

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES FUND



QUARTERLY INVESTOR REPORT
30 SEPTEMBER 2024

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EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Secondaries Opportunities (VPESO) Fund quarterly investor report for the quarter ending 30 September 2024.

The September 2024 quarter saw continued levels of Private Equity activity across VPESO's portfolio, with an additional \$0.5m acquisition of a VPEG4 holding completed, bringing the total commitments acquired to date to \$40.5 million. Additionally, two new company investments were added across the portfolio during the quarter, as well as one previously announced portfolio company being completed (Qantm IP by Adamantem Capital Fund 2).

PORTFOLIO HIGHLIGHTS

Genesis Capital Fund 1 completed the acquisition of Perrigo Hospital and Specialty (H&S), a pharmaceutical company providing R&D, manufacturing and commercial supply of healthcare pharmaceutical products for the hospital and specialty end markets.

Within VPEG4, Potentia Fund II announced the acquisition of Jinjer, a Japanese cloud-based provider of HR software covering time & attendance, payroll and expense management. As such, this brings the total number of unique company investments completed in VPESO to 110, with 16 companies sold from the portfolio to date.

Turning to exits, **The Growth Fund** announced the sale of portfolio company **Quantum Radiology** to Crescent Capital, marking a strong exit for the fund.

Additionally, within VPEG4, an investee **CPE Capital 9** announced the sale of **Civilmart** to Irish manufacturer CRH for a media reported \$400 million. The sale marks CPE Capital 9's first successful realisation further enhancing the overall return to investors.

As reported in the June 2024 quarterly investor report, Advent announced the sale of **Advent Partners 2 Fund (AP2)** portfolio company **Compass Education** to Swedish Private Equity firm EQT, for a media reported sale price of ~\$700m. Distributions are expected to take place during the March 2025 quarter once FIRB approval is finalised.

Upon receipt of these distributions (including proceeds from the sale of Compass Education), a distribution will be paid to VPESO investors during the March 2025 quarter, further increasing the Fund's returns to investors.

As at 30 September 2024, VPESO's portfolio of funds have invested in 110 unique underlying portfolio companies, with 16 companies sold.

VPESO FUND ACTIVITY

During the quarter, **distributions** totalling **\$472,023** were received from **Catalyst Buyout Fund 2, VPEG3 and Co-Investment Gull**.

During the quarter drawdowns totalling **\$229,092** were paid to acquire a secondary position in **VPEG4** as well as to meet capital calls issued by **VPEG4**.

VPESO acquired an additional \$0.5m position in **VPEG4** bringing the total commitments acquired in VPEG4 to \$3.0m. Capital calls totalling **\$100,000** were primarily used for the acquisition of **ELF Group** by **Anchorage Fund IV** and the acquisitions of **Vista Group** and **Jinjer** by **Potentia Fund II**, as well as to fund follow-on investments into existing portfolio companies, management fees and working capital requirements of the underlying private equity funds.

As a result, VPESO had paid a total of **\$37,796,602** to date which consists of six secondary private equity acquisitions and three co-investments.

VPESO PERFORMANCE

VPESO's portfolio remained resilient over the quarter with minimal movements in valuations being noted across underlying fund managers. As such, VPESO's NAV remained steady at \$1.333 per Unit as at 30 September 2024, generating a net annualised return of **15.3% p.a.** since the Fund's inception.



EXECUTIVE SUMMARY

VPEG6 CONTINUES INVESTMENT PROGRAM

Following extensive due diligence & analysis conducted by the Vantage investment team over the September 2024 quarter, VPEG6 made its third primary capital commitment, to Genesis Capital Fund II (GC Fund II).

Genesis Capital are specialist healthcare investors with a strong track record of targeting fragmented healthcare sub-sectors demonstrating thematic tailwinds in Australia and New Zealand.

This third commitment follows VPEG6's initial two primary capital commitments to Allegro Fund IV Side Car 2 and Waterman Fund 5, which takes the total quantum of VPEG6's primary capital commitment allocations to over \$40 million.

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 or call 02 9067 3133.

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

VANTAGE TEAM CONTINUES TO GROW

Following a number of recent additions to the Vantage team across the Directorship & Investment Committee, Finance Team and Investor Relations, Vantage is pleased to announce Oliver Hedley-Whyte has joined the Investment Team as Investment Director. Oliver brings over 10 years of direct mid-market Private Equity experience across Australia and the UK.

