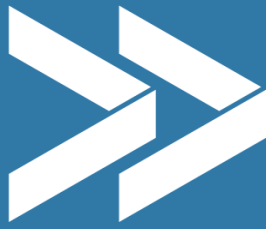


VPEG

DIVERSIFY
GROW
OUTPERFORM



Vantage Private Equity Growth Limited
Quarterly Report
30 June 2021

TABLE OF CONTENTS

- 3 SUMMARY
- 4 PERFORMANCE
- 4 KEY PORTFOLIO DEVELOPMENTS
- 5 TRADING UPDATE
- 6 PORTFOLIO UPDATE
- 8 PORTFOLIO STRUCTURE
- 11 MARKET & ECONOMIC CONDITIONS

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.

SUMMARY

Vantage Private Equity Growth Limited (VPEG) is a multi-manager Private Equity investment company structured as an unlisted Australian public company. VPEG was established to invest 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 invested its Investment Portfolio into Australian based Private Equity funds who in turn were focused on investing into lower to mid-market sized companies with enterprise value at initial investment of generally between \$20m and \$500m.

VPEG's investment portfolio is being divested over time and with total initial commitments of \$43m across seven Private Equity funds, it held interests in three remaining underlying companies plus two residual holdings in previously exited companies, of which one is an ASX listed company, with 46 exits completed from the portfolio, at quarter end

As at 30 June 2021, VPEG's remaining investment commitments included \$8m to Archer Capital Fund 4 and Catalyst Buyout Fund 2

VPEG's investment commitment of \$8m to Quadrant Private Equity No. 2 ended upon the termination of that fund in July 2016 following the final exit of its last underlying company investment in June 2016. VPEG's investment commitment of \$4m to Crescent Capital Partners III ended upon the termination of that fund in June 2018 following the final exit of its last portfolio company in March 2018. VPEG's investment commitment of \$7m to Next Capital II ended upon termination of that fund in June 2019 with the final distributions received following their final exit of its last portfolio company in November 2018. VPEG's investment commitment of \$4m to Equity Partners Fund No. 3 ended upon the sale of their last portfolio company during the September 2019 quarter with the residual proceeds of the fund received by VPEG during the December 2019 quarter. VPEG's investment commitment of \$4m to Advent V ended upon termination of that fund in September 2020 with the final distributions received following their final exit of its last portfolio company in July 2020.

SPECIAL POINTS OF INTEREST

Catalyst Buyout Fund 2 sells down a further 4.5 million shares of previously exited now ASX listed portfolio company Dusk (ASX:DSK) at \$3.60 per share, an 80% increase against Dusk's listing price of \$2.00

Catalyst Buyout Fund 2 portfolio company Vesco continues to improve operating margins as a result of the company's strategic investment to manufacture product components in Vesco's manufacturing facilities

Supercars viewership increases 17% for the first five rounds of the 2021 season, when compared with like-for-like events in 2020, providing a robust platform for Archer Capital Fund 4 to exit Supercars over the next three to six months

PERFORMANCE

The period 1 April to 30 June 2021 saw continued activity across VPEG's remaining Private Equity portfolio with the further sell down of shares from a partially exited now ASX listed company occurred during the quarter.

As at 30 June 2021, the number of investments remaining within VPEG's underlying portfolio at quarter end was three. In addition, VPEG held residual / earn out interest in one previously exited portfolio company, as at 30 June 2021.

The table below provides a summary of the performance of VPEG's Net Asset Value (NAV) during the June 2021 quarter. As demonstrated, VPEG's NAV increased 2.6% from \$0.072 per share to \$0.074 per share. The increase in VPEG's NAV resulted predominately from increase in the unrealised component of VPEG's remaining portfolio companies, as well as from the realised proceeds received during the quarter by VPEG as a result of the further sell down in shares of ASX listed Dusk Group (ASX:DSK) during the quarter.

VPEG's remaining underlying managers continue to engage with the management of each portfolio company to ensure that they remain sufficiently resourced and well positioned for exit as both Catalyst Buyout Fund 2 and Archer Capital Fund 4 managers near the end of each funds term during second half of CY2021.

KEY PORTFOLIO DEVELOPMENTS

The June 2021 quarter saw continued Private Equity activity across VPEG's underlying portfolio with the further partial sell down of shares from a previously exited now ASX listed company during the quarter.

