

VANTAGE PRIVATE EQUITY GROWTH 6



QUARTERLY INVESTOR REPORT
30 SEPTEMBER 2024

CONTENTS

VPEG6

EXECUTIVE SUMMARY	3
PERFORMANCE	5
PRIVATE EQUITY PORTFOLIO	7
PORTFOLIO ACTIVITY	9
MARKET INSIGHTS	11





EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Growth 6 (VPEG6) quarterly investor report for the period ended 30 September 2024.

Following extensive due diligence conducted over the September 2024 quarter, VPEG6 made its third primary capital commitment, of \$17.5 million to Genesis Capital Fund II (GC Fund II). The Sydney-based Genesis Capital are the only dedicated private equity healthcare manager in Australia and New Zealand.

This third commitment follows VPEG6's initial two primary capital commitments of \$10 million to Allegro Fund IV Side Car 2 and \$18 million (NZD\$20 million) to Waterman Fund 5, which brings the total quantum of VPEG6's primary capital commitment allocations to \$45.5 million.

During the September 2024 quarter, there were eleven acquisitions in the Australian and New Zealand private equity market. Three of these investments were undertaken across Vantage's flagship private equity funds and added to Vantage's underlying portfolio.

Further, across the past six months, seven companies were sold from Vantage's flagship funds, generating a gross 3.5x Multiple on Invested Capital, delivering an average gross annualised return of 43.0% p.a.

The lower to mid-market continues to be the most active segment of M&A and Private Equity across Australia and New Zealand, demonstrating its resilience and ability to deliver strong returns.

VPEG6 is well-positioned to capitalise on this level of investment activity, with VPEG6's first portfolio investment expected to occur in Q2 or early-Q3 of FY25. Following this initial acquisition, VPEG6 is likely to issue a capital call of ~\$0.05 to \$0.10 per dollar of committed capital from investors.

We are excited to share other key updates of VPEG6 with you in this September quarterly investor report below.

VPEG6 CONDUCTS FIRST CLOSE

As covered in the previous quarterly report, on 17th July 2024, VPEG6 conducted its First Close. Fundraising for VPEG6 continues to track positively and build further momentum following the previous announcement of VPEG6's first two primary capital commitments.

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 through VPEG6's Online Application form by copying the following link into your web browser;
<https://apply.automic.com.au/VPEG6>

VPEG2 & VPEG6 INVESTEE WATERMAN CAPITAL WINS FIRM & DEAL OF THE YEAR

During the recent NZ Private Capital conference in Queenstown, New Zealand, VPEG2 & VPEG6 investee Waterman Capital was awarded Firm of The Year, for their continued positive industry contribution, and Deal of The Year, for their Fund 4 investment in Fusion5.

The awards to Waterman recognise Vantage's continued ability to identify, select and invest across a diversified set of Private Equity funds managed by the top tier performing Private Equity fund managers in Australia & New Zealand.



EXECUTIVE SUMMARY

VANTAGE TEAM ADDITIONS

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 programmes. 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

NAME OF FUND	VANTAGE PRIVATE EQUITY GROWTH 6 (VPEG6)
FIRST CLOSE	17 TH 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	HTTPS://APPLY.AUTOMIC.COM.AU/VPEG6

PORTFOLIO

TOTAL COMMITTED CAPITAL TO PRIVATE EQUITY	\$45,500,000
NO. OF PRIMARY COMMITMENTS	3
NO. OF PORTFOLIO COMPANIES	-
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 an estimated ~5-10% of capital to be called in Q2 or Q3 FY25
- Completed 3x underlying Fund Commitments since July 2024
- 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	-	-	-
TOTAL				\$45.50	-	-	-

PORTFOLIO ACTIVITY





PORTFOLIO ACTIVITY

Through the September 2024 quarter, the Vantage investment team has undertaken due diligence on several Australian and New Zealand private equity managers who have been seeking capital.

Following this, the VPEG6 Investment Committee approved a primary capital commitment of \$17.5 million to Genesis Capital Fund II (GC Fund II) during October 2024.

This represents the first primary capital commitment from Vantage funds to Genesis Capital managed funds and follows the existing secondary position held in Genesis Capital Fund I (GC Fund I) by Vantage Private Equity Secondaries Opportunities (VPESO) Fund.

This represents the third primary capital commitment made by VPEG6 and brings the total quantum of primary capital commitment allocations from VPEG6 to \$45.5 million. An overview of GC Fund II is provided below.

GENESIS CAPITAL FUND II



Genesis Capital are based in Sydney and were established in 2018. Genesis Capital are the only dedicated private equity healthcare manager in Australia and New Zealand, with a focus on segments of the healthcare sector experiencing strong growth and tailwinds.

The ANZ healthcare market continues to be an attractive area for private equity investment; it is highly fragmented and provides a large number of opportunities to allocate capital and create scaled, market-leading businesses that command attractive premiums at exit.

GC Fund II succeeds GC Fund I, a 2021 vintage fund with \$195 million in aggregate commitments. Prior to GC Fund I, Genesis Capital executed investments on a deal-by-deal basis.

GC Fund II will target investments in ANZ businesses with enterprise values of up to \$100 million, and generating revenues of \$10m-\$100m and EBITDA of \$2m-\$10m.

GC Fund II raised \$357 million in capital commitments; with VPEG6 one of the larger Limited Partners in the fund.

ATTRACTIVE, PROVEN INVESTMENT FOCUS

Following the same successful investment strategy as Vantage's previous flagship funds, VPEG6 will only invest into professionally managed top quartile performing private equity funds based in Australia and New Zealand. These funds, in which Vantage makes primary capital commitments to and co-investments alongside, ultimately invest into profitable companies at the Growth Capital, Expansion, Turnaround and Buyout Financing stages of private equity in Australia and New Zealand.

VPEG6 will develop a diversified portfolio of underlying investments similar to Vantage's existing Private Equity funds, which have an emphasis on growth industry sectors, including B2B services, Information Technology, Healthcare, Education, Industrials, Agriculture and Consumer Staples.

MARKET INSIGHTS





MARKET INSIGHTS

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.

2024 has seen lingering concerns of 'sticky' inflation and sustained levels of high interest rates, meaning M&A processes have taken longer to complete or ultimately been put on-hold. However, recent market commentary suggests a marked improvement in sentiment, with dealmakers growing accustomed to the current environment, and both buyers and sellers successfully recalibrating their valuation expectations. This large backlog of deals, improved alignment on valuation, alongside the potential for modest interest rate reductions and an easing of inflationary pressures, is expected to drive a substantial uptick in deal activity in 2025.

As international events have unfolded, geopolitical factors have become an increasingly important feature to consider when assessing M&A. However, rather than suppressing deal M&A appetite in Australia and New Zealand, this uncertainty has helped position these markets as increasingly attractive destinations for capital deployment due to their stable economies and predictable political environments.

Vantage's underlying managers are well-placed to benefit from these key themes, particularly given their focus on the lower to mid-market segment. There continues to be an abundance of high-quality investment opportunities with founders and management teams attracted to local, established private equity managers that can help accelerate their growth ambitions. Meanwhile, these same managers can then benefit at exit from the substantial pool of buyers that are eager to deploy capital into high-quality, scaled platforms with potential to grow offshore.

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.

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
Website: 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

