



AT THE FOREFRONT OF PRIVATE EQUITY

With thousands of performance data points gathered over the years, we are inaugurating the Mantra Niche PE Index (data as of Q2 2022, to be updated quarterly) in order to better understand how the performance of Niche PE compares to that of mainstream PE.

As a Niche PE specialist, Mantra invests alongside managers with promising, off-the-beaten-path strategies. Niche PE investors seek out highly specialized, complex or new business areas that are little penetrated by mainstream PE, covering everything from venture capital to the combined debt and equity financing of buyouts and invests in industries as diverse as aerospace technology and litigation finance. Its common distinguishing characteristics are low correlation with listed equity, insulation from the volatility of economic cycles and higher returns than mainstream PE.

The returns of the latter have declined over the years as mainstream PE has become anything but alternative, with portfolio companies acquired at top prices through crowded, competitive, highly efficient auction processes. With the goal of providing superior returns, Niche PE managers typically source and acquire, on a proprietary basis, assets that are either too complex or esoteric to form the central focus of mainstream PE managers (usually generalists).

COMPONENTS OF THE MANTRA NICHE PE INDEX

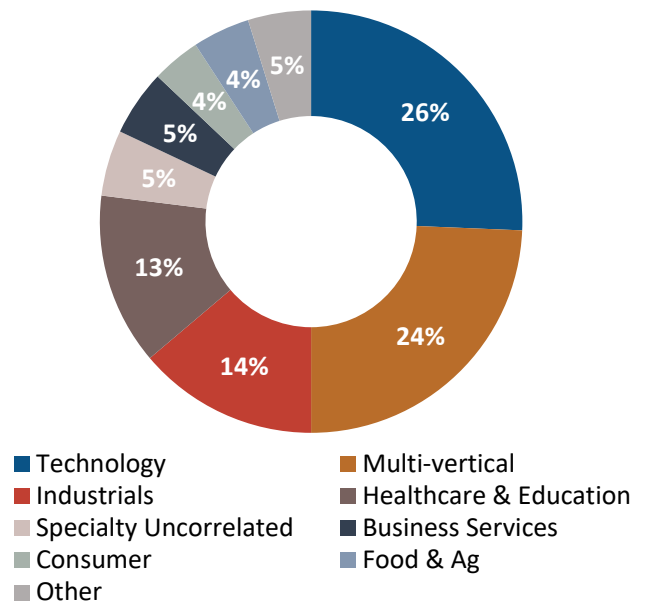
To construct the Mantra Niche PE Index, we have analyzed internal-rate-of-return (IRR) and multiple-on-invested-capital (MOIC) historic data across more than 1,000 Niche PE funds and investments. The latter form the broad universe from which Mantra selects its own investments, following rigorous, exhaustive due diligence. Investments from any Niche PE managers relevant to the time periods under consideration have been included in the Mantra Niche PE Index.

The Index's sample population is outlined top-right.

The largest segment of the Mantra Niche PE Index is Technology. It covers funds and investments focused on companies with proprietary technologies in areas such as Fintech, PropTech, Cybersecurity, and Digital Infrastructure. Multi-Vertical, the second largest segment, covers funds investing in multiple specialized niches, each one typically led by sector-specialist partners (an example is a buyout fund focused on Aerospace & Defense, Cybersecurity and Government Services).

189 GPs **456** FUNDS **4,602** DEALS

NICHE PE SEGMENT



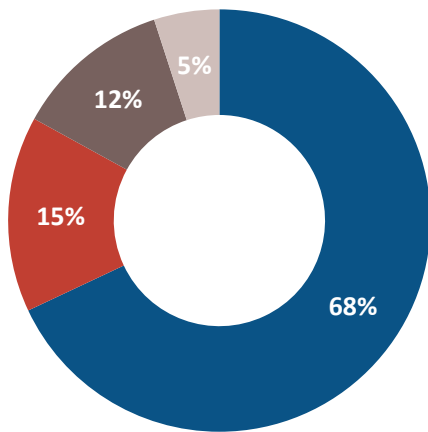


COMPONENTS OF THE MANTRA NICHE PE INDEX

Additional segments cover highly specialized funds and investments in sectors like Industrials; Healthcare; Litigation Finance; Royalties; Intellectual Property; Education; Food & Agriculture (focused on new, fast-growing products with investments in areas like alternative proteins, and crop protection using pest management pheromones); and Business Services. Hard-to-pigeon-hole funds and investments focused on everything from the sustainability of products to specialty media and entertainment are grouped in the 'Other' category.

