$30.00	\$8.01	5	-
ADAMANTEM CAPITAL FUND II	\$795	2020	EXPANSION / BUYOUT	\$10.00	\$5.40	5	-
ADVENT PARTNERS 3 FUND	\$410	2021	EXPANSION / BUYOUT	\$30.00	\$15.21	4	-
ALLEGRO FUND IV	\$623	2022	TURNAROUND	\$30.00	\$14.90	4	-
ANCHORAGE CAPITAL PARTNERS FUND IV	\$505	2022	TURNAROUND	\$30.00	\$7.67	4	-
POTENTIA CAPITAL FUND II	\$635	2022	EXPANSION / BUYOUT	\$20.00	\$9.00	4	-
CO-INVEST NO.1 (IMAGING ASSOCIATES GROUP)	\$120	2021	EXPANSION	\$2.00	\$2.05	1	-
CO-INVEST NO. 2 (EVENTSAIR)	\$187	2022	EXPANSION / BUYOUT	\$2.00	\$2.00	1	-
CO-INVEST NO. 3 (GULL NZ)	NZ\$495	2022	BUYOUT	\$2.00	\$2.00	1	-
CO-INVEST NO. 4 (INTEGRATED CONTROL TECHNOLOGY)	\$112	2022	EXPANSION / BUYOUT	\$2.00	\$1.70	1	-
CO-INVEST NO. 5 (COMPARE CLUB)	\$160	2022	EXPANSION	\$2.00	\$2.00	1	-
CO-INVEST NO. 6 (PAC TRADING)	\$68	2023	EXPANSION / BUYOUT	\$2.50	\$2.55	1	-
* Excluding duplicates			TOTAL	\$172.50	\$81.53	36*	1



PRIVATE EQUITY PORTFOLIO

TOP 10 HOLDINGS ACROSS THE PORTFOLIO

	PORTFOLIO COMPANY	FUND	DESCRIPTION	% SHARE	CUMULATIVE
1	INTEGRATED CONTROL TECHNOLOGY	ADVENT PARTNERS 3 FUND / CO-INVEST NO. 4	INTELLIGENT ELECTRONIC ACCESS CONTROL & SECURITY SOLUTIONS	8.1	8.1
2	GULL PETROLEUM	ALLEGRO IV / CO-INVEST NO. 3	NZ PETROLEUM DISTRIBUTION COMPANY & PETROL STATION CHAIN	6.2	14.4
3	SCYNE ADVISORY	ALLEGRO FUND IV	PUBLIC SECTOR ADVISORY BUSINESS	4.5	18.9
4	SLATER & GORDON	ALLEGRO IV	COMPENSATION & CLASS ACTION LAW FIRM	4.5	23.4
5	COMPARE CLUB	CO-INVEST NO. 5	CONSUMER FINANCE & INSURANCE INFORMATION PLATFORM	4.4	27.7
6	NUTUN AUSTRALIA	ALLEGRO FUND IV	BUSINESS PROCESS OUTSOURCING (BPO) SERVICES	4.2	32.0
7	SOCIAL PINPOINT	ADVENT PARTNERS 3 FUND	SAAS SOLUTIONS FOR COMMUNITY & STAKEHOLDER ENGAGEMENT	4.0	35.9
8	DAVID JONES	ANCHORAGE CAPITAL PARTNERS FUND IV	LUXURY DEPARTMENT STORE	3.8	39.7
9	RMS CLOUD	ADVENT PARTNERS 3 FUND	PROPERTY MANAGEMENT SOFTWARE FOR ACCOMMODATION SECTOR	3.7	43.5
10	IMAGING ASSOCIATES GROUP	CO-INVEST NO. 1	LEADING INDEPENDENT PROVIDER OF DIAGNOSTIC IMAGING SERVICES	3.7	47.2



PRIVATE EQUITY PORTFOLIO

INDUSTRY DIVERSIFICATION OF PORTFOLIO

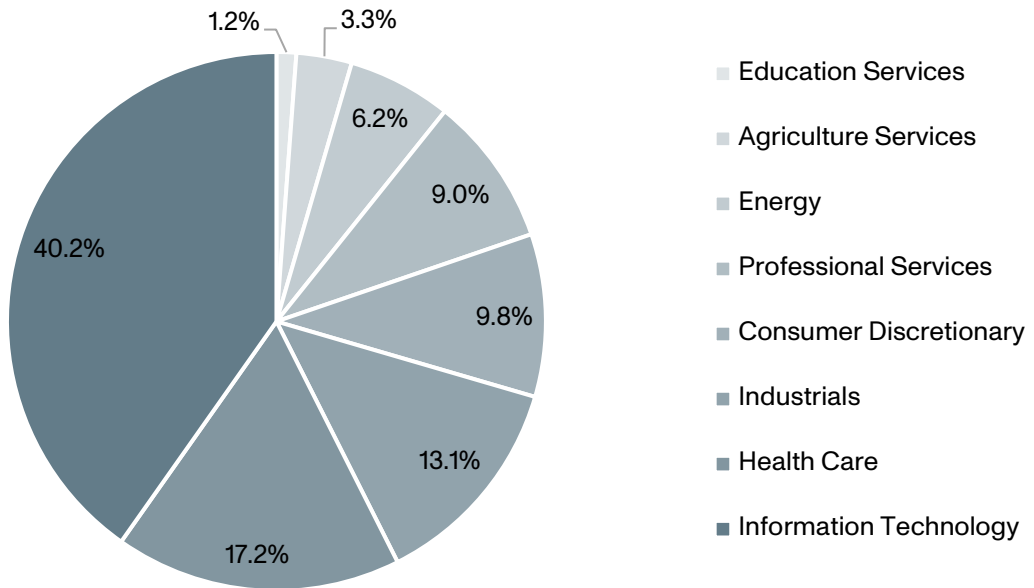


Image: Industry diversification of VPEG4 portfolio at period end 30 June 2024. Key is in ascending order.

