

Vantage Private Equity Growth Limited

Quarterly Investor Report — Quarter Ending 30 June 2011



Special points of interest:

- VPEG's Post Tax Value Grows by 4.14% During the Quarter
- Archer Capital Fund 4 Acquires V8 Supercars, Health Care & Quick Service Restaurants Holdings
- Equity Partners Invests In Australian Naturalcare Products
- Quadrant Private Equity No. 2 Sells QSR Delivering Approx 3 X Return on Initial Investment.

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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 committed \$43m across seven private equity funds and currently holds interests in 27 underlying companies.

As at 30 June 2011, 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 2011 to 30 June 2011 once again saw the continued growth in the quantity, size & value of private equity investments held within VPEG's portfolio.

During the period four new private equity investments were added to the portfolio. In addition one exit from the portfolio (Quick Service Restaurants) was completed. As a result the total number of investments currently held within the underlying private equity portfolio grew to thirty.

The table to the right provides a summary of the performance of VPEG's portfolio during the June 11 quarter. As demonstrated **VPEG's post tax NAV per share grew by 4.14% during the quarter** from \$1.088 at 31 March 2011 to 1.133 at 30 June 2011.

This compares extremely well to the 4.8% drop in the S&P/ASX 200 index across the same period (4838 to 4608) as well as the 4.0% loss delivered by the S&P/ASX 200 Accumulation index across the quarter. (Source; <http://www.rba.gov.au/statisticstables/pdf07.pdf> accessed=2302-020056)

Month Ending	VPEG NAV per Ordinary Share*
30-Jun-11	1.133
31-May-11	1.089
30-Apr-11	1.088
31-Mar-11	1.088

*Net Asset Value (NAV) per share post tax

Key Portfolio Developments

During the period 1 April 2011 to 30 June 2011, the quantity, size & value of VPEG's portfolio of private equity investments grew significantly as a result of the completion of four new investments and the sale of one investment at a price well above its 31 March 2011 holding value.

Draw downs during the quarter were made by Archer Capital Fund 4 (Archer 4), Equity Partners 3 (EP3), Next Capital II & Quadrant Private Equity No. 2 (QPE2), totaling \$3,623,632.

The majority of capital drawn from VPEG during the quarter contributed toward funding the four new investments (three by Archer 4 and one by EP3).

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.

Also during the quarter an additional \$3.981m in distributions were declared to be paid to VPEG which were subsequently paid during July 2011 along with other amounts that had been previously declared but not paid. This distribution related to QPE2's sale of Quick Service Restaurants which was completed on 30 June 2011.

In April 2011, EP3 acquired **Australian Naturalcare Products (ANP)**, one of Australia's leading direct marketers of own branded vitamins and complementary health and wellbeing products.

In early June 2011, Archer 4 completed the acquisition of **V8 Supercars**, Asia-Pacific's premier motors sports business and one of the leading touring car competitions globally.

Also during June 2011, Archer 4 acquired **Health Care**, Australia's third largest for-profit hospital operator, with 12 hospitals located across NSW, Queensland, Tasmania, and Victoria.

Finally on 30 June 2011, QPE2 completed the sale of portfolio company, **Quick Service Restaurants (QSR)** to another of VPEG's underlying funds, Archer 4.

As VPEG holds a smaller percentage of the overall Archer 4 fund than that of the QPE2 fund, QSR's proportion of VPEG's pre tax net asset value reduced from 9.2% (the value of VPEG's share of QSR sale proceeds at 30 June 2011) to 3.2% (VPEG's share of Archer 4's QSR investment at 30 June 2011).

"The majority of capital drawn from VPEG during the quarter contributed toward funding four new investments"

Overview of Recent Investments

Australian Naturalcare Products

On 29 April 2011, **Equity Partners 3** acquired a majority shareholding in Australian Naturalcare Products (ANCP).

ANCP is a direct marketer of own branded vitamins and complementary health and wellbeing products predominantly via the direct mail channel in Australia.

ANCP was established in 1989 and has since grown to become a leading player in the market with a national operational footprint, established direct marketing platform, growing product portfolio and a loyal active customer base.

