VPEG Quarterly Report for the Quarter Ending 31 March 2008

20th April 2008

Vantage Private Equity Growth Limited

Quarterly Investor Report — Quarter Ending 31 March 2008

Special points of interest:

- VPEG exits all Enhanced Yield Investments & Places its Initial Capital into Cash and Term Deposits
- VPEG's Underlying Funds Now Hold 12 Investments
- VPEG's Portfolio of Underlying Investments Well Structured to Ride Out Global Credit Crisis

Inside this report:

SUMMARY

Background

Vantage Private Equity Growth Limited (VPEG) is a multi manager Private Equity investment company initially 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 will be 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 and, to provide additional geographic diversification, will seek to commit a maximum of 30% of its Private Equity Allocation to European based Private Equity funds also focussed on investing in the Later Expansion and Buyout stages of Private Equity.

VPEG continues to build its investment portfolio and has to date committed $36m across six private equity funds.

As at 31 March 2008, commitments made by VPEG include, $8m to each of Archer Capital Fund 4, Catalyst Buyout Fund 2 and Quadrant Private Equity No. 2 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 most significant development for VPEG during the March quarter was the redemption of its Enhanced Yield Fund investments and the re-investment of this portion of its portfolio into a combination of cash and rolling 30, 60 and 90 day term deposits with ANZ Banking Group Ltd. The decision to exit VPEG's investments from the AMP Capital Enhanced Yield Fund (EYF) in early March 2008, was formed as a result of a deterioration in the performance of the EYF since late 2007, continued uncertainty in the financial markets in which the EYF invested, as well as higher interest rates being offered by top tier Australian Banks for cash and term deposits. (See page 7 of this report for further details)

By re-investing VPEG's EYF holdings into cash and rolling short term deposits, VPEG has removed the risk of loss of capital from this component of its investment portfolio while significantly enhancing the prospects of a strong yield from its initial investments into the future.

Despite the global credit crisis continuing to impact financial markets and the performance of VPEG's Enhanced Yield Investments during the quarter, VPEG's post tax NAV per share remained relatively stable across the period.

The table to the right provides a summary of the performance of VPEG's portfolio during the March 08 quarter. As demonstrated VPEG's post tax NAV per share reduced slightly from $0.991 at 31 December 2007 to $0.988 as at 31 March 2008.

Month Ending	VPEG NAV per Ordinary Share*
31-Mar-08	0.988
29-Feb-08	0.986
31-Jan-08	0.988
31-Dec-07	0.991

*Net Asset Value (NAV) per share post tax

Key Portfolio Developments

During the period 1 January 2008 to 31 March 2008 VPEG's portfolio of private equity commitments remained constant, while the number of underlying Private Equity investments continued to grow.

The increased exposure to private equity investments resulted from draw downs, during the quarter by Advent V, Catalyst Buyout Fund 2, Equity Partners 3 and Quadrant Private Equity No. 2, totaling $618,232.

The majority of draw downs from VPEG during the quarter contributed toward funding the commencement of one previously reported investment, the Independent Pub Group (IPG) by Quadrant Private Equity No. 2. IPG also completed the purchase of an additional seven hotels during the March 2008 quarter although the draw down for these additional acquisitions did not occur until early April 2008.

Finally Crescent Capital Partners III completed one new investment as well as three "bolt on" investments for an existing investee company, Steel-Line Garage Doors, during the quarter.

Quadrant Private Equity No. 2's draw down from VPEG in early January 2008 was to fund the purchase by the **Independent Pub Group** of the Christie's Beach Hotel in South Australia.

The purchase of a further seven hotels across South Australia and Queensland was also completed by the Independent Pub Group in late March 2008

Crescent Capital Partners III commenced their third investment for the fund with the acquisition of 20% of NZ listed company **Abano Healthcare Group.**

Crescent Capital Partners III investee **Steel-Line Garage Doors** also completed the bolt on acquisition of Territory Roller Doors & Shutters, Doorland and Accent Doors early in the quarter.

"Draw downs from VPEG during the quarter went toward funding one new investment. One further investment and a number of 'bolt on' investments were also completed during the quarter."

Overview of New & "Bolt On" Underlying Investments

Abano Healthcare Group

In late December 2007 **Crescent Capital Partners III** made a Public takeover offer to purchase 100% of the fully paid ordinary shares in Abano Healthcare Group (Abano).

