

# VANTAGE PRIVATE EQUITY GROWTH 3



QUARTERLY INVESTOR REPORT  
30 JUNE 2025

# CONTENTS

## VPEG3

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<b>EXECUTIVE SUMMARY</b>	<b>3</b>
<b>VANTAGE UPDATE</b>	<b>4</b>
<b>PERFORMANCE</b>	<b>5</b>
<b>PRIVATE EQUITY PORTFOLIO</b>	<b>7</b>
<b>PORTFOLIO ACTIVITY</b>	<b>11</b>
<b>MARKET INSIGHTS</b>	<b>13</b>

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# EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Growth 3 (VPEG3) quarterly investor report for the quarter ending 30 June 2025.

Overall, VPEG3's portfolio continues to demonstrate strong momentum as it progresses through its harvest phase and into its divestment stage. During the quarter, VPEG3's underlying managers continued to execute on a range of operational initiatives to further drive value creation across each portfolio company.

Despite the softer economic environment, VPEG3's underlying portfolio is delivering solid year-on-year growth, with revenue and EBITDA up 9% and 39% respectively. The sustained earnings growth is underpinned by the defensive and resilient nature of the underlying portfolio, which is predominantly B2B services and therefore 'stickier' in nature compared to the relative pullback in discretionary consumer assets.

Reflective of VPEG3's fund stage, managers have largely shifted their focus from platform expansion initiatives to positioning each portfolio company for divestment. With 16 underlying portfolio companies now successfully sold, VPEG3's managers are increasingly seeking to leverage strong inbound interest from local and offshore trade and financial sponsors for high quality assets demonstrating sustained earnings growth. This is expected to drive an uplift in exit activity across VPEG3's portfolio throughout the remainder of 2025, supporting further portfolio valuation gains and additional distributions to investors.

## PORTFOLIO HIGHLIGHTS

During the June 2025 quarter, the previously announced exit of **Questas Group**, an **Allegro Fund III** portfolio company, was completed. The sale, to **Five V Capital**, for a media reported **\$400 million valuation**, represented the fourth portfolio company exit from Allegro Fund III's portfolio and the sixteenth exit from VPEG3's underlying portfolio.

VPEG3's private equity managers have indicated that they are in advanced discussions to divest non-core operations through partial realisations or to fully exit portfolio company holdings. Once completed, these transactions are expected to generate additional liquidity events for investors.

As such, Vantage is expecting that there will be a number of near-term exits providing further distributions to VPEG3 investors.

## VPEG3 FUND ACTIVITY

During the quarter, VPEG3 received **distributions** totalling **\$2,447,361** from **Allegro Fund III** and **Advent Partners 2 Fund**.

The distributions received were predominately due to the sale proceeds from the previously announced exit **Questas Group** by **Allegro Fund III**. The remainder of distributions received during the quarter came from a dividend payment, reflecting the strong trading performance of **Allegro Fund III's** holding in **Perth Radiological Clinics (PRC)** and from the final exit proceeds of Compass Education, a previously exited Advent Partners 2 Fund portfolio company.

Upon completion of the 30 June 2025 financial year, VPEG3, LP will pay a distribution attributable to FY25, totalling \$0.05 per dollar of committed capital to all investors, during August 2025. As a result of this distribution being declared, VPEG3's **Distribution to Paid-In (DPI) multiple** increased to **0.67x** at period end.

During the quarter, **capital calls** totalling **\$119,719** were paid by VPEG3 to **Allegro Fund III** and **Advent Partners 2 Fund**. 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 30 June 2025, VPEG3's **Net Asset Value (NAV)** was **\$1.155 per dollar of committed capital** (post financial year-end tax distribution). As such, VPEG3's **Total Value to Paid In (TVPI)** multiple stands at **1.83x**, representing a **net annualised return of 13.1% p.a. for VPEG3 investors**, since the Fund's Final Close in January 2019.



# VANTAGE UPDATE

## VPEG6 COMPLETES FOURTH PRIMARY COMMITMENT

During the quarter, VPEG6 increased its commitments to underlying funds to \$60.5 million, after a \$15 million commitment was made with growth private equity specialist Pemba Capital. Pemba is one of the most active private equity investors in the Australian and New Zealand lower to mid-market segment having completed over 200 partnership investments in the last 20 years.

With a focus on defensive growth sectors and leveraging their direct origination team to source off-market deal flow, they have consistently generated top quartile returns.

