

VANTAGE PRIVATE EQUITY GROWTH 3



QUARTERLY INVESTOR REPORT
31 MARCH 2025

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EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Growth 3 (VPEG3) quarterly investor report for the quarter ending 31 March 2025.

VPEG3's portfolio continues to demonstrate strong momentum, supported by improved earnings performance across several underlying investments, despite the ongoing macroeconomic volatility. This positive trajectory also supported ongoing exit activity, with the successful exit of one portfolio company completed during the quarter.

VPEG3 is successfully progressing through its harvest period. Underlying managers are focused on executing on their value creation initiatives aimed at increasing margins and earnings, positioning each portfolio company for realisation.

The divestment phase of the portfolio is now well and truly commenced, with 16 underlying portfolio companies being successfully sold to date. Vantage's managers are increasingly seeking to leverage strong inbound interest from local and international trade and financial sponsors for high quality assets demonstrating resilient earnings within VPEG3's portfolio. This is expected to drive an uplift in exit activity across VPEG3's portfolio throughout 2025, ultimately delivering further distributions to investors.

PORTFOLIO HIGHLIGHTS

During the March 2025 quarter, **Allegro Fund III** announced the sale of **Questas Group** to **Five V Capital** for a media reported **c.\$400m valuation**. The sale process concluded in late April 2025, with VPEG3 expected to receive its share of the realised proceeds during May 2025. We expect the number of exits to increase through the calendar year, with a number of underlying managers currently in advanced discussions to exit their portfolio companies. Upon receipt of the exit proceeds (anticipated during Q2 CY25) a distribution is expected to be paid to VPEG3, LP investors in Q3 CY25, further increasing the Fund's Distributed to Paid-In (DPI) multiple and annualised return.

Underlying managers continued to advance their strategic initiatives to position each remaining portfolio company for exit.

Over the last twelve months, VPEG3's underlying portfolio has delivered an average growth in revenue and EBITDA of 5% and 11% respectively, supporting an uplift in the current holding valuations upon exit.

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 VPEG3's underlying portfolio, only four assets currently have direct exposure to the US market. The impact on VPEG3 is considered immaterial, with less than 1% of total portfolio revenue attributable to goods or services exported to the US from these holdings.

A key strength and mitigant risk of VPEG3 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 the impacts of any single macroeconomic event.

VPEG3 FUND ACTIVITY

During the quarter, VPEG3 received distributions totalling **\$8,552,465** from **Advent Partners 2 Fund**, **Mercury Capital Fund 3** and **Next Capital Fund IV**.

The distributions received were predominately as a result of the sale proceeds of previously announced exits **Compass Education**, **Medtech** and **Flintfox** by **Advent Partners 2**. The remainder of distributions received were from the dividends paid, due to the strong operating performance from **Next Capital IV** portfolio company **Enviropacific** and **Mercury Fund 3** portfolio company **Architectus**.

As a result of these proceeds and the previous distributions received during the December 2024 quarter, VPEG3 conducted a distribution to all investors on the 1st March 2025 totalling **\$0.20 per Dollar of investors Committed Capital (\$0.145 from VPEG3, LP and \$0.055 from VPEG3A)**. Consequently, VPEG3's **DPI multiple increased to 0.62x** as at 31 March 2025.

During the quarter, capital calls totalling \$120,518 were paid by VPEG3 to **Allegro Fund III** and **Odyssey Private Equity Fund 8**.



VANTAGE UPDATE

The capital called was predominately for the management fees and working capital requirements of these funds across the period. No additional capital calls were issued by VPEG3 to investors, as VPEG3 has already called 100% of investors committed capital.

As at 31 March 2025, VPEG3's **Net Asset Value (NAV)** was **\$1.214 per dollar of committed capital**. As such, VPEG3's **Total Value to Paid In (TVPI)** multiple stands at **1.83x**, representing a **net annualised return of 13.7% p.a. for VPEG3 investors**, since the Fund's Final Close in January 2015.

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 construction of VPEG6's underlying 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 on VPEG6 or would like to make an application, please contact Vantage's Investor Services Team via email at info@vantageasset.com or call 02 9067 3133.

