



ASSET MANAGEMENT

MLC Global Private Equity Fund – Class A

Investment update to 31 March 2025

Fund commentary

The MLC Global Private Equity Fund – Class A (the Fund) delivered a -0.1% net return in March.

US and Australian co-investments have been the strongest performing private equity investments in the Fund over the year to 31 March 2025. Australian private equity fund exposures have also positively contributed to Fund performance, whilst Asian co-investments have been the key detractors for the year. US co-investments Excel Scientific and PetSmart have been notable performers, as well as US fund Webster Equity Partners Fund IV, which are profiled here.

Excel Scientific is a manufacturer and provider of medical grade specialty seals and adhesives to laboratories, and a co-investment the Fund made alongside US specialist manager Vance Street Capital. Excel's recent positive performance has been driven by strong revenue and EBITDA growth, with customers resuming purchasing of the company's products following a period of inventory destocking relating to COVID-19 testing, coupled with several key new contract wins.

PetSmart is one of the largest omnichannel retailers operating in the pet supply market in North America, and an investment made in 2015. A portion of the remaining exposure in the

investment is listed, following PetSmart's acquisition of online pet retailer Chewy in 2017 and Chewy's subsequent IPO in 2019. Chewy's share price has more than doubled in the year to 31 March 2025 due to encouraging underlying business fundamentals, with net sales and adjusted EBITDA up 14.9% and 40.0% YoY respectively.

Webster Equity Partners Fund IV is a US-based manager focussing on healthcare, consumer and business services across North America. Fund IV's recent positive performance has been supported by the sale of Retina Consultants of America ("RCA"), a 2020 investment which has grown to become the largest network of retina care specialists in the US, servicing over 300,000 patients per year across 250 clinics. Webster executed a growth strategy for RCA that expanded its geographic footprint from 4 to 23 states and pioneered clinical trial development for therapeutic and surgical treatments. The company was sold to pharmaceutical services provider Cencora in November 2024 for a total consideration of US\$5.1bn.

The Fund's liquid assets, including the listed private equity ETF and cash, were positive performers for the year, whilst currency has also contributed positively.

Performance

	1 month (%)	3 months (%)	6 months (%)	1 year (%)	2 years (% pa)	Since inception (% pa)
MLC Global Private Equity Fund – Class A	-0.1	-0.8	9.4	10.5	10.3	7.7

Value of \$100,000 invested since inception



Performance by month

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD*
2022	-	-	-	-	-	-	-	-	-	-	-1.2%	-2.9%	-4.1%
2023	-2.1%	3.3%	1.3%	1.9%	1.3%	-0.6%	-0.5%	4.0%	-0.3%	0.2%	-2.0%	-1.5%	4.9%
2024	2.2%	4.2%	1.0%	-1.4%	-1.2%	-0.6%	3.6%	1.2%	-0.4%	4.1%	3.2%	2.6%	19.9%
2025	-0.1%	-0.6%	-0.1%	-	-	-	-	-	-	-	-	-	-0.8%

Past performance is not a reliable indicator of future performance. The value of an investment may rise or fall with changes in the market.

