

Vantage Private Equity Growth Limited

Quarterly Investor Report — Quarter Ending 30 June 2010



Special points of interest:

- Quadrant PE 2 agrees to acquire Media Monitors an international media services business.
- Archer 4 acquires Ausfuel a regional fuel distribution business.
- The total value of VPEG's Private Equity portfolio of investments increases by 29% during the quarter.

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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 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 and now ultimately holds interests in 24 underlying companies.

As at 30 June 2010, 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

This report has been prepared by Vantage Asset Management Pty Limited (ABN 50 109 671 123) AFSL 279186 (VAM) (in its capacity as Investment Manager of Vantage Private Equity Growth Limited (ABN 51 112 481 875)). 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.

Performance

The period 1 April 2010 to 30 June 2010 saw further growth in both the number and value of private equity investments within VPEG's portfolio.

During the period the number of private equity investments within the portfolio, for which funds had been drawn from VPEG, increased to 24 in total, with three new investments, one by each of Archer Capital Fund 4, Catalyst Buyout Fund 2 & Quadrant Private Equity No. 2

The table to the right provides a summary of the performance of VPEG's portfolio during the June 10 quarter. As demonstrated VPEG's post tax NAV per share increased from \$1.030 at 31 March 2010 to \$1.058 at 30 June 2010.

The increase in NAV during the quarter was attributed to a 29% growth in the total value of private equity investments held. Improved valuations across the private equity portfolio made up for 52% of this growth, with the remaining 48% of this value growth due to an overall increase in the number of underlying companies within the private equity portfolio resulting from the three new investments & one exit (SCADA).

Month Ending	VPEG NAV per Ordinary Share*
30-Jun-10	1.058
31-May-10	1.031
30-Apr-10	1.030
31-Mar-10	1.030

*Net Asset Value (NAV) per share post tax

Key Portfolio Developments

During the period 1 April 2010 to 30 June 2010, VPEG's portfolio of private equity investments expanded as a result of the completion of three new investments, one of which (Actrol) was announced last quarter.

Draw downs during the quarter were made by Archer Capital Fund 4 (Archer 4), Catalyst Buyout Fund 2 (CBF2), Equity Partners 3, Next Capital II and Quadrant Private Equity No. 2 (QPE2) totaling \$2,564,451.

The majority of capital drawn from VPEG during the quarter contributed toward funding the acquisition of **Actrol** by CBF2 (as detailed in the March 2010 quarterly report) followed by the acquisition of **Ausfuel** by Archer 4 and **Media Monitors** by QPE2.

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.

On 30 April 2010, CBF2 completed the acquisition of **Actrol**, a distributor of refrigeration and air-conditioning parts & equipment, with VPEG's share of the acquisition funds drawn from VPEG during that month.

During May 2010, Archer 4 acquired a significant majority of the Darwin based energy distribution business **Ausfuel**.

Then in June 2010, QPE2 contracted to acquire **Media Monitors**, an international media services business, via a Management Buyout.

Finally during the quarter, QPE2 investee **Quick Service Restaurants** (QSR) contracted to acquire a competitor chicken fast food restaurant chain in Western Australia, significantly enhancing QSR's market share in that state.

“The majority of capital drawn from VPEG during the quarter contributed toward funding the Actrol acquisition by CBF2 followed by the acquisitions of Ausfuel by Archer 4 & Media Monitors by QPE2.”

Overview of New Underlying Investments

Ausfuel

During May 2010 **Archer Capital Fund 4** acquired a significant majority of Darwin based Ausfuel.



Ausfuel is a leading energy distribution company with operations in fuel retailing (service stations), commercial fuels distribution and fuels transportation. The company has delivered fuel and lubricants across regional and remote Australia for more than 25 years.

Ausfuel has operations mainly in the Northern Territory servicing remote regional areas, with additional reach into South Australia, Queensland and Western Australia. The company's offices are located in Darwin, Brisbane, Katherine, Alice Springs, Cloncurry, Townsville, Charleville, Quilpie and Kununurra.

Ausfuel's network includes 20 owned and operated service stations and more than 100 resellers and they directly employ 400 staff including 130 casual console operators.

Media Monitors

During June 2010 **Quadrant Private Equity No. 2** reached agreement for the acquisition by management buyout of international media services business, Media Monitors. The acquisition was completed on 1 July 2010.



Established in 1982 Media Monitors today is a market leading international media services business in Australia, New Zealand, China, Hong Kong, Malaysia and Singapore

Media Monitors services over 5,000 corporate and government customers with a suite of products to monitor their customer's interests in all media streams including press, broadcast and internet.

With 24/7 operations, Media Monitors' more than 850 employees from across the region monitor and analyse thousands of information sources, including newspapers and magazines, media conferences, radio and television, news websites and social media sites to provide its clients with relevant and timely media insights.

