



QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH 5

QUARTERLY INVESTOR REPORT
31 MARCH 2022

DIVERSIFY
GROW
OUTPERFORM



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IMPORTANT INFORMATION

This report has been prepared by Vantage Private Equity Management Partnership, LP, an authorised representative of Vantage Asset Management Pty Limited (ABN 50 109 671 123) AFSL 279186 ('VAM') (in its capacity as Investment Manager of Vantage Private Equity Growth 5, LP). 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. All \$ referred to in this report are Australian dollars.

SUMMARY

Vantage Private Equity Growth 5 (VPEG5) is a multi-manager Private Equity investment fund consisting of Vantage Private Equity Growth 5, LP (VPEG5, LP) an Australian Fund of Funds (AFOF) Limited Partnership and Vantage Private Equity Growth Trust 5A (VPEG5A) an Australian Unit Trust.

VPEG5, LP is registered with the Australian Government Department of Industry, Innovation and Science as a complying investment for the Significant Investor Visa and Investor Visa (S)IV investment framework, focused on investing in the lowest risk sector, of the Venture Capital or Private Equity (VCPE) segment, Growth Private Equity.

VPEG5A has been established to undertake private equity investments that are not permitted to be made by an AFOF, in accordance with Australian regulations. As such only VPEG5 Investors that are not (S)IV investors, are unit holders in VPEG5A. VPEG5A also qualifies as a Managed Investment Trust (MIT) for Australian Tax purposes.

VPEG5 is focused on investing in professionally managed Private Equity funds that invest in businesses that are at a more mature stage of development, and in particular the Later Expansion and Buyout stages of Private Equity investment.

The Fund's investment objective for its Investment Portfolio is to achieve attractive medium term returns from its Private Equity investments while keeping the volatility of the overall investment portfolio low. This will be achieved by investing across a highly diversified portfolio of Private Equity assets, particularly profitable companies with proven products and services, with diversification obtained by allocating across fund manager, financing stage, industry sector, geographic region and Vintage Year.

VPEG5 will invest the majority of its Investment Portfolio into Australian based Private Equity funds who in turn are focused on investing into lower to mid-market sized companies headquartered in Australia and New Zealand, with enterprise value of between \$25m and \$250m at investment.

VPEG5 will develop a diversified portfolio of underlying investments by investing into between 6 to 8 underlying Private Equity funds, focused on investments into profitable companies in growth industry sectors including the Healthcare, Consumer Discretionary, Education and Tourism sectors.

As at 31 March 2022, VPEG5 has made investment commitments totalling \$82 million across four primary private equity funds and two co-investments. As a result, five unique underlying investments exist within VPEG5's portfolio. VPEG5's investment commitments include \$20 million to each of Anchorage Capital Partners Fund IV, Allegro Fund IV, Advent Partners 3 Fund and CPE Capital 9. VPEG5's co-investments include a \$1 million commitment into each of Gull New Zealand and EventsAir.

SPECIAL POINTS OF INTEREST

VPEG5 commits \$80 million across four primary private equity funds during the March 2022 quarter

VPEG5 Investment committee approves of a \$1 million co-investment alongside Allegro Fund IV into Gull New Zealand, a leading independent fuel distributor and retailer in New Zealand

VPEG5 Investment committee approves of a \$1 million co-investment alongside Riverside Australia Fund III into EventsAir, a leading provider of events management software for in-person, virtual and hybrid event

As at 31 March 2022 VPEG5 has made a total of \$82 million of investment commitments across four primary private equity funds and two co-investments. As a result, five underlying portfolio companies exist within VPEG5's underlying portfolio at quarter end

PERFORMANCE

During the period 1 January 2022 to 31 March 2022, a total of \$82 million in private equity investment commitments were approved by the VPEG5 Investment Committee. As a result, VPEG5's underlying portfolio comprised of five unique company investments, that had either been announced or completed at quarter end.

