

RECENTLY COMPLETED & ANNOUNCED EXITS DELIVER VANTAGE FUNDS AN AVERAGE GROSS 4.9 X RETURN ON INVESTED CAPITAL REPRESENTING AN INTERNAL RATE OF RETURN OF 73.9% P.A.

As the Australian economy continued to rebound during the first half of 2021, consumer confidence surged to an eleven-year high¹ and business confidence also achieved an all-time record high² in April 2021. This renewed confidence resulted in an increase in M&A and IPO activity leading to a considerable increase in exit activity across Vantage Private Equity Growth Fund portfolios during the June 2021 quarter.

With the exit environment continuing to be strong, a number of underlying companies from Vantage Private Equity Growth 2 (VPEG2) and Vantage Private Equity Growth 3 (VPEG3) portfolios have recently been successfully sold, either by trade sale or a secondary sale to a larger institutional investor, or partially realised via an IPO and ASX listing. Across the June 2021 quarter, five underlying company exits were either completed or announced from Vantage Fund portfolios. These exits will deliver Vantage's Funds an average gross **4.9 X return on invested capital**, representing an average gross **Internal Rate of Return of 73.9% per annum**.

VPEG2 & VPEG3 SUMMARY PERFORMANCE AT 31 MARCH 2021

Fund	Cash	Fixed Interest	Private Equity (Value)	Paid Capital (\$ / Unit)	NAV (\$ / Unit)	Cumulative Distributions Paid (\$ / Unit)	Total Value + Distributed	Net IRR Since Inception (p.a.)
VPEG2	7.4%	0.2%	92.4%	1.00	1.653	0.249	1.902	20.0%
VPEG3	4.4%	3.1%	92.5%	0.87	1.162	0.03	1.192	21.6%

RECENTLY COMPLETED & ANNOUNCED EXITS

During April 2021, VPEG2 underlying fund Next Capital Fund III, completed the fully underwritten bookbuild for the IPO of portfolio company **Lynch Group**. Lynch Group successfully listed on the ASX on 6 April 2021, raising ~\$206 million at \$3.40 per share. The transaction followed a transformational investment period for the Company across the 5.4 years of ownership by Next Capital.



Lynch Group has evolved from predominantly an Australian supermarket wholesale business with a fledgling growing asset in China, to the largest Asian vertically integrated grower and multi-channel wholesaler of cut flowers and potted plants across Australia and China. Next Capital sold ~50% of the fund's shareholding into the IPO. The remaining ~17.0% holding will be in escrow until release of Lynch's audited 1H FY22 financial results in March 2022. This partial exit delivered Next Capital Fund III and its investors, including VPEG2, with a strong return with the realised proceeds being distributed to all VPEG2 investors during April 2021.

Source;

1. Westpac-Melbourne Institute Index of Consumer Sentiment for Australia
2. The NAB business confidence index in Australia

Also during April 2021, VPEG2 underlying fund CPE Capital 8 completed the sale of **Gourmet Food Group** to NASDAQ listed Mondelez International, a global packaged food business, a media reported value of more than \$400 million. Following CPEC's acquisition of Gourmet Food Group in July 2018, the company successfully implemented several key initiatives, which included the investment into new product developments and category expansion, doubling manufacturing capabilities and improvements in financial reporting.



Today Gourmet Food Group is the leading manufacturer and distributor of premium entertaining food products. The company now makes a variety of premium crackers, chilled-packaged seafood and sugar-free biscuits, which are sold in the upmarket sections of supermarkets and delis under a handful of brands including OB finest, Ocean Blue, Crispbic, Olina's Bakehouse and Clearly Premium. The sale was completed during April 2021, with the realised proceeds from this exit being received by VPEG2 and subsequently distributed to all VPEG2 investors also during April 2021.

During June 2021 CPE Capital 8 announced the sale of **CellCare** to Generate Life Sciences, the world's largest provider of newborn stem cell services and reproductive tissue banks. Since CPEC's investment in CellCare in October 2018, the company experienced consistent growth in its financial performance, underpinned by the evolution and development of the Canadian annual storage model.



