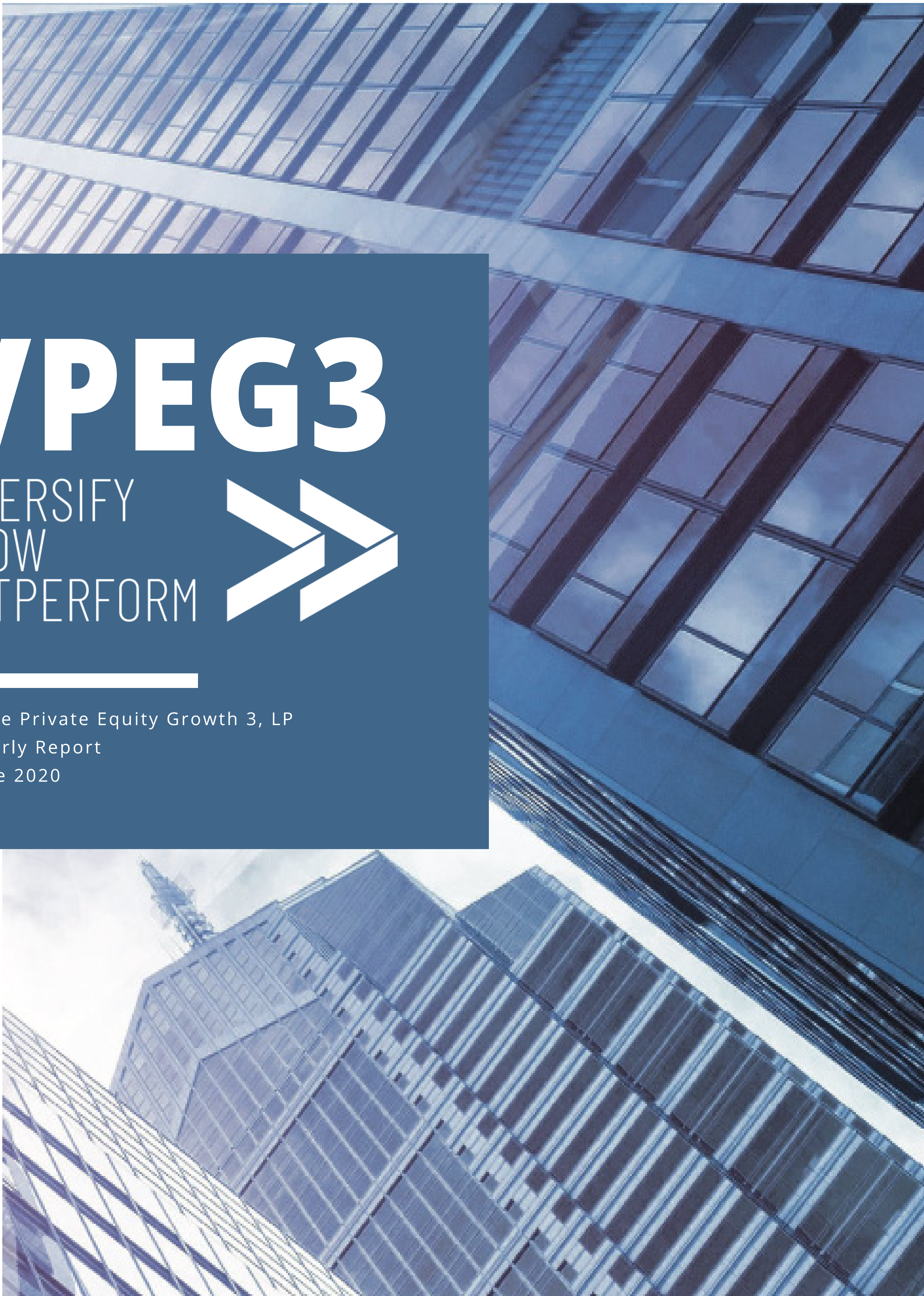

VPEG3

DIVERSIFY
GROW
OUTPERFORM

Vantage Private Equity Growth 3, LP
Quarterly Report
30 June 2020

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SUMMARY

Vantage Private Equity Growth 3 (VPEG3) is a multi-manager Private Equity investment fund consisting of Vantage Private Equity Growth 3, LP (VPEG3, LP) an Australian Fund of Funds (AFOF) Limited Partnership and Vantage Private Equity Growth Trust 3A (VPEG3A) an Australian Unit Trust.