Abano is New Zealand's largest specialist medical and healthcare organisation and is listed on the New Zealand Stock Exchange. The business was established in its current form in 1999 and since that time, has progressively evolved to be a multi-disciplinary group with services in Audiology, Dental, Diagnostics and Rehabilitation.

The Fund has to date acquired a 20% stake in Abano. The takeover has become contested and may take several months before a final outcome is achieved.

Independent Pub Group

Further to the reported acquisition of the Christie's Beach Hotel in South Australia in December 2007 by **Quadrant Private Equity No. 2** investee, Independent Pub Group Pty Limited (IPG), a further seven hotels, consisting of five leaseholds and two freeholds, were acquired late in the quarter by IPG, across South Australia and Queensland.

The leasehold pubs acquired were the Emu Hotel, Paradise Hotel and Crown Inn Hotel in Adelaide, the Elephant and Wheelbarrow in Brisbane and the Kondari Resort in Hervey Bay.

The freeholds acquired were the Nambour Commercial Hotel and the Nambour Club Hotel in Queensland.

Steel-Line Garage Doors — "bolt on" acquisitions

Early in the quarter **Crescent Capital Partners III** investee, Steel-Line Garage Doors acquired three garage door businesses; Territory Roller Doors & Shutters, Doorland, Accent Doors.

Territory Roller Doors & Shutters (TRD) is a Northern Territory based business that distributes and installs Australian industry leading manufacturers' products to suit the individual need of its commercial, industrial or residential customers. TRD also customize their products to suit the Territory's high wind loading requirements.

Doorland which was established in 1956, is a NSW based tilt door manufacturer that services the Southern Highlands, Illawarra and South Coast regions of NSW

Accent Doors, established in 1979, is a NSW based custom & tilt door manufacturer which has grown to become Sydney's largest manufacturer and supplier of basement carpark garage enclosure, basement entry doors and storage products.

All three acquisitions are immediately earnings accretive to Steel-Line's bottom line.

PORTFOLIO STRUCTURE

VPEG's Portfolio Structure — 31 March 2008

The tables and charts below provide information on the breakdown of VPEG's investments as at 31 March 2008.

Current Investment Portfolio Allocation*

The table below 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)	
9.2%	75.6%	Later Expansion	3.5%
		Buyout	11.7%

*As a percentage of VPEG's Investment Portfolio (or Gross Assets). As at 31 March 2008 VPEG's Gross Assets were $ 33.4 million (unaudited) pre tax.

As VPEG continues to build its Private Equity portfolio, it's holdings in fixed interest securities will continue to be reduced. With commitments to six private equity funds and a growing deal flow available to small to mid market focussed Private Equity funds in Australia, the level of investment by VPEG's underlying funds will continue to increase, resulting in a corresponding reduction in VPEG's Fixed Interest investments over time.

"VPEG, with commitments to six Private Equity funds, now ultimately holds interests in twelve underlying company investments"

Private Equity Portfolio

VPEG, with commitments to six Private Equity funds, now ultimately holds interests in twelve underlying company investments to which funds have been drawn. VPEG's Private Equity portfolio and commitments, as at 31 March 2008, are 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	$0.94m	4
Archer Capital Fund 4	$1,360m	2007	Mid Market Buyout	$8.0m	$0.92m	3
Catalyst Buyout Fund 2	$800m*	2008	Mid Market Buyout	$8.0m	$0.16m	0
Crescent Capital Partners III	$400m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$0.76m	2
Equity Partners Fund No. 3	$175m*	2007	Small Market Expansion / Buyout	$4.0m	$0.67m	1
Quadrant Private Equity No. 2	$500m	2007	Mid Market Expansion / Buyout	$8.0m	$2.04m	2

* 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 down from VPEG, as at 31 March 2008.

