



QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH LIMITED

QUARTERLY INVESTOR REPORT
30 SEPTEMBER 2021

VPEG DIVERSIFY
GROW
OUTPERFORM



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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 September 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

Media reports indicate that Archer Capital Fund 4 is in negotiations to sell 100% of that fund's shareholding in Supercars to The Australian Racing Group consortium and the TGI Sport consortium

Catalyst Buyout Fund 2 commences the sale process of Vesco during the period and anticipate completion before the conclusion of the 2021 calendar year

With 46 exits completed from the underlying portfolio, VPEG ultimately held interests in 3 underlying company investments at September 2021

PERFORMANCE

The period 1 July 2021 to 30 September 2021 saw continued activity across VPEG's remaining Private Equity portfolio with the media reported announcement of an underlying investment exit at quarter end. The announced exit relates to a portfolio company investment in Archer Capital Fund 4.

As at 30 September 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 September 2021.

The table below provides a summary of the performance of VPEG's Net Asset Value (NAV) during the September 2021 quarter. As demonstrated, VPEG's NAV increased 1.3% from \$0.076 per share to \$0.077 per share. The increase in VPEG's NAV resulted predominately from an increase in the unrealised value of VPEG's remaining portfolio companies.

VPEG expects the remaining investments in the Fund's underlying portfolio will be exited over the remainder FY22, as Catalyst work towards selling the remaining portfolio companies in Catalyst Buyout Fund 2, as that fund reaches the end of its fund term. The Fund will subsequently provide a final distribution to VPEG's shareholders at the conclusion of the Company's investments.

KEY PORTFOLIO DEVELOPMENTS

The September 2021 quarter saw continued Private Equity activity across VPEG's underlying portfolio with the media reported announcement of an underlying investment exit at quarter end.

During September 2021, *The Australian* reported that Archer Capital Fund 4 had reached an agreement to sell 100% of the fund's shareholding in Supercars to The Australian Racing Group consortium and the TGI Sport consortium.

Month Ending	VPEG NAV per Ordinary Share*
30-Sep-21	0.077
31-Aug-21	0.074
31-Jul-21	0.076
30-Jun-21	0.076

* Net Asset Value (NAV) per share post tax

With 46 exits completed, three underlying Private Equity company investments remained within VPEG's underlying portfolio as at 30 September 2021.

All remaining companies in VPEG's underlying portfolio are in the process of being exited over the remainder of the 2022 Financial year, as underlying fund managers work towards creating an exit path for their remaining investee companies, as each of their funds reach the end of their fund term.

RECENTLY ANNOUNCED EXIT

SUPERCARS - ARCHER CAPITAL FUND 4

On 29 September 2021, *The Australian* reported that Archer Capital Fund 4 was negotiating to sell 100% of the fund's shareholding in Supercars to the Australian Racing Group consortium and the TGI Sport consortium. Supercars (formally Australian Touring Car Championship) is the premier motorsport category in Australasia and one of Australia's most watched sports. Globally, it is recognised as the best touring car category in the world and a leader in motorsport entertainment.



The new owners of Supercars will look to tap into digital viewer demand for the racing series via a "digital transformation to broaden viewership reach and expand content offering", and also negotiate more lucrative broadcast and streaming services deals while enhancing "Supercars non-racing content via reality programs, documentaries and e-series".

Once completed, this exit will deliver VPEG with a final distribution to conclude VPEG's investment in Archer Capital Fund 4, with the Fund's net proceeds of the investment to be distributed to VPEG shareholders once received.

PORTFOLIO UPDATE

The update below provides an overview of the three remaining actively managed companies in VPEG's portfolio that constitute 75.7% of VPEG's remaining private equity exposure at quarter end.

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 5.3% of VPEG's remaining Private Equity portfolio as at 30 September 2021.

