

# VANTAGE PRIVATE EQUITY GROWTH 5



QUARTERLY INVESTOR REPORT  
31 MARCH 2025

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# EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Growth 5 (VPEG5) quarterly investor report for the period ended 31 March 2025.

The March quarter saw VPEG5's private equity managers continue to execute on their investment strategies at the portfolio company level. This is evidenced by continued growth in revenue and earnings, highlighting the resilience of the mid-market private equity segment in Australia and New Zealand.

## PORTFOLIO HIGHLIGHTS

Over the last twelve months, the number of VPEG5 underlying portfolio companies has expanded significantly, growing from 25 to 34. This reflects the maturing of VPEG5's portfolio as it continues to build out its investment portfolio. Following strong growth in platform investments and bolt-on activity in recent quarters, the March quarter saw no new platform investments nor exits completed.

This quarter did however see **Next Capital Fund V** portfolio company, **Scentia**, undertake the bolt-on acquisition of **Institute of Executive Coaching and Leadership** (IECL), a leading brand in accredited coaching education.

In addition to executing value creation strategies, VPEG5's underlying fund managers remain focused on deployment and building their underlying portfolios. This sees VPEG5's private equity managers actively reviewing several new potential investment opportunities, which will see more capital deployed from VPEG5 over the coming quarters.

## US TARIFF IMPACT

In response to recent US tariff developments, Vantage has reviewed the portfolio's exposure to the US to assess potential impacts to valuation or performance. Within VPEG5's underlying portfolio, only four assets currently have direct exposure to the US market. The impact on VPEG5's portfolio is considered immaterial, as these assets have a small to negligible proportion of total portfolio revenue attributable to goods or services exported to the US from these holdings.

A key strength and mitigant of risk of VPEG5 and Vantage's Fund-of-Funds strategy lies in its underlying diversification across multiple sectors, financing stage, fund vintage and private equity manager, which inherently reduces exposure to any single macroeconomic event.

## VPEG5 FUND ACTIVITY

During the quarter, capital calls totalling \$4,350,508 were paid by VPEG5 to Riverside Australia Fund IV and Allegro Fund IV. The capital called was utilised to fund Riverside Australia Fund IV's financing facility used to acquire portfolio company, Virtual IT Group, in a prior quarter. Additionally, capital was also called for management fees and working capital requirements.

The funding of these calls were covered by VPEG5's capital call to VPEG5 investors of 5% of committed capital, in the December quarter. Accordingly, no capital calls were issued by VPEG5 to investors during the March quarter. As at 31 March 2025, VPEG5 had called a total of 49% of investors committed capital.

During the quarter, distributions totaling \$738,695 were received from the Adamantem Environmental Opportunities Fund (EOF) representing equalisation interest and a return of a portion of paid capital as the EOF completed its final close. At quarter end, VPEG5's consolidated Distribution to Paid-In (DPI) remained at 0.04x. VPEG5's DPI is reflective of the Fund being in its investment phase. As these businesses deliver on their value creation plans, their respective managers will re-evaluate their value likely leading to increases in the valuation for VPEG5's portfolio over the next six to twelve months.



# VANTAGE UPDATE

## **VPEG6's SECOND PORTFOLIO COMPANY INVESTMENT COMPLETED**

During the March 2025 quarter, VPEG6 continued the build of its underlying portfolio with Genesis Capital Fund II completing an investment in Ochre Health, an Australian healthcare services company specialising in delivering primary healthcare to outer-urban, regional, and remote communities across Australia. The investment by Genesis Capital represents VPEG6's second underlying portfolio company investment.

VPEG6 is in the final stages of approving the Fund's fourth primary commitment allocation into a specialist growth private equity Fund. This Fund already has a seeded portfolio of two highly defensive and attractive portfolio companies. Pending Vantage's confirmatory IC approval expected in May 2025, VPEG6's underlying portfolio will increase to four investments, establishing a solid foundation for the continued build out of VPEG6's portfolio.

## **VPEG6 REMAINS OPEN FOR INVESTMENT**

VPEG6 will remain open for investment until either the Fund's target size of \$250 million is reached, or the second anniversary of the First Closing Date. If you wish to learn more about VPEG6, please visit <https://vantageasset.com/vpeg-6/> or contact Vantage's Investor Services Team via email at [info@vantageasset.com](mailto:info@vantageasset.com) or call 02 9067 3133.

An application can also be made by contacting your Wealth Adviser or through VPEG6's Online Application form by copying the following link into your web browser; <https://apply.automic.com.au/VPEG6>

## **VANTAGE WELCOMES TWO NEW TEAM MEMBERS**

Vantage continues to expand its institutional capabilities and is pleased to welcome Jennifer Herbert as Head of Client Relationships and Carmen Martin as Senior Marketing Manager.