During June 2021, Catalyst Buyout Fund 2 sold 4.5 million shares of ASX listed company Dusk at \$3.60 per share, an 80% increase against Dusk's listing price of \$2.00, realising gross proceeds of \$16,200,000.

Month Ending	VPEG NAV per Ordinary Share*
30-Jun-21	0.074
31-May-21	0.077
30-Apr-21	0.075
31-Mar-21	0.072

* Net Asset Value (NAV) per share post tax

With 46 exits completed, three full and one partially exited Private Equity company investments remained within VPEG's underlying portfolio as at 30 June 2021.

All remaining companies in VPEG's underlying portfolio are in the process of being exited over the remainder of the 2021 calendar year, as Archer and Catalyst work towards creating an exit path for their remaining investee companies, as each of their funds reach the end of their fund term.

TRADING UPDATE

DUSK - CATALYST BUYOUT FUND 2

During June 2021, Catalyst Buyout Fund 2 transacted a further sell-down of 4,500,000 shares of previously exited now ASX listed Dusk Group (ASX:DSK).



As reported previously in the 31 March 2021 investor quarterly report, Catalyst was entitled to an early release mechanism of 6,318,420 shares. This mechanism could only be transacted upon if the share price of Dusk was trading >20% (i.e. @ \$2.40/shr) above its listing price (\$2.00/shr) following the release of these result. Catalyst executed the first tranche sell down of 1.5 million shares on 16 March 2021 at \$3.00 / share representing a \$4,500,000 sell-down.

On 4 June 2021, Catalysts Buyout Fund 2 executed its second tranche sell down of 4.5 million shares at a \$3.60 per share representing a \$16,200,000 sell-down.

Catalyst now have 318,420 shares that can be sold at any time and a further 9,477,629 shares subject to escrow until release of the full year result in September 2021. CBF2's specific plans with those shares is market sensitive and under continuous review by management. Given the strong performance of Dusk's share price, Vantage anticipates that Catalyst will sell the additional 318,420 shares throughout the period leading to the full year results in September 2021, with the remaining shares sold subsequent to this date.

PORTFOLIO UPDATE

The summary below provides an update, on the three remaining actively managed companies in VPEG's portfolio that constitute 72.9% of VPEG's remaining private equity exposure at quarter end. Additionally, an update is provided on Dusk, in which Catalyst Buyout Fund 2 retain a significant stake in the public market.

CIRRUS MEDIA - CATALYST BUYOUT FUND 2

Cirrus Media is Australia's largest business-to-business media company, with a diverse portfolio of leading print publications, websites, events and conferences and online industry portals providing information to professionals in a diverse range of industries. Key industry verticals include healthcare, wealth management and mining.



Cirrus represents 6.9% of VPEG's remaining Private Equity portfolio as at 30 June 2021.

The key trends in the performance of Cirrus across the June quarter was the continued building and deploying of the Access+ product to the Australian Doctor Group (ADG).

The Company now has its new iOS App in the final stages of approval in the App Store and has started beta testing with a closed group of users.

Simultaneously the company is continuing to develop its Virtual Services Suite, which is a portal allowing clients and sales reps to control and monitor their engagement and campaigns with the doctor community. During the quarter the company launched "group chats" within the product, which is seeing increased engagement levels with the feature. The number of doctors, specialists and clients using the digital platforms of ADG continues to grow. Most of the large Pharma companies have trialled at least one product/campaign with Access+ and a number have made the platform their sole means of sales-based communication with doctors.

VESCO - CATALYST BUYOUT FUND 2

Vesco Foods is a frozen ready meals and components business and is a market leader in the private label and contract manufacturing segments primarily servicing the Retail channel to customers including Australia's leading supermarket chains and global food brand names. It also services Health and Food Services, QSR and the export channels. Vesco has two manufacturing facilities; in WA and QLD.



Vesco represents 55.6% of VPEG's remaining Private Equity portfolio as at 30 June 2021.

The operating trends apparent during the June 2021 quarter continue to be encouraging for Vesco, with the business continuing to deliver improved operating margins across the period. Amongst other things including a change in sales mix this reflects the strategic initiative of management targeting the capital expenditure component of the business, which has broadened the manufacturing capability to allow production of product components being manufactured at Vesco's facilities. In addition, management have invested in cost out opportunities.