The key trends in the performance of Cirrus across the September quarter saw 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 with the full launch anticipated during November 2021

The simultaneous development of the Virtual Services Suite, which is the portal through which clients and sales reps can control and monitor their engagement and campaigns with the doctor community is also approaching finalisation. The Company launched the "group chats" within the product and has seen an increase in engagement. Cirrus has now ceased all print operations other than for a tactical monthly title which will operate for the balance of the year and into Q1 2022 for those clients who have pre-allocated budgets for physical print advertising.

The growth of doctors, specialists and clients using the digital platforms of ADG continues to grow. Most of the large Pharma companies have trialed 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 60.4% of VPEG's remaining Private Equity portfolio as at 30 September 2021.

The operating performance for Vesco throughout the September quarter continued to improve. The result reflected positive momentum across the Branded Retail segment with each of On the Menu, Lean Cuisine, Super Nature and Annabel Karmel exceeding budget.

Throughout the period Vesco maintained its expansion plans with the ongoing commissioning of the new Forrestdale facility. This facility will support Vesco's expansion into the Direct-to-Consumer channel and allow for a broader range of chilled ready meals targeting the independent channel along with a wider range of Food Service product lines.

Catalyst Buyout Fund 2 commenced the sale process of Vesco during the period with a target completion by the conclusion of the 2021 calendar year.

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 10.0% of VPEG's remaining Private Equity portfolio as at 30 September 2021.

The September quarter of the 2021 Repco Supercars Championship had events scheduled for Townsville, Sydney Motorsport Park and Perth. However, due to COVID-19 government border and lockdown restrictions, the schedule was altered with a double-header event held in Townsville on back-to-back weekends July, then the remainder of events postponed until the December quarter to provide the greatest opportunity of a return to racing with spectators and hospitality offerings.

Whilst racing stopped in September, the E-Series returned as part of Supercars' strategic direction of 'Always on the Media'. Research continues to show that the E-Series not only drives fan engagement but is a key driver for introducing new audiences to the sport. Building on the platform's success in 2020, the E-Series continued to earn the support of existing commercial partners and attracted two new key partners in Cash Converters and Logitech.

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 20% for the first seven rounds, when compared with like-for-like events in 2020. The NTI Townsville 500 experienced the largest Free-to-Air growth, with a 49% increase compared with the NTI Townsville SuperSprint in 2020. Viewership is up across all platforms, with the strongest growth from Kayo (+77%). Linear TV viewing is also on the increase. Fox Sports audiences are up 12% and free-to-air viewing is up 21%.

Supercars' focus on digital revenue generation continued to show green shoots for growth, key metrics to the end of September against prior year included strong growth in website video views up 14.1% and You Tube Video Views up 53.4%.

Archer Capital management are currently in final negotiations to sell its shareholding in Supercars with a target completion of the sale by the end of December 2021.

PORTFOLIO STRUCTURE

VPEG's PORTFOLIO STRUCTURE - 30 SEPTEMBER 2021

The tables and charts below provide information on the breakdown of VPEG's underlying investments as at 30 September 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 increased 84.0% to 85.6%, with the cash and fixed interest component of the portfolio decreasing from 16.0% to 14.2% of the total portfolio value.

Cash	Short Term Deposits	Private Equity	
11.7%	2.7%	Later Expansion	0.0%
		Buyout	85.6%

With 46 exits completed from the underlying portfolio, VPEG ultimately held interests in 3 underlying company investments at September 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 September 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	60.4%	60.4%
2	Dusk	Catalyst Buyout Fund 2	Specialty Retailer of Candles	24.3%	24.3%
3	Supercars	Archer Capital Fund 4	Premier Motor Sport Events	10.0%	94.7%
4	Cirrus Media	Catalyst Buyout Fund 2	Australian business to business media company	5.3%	100%