As at 31 March 2022, VPEG5 had called 5% of investors Committed Capital (Capital Call No.1) to fund the required calls from underlying private equity funds for the Fund's share of three of the five completed investments to date that have been added to VPEG5's portfolio.

As new underlying company investments are acquired by VPEG5's managers, the Fund will be obligated to pay for its share of these underlying investments as they are completed. As a result, VPEG5 issued Capital Call No. 2 to investors during May 2022 totalling 10% of investors committed capital (5% capital call by VPEG5, LP and 5% capital call by VPEG5A), to fund new underlying company investments that will be completed during the June 2022 quarter.

KEY PORTFOLIO DEVELOPMENTS

During the March 2022 quarter, VPEG5 commenced its private equity investment program receiving investment committee approval to make investment commitments to four new primary private equity funds and two co-investments.

During the quarter, VPEG5 completed an investment commitment of \$20 million to Anchorage Capital Partners Fund IV (ACPF IV) managed by Sydney, Australia based mid-market special situations and turnaround manager Anchorage Capital Partners. In addition to this investment commitment, VPEG5 also completed an investment commitment of \$20 million to Allegro Fund IV (Allegro IV) managed by Sydney, Australia based mid-market turnaround specialist Allegro Funds Pty Ltd. Furthermore, VPEG5 completed the investment commitment of \$20 million to Advent Partners 3 Fund (AP3) managed by Melbourne, Australia based lower to mid-

KEY PORTFOLIO DEVELOPMENTS CONT.

market controlled growth and buyout manager Advent Partners Pty Limited. Finally, the VPEG5 investment committee approved of the \$20 million investment commitment to CPE Capital 9, (CPEC 9) managed by Sydney, Australia based mid market expansion and buyout firm CPE Capital Management Pty Ltd.

To date CPE Capital 9 have completed two underlying portfolio company investments. These include;

- Adventure Online, an Australia-based online cycling retailer, selling bike parts, accessories, clothing and bikes to over 130,000 customers nationally, and;
- Rocla / Civilmart, Australia's 2nd largest manufacturer of concrete pipes and precast products.

In addition to the \$80 million in commitments made to primary private equity funds during the March 2022 quarter, the VPEG5 Investment Committee also approved two co-investment commitments to the following investments;

- A \$1 million co-investment commitment alongside Riverside Australia Fund III into EventsAir, a leading provider of events management software for in-person, virtual and hybrid events, and;
- A \$1 million co-investment commitment alongside Allegro Fund IV into Gull New Zealand, a leading independent fuel distributor and retailer in New Zealand with a prominent challenger brand through its network of 112 fuel sites across the country.

VPEG5's managers' continue to report that there are several interesting potential investment opportunities that meet their investment criteria. VPEG5's underlying managers remain actively engaged in late-stage due diligence and negotiations on a number of potential investment opportunities, which when completed, will be added to VPEG5's portfolio across the short to medium term.

OVERVIEW OF NEW INVESTMENT COMMITMENTS

ANCHORAGE CAPITAL PARTNERS FUND IV

In February 2022, Vantage Private Equity Growth 5 completed a \$20 million investment commitment to Anchorage Capital Partners Fund IV (ACF IV).



Anchorage Capital Partners Fund IV, is managed by Anchorage Capital Partners (www.anchoragecapital.com.au) of Sydney, Australia. ACF IV is a (target) \$500 million special situations and turnaround fund targeting investment into businesses with enterprise values between \$50 million and \$350 million located in Australia and New Zealand.

Anchorage Capital Partners Pty Limited ("Anchorage" or "the Firm") was formed in 2007 by Phillip Cave and Daniel Wong as a dedicated private equity special situations manager. The Firm is now very much established in sourcing and managing a large volume of potential transactions benefiting from increasingly attractive opportunities in the 'Special Situations' and 'Turnaround' investment segment.

