

QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH LIMITED

QUARTERLY INVESTOR REPORT
31 DECEMBER 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 31 December 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

Archer Capital Fund 4 completes the sale of previously announced exit Supercars, to The Australian Racing Group consortium and the TGI Sport consortium

The financial performance for Vesco throughout the December 2021 quarter continued to improve, providing a robust platform for potential acquires

With 47 exits completed from the underlying portfolio, VPEG ultimately held interests in two underlying company investments at 31 December 2021

PERFORMANCE

The period 1 October 2021 to 31 December 2021 saw continued activity across VPEG's remaining Private Equity portfolio with the completion of a previously announced company exit. The completed exit relates to a portfolio company investment in Archer Capital 4 Fund, which was announced during the September 2021 quarter.

As at 31 December 2021, the number of actively managed investments remaining within VPEG's underlying portfolio at quarter end was two. In addition, VPEG held residual / earn out interest in one previously exited portfolio company, as at 31 December 2021.

The table below provides a summary of the performance of VPEG's Net Asset Value (NAV) during the December 2021 quarter. As demonstrated, VPEG's NAV decreased slightly from \$0.077 per share to \$0.075 per share. The slight decrease in VPEG's NAV resulted predominately from the management fees and other operating costs of the underlying funds outweighing the investment income across the quarter.

VPEG expects the remaining investments in the Funds 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 one further distribution to VPEG's shareholders at the conclusion of the Company's investments.

KEY PORTFOLIO DEVELOPMENTS

The December 2021 quarter saw continued Private Equity activity across VPEG's underlying portfolio with the completion of a previously announced company exit at quarter end.

During November 2021, Archer Capital Fund 4 completed the Sale of Supercars to Racing Australia Consolidated Enterprises Ltd (RACE). A portion of VPEG's share of the proceeds from the sale was received by the Fund during December 2021.

Month Ending	VPEG NAV per Ordinary Share*
31-Dec-21	0.075
30-Nov-21	0.075
31-Oct-21	0.077
30-Sep-21	0.077

* Net Asset Value (NAV) per share post tax

This exit is the final investment to be sold from Archer Capital Fund 4's portfolio. Upon the final adjustments of this exit being settled, anticipated during the June 2022 quarter, Archer Capital Fund 4 will conduct a final distribution and subsequently wind up the funds operations before the conclusion of the 2022 financial year.

With 47 exits completed, two actively managed underlying Private Equity company investments remained within VPEG's underlying portfolio as at 31 December 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 Catalyst work towards creating an exit path for their remaining investee companies, as that fund reaches the end of its fund term.

PORTFOLIO UPDATE

The underlying portfolio update provided below provides investment update, on the two remaining actively managed companies in VPEG's portfolio that constitute 72.6% 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 4.4% of VPEG's remaining Private Equity portfolio as at 31 December 2021.

The key trends in the performance of Cirrus across the December quarter saw the continued deployment of the Access+ product to the Australian Doctor Group (ADG).

The lock downs in Melbourne and Sydney and the strains placed on health professionals have made for a challenging operating environment. However, the inability of sales reps to be in the field and face to face events has materially increased interest in a range of the ADG products, including Access+ (A+).

During the quarter, management recruited a new head of product and agreed a significant partnership with RxTro, which is a platform for Reps to book meetings with Doctors. The new Head of Product is a proven and firm leader, bringing more focus and expertise to the product development process of A+.

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 68.2% of VPEG's remaining Private Equity portfolio as at 31 December 2021.

The operating performance for Vesco throughout the December quarter continued to improve.

Across the quarter, local and international covid led supply chain disruptions saw challenges for Vesco's raw materials and packaging supply segment of the business. This triggered the need for management to introduce new supply solutions resulting in the incursion of premium air freight costs. This unfortunately caused a substantial increase in freight costs for both imported and export containers.

Vesco management have navigated this challenging period well and have absorbed the disruption by still producing a creditable financial result, while also continuing to advance a broader range of capital projects that support the chilled growth strategy and the planned DtoC offering.

Catalyst continued to make progress with the sale process of Vesco during the period and anticipate a completion across the 2022 calendar year.

PORTFOLIO STRUCTURE

VPEG's PORTFOLIO STRUCTURE - 31 DECEMBER 2021

The tables and charts below provide information on the breakdown of VPEG's underlying investments as at 31 December 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 85.6% to 77.5%, with the cash and fixed interest component of the portfolio increasing from 14.2% to 22.5% of the total portfolio value.

Cash	Short Term Deposits	Private Equity	
19.8%	2.7%	Later Expansion	0.0%
		Buyout	77.5%

With 47 exits completed from the underlying portfolio, VPEG ultimately held interests in 2 actively managed underlying company investments and shares in a previously exited company at 31 December 2021.