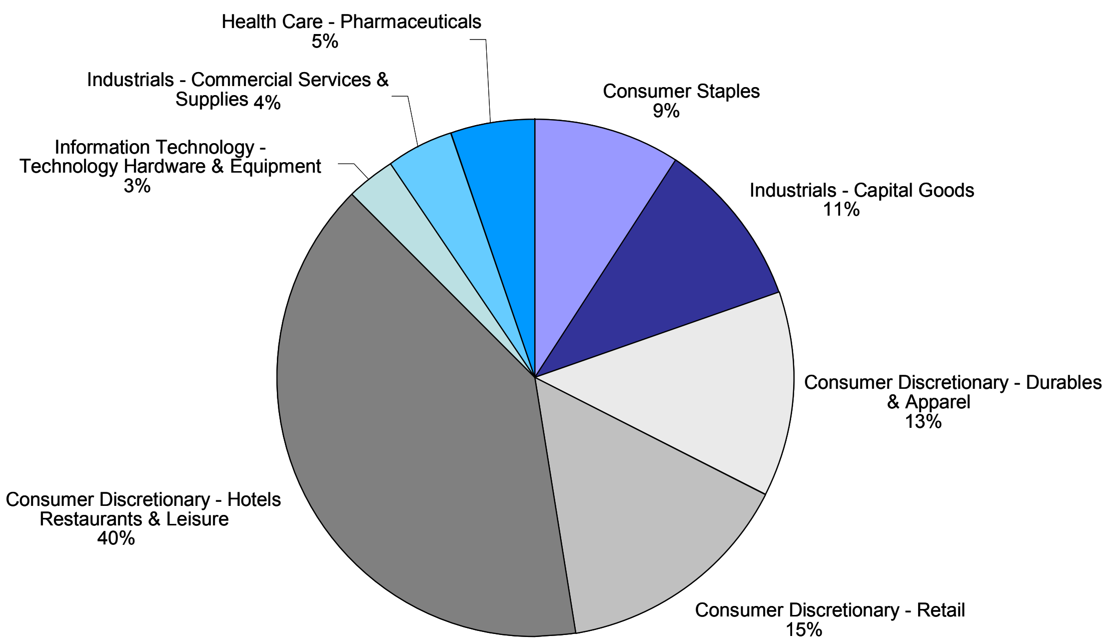
VPEG's single largest exposure is to Quadrant Private Equity No. 2 investee, Quick Service Restaurants, accounting for approximately 4.6% of VPEG's pre tax NAV.

Rank	Investment	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	Quick Service Restaurants	Chicken Fast Food Retailing	4.6%	4.6%
2	Skins	Compression Sports Apparel Designer / Marketer	1.9%	6.5%
3	Billy Hyde Music Group	Music Equipment Wholesale / Retail	1.4%	7.9%
4	Independent Pub Group	Owner of Gaming Hotels in Qld & SA	1.3%	9.2%
5	Locker Group	Metal Products Manufacturer	1.0%	10.2%
6	Amart All Sports / Rebel Sport	Sporting Goods Retailer	0.8%	11.0%
7	Cellarmasters Group	Wine Production, Sales and Bottling services businesses	0.8%	11.8%
8	Inova Pharmaceuticals	Pharmaceuticals Manufacturer and Distributor	0.8%	12.6%
9	Steel-Line Garage Doors	Manufacturer and Distributor of Garage Doors and Associated Accessories	0.6%	13.2%
10	Solomon Food Group	Wholesale food distribution	0.6%	13.7%

*As at 31 March 2008 (unaudited) calculated on VPEG's pre tax NAV.

Industry Spread of VPEG's Underlying Investments

The chart to the left illustrates that VPEG's Private Equity investment portfolio continues to be diversified across a wide range of industry sectors.



PORTFOLIO STRUCTURE — continued

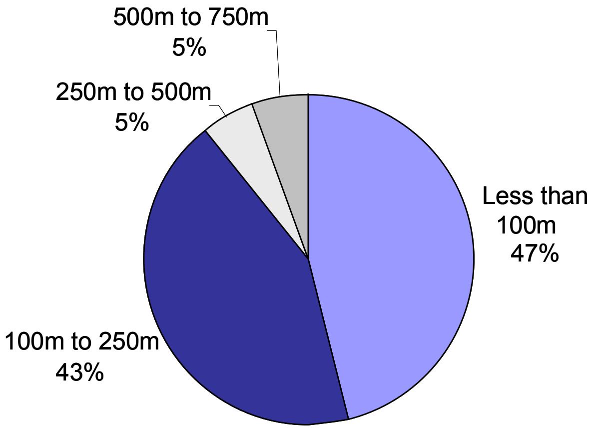
Range of Enterprise Value at Investment of VPEG's Underlying Investments

The chart to the right provides a breakdown of VPEG's underlying Private Equity investments by the range in Enterprise Value (EV) at initial investment, by the relevant underlying fund.

As demonstrated, the majority (47%) of underlying investments have been made into companies of enterprise value less than $100 million at initial investment.