Key initiatives across CPEC's investment period of CellCare included, the implementation of hospital partnership agreements, updating and optimising the pricing structure in Canada and introducing new online marketing channels and increasing presence on social media. The sale of CellCare, due to complete in July 2021, will represent another strong return and distribution to VPEG2 investors during the September 2021 quarter.

Also in June 2021, VPEG2 & VPEG3 underlying funds Mercury Capital Fund 2 and Fund 3 announced the sale of **MessageMedia** for USD\$1.3 billion (AUD\$1.7 billion) to Sinch, a leading global cloud communications business listed on the Nasdaq Sweden. This exit marks an excellent investment for Mercury Capital Fund 2 and Fund 3 and is representative of the strong partnership that Mercury formed with the founder Grant Rule and the management team.



Following Mercury Capital Fund 2's investment in MessageMedia in August 2018, the business transformed from a primarily Australia and NZ based SMS provider to the leading global Server Message Block (SMB) Customer Engagement platform. Mercury Capital Fund 3 subsequently made an additional investment in MessageMedia during November 2019, which further supported the business's transformation in rebuilding the management team, consolidating the platform and the successful add-on investment of US-based messaging platform SimpleTexting. Once completed, the sale will deliver Mercury Capital Fund 2 and Fund 3 investors, including VPEG2 & VPEG3 with an exceptionally strong return on investment. VPEG2 and VPEG3's share of the net sale proceeds of MessageMedia will be distributed to all VPEG2 & VPEG3 once the sale is completed in the second half of 2021.

Finally during June 2021, VPEG2 underlying fund Next Capital Fund III announced the sale of **iseek**, Australia's leading cloud, Data Centre and Connectivity provider to a UK based Information Technologies and Telecommunications Infrastructure Fund.



Following Next's acquisition of iseek in August 2018, management heavily invested in the construction of two state of the art physical data centres in Brisbane and Townsville and captured material contract tenders from large state government agencies and tier one corporate clients. These initiatives, along with the industry tailwinds of organisations outsourcing data storage providers, positioned the business to have a strong long-term opportunity set, representing an attractive investment for the international acquirer. The sale of iseek will deliver another robust investment return to Next Capital Fund III investors, including VPEG2, with the proceeds from this exit to be distributed to all VPEG2 investors during the September 2021 quarter.

MORE EXITS PLANNED FOR THE SECOND HALF OF CY2021

A number of other companies across Vantage's portfolios are also positioning for exit across the second half of 2021. As managers across each of Vantage's Funds position each underlying company for sale, the number of exits from each Vantage Private Equity Growth Fund portfolio is expected to increase. These exits will ultimately provide Vantage Fund investors with an increase in returns and further distributions, providing a robust platform for each Vantage Fund to deliver their targeted returns to investors over the term of each fund.

VANTAGE PRIVATE EQUITY GROWTH 4 (VPEG4) REMAINS OPEN FOR INVESTMENT

VPEG4 remains open for investment and will accept applications to invest until its final close during September 2021.

VPEG4 will continue with the same successful investment strategy implemented by Vantage's previous funds, which at 31 March 2021 had made investments across 25 Australian Private Equity Funds, who in turn had invested in 136 companies across a broad range of industry sectors and had exited (sold) 60 of these investments generating a gross 2.7x multiple of invested capital representing an average gross Internal Rate of Return of 31.7% p.a. VPEG4 is targeting to deliver a net return after fees of 20% p.a. to investors over a four to six-year investment timeframe.

If you would like to learn more about VPEG4 please click the link below;

[**INVEST NOW**](#)

CONTACT INFORMATION

Sydney Head Office

Level 29, Chifley Tower
2 Chifley Square
Sydney, NSW 2000 Australia
Tel +61 2 9216 9053

Melbourne Office

Level 50, 120 Collins Street
Melbourne, VIC 3000 Australia
Email: info@vantageasset.com
Website: www.vantageasset.com