

VANTAGE'S PRIVATE EQUITY GROWTH FUNDS COMBINED NET ASSET VALUE IMPROVES BY 33.8% ACROSS 2020

VPEG2A HAS NOW DELIVERED A NET RETURN AFTER ALL FEES OF 14.7% P.A. SINCE INCEPTION

VPEG3 HAS NOW DELIVERED A NET RETURN AFTER ALL FEES OF 23.0% P.A. SINCE INCEPTION

RECENTLY COMPLETED & ANNOUNCED EXITS DELIVER VANTAGE FUNDS AN AVERAGE GROSS 4.4 X RETURN ON INVESTED CAPITAL REPRESENTING AN INTERNAL RATE OF RETURN OF 56.6% P.A.

VANTAGE FUNDS CONTINUE TO INCREASE IN VALUE ACROSS 2020

The 2020 calendar year was one of continued growth for Vantage managed Funds. Despite the impacts and restrictions caused by the COVID-19 pandemic, the onset of Australia's first recession in many years and extremely volatile public markets across the year, the combined Net Asset Value of Vantage's Private Equity Growth Funds increased by 33.8% across the year. This growth was attributable to the strong operating performance of a majority of underlying companies across the portfolio, contributed to by an increase in business and consumer spending across the second half of the year.

As a result of this growth, Vantage Private Equity Growth 2 (VPEG2) continued to produce top performing returns for investors to 31 December 2020, with VPEG2A and VPEG2B having now delivered a net of fees return of 14.7% p.a. and 9.9% p.a. respectively, since the Fund's final close in May 2015.

Vantage Private Equity Growth 3 (VPEG3) also significantly increased in value across 2020 such that as at 31 December 2020, the Fund had delivered a net of fees return of 23.0% p.a. since its final close in January 2019. This return ranks VPEG3 as the 4th best performing Private Equity fund of funds globally of the 62 fund of funds that commenced investing in 2017.

Vantage expects the performance of these funds to continue to improve as companies within each portfolio mature, achieve their growth targets and are ultimately sold, resulting in a steady and consistent flow of distributions to investors

Vantage Fund	Vintage Year	Cash	Fixed Interest	Private Equity (Value)	Paid Capital (per \$ of Committed Capital)	NAV (per \$ of Committed Capital)	Net IRR Since Inception* (p.a.)
VPEG3	2017	1.3%	5.4%	93.3%	0.87	1.143	23.0%
VPEG2	2014	1.7%	0.1%	98.2%	1.00	1.393	14.7%

* Since inception from final close

RECENTLY COMPLETED & ANNOUNCED EXITS

During December 2020, VPEG3 underlying fund Advent Partners 2, completed the sale of **SILK Laser Clinics Australia** via an Initial Public Offering (IPO) and listing on the ASX, representing the first exit from VPEG3's portfolio. Advent Partners 2 made its initial investment in SILK in January 2018 and subsequently supported SILK to become a national leader in the Australian non-surgical aesthetics market taking its network of clinics from 12 at initial investment, to more than 50 clinics in less than 3 years.

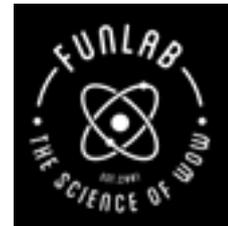


VANTAGE FUNDS MARCH 2021 NEWSLETTER

SILK's ASX listing on 15 December 2020 at a share price of \$3.45 implied an enterprise value of \$162 million, delivering Advent Partners 2 investors, including VPEG3, a strong return on investment. VPEG3's share of the IPO sale proceeds were distributed to all VPEG3 investors during the March quarter of 2021.

[READ MORE >>](#)

In late December 2020, VPEG2 underlying fund, Next Capital Fund III announced the sale of **Funlab** to the Asian arm of global private equity firm TPG Capital. Under Next Capital's ownership, Funlab became Australia's leading consumer hospitality firm growing from 17 venues at investment, to 44 venues spanning across Australia, New Zealand and Singapore. The sale is expected to be completed by the end of March 2021 delivering a strong return and another distribution to VPEG2 investors.



