

# VANTAGE PRIVATE EQUITY GROWTH 6



QUARTERLY INVESTOR REPORT  
31 DECEMBER 2024

# CONTENTS

**VPEG6**

---

<b>EXECUTIVE SUMMARY</b>	<b>3</b>
<b>PERFORMANCE</b>	<b>5</b>
<b>PRIVATE EQUITY PORTFOLIO</b>	<b>7</b>
<b>PORTFOLIO ACTIVITY</b>	<b>9</b>
<b>MARKET INSIGHTS</b>	<b>11</b>

---





# EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Growth 6 (VPEG6) quarterly investor report for the period ended 31 December 2024.

## VPEG6 MAKES FIRST PORTFOLIO COMPANY INVESTMENT

During the December 2024 quarter, VPEG6 achieved a significant milestone with the Fund's first portfolio company acquisition, of **Pacific Smiles Group Limited** (ASX:PSQ) by **Genesis Capital Fund II** (GC Fund II).

The acquisition of Pacific Smiles marks an exciting period for VPEG6, commencing the underlying portfolio company activity within the Fund. Other private equity managers within the VPEG6 portfolio are also engaged in advanced due diligence on potential investment opportunities. The execution of these opportunities would see VPEG6's underlying company portfolio grow across Q3 & Q4 FY25.

## VPEG6 AND VANTAGE - YEAR IN REVIEW

Upon the closing of VPEG6's inaugural calendar year, the Vantage team is pleased to reflect upon the journey of VPEG6 to date. The 2024 calendar year saw the launch and first close of VPEG6, the successful investment of three primary capital commitments to leading Australian and New Zealand (ANZ) private equity managers, and the Fund's first portfolio company investment.

Across all the Vantage Private Equity Growth (VPEG) funds during calendar year 2024, 13 companies were sold from the VPEG funds, delivering a gross 3.0x Multiple of Invested Capital (MOIC) and an average annualised return of 34.3%.

On the investment front, 18 new company investments were completed by the VPEG funds, representing a combined Enterprise Value of over \$3.5 billion.

During the December 2024 quarter, there were five new investments added to the portfolio and six exits across Vantage's flagship private equity funds.

This reinforces the strength of Vantage's focus on the lower to mid-market segment of Private Equity across ANZ. Vantage has strategically targeted this compelling area of the market, which has the largest opportunity set of private companies in Australia, and the lowest-level of competition amongst private equity managers. Ultimately, these factors help facilitate Vantage's strong performance returns.

## OUTLOOK FOR 2025

Looking ahead and on the back of a successful year of capital raising, VPEG6 is well-positioned to continue its capital allocation through 2025.

The December quarter saw the Vantage investment team undertake preliminary due diligence on several ANZ private equity managers that are coming to market in 2025.

The broader pipeline for the remainder of 2025 is strong, with a number of top-quartile performing ANZ private equity managers expected to come to market with new fund launches in 2H 2025. This will ultimately see VPEG6 further allocated as the year extends.

With VPEG6's first portfolio investment complete, and further investment activity expected to occur in late-Q3 or Q4 FY25, VPEG6 is likely to issue a capital call up to \$0.15 per dollar of committed capital from investors.

We are excited to share other key updates of VPEG6 with you in this December quarterly investor report on the following pages.



# EXECUTIVE SUMMARY

## **VPEG6 REMAINS OPEN FOR INVESTMENT**

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

An application can be made by contacting your Wealth Adviser or through VPEG6's Online Application form by copying the following link into your web browser;

<https://apply.automic.com.au/VPEG6>

## **2024 ANNUAL GENERAL MEETING**

On 28<sup>th</sup> November, Vantage held its VPEG Funds 2024 Annual General Meeting (AGM) at the Sofitel Wentworth, Sydney. Reflecting the exceptional growth of Vantage of recent times, the AGM represented the first time in over a decade that Vantage hosted its AGM as an in-person event, whilst also being accessible via webinar.

The AGM presented the opportunity to demonstrate the strong performance and achievements of the VPEG Funds across the 2024 financial year.

We look forward to seeing Vantage's esteemed investors and advisers at the 2025 AGM, with details to be provided in due course.

## **VANTAGE 20-YEAR ANNIVERSARY**

During December, Vantage celebrated its 20-year anniversary on Sydney Harbour, with the Vantage team celebrating with a number of prominent and long-time investors, advisers and private equity fund managers.