At the time of VPEG6's commitment, Pemba's fund was seeded with two investments, **Satori** and **Locatrix**. Following completion of this commitment with Pemba Capital, VPEG6's underlying investment portfolio increased to four companies at June 2025 quarter end.

## VPEG6 NEARS COMPLETION OF FIFTH PRIMARY COMMITMENT

Vantage continued the development of VPEG6's primary portfolio during the quarter, with the Fund nearing completion of its fifth primary commitment to a fund managed by an Australian technology specialist private equity manager.

The manager is well-known to Vantage and holds a differentiated position in the market through its sole focus on investing in software and technology businesses with high recurring revenues and high switching costs. The manager has a demonstrated ability to drive value creation across its portfolio companies through a combination of margin enhancement, pricing optimisation, international market expansion, and disciplined execution of strategic M&A.

Notably, the manager's track record includes delivering a prior fund that ranks among the top ten performing private equity funds globally for its vintage year. Vantage received confirmatory IC approval in July 2025 and is progressing the legal documentation, with execution of these targeted for early August 2025.

Upon completion, this commitment will further strengthen VPEG6's portfolio construction, delivering further diversification and sector specialism expertise across Growth, Buyout, and Turnaround private equity strategies.

## 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 NEWS

The first half of 2025 has been another active period for Vantage's funds, with continued strong capital commitments, new investments and successful exits. In the last six months, Vantage's flagship funds have recorded four exits, including the sale of Medtech by Advent Partners and Questas Group by Allegro.

These four exits saw Vantage's funds distribute a total of \$23.6 million, providing strong distributions back to investors, building on the strong momentum seen in Q4 2024 which saw six exits announced and/or completed.

Despite news headlines around a constrained exit environment driving prolonged holding periods and reduced liquidity for investors, Vantage's funds have defied this and delivered consistent performance and sizeable distributions back to investors.

The lower to mid-market segment in Australia and New Zealand, where Vantage's Fund's invest, continues to demonstrate its resilience, delivering strong risk-adjusted returns for investors through the current business cycle.

# PERFORMANCE



# PERFORMANCE

QUARTER ENDING	30 JUNE 2025
FINAL CLOSE	JANUARY 2019
STRATEGY	PRIVATE EQUITY FUND OF FUNDS
COMMITTED CAPITAL	\$50.70 MILLION
PAID CAPITAL <sup>1</sup>	\$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	\$1.155
DISTRIBUTIONS TO PAID IN (DPI) MULTIPLE	0.67x
TOTAL VALUE TO PAID IN (TVPI) MULTIPLE	1.83x
<b>NET ANNUALISED RETURN</b>	<b>13.1%</b>
<b>PORTFOLIO</b>	
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 <sup>2</sup>	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 <sup>3</sup>
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	\$9.22	7	4
ALLEGRO FUND III	\$290	2017	BUYOUT	\$12.00	\$8.98	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
<b>TOTAL</b>				<b>\$67.55</b>	<b>\$58.08</b>	<b>50</b>	<b>16</b>

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	11.7%	11.7%
2	PERTH RADIOLOGICAL CLINICS	ALLEGRO FUND III	WESTERN AUSTRALIA'S LARGEST MEDICAL DIAGNOSTIC IMAGING PROVIDER	8.6%	20.3%
3	IMAGING ASSOCIATES	ADVENT PARTNERS 2 FUND	DIAGNOSTIC IMAGING SERVICE PROVIDER	4.7%	25.0%
4	HELLERS	ADAMANTEM CAPITAL FUND I	PRODUCER OF PROCESSED MEATS IN NEW ZEALAND	4.5%	29.6%
5	TEAM GLOBAL EXPRESS	ALLEGRO FUND III	AN AUSTRALIAN TRANSPORTATION AND LOGISTICS COMPANY WITH OPERATIONS IN ROAD, RAIL, SEA, AIR AND WAREHOUSING.	4.4%	34.0%
6	DELTA AGRIBUSINESS <sup>4</sup>	ODYSSEY PRIVATE EQUITY FUND 8	PROVIDER OF AGRICULTURAL PRODUCTS AND INDEPENDENT RURAL SERVICES	4.4%	38.3%
7	FOOD ODYSSEY (SUSHI SUSHI)	ODYSSEY PRIVATE EQUITY FUND 8	SUPPLIER OF SUSHI AND OTHER JAPANESE-INSPIRED HEALTHY CONVENIENCE FOODS	4.3%	42.7%
8	UP EDUCATION <sup>5</sup>	ALLEGRO FUND III	A LEADING PROVIDER OF TERTIARY EDUCATION IN AUSTRALASIA	4.2%	46.8%
9	CAMP AUSTRALIA	ALLEGRO FUND III	A NATIONAL PROVIDER OF BEFORE-AND AFTER-SCHOOL CARE PROGRAMS	3.6%	50.5%
10	SILVERCHEF	NEXT CAPITAL FUND IV	RENTAL & FINANCING OF COMMERCIAL EQUIPMENT	3.6%	54.1%