Over the Past fifteen years the firm has experienced a significant strengthening of its management team. The Firm's Partners include one of the original founders, Phillip Cave, as well as Simon Woodhouse, Callen O'Brien and Beau Dixon, (collectively referred to as "Managing Directors"). The Managing Directors each have over 20 years of experience in private equity, as well as direct commercial experience in management, strategy formulation, finance, accounting and operations.

ADVENT PARTNERS 3 FUND

In February 2022, Vantage Private Equity Growth 5 completed a \$20 million investment commitment to Advent Partners 3 Fund (AP3).



Advent Partners 3 Fund, is managed by Advent Partners Pty Limited (<https://advent.com.au/>) of Melbourne Australia. AP3 is a target \$500 million growth private equity fund, focusing on investment into profitable companies in the lower to mid market segment with an enterprise value of between \$30 million and \$200 million.

Established in 1984, Advent Partners is one of Australia's most experienced Private Equity fund managers. The Firm has operated continuously for over 36 years, establishing and managing seven funds and have invested in more than 85 private businesses. Since 2013, Advent partners has been led by its five Partners; Robert Radcliffe-Smith, Mark Jago, Brad Lynch, Symon Vegter and Rob Hooke who have successfully worked in private equity for over 15 years.

Advent Partners have transitioned to become a specialist investment firm focused on four core sectors:

- I. Proven Technology & Software;
- II. Healthcare;
- III. Consumer Branded; and

IV. Education & Training.

Advent Partners investment objective is to partner with and support management teams to build market leading businesses to generate top quartile Private Equity returns for investors.

ALLEGRO FUND IV

In February 2022, the VPEG5 Investment Committee approved a \$20 million investment commitment to Allegro Fund IV, a mid-market turnaround and special situations manager based in Sydney, managed by Allegro Funds Pty Ltd.



Allegro Fund IV (Allegro IV), is managed by Allegro Funds Pty Ltd (www.allegrofunds.com.au) of Sydney Australia. Allegro IV is a target \$600 million turnaround fund with an investment focus on primarily mid market businesses with an enterprise value of up to \$500 million.

Allegro are specialists in “Transformational Capital” – applying capital and expertise to unlock and create value. Allegro invest equity funds on behalf of their investors, and work in partnership with management to realise growth potential and deliver enduring value to their investors.

In September 2008, Allegro became the first fund manager to be backed unanimously by institutional investors to replace the incumbent manager of an Australian private equity fund, when it was appointed to manage the \$300 million ABN AMRO Capital Australia Fund II (renamed Allegro Private Equity Fund I).

In June 2015, Allegro Fund II completed its final close with total commitments of \$180 million. Allegro II subsequently invested in eight businesses across Australia and New Zealand.

In December 2017, Allegro III completed its final close with total commitments of \$290 million. Allegro III subsequently invested in six businesses across Australia and New Zealand.

Today Allegro is recognised as a leading turnaround focused, private equity fund manager in the mid-market segment. Allegro’s team, which includes twenty six investment professionals, bring deep and varied experience in investing, turnaround management and operational value creation. Allegro have a proven ability to originate, evaluate and execute quality deals, and to drive value from mid-market businesses.

CPE CAPITAL 9

During the quarter, Vantage Private Equity Growth 5 completed a \$20 million investment commitment to CPE Capital 9 (CPEC 9).



CPE Capital 9, is managed by CPEC Management Pty Ltd (www.cpecapital.com) of Sydney, Australia. CPEC 9 is a (target) \$800 million buyout fund, focusing on investments into profitable private companies operating within the middle market segment in Australia and New Zealand with enterprise values of \$100 million to \$500 million.

CPE Capital, formally CHAMP Private Equity, was founded by industry pioneers Bill Ferris AC and Joe Skrzynski AO in 1987. Over the past 33 years, CPEC has made 75 investments across eight funds deploying \$3.8 billion of investment capital under CHAMP Private Equity and its predecessor Australian Mezzanine Investments Pty Limited.