SUMMARY OF VPEG'S REMAINING UNDERLYING PRIVATE EQUITY INVESTMENTS

The table below provides an overview of the remaining underlying Private Equity investments and the residual holdings in VPEG's portfolio as at 31 December 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	68.2%	68.2%
2	Dusk	Catalyst Buyout Fund 2	Specialty Retailer of Candles	26.6%	94.8%
4	Cirrus Media	Catalyst Buyout Fund 2	Australian business to business media company	4.4%	99.2%
5	Supercars	Archer Capital Fund 4	Premier Motorsport Events	0.8%	100.0%

Note: As at 31 December 2021 (unaudited) calculated on VPEG's Pre-Tax Net Asset Value (NAV).

PRIVATE EQUITY PORTFOLIO

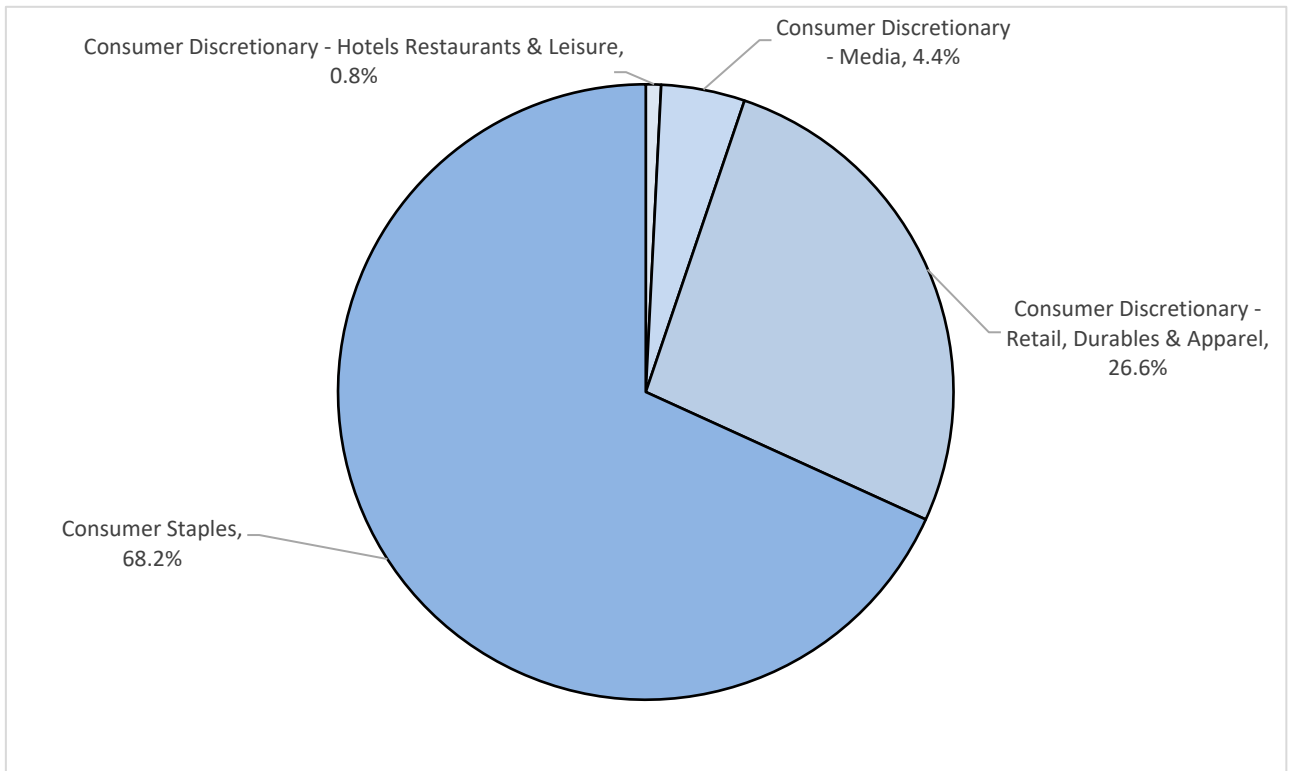
VPEG, ultimately held interests in two underlying company investments as well as the residual holding of a listed portfolio company and one other previously exited company at quarter end. VPEG's Private Equity portfolio and commitments, as at 31 December 2021, were as follows:

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	10
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	47

INDUSTRY SPREAD OF VPEG’S UNDERLYING INVESTMENTS

Due to the completion of the sale of Archer Capital Fund 4’s portfolio company, Supercars, during the quarter, VPEG’s exposure to the “Consumer Discretionary – Hotels Restaurants & Leisure” industry sector decreased From 10.0% to 0.8%.

As a result of this exit and the increase in value of the unrealised proportion of Catalyst Buyout Fund 2’s portfolio company Vesco throughout the quarter VPEG’s exposure to the “Consumer Staples” industry sector increased from 60.4% to 68.2%, representing VPEG’s largest industry sector exposure at quarter end.



Figure; Industry exposure of VPEG’s underlying investments

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