

## DECEMBER 2019 QUARTER HIGHLIGHTS

*VPEG2A outperforms all major asset classes by delivering investors with a net of fees, Internal Rate of Return of 15.23% p.a. since the Funds final close in 2015.*

*Mercury Capital Fund 2 & Next Capital Fund III complete the successful exits of Nexus Day Hospitals Pty Limited and Funlab*

*VPEG3's portfolio expands to 27 underlying company investments, operating across a broad range of industry sectors*

*VPEG4 commences its investment program by committing an initial \$5 million investment to Global Private Equity Firm Riverside Company, into their \$350 million Riverside Australia Fund III*

## INTRODUCTION

The December 2019 quarter has been an extremely active period for Vantage Asset Managed Fund's and its underlying Fund managers with a number of new deals, exits and commitments being completed throughout the quarter.

### VANTAGE PRIVATE EQUITY GROWTH 2 (VPEG2)

VPEG2 saw the successful exit of two underlying portfolio companies throughout the December 2019 quarter, in which both exits produced top tier performing returns for each underlying Fund Manager and their investors. On 12 November 2019, Mercury Capital Fund 2 was pleased to notify investors of the completed sale of Nexus Day Hospitals Pty limited to the Queensland Investment Corporation (QIC) Global Infrastructure Fund (QGIF), after the Funds doctor shareholder partner unanimously approved of the sale terms. Under Mercury Capital 2's ownership, Nexus became Australia's second largest day hospital platform which now subsequently has a portfolio of 12, day and short-stay hospitals across six states and territories in Australia.

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On 23 December 2019, Next Capital was pleased to notify investors that they had signed an agreement to sell Funlab to Sydney based Private Equity firm Archer Capital. Through Next Capital III's ownership, Funlab became a distinctive market leader in the Australian out-of-home entertainment and leisure sector as the business increased its footprint from 15 to 36 locations, including three international venues in New Zealand and Singapore.

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As a result of these successfully completed exits, VPEG2 continued to produce top performing returns for the Funds investors. Since inception, VPEG2A has generated a net of fees, Internal Rate of Return (IRR) of 15.23% p.a. to all investors, which represents a top quartile performing return within global markets for Private Equity fund of funds since final close in 2015. VPEG2B also continues to record robust returns for its investors, where it has been able to generate a net of fees, IRR of 9.23% p.a.

With these results being depicted by VPEG2, it emphasises the proven investment strategy of the Vantage Fund's, that focuses purely on investing in profitable companies in the lower to mid-market expansion and buyout segment, headquartered in Australia and/or New Zealand. Fund Managers within this segment of the market are able to source fairly valued companies in which managers can adopt their expertise to create value through strategic initiatives for each individual underlying company investment. This inherently produces a significantly greater possibility of generating higher returns for the Funds' investors upon divestment in times of prominent market volatility.

### VANTAGE PRIVATE EQUITY GROWTH 3, LP (VPEG3)

VPEG3's underlying fund managers have also had a highly active period of investment activity, with a number of new acquisitions being completed to further increase the number of underlying companies within VPEG3's portfolio. During the period ending 31 December 2019, six new underlying Private Equity investments were completed and/or announced. These additional investments were completed by Next Capital IV, Allegro Fund III, Mercury Capital 3 and Anchorage Capital Partners Fund III. As a result of these acquisitions, the total number of underlying Private Equity investments in VPEG3's portfolio increased from twenty-one to twenty-seven.

[View VPEG3's Private Equity Portfolio](#)

### VANTAGE PRIVATE EQUITY GROWTH 4, LP (VPEG4)

Vantage Private Equity Growth 4, LP (VPEG4) has commenced its investment program by completing its first investment commitment for the Fund. In January 2020, VPEG4 was pleased to notify investors that it had completed an initial \$5 million investment commitment to Riverside Australia Fund III (RAF III), managed by Riverside Partners of Melbourne. RAF III is a (target) \$350 million, for investment in profitable companies within the lower to mid-market, headquartered in Australia and/or New Zealand. With over \$7.6 billion in assets under management, The Riverside Company is a global Private Equity firm that was founded in 1988, led by founder Béla Szigethy and CO-CEO Stewart Kohl.

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## VANTAGE PRIVATE EQUITY GROWTH 4, LP (VPEG4) cont.

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VPEG4 remains open for investment, for new investors and will conduct monthly closes until its target fund size of \$100m is reached.

VPEG4 is an Australian Private Equity Fund of Funds established to provide investors with access to the superior returns consistently delivered by the top performing Later Expansion and Buyout Private Equity Funds in Australia. VPEG4 will continue with the same successful investment strategy implemented by Vantage's previous funds, which at 31 December 2019 had investments across 23 Australian Private Equity Funds, who in turn had invested in 146 companies across a broad range of industry sectors and had exited (sold) 54 of these investments generating a gross 2.54x multiple of invested capital across an average holding period of 3.7 years. 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 contact your wealth manager or financial adviser.

Alternatively if you would like to receive a call or request a meeting with a Vantage executive to discuss VPEG4 please call +61 2 8211 0477 or email [info@vantageasset.com](mailto:info@vantageasset.com) or visit [www.vpeg4.info](http://www.vpeg4.info) for more information.

Applications to invest in VPEG4 can also be made securely online by clicking on the following link

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