Since 2014, the firm has been managed by its next generation of investment professionals under the leadership of Chief Executive Officer & Chief Investment Officer, John Haddock who joined CPE Capital in 2003. The firm is comprised of a uniquely structured team within the Australasian Private Equity market, which combines internal functional specialists who support the deal team across all aspects of the investment process. This deep and locally orientated team structure enables CPEC 9 to assess multiple investment opportunities concurrently, undertake and progress transactions with speed and flexibility, and execute transactions with consistency and quality.

OVERVIEW OF NEW CO-INVESTMENTS

GULL NEW ZEALAND / ALLEGRO FUND IV

During February 2022, VPEG5's Investment Committee approved a \$1 million co-investment alongside Allegro Fund IV into Gull New Zealand.



Established in 1998, Gull is a leading New Zealand independent fuel distributor and retailer with a network of 112 primarily unmanned fuel stations and a 91ML fuel import Terminal in Mount Maunganui.

- On 14 March 2022, Ampol Limited (ASX:ALD) released a market statement notifying shareholders of the agreement of the sale of its Gull Business to Allegro Funds Pty Ltd. Key points of the transaction include;
- Ampol has entered into a binding agreement with Allegro Funds Pty Ltd (Allegro) through a transaction vehicle entity for the sale of its Gull business in New Zealand (Gull)
- The offer price represents an enterprise value of NZ\$572 million which will result in the realisation of net cash proceeds of approximately NZ\$509 million
- The transaction is subject to conditions, comprising New Zealand Commerce Commission (NZCC) approving Allegro as the purchaser of Gull and the transaction documents, Overseas Investment Office (OIO) approval and Ampol successfully completing the acquisition of Z Energy Limited (Z Energy)
- Ampol's acquisition of Z Energy is still subject to NZCC clearance, OIO approval and the Z Energy shareholder vote

Under the terms of the sale, Allegro will acquire 100% of Gull for net cash proceeds of approximately NZ\$509 million as well as the assumption by Allegro of approximately \$63 million of leases and debt like items. Under the sales arrangement, Ampol has committed to a five-year fuel supply agreement with Gull as requested by Allegro, subject to annual price reviews and termination rights.

Gull is a much-loved brand by Kiwi motorists and is known for its low-cost fuel offering and customer first focus. Under Allegro ownership, management intend to invest in Gull's growth and maintain its commitment to best value fuel, underpinning what's known in NZ as the "Gull effect" – the localised price drop trend which occurs across competitors following Gull's introduction into a new geographic location.

EVENTSAIR / RIVERSIDE AUSTRALIA FUND III

During February 2022, VPEG5's Investment Committee approved a \$1 million co-investment alongside Riverside Australia Fund III into EventsAir.



Founded in 1987, EventsAIR is a leading provider of events management software for in-person, virtual and hybrid events. The Company is one of the most comprehensive event management platforms that is trusted by event professionals around the world.

Designed by event planners for event planners, the EventsAIR platform gives its users the ability to manage their event, conference, meeting or function with ease. From the most important task to the smallest detail, every aspect is covered, including; Communications, Event Websites, Registrations, Travel & Accommodation, Onsite Tools, Mobile Attendee Apps, Speaker, Exhibitor and Sponsor Management, to Budgeting and Reporting. Built on the highly secure and scalable Microsoft Azure cloud-based platform, users have total control of their event anywhere anytime in real time across all devices.

EventsAIR has been used by professional conference organisers and event planners around the world supporting medium to large scale events including Industry Associations, Corporate Events, Government Conferences, University faculties, plus a range of global events - Olympics, G20, APEC, Rugby World Cup, Commonwealth Games and many more.

OVERVIEW OF NEW UNDERLYING INVESTMENTS

"PUSHYS" ADVENTURE ONLINE – CPE CAPITAL 9

In July 2021, CPEC 9 completed the acquisition of Pushys, the core business under the "Adventure Online" banner, an Australia-based online cycling retailer, selling bike parts, accessories, clothing and bikes to over 130,000 customers nationally.