VPEG3, LP is unconditionally registered with the Australian Government Department of Industry, Innovation and Science as a complying investment for the Significant Investor Visa (SIV), focused on investing in the lowest risk sector, of the Venture Capital or Private Equity (VCPE) segment, Growth Private Equity.

VPEG3A has been established to undertake private equity investments that are not permitted to made by an AFOF, in accordance with Australian regulations. As such only VPEG3 Investors that are not SIV investors, are unit holders in VPEG3A. VPEG3A also qualifies as a Managed Investment Trust (MIT) for Australian Tax purposes.

VPEG3 is focused 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 Fund’s investment objective for its Investment Portfolio is to achieve attractive medium term returns on its 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 fund manager, geographic region, financing stage, industry sector and vintage year.

VPEG3 will invest the majority of its Investment Portfolio into Australian based Private Equity funds who in turn are focused on investing into lower to mid-market sized companies headquartered in Australia and New Zealand, with enterprise value of between $25 million and $250 million at investment.

VPEG3 has developed a diversified portfolio of underlying investments by investing into seven underlying Private Equity funds in which it has made investment commitments, who in turn are focused on investments into profitable companies in defensive and growth industry sectors including the Healthcare, Consumer Staple, Information Technology and Agricultural Products.

SPECIAL POINTS OF INTEREST

Advent Partners 2 invests in Medtech, a leading provider of Practice Management Software to over 18,000 GP, Allied Health & Specialist users across Australia and New Zealand

Advent also invests in Flintfox International, a global provider of Trade Revenue Management software and services for large enterprise customers

Mercury Capital Fund 3 acquires Bauer ANZ, Australia's leading magazine publisher with a strong presence also across digital, books and other media across Australia and New Zealand

VPEG3's Net Asset Value improves by 18.7% across the quarter due to an increase in the value of 14 underlying companies at quarter end due to earnings improvements

SUMMARY cont.

As at 30 June 2020, VPEG3 had committed $67.50 million across seven Primary Private Equity Funds and two co-investments. As a result, a total of 33 underlying company investments exist within the portfolio at quarter end. VPEG3's investment commitments include; $12 million to Allegro Fund III; $10 million to each of Adamantem Capital Fund 1, Advent Partners 2 Fund, Anchorage Capital Partners Fund III and Next Capital Fund IV, $7.5 million to Mercury Capital Fund 3 and $7 million to Odyssey Private Equity Fund 8. VPEG3 co-investments include; $0.25 million into Fitzpatrick Financial Group and $0.75 million into Tribe Brewing.

PERFORMANCE

The period 1 April 2020 to 30 June 2020, saw continue activity across the portfolio with three new underlying company investments being completed and added to VPEG3's portfolio. Two of these acquisitions were completed by Advent Partners 2 Fund and one by Mercury Capital Fund 3. In addition to these new underlying investments, the partial realisation of one underlying company was also completed during the period. As a result, the total number of underlying Private Equity investments in VPEG3's portfolio at quarter end was thirty three.

The table to the right provides a summary of the performance of VPEG3, LP's portfolio during the June 2020 quarter. As demonstrated, VPEG3, LP's Net Asset Value (NAV) per dollar of Committed Capital to VPEG3 (the Fund) increased across the quarter initially from $0.419 at 31 March 2020 to $0.535 at 30 April 2020 then dropping back to $0.450 at 30 June 2020.

Month Ending	VPEG3, LP NAV / $ of Committed Capital to VPEG3 ($)
30-Jun-20	0.450
31-May-20	0.532
30-April-20	0.535
31-Mar-20	0.419

The initial increase in NAV was due to the Capital Call issued by VPEG3, LP, paid by all investors during April 2020, equating to 13.125% of total Committed Capital to VPEG3 increasing the Paid Capital to VPEG3, LP to $0.66125 per dollar of Committed Capital to VPEG3 at 30 April 2020. This capital was called into VPEG3, LP to meet the call payments that were due and were to become due, to be paid by the Fund to three underlying funds, for four underlying investments that had been either completed prior to the quarter utilising bridge funding, or were due to be completed during the June quarter. However, when the final call notice was received by VPEG3 from one of those underlying funds during May 2020, it was revealed that the two underlying companies that were to be funded by that remaining call needed to be funded from VPEG3A. This was due to those two investments being not eligible to be held by VPEG3, LP, an Australian Fund of Funds Limited Partnership (AFOF) due to each of their Total Asset Values exceeding the threshold for an investment to be eligible to be held by an underlying fund's Limited Partnership and hence not eligible to ultimately be held by VPEG3, LP.