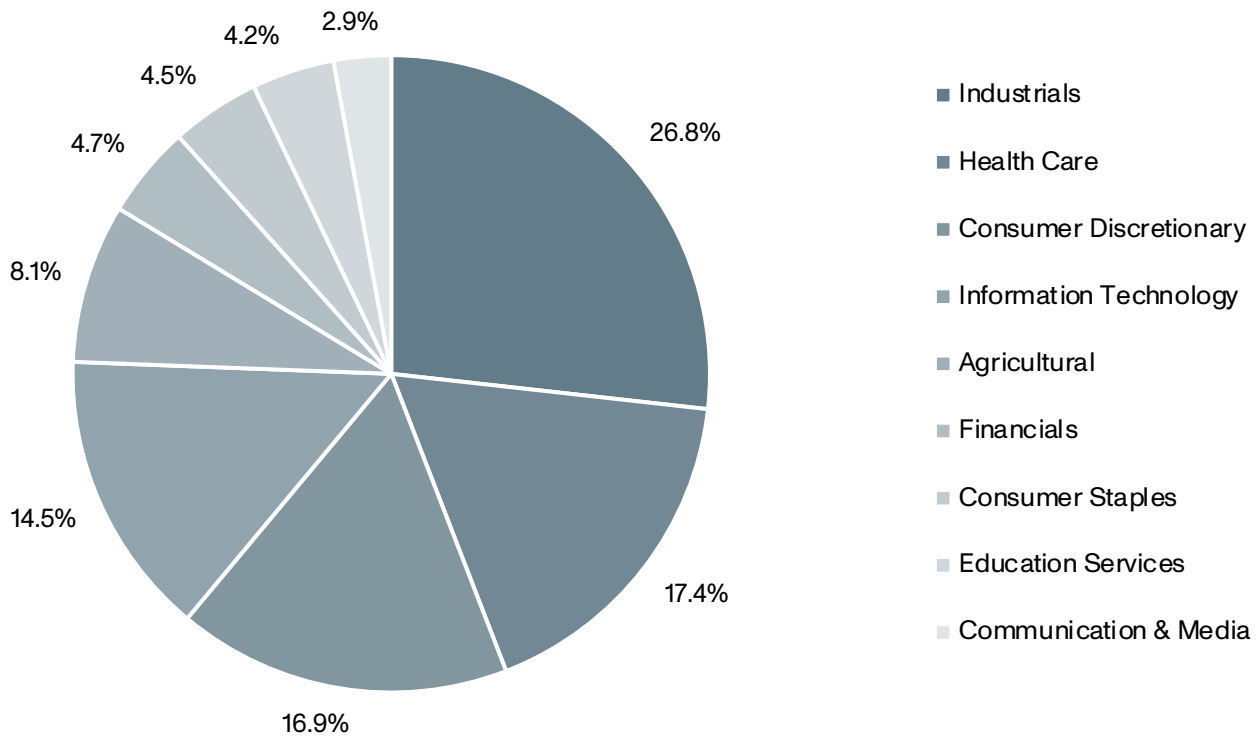
4. As the divestment of portfolio company Delta Agribusiness had been announced but not completed at 30 June 2025, VPEG3 maintained exposure to the asset at period end, and thus the investment is reflected in the top 10 holding count.

5. VPEG3 has a partial holding in Pacific Equity Partners portfolio company UP Education, following Allegro Fund III's sale of Endeavour Learning in 2023 for a minority 3% stake in UP Education.



# PRIVATE EQUITY PORTFOLIO

## INDUSTRY DIVERSIFICATION OF PORTFOLIO



As at 30 June 2025. Key is in descending order.

# PORTFOLIO ACTIVITY





# PORTFOLIO ACTIVITY

Across the quarter, VPEG3's private equity managers focused on supporting portfolio companies through executing on operational initiatives aimed at increasing both revenue and underlying earnings.

Specifically, these initiatives included, the roll out of new products and services, expansion into new markets, refining operating models, optimising pricing strategies and efficiently reducing costs through the adoption of digitalisation.