ANCP's product portfolio consists of approximately 75 TGA accredited ANCP branded vitamin products and a range of complementary health and wellbeing products (e.g. aged care appliances and nutraceutical skincare products).

ANCP owns the intellectual property including the product formulation specifications and related know-how for all of its vitamin products.

V8 Supercars.

On the 2nd of June 2011 **Archer Capital Fund 4** acquired a majority interest in V8 Supercars Australia.

V8 Supercars (V8SC) is the Asia-Pacific's premier motors sport category, and one of the leading touring car competitions globally.

Annual events consist of 29 races over 15 weekends, across every state of Australia, plus New Zealand and the Middle East. Currently there are 28 cars in 17 teams competing, with Holden and Ford the only manufacturers.

The business has expanded rapidly since its foundation in 1997, and has a strong and passionate fan-base around the country. In 2010, total attendance at V8 Supercars events was c. 1.7m people.

V8SC events are the largest annual event in the states and territories of Australia in which they are run (all states and territories except the ACT). Interest in the sport is strong, with tv-viewership being the fourth highest of any sport in the country.

On a national basis (i.e. excluding region-focused football codes), the sport ranks second behind cricket.

The injection of funds will be directed towards expanding the international reach of the series by increasing the championship to 18 rounds by 2015 and through international media rights across a variety of platforms.



Overview of Recent Investments

Health Care.

During June 2011, **Archer Capital Fund 4** acquired a significant majority of the shares in Hospital operator Health Care.

Since establishment in 2005, Health Care has grown to become the largest privately owned and third largest for-profit hospital operator in Australia with approximately 1,000 beds and 36 operating theatres.

Health Care operates 12 private hospitals (10 acute and 2 psychiatric hospitals) across New South Wales, Queensland, Tasmania, and Victoria.

During 2009 and 2010, Health Care committed significant funds to redevelopment projects across a number of its portfolio hospitals including Gosford Private Hospital, Currumbin Clinic, Maitland Private Hospital, Lingard Private Hospital and South Eastern Private Hospital, increasing bed capacity, theatres, medical consulting suites, parking and improving unit facilities.

Further, the Group has undertaken extensive refurbishment of patient accommodation and added additional services including an emergency referral centre at Gosford Private Hospital.

The company also provides a range of outpatient services, including community nursing in the Hunter and Central region of New South Wales as well as workplace health services in Canberra and Melbourne.

Quick Service Restaurant Holdings (QSRH).

During June 2011 **Archer Capital Fund 4** and the senior management team of Quick Service Restaurant Holdings acquired 100% of QSRH.

QSRH is a franchisor and operator of over 620 quick service restaurants under the Red Rooster, Oporto and Chicken Treat brands.

The three brands that make up QSRH have combined operational experience in excess of sixty years and employ more than 18,000 people in its restaurants located across Australia, the United Kingdom, New Zealand and China.

The combination of the Red Rooster, Chicken Treat and Oporto brands provides a very strong, diversified quick service restaurant network across Australia.

The three businesses represent complementary brands, geography, customer demographics and growth profiles.

Today 72% of QSRH is under franchise operation which is a significant change from 2007 when the Group had a majority of corporate store operations (78%).

The Group has aggressive growth plans for the future which will include the development of new stores and an extensive refurbishment program.

healthcare™



Overview of Recent Exit

Quick Service Restaurants (QSR).

With the backing of **Quadrant Private Equity No.2**, QSR was formed in early 2007 when it acquired leading retail brands Red Rooster and Chicken Treat. The two roast chicken retailers, founded respectively in 1972 and 1976, had 450 stores (385 Red Rooster and 65 Chicken Treat) and a combined annual turnover of approximately \$500m.

In July 2007, QSR acquired the Oporto Portuguese Chicken and Burger Chain for \$60 million. The acquisition of Oporto increased the store distribution of QSR to 540 outlets, comprising more than 300 company stores and 240 franchise outlets across the Red Rooster, Chicken Treat and Oporto network in Australia and New Zealand.

Following the Oporto acquisition the expanded group served approximately 60 million customers visits per annum and employed more than 14,000 staff throughout its company and franchise network.