As a result, during June 2020, VPEG3 re-allocated a portion of the April call monies, equating to 10.5% of the Committed Capital to VPEG3 of all investors except SIV investors, to VPEG3A, so that VPEG3A could then fund the two investments that were not eligible to be held by VPEG3, LP.

As SIV investors are unable to participate in VPEG3A's investments due to Australian Government regulations, an equivalent 10.5% of their Committed Capital to VPEG3 was paid back to their respective Cash Management Trusts (held in escrow to VPEG3, LP) as a recallable distribution, subject to be called back by VPEG3, LP to meet the future call payment obligations of VPEG3, LP as required, all in accordance with the Limited Partnership deed of VPEG3, LP.

Due to the Paid Capital re-allocation to VPEG3A for all investors except SIV investors and the equivalent payment to all SIV Investors of the recallable distribution, of 10.5% of Committed Capital as detailed above, the Paid Capital to VPEG3, LP as at 30 June 2020, reduced to $0.55625 per dollar of Committed Capital to VPEG3.

The second table to the right provides a summary of the performance of VPEG3A's NAV during the June 2020 quarter. As demonstrated, VPEG3A's NAV per unit increased across the quarter from $0.892 to $1.354. A portion of the increase in VPEG3A's NAV at 30 June 2020, was due to the reallocation of Paid Capital from VPEG3, LP to VPEG3A equating to 10.5% of Committed Capital to VPEG3, which resulted in the issue of additional VPEG3A units to all investors except SIV investors at $1.00 per unit. The remaining increase in VPEG3A's resulted from an increase in the unrealised value of the companies across VPEG3A's portfolio during the quarter, due to earnings improvements.

Month Ending	VPEG3A NAV / Unit ($)	VPEG3A NAV / $ of Committed Capital to VPEG3 ($)
30-Jun-20	1.354	0.316
31-May-20	0.893	0.112
30-April-20	0.888	0.111
31-Mar-20	0.892	0.112

On a consolidated basis across both VPEG3, LP and VPEG3A the total NAV per dollar of Committed Capital to VPEG3 increased from $0.531 at 31 March 2020 to $0.761 at 30 June 2020. A portion of the increase in Consolidated NAV was attributable to the additional 13.125% of VPEG3 Committed Capital Paid to VPEG3 entities during the quarter, by all Investors except SIV Investors. Excluding the increase in NAV caused by the increase in Paid Capital, the increase in the VPEG3 Consolidated NAV across the June 2020 quarter was 18.7%. This additional increase in VPEG3 NAV was due to an increase in the unrealised value of a majority of underlying investments across the VPEG3 portfolio at quarter end.

Month Ending	VPEG3 NAV (Consolidated) / $ of Committed Capital to VPEG3 ($)
30-Jun-20	0.761
31-May-20	0.643
30-April-20	0.646
31-Mar-20	0.531

As at 30 June 2020, all VPEG3 Investors had Paid Capital to VPEG3, LP totalling 55.625% of their Committed Capital to VPEG3. Furthermore, all VPEG3 investors, with the exception of SIV investors, had Paid Capital to VPEG3A, totalling 23.0% of their Committed Capital to VPEG3.

KEY PORTFOLIO DEVELOPMENTS

During the June 2020 quarter, VPEG3 continued the development of its Private Equity portfolio with three new underlying company investments completed and added to VPEG3's portfolio. In addition, the partial realisation of one underlying portfolio company was also completed throughout the quarter.

Drawdowns during the quarter from VPEG3, totaling $6,980,795 were paid to Adamantem Capital Fund I, Advent Partners 2, Allegro Fund III, Anchorage Capital Partners Fund III, Next Capital Fund IV and Odyssey Fund 8.