The event was an extraordinary reminder of the trust and collaboration that have been fundamental to the Vantage journey, and the partnerships that continue to shape Vantage's future.

## **VANTAGE TEAM STRATEGY OFFSITE**

Capping off an active quarter for Vantage, the firm held its 2024 Strategy Offsite in the Hunter Valley, allowing the team to align on Vantage's vision and plans for 2025 and beyond. The Strategy Offsite provided an invaluable opportunity to strengthen the team's focus on delivering exceptional value to Vantage's investors and continue to build strong relationships with Vantage's private equity managers, whilst ensuring the firm remains agile and responsive in an ever-evolving private equity market.

# PERFORMANCE



# PERFORMANCE

31 DECEMBER 2024

NAME OF FUND	VANTAGE PRIVATE EQUITY GROWTH 6 (VPEG6)
FIRST CLOSE	17 <sup>TH</sup> JULY 2024
TARGET FUND SIZE	\$250 MILLION
STRATEGY	PRIVATE EQUITY FUND OF FUNDS
INVESTMENT FOCUS	LOWER TO MID-MARKET AUSTRALIA & NEW ZEALAND
FUND STRUCTURE	AUSTRALIAN UNIT TRUST
APPLICATION INTAKE	MONTHLY
MINIMUM INVESTMENT	AUD\$100,000
APPLICATION AMOUNT	5% OF INVESTORS COMMITTED CAPITAL
REGISTRY	AUTOMIC PTY LTD
VPEG6 ONLINE APPLICATION FORM URL	<a href="https://apply.automic.com.au/vpeg6">HTTPS://APPLY.AUTOMIC.COM.AU/VPEG6</a>

## PORTFOLIO

TOTAL COMMITTED CAPITAL TO PRIVATE EQUITY	\$45,500,000
NO. OF PRIMARY COMMITMENTS	3
NO. OF PORTFOLIO COMPANIES	1
CALLED CAPITAL - PER \$ OF COMMITTED CAPITAL	\$0.05



# PRIVATE EQUITY PORTFOLIO







# PRIVATE EQUITY PORTFOLIO

## VPEG6 PRIVATE EQUITY PORTFOLIO - HIGHLIGHTS



\$10M TO ALLEGRO FUND IV SIDE CAR

- Sydney-based firm, focusing on the Australian and New Zealand mid-market
- Targets businesses experiencing financial, operational or market-related challenges
- Specialises in turnaround opportunities where strategic capital deployment can unlock business value and improve performance



AUD\$18M (NZD\$20M) TO WATERMAN FUND 5

- New Zealand-based firm, targeting mid-market companies in New Zealand
- Targets mid-market businesses up to \$150 million with strong free cashflow profiles
- Specialises in expansion capital, buyouts and replacement capital opportunities, leveraging their established reputation in the mid-market sector



\$17.5M TO GENESIS CAPITAL FUND II

- Sydney-based firm, focusing on the Australian and New Zealand lower mid-market healthcare
- Specialist healthcare investors, with a focus on segments of the healthcare sector experiencing strong growth and tailwinds
- Specialises in Buy and Build, and Growth Acceleration investment strategies



HIGHLY ACTIVE AND STRONG PIPELINE

- VPEG6 is currently 5% called with a capital call of up to \$0.15 per dollar of committed capital likely to be issued in late-Q3 or Q4 FY25
- Completed first underlying portfolio company investment - Pacific Smiles
- Completed 3x underlying Fund Commitments
- Strong pipeline of potential Primary & Co-investment Opportunities

## VPEG6 PRIVATE EQUITY PORTFOLIO - SUMMARY

PRIVATE EQUITY FUND NAME	FUND / DEAL SIZE (\$M)	VINTAGE	INVESTMENT STRATEGY	COMMITMENT (AUD\$M)	CAPITAL DRAWN (\$M)	PORTFOLIO COMPANIES	EXITS
ALLEGRO FUND IV SIDE CAR 2	\$106	2024	TURNAROUND	\$10.00	-	-	-
WATERMAN FUND 5	NZ\$250	2024	EXPANSION / BUYOUT	\$18.00	-	-	-
GENESIS CAPITAL FUND II	\$357	2024	EXPANSION / BUYOUT	\$17.50	-	1	-
<b>TOTAL</b>				<b>\$45.50</b>	<b>-</b>	<b>1</b>	<b>-</b>



# PORTFOLIO ACTIVITY





# PORTFOLIO ACTIVITY

VPEG6's private equity managers report that there are several interesting potential investment opportunities that meet their investment criteria, in which they remain actively engaged in late-stage due diligence and negotiations on. If completed, these investments will add to VPEG6's portfolio across the coming months.