Service examples include its "Press Monitoring" service where it searches, aggregates, filters and monitors over 21,000 print media articles and 2,200 publications daily across the Asia Pacific region, delivering over 1,300,000 press clips to its clients each month.

It also searches, aggregates, filters and monitors more than 1500 radio and TV programs representing more than 800 hours of radio and 120 hours of television, daily, delivering its clients access to instant, downloadable radio and television files via its "Mediastream" service.

PORTFOLIO STRUCTURE

VPEG's Portfolio Structure – 30 June 2010

The tables and charts below provide information on the breakdown of VPEG's investments as at 30 June 2010.

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)	
		6.7%	41.3%
		Buyout	41.8%

*As a percentage of VPEG's Investment Portfolio (or Gross Assets). As at 30 June 2010 VPEG's Gross Assets were \$ 38.04 million (unaudited) pre tax.

During the June 10 Quarter VPEG's exposure to private equity investments grew from 44.7% to 52% with the cash and fixed interest component of the investment portfolio reducing from 55.3% to 48%. The increase in Private Equity exposure was due to the completion of the Actrol, Ausfuel and Media Monitors acquisitions by CBF2, Archer 4 & QPE2 respectively, during the period.

Private Equity Portfolio

VPEG, with commitments to seven Private Equity funds, ultimately holds interests in twenty four underlying company investments to which funds have been drawn. VPEG's Private Equity portfolio and commitments, as at 30 June 2010, were as follows:

“VPEG ultimately holds interests in twenty four underlying company investments”

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	\$2.64m	5
Archer Capital Fund 4	\$1,360m	2007	Mid Market Buyout	\$8.0m	\$3.12m	6
Catalyst Buyout Fund 2	\$438m	2008	Mid Market Buyout	\$8.0m	\$1.68m	1
Crescent Capital Partners III	\$400m	2006	Small to Mid Market Expansion / Buyout	\$4.0m	\$2.89m	5
Equity Partners Fund No. 3	\$76m	2007	Small Market Expansion / Buyout	\$4.0m	\$1.07m	2
Next Capital II	\$285m	2008	Small to Mid Market Expansion / Buyout	\$7.0m	\$0.35m	0
Quadrant Private Equity No. 2	\$500m	2007	Mid Market Expansion / Buyout	\$8.0m	\$6.79m	5

PORTFOLIO STRUCTURE – continued

Summary of VPEG's Top 10 Underlying Private Equity Investments

The table below provides an overview of the top ten underlying private equity investments in VPEG's portfolio, for which funds had been drawn from VPEG, as at 30 June 2010.

Actrol moved into the Top 10 during the quarter, following the completion of its acquisition by CBF2, and now represents 3.2% of VPEG's total investment portfolio.

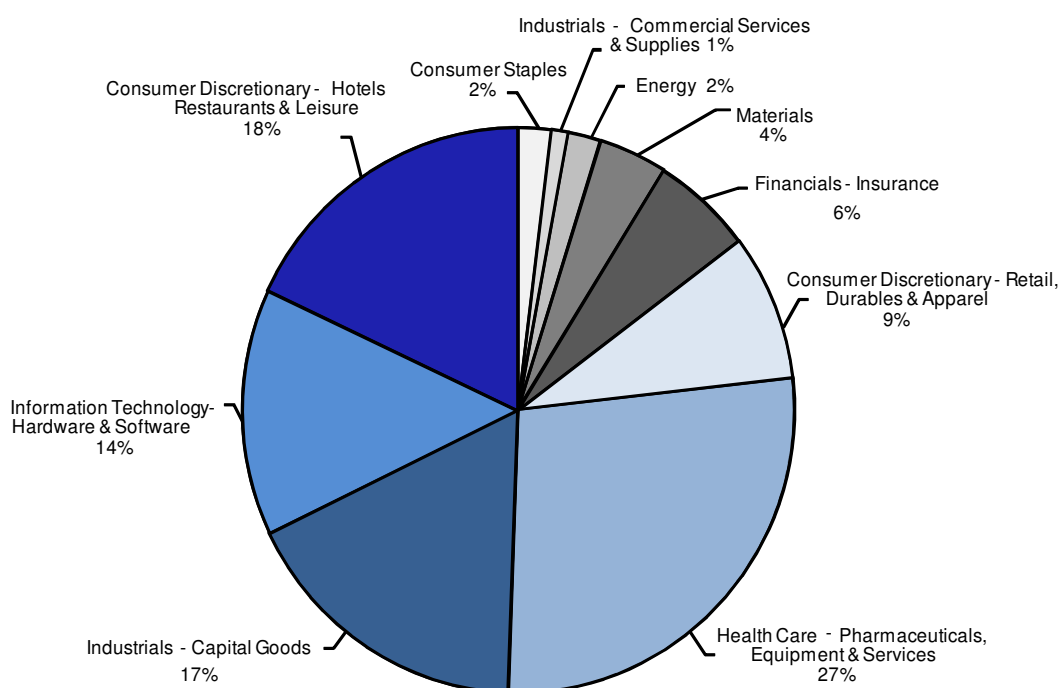
Rank	Investment	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	Quick Service Restaurants	Chicken Fast Food Retailing	5.9%	5.9%
2	MYOB	Developer, Marketer & Distributor of Business Software Systems	5.2%	11.2%
3	IVF Australia	Owner Operator of Fertility Clinics in NSW & Victoria	4.2%	15.4%
4	Summerset Retirement Villages	Owner & Operator of Retirement Villages in NZ	4.2%	19.6%
5	Independent Pub Group	Owner of Gaming Hotels in Qld, SA & NSW	3.4%	23.1%
6	Actrol	Distributor of Refrigeration & Air-conditioning Parts & Equipment	3.2%	26.3%
7	Cover More	Provider of Travel Insurance & Emergency Care Services	3.1%	29.4%
8	National Hearing Care	Independent Distributor of Hearing Aids	2.7%	32.1%
9	Genesis Care	National Network of Cardiology & Radiation Oncology Practices	2.2%	34.3%
10	Skins	Compression Sports Apparel Designer & Marketer	2.1%	36.4%