Adventure Online business represents a significant majority of the company's sales, with the remaining proportion of sales from their three stores in Sydney, Adelaide and Canberra.

Pushys.com.au was established in 2011 as an online offshoot of Australia's largest cycling retailer, Pushys Bike Warehouse, based in Fyshwick, ACT. Adventure Online sells across all major bike categories including road bikes, mountain bikes, electric bikes and BMX, as well as scooters, skate and virtually every cycling accessory available.

The company's primary goal is to provide customers with the broadest range of products and brands at the best price possible with unparalleled customer service. Adventure Online growth strategy centres on building and sustaining a strong competitive advantage by focusing on delivering the best possible online customer service, as well as an extremely short dispatch and delivery turnaround.

ROLCA / CIVILMART – CPE CAPITAL 9

During August 2021, CPEC 9 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 creates the 2nd largest manufacture of concrete pipes and precast products in Australia, with operations in New South Wales, Queensland and South Australia.



Civilmart is a leading Australian supplier of concrete solutions to the building and construction industry. Rocla has been a part of the Civilmart Group since September 2021. Rocla provides a uniquely comprehensive range of innovative engineered solutions for stormwater piping, pits, headwalls and Box Culverts, sewerage piping and access systems, irrigation, stormwater detention and treatment, rainwater harvesting, water storage, bridging and earth retention, as well as concrete poles, building columns, boardwalks and railway sleepers.

The merger of Rocla / Civilmart's manufacturing and sales facilities enhances the Groups market coverage, decentralises the company's customer service network and provides extensive distribution capabilities. This enables the Group to provide exceptional service to their customers by manufacturing the highest quality products and delivering them in a reliable and timely manner.

INTEGRATED CONTROL TECHNOLOGIES (ICT) – ADVENT PARTNERS FUND 3

During March 2022, Advent Partners Fund 3 announced an investment in Integrated Control Technology (ICT), a leading niche global provider of high quality electronic access control and security solutions for residential and commercial properties.



Founded in 2003, ICT has grown to become a global provider of access control solutions, with majority of the company's revenue generated from exports to the US, Canada, Europe and Australia. ICT's solutions includes best-of-breed hardware products such as controllers, card readers and keypads, with extensive functionality enabled by its proprietary software and third-party integrations.

ICT's products are manufactured in-house at its head office in Auckland, New Zealand, and it employs ~230 staff, including an R&D team of ~75 staff based in Auckland. Despite established competitors in the market, ICT has been able to differentiate through its deep integrations with legacy products, extensive functionality, interoperability with third party products, and highly attractive price point. Overall, the business has traded well through COVID-19 given its geographically diverse footprint and strong market tailwinds

PORTFOLIO STRUCTURE

VPEG5'S PORTFOLIO STRUCTURE

The tables and charts below provide the percentage split of VPEG5's current investment portfolio across cash, fixed interest securities (term deposits) and private equity.

The private equity component of the portfolio is further broken down by the investment stage (Later Expansion or Buyout) of the underlying investments that currently make up VPEG5's private equity portfolio. As at 31 March 2022, VPEG5's investment portfolio consisted entirely of cash and fixed interest investments, with capital due to be paid to CPE Capital 9, Allegro Fund IV and Riverside Australia for the Funds share of those funds investments as well as the co-investments detailed earlier.

VPEG5, LP			
Cash	Fixed Interest Investments	Private Equity	
87.2%	12.8%	Later Expansion	0.0%
		Buyout	0.0%

PRIVATE EQUITY PORTFOLIO

The tables and charts below provide the percentage split of VPEG5's current investment portfolio across cash, fixed interest securities (term deposits) and private equity.

