VPEG Quarterly Report for the Quarter Ending 30 June 2009

24th August 2009

Vantage Private Equity Growth Limited

Quarterly Investor Report — Quarter Ending 30 June 2009

Special points of interest:

- Advent V Acquires ~ 30% Interest in Genesis Care
- Value of VPEG's PE portfolio Improves Across First Half of CY09
- Private Equity Deal Flow and Rate of New Investment Set to Improve

Inside this report:

SUMMARY

Background

Vantage Private Equity Growth Limited (VPEG) is a multi manager Private Equity investment company structured as an unlisted Australian public company. VPEG is focussed on investing in professionally managed Private Equity funds that invest in businesses that are at a more mature stage of development, and in particular the Later Expansion and Buyout stages of Private Equity investment.

The Company's investment objective for its Investment Portfolio is to achieve attractive medium to long-term returns on Private Equity investments while keeping the volatility of the overall investment portfolio low. This is achieved by investing across a highly diversified portfolio of Private Equity assets with diversification obtained by allocating across manager, geographic region, financing stage, industry sector and vintage year.

VPEG will invest the majority of its Investment Portfolio into predominantly Australian based Private Equity funds who in turn are focused on investing into small to mid market sized companies with enterprise value at initial investment of generally between $20m and $500m.

VPEG continues to build its investment portfolio and has to date committed $43m across seven private equity funds.

As at 30 June 2009, VPEG had made seven investment commitments which include, $8m to each of Archer Capital Fund 4, Catalyst Buyout Fund 2 and Quadrant Private Equity No. 2, $7m to Next Capital II and $4m to each of Advent V, Crescent Capital Partners III and Equity Partners Fund No. 3.

Important Information

Performance

The period from 1 April 2009 to 30 June 2009 saw continued steady growth in VPEG's portfolio of private equity investments.

During the period the number of private equity investments within the portfolio, for which funds had been drawn from VPEG, grew to 20 in total. An additional investment was announced by Advent V during the quarter, however funding for this investment was not drawn from VPEG until July 2009.

The table to the right provides a summary of the performance of VPEG's portfolio during the June 09 quarter. As demonstrated VPEG's post tax NAV per share increased from $0.988 at 31 March 2009 to $0.992 at 30 June 2009.

The increase in NAV during the quarter was attributed to a small net increase in the valuation of underlying private equity investments as at 30 June 2009 as well as income from VPEG's cash & fixed interest investments outstripping VPEG's operational costs during the quarter.

Month Ending	VPEG NAV per Ordinary Share*
30-Jun-09	0.992
31-May-09	0.989
30-Apr-09	0.988
31-Mar-09	0.988

*Net Asset Value (NAV) per share post tax

Key Portfolio Developments

During the period 1 April 2009 to 30 June 2009, VPEG's portfolio of private equity investments expanded as a result of the completion of one new investment (Summerset Retirement Villages) which was detailed in the March 2009 quarterly report.

Draw downs, during the quarter were made by Catalyst Buyout Fund 2, Crescent Capital Partners III, Equity Partners 3, Next Capital II and Quadrant Private Equity No. 2 totaling $1,194,825.

The majority of capital drawn from VPEG during the quarter contributed toward funding the Summerset Retirement Villages acquisition by QPE2.

Additional capital was drawn from VPEG to contribute toward a follow on investment in Australian Music Group by Crescent Capital Partners III.

The remaining capital drawn from VPEG during the quarter contributed toward working capital expenditure (i.e. underlying fund costs and management fees) for those funds that did not make any specific acquisitions during the quarter.

Advent V also contracted during the quarter to acquire an equity interest in **Genesis Care**.

QPE2's draw down from VPEG during April 2009 was to fund the secondary buyout of **Summerset Retirement Villages**.

Following the acquisition of Summerset, 66% of QPE2's total fund commitments were drawn. Additionally Summerset became the fourth largest individual company exposure of that fund representing 19% of QPE2's total fund commitments.

Summerset also became VPEG's fifth largest underlying company investment representing 2.8% of VPEG's total Net Asset Value (pre tax).

Finally during May 2009 Advent V entered into an agreement to purchase approximately 30% of the share equity of **Genesis Care,** an oncology and cardiology specialist group, from I-Med, a CVC International investee.

The Genesis Care investment was completed in July 2009 with the equity funding called from Advent V investors, including VPEG, during that month.

