

Vantage Private Equity Growth Limited

Quarterly Investor Report — Quarter Ending 31 March 2013



Special points of interest:

- Advent V sells Locker Group Holdings to US-based Valmont Industries delivering 2.5 X original cost of investment.
- Archer sells Ausfuel to Puma Energy for a (media) reported sale price of up to \$650m, delivering a strong return to Archer 4 Investors including VPEG.
- Quadrant sells more shares of its NZ listed portfolio company Summerset Retirement Villages.
- VPEG receives \$3.53m in private equity distributions during the quarter from the recently achieved exits.

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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 has invested 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's investment portfolio continues to expand and with total commitments of \$43m across seven private equity funds, it currently holds interests in 30 underlying companies.

As at 31 March 2013, VPEG's investment commitments included, \$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 January 2013 to 31 March 2013 once again saw continued activity within VPEG's private equity investment portfolio.

During the period one new private equity investment was added to the portfolio. In addition, three follow on investments were completed, into companies already within the underlying portfolio.

Finally two full exits were completed and the further sell down of shares in another portfolio company was undertaken during the period.

As a result the total number of investments held within VPEG's underlying private equity portfolio at quarter end reduced to thirty.

The table to the right provides a summary of the performance of VPEG's portfolio during the March 13 quarter. As demonstrated VPEG's NAV increased from 0.986 to 0.993 per share.

The increase in VPEG's NAV during the period was due predominately to an uplift in the actual exit value of the underlying companies sold during the quarter, compared to their holding value at the end of the previous quarter.

Month Ending	VPEG NAV per Ordinary Share*
31-Mar-13	0.993
28-Feb-13	0.990
31-Jan-13	0.992
31-Dec-12	0.986

*Net Asset Value (NAV) per share post tax

Key Portfolio Developments

During the period 1 January 2013 to 31 March 2013, continued activity within VPEG's portfolio of private equity investments, saw the completion of one new investment and three follow on investments as well as the complete sale of two underlying company investments and one partial exit from the portfolio.

The new investment completed was the Catalyst Buyout Fund 2 acquisition of Reed Business Information Australia, which was announced last quarter. Following acquisition the business was subsequently renamed **Cirrus Media**.

Draw downs during the quarter were made by Advent V, Next Capital II (Next II) and Quadrant Private Equity No. 2 (QPE2), totaling \$213,664.

The majority of capital drawn from VPEG during the quarter contributed toward funding the three follow on investments completed by; Advent V into portfolio company Integrated Packaging Group, Next II into Next Athleisure (which consists of TopShop & Glue Stores) and QPE2 into Summerset Retirement Villages.

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.

In addition \$3,525,281 was received by VPEG during the quarter as a result of exits from the portfolios of Advent V, Archer Capital Fund 4 (Archer 4) and QPE2.

The Advent V distribution during the period resulted from the completion of its exit of **Locker Group Holdings** during February 2013.

The Archer 4 distribution resulted from the sale of portfolio company **Ausfuel** in early March 2013

Finally the remaining distribution capital received during the quarter from QPE2 resulted from their continued sell down of shares in portfolio company **Summerset Retirement Villages** which was listed on the New Zealand Stock Exchange in November 2011.

“\$3,525,281 was received during the quarter as a result of exits from the portfolios of Advent V, Archer Capital Fund 4 and Quadrant Private Equity No. 2”

Overview of Recent Exits

Locker Group Holdings



Locker is a manufacturer and supplier of perforated plate, expanded metal, woven wire, wire belting, walkway and platform systems, grating and screening products across a wide range of applications for the general industrial, architectural building, commercial construction, infrastructure and resources sectors.

Advent's original investment in October 2006 funded the replacement of UK-based investors. Existing management shareholders also re-invested alongside Advent.

Following Advent's investment, Locker grew to become the market leader in Australia with additional offshore manufacturing operations. Locker built up its manufacturing footprint, invested heavily in equipment, sales and operations, and expanded its operations offshore into India and China.

Under Advent's guidance, the strengthened sales and marketing team also began capitalising on fresh opportunities in the architectural and construction industries, along with the engineering, infrastructure and mining markets.