The expansion of the Vantage team underscores our firm's evolution and highlights the rising investment momentum across all of Vantage's Private Equity programs. The addition of Oliver to the investment team also enhances our commitment to exceptional service for our investors and reinforces our dedication to delivering on our core mission.

PERFORMANCE



PERFORMANCE

\$ REPORTED IN AUD

QUARTER ENDING	30 September 2024
INCEPTION DATE	27 JULY 2021
STRATEGY	SECONDARY PRIVATE EQUITY & CO-INVESTMENT
NO. OF UNITS ISSUED	35,321,766
NET ASSET VALUE (NAV) \$ PER UNIT	\$1.333
NET RETURN - 1 MONTH	0.3%
NET RETURN - 3 MONTHS	0.1%
NET RETURN - 6 MONTHS	13.5%
NET RETURN - 1 YEAR	14.9%
NET RETURN - 2 YEARS	30.4%
ABSOLUTE NET RETURN	54.5%
NET ANNUALISED RETURN	15.3%
PORTFOLIO	
TOTAL SECONDARY AND CO-INVESTMENT COMMITMENTS ACQUIRED	\$48.44 MILLION
NO. OF SECONDARY FUND COMMITMENTS ACQUIRED	8
NO. OF CO-INVESTMENTS	3
NO. OF PORTFOLIO COMPANIES ¹	110
NO. OF EXITS	16
NO. OF REMAINING PORTFOLIO COMPANIES	94

1. No. of portfolio companies only considers unique number of portfolio companies and excludes duplicates.

SECONDARY PRIVATE EQUITY PORTFOLIO





SECONDARY PRIVATE EQUITY PORTFOLIO

VPESO PRIVATE EQUITY PORTFOLIO

PRIVATE EQUITY FUND NAME ²	FUND / DEAL SIZE (\$M)	VINTAGE	INVESTMENT FOCUS	ACQUIRED COMMITMENT (\$M)	CAPITAL DRAWN (\$M)	PORTFOLIO COMPANIES	EXITS
ADVENT PARTNERS 2 FUND	\$300	2017	EXPANSION / BUYOUT	\$10.00	\$9.11	7	2
ANCHORAGE CAPITAL PARTNERS FUND III	\$360	2017	TURNAROUND	\$5.00	\$4.94	5	2
VANTAGE PRIVATE EQUITY GROWTH 3	\$68	2019	FUND OF FUNDS - GROWTH / BUYOUT / TURNAROUND	\$9.70	\$7.61	50	11
GENESIS CAPITAL FUND I	\$190	2020	EXPANSION / BUYOUT	\$1.30	\$0.99	9	0
THE GROWTH FUND III	\$450	2017	EXPANSION / BUYOUT	\$6.00	\$5.39	12	3
VANTAGE PRIVATE EQUITY GROWTH 4	\$180	2021	FUND OF FUNDS - GROWTH / BUYOUT / TURNAROUND	\$3.00	\$1.36	38	2
CO-INVEST NO. 1 (GULL NEW ZEALAND)	NZ\$495	2022	BUYOUT	\$2.00	\$2.00	1	0
CO-INVEST NO. 2 (COMPARE CLUB) ³	\$160	2022	GROWTH CAPITAL	\$2.50	\$2.50	1	0
CO-INVEST NO. 3 (PAC TRADING)	\$71	2023	GROWTH CAPITAL	\$1.00	\$1.02	1	0
			TOTAL	\$40.50	\$34.90	110	16

2. Excludes small holdings acquired for less than \$0.05m each of VPEG2B and Catalyst Buyout Fund 2. Also excludes duplicates.