"The majority of capital drawn from VPEG during the quarter went toward funding the Summerset Retirement Villages acquisition by Quadrant Private Equity No. 2 "

Overview of New Underlying Investment

Genesis Care

In July 2009, **Advent V** acquired an approximate 30% equity interest in Genesis Care from I-Med, a CVC International investee

Genesis Care is a well established national network of premium cardiology (HeartCare) and radiation oncology practices (CancerCare).

- Cardiology is the diagnosis and treatment of disorders of the heart and major blood vessels

- Radiation oncology is the treatment of cancer patients using ionising radiation to eliminate cancer cells.

Genesis Care targets the two largest health problems in Australia. Cancer and coronary disease account for approximately 65% of all cause mortality and about 20% of total health expenditure ($7B).

The increasing need for both cancer and coronary disease services is due to the nondiscretionary nature of the services and such factors as aging population and obesity.

Genesis Care has cardiology practices in Brisbane, Melbourne, Adelaide and Perth. It also has radiation oncology practices in Sydney and Adelaide.

There are over 450 employees across the business that includes about 60 doctors across both specialties.

Advent is invested alongside approximately 50 doctor shareholders and senior management.

The Advent V investment will support the growth of the Genesis Care network via both organic and acquisition strategies.

"Genesis Care targets the diagnosis & treatment of the two largest health problems in Australia… cancer and coronary disease "

PORTFOLIO STRUCTURE

VPEG's Portfolio Structure — 30 June 2009

The tables and charts below provide information on the breakdown of VPEG's investments as at 30 June 2009.

Current Investment Portfolio Allocation*

The following table provides the split of VPEG's current investment portfolio across cash, fixed interest securities (term deposits) and Private Equity (drawn down).

The drawn down Private Equity component of the portfolio is further broken down by the investment stage (Later Expansion or Buyout) of the underlying investments that currently make up VPEG's Private Equity portfolio.

Cash	Fixed Interest	Private Equity (Drawn Down)	
4.3%	63.0%	Later Expansion	7.8%
		Buyout	24.9%

*As a percentage of VPEG's Investment Portfolio (or Gross Assets). As at 30 June 2009 VPEG's Gross Assets were $ 34.72 million (unaudited) pre tax.

"VPEG now ultimately holds interests in twenty underlying company investments"

During the June 09 Quarter VPEG's exposure to private equity investments grew from 29.4% to 32.8% with the Cash and Fixed interest component of the investment portfolio reducing from 70.7% to 67.3%. The increase in Private Equity exposure was due to the completion of the secondary buyout of Summerset Retirement Villages by Quadrant Private Equity No. 2, which lifted the proportion of buyout stage investments within VPEG's investment portfolio from 21.8% to 24.9%.

Private Equity Portfolio

VPEG, with commitments to seven Private Equity funds, now ultimately holds interests in twenty underlying company investments to which funds have been drawn. VPEG's Private Equity portfolio and commitments, as at 30 June 2009, were as follows:

Private Equity Fund Name	Fund Size	Vintage Year	Investment Focus	VPEG Commitment	Capital Drawn Down	No. of Investee Companies
Advent V	$300m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$1.95m	6
Archer Capital Fund 4	$1,360m	2007	Mid Market Buyout	$8.0m	$2.72m	5
Catalyst Buyout Fund 2	$438m	2008	Mid Market Buyout	$8.0m	$0.32m	0
Crescent Capital Partners III	$400m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$1.78m	4
Equity Partners Fund No. 3	$76m	2007	Small Market Expansion / Buyout	$4.0m	$0.67m	1
Next Capital II	$285m	2008	Small to Mid Market Expansion / Buyout	$7.0m	$0.21m	0
Quadrant Private Equity No. 2	$500m	2007	Mid Market Expansion / Buyout	$8.0m	$5.14m	4

* Target Fund size

PORTFOLIO STRUCTURE — continued

Summary of VPEG's Top 10 Underlying Private Equity Investments

The table below provides a snapshot of the top ten underlying private equity investments in VPEG's portfolio, for which funds have been drawn from VPEG, as at 30 June 2009.

VPEG's single largest private equity investment remains Quadrant Private Equity No. 2 investee, Quick Service Restaurants, which accounts for approximately 5.2% of VPEG's pre tax NAV.