The majority of calls paid during the quarter were to fund new underlying company investments and a follow on investment into an existing underlying company. Additional capital was also called to repay VPEG3's share of the bridge funding facilities utilised by underlying funds to acquire companies in previous quarters as well as other costs associated with the operations of underlying funds, including management fees and due diligence costs incurred in completing new investments.

As a result of these draw-downs VPEG3 issued Call Number 8 to all investors during April 2020, which totalled $0.13125 per dollar of committed capital to VPEG3, for the purpose of funding the repayment of three previously acquired investments and one new investment completed during the quarter.

During April 2020, Allegro Fund III partially realised proceeds from its investment in Value Retail Group, as a result of the sale of Harris Scarfe to Spotlight Group. The proceeds of this realisation were used to pay down the bridge facility utilised by Allegro to originally acquire the Value Retail Group.

During June 2020, Mercury Capital Fund 3 acquired Bauer ANZ, Australia's leading magazine publisher with a strong presence also across digital, books and other media across Australia and New Zealand.

Additionally, during the month of June, Advent Partners 2 completed two new investments which included;

- Medtech, a leading provider of Practice Management Software to over 18,000 GP, Allied Health & Specialist users across Australia and NZ and;

- Flintfox International, a global provider of Trade Revenue Management software and services for large enterprise customer

Furthermore, in June 2020, Anchorage Capital Partners Fund III completed the acquisition of 100% of AHG Refrigerated Logistics, after previously announcing the funds investment in February 2020. (Refer to VPEG3 Quarterly Report March 2020 for details).

Arguably the current economic contraction has signified the beginning of a new cycle in financial markets and the end of a prolonged period of asset inflation and increasing acquisition multiples. VPEG3's underlying managers' report that purchase multiples are starting to follow a similar downward trajectory, to that seen following the 2000 dot-com crash and the Global Financial Crisis of 2008 to 2010.

As a result, there is likely to be an increase in attractive investment opportunities with lower than historical acquisition multiples for VPEG3's underlying funds to deploy capital at conservative valuations, throughout the second half of the calendar year 2020 and into 2021. This re-rating of asset prices and Private Equity's ability to consistently outperform during and following recessionary periods, will ultimately deliver VPEG3 Fund investors with superior risk adjusted returns over the term of the Fund.

"VPEG3'S PORTFOLIO EXPANDS TO THIRTY THREE UNDERLYING COMPANIES OPERATING ACROSS A BROAD RANGE OF INDUSTRY SECTORS"

OVERVIEW OF NEW INVESTMENTS

MEDTECH – ADVENT PARTNERS 2

During June 2020, Advent Partners 2 invested in Medtech, a leading provider of Practice Management Software (PMS) across Australia and New Zealand, delivering an extensive product suite allowing physicians and their staff to manage all administration and clinical aspects of their practices.

Founded in 1989, Medtech is a leading Software as a Service (SaaS) business that provides mission-critical software to ~18,000 GP, Allied Health and Specialist users across Australia and New Zealand. It is the market leader in the New Zealand GP market with significant market share. It offers an all-encompassing suite of features including core practice management and administrative functions, kiosks, SMS reminders, cloud hosting and a range of integrations with third-party providers. The business has a long and successful track record of providing PMS facilities, which is underpinned by its intimate knowledge of practice workflows and high-quality software development. The business has ~50 staff, with core business functions based in Auckland, New Zealand and a customer support office in Melbourne, Australia.

Medtech operates across a large, stable market with growing adjacencies as practices transition from legacy platforms to platforms with enhanced functionality. Medtech is well positioned with its market leading product, Evolution, which is a natural upgrade path for those using its legacy product.

FLINTFOX – ADVENT PARTNERS 2

On 15 June 2020, Advent Partners 2 completed its fifth investment for the fund by acquiring Flintfox, a leading developer of trade revenue management (TRM) software. Flintfox's software is used by global trade and enterprise organisations to manage, track, and reconcile trade promotion and rebate expenditure, and execute multi-channel pricing strategies. The company was founded in 1987 and is based in Auckland, New Zealand. It has over 170 employees primarily in New Zealand and the USA, along with Canada, the UK, Brazil and Singapore.