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

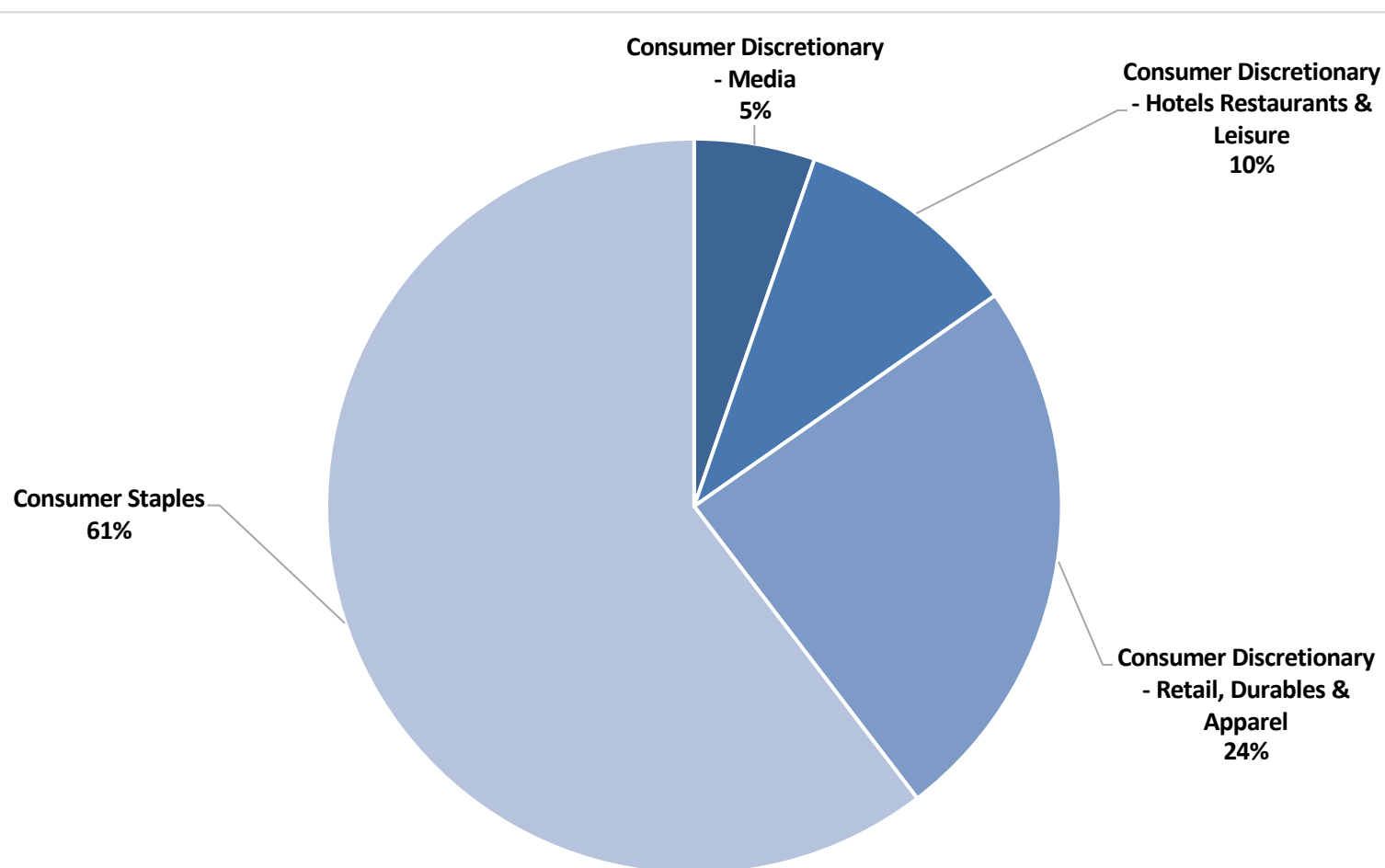
PRIVATE EQUITY PORTFOLIO

VPEG, with remaining commitments to three Private Equity funds, ultimately held interests in three underlying company investments as well as residual holdings of a previously exited and now ASX listed portfolio company and one other previously exited company. VPEG's Private Equity portfolio and commitments, as at 30 September 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 Catalyst Buyout Fund 2 portfolio company Vesco throughout the quarter VPEG's exposure to the "Consumer Staples" industry sector increased from 55.6% to 60.4%, representing VPEG's largest industry sector exposure at quarter end.



Figure; Industry exposure of VPEG's underlying investments

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