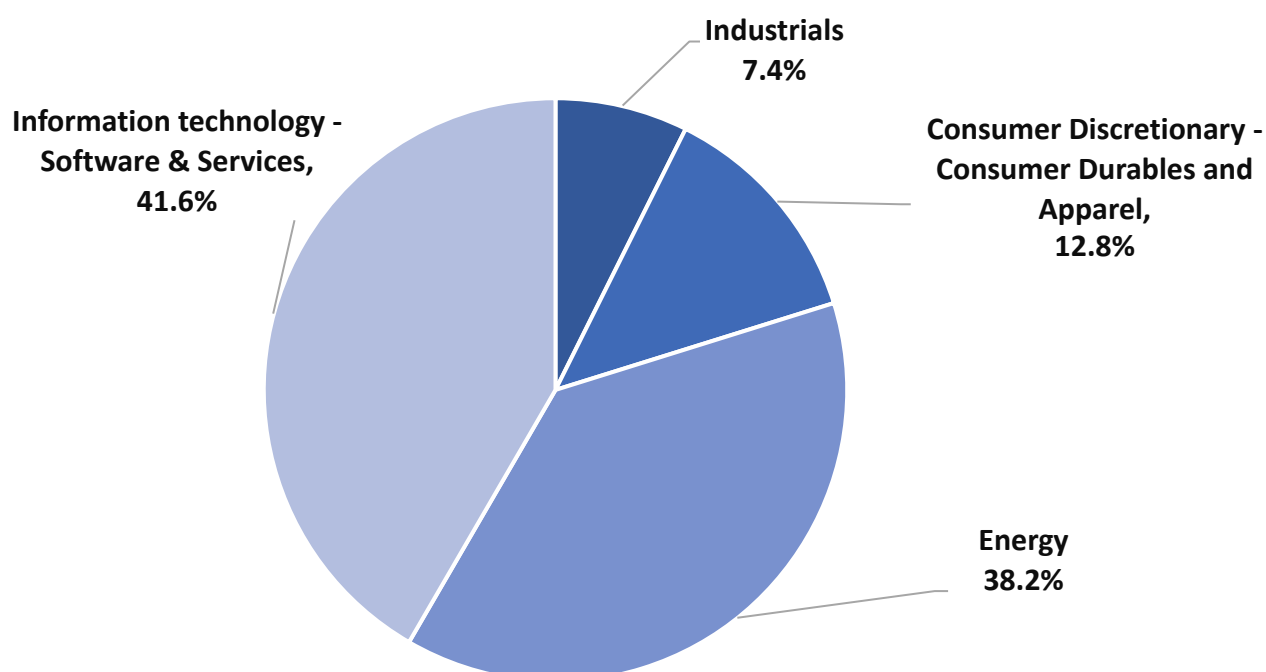
Private Equity Fund Name	Fund / Deal Size	Vintage Year	Investment Focus	VPEG5 Commitment	Total No. of Investee Companies
CPE Capital 9	*\$800m	2020	Mid Market Buyout	\$20.0m	2
Advent Partners 3 Fund	*\$500m	2021	Lower to Mid Market Expansion / Buyout	\$20.0m	1
Allegro Fund IV	\$600m	2021	Mid Market Turn-around	\$20.0m	1
Anchorage Capital Partners Fund IV	*\$500m	2022	Mid Market Expansion / Buyout	\$20.0m	-
Co-investment No.1 Gull New Zealand	~\$500m	2022	Mid Market Special Situations	\$1.0m	1
Co-investment No.2 EventsAir	~\$100m	2022	Lower to Mid Market Expansion / Buyout	\$1.0m	1
* Target Fund size ** Excluding Duplicates				Total	\$82.0m
					5**

INDUSTRY SPREAD OF VPEG5'S PORTFOLIO

Due to the commencement of the VPEG5 investment program during the quarter, VPEG5's underlying portfolio comprised of 5 unique underlying investments at quarter end.

As a result of Allegro Fund IV's investment into Gull New Zealand as well as VPEG5's Co-investment commitment to this investment alongside Allegro Fund IV, VPEG5's exposure to the "Energy" industry sector, commenced and represents 38.2% of the total portfolio exposure at period end.