3. Co-Invest No.2 – Compare Club, was acquired by VPESO in two separate tranches and into two separate entities



SECONDARY PRIVATE EQUITY PORTFOLIO

TOP 10 HOLDINGS ACROSS THE PORTFOLIO*

	PORTFOLIO COMPANY	FUND	DESCRIPTION	% SHARE	CUMULATIVE
1	COMPARE CLUB	CO-INVEST NO.2	PERSONAL FINANCE MARKETPLACE	10.9%	10.9%
2	GBST WEALTH MANAGEMENT	ANCHORAGE CAPITAL PARTNERS FUND III	FINANCIAL SERVICES TECHNOLOGY PROVIDER TO THE GLOBAL WEALTH MARKET	9.6%	20.6%
3	MEDTECH	ADVENT PARTNERS 2 FUND	PROVIDER OF PRACTICE MANAGEMENT SOFTWARE	8.5%	29.1%
4	IMAGING ASSOCIATES GROUP	ADVENT PARTNERS 2 FUND	DIAGNOSTIC IMAGING SERVICE PROVIDER	5.5%	34.6%
5	ASKIN PANELS	GROWTH FUND III	MANUFACTURER AND INSTALLER OF INSULATED PANELS	4.9%	39.5%
6	GULL NEW ZEALAND	CO-INVEST NO.1	NEW ZEALAND PETROLEUM DISTRIBUTION COMPANY AND PETROL STATION CHAIN	4.7%	44.1%
7	FLINTFOX	ADVENT PARTNERS 2 FUND	DEVELOPER OF TRADE REVENUE MANAGEMENT SOFTWARE	3.8%	48.0%
8	ZERO LATENCY	ADVENT PARTNERS 2 FUND	VIRTUAL REALITY GAMING ATTRACTION	3.5%	51.4%
9	SOUTH PACIFIC LAUNDRIES	ANCHORAGE CAPITAL PARTNERS FUND III	LEADING NATIONAL LAUNDRY OPERATOR	3.4%	54.8%
10	PAC Trading	CO-INVEST NO.6	SUPPLIER OF SUSTAINABLE PACKAGING SOLUTIONS	3.0%	57.8%

*Excluding Compass Education



SECONDARY PRIVATE EQUITY PORTFOLIO

INDUSTRY DIVERSIFICATION OF PORTFOLIO

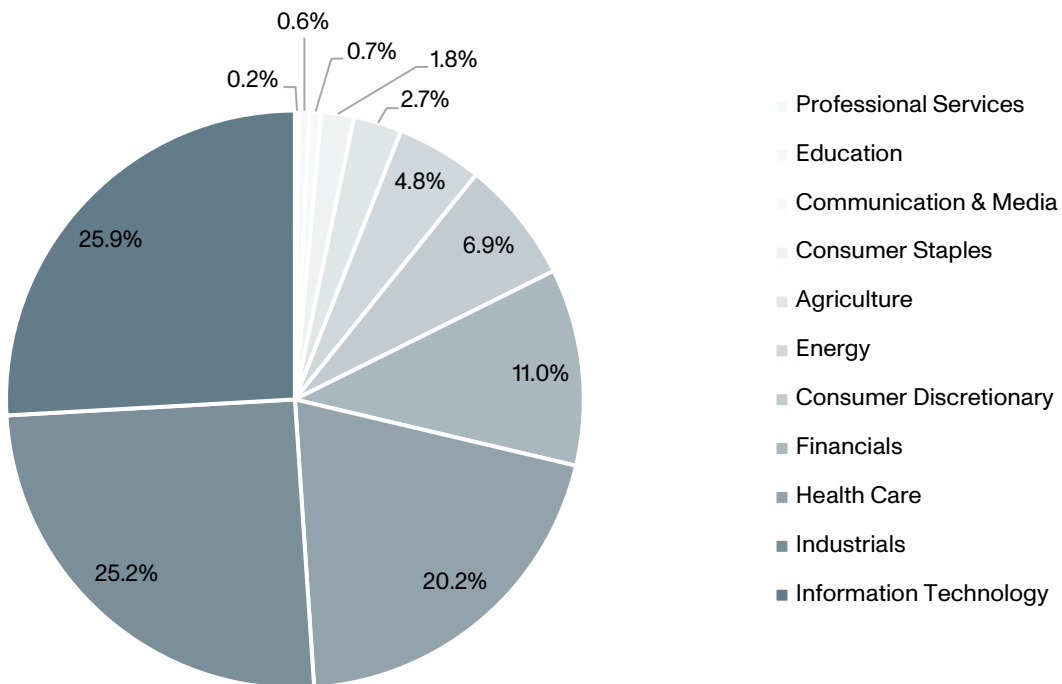


Image: Industry diversification of VPESO's portfolio at period end 30 September 2024. Key is in ascending order.

PORTFOLIO ACTIVITY





PORTFOLIO ACTIVITY

Private equity activity in the lower to mid-market segment continued to gain traction throughout the September 2024 quarter. The M&A market is showing encouraging signs with the majority of Vantage's underlying managers becoming increasingly confident and expecting an increase in deal activity for both the remainder of the year and 2025.