*As at 30 June 2010 (unaudited) calculated on VPEG's pre tax NAV.

Industry Spread of VPEG's Underlying Investments

With the completion of the acquisition of Actrol during the quarter, the "Industrials – Capital Goods", sector exposure expanded by 2%. "Information Technology" also expanded with the acquisition of Media Monitors. Finally exposure to the "Energy" sector was obtained with the acquisition of Ausfuel.

The "Health Care—Pharmaceuticals, Equipment & Services" sector (currently 27%), remains the single largest sector exposure in VPEG's private equity investment portfolio.



PORTFOLIO STRUCTURE – continued

Improvement 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 March 2010 to June 2010 as a percentage of the value of the entire PE portfolio (as at 31 March 2010).

As demonstrated by the chart 90% of underlying companies within VPEG's portfolio, by value, had an increase in their holding value at 30 June 10 compared with their value as at 31 March 10. Furthermore the increase in the total holding value of the 16 companies falling within this band, across the period, was 13.4%.

By contrast only 8% of companies, by value, within the portfolio, underwent a reduction in their holding value at 30 June 10 compared with that at 31 March 10. The reduction in the total holding value of the four companies falling within this band across the period was 20.7%.

Finally, 2% of companies within the PE portfolio by value, maintained their holding value across the period. This band consisted of one company and excluded the new & follow on investments made by underlying managers between 31 March 10 and 30 June 10.

In summary and as a result of the revaluation exercise conducted at 30 June 10 by the underlying managers, the increase in the total value of VPEG's PE holdings during the quarter (excluding new investments) was 10.3%.

The increase in value of an overwhelming majority of companies in VPEG's underlying portfolio once again demonstrates the importance of the cost cutting, revenue enhancing strategies deployed by VPEG's private equity managers during the downturn. As markets have recovered, a majority of the additional revenue gained by these companies has flowed through to earnings, delivering improved valuations across the board. As a result, as the exit environment continues to improve, so too does the opportunity for strong returns to flow back to VPEG, as the underlying portfolio matures, improves in value and is divested over time.

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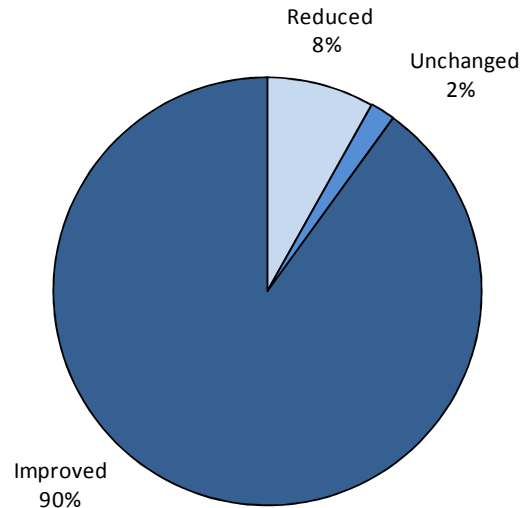
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Movement in Underlying Company Fair Values as a Proportion of VPEG's Total PE Portfolio¹



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 March 10. Fair value movement occurring between 31 Mar 10 & 30 Jun 10.