Jennifer brings extensive experience in institutional sales roles across the investment banking and funds management industry. Jennifer is driven by a strong passion for investor education, key account management, and building long-term client relationships.

Carmen has a breadth of marketing experience across the financial services industry. Carmen's career has been focused on executing go-to-market (GTM) strategies, crafting client-focused integrated marketing campaigns, developing branding and communication programs and implementing CRM technologies.

Jennifer and Carmen bring a wealth of knowledge and specialist skills to Vantage, and we are pleased to welcome them to the team.

# PERFORMANCE



# PERFORMANCE

QUARTER ENDING	31 MARCH 2025
FINAL CLOSE	DECEMBER 2023
STRATEGY	PRIVATE EQUITY FUND OF FUNDS
COMMITTED CAPITAL	\$165.73 MILLION
CALLED CAPITAL - PER \$ OF COMMITTED CAPITAL	\$0.49
UNCALLED CAPITAL - PER \$ OF COMMITTED CAPITAL	\$0.51
NET ASSET VALUE (NAV) - PER \$ OF COMMITTED CAPITAL	\$0.445
CUMULATIVE DISTRIBUTIONS PAID - PER \$ OF COMMITTED CAPITAL	\$0.02

## PORTFOLIO

TOTAL COMMITTED CAPITAL TO PRIVATE EQUITY	\$170.02 MILLION
NO. OF PRIMARY COMMITMENTS	8
NO. OF CO-INVESTMENTS	4
NO. OF UNDERLYING PORTFOLIO COMPANIES <sup>1</sup>	34
NO. OF EXITS	2
NO. OF REMAINING PORTFOLIO COMPANIES	32

1. Excludes duplicated investments; and includes both completed and announced investments at reporting period



# PRIVATE EQUITY PORTFOLIO







# PRIVATE EQUITY PORTFOLIO

## VPEG5 PRIVATE EQUITY PORTFOLIO

PRIVATE EQUITY FUND NAME	FUND / DEAL SIZE (\$M)	VINTAGE	INVESTMENT STRATEGY	COMMITMENT (\$M)	CAPITAL DRAWN (\$M)	PORTFOLIO COMPANIES	EXITS
CPE CAPITAL 9	\$729	2020	BUYOUT	\$20.00	\$7.74	6	2
ADVENT PARTNERS 3 FUND	\$410	2020	EXPANSION / BUYOUT	\$20.00	\$9.92	4	-
ALLEGRO FUND IV	\$623	2020	TURNAROUND	\$25.00	\$13.48	4	-
ANCHORAGE CAPITAL PARTNERS FUND IV	\$505	2021	TURNAROUND	\$25.00	\$10.38	4	-
MERCURY CAPITAL FUND TWENTY2	\$1,000	2022	EXPANSION / BUYOUT	\$15.00	\$6.72	4	-
RIVERSIDE AUSTRALIA FUND IV	\$300	2022	EXPANSION / BUYOUT	\$20.00	\$4.21	1	-
ADAMANTEM ENVIRONMENTAL OPPORTUNITIES FUND	\$353	2022	EXPANSION	\$20.00	\$4.34	4	-
NEXT CAPITAL FUND V	\$375	2022	EXPANSION / BUYOUT	\$20.00	\$7.39	5	-
CO-INVEST NO.1 – EVENTS AIR	\$187	2022	EXPANSION / BUYOUT	\$1.00	\$1.00	1	-
CO-INVEST NO.2 – GULL NZ	NZ\$495	2022	BUYOUT	\$1.00	\$1.00	1	-
CO-INVEST NO.3 – COMPARE CLUB <sup>2</sup>	\$160	2022	EXPANSION	\$2.00	\$2.00	1	-
CO-INVEST NO.4 – PAC TRADING	\$68	2023	EXPANSION / BUYOUT	\$1.02	\$1.02	1	-
TOTAL				<b>\$170.02</b>	<b>\$69.21</b>	<b>34<sup>1</sup></b>	<b>2</b>