Flintfox has ~125,000 users located across 24 countries. It is a global leader within the TRM market, offering modularised solutions in the form of price execution and rebate management across all delivery platforms, including SaaS, Private Cloud and On-Premise. Flintfox's global leadership is evidenced by its admission into Microsoft's "Inner Circle" program representing the top 1% of Microsoft Dynamics ERP partners worldwide. The Microsoft relationship has supported Flintfox building a global customer base as its software can seamlessly integrate into MS Dynamics.

BAUER ANZ - MERCURY CAPITAL FUND 3

On 30 June 2020, Mercury Capital Fund 3 announced the acquisition of Bauer ANZ, Australia's leading magazine publisher with a strong presence also across digital, books and other media.

Bauer ANZ consists of Bauer Media Australia Pty Limited, Bauer Media Group (NZ) LP and Bauer Media (NZ) Limited and operates 48 print titles and 30 digital platforms spanning multiple categories including Women's, Homes, Food, Fashion & Beauty, Specialist Motoring and Industry. Key mastheads in the Bauer ANZ portfolio include Australian Women's Weekly, Woman's Day and New Idea.

Bauer operates 4 offices across Australia with a total full time employee base of 662 which includes 267 editorial and 163 advertising permanent staff.

PORTFOLIO STRUCTURE

VPEG3's PORTFOLIO STRUCTURE - 30 JUNE 2020

The tables and charts below provide information on the breakdown of VPEG3's investments as at 30 June 2020.

CURRENT INVESTMENT ALLOCATION

The following tables provide the percentage split of each of the VPEG3 entities, 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 VPEG3's Private Equity portfolio.

As at 30 June 2020, the Private Equity component of VPEG3, LP's investment portfolio consisted of twenty two completed investments for which funds had been called from VPEG3, LP, which include; Hygain Holdings, Ngahuia Group, Endeavour Learning Group, Servian Group, Adventure Holdings Australia Pty Ltd (Oztrail), Mining Technologies Holdings Pty Limited, MessageMedia, SILK Laser & Skin Holdings Pty Ltd, Compass Education, South Pacific Laundries, Zenitas Healthcare, Hellers, Delta Agribusiness, Sushi Sushi, Questas Group, FRANKiE4, Perth Radiology Clinics, Legend Corporation, Squiz, MessageMedia, Mandoe Media and TM Insights. In addition, VPEG3, LP's share of the Bauer ANZ acquisition was called and paid during July 2020.

Cash	Short Term Deposits	Private Equity	
0.1%	2.8%	Later Expansion	44.4%
		Buyout	52.7%

As at 30 June 2020, the Private Equity component of VPEG3A's investment portfolio consisted of eight investments for which funds had been called from VPEG3A, including; Heritage Lifecare, Fitzpatrick Financial Group, Tribe Brewing, Silverchef, TEG, Value Retail Group, CF Asia Pacific and AHG Refrigerated Logistics. In addition, VPEG3A's share of each of the Medtech and Flintfox investments completed during June, utilising Advent's Bridge funding facility, will be called from VPEG3A during the December 2020 quarter.

Cash	Short Term Deposits	Private Equity	
0.1%	0.3%	Later Expansion	13.6%
		Buyout	86.0%

PRIVATE EQUITY PORTFOLIO

VPEG3, with commitments to seven Private Equity funds and two co-investments, ultimately held interests in 33 underlying company investments at quarter end. As a result, VPEG3's Private Equity portfolio and commitments, as at 30 June 2020, were as follows;

Private Equity Fund Name	Fund / Deal Size	Vintage Year	Investment Focus	VPEG3 Commitment	Capital Drawn Down	Total No. of Investee Companies	No. of Exits
Adamantem Capital Fund 1	$591m	2017	Mid Market Expansion / Buyout	$10.0m	$7.87m	6	-
Odyssey Private Equity Fund 8	$275m	2017	Mid Market Growth Capital	$7.0m	$3.89m	5	-
Advent Partners 2 Fund	$300m	2017	Mid Market Expansion / Buyout	$10.0m	$4.56m	5	-
Allegro Fund III	$290m	2017	Mid Market Expansion / Buyout	$12.0m	$4.29m	5	-
Anchorage Capital Partners Fund III	$350m	2017	Mid Market Expansion / Buyout	$10.0m	$5.58m	3	-
Mercury Capital Fund III	$600m	2019	Mid Market Expansion	$7.5m	$2.10m	4	-
Next Capital Fund IV	$275m	2019	Mid Market Expansion	$10.0m	$2.28m	3	-
Co-invest (Fitzpatrick Financial Group)	$200m	2017	Mid Market Expansion	$0.25m	$0.27m	1	-
Co-invest (Tribe Brewing)	$30m	2018	Mid Market Expansion	$0.75m	$0.66m	1	-
			Total	**$67.50m**	**$31.50m**	**33**	**-**