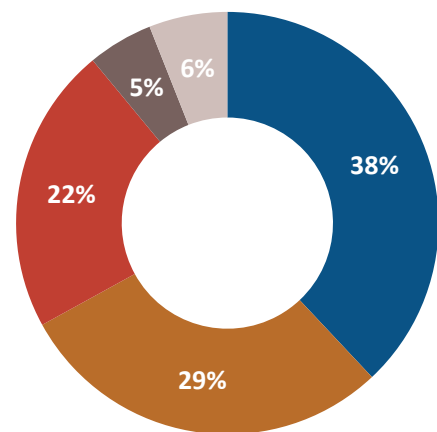
The Index includes deals from specialized GPs active across venture capital, growth capital, lower mid-market buyout (<\$350 million in commitments), and hard-to-define market areas (grouped under 'Specialty Uncorrelated'). The common thread running through all Niche PE portfolio companies is that they are off the radar of most non-sector specialists.

GEOGRAPHY



■ NorthAm ■ Europe
■ Global ■ Other

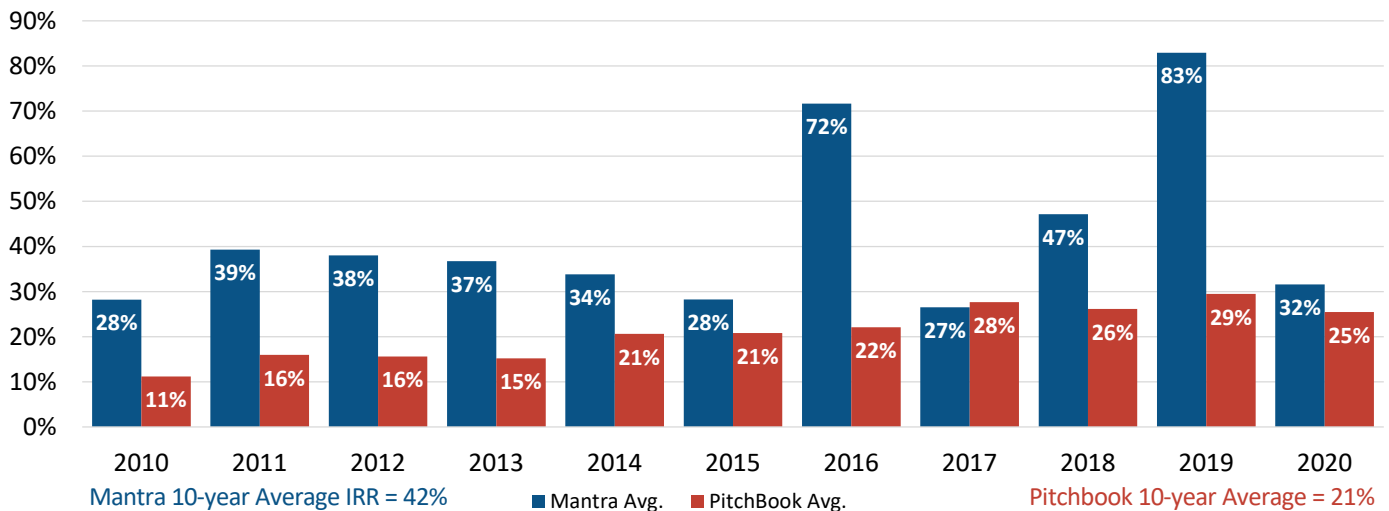
INVESTMENT CATEGORY



■ LMM Buyout ■ VC
■ Growth Capital ■ Specialty Uncorrelated
■ Other

MANTRA NICHE PE INDEX – RETURNS BY VINTAGE YEAR

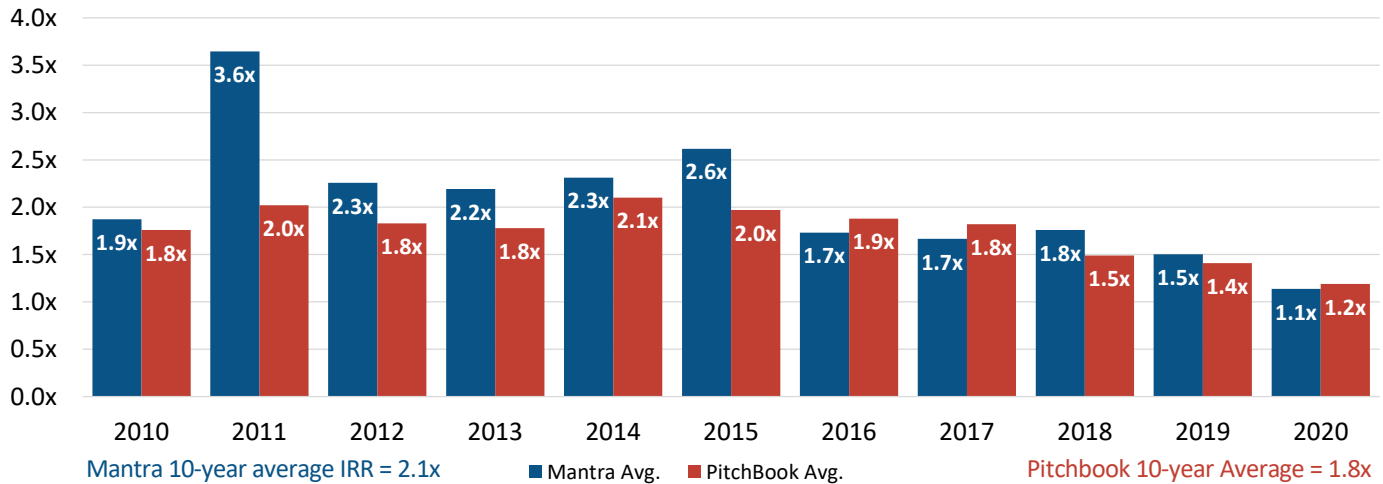
IRR: MANTRA NICHE PE INDEX VS. PITCHBOOK BENCHMARK





MANTRA NICHE PE INDEX – RETURNS BY VINTAGE YEAR

MOIC: MANTRA NICHE PE INDEX VS. PITCHBOOK BENCHMARK



- Niche PE funds and investments show an average 42% IRR & 2.1x MOIC net of fees over ten years versus comparable PitchBook Benchmark averages for mainstream PE of 21 percent and 1.8x, demonstrating the long-term outperformance of Niche PE vs. mainstream PE.
- Even mainstream PE’s top quartile performers fail to outperform the Niche PE mean, registering a 28% IRR & a 2.0x MOIC over ten years.
- PitchBook Benchmark data shows that average Niche PE IRR outperforms mainstream PE over shorter five- and three-year periods (52% and 54% for Niche PE respectively vs. 26% and 27% for the PitchBook Benchmark).
- When looking exclusively at realized investments, Niche PE funds and investments do even better, with 2010 to 2020 vintages returning 2.6x MOIC and 67% IRR net of fees on average.