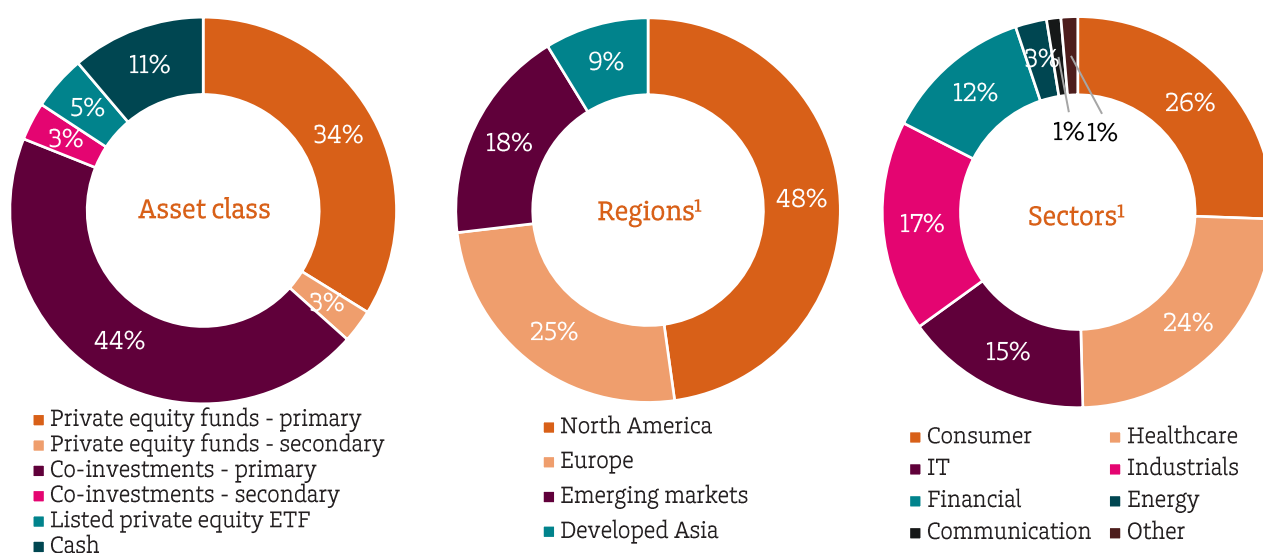
The returns shown on this page are calculated based on the net asset value of units issued in Class A of the Fund. The returns are net of management fees, performance fees, and indirect costs. The Fund's - Class A inception date is 31 October 2022. *CYTD - calendar year to date.

Top holdings

Holding name	Sector	Region	Investment type	Strategy	Vintage*
PetSmart	Consumer	North America	Co-Investment	Buyout	2015
Delta Capital Growth Fund II	Mid-market	Emerging markets	Fund	Growth	2017
InvestCloud	Financial	North America	Co-Investment	Buyout	2019
Highlight Capital Fund III	Mid-market	Emerging markets	Fund	Growth	2020
FLO	Consumer	Emerging markets	Co-Investment	Growth	2014
Design Holding	Consumer	Europe	Co-Investment	Buyout	2014
Waste Vision	Industrials	Europe	Co-Investment	Buyout	2025
Surgical Information Systems	Healthcare	North America	Co-Investment	Buyout	2025
The Vomela Companies	Industrials	North America	Co-Investment	Buyout	2024
Asian Buyout Manager	Large-cap	Emerging markets	Fund	Buyout	2019

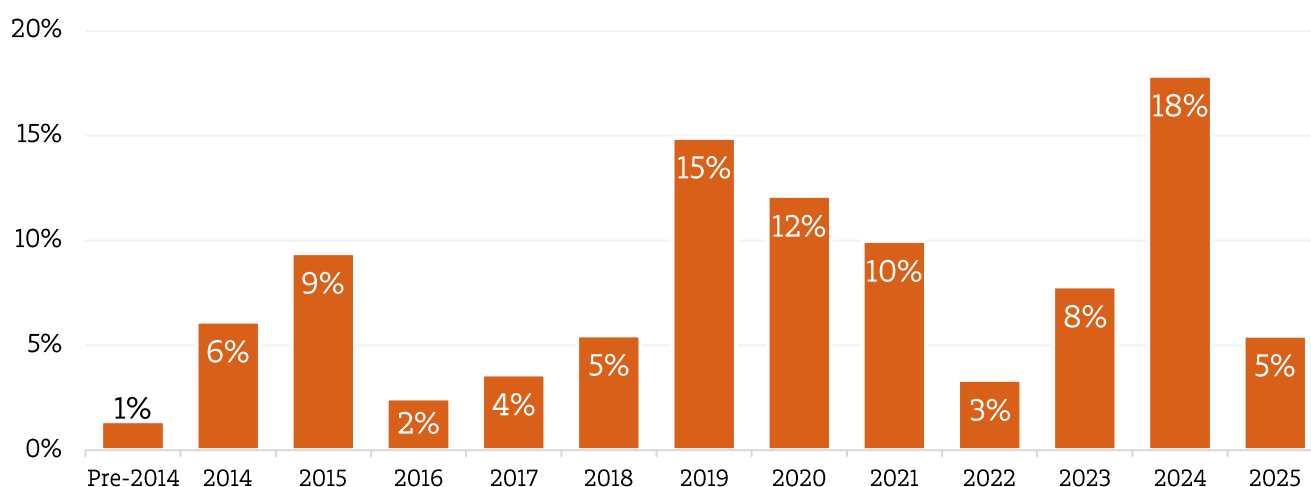
Top holdings are displayed based on percentage of NAV.