Management have also seen consumer behaviours around meal occasions shift, with consumers voicing an increasing demand for convenience. There has been growth in chilled and Direct-to-Consumer solutions driven mainly by the category attracting new consumers. However, management are also anticipating some younger demographic buyers of healthy frozen meals have also transitioned to become consumers of chilled products, allowing management to cross sell through Direct-to-Consumer offerings. With the changing competitive landscape Vesco is well advanced in looking to implement its own Direct to Consumer solution, along with a greater push into chilled and snacking products.

Catalyst advise Vesco is well placed to commence a sale process in the second half of calendar 2021.

SUPERCARS - ARCHER 4

Supercars (formally Australian Touring Car Championship) is the premier motorsport category in Australasia and one of Australia's biggest sports. Globally, it is recognised as the best touring car category in the world and a leader in motorsport entertainment.



Supercars represents 10.4% of VPEG's remaining Private Equity portfolio as at 30 June 2021.

Throughout the June quarter, three events were held including the Beaufort Tasmania SuperSprint, the OTR SuperSprint in Tailem Bend, and the Merlin Darwin Triple Crown. The Tasmania SuperSprint was promoted by Supercars as delivering an over budget profit result driven by strong ticket sales. The OTR SuperSprint and Merlin Darwin Triple Crown were both sanction events promoted by The Bend and Northern Territory Major Events respectively.

Supercars completed a tender process for two Racing Entitlements Contracts (REC) with the Tickford Racing Team successful in its bid. Interest was received from several parties signalling strong demand for championship participation.

Following the success last year, it was announced that the E-series would return in 2021 and take place on the iRacing platform, running over six fortnightly rounds commencing in September. The hybrid framework will consist of two championships within the series: the All Stars – consisting of main game Supercars and Dunlop Super2 drivers; and the Pro Series – with elite gamers representing Supercars Teams.

The new broadcast agreements with subscription TV provider Fox Sports and Free-to-Air TV provider Channel Seven continue to deliver strong growth in television audience ratings. Total viewership increased 17% for the first five rounds, when compared with like-for-like events in 2020.

Supercars is currently undergoing a digital transformation process with a new digital strategy focusing on website and app development and video content generation aimed at adding enhanced engagement and revenue generation.

As Archer Capital Fund 4 have been in negotiations with four potential acquires of Supercars, an announcement regarding the sale of Supercars is anticipated across the next three to six months with full completion of the deal likely to be completed by calendar year end.

PORTFOLIO STRUCTURE

VPEG's PORTFOLIO STRUCTURE - 30 June 2021

The tables and charts below provide information on the breakdown of VPEG's underlying investments as at 30 June 2021.

CURRENT INVESTMENT 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.

During the quarter, VPEG's exposure to Private Equity investments decreased from 96.3% to 84.0% with the cash and fixed interest component of the portfolio increasing from 3.4% to 16.0% of the total portfolio value.

Cash	Short Term Deposits	Private Equity	
13.2%	2.8%	Later Expansion	0.0%
		Buyout	84.0%

With 46 exits completed from the underlying portfolio, VPEG ultimately held interests in 3 underlying company investments and one partially exited and now ASX listed company at 30 June 2021.

SUMMARY OF VPEG'S REMAINING UNDERLYING PRIVATE EQUITY INVESTMENTS

The table below provides an overview of the remaining underlying Private Equity investments and residual holdings in VPEG's portfolio as at 30 June 2021.

Rank	Investment	Fund	Description	% of VPEG's Private Equity Portfolio	Cumulative %
1	Vesco	Catalyst Buyout Fund 2	Manufacturer of frozen meals and meal components	55.6%	55.6%
2	Dusk	Catalyst Buyout Fund 2	Specialty Retailer of Candles	27.1%	82.7%
3	Supercars	Archer Capital Fund 4	Premier Motor Sport Events	10.4%	93.1%
4	Cirrus Media	Catalyst Buyout Fund 2	Australian business to business media company	6.9%	100%

*As at 30 June 2021 (unaudited) calculated on VPEG's Pre-Tax Net Asset Value (NAV).

