

QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH LIMITED

QUARTERLY INVESTOR REPORT
30 JUNE 2022

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 or the Company) 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. At quarter end, it held interests in two remaining underlying companies and one residual holding in a previously exited company, which is an ASX listed company. In total, there have been 47 completed exits from the portfolio.

As at 30 June 2022, VPEG's only remaining investment commitment is to 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. VPEG's investment commitment of \$8m to Archer Capital Fund 4 ended during the period, with the final distribution occurring in June 2022, which related to the residual proceeds received from the exit of its final portfolio company in December 2021.

SPECIAL POINTS OF INTEREST

With 47 exits completed from the underlying portfolio, VPEG ultimately held interests in two underlying investments and one residual interest from a partial exit at June 2022

VPEG receives the final distribution from Archer Capital Fund 4, with the fund subsequently wound up by quarter end

Catalyst Buyout Fund 2 signs an exclusivity deal with a buyer for the sale of Vesco, who is currently conducting confirmatory due diligence. The current timetable would see a possible sale agreement signed by the end of August, contingent on FIRB approval and the execution of a simultaneous acquisition

PERFORMANCE

The period 1 April 2022 to 30 June 2022 saw continued activity across VPEG's remaining Private Equity portfolio. All remaining active investments are held within Catalyst Buyout Fund 2.

As at 30 June 2022, the number of 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.

The table below provides a summary of the performance of VPEG's Net Asset Value (NAV) during the June 2022 quarter. As detailed, VPEG's NAV decreased 6.5% from \$0.063 per share to \$0.059 per share. A significant majority of the reduction in VPEG's NAV across the quarter was attributable to a drop in the share price of Catalyst's residual holdings, of previously exited and now ASX listed portfolio company Dusk Group Ltd (ASX:DSK), which declined by 35.3% across the quarter, as it was caught up in the negative sentiment impacting public share markets globally across the period. At the time of writing (12 August 2022) the share price of DSK has recovered by 29.3% from its 30 June 2022 price, indicating the likelihood of a rebound in the value of this holding within VPEG's portfolio, during the September 2022 quarter.

VPEG expects the remaining investments in the Catalyst Buyout Fund 2 underlying portfolio will be exited during FY23, as Catalyst work towards selling the remaining portfolio companies in the fund. The Fund will subsequently provide a final distribution to VPEG's shareholders upon liquidation of the Fund.

KEY PORTFOLIO DEVELOPMENTS

The June 2022 quarter saw continued private equity activity across VPEG's portfolio as Catalyst Buyout Fund 2 management worked towards positioning each remaining portfolio for exit.

With 47 exits completed, two actively managed remain underlying private equity company investments and one residual interest in a previously exited company remained in VPEG's portfolio as at 30 June 2022.

Vantage Asset Management as Investment Manager for VPEG is considering alternative options to divest VPEG's remaining portfolio and wind up the Company by the end of the calendar year.

Month Ending	VPEG NAV per Ordinary Share*
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30-Jun-22	0.059
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31-May-22	0.060
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30-Apr-22	0.062
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31-Mar-22	0.063
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* Net Asset Value (NAV) per share post tax

These opportunities will be presented to the Investment Committee as viable options arise and these are deemed to be in the best interest of VPEG's shareholders, by the end of the calendar year.

PORTFOLIO UPDATE

The underlying portfolio update provided below covers the two remaining actively managed companies in VPEG's portfolio, representing 80.9% 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 10.4% of VPEG's remaining Private Equity portfolio as at 30 June 2022.

Access+ subscription products continue to grow, now representing 40% of group revenue, while digital revenues represent >70% and Print continues to decline.

As mentioned last quarter, an internal review was performed over the Access+ development, which resulted in a change in the product leadership and a reset of the work done to date. During the quarter, Cirrus adopted a new platform that is substantially 'off the shelf,' and is on track to be launched in September. The platform will accelerate speed to market, as well as improve the user experience and allow the ADG product team to perform product-specific customisations on the system.

The launch of the new application is an important precursor to the commencement of an exit process.

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 70.5% of VPEG's remaining Private Equity portfolio as at 30 June 2022.

Through the quarter, Vesco continued to be impacted by a range of external events, including supply chain disruptions, employee absenteeism due to Covid infections and price inflation. However, management have been focused on strategies to recover cost increases and improve operational efficiencies. Management are pleased with the overall outcome of these strategies, with all the major retailers having implemented similar shelf price changes, whilst Vesco's key competitors have also executed similar pricing changes. Vesco has also continued to progress a number of major strategic initiatives, including the development of a chilled meals business, with new private label contracts having been signed and a new site being close to completion, as well as the implementation of various major capital projects.