OVERVIEW OF ANNOUNCED EXITS

Quantum Radiology – Growth Fund



The Growth Fund completed the 100% sale of its investment in Quantum Radiology to Crescent Capital in September 2024. The sale marked a strong exit for the fund with exit proceeds expected to be received by VPESO in the December 2024 quarter.

The Growth Fund made its investment into Quantum Radiology, an operator of diagnostic imaging clinics in NSW in December 2016. During the Growth Fund's ownership, management successfully rolled out new industry clinics and upgraded the existing network. Additionally, management acquired a number of bolt-on clinics, whilst upgrading facilities and training staff to improve efficiencies in these newly acquired sites. This saw Quantum Radiology achieve strong organic and M&A-led growth, ultimately delivering an attractive return to VPESO investors.

ANNOUNCED EXIT - CIVILMART – CPE CAPITAL 9 – VPEG4



During the quarter, **CPE Capital 9** announced the sale of portfolio company **Civilmart** to Irish manufacturer CRH for a media reported \$400 million.

CPE Capital in August 2021 made an investment into Rocla and the simultaneous bolt-on investment of Civilmart, Australia's 3rd and 4th largest manufacturers of concrete pipes and precast products. This merger created the 2nd largest manufacturer of concrete pipes and precast products in Australia, with operations in New South Wales, Queensland and South Australia.

Across CPE Capital's ownership, management focused on significantly improving the operational performance of the business through strategic initiatives encompassing facility consolidation and network optimisation.

The management team successfully executed the integration of manufacturing and sales operations while implementing a decentralised service model, resulting in enhanced market penetration and operational efficiencies. This was underpinned by a rigorous focus on core service offerings, driving sustainable competitive advantages across product quality and service delivery benchmarks.

The investment thesis was materialised through both organic growth initiatives and accretive bolt-on acquisitions. Despite macroeconomic headwinds impacting government infrastructure spending, the business maintained robust financial performance, evidenced by strong EBITDA growth and a resilient customer pipeline. This exit represents the second successful portfolio company sale from VPEG4's portfolio, delivering a material investment return to CPE Capital 9 and VPEG4 investors.

PORTFOLIO ACTIVITY

The majority of VPESO's underlying investments had steady valuations with minimal movement over the September quarter. However, a notable standout was VPESO's co-investment in PAC Trading.

PAC Trading continued to perform strongly, with sales and number of customers growing, despite softer market demand and increased price competition. The business continues to win new accounts with larger corporate customers, with a solid pipeline of opportunities.

During the quarter, two new underlying investments were added to the portfolio. An overview of the new investments added to VPESO's portfolio follows:

Perrigo – Genesis Capital Fund I



During September 2024, Genesis Capital Fund 1 completed the 100% acquisition of Perrigo Hospital and Specialty (H&S). The transaction was a corporate carveout from Perrigo Global (NYSE listed A\$10bn EV) who were divesting due to a pivot in global strategy.



PORTFOLIO ACTIVITY

Perrigo H&S is a pharmaceutical company providing R&D, manufacturing and commercial supply of healthcare pharmaceutical products for the hospital and specialty end markets. The business has a long operating history, being founded in 1985 by two Australian chemists, and has highly regarded products across a range of therapeutic areas including infection control, pain relief, dermatology and fertility.

The transaction presents an attractive opportunity to acquire a long-standing business with stable underlying end market demand. The well-credentialed management team and diversified product portfolio provide a strong basis for Genesis to execute on their value creation strategies.

JINJER – POTENTIA CAPITAL FUND II - VPEG4



During September 2024, Potentia Fund II completed an investment into JinJer, a provider of cloud based, HR software platform covering time & attendance, payroll and expense management.

Jinjer is a leading HR technology company based in Japan, founded in 2021. It specialises in providing cloud-based HR SaaS (Software as a Service) solutions, primarily for small to medium-sized businesses (SMBs) and enterprises.

Jinjer's platform covers a wide range of HR functions, including payroll, time and attendance, expense management, performance evaluation, and talent management. Their solutions are known for offering an integrated and seamless experience for users, handling the full employee lifecycle through a single database.

Jinjer has gained significant traction in the growing Japanese HR SaaS market and has been recognised for its innovation, receiving several awards.