PRIVATE EQUITY PORTFOLIO

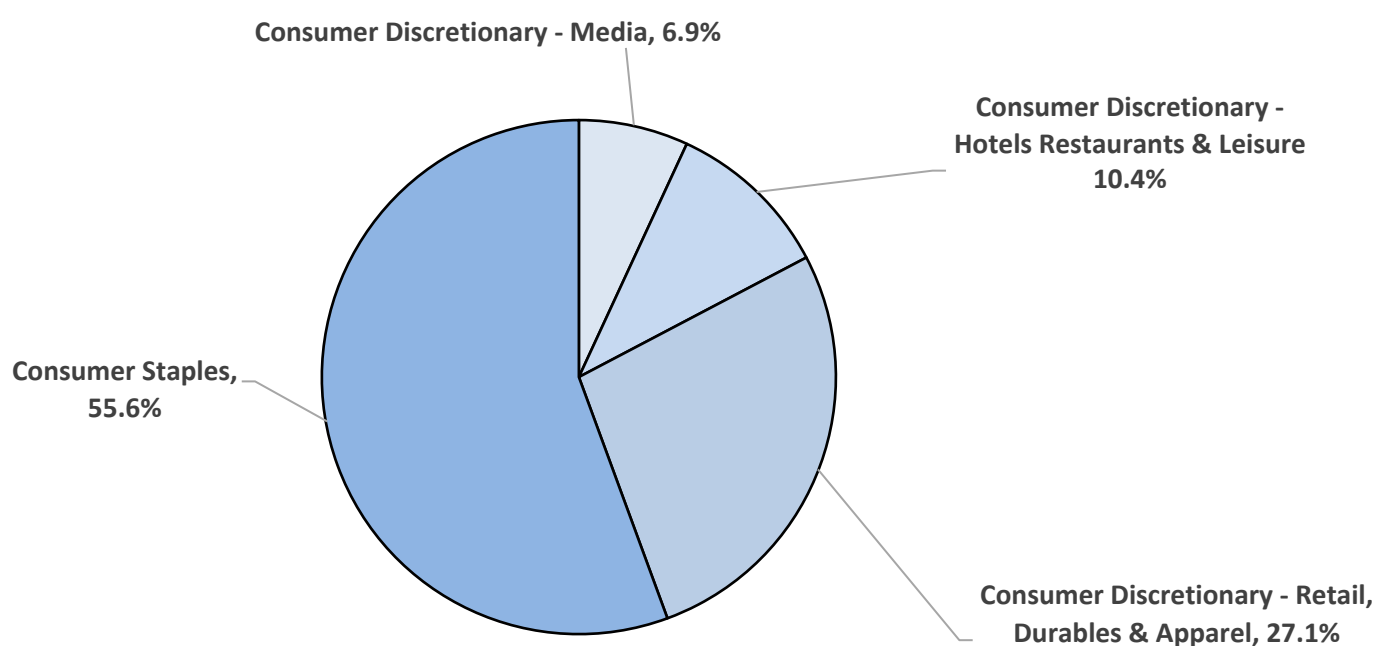
VPEG, with remaining commitments to two Private Equity funds, ultimately held interests in three underlying company investments as well as residual holdings of a listed company. VPEG's Private Equity portfolio and commitments, as at 30 June 2021, were as follows:

Private Equity Fund Name	Fund / Deal Size	Vintage Year	Investment Focus	VPEG Commitment	Capital Drawn Down	Total No. of Investee Companies	No. of Exits
Advent V	\$300m	2006	Lower to Mid Market Expansion / Buyout	\$4.0m	\$4.00m	8	8
Archer Capital Fund 4	\$1,360m	2007	Mid Market Buyout	\$8.0m	\$7.27m	10	9
Catalyst Buyout Fund 2	\$438m	2008	Mid Market Buyout	\$8.0m	\$6.38m	7	5
Crescent Capital Partners III	\$400m	2006	Lower to Mid Market Expansion / Buyout	\$4.0m	\$3.95m	6	6
Equity Partners Fund No. 3	\$76m	2007	Lower Market Expansion / Buyout	\$4.0m	\$3.69m	6	6
Next Capital II	\$285m	2008	Lower to Mid Market Expansion / Buyout	\$7.0m	\$6.18m	7	7
Quadrant Private Equity No. 2	\$500m	2007	Lower to Mid Market Expansion / Buyout	\$8.0m	\$7.06m	5	5
Total				\$43.0m	\$38.53m	49	46

INDUSTRY SPREAD OF VPEG'S UNDERLYING INVESTMENTS

As a result of the increase in value of the unrealised proportion of VPEG investee Archer Capital 4's portfolio company Supercars throughout the quarter VPEG's exposure to the "Consumer Discretionary - Hotels Restaurants & Leisure" industry sector increased from 8.8% to 10.4%.