In February 2013, Advent completed the sale of its investment in Locker Group Holdings Pty Ltd to US-based Valmont Industries, Inc. Valmont acquired 100% of the group, bringing Advent's return to 2.5 x the original investment.

Ausfuel



Darwin based Ausfuel was acquired by Archer Capital Fund 4 in May 2010. 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.

At the time of investment Ausfuel's network included 20 owned and operated service stations and more than 100 resellers and they directly employed 400 staff including 130 casual console operators.

Toward the end of 2010 Ausfuel acquired Gull WA the leading independent fuel retailer in Western Australia. Gull's retail business consists of 98 branded sites (78 "Gull" & 20 "Peak"), operated under a mixture of company owned, commission agent and reseller arrangements.

In February 2013 Archer Capital sold Ausfuel to Puma Energy a subsidiary of Dutch independent commodity Trader Trafigura Beheer B.V., in a deal that media reported was worth up to A\$650 million.

The sale delivered a strong top quartile return to Archer Capital Fund 4 investors including VPEG.

PORTFOLIO STRUCTURE

VPEG's Portfolio Structure – 31 March 2013

The tables and charts below provide information on the breakdown of VPEG's investments as at 31 March 2013.

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	
12.6%	20.4%	Later Expansion	21.9%
		Buyout	45.0%

*As a percentage of VPEG's Investment Portfolio (or Gross Assets). As at 31 March 2013 VPEG's Gross Assets were \$ 37.81 million (unaudited) pre tax.

During the March 13 Quarter VPEG's exposure to private equity investments decreased from 74.1% to 67.0% with the cash and fixed interest component of the portfolio increasing from 25.1% to 33.0%. The decrease in Private Equity exposure was due to the exit of Locker & Ausfuel from the portfolio as well as the further sell down of NZ listed, Summerset. The increase in the cash & fixed interest holdings was due to the \$3.53m distribution received by VPEG as a result of these exits during the quarter.

Private Equity Portfolio

VPEG, with commitments to seven Private Equity funds, held interests in thirty underlying company investments, at quarter end, to which funds had been drawn. VPEG's Private Equity portfolio and commitments, as at 31 March 2013, were as follows:

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	\$3.75m	8	4
Archer Capital Fund 4	\$1,360m	2007	Mid Market Buyout	\$8.0m	\$7.12m	10	6
Catalyst Buyout Fund 2	\$438m	2008	Mid Market Buyout	\$8.0m	\$5.22m	5	0
Crescent Capital Partners III	\$400m	2006	Small to Mid Market Expansion / Buyout	\$4.0m	\$3.90m	6	2
Equity Partners Fund No. 3	\$76m	2007	Small Market Expansion / Buyout	\$4.0m	\$2.31m	5	1
Next Capital II	\$285m	2008	Small to Mid Market Expansion / Buyout	\$7.0m	\$4.04m	5	0
Quadrant Private Equity No. 2	\$500m	2007	Mid Market Expansion / Buyout	\$8.0m	\$7.01m	5	1
Total				\$43.0m	\$33.35m	44	14

**"As at
31 Mar 13
VPEG
ultimately
held interests
in thirty
underlying
company
investments"**

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 31 March 2013.

Rank	Investment	Fund	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	Actrol	Catalyst Buyout Fund 2	Distributor of Refrigeration & Air-conditioning Parts & Equipment	6.6%	6.6%
2	Cover More	Crescent Capital Partners III	Provider of Travel Insurance & Emergency Care Services	4.7%	11.3%
3	Virtus Health	Quadrant Private Equity No. 2	Owner Operator of Fertility Clinics in NSW & Victoria	4.2%	15.5%
4	Summerset Retirement Villages	Quadrant Private Equity No. 2	Owner & Operator of Retirement Villages in NZ	4.0%	19.5%
5	Discovery Holiday Parks	Next Capital II	Caravan & Cabin Park Owner & Operator	3.6%	23.1%
6	Aero Care	Next Capital II	Outsourced Airport Services	3.4%	26.5%
7	Sentia Media	Quadrant Private Equity No. 2	International Media Services Business	3.3%	29.8%
8	Integrated Packaging Group	Advent V	Manufacturer & Distributor of Packaging Products	3.1%	32.9%
9	Onsite Rentals	Next Capital II	Commercial Rental of Portable Buildings, Toilets & Access Equipment	3.0%	35.9%
10	Home & Decor Holdings (Adairs & Dusk)	Catalyst Buyout Fund 2	Specialty Retail - Homewares	2.5%	38.4%

