

**VPEG5 RECEIVES
"SUPERIOR" INVESTMENT
RATING FROM SQM
RESEARCH**

**RECENTLY COMPLETED
EXITS DELIVER VANTAGE
FUNDS AN AVERAGE GROSS
3.7X RETURN ON INVESTED
CAPITAL**

**VPEG2 & VPEG3 TOTAL
VALUE TO PAID IN RATIO
(TVPI) RANKS IN THE TOP
QUARTILE OF ALL FUND OF
FUNDS GLOBALLY**

**ACROSS THE PERIOD
12 NEW DEALS HAVE
BEEN ANNOUNCED OR
COMPLETED BY UNDERLYING
PRIVATE EQUITY MANAGERS**

VPEG5 RECEIVES "SUPERIOR" INVESTMENT RATING FROM SQM RESEARCH

During February 2023, Vantage Private Equity Growth 5 (VPEG5) was awarded a 'Superior' 4 star rating by independent investment research firm SQM Research. By designating VPEG5 as 'High Investment Grade', SQM's rating classifies VPEG5 as 'Suitable for inclusion on most APL's'.



In their report, SQM Research highlights the funds diversification benefits, access to Institutional grade Private Equity funds that are typically unavailable to individual investors and a highly skilled investment team with expertise in managing private equity fund of funds.

If you wish to seek further information about VPEG5's "SUPERIOR" investment rating please contact info@vantageasset.com or call +61 2 9067 3133 to schedule a meeting with a Vantage executive.

VANTAGE FUNDS CONTINUE TO PERFORM WELL DESPITE BROADER ECONOMIC UNCERTAINTY

The Australian economy continues to be a favourable market for both domestic and international investors. As a result, a number of underlying company investments within Vantage's Private Equity Growth Fund portfolios have been recently sold by way of a secondary sale to another financial buyer / sponsor or via trade sale to a strategic acquirer. Across the period 30 September 2022 to 28 February 2023, three underlying portfolio companies were sold (exited) from the portfolio's of VPEG2 and VPEG3. These exits delivered an average gross return of 3.7x multiple on invested capital, representing an average gross internal rate of return (IRR) of 44.0% p.a.

As a result of these exits, during February 2023, VPEG2 distributed \$0.07 per Unit to all VPEG2 investors. In addition, during the same month VPEG3, LP distributed \$0.08 per Dollar of Committed Capital to all VPEG3 investors.

Following the payment of these distributions, VPEG2's Total Value to Paid In (TVPI) ratio was 2.24x net of all fees since inception in May 2015 to 28 February 2023, while VPEG3's TVPI ratio was 1.74x since inception in January 2019, also to the end of February 2023, ranking each fund in the top quartile of all Private Equity Fund of Funds globally as reported by Pitchbook.¹

These robust returns illustrate Vantage's commitment to generating top quartile returns for Vantage Fund investors. Vantage's investment team's diligent approach to investment selection, coupled with a deep focus on diversification across manager, vintage year, industry sector and geographic location, ultimately reduces the risk of loss within the portfolio, enabling each Vantage Fund to ultimately deliver strong returns to investors over the medium to long-term.

1. Vantage defines "top quartile" as Private Equity Fund of Funds whose funds have historically performed in the first quartile when benchmarked against other funds within the same strategy and vintage year. Based on private market benchmarking tool Pitchbook.

It is expected that the performance of each Fund will further improve as a number of VPEG2 and VPEG3's underlying private equity managers are in the final stages of exit negotiations, which will ultimately deliver further returns and distributions to VPEG2 and VPEG3 investors during 2023.

In Australia and New Zealand, private equity deal flow has remained robust despite the current economic uncertainty impacting some asset classes. Across VPEG3, VPEG4 and VPEG5, 12 new company investments have either been announced or completed by Vantage's underlying managers, across the past 6 months. Vantage's underlying Private equity managers report that their deal flow pipelines are strong providing several attractive opportunities to deploy capital in a market where prices are neutralising off their peaks that were seen across 2021 and 2022. Higher interest rates and the subsequent economic slowdown and uncertainty have created opportunities for Vantage's private equity managers to acquire well performing companies at a discount to their vendor's price expectations seen in previous years, thereby increasing the opportunity to generate potentially attractive returns for Vantage's Fund investors across future years.

The recent acquisitions added to the various Vantage fund portfolios are summarised in the table below;

Private Equity Fund Name (Vantage Fund)	Deal Name	Company Logo	Description
Potentia Fund II (VPEG4)	Soprano Design		Leading provider of mobile messaging technology for mobile network carriers and enterprise customers worldwide.
Potentia Fund II (VPEG4)	Rex		A provider of SaaS software solutions to the residential real estate industry
Anchorage Capital Partners Fund IV (VPEG4 & VPEG5)	David Jones		Australia's pre-eminent Omni channel retailer of world class brands
Anchorage Capital Partners Fund IV (VPEG4 & VPEG5)	Access Community Health		Leading provider of home based healthcare and support
Anchorage Capital Partners Fund III & Fund IV (VPEG3, VPEG4 & VPEG5)	Evolve Education		New Zealand's second largest Early Childhood education business.
Allegro Fund IV (VPEG4 & VPEG5)	Slater & Gordon		Leading compensation and class action law-firm
Adamantem Capital Fund II (VPEG5)	Retail Zoo		Holding company behind powerhouse brands Boost Juice, Betty's Burgers, Salsas Fresh Mex and CIBO Espresso
Mercury Capital Fund Twenty2 (VPEG5)	Matrix Education		Sydney's leading HSC tuition college for year 3 to 12 students.
Next Capital Fund V (VPEG5)	Country Care		Wholesaler and retailer of products to the assisted living and aged care sectors
Mercury Capital Fund 3 (VPEG3)	Avive Health		A private hospital operator with a specialisation in mental health.
CPE Capital 9 (VPEG4 & VPEG5)	Ambrose Construct Group		Specialised project management company and head contractor to insurance companies
Next Capital Fund IV (VPEG3)	Compare Club		Leading personal finance marketplace

VPEG5 REMAINS OPEN FOR INVESTMENT

VPEG5 remains open for investment for new investors and will remain open until its target fund size of \$250 million is reached.

VPEG5 continues the same successful investment strategy implemented by Vantage's previous funds, which at 31 December 2022 had completed commitments and investments across 31 Australian Private Equity Funds, who in turn had invested in **160 unique companies** across a broad range of industry sectors and had **exited (sold) 83** of these companies, generating a gross **3.1x multiple on invested capital**, delivering an average gross **Internal Rate of Return of 57.4% p.a.**

If you wish to learn more about VPEG5 as a potential investment, please contact your financial advisor or alternatively email info@vantageasset.com to request a meeting with a Vantage executive for more information.

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