BOLT-ONS

During the period, **Advent Partners 2** portfolio company **Imaging Associates Group (IAG)** completed a bolt-on investment of DiaganostiCare, a radiology clinic located in Melbourne. The acquisition of DiaganostiCare will significantly boost the profitability of IAG and positions IAG as the leading independent radiology provider in Victoria.

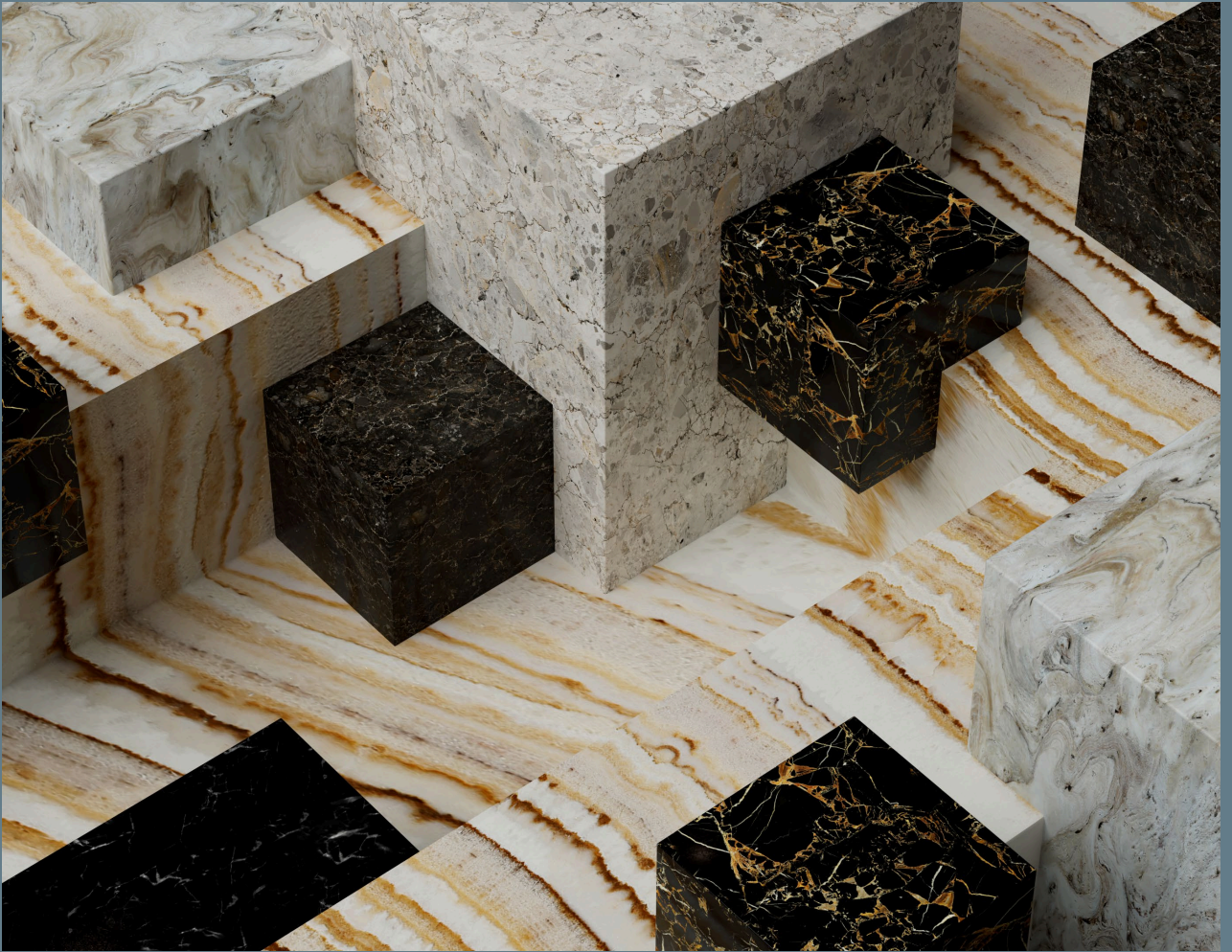
Adamantem Environmental Opportunities Fund portfolio company **and VPEG4 Co-investment No.6 PAC Trading** completed the bolt-on of the Packaging Division of business of **Closed Loop Solutions**. This acquisition strengthens its position in sustainable packaging and expanding its circular economy capabilities, further enhancing PAC Trading's end-to-end recycling services while bringing complementary technology that accelerates growth.