An application can 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	JANUARY 2019
STRATEGY	PRIVATE EQUITY FUND OF FUNDS
COMMITTED CAPITAL	\$50.70 MILLION
PAID CAPITAL ¹	\$50.70 MILLION
VPEG3, LP PER \$ OF COMMITTED CAPITAL PAID	\$0.75
VPEG3A PER \$ OF COMMITTED CAPITAL PAID	\$0.25
NET ASSET VALUE (NAV) - PER \$ OF COMMITTED CAPITAL	\$1.214
DISTRIBUTIONS TO PAID IN (DPI) MULTIPLE	0.62x
TOTAL VALUE TO PAID IN (TVPI) MULTIPLE	1.83x
NET ANNUALISED RETURN	13.7%

PORTFOLIO

TOTAL COMMITTED CAPITAL TO PRIVATE EQUITY	\$67.55 MILLION
NO. OF PRIMARY COMMITMENTS	7
NO. OF CO-INVESTMENTS	2
NO. OF PORTFOLIO COMPANIES	50
NO. OF EXITS ²	16
NO. OF REMAINING PORTFOLIO COMPANIES	34

1. Paid capital by all investors VPEG3, LP & VPEG3A, except SIV investors

2. Includes both completed and announced exits at reporting period



PRIVATE EQUITY PORTFOLIO





PRIVATE EQUITY PORTFOLIO

VPEG3 PRIVATE EQUITY PORTFOLIO

PRIVATE EQUITY FUND NAME	FUND / DEAL SIZE (\$M)	VINTAGE	INVESTMENT STRATEGY	COMMITMENT (\$M)	CAPITAL DRAWN (\$M)	PORTFOLIO COMPANIES	EXITS ³
ADAMANTEM CAPITAL FUND I	\$591	2017	EXPANSION / BUYOUT	\$10.00	\$8.46	6	1
ODYSSEY PRIVATE EQUITY FUND 8	\$275	2017	EXPANSION / BUYOUT	\$7.00	\$6.44	6	2
ADVENT PARTNERS 2 FUND	\$300	2017	EXPANSION / BUYOUT	\$10.00	\$9.18	7	4
ALLEGRO FUND III	\$290	2017	BUYOUT	\$12.00	\$8.90	7	4
ANCHORAGE CAPITAL PARTNERS FUND III	\$350	2017	EXPANSION / BUYOUT	\$10.00	\$9.87	5	2
MERCURY FUND 3	\$600	2019	EXPANSION / BUYOUT	\$7.50	\$7.05	10	1
NEXT CAPITAL FUND IV	\$275	2019	EXPANSION / BUYOUT	\$10.0	\$7.05	7	1
CO-INVEST NO.1 FITZPATRICK FINANCIAL GROUP	\$200	2017	EXPANSION	\$0.30	\$0.30	1	-
CO-INVEST NO.2 TRIBE BREWING	\$30	2018	EXPANSION	\$0.80	\$0.72	1	1
TOTAL				\$67.55	\$57.96	50	16