[READ MORE >>](#)

During January 2021, VPEG2 & VPEG3 underlying fund Adamantem Capital Fund I, announced the sale of portfolio company, **Servian** to US technology firm Cognizant Technology Solutions.



Following Adamantem's acquisition of Servian in June 2018, the business successfully executed on its growth strategy increasing consulting staff from 200 to over 500, acquired two businesses to expand their service offering, grew the New Zealand operations, established a presence in Singapore and the UK and strengthened their tier 1 cloud partnerships. The sale of Servian, once completed, will represent the second exit from VPEG3's portfolio delivering a strong return and another distribution to VPEG2 & VPEG3 investors during the June 2021 quarter.

[READ MORE >>](#)

In February 2021, VPEG3 underlying fund Allegro Fund III completed the sale of **Ngahuia Group** to Tahua Partners. Ngahuia is New Zealand's leading footwear retailer operating 100 stores across two iconic retail brands, **Number One Shoes and Hannahs**.



Following Allegro's acquisition of Ngahuia in October 2017, the business pursued an aggressive customer and digital led growth strategy while shrinking its physical footprint and lowering its operating cost base. The business also invested in its data capability to drive CRM and digital marketing across its 1m+ customer database. As a result, online sales have grown significantly since investment and continue to grow to represent a larger proportion of total sales. Once completed the proceeds of this sale will deliver another strong return and distribution to VPEG3 investors during the June 2021 Quarter.

[READ MORE >>](#)

In March 2021, VPEG2 underlying fund Waterman Fund 3, sold down a significant proportion of their shares in **My Food Bag** via an IPO and dual listing on the New Zealand Stock exchange (NZX) and the ASX. Waterman Fund 3 invested in My Food Bag in December 2016 and subsequently supported the business to become New Zealand's largest meal kit provider which has delivered over 85 million meals across New Zealand since trading began in 2013. My Food Bag successfully listed on both the NZX and ASX on 5 March 2021 at a share price of \$1.85 implying an enterprise value of NZ\$474.6 million, representing the largest IPO in New Zealand since 2014. Once completed the sale will deliver Waterman Fund 3 investors, including VPEG2, a strong return on investment. VPEG2's share of the net sale proceeds of the My Food Bag IPO will be distributed to all VPEG2 investors during the March 2021.



[READ MORE >>](#)

VANTAGE FUNDS MARCH 2021 NEWSLETTER

The five exits detailed above will deliver Vantage's Funds an average gross 4.4 X return on invested capital representing an average gross Internal Rate of Return of 56.6% p.a.

MORE EXITS PLANNED FOR 2021

A number of other companies across Vantage's portfolios are also positioning for exit across the next few months. According to media reports, VPEG2 underlying fund Next Capital Fund III investee, **Lynch Group** is in the process of planning an ASX listing at a broker estimated enterprise value of up to \$729 million. Also, VPEG2 & VPEG3 underlying fund Mercury Capital have reportedly engaged bankers to consider options for the sale of investee company **MessageMedia** at a media reported enterprise value of more than \$1.5 Billion. Finally, VPEG3 underlying fund Allegro Fund III have, according to media reports appointed brokers to seek alternatives for the sale or listing of the **Best & Less Group**.

As managers across each of Vantage's Funds position each underlying company for sale, Vantage expects the number of exits from each portfolio to increase across calendar year 2021. These exits will provide Vantage Fund investors with improved 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 December 2020 had investments across 25 Australian Private Equity Funds, who in turn had invested in 132 companies across a broad range of industry sectors and had exited (sold) 56 of these investments generating a gross 2.5x multiple of invested capital representing an average gross Internal Rate of Return of 29.7% 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 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 9216 9053 or email info@vantageasset.com or visit www.vpeg4.info for more information.

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

[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