Note; total no. of investee companies includes both completed and announced

SUMMARY OF VPEG3's UNDERLYING PRIVATE EQUITY INVESTMENTS

The table below provides a summary of the top ten underlying Private Equity investments in VPEG3's portfolio for which capital had been called from VPEG3 as at 30 June 2020.

Rank	Investment	Fund	Description	% of VPEG3's Private Equity Investments	Cumulative %
1	Value Retail Group	Allegro Fund III	Retail Merchandising Brands Best & Less & Postie (NZ)	11.2%	11.2%
2	Hellers	Adamantem Capital Fund 1	Producer of Processed Meats in New Zealand	6.7%	17.9%
3	Hygain Holdings Pty Ltd	Adamantem Capital Fund 1	Australian Horse Feed & Supplement Manufacturer & Distributor	6.0%	23.9%
4	Heritage Lifecare Limited	Adamantem Capital Fund 1	New Zealand aged care & retirement village operator	6.0%	29.9%
5	CF Asia Pacific	Anchorage Capital Partners Fund III	Rail Leasing Business	5.9%	35.8%
6	South Pacific Laundry	Anchorage Capital Partners Fund III	Leading national laundry operator	4.9%	40.7%
7	Compass Education	Advent Partners 2 Fund	Student Information System Software / Services Provider	4.8%	45.5%
8	Mandoe	Advent Partners 2 Fund	Digital Signage & Customer Engagement Software Services	4.0%	49.5%
9	Zenitas Healthcare	Adamantem Capital Fund 1	Community-based Healthcare Provider	3.8%	53.3%
10	AHG Refrigerated Logistics	Anchorage Capital Partners Fund III	Temperature Controlled Road and Rail Transport	3.3%	56.6%