3. Exit count includes both completed and announced exits at reporting period end



PRIVATE EQUITY PORTFOLIO

TOP 10 HOLDINGS ACROSS THE PORTFOLIO

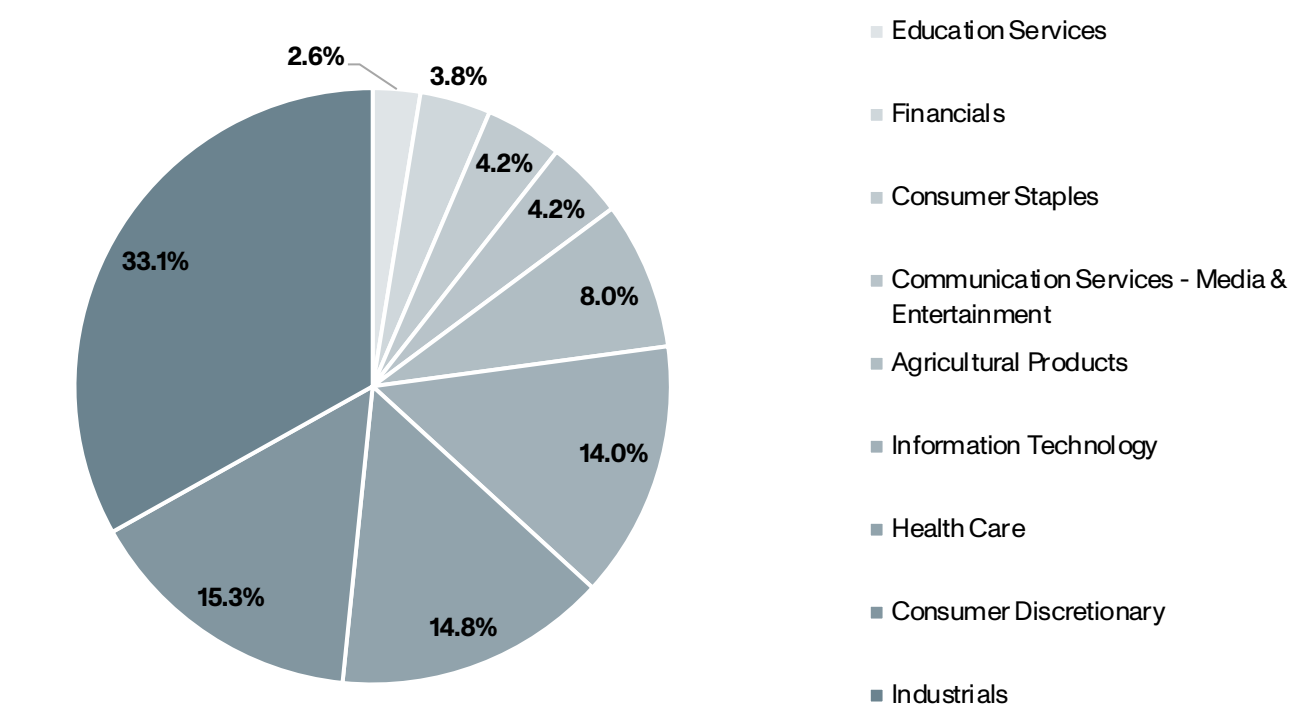
	PORTFOLIO COMPANY	FUND	DESCRIPTION	% SHARE	CUMULATIVE
1	GBST	ANCHORAGE CAPITAL PARTNERS FUND III	FINANCIAL SERVICES TECHNOLOGY PROVIDER TO THE GLOBAL WEALTH MARKET	11.2%	11.2%
2	QUESTAS GROUP	ALLEGRO FUND III	A PROVIDER OF HYDRAULIC AND FLOW CONTROL SERVICES, PRODUCTS AND SOLUTIONS	9.1%	20.3%
3	PERTH RADIOLOGICAL CLINICS	ALLEGRO FUND III	WESTERN AUSTRALIA'S LARGEST MEDICAL DIAGNOSTIC IMAGING PROVIDER	5.8%	26.2%
4	IMAGING ASSOCIATES	ADVENT PARTNERS 2 FUND	DIAGNOSTIC IMAGING SERVICE PROVIDER	4.4%	30.6%
5	DELTA AGRIBUSINESS ⁴	ADVENT PARTNERS 2 FUND	PROVIDER OF AGRICULTURAL PRODUCTS AND INDEPENDENT RURAL SERVICES	4.3%	34.9%
6	TOLL GLOBAL EXPRESS	ALLEGRO FUND III	AN AUSTRALIAN TRANSPORTATION AND LOGISTICS COMPANY WITH OPERATIONS IN ROAD, RAIL, SEA, AIR AND WAREHOUSING.	4.2%	39.1%
7	HELLERS	ALLEGRO FUND III	PRODUCER OF PROCESSED MEATS IN NEW ZEALAND	4.2%	43.3%
8	FOOD ODYSSEY (SUSHI SUSHI)	ODYSSEY PRIVATE EQUITY FUND 8	SUPPLIER OF SUSHI AND OTHER JAPANESE-INSPIRED HEALTHY CONVENIENCE FOODS	3.9%	47.2%
9	EPTEC GROUP	NEXT CAPITAL FUND IV	PROVIDER OF ASSET PRESERVATION, LIFE EXTENSION & MAINTENANCE SERVICES	3.5%	50.7%
10	SILVER CHEF	NEXT CAPITAL FUND IV	RENTAL & FINANCING OF COMMERCIAL EQUIPMENT	3.5%	54.2%