During the quarter, Catalyst Buyout Fund 2 agreed terms and signed an exclusivity agreement with a potential buyer who is conducting confirmatory due diligence. The party is looking to complete a simultaneous acquisition of a materially larger business than Vesco, who operates in an adjacent market and with whom synergies are expected. The current timetable would see a possible sale agreement signed by the end of August, contingent on both FIRB approval and the execution of the other transaction.

PORTFOLIO STRUCTURE

VPEG's PORTFOLIO STRUCTURE - 30 JUNE 2022

The tables and charts below provide information on the breakdown of VPEG's underlying investments as at 30 June 2022.

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 74.3% to 73.2%, with the cash and fixed interest component of the portfolio increasing from 25.7% to 26.8% of the total portfolio value.

Cash	Short Term Deposits	Private Equity	
1.9%	24.9%	Later Expansion	0.0%
		Buyout	73.2%

SUMMARY OF VPEG'S REMAINING UNDERLYING PRIVATE EQUITY INVESTMENTS

The table below provides a summary of the remaining underlying Private Equity investments and the residual holdings of a previously exited investment remaining in VPEG's portfolio as at 30 June 2022.

Rank	Investment	Fund	Description	% of VPEG's Private Equity Portfolio	Cumulative %
1	Vesco	Catalyst Buyout Fund 2	Manufacturer of frozen meals and meal components	70.5%	70.5%
2	Dusk	Catalyst Buyout Fund 2	Specialty Retailer of Candles	19.1%	89.6%
3	Cirrus Media	Catalyst Buyout Fund 2	Australian business to business media company	10.4 %	100.0%

Note: As at 30 June 2022 (unaudited) calculated on VPEG's Pre-Tax Net Asset Value (NAV).

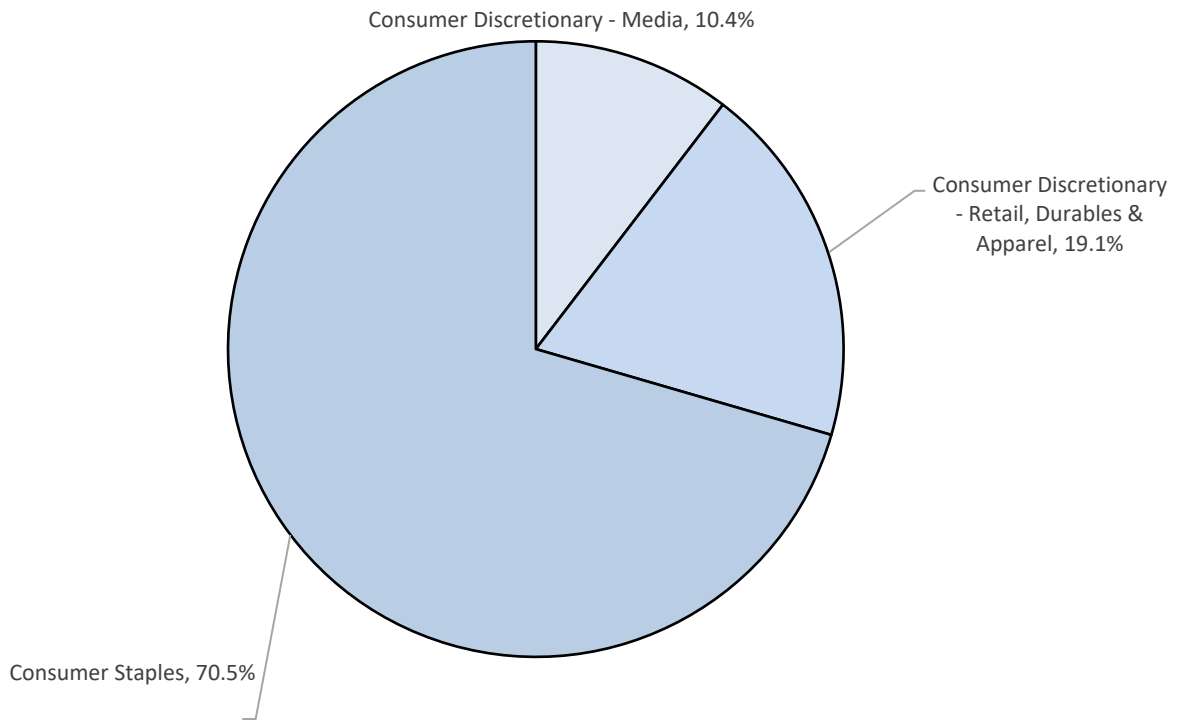
PRIVATE EQUITY PORTFOLIO

VPEG has remaining interests with only one Private Equity fund, Catalyst Buyout Fund 2, which holds interests in two underlying company investments and the residual holding of a previously exited portfolio company. As a result, VPEG's Private Equity portfolio and commitments, as at 30 June 2022, 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

VPEG's "Consumer Staples" industry sector consisting of underlying investment in Vesco Foods, represented the largest industry sector exposure at 70.5% at quarter end.



Figure; Industry exposure of VPEG's underlying investments

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