INDUSTRY SPREAD OF VPEG3's UNDERLYING INVESTMENTS

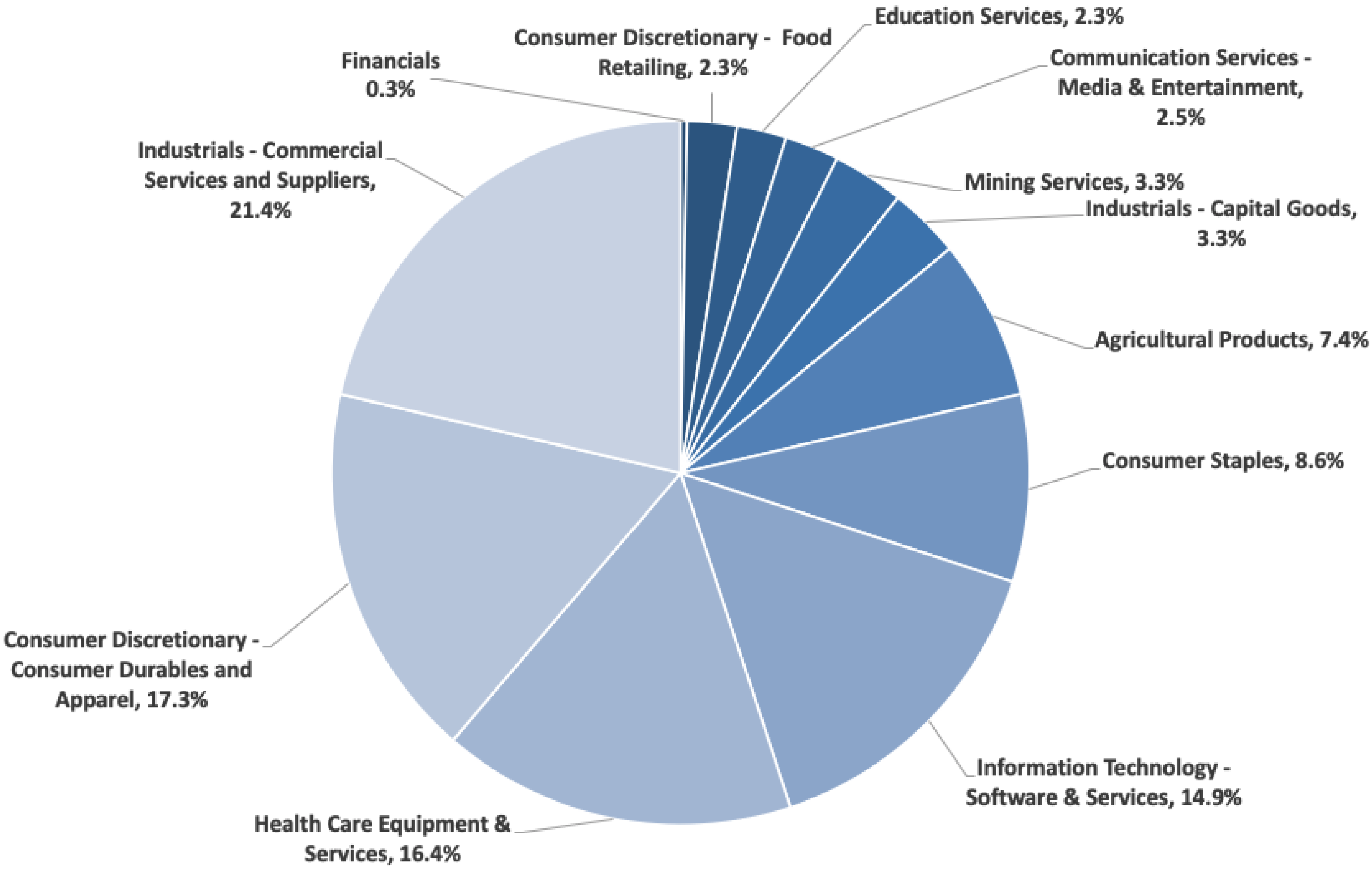
During the June 2020 quarter, capital was called from VPEG3 for its share of the Mandoe Media investment completed by Advent Partners 2 with bridge funding in October 2019. In addition, VPEG3 paid for its share of CF Asia Pacific, which was acquired by Anchorage Capital Partners Fund III in January 2020 utilising a bridging facility. VPEG3 also paid for its share of TM Insight, which was initially acquired by Next Capital IV in December 2019 utilising Next Capital's bridging facility. Finally, capital was paid by VPEG3 for its share of the AHG Refrigerated Logistics acquisition which was completed by Anchorage during the quarter.

As a result of these call payments, VPEG3's exposure to the "Industrials – Commercial services and suppliers" industry sector, which is represented by Legend Corporation Ltd, Questas Group, TM Insight South Pacific Laundry, CF Asia Pacific and AHG Refrigerated Logistics became VPEG3's largest industry sector exposure, representing 21.4% of VPEG3's total portfolio at quarter end.

VPEG3's exposure to the "Consumer Discretionary – Consumer Durables and Apparel" industry sector increased from 11.2% to 17.3% as a result of the uplift in valuations of a number of underlying companies in this industry sector across the quarter. The increase in underlying company valuations in this sector were predominately driven by a growth in like-for-like sales due to an increase in consumer spending, as a result of the various government stimulus programs and a gradual easing of COVID-19 restrictions across most States and regions in Australia and New Zealand during the quarter.

As the investment into Medtech and Flintfox by Advent Partners 2 were initially bridge funded, capital will be called by Advent Partners 2 for VPEG3's share of these investments upon completion of Advent's bridging facility. As such VPEG3's exposure to the "Information Technology – Software & Services" industry sector which is 14.9% at the end of the June quarter will increase when these companies are added, upon the payment of VPEG3's share of these investments during the December 2020 quarter.

INDUSTRY SPREAD OF VPEG3's UNDERLYING INVESTMENTS cont.