1. Excludes duplicated investments; and includes both completed and announced investments/exits at reporting period end

2. Co-Invest No.3 – Compare Club was acquired by VPEG5 in two separate tranches and into two separate entities





# PRIVATE EQUITY PORTFOLIO

## TOP 10 HOLDINGS ACROSS THE PORTFOLIO

	PORTFOLIO COMPANY	FUND	DESCRIPTION	SHARE OF PORTFOLIO	CUMULATIVE
1	SLATER & GORDON	ALLEGRO FUND IV	A LEADING COMPENSATION AND CLASS ACTION LAW FIRM	7.7%	7.7%
2	DAVID JONES	ANCHORAGE CAPITAL PARTNERS FUND IV	AUSTRALIAN LUXURY DEPARTMENT STORE	6.9%	14.6%
3	SCYNE ADVISORY	ALLEGRO FUND IV	AUSTRALIAN PUBLIC SECTOR ADVISORY BUSINESS	5.9%	20.5%
4	GULL NZ	ALLEGRO FUND IV	NEW ZEALAND PETROLEUM DISTRIBUTION COMPANY AND PETROL STATION CHAIN	5.6%	26.1%
5	ELF GROUP	ANCHORAGE CAPITAL PARTNERS FUND IV	ASSET FINANCE AND LEASING SOLUTIONS	5.3%	31.5%
6	COMPARE CLUB	VANTAGE COMPARE CLUB (CO-INVESTMENT)	OPERATOR OF CONSUMER FINANCE AND INSURANCE INFORMATION PLATFORM	5.2%	36.7%
7	RMS	ADVENT PARTNERS 3 FUND	CLOUD-BASED SAAS PROPERTY MANAGEMENT SOFTWARE FOR ACCOMMODATION SECTOR	5.1%	41.8%
8	VIRTUAL IT GROUP	RIVERSIDE AUSTRALIA FUND IV	PROVIDER OF COMPREHENSIVE OUTSOURCED IT SERVICES	4.5%	46.2%
9	NUTUN AUSTRALIA	ALLEGRO FUND IV	A PROVIDER OF BUSINESS PROCESS OUTSOURCING SERVICES	4.1%	50.4%
10	INTEGRATED CONTROL TECHNOLOGIES (ICT)	ADVENT PARTNERS 3 FUND	MANUFACTURER OF UNIFIED AND INTELLIGENT ELECTRONIC ACCESS CONTROL AND SECURITY SOLUTIONS	4.1%	54.5%



# PRIVATE EQUITY PORTFOLIO

INDUSTRY DIVERSIFICATION OF PORTFOLIO

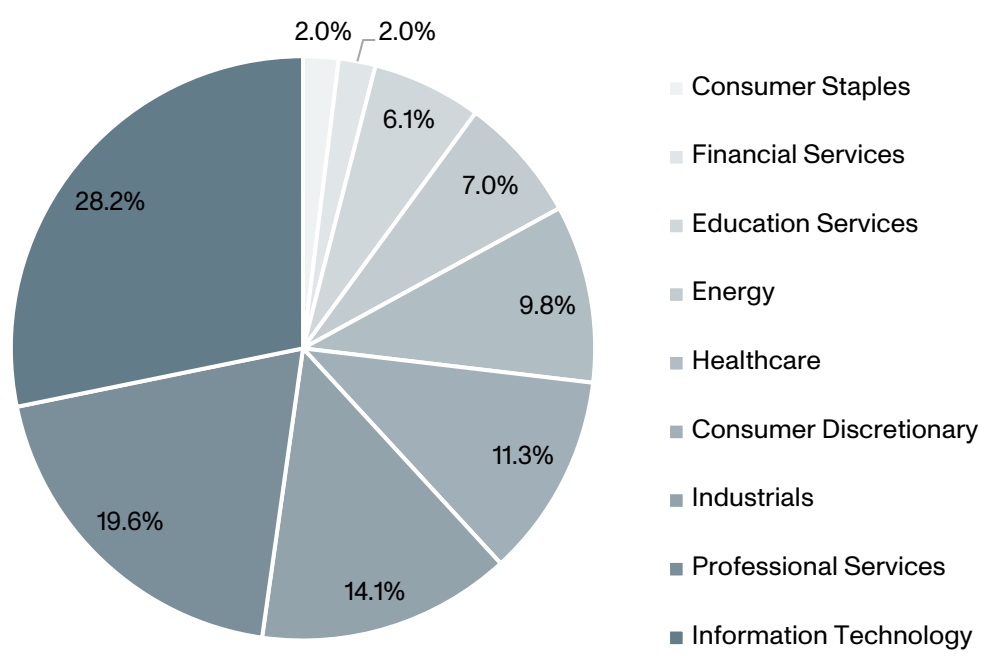


Image: Industry diversification of VPEG5 portfolio at period end. Key is in ascending order.

# PORTFOLIO ACTIVITY





# PORTFOLIO ACTIVITY

The March 2025 quarter was an active period for VPEG5's underlying portfolio companies, with fund managers advancing their value creation strategies. During the quarter, one strategic bolt-on acquisition was completed across the portfolio.