Rank	Investment	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	Quick Service Restaurants	Chicken Fast Food Retailing	5.2%	5.2%
2	MYOB	Developer, Marketer & Distributor of Business Software Systems	4.2%	9.4%
3	IVF Australia	Owner Operator of Fertility Clinics in NSW & Victoria	3.5%	12.8%
4	Independent Pub Group	Owner of Gaming Hotels in Qld, SA & NSW	3.2%	16.0%
5	Summerset Retirement Villages	Owner & Operator of Retirement Villages in NZ	2.8%	18.9%
6	Skins	Compression Sports Apparel Designer & Marketer	2.0%	20.9%
7	Ascendia (Rebel Sport / Amart All Sports)	Sporting Goods Retailer	1.4%	22.3%
8	SJ Electric Group	Electrical Engineering Contracting & Switchboard Manufacturer	1.4%	23.7%
9	Locker Group	Metal Products Manufacturer	1.2%	24.9%
10	Integrated Packaging Group	Manufacturer & Distributor of Packaging Products	1.2%	26.0%

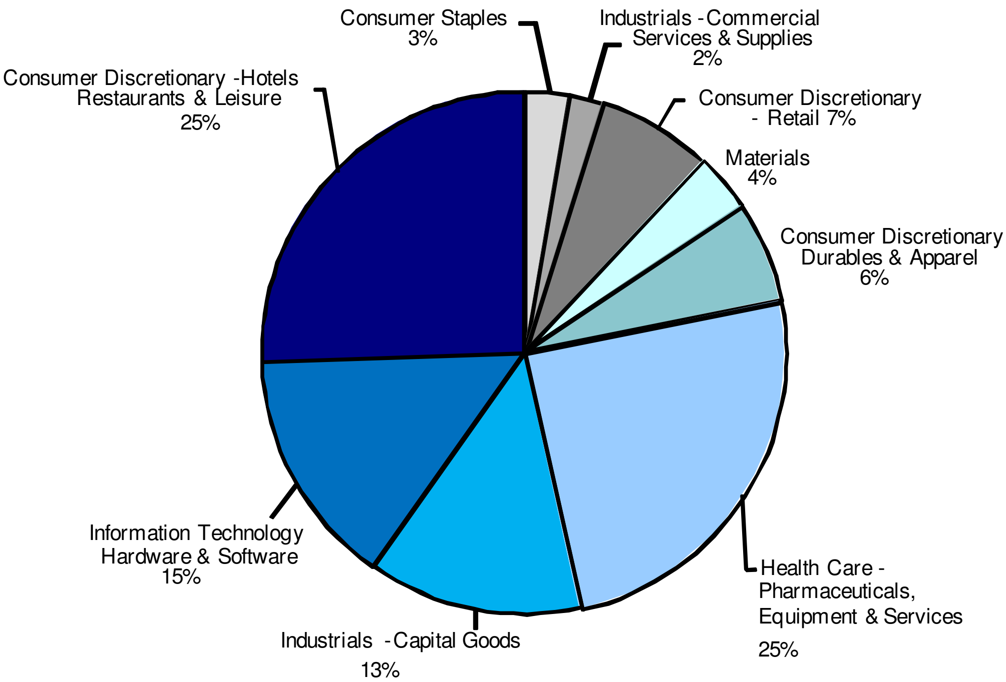
*As at 30 June 2009 (unaudited) calculated on VPEG's pre tax NAV.

Industry Spread of VPEG's Underlying Investments

With the completion of the investment into Summerset Retirement Villages during the quarter, the "Health Care—Pharmaceuticals, Equipment & Services" sector of VPEG's Private Equity investment portfolio expanded from 17% to 25% of the portfolio.

As a result VPEG's exposure to the "Consumer Discretionary—Hotels, Restaurants & Leisure" sector reduced from 30% to 25%.

Finally, VPEG's sector exposure to "IT— Hardware & Software" & "Industrials—Capital Goods" both reduced from 18% to 15% & 13% respectively.



PORTFOLIO STRUCTURE — continued

Movement in the Fair Value of Companies within VPEG's Private Equity Portfolio

The chart to the right provides a breakdown of the movement in the holding value of underlying companies within VPEG's Private Equity (PE) portfolio from December 08 to June 09 as a percentage of the value of the entire PE portfolio (as at 31 December 08).