In June 2011 QSR was sold by Quadrant and management to a private equity fund managed by Archer Capital, for a reported enterprise value of approximately A\$450 million

Quadrant told Reuters the sale represented a threefold return to investors on its A\$110 million equity investment.

Across four years of ownership, Quadrant had grown QSR from 450 to 620 stores and shifted the ownership mix of stores from 78% Corporate owned in 2007 to 72% under franchised operation as at June 2011.

VPEG's share of the proceeds from the QSR sale were received on 14 July 2011. These proceeds will contribute to an increased dividend to VPEG shareholders later this year.



PORTFOLIO STRUCTURE

VPEG's Portfolio Structure – 30 June 2011

The tables and charts below provide information on the breakdown of VPEG's investments as at 30 June 2011.

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.

The 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	
0.2%	27.5%	Later Expansion	12.1%
		Buyout	60.2%

*As a percentage of VPEG's Investment Portfolio (or Gross Assets). As at 30 June 2011 VPEG's Gross Assets were \$ 41.43 million (unaudited) pre tax.

During the June 11 Quarter VPEG's exposure to private equity investments & sale proceeds grew from 62.96% to 72.29% with the cash and fixed interest component of the investment portfolio reducing from 37.04% to 27.01%. The increase in Private Equity exposure was due to the four new investments completed during the period as well as the sale of QSR at a higher value than its March 11 holding value.

Private Equity Portfolio

VPEG, with commitments to seven Private Equity funds, currently holds interests in thirty underlying company investments to which funds have been drawn. VPEG's Private Equity portfolio and commitments, as at 30 June 2011, were as follows:

"VPEG currently holds interests in thirty underlying company investments"

Private Equity Fund Name	Fund Size	Vintage Year	Investment Focus	VPEG Commitment	Capital Drawn Down	Total No. of Investee Companies	No. of Exits
Advent V	\$300m	2006	Small to Mid Market Expansion / Buyout	\$4.0m	\$2.99m	7	2
Archer Capital Fund 4	\$1,360m	2007	Mid Market Buyout	\$8.0m	\$7.04m	10	1
Catalyst Buyout Fund 2	\$438m	2008	Mid Market Buyout	\$8.0m	\$3.30m	2	0
Crescent Capital Partners III	\$400m	2006	Small to Mid Market Expansion / Buyout	\$4.0m	\$3.42m	6	1
Equity Partners Fund No. 3	\$76m	2007	Small Market Expansion / Buyout	\$4.0m	\$1.56m	3	0
Next Capital II	\$285m	2008	Small to Mid Market Expansion / Buyout	\$7.0m	\$1.59m	2	0
Quadrant Private Equity No. 2	\$500m	2007	Mid Market Expansion / Buyout	\$8.0m	\$6.88m	5	1

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 2011.

As a result of Quadrant's sale of QSR to Archer 4 during the quarter, MYOB became VPEG's largest Private Equity Investment exposure representing 5.8% of VPEG's Pre tax NAV.

Rank	Investment	Fund	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	MYOB	Archer Capital Fund 4	Developer, Marketer & Distributor of Business Software Systems	5.8%	5.8%
2	Actrol	Catalyst Buyout Fund 2	Distributor of Refrigeration & Air-conditioning Parts & Equipment	4.8%	10.6%
3	Virtus Health (formally IVF Australia)	Quadrant Private Equity No. 2	Owner Operator of Fertility Clinics in NSW & Victoria	4.2%	14.8%
4	Cover More	Crescent Capital Partners III	Provider of Travel Insurance & Emergency Care Services	3.9%	18.7%
5	Summerset Retirement Villages	Quadrant Private Equity No. 2	Owner & Operator of Retirement Villages in NZ	3.6%	22.2%
6	Independent Pub Group	Quadrant Private Equity No. 2	Owner of Gaming Hotels in Qld, SA & NSW	3.4%	25.6%
7	Home & Decor Holdings (Adairs & Dusk)	Catalyst Buyout Fund 2	Specialty Retail - Homewares	3.2%	28.8%
8	Quick Service Restaurants Holdings	Archer Capital Fund 4	Chicken Fast Food Retailing	3.2%	32.0%
9	Genesis Care	Advent V	National Network of Cardiology & Radiation Oncology Practices	2.8%	34.8%
10	Integrated Packaging Group	Advent V	Manufacturer & Distributor of Packaging Products	2.7%	37.5%