## VPEG5 PORTFOLIO ACTIVITY

During the last twelve months, the number of VPEG5 underlying portfolio companies has expanded significantly, growing by over 35% to 34 companies.

The average hold period for VPEG5's portfolio companies is just 1.5 years, with many companies still held at cost due to the early phase of implementation of their growth strategies. As a result, VPEG5's underlying portfolio continues to show positive momentum delivering strong revenue and EBITDA growth.

Over the past twelve months, the revenue of VPEG5's underlying portfolio companies grew by an average of 16%, highlighting the resilience and opportunity within the mid-market private equity segment.

In the same period, portfolio company EBITDA grew by an average of 11%. These results have been accomplished by underlying fund managers focusing on earnings enhancement initiatives such as top-line growth, operational improvement and strategic bolt-on acquisitions. As these companies mature and continue to be revalued in line with earnings growth, their improved value will result in increasing gains to VPEG5's overall value and performance.

## OTHER PORTFOLIO ACTIVITY

During the quarter, **Next Capital Fund V** portfolio company, **Scentia**, completed the acquisition of **Institute of Executive Coaching and Leadership** (IECL), a leading brand in accredited coaching education. This continues Scentia's overarching M&A strategy around acquiring complementary education businesses that leverage Scentia's existing strengths and capabilities, with low volatility and exposure to long-term training demand.

Across the broader VPEG5 portfolio, the Fund's underlying private equity managers continue to engage actively with the management teams, ensuring that each portfolio company remains well-resourced and positioned for growth. VPEG5's overall value is expected to increase further in coming quarters as underlying managers progress with the implementation of their growth strategies across the portfolio of companies throughout 2025.

As VPEG5's portfolio continues to mature, an additional 20-25 company investments are expected to be added to the underlying portfolio over the next 12 to 24 months. This will ultimately see the total number of companies invested in the portfolio, grow to around 55-60 once capital is fully deployed.

# MARKET INSIGHTS





# MARKET INSIGHTS

2025 commenced with a sense of optimism amongst the private equity community, following positive momentum seen through 2024 and an increasingly favourable macro environment.

Both in Australia and globally, 2024 saw the value of M&A activity increase on prior year, with the anticipated uplift in 2025 underpinned by several key themes including; record levels of dry powder, a large backlog of deals, reducing inflationary pressure and further interest rate relief forecast, with debt markets remaining highly supportive of new transactions.

However, Trump's arrival in the White House and his unpredictable behaviour since has meant investors are increasingly wary, with protectionist policies driving sizeable recent market volatility. The 'reciprocal' tariffs on China and other major economies and their associated retaliation is expected to disrupt global capital and trade flows, reshape supply chains and weigh on global GDP growth.

Each week sees new developments unfold and Trump seemingly forced to scale-back his initially extreme demands due to market pressures. This uncertainty will likely mean that global M&A activity remains subdued in the near term as investors assess which industries are best placed to navigate the evolving landscape and emerge as long-term beneficiaries.

As the US becomes increasingly isolated, other countries are likely to form stronger trade partnerships. Further, the US tariffs are expected to have a negligible impact on the Australian economy (less than 0.1% of Australia's GDP) and the lower to mid-market segment is well-placed to withstand these pressures given:

- 1) Just 4% of total exports are US-bound;
- 2) The relatively low 10% tariff applied to Australian exports will largely be felt most across the beef industry, pharmaceuticals and aluminium exports – sectors that are dominated by larger businesses; and
- 3) Small and medium-sized businesses tend to be more domestically focused and nimble, allowing them to navigate evolving market conditions and seek out attractive niches.

This, coupled with Australia's stable economic and political framework, consistent population growth and resilient domestic demand means that Vantage's private equity managers will be largely insulated from a broader macro-driven dislocation.

Market participants are confident that the lower to mid-market segment will remain active through 2025, albeit in a disciplined manner, alongside a renewed focus on highly resilient operating models.

On the new investment front, managers are observing increased activity in carve-outs, as corporates look to streamline non-core operations and improve liquidity for their non-Australian operations. Meanwhile, succession-driven transactions among family-owned and founder-led businesses, continue to represent a consistent and actionable pipeline.

On the exit side, Vantage's underlying managers have reported a rise in inbound interest from foreign trade and secondary buyers, due to their desire for high-quality, corporatised businesses, alongside a favourable FX environment and flight to safety in Australia's stable market.

# DIRECTORY

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## IMPORTANT INFORMATION

This report has been prepared by Vantage Asset Management Pty Limited (ABN 50 109 671 123) AFSL 279186 (Vantage) in its capacity as Investment Manager of Vantage Private Equity Growth 5. 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.





# VANTAGE ASSET MANAGEMENT