VPEG's exposure to the 'Consumer Staples' industry sector which is comprised of underlying portfolio company Vesco, represents VPEG's largest industry sector exposure representing 55.6% of VPEG's total Private Equity Portfolio at quarter end.



MARKET AND ECONOMIC CONDITIONS

The Australian economic rebound from the COVID-19 impacts in 2020 continued during the June 2021 quarter. Even after almost all emergency subsidies and support measures enacted last year concluded in the first quarter of this year, the Australian economy grew strongly, with nominal GDP now above pre-COVID levels, and the unemployment rate reaching a 10-year low in June of 4.9%. Growth has been underpinned by strong consumer spending, aided by high commodity prices, particularly iron ore, and continued loose government monetary policies. The early signs of inflation that have appeared in the US economy are not yet visible to the same degree in Australia, which recorded an inflation rate of 1.1% in the 12 months to March 2021.

Household consumption had increased by a little over 1 per cent in the March quarter, supported by growth in labour and financial income, and the household saving ratio remained around 12 per cent. Consumption growth in the June quarter as a whole is expected to be moderate, as restrictions on activity in Melbourne and the Greater Sydney region restrained spending.

The Australian government handed down an important budget in May. This represented a major departure from the bipartisan 'fiscally responsible' approach which has characterised the federal budget for close to 30 years, which focused on delivering balanced budgets and minimising government debt. The Budget contained a substantial increase in spending on health care, aged and disability care, support services and national infrastructure projects.

Private investment continued to be strong across the June quarter. Business investment responded to policy measures, including the temporary full expensing of asset purchases. The outlook for investment is supported by the recovery in demand and high-capacity utilisation, the increase in corporate profits over the preceding year and accommodative financing conditions. Surveyed measures of business conditions are also remaining strong. The near-term outlook for dwelling investment was underpinned by low interest rates and the large pipeline of construction work facilitated by the HomeBuilder program and state-based fiscal programs.

In Australia, the Bank's policy measures had continued to underpin very low interest rates and support the availability of credit. There had been little reaction in financial markets to the recent COVID-19 outbreaks and new restrictions imposed in many parts of the country in late June. Bank funding costs and lending rates had drifted down to historic lows. At the closure of the draw-down window for the Term Funding Facility (TFF) at the end of June, banks had accessed \$188 billion, or almost 90 per cent of the total allowances, with the major banks and mid-sized Australian banks having drawn down all of their allowances. TFF funding had accounted for around 4 per cent of all bank funding.

While bank lending to businesses had been little changed over preceding months, growth in broader measures of business debt had picked up to around the average of prior years. This pick-up had reflected lending to large businesses, including by entities that do not report to the Australian Prudential Regulation Authority as well as through corporate bond issuance. Lending to small businesses had also been little changed, although refinancing activity remained higher than usual as small businesses took advantage of the lower interest rates on offer.

During the quarter, there was a high level of private equity activity across Australia and New Zealand. A total of 12 buyout transactions (10 in Australia and two in New Zealand) were announced. These acquisitions spanned across a range of industries with four in consumer products, three in software, two in education, and one each in financial services, construction and business support services.

Similarly, there continued to be a high level of exits, with a total of 13 completed (12 in Australia and one in New Zealand) during the quarter. By exit type, there were six trade sales, three IPOs, and two secondary sales to domestic and global GPs.

Once again, a number of the exits that were completed or announced during the June 2021 quarter came from Vantage's underlying funds, VPEG2 and VPEG3, with those exits delivering these Vantage funds an average gross 4.9x return on invested capital representing an average annualised return of 73.9% per annum.



CONTACT DETAILS

Vantage Private Equity Growth Limited

Level 29, Chifley Tower

2 Chifley Square

Sydney NSW 2000 Australia

Vantage Asset Management Pty Limited

Phone: +61 2 9216 9053

Website: www.vpeg.info

Email: info@vantageasset.com

Website: www.vantageasset.com