Provided below is an overview of the first portfolio company investment of VPEG6's added during the quarter.



## **PACIFIC SMILES – GENESIS CAPITAL FUND II**

In December 2024, GC Fund II was successful in its takeover of Pacific Smiles, having steadily built its stake in the business via GC Fund I since early 2024.

The acquisition was executed via an unconditional off-market takeover bid and is the second platform acquisition by Genesis Capital in the dental industry, following their investment in Impression Dental by GC Fund I.

Pacific Smiles is the second largest dental platform in Australia operating 130+ centres across NSW, VIC, QLD, ACT and WA. The group has more than 800 dentists operating across its practices.

The business is renowned for its operational and clinical excellence, and a growth model allowing for the organic rollout of new centres to strategically expand throughout Australia. Dental clinics operating under the Pacific Smiles brand include Nib Dental Care, Pacific Smiles Dental and HBF Dental.

## **DIVERSIFIED INVESTMENT PORTFOLIO**

Once VPEG6's primary capital allocation is fully-invested, VPEG6 should achieve a highly-diversified portfolio of ~50 companies. These underlying investments will be diversified across a broad set of sectors, significantly reducing the risk of loss and enhancing returns to VPEG6 investors.

Similar to Vantage's existing VPEG funds, VPEG6's diversified portfolio of underlying investments will have an emphasis on B2B services, Information Technology, Healthcare, Education, Professional Services, Industrials and Consumer Staples.

# MARKET INSIGHTS





# MARKET INSIGHTS

The Australian lower to mid-market private equity segment continues to show strong resilience and is well positioned for increased deal activity as we progress through Q1 and into 2025.

At a macro level, 2024 saw a more challenging economic environment driven by modest growth, lingering inflation (fed by high government expenditure) and persistently high interest rates. However, key economic indicators point to more favourable economic conditions in 2025, with core inflation data trending downwards and interest rate relief expected towards the end of this quarter or early next.

Despite geopolitical uncertainty overseas, both Australia and NZ have managed to avoid the rise of populist politics and swings to the far right which have become prevalent in both the US and several European countries. Importantly, Australia runs a trade deficit with the US and is therefore unlikely to be a direct target of Trump's tariffs. While action against China, Australia's largest trading partner, will likely have flow on effects, this is more likely to impact larger, more commodity-linked and export-led businesses that don't sit within Vantage's focus of the lower to mid-market segment.

Recent commentary from M&A market participants suggests a greater convergence on valuation between buyers and sellers. This follows the previous misalignment experienced through most of 2024 which saw prolonged transaction timelines, and in some instances failed sale processes. As such, there remains a large backlog of deals which, with debt markets remaining highly supportive, should see heightened deal activity through the year.

Vantage's managers and their respective portfolio companies are well placed to benefit from these key themes playing out through 2025.

A more stable and positive operating environment should allow for greater conviction in pursuing new growth initiatives to help drive value creation across the portfolio. While from an exit perspective, the prospect of cheaper debt financing, continued interest from both domestic and offshore trade, as well as large buyout funds as they seek to deploy record amounts of capital, should see strong demand for high-quality mid-market businesses.

Vantage's funds and their underlying managers continue to focus on businesses that demonstrate highly defensive characteristics, with proven B2B revenue models, strong customer retention and pricing power.

New investment activity has been focused on the software & IT, healthcare and business services sectors, with very few new retail investments given the challenging consumer backdrop and pull back in discretionary spending.

Overall, 2025 is shaping up to be a strong year for the lower to mid-market segment, across Australia and New Zealand. Improving economic conditions, an increasing pipeline of high-quality opportunities, and greater appetite from both buyer and sellers should see strong growth on what has been a solid December quarter.



# DIRECTORY

## CONTACT DETAILS

Vantage Private Equity Growth 6  
Level 33, Aurora Place  
88 Phillip Street  
Sydney NSW 2000 Australia

## TRUSTEE & INVESTMENT MANAGER

Vantage Asset Management Pty Limited  
ACN: 109 671 123  
Australian Financial Services Licence: 279186  
Managing Director - Michael Tobin  
Phone: +61 2 9067 3133  
Email: [info@vantageasset.com](mailto:info@vantageasset.com)  
Website: [www.vantageasset.com](http://www.vantageasset.com)

## 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 6. 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