NOTES & DISCLAIMER

Fund vintage is based on the year of the fund’s first investment. All Mantra Niche PE Index performance data should be considered as net. A standard 25% discount for fees, expenses, and carried interest has been applied to average IRRs and MOICs. Outlier investments with either less than a 1.5-year holding period, less than \$250 K invested, or over 4,000% IRR are excluded from calculations, as are unrealized investment NAVs calculated prior to June 2021. Internal Rate of Return: IRR, i.e. the annualized rate of return on an investment. Multiple on Invested Capital: MOIC, i.e. total value of an investment divided by its cost. Realized Investment: an investment is considered realized when over 50% of its total value has been realized. The Pitchbook data is drawn from the *Private Equity PitchBook Benchmarks as of Q2 2022* report. Pitchbook IRRs combine cashflow data from a group of funds in Pitchbook’s sample to create a capital weighted IRR value. Pitchbook MOICs are a measurement of both the realized and unrealized value of a fund from the sample as a proportion of the total paid-in, or contributed, capital. The survey conducted by Mantra is for comparative and information purposes and should not be considered as complying with the strictest standards of statistical analysis.

CONTACT

Mantra Americas LLC

499 Park Avenue, Suite 2501
New York, NY 10022, USA
info@mantrainvest.com

Mantra Investment Partners

147 Avenue de Malakoff
75116 Paris, France

Mantra Management SARL

28-32 Place de la Gare
L-1616 Luxembourg