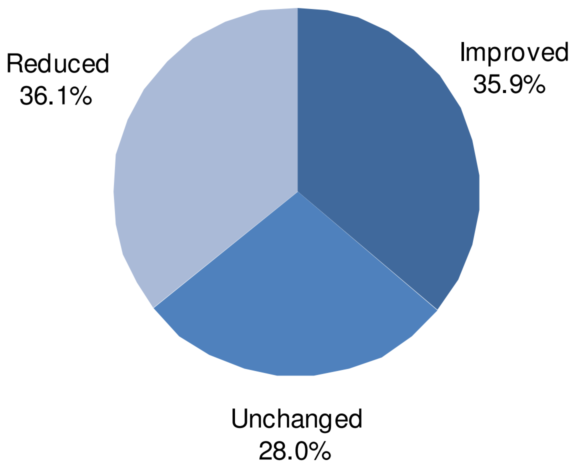
As demonstrated by the chart 35.9% of underlying companies within VPEG's portfolio, by value, had an increase in their holding value at 30 June 09 compared with their value as at 31 December 08. Furthermore the increase in the total holding value of the eight companies falling within this band, across the period, was 26.9%.

By contrast 36.1% of companies, by value, within the portfolio, underwent a reduction in their holding value at 30 June 09 compared with that at 31 December 08. The reduction in the total holding value of the six companies falling within this band across the period was 12.3%.

Finally, 28.0% of all companies within the PE portfolio by value, maintained their holding value across the period. This band consisted of four companies and excluded the new investments made by underlying managers between 31 December 08 and 30 June 09.

In summary and as a result of the revaluation exercise conducted at 30 June 09 by the underlying managers, the increase in the total value of VPEG's PE holdings across the first six months of 2009 was 4.9%.

Movement in Underlying Company Fair Values as a Proportion of VPEG's Total PE Portfolio[1]



Notes; 1. Percentage values represent the proportion of companies falling within each band as a percentage of the total value of the PE portfolio as at 31 December 08. Fair value movement occurring between 31 Dec 08 & 30 Jun 09.

This improvement in value demonstrates the robust nature of VPEG's underlying portfolio that, despite the faltering economic conditions during the first half of 2009, were able to maintain or improve their earnings and subsequent value across the period.

GENERAL MARKET DEVELOPMENTS

Private Equity Deal Flow & Rate of New Investment Set to Improve

In contrast to the poor economic conditions encountered during March quarter, the three months ended 30 June 2009, encouragingly saw a number of signs of improvement in the Australian economy. With the benefit of considerable levels of economic stimulus locally, consumer and business confidence rebounded from the lows reached during the March quarter. As a result equity markets continued to strengthen during the quarter with credit markets also improving, albeit more slowly, tracking the improvement in the equity markets.

In fact, it has now become apparent that the March quarter of 2009 may have almost certainly represented the low point of the global financial crisis and the current financial cycle.

While the local banking systems are in a much stronger position than those in the US and in Western Europe, VPEG's underlying Private Equity managers report that they are continuing to see tight credit conditions and an onerous response to borrowers that are breaching covenants due to the current circumstances.

Wherever possible banks are forcing the recapitalisation of businesses with additional equity, and many existing facilities are being repriced with considerably higher interest margins and fees.

Private Equity Deal Flow & Rate of New Investment Set to Improve, *continued.*

Furthermore, the global trend to deleveraging is very much in evidence in Australia, with the maximum senior debt gearing levels now being reduced to below 3.5x EBITDA, in contrast to the levels of 5-6x that existed before the downturn. With a focus on recovery and recapitalisation it is not surprising that bankers attention is almost exclusively on their existing portfolio of loans rather than new lending opportunities.

Fortunately the impact of these tight credit conditions on VPEG's existing portfolio of investments has been negligible.

Turning to private equity deal flow, VPEG's underlying Private Equity managers report that during the June 2009 quarter, vendors' price expectations generally, for both intermediated as well as proprietary transactions, have continued to decline, thereby reducing the gap between vendors and buyers price expectations. As such, vendors are beginning to re-engage in relation to succession and exit strategies at more reasonable valuation expectations.

Availability of debt funding however continues to remain an issue in completing transactions. Although the major banks all advise they are "open for business", they are being very selective as to the potential deal opportunities they will progress for the reasons outlined above. As a result Debt pricing continues to be expensive both on up-front fees and margins.

Despite this, VPEG's underlying managers remain well positioned to obtain debt funding for new transactions due to the lower level of debt required for their transactions on both a quantum and EBITDA multiple basis compared to that required by larger funds.

In summary, VPEG's underlying manager's generally expect the number of investment grade opportunities that they would consider for investment, to substantially increase over the next 12 months as both vendors and buyers gain greater clarity on the impact of the economic downturn on various industry sectors. Additionally VPEG's underlying managers continue to invest significant resources in the development of proprietary opportunities across a range of sectors.

This will ultimately result in an increase in the rate of new Private Equity investments undertaken by VPEG's underlying funds, which in turn will accelerate the growth in VPEG's Private Equity portfolio and its diversification.

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