Asset allocation



Asset allocation shown as a percentage of NAV. Effective date 31 March 2025.¹ Region and sector data excludes listed private equity and cash. Numbers may not add to 100% due to rounding.

Investment year[#]



[#]Investment year allocation shown as a percentage of NAV, excluding listed private equity and cash. Effective date 31 March 2025. Numbers may not add to 100% due to rounding. Investment year indicates the year in which capital was invested into an asset.

*Vintage year indicates the year in which capital was committed to an investment of the Fund.

Market commentary

With the current market turbulence and imposition of tariffs on global trade we believe diversification of private equity investments across geographies, managers, sectors and vintage years is important when constructing a private equity portfolio. The Global Private Equity Fund's portfolio provides this diversification with 421 underlying investments.

The Fund's investments focus on the mid-market and lower mid-market, typically in businesses with a valuation of less than US\$1bn. In these smaller businesses, the private equity capital is often the first institutional capital the business has accepted, and there are tangible growth opportunities in the local market which make the investment attractive. In many situations the businesses are not exporting internationally, and are servicing local customers. Examples of these low hanging growth opportunities include:

- Hiring a CFO to focus the business on its key operating metrics and utilising data to drive decision making;
- Investing in the sales function to support winning new clients, as well as increasing the share of spend captured from existing local clients;
- Selling a new product or service to existing clients, or servicing a new client segment; and
- Undertaking acquisitions of similar businesses to increase scale and provide synergies.

Typical mid-market private equity investments include services businesses in the sectors of technology and software, healthcare and financial services. For context, these three sectors represent 52% of Global Private Equity Fund unlisted private equity NAV. While it is too early to say the impact of tariffs on the Fund in totality, investments in these specific sectors are not likely to be impacted directly. Software is currently exempt from tariffs, healthcare is

predominantly domestically focused and service based, and financial services businesses do not typically import or export products.

The Fund has some consumer discretionary and industrial sector exposure (38% of unlisted private equity NAV) in middle market businesses in the US, Europe and Asia (including Developed Asia). These businesses are not typically exporters of products, although there are isolated examples. The largest consumer investment in the Fund, PetSmart, is based in the US selling to US customers and manufactures its private label products locally in the US, as well as retailing products from other brands.

Private equity co-investments comprise 48% of unlisted private equity NAV. When we select co-investments out of the many we are shown each year from our managers, we specifically seek out those companies which we believe can withstand a recessionary macro environment, and those that can pass on increases in input prices to consumers. We turn down 89% of the co-investments we review each year, and our selected co-investments have outperformed buyout funds.

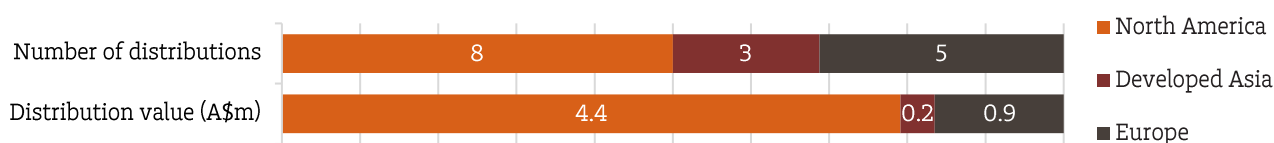
The private equity market has substantial dry powder (ie, capital waiting to be invested) from secondary funds which have raised in the last few years. In 2024, the private equity secondary market's closed transaction volume (in US\$ terms) reached all-time highs. Meanwhile, the value of global buyout deals completed is still down ~40% from the highs seen in 2021. As such, while we see this to be an uncertain period in terms of traditional private equity exits to trade buyers and financial sponsors, there is a healthy secondary market which could facilitate the sale of private equity owned businesses to continuation vehicles. In the past year we have seen continuation vehicles be increasingly utilised by private equity managers globally to sell assets.