Furthermore the new Private Equity investment for which funds were drawn down from VPEG during the quarter, had an EV at investment of less than $100m. This increased the overall portion of VPEG's underlying investments in the "less than $100m" range from 40% at 31 December 2007 to 47% at 31 March 2008.

EV at Initial Investment of VPEG's Underlying PE Portfolio

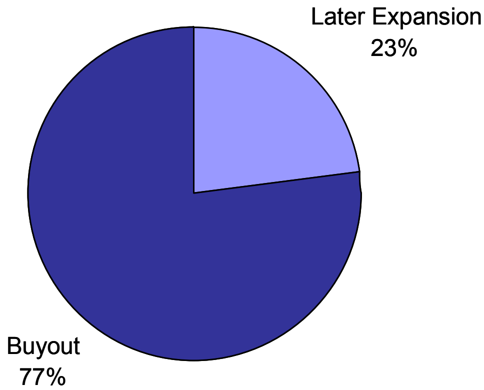


Investment Stage of VPEG's Underlying Investments

Of the twelve underlying Private Equity investments made by VPEG's underlying funds, for which capital has been drawn down from VPEG, the majority (77%) of the investments by value, made to date, have been at the buyout financing stage.

The increase in the overall proportion of VPEG's underlying investments, conducted at the Buyout stage, from 75% as at 31 December 2007 to 77% at 31 March 2008, was due to the January 2008 draw down to fund the buyout of IPG

Investment Stage of VPEG's Underlying PE Portfolio



Age of VPEG's Underlying Private Equity Investments

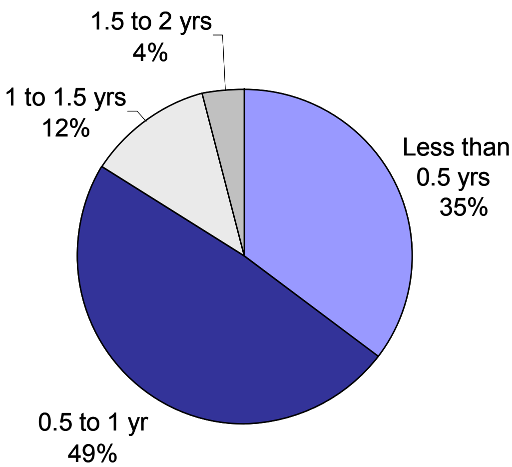
It is important to consider the average age of an underlying private equity portfolio when looking at the potential for value up-tick, due to revaluations and exits, resulting from those investments in the future.

All private equity funds value their underlying investments in accordance with standard industry (AVCAL) guidelines. These guidelines dictate that all private equity investments should be held at cost for a minimum of 12 months from initial investment and then revalued in accordance with their earnings each six months thereafter. These revaluations usually occur at the end of June and December each year.

As demonstrated by the chart, as at 31 March 08, the majority (84%) of investments that make up VPEG's underlying Private Equity portfolio were completed less than one year ago and as such have not as yet been subject to revaluation. Given that nearly 50% of VPEG's underlying investments (currently 0.5 to 1 year old) are likely to be revalued within the next 6 to 8 months, the potential for higher values to flow through to VPEG's NAV / share will increase significantly over time.

Furthermore, on average the majority of investee company exits, from later expansion and buyout funds, usually occur between 2 and 4 years from initial investment. Given that a proportion of VPEG's underlying portfolio is now approaching the age at which an exit could occur, the potential for an additional increase in VPEG's NAV / share due to the sale of an underlying investment is also increasing as time progresses.

Age of VPEG's Underlying Private Equity Investments



OTHER DEVELOPMENTS

VPEG Exits All Enhanced Yield Investments & Places its Initial Capital into Cash and Term Deposits

On the 12th March 2008, the Board / Investment Committee of VPEG unanimously approved the exit of VPEG's entire investment in the AMP Capital Investors Enhanced Yield Fund (EYF) and the re-investment of these funds into a combination of a "cash at call" and rolling 30, 60 & 90 day term deposits with ANZ Banking Group Ltd (S&P Rating "A-1+" short term and "AA" Long Term).

The withdrawal from the EYF was completed on the 13th March 2008 with the various term deposits established from the 20th March 2008.

By investing across a strategic mix of "cash at call" and short term deposits, VPEG will initially receive an approximate 7.7% p.a. return (after fees), which exceeds the historic return of 6.81% p.a. (after fees) it received from its EYF holdings since its first investment in that fund in November 2006 through to the 29th February 2008.

