

VANTAGE FUNDS MAY 2020 COVID-19 UPDATE

In late March 2020, the Australian and New Zealand Governments implemented strong containment measures to reduce the spread of COVID-19 among our communities. To date these measures have proved effective in reducing the rate of new infections. As a result, the governments of both countries have recently commenced rolling back restrictions across states and territories to essentially restart each economy.

During this period, Vantage's team has continued to monitor the impact of COVID-19 on every underlying company investment across each Vantage Private Equity Growth Fund. Management are in constant communication with all underlying Private Equity fund managers and receive detailed updates on strategies being implemented to protect the value of each underlying portfolio company during the current economic downturn.

Due to the high level of diversification of Vantage's underlying portfolios, the effect of COVID-19 restrictions on the operations of each portfolio company varies. Recent analysis conducted by Vantage however, reveals that a significant majority of underlying companies across all Vantage Private Equity Growth Fund portfolios have experienced either a benefit or negligible / low impact to their financial performance as a result of COVID-19.

Summary points to note across all Vantage Private Equity Growth Fund portfolios (consisting of VPEG, VPEG2, VPEG3 and VPEG4) include;

- A total of **69 underlying company investments** currently exist within Vantage Private Equity Growth Fund Portfolio's, which are diversified across a range of industry sectors and geographic regions within Australia and New Zealand, all of which are impacted in different ways by COVID-19,
- **51 portfolio companies** representing **72.8% of the total consolidated Net Asset Value (NAV) of all Vantage Private Equity Growth Fund portfolios operate Essential Service businesses** or provide a majority of their products and services to Essential Service businesses as defined under current Australian and New Zealand Government COVID-19 business definitions,
- **50 portfolio companies** representing **76.1% of the consolidated NAV of all Vantage Private Equity Growth Fund Portfolios** have reported either a **net benefit or a low impact to their financial performance** as a result of each government's imposed COVID-19 restrictions on the economy,
- Vantage's underlying investments generally have a **low to moderate level of gearing**, with a **majority of companies still generating good cashflows, with either sufficient cash reserves or the ability to draw down on existing finance facilities to satisfy their financial obligations**, should a prolonged economic downturn persist.

In addition, a number of Vantage's underlying companies have shifted their focus under COVID-19 to deliver products and services, to assist business customers and other consumers in various ways, during the recent nationwide lockdowns of industries and communities. Some examples of these companies include;

Legend Corporation

VPEG2 & VPEG3 underlying portfolio company Legend Corporation, acquired by investee Adamantem Capital Fund I during August 2019, is currently benefiting from a strong demand for tiny components that are used in the manufacturing of COVID-19 testing kits being supplied to both Australia and the United States.



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MANDOE MEDIA

VPEG3 underlying portfolio company Mandoe Media, completed by investee Advent Partners 2 in October 2019, is leading the way in the digital signage industry sector. Mandoe is providing its clients with the necessary digital tools to enable businesses to clearly communicate COVID-19 related safety information to communities.



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COMPASS EDUCATION

VPEG3's investment into Compass Education, also within the Advent Partners 2 Portfolio, is experiencing a significant increase in the number of users of its online learning platform.



Compass is the largest school data management business in the country and one of the only integrated education service providers for teachers, parents and students. Servicing over 1800 schools with more than 2 million users, Compass is facilitating the delivery of online learning tools and communications to provide effective distant learning capabilities for students around Australia as Schools nationwide have been mostly closed due to COVID-19.

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In summary, Vantage's underlying Private Equity managers and investee company executives have quickly adapted to the changing business landscape imposed by COVID-19. Where possible they have pivoted the operations of their companies to benefit from new opportunities and reallocated resources to service the resulting increase in demand for their products and services. At the same time, management of each company have developed strategies and implemented procedures, to mitigate other risks that could impact operations and financial performance during the crisis. As a result, Vantage is confident that each underlying fund have established a robust platform for each underlying portfolio company to recover and focus on growth once the pandemic subsides and the economy re-stabilises

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