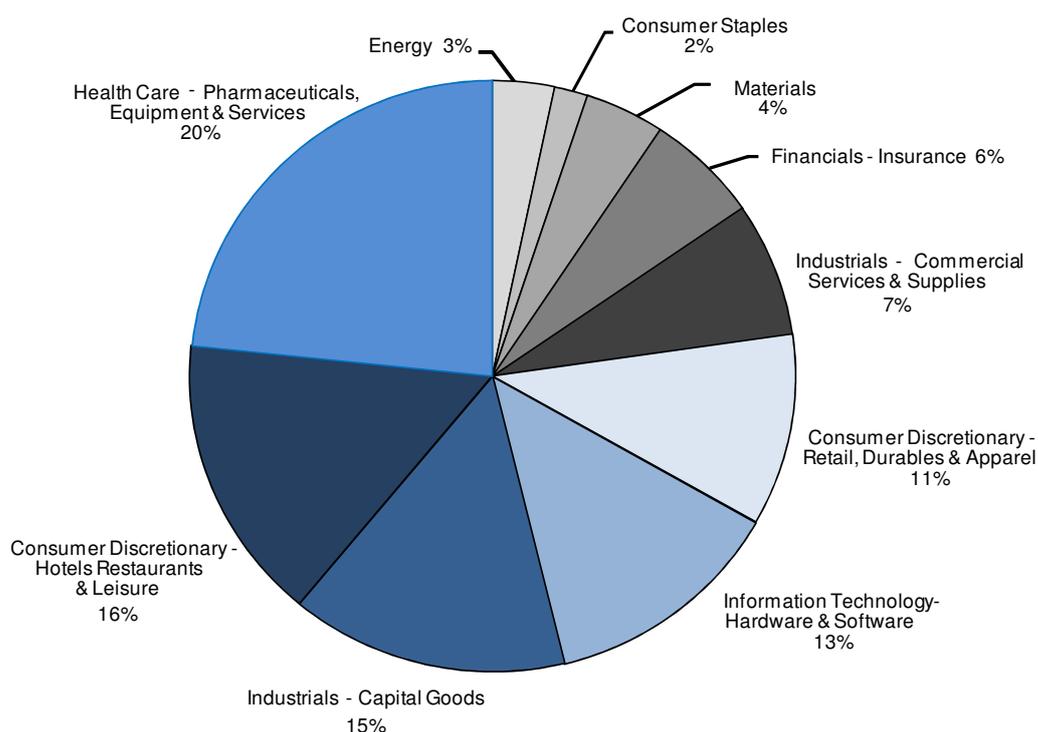
*As at 30 June 2011 (unaudited) calculated on VPEG's pre tax NAV (Does not include the proceeds of the QSR sale by QPE2)

Industry Spread of VPEG's Underlying Investments

With the reduction in VPEG's exposure to QSR, following its sale by QPE2 to Archer 4, along with the addition of V8 Supercars, the "Consumer Discretionary" sector exposure reduced from 19% to 16% of VPEG's total private equity portfolio.

The addition of ANCP during the quarter ensured that the "Healthcare" Sector remained VPEG's largest sector exposure representing 20% of VPEG's total Private Equity portfolio.

Note; This chart does not include the proceeds of the QSR sale by QPE2, which were distributed to VPEG during July 11