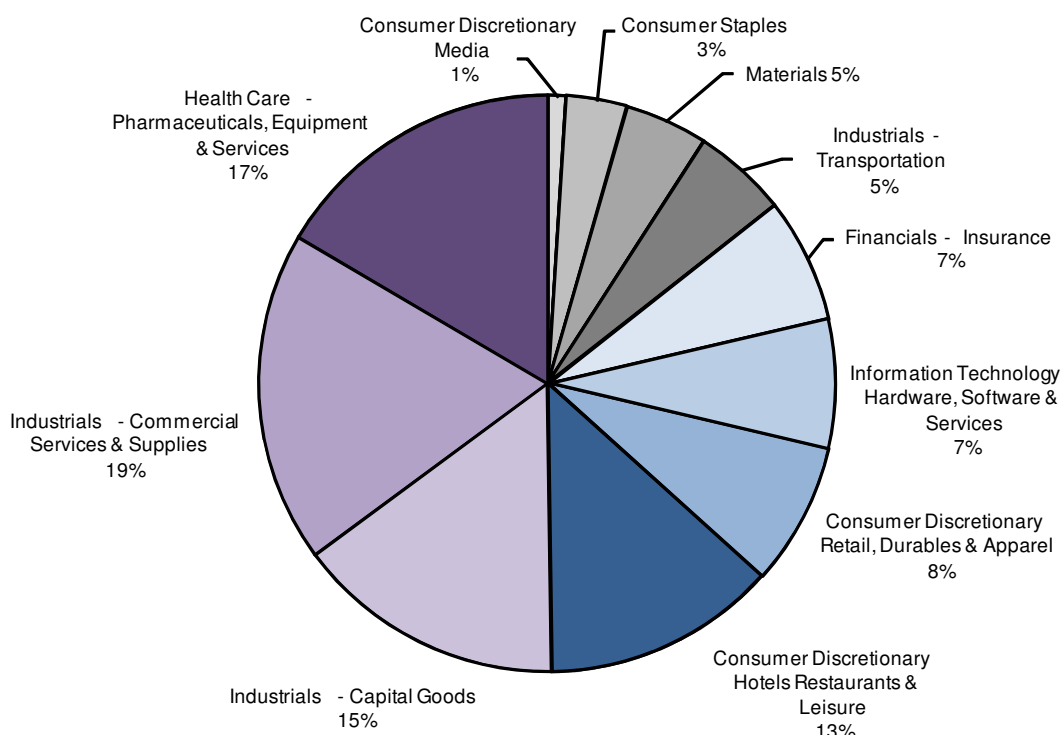
*As at 31 March 2013 (unaudited) calculated on VPEG's pre tax Net Asset Value (NAV)

Industry Spread of VPEG's Underlying Investments

With the exit of Ausfuel from the portfolio, the "Energy" sector exposure reduced from 5% to 0%.

The completion of the Cirrus Media acquisition added the "Consumer Discretionary—Media" Sector to VPEG's industry exposure.

The "Industrials - Commercial Services & Supplies" sector is currently VPEG's largest industry exposure representing 19% of VPEG's total private equity portfolio.



OUTCOME OF GENERAL MEETING - 26 MARCH 2013

A general meeting of shareholders of VPEG was held on Tuesday 26th March 2013 for the purpose of transacting the business set out below;

Resolution 1 – Equal Share Capital Reductions

"To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

To approve and ratify the following equal share capital reductions undertaken by the Company:

(1) the equal share capital reduction of AU\$0.028 per ordinary share which was paid by the Company to each holder of ordinary shares on 15 November 2011; and

(2) the equal share capital reduction of AU\$0.08 per ordinary share which was paid by the Company to each holder of ordinary shares on 30 May 2012."

At the general meeting 100% of the shareholders present in person, or by proxy, representing 37.5% of all shares on issue, voted in favour of the proposed resolution. Therefore Resolution 1 detailed above was passed as an ordinary resolution.

CONTACT DETAILS

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