PORTFOLIO ACTIVITY





PORTFOLIO ACTIVITY

Private equity activity continued to build momentum throughout the June 2024 quarter. As business operating environments became more stable and a positive outlook for economic conditions emerged, VPEG4's underlying managers actively pursued several attractive investment targets. This environment resulted in two new company investments completed during the quarter. In addition, VPEG4 is expected to add another 20-25 new company investments to its portfolio over the next two to three years. This will bring the total number of underlying company investments to approximately 55-60 companies, when the portfolio is fully invested.

Provided below is an overview of the new acquisitions in the VPEG4 portfolio below.



QANTM IP – ADAMANTEM CAPITAL II

During May 2024, Adamantem Capital II entered into a binding scheme implementation deed to acquire all the issued shares of ASX-listed company QANTM IP (ASX:QIO).

QANTM IP is Australia's second largest provider of patent and trademark filing, renewal and protection legal services, servicing local and offshore clients seeking to protect their IP in Australia. The Company has over 370 employees across Australia, New Zealand, Singapore, Malaysia and Hong Kong.

The IP services industry in Australia is a mature market where QANTM IP is the clear No.2 player with a strong competitive position. QANTM IP has ~5,000 clients, with patents generating a multi-year revenue stream as they move through the application process.

The deal is expected to be completed in the September 2024 quarter, after final court approval under a Scheme of Agreement.



VISTA GROUP – POTENTIA FUND II

Additionally, during May 2024, Potentia Fund II acquired a 19% stake in ASX listed software company Vista Group (ASX:VGL). Vista Group is the global leader in delivering software and data analytics solutions to the film industry. Based in New Zealand, Vista maintains a global footprint, bringing together a group of brands that provide an innovative range of complementary technology solutions to the industry.

Vista Group's origin stems from Vista Cinema, the largest brand in the Group. Vista began in 1996 when founder Murray Holdaway was asked by a global cinema company to produce ticketing software to enhance the cinema experience. The result was a ground-breaking technology that continues to focus and expand across Vista Group's brands today.

OTHER PORTFOLIO ACTIVITY

In addition to the new company investments added to the portfolio during the quarter, one of VPEG4's underlying funds completed a strategic bolt-on in order to increase profitability and capture additional market share for an existing portfolio company.

The bolt-on investment was completed by **Adamantem Environmental Opportunities Fund** portfolio company and **VPEG4 Co-invest No.6 PAC Trading**. This strategic acquisition allowed PAC Trading to enhance its market position, achieve operational synergies, and expand its product offerings. By completing the bolt-on, PAC Trading can benefit from cost savings and improved efficiencies, ultimately contributing to value accretion for the company.

MARKET INSIGHTS





MARKET INSIGHTS

The Australian M&A environment over the last quarter saw fund managers exercise caution in deploying new capital unless new investments demonstrated a clear focus on strategic alignment and a long-term value creation strategy. Australian M&A deal volume dropped 9% in 1H24 from 1H23, but deal value rose 1% in that same period to reach AU\$52.85bn. One of the key factors restraining M&A activity is the current macroeconomic climate, characterised by an array of unpredictable factors including interest rates, persistent inflation, and a general lack of business confidence.

There has been a notable shift towards strategic investments as fund managers adopt more risk-averse strategies. Today, fund managers are prioritising investments that promise clear strategic benefits, aligning closely with long-term objectives rather than short-term gains. This shift in the market highlights a preference for quality over quantity, with each investment needing to justify its associated risks and costs.

In response to continuing economic pressure on consumer demand, persistent inflation, and tight labour conditions, fund managers are focused on assisting portfolio companies with margin enhancement through productivity initiatives, targeted cost-reduction programmes, and growth initiatives aimed at driving market share growth.

Despite the challenging M&A environment, the lower to mid-market segment continues to offer significant value. These businesses are more attractive than their larger counterparts due to attractive entry valuations, various avenues for exit and modest amounts of leverage employed.

PRIVATE EQUITY ACTIVITY

During the June 2024 quarter, twelve acquisitions were announced or completed across various sectors, such as healthcare, education, software, and business support services.

Eight exits were also announced or completed during this period. Vantage's Flagship program portfolio witnessed five acquisitions in the quarter across the education, energy, information technology, and professional services sectors.

Record levels of dry powder and a backlog of portfolio companies ready for sale suggest that deal activity will inevitably improve over the next twelve months. Key takeaways from Vantage's discussion with General Partners (GPs) include a favourable environment for negotiating buyer-friendly terms and a growing emphasis on operational improvements to drive value creation.

The lower to mid-market segment of private equity has continued to demonstrate its resilience. Over the last quarter, four investments were exited across Vantage's portfolio through either secondary sales or trade sales. This is in stark contrast to the large-cap segment of private equity, which relies heavily on the IPO market to exit investments.

Another attractive feature of mid-market private equity is that investments do not rely on leverage to generate returns and employ minimal to modest leverage in their investments. Instead, a greater emphasis is placed on value creation strategies, which has resulted in resilient valuations in the face of rising interest rates.

DIRECTORY

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IMPORTANT INFORMATION

This report has been prepared by Vantage Asset Management Pty Limited (ABN 50 109 671 123) AFSL 279186 (Vantage) in its capacity as Investment Manager of Vantage Private Equity Growth 4. 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.



VANTAGE ASSET MANAGEMENT