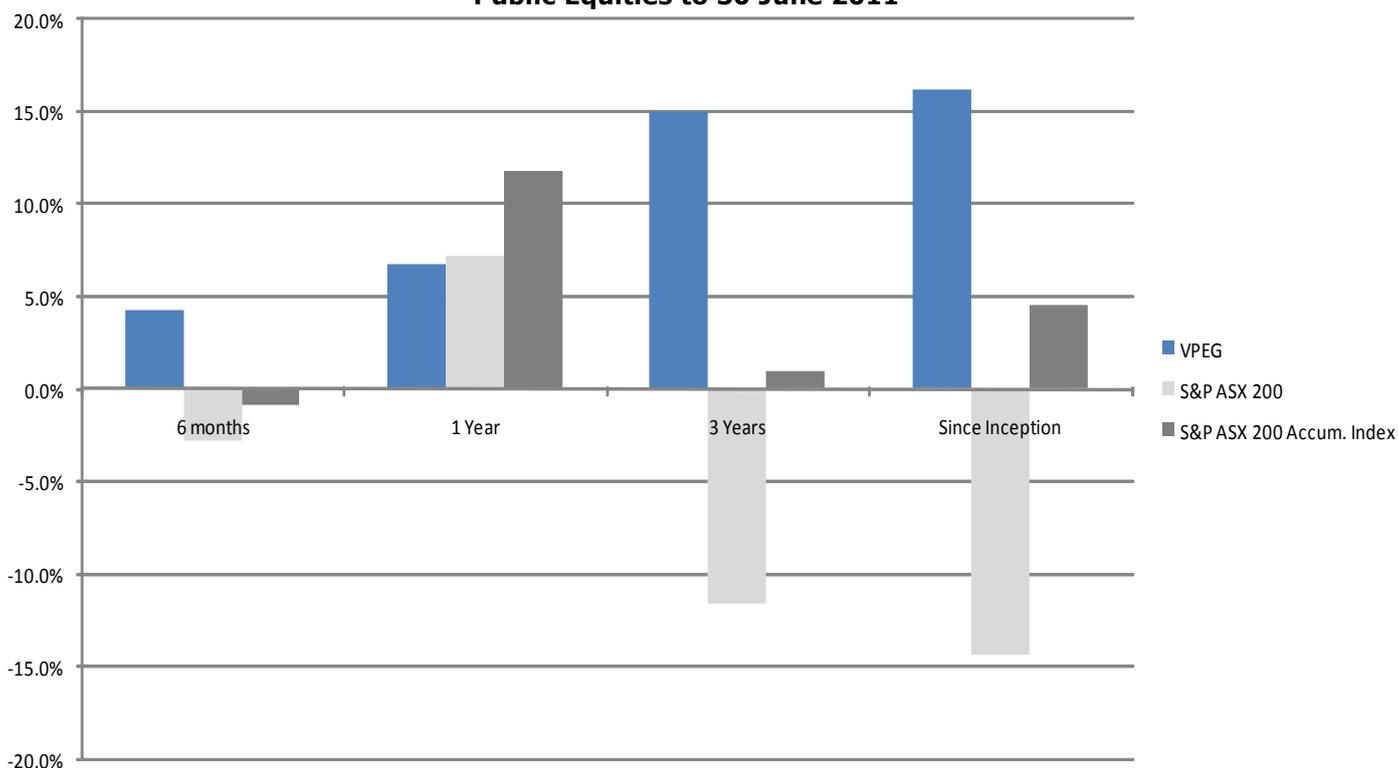


OTHER NEWS

VPEG Continues to Outperform Listed Markets

Recent analysis compared the performance of VPEG to the Australian listed markets across periods of 6 months, 1 & 3 years and since inception to 30 June 2011. The analysis revealed that across most time frames VPEG outperformed the listed markets, with VPEG's Total Shareholder return since inception to 30 June 2011 of 16.2%* outperforming the S&P ASX 200 accumulation index by 11.6%. VPEG's improving performance can partially be attributed to the increase in exits from the underlying portfolio. The three exits from the portfolio during FY11 (NHC, Cellarmasters & QSR) delivered a total of \$6m in distributions to VPEG on initial investments into those companies by VPEG of \$2.29m, representing a 2.62 X return on investment and an average Internal Rate of Return (IRR) to VPEG of 36.2%. As the exits continue from the portfolio, dividends paid by VPEG to shareholders will also increase, with the next dividend to be paid during November 2011.

Performance of VPEG vs. Australian Public Equities to 30 June 2011



*Since 31Oct06 (based on \$1.00 per share initial investment), includes 1c fully franked dividends paid on each of Nov07 & Nov10. Sources; www.vpeg.info, Reserve Bank of Australia, ASX

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