"By re-investing across a strategic mix of "cash at call" and short term deposits, VPEG will initially receive an approximate 7.65% p.a. return (after fees)"

AMP's EYF was initially selected by VPEG for its initial investments, prior to funds being drawn down into private equity investments, as a result of it meeting VPEG's requirements for high income, capital stability and liquidity.

However a revised investment strategy, for VPEG's initial capital, became necessary following the underperformance of its EYF holdings, when compared to both VPEG's initial investment requirements as well as the EYF's own return benchmark, across the 4 months ending 29 February 2008. Additionally there was an increasing potential for that underperformance to continue into the future due to the deepening of the global credit crisis.

Furthermore by early March 2008, the rate of interest that top tier local banks were offering on "at call" and term deposits increased by almost 2.0% p.a. from that being offered in July 2007. This was due to a combination of an increase in the RBA cash rate by 1.0% p.a. since July 2007, as well as an increase in the 90 day bank bill swap rate of close to an additional 1.0% p.a. during that same period.

It was due to the combined benefit of obtaining a higher rate of return for lower overall risk that VPEG's decision to shift its initial investments from the EYF to a spread of cash and term deposits was sealed.

The revised investment strategy, for VPEG's initial capital, has now removed the risk of loss of capital from this component of VPEG's investment portfolio while also significantly improving the yield it will obtain from this portion of its portfolio in the future.

GENERAL MARKET DEVELOPMENTS

VPEG's Portfolio of Underlying Investments Well Structured to Ride Out Global Credit Crisis

The March 2008 quarter was one of the worst performing quarters in the past twenty years for Australian listed equities.

A number of highly leveraged companies within the S&P / ASX 200 Index suffered large share price drops when they were faced with difficulties refinancing their short term debt. Local casualties of the global debt market malaise included Centro Properties, Allco Finance, ABC Learning Centres and MFS Limited, as well as a many other highly geared property and infrastructure companies and trusts.

The common theme across the business models of each of these entities was a combination of high gearing levels and high debt, often in the billions of dollars, with much of that debt requiring re-financing in the short term and often within less than 6 months.

In virtually every case the gearing ratio (Debt / Enterprise Value) of these companies was higher than 50%. In Centro Group's case it was almost 70% in late 2007. Furthermore a high proportion of total debt was due to be repaid within 12 months, with the Centro Group having to refinance around $4 billion of debt within 3 months of December 2007. (Cont. next page)

GENERAL MARKET DEVELOPMENTS continued

It was this combination of high leverage and short duration that ultimately forced these companies into asset sales to meet their short term obligations. These forced asset sales were often at fire sale prices which resulted in further losses.

During the quarter some sections of the print media claimed that a similar situation would transpire within the private equity industry and that highly geared, private equity backed, companies would suffer the same consequences as those listed company examples provided above.

However, the actual situation across the majority of Australian Private Equity backed companies and in particular those within VPEG's Private Equity portfolio is far more positive then that generalised by the print media.

An analysis of the leverage within VPEG's portfolio of underlying private equity companies reveals that the average amount of debt per company is less than $80 million. The average gearing ratio across the 12 companies within the portfolio is less than 45% and the average term for the debt within the portfolio is more than 3.5 years.

This demonstrates that the private equity fund managers who manage VPEG's underlying portfolio take a conservative approach to debt structuring within their portfolio companies. Debt is structured in this way to ensure that there is a sufficient margin of safety built into the business models of the portfolio companies, to ride out any economic downturn or company specific problems that may arise during ownership by private equity.

Furthermore the duration of the debt is usually structured over a five year term, so that the full repayment of debt is not required prior to the planned exit of the investment by the private equity fund. This provides an additional margin of safety to the business model from both internal and external shocks.

As a result of these conservative, long term debt structures, none of VPEG's underlying portfolio companies will be required to refinance their debt in the short term in the current market.

In summary, with conservative gearing, low absolute debt levels and longer debt duration, VPEG's underlying portfolio of companies are well positioned to ride out the current global credit crisis and allow their private equity owners and managers to focus on adding value to their operations, to increase earnings, in preparation for an exit as initially planned and when markets recover.

"...with conservative gearing, low absolute debt levels and longer debt duration, VPEG's underlying portfolio of companies are well positioned to ride out the current global credit crisis "

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