With the investment completed by VPEG5 investee CPE Capital 9 into Adventure Online (July 2021), the announced investment of Integrated Control Technologies (March 2022) by Advent Partners 3 Fund, as well as the VPEG5 Investment Committee approved Co-investment alongside Riverside Australia Fund III into EventsAir (February 2022), VPEG5's exposure to the "Information Technologies – Software & Services" Industry Sector commenced. As a result of these investments, the "Information Technologies – Software & Services" represented VPEG5's largest industry sector exposure at 41.6% of VPEG5's private equity portfolio at quarter end.



Figure; Industry Diversification of VPEG5's Underlying Portfolio Diversification

ECONOMIC & MARKET CONDITIONS

Although there are many macroeconomic shocks rolling around the globe and Australia has challenges to overcome, overall the Australian economy has more positives than negatives compared to most countries. The picture in New Zealand is similar although more muted. The current COVID outbreak is the most significant and most disruptive that New Zealand has experienced during the pandemic, and it is expected that growth will lag Australia for the rest of this year.

Notwithstanding this, there are positive indicators that the Australian economy has considerable prospects for a strong expansion for the remainder of the 2022 calendar year. Output is forecast to expand by 5.5% in 2022, including an 8% increase in consumer spending. Also, household wealth has increased strongly since the initial outbreak of COVID-19, with savings accumulating while spending opportunities were constrained by lockdowns. The tail end of the quarter saw a positive recovery in the labour market, with the unemployment rate, which peaked at 7.4% in mid-2020, set to move below 4% for the first time since 1974 and labour force participation at historically high levels. These growth areas will support both consumption and dwelling investment over the period ahead.

The Australian economic recovery was considered by the Reserve Bank of Australia board at its April meeting. The RBA announced a tightening of monetary policy to commence in June 2022 in response to increasing inflation, spurred by drivers across several industries, but primarily by petrol prices and construction costs. Interest rate increases are expected in most months in H2 2022, the quantum of which will be influenced by the rate of rising inflation over the next quarter. Accordingly, while the Australian economy has momentum coming out of a period of restriction and lockdown, future growth will be affected by the RBA's decision making and movements in inflation and interest rates over the rest of the calendar year.

Growth in 2023 is at this stage expected to be below trend at around the 2% level. There are, however, risks to achieving current year performance. Inflation surprised on the upside at 5.1% and will force the hand of the central bank on interest rates.

From an investors perspective, inflation is the macroeconomic factor which is currently top of mind. The Australian statistics are not showing inflation at the same level as the US and markets are not pricing in the same pattern to yield curves. Nevertheless, it seems possible the local economy is experiencing an underlying structural shift that has ramifications for asset selection, portfolio management and capital structures.

The 2021 year was a record year for M&A in Australia underpinned by some very large corporate transactions. A large number of potential opportunities have been looked at by private equity funds, however the completion rate of these transactions has been relatively low and actual activity levels have been relatively muted. There has been an uptick of activity across the March 2022 quarter, with a number of high quality opportunities within the lower to mid market segment presented to VPEG5's private equity managers. As such, VPEG5's underlying managers are starting to enter into later stage negotiations on a number of transactions, which once completed, will be added to VPEG5's portfolio across the 2022 calendar year.

CONTACT DETAILS

Vantage Private Equity Growth 5, LP
Level 39, Aurora Place
88 Phillip Street
Sydney, New South Wales 2000

GENERAL PARTNER & INVESTMENT MANAGER

General Partner: Vantage Private Equity Management Partnership, LP
ILP No. L000417A

Investment Manager: Vantage Asset Management Pty Limited

ACN: 109 671 123

Australian Financial Services Licence: 279186

Level 39, Aurora Place
88 Phillip Street
Sydney, New South Wales 2000

Telephone: +61 2 9067 3133

Email: info@vantageasset.com

Website: www.vpeg5.com

Website: www.vantageasset.com