With the successful implementation of these value creation and operational initiatives, underlying portfolio companies have demonstrated improvements in top-line growth, margin expansion and overall earnings performance.

Over the past twelve months, VPEG3's underlying portfolio companies have delivered average revenue and EBITDA growth of 9% and 39% respectively, as underlying managers position each portfolio company for exit.

Several portfolio companies remain conservatively valued relative to peers, despite delivering strong year-on-year earnings growth. Notably, these underlying investments are generally carried at a 20–30% discount to prevailing market comparables, providing potential for meaningful valuation uplifts upon exit.

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 4.9 years, reflecting the Fund's progression through its harvest phase and into divestment stage.

As VPEG3 matures through its divestment stage, it is expected that the number of underlying portfolio exits will significantly increase, as private equity managers engage sell side advisors and sale negotiations commence.

Portfolio companies with media-reported sale processes underway include:

- **Hellers**, from Adamantem Fund I;
- **Sushi Sushi**, from Odyssey Fund 8; and
- **Silverchef**, from Next Capital Fund IV.

Upon completion of these and other planned exits anticipated over the next three to six months, the realised proceeds will be received by VPEG3 and subsequently distributed to investors, further enhancing the Fund's overall return and DPI multiple.

As at 30 June 2025, VPEG3 had invested in 50 underlying portfolio companies, with sixteen portfolio company exits completed or announced as at quarter end.

# MARKET INSIGHTS





# MARKET INSIGHTS

The second quarter of the CY2025 remained a challenging period for global markets, as geopolitical tensions and uncertainties from Trump's Liberation Day tariff announcements manifested into significant market volatility.

Despite this and broader market headwinds, Australia posted its strongest H1 announced M&A deal volume since 2021. While execution timelines have extended, the elevated activity underscores the willingness of sponsors and corporates to transact, with Australia and New Zealand viewed as relative safe havens from tariff-related uncertainties compared to the broader global landscape.

Managers are coming to grips with the acknowledgement that a degree of uncertainty and volatility is now the new norm. In this environment, significant dry powder and ageing portfolio assets are acting as catalysts for renewed deal activity.

This change in sentiment, and broad acceptance that Trump will either delay or dial back his policies, has seen renewed confidence in equity markets, best evidenced by the successful IPO of Virgin Australia, a Bain Capital portfolio company.

While the final scope of US tariffs and policy responses in other countries remains largely unknown, Australia and New Zealand have remained relatively unscathed, with 10% baseline tariffs imposed on all imported goods.

Australia's political stability was reinforced during the quarter, with Anthony Albanese's Labour Party securing a second term, with a stronger-than-expected majority. While potential taxation change is dominating headlines, Treasurer Jim Chalmers' productivity reform underpins the key focus for the government, signalling a focus on innovation and growth to Australia's private sector.

Inflation remains near to the mid-point of the RBA's 2–3% target. In May 2025, the RBA cut the cash rate by 25bps to 3.85%, with markets expecting further cuts to a cycle low of 3.25% by year-end. While July's decision to hold rates surprised markets, consensus still anticipates 50bps of cuts in H2, with the RBA signalling the pause reflects timing, given geopolitical uncertainties, rather than direction.

Given Australia's historical bias toward second-half deal activity, the pipeline for new transactions in the lower- to mid-market segment is expected to be robust, supported by continued willingness from market participants to deploy capital into new opportunities.

The Australian private equity market has experienced a notable increase in public-to-private transactions and corporate carve-outs. Listed companies continue to recognise the constraints under public market ownership and see greater growth potential under private equity's longer-term investment horizon. At the same time, many corporates have undertaken strategic reviews and sought to divest non-core assets to strengthen their balance sheets amid ongoing economic uncertainty and market volatility.

Sectors like healthcare, business services, infrastructure, energy and resources, technology and financial services are seeing the most investment activity, especially where digitisation is highlighted to be a key value driver.

Acquisition finance remains well supported by banks and private credit providers, underpinned by ample liquidity. Lenders continue to navigate prevailing market uncertainties and thus are undertaking deeper due diligence into the fundamental operations of the assets they are seeking to underwrite.

In addition, Vantage's underlying managers note that they are receiving heightened levels of inbound interest and desire for private equity-owned businesses, reflecting sustained appetite from offshore strategic acquirers and financial sponsors for high-quality assets. Given the strong buyer interest and the ability of Vantage's underlying portfolio companies to demonstrate resilience and sustained earnings, exit activity is expected to accelerate over the next six to twelve months.

# 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 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