New investments in the quarter

Holding name	Manager	Investment type	Strategy	Region	Sector/Market	Description
 MML Keystone Fund I		Fund - primary	Buyout	Europe	Mid-market	European mid-market buyout manager focused on infrastructure like private equity investments.
 waste vision		Co-Investment - primary	Buyout	Europe	Industrials	The largest European player in smart waste solutions, with 70% market share in the Netherlands.
 SURGICAL INFORMATION SYSTEMS		Co-Investment - primary	Buyout	North America	Healthcare	A leading US software provider for ambulatory surgery centres.

Distributions received by the Fund

Through the quarter the Fund received 16 distributions totalling A\$5.5m. Distributions were dominated by North America, which included part of the proceeds from Webster Equity Partners Fund IV's sale of RCA. Distributions were received from 10 different funds and 4 co-investments. These distributions were reinvested into the fund.



*Distributions include monies received by the Fund as a result of realisations of underlying companies, recapitalisations or dividends from co-investments and private equity fund holdings. The Fund will attribute taxable income to investors even though it does not distribute its income to investors.

Case study



Overview

MML Capital Partners (MML) was founded in 1998 and is a mid-market private equity manager with approximately €2 billion in AUM and offices in London, Paris, Dublin, and New York. The MLC Global Private Equity Fund recently made a commitment to the MML Keystone strategy (2021 inception), which invests in European mid-market distributed infrastructure. Co-managing partners Andrew Honan and Sharand Maharaj lead the MML Keystone strategy and bring a 12-year track record of investing in comparable deals with the Macquarie Group. Alongside the fund commitment, the MLC Global Private Equity Fund has also made a co-investment in Waste Vision, an MML Keystone holding.

Unlike traditional infrastructure where each asset is usually large (in billions of euros per asset) and are typically single assets (such as airports, ports or toll roads), distributed infrastructure has small individual asset sizes (typically in the thousands of euros per asset), where there are hundreds of assets that form a platform, and each new asset generates a strong ROI (~25%+).

Waste Vision is a distributed infrastructure asset that was established through the merger of three Dutch waste entities in 2017 and is the largest European player in smart waste solutions, with 70% market share in the Netherlands. Waste Vision has grown to serve over 200 municipalities, helping them reduce costs, minimise landfill waste by up to 40%, and cut carbon emissions by 25%. Waste Vision's current offering includes smart solutions combining 'internet of things' devices, which provide access control devices to communal bins as well as fill-level sensors that send alerts when bins need emptying.



waste vision

Key attractions

A strong track record: MML's co-managing partners share an extensive background in private equity investing that has infrastructure-like characteristics, have a strong pre-fund track record, and have generated private equity-calibre returns with infrastructure-like risk.

Differentiated fund offering: The European distributed infrastructure strategy is relatively differentiated and has limited competition. It is exposed to attractive secular growth trends including digitisation, circular economy and the transformation of the energy market to distributed energy. MML Keystone also offered a seed portfolio with immediate valuation uplift potential and significant co-investment opportunities.

Market leader, with significant whitespace available: Waste Vision is the clear market leader for smart waste solutions in the Dutch market. There exists large whitespace in other EU countries for market expansion, driven by waste and recycling regulation targets, and the deal presents an attractive entry valuation and broad exit universe.

Value creation plan

Waste Vision aims to win new customers and take further market share in the Netherlands; select customers are shown below. The company will drive upgrades and new product development using its vast data lake, optimise pricing and cross-sell solutions.

The plan also includes further expansion into other European markets, hiring local sales and operational resources and leveraging M&A as needed.

Further information

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Fund details

APIR code	MLC5609AU	Inception date	Class A – 31 October 2022
Investment objective	The Fund aims to provide capital growth, over the long term, by investing predominantly in a diverse range of global private equity investments.	Platform availability	Expand Extra, BT Panorama, CFS Edge, HUB24, Macquarie Wrap, Netwealth, North, Powerwrap, Praemium and Rhythm.
Hedging	Unhedged. Foreign currency exposures will generally not be hedged to the Australian dollar.	Investment horizon	7 to 10 years

Research house ratings



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