4. As the divestment of portfolio companies Delta Agribusiness and Questas Group have been announced but not completed at 31 March 2025, VPEG3 maintained exposure to the asset at period end, and thus the investment is reflected in the top 10 holding count.



PRIVATE EQUITY PORTFOLIO

INDUSTRY DIVERSIFICATION OF PORTFOLIO



As at 31 March 2025. Key is in ascending order.

PORTFOLIO ACTIVITY





PORTFOLIO ACTIVITY

Activity remained elevated across the lower to mid-market segment in Australia and New Zealand, notwithstanding broader macro economic headwinds.

This resulted in the announced exit of Qestas Group by Allegro Fund III during the period. Additional information on the exit is outlined below.



ANNOUNCED EXIT – QUESTAS GROUP – ALLEGRO FUND III

During March 2025, Allegro Fund III announced the sale of Qestas Group, a provider of Hydraulic and flow control services, products and solutions to Five V Capital for a media reported c.\$400m valuation.

Allegro made an investment into Qestas Group alongside the founder in May 2019, which at the time operated in a highly fragmented agriculture infrastructure services industry.

During Allegro's investment, management achieved a strategic program of earnings accretive M&A, which saw Qestas complete 10 bolt-on acquisitions. These acquisitions focused on building out its hydraulic capabilities, delivering market leading service for its tier one customers and further diversifying its revenue into the resources, infrastructure, manufacturing, defence and emerging technology industries.

As a result, management have successfully grown Qestas to become Australia's largest independent pure play hydraulics company, providing essential aftermarket hydraulic services and distribution to more than 3,000 customers across its national network of 35 sites.

Upon completion of the sale, which is expected in Q2 CY25, the exit will deliver Allegro Fund III and its investors, including VPEG3 a significant return on investment across a 5.8-year hold period.

VPEG3 PORTFOLIO ACTIVITY

VPEG3's portfolio is now fully deployed across 50 underlying investments, with the final portfolio company added in January 2023. The average hold period across the remaining portfolio sits at 4.6 years, reflecting the Fund's progression through harvest and into divestment phase.

Over the past twelve months, VPEG3's underlying portfolio companies have delivered average revenue and EBITDA growth of 5% and 11% respectively, as underlying managers continue to execute their value creation initiatives, helping position each portfolio company for exit.

Finally, several portfolio companies continue to be held at conservative valuations, despite delivering strong year-on-year earnings growth. We anticipate a meaningful uplift in their valuations upon the completion of the June 2025 quarter, once underlying managers complete their financial year-end valuation processes.

As VPEG3 matures, it is expected that the number of underlying portfolio exits will significantly increase over the next six to twelve months as private equity managers engage sell side advisors and sale negotiations conclude.

As at 31 March 2025, VPEG3 had invested in 50 underlying portfolio companies, with 16 portfolio company exits completed or announced as at quarter end.

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

CONTACT DETAILS

Vantage Private Equity Growth 3, LP
Level 27, 101 Collins Street
Melbourne, Victoria 3000 Australia

Vantage Private Equity Growth Trust 3A
Level 33, Aurora Place
88 Phillip Street
Sydney, 2000 Australia

GENERAL PARTNER & INVESTMENT MANAGER

General Partner: Vantage Private Equity Management Partnership, LP
ILP No. L000417A
Investment Manager and VPEG3A Trustee: Vantage Asset Management Pty Limited
ACN: 109 671 123
Australian Financial Services Licence: 279186
Managing Director - Michael Tobin
Phone: +61 2 9067 3133
Email: info@vantageasset.com
Website: www.vantageasset.com

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 the Vantage Private Equity Growth 3. 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