Also VPEG4 investee, **Allegro Fund IV** portfolio company **Nutun**, completed the bolt-on acquisition of **Debtrak**, a market leading collections software business. The acquisition enhances Nutun's technology and capability position.

Finally, **Advent Partners 3** portfolio company **Private Equity Health Australia (PEHA)** completed the bolt-on of **Ulaid Health**, a doctor owned group in Perth which manages the private emergency department of Ramsey Hollywood Private Hospital, one of Australia's largest hospitals. The acquisition of Ulaid Health strengthens Private Equity Health Australia's service capabilities and expands its healthcare portfolio, enabling enhanced patient care, broader service offerings, and accelerated growth in the healthcare sector.

As at 30 September 2024, VPESO's portfolio of funds had ultimately invested in 110 unique underlying portfolio companies, with 16 companies sold.

MARKET INSIGHTS





MARKET INSIGHTS

The strong momentum for secondaries seen in FY24 has continued to accelerate through Q1 FY2025 with the market characterised by tighter pricing, increased adoption by both GPs and LPs, and a growing supply of capital chasing deals.

Q1 FY2025 saw global secondaries deal volume of \$40-45bn, double that of Q1 FY24. This was split evenly between LP-led and GP-led secondaries (~45% each), with structured liquidity solutions accounting for the remainder (~10%). All signs are pointing towards a record year for secondaries growth, with total deal volume projected to reach \$145bn for calendar year 2024 (25% increase versus CY23).

On the supply side, LPs have accelerated sale volumes to capitalise on favourable pricing conditions, with a notable increase in first-time vendors (45% in H1 2024 compared to 39% in 2023). As many LPs continue to face net negative cash flows and re-evaluate their private equity programs and allocations, there is growing interest in transacting on partial commitments or recent vintages to preserve GP relationships and optimise pricing.

On the demand side, increased dry powder and renewed buyer optimism, fuelled by robust public market performance, has driven fund-level pricing upwards.

Since H2 2023, LP-led secondaries pricing has increased by an average of ~150 bps, with buyout strategy pricing averaging ~94% and growth capital pricing averaging 84%. Pricing dynamics across strategies remained broadly consistent, with global buyout interests managed by top-tier sponsors attracting near-par pricing, while tail-end portfolios command steeper discounts. 2016 to 2019 vintages continue to gain significant traction due to their enhanced visibility into projected cash flows, with limited / no blind pool risk, a mitigated J-curve and solid remaining NAV appreciation potential. In contrast, portfolios with mature assets that have public exposure were less likely to be sold due to concerns surrounding market volatility.

Furthermore, a key contributor to the increased pricing and opportunistic selling activity relates to the growth and participation of evergreen / open-ended structures. These funds continue to raise significant capital on a monthly basis, however, face the challenge of deploying capital quickly to avoid any associated cash drag to returns. Vantage has seen various offshore funds set up distribution teams in Australia to tap into strong retail demand for secondaries. However, it is too early to say whether these strategies stand to generate attractive returns vs. more considered capital raising and deployment methods.

During Q1 FY24, Vantage has seen a large number of opportunities and while there continues to be significant demand for the VPESO offering, the team has remained disciplined in its approach of targeting Australian and New Zealand secondary deals that provide a strong risk adjusted returns.

Vantage continues to be the LP of choice for Australian and New Zealand mid-market GPs looking to facilitate LP-led secondaries. Leveraging its 20+ year relationships and datasets, the firm is able to move quickly, price efficiently and maximise value for a selling LP. The team continue to monitor a solid pipeline of new deal opportunities across these long-standing GP relationships and other market participants and is confident heading into FY2025.

PRIVATE EQUITY ACTIVITY

During Q1 FY2025, Vantage's flagship Private Equity Funds witnessed this with the announced sales of portfolio companies: Compass Education (VPEG3) to global private equity investor EQT, and Civilmart (VPEG4 & VPEG5) to Irish industrials conglomerate CRH Company.

Overall private equity transaction activity remained consistent with the prior quarter with 11 acquisitions across healthcare, education, software and business support sectors, alongside four completed or announced exits.

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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 Manager of the Vantage Private Equity Secondaries Opportunities Fund (VPESO). 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

