

NICHE PRIVATE EQUITY INDEX

Q4 2024

Mantra has constructed the Niche Private Equity Index by analyzing the internal-rate-of-return (IRR) and multiple-on-invested-capital (MOIC) across a broad dataset of over 6,600 niche private equity investments.

The latest data shows 2011 - 2021 vintage niche private equity funds returned an overall average net MOIC of 2.3x and net IRR of 35%.

Data related to realized investments is even stronger, with net returns of 2.7x MOIC & 52% IRR, outpacing the broader private equity market.

Niche lower mid-market (LMM) buyout funds, including those within Mantra's Niche PE Index, have demonstrated a superior balance of risk and return through strategic selectivity and disciplined investment.

The attractiveness of niche private equity

- > **Lower multiples, less debt:** When looking more closely at the niche LMM buyout funds Mantra has backed, the latter acquire assets at lower valuation multiples and utilize little debt. This approach is more than ever relevant in today's environment as these funds achieve outsized returns through operational excellence rather than financial engineering.
- > **Optimal risk-return profile:** Through prudent and conservative use of leverage, niche LMM buyout funds are better insulated against market volatility. This balanced strategy mitigates risk and promotes value creation across market cycles.

Mainstream LMM buyout private equity

\$1.2B¹
AVERAGE
FUND SIZE

12.8x²
EV / EBITDA
AT ENTRY

5.9x³
NET DEBT / EBITDA
AT ENTRY

Mantra niche LMM buyout portfolio⁴

\$250M+
AVERAGE
FUND SIZE

6.8x
EV / EBITDA
AT ENTRY

1.8x
NET DEBT / EBITDA
AT ENTRY

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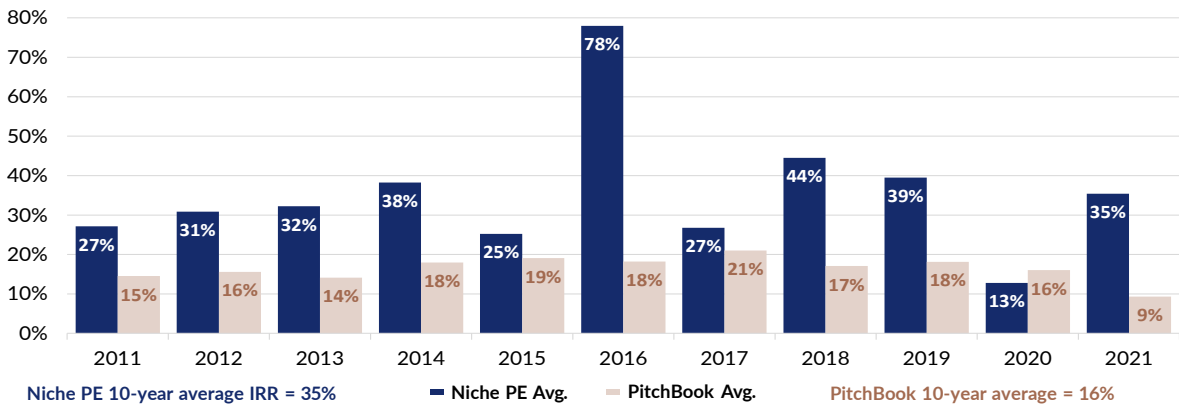
294
GPS

676
FUNDS

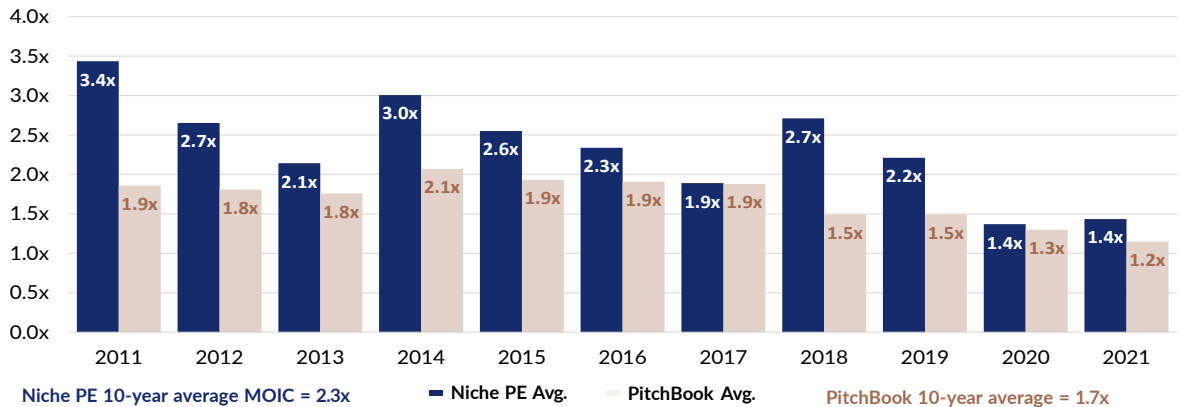
6,688
DEALS

Returns by vintage year*

IRR: Niche PE Index vs. PitchBook Benchmark



MOIC: Niche PE Index vs. PitchBook Benchmark



Niche PE net returns, 2011-2021 vintages, all investments:
2.3x MOIC & 35% IRR

Niche PE net returns, 2011-2021 vintages, realized investments:
2.7x MOIC & 52% IRR

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Notes & Disclaimer

¹ Global average size of buyout funds closed in 2023, Source - Bain & Company, Global Private Equity Report 2024 |

² Average of median mid-market private equity multiples 2019-2023 North America & Europe combined, Source - Pitchbook | ³ Average leverage of United States buyout investments as of end of 2023, Source - Harvard Law School Forum on Corporate Governance | ⁴ Mantra niche LMM buyout portfolio figures relate to the underlying lower mid-market buyout fund investments made by Mantra across its primary investment platforms and the former's underlying portfolio assets on a look-through average basis.

Methodology - To construct the Niche PE Index, Mantra has analyzed internal-rate-of-return (IRR) and multiple-on-invested-capital (MOIC) historical data across over 6,600 Niche PE investments. These form the broad universe from which Mantra selects its own investments, following rigorous, exhaustive due diligence. Investments made by any Niche PE managers that have passed Mantra's initial screening in the time periods under consideration have been included in the Niche PE Index. The Index's sample population is outlined page 2.

Fund vintage is based on the year of the fund's first investment. All 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 \$250K invested, or over 4,000% IRR are excluded from calculations, as are unrealized investment NAVs calculated prior to March 2023. 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 *Global - Q1 2024 PitchBook Benchmarks* 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.

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