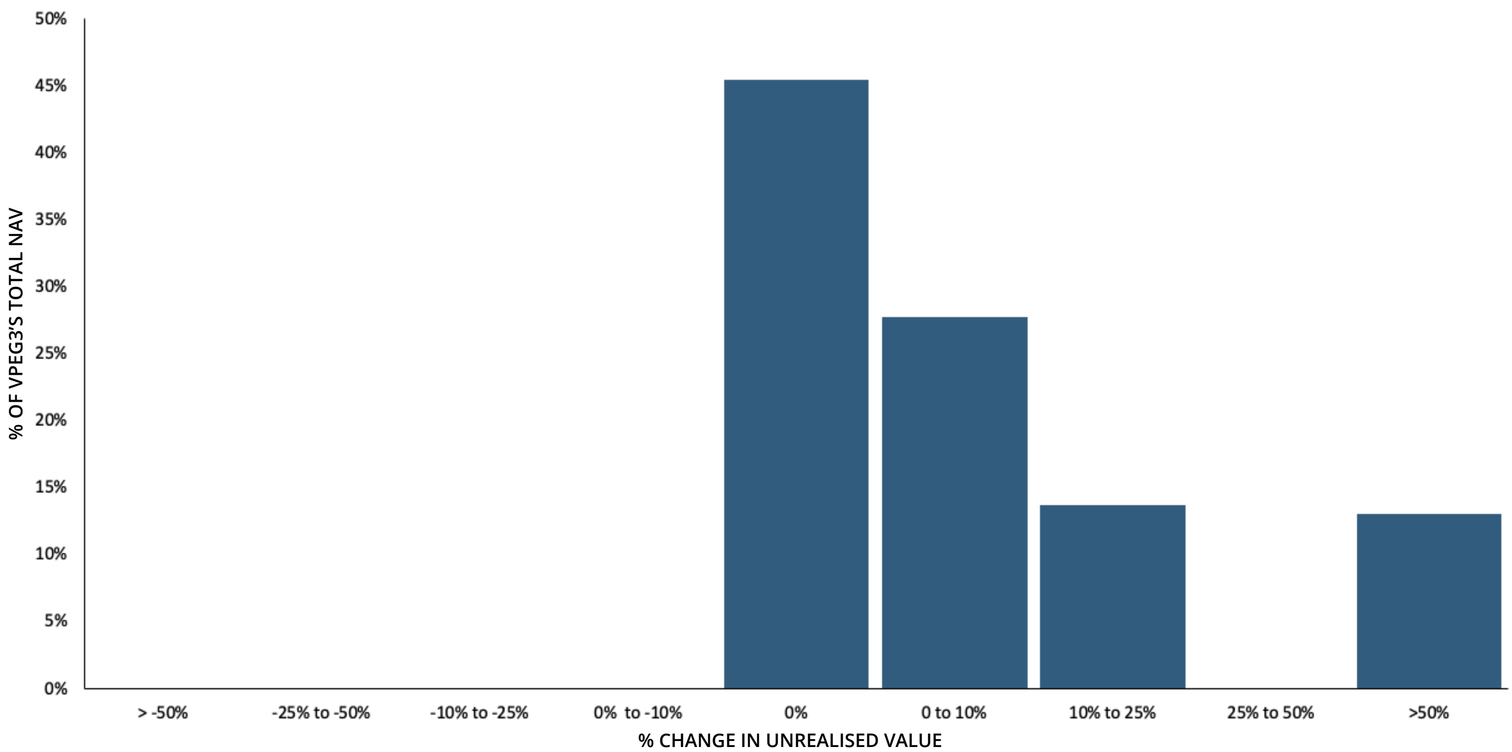
VPEG3 UNDERLYING PORTFOLIO VALUATION UPDATE

The gradual easing of COVID-19 restrictions across Australia and New Zealand during the quarter, combined with the payment of cash to a large proportion of the population, resulting from the various government stimulus packages, lifted consumer sentiment across the quarter. This improved consumer sentiment flowed through to an increase in discretionary spending by consumers towards quarter end. As a result the trading performance of a number of underlying companies in VPEG3's portfolio benefited from this increase in spending which delivered improved revenue and earnings for these companies compared with the previous period.

Due to this improvement in the financial performance of a number of portfolio companies and the requirement for Private Equity managers to fairly value investments in their portfolios at each quarter-end, all of VPEG3's underlying fund managers conducted a review of the valuations of all unrealised investments as at 30 June 2020, in accordance with the valuation guidelines issued by the International Private Equity Valuation Board. This resulted in an uplift in the value of a number of the underlying companies within VPEG3's portfolio.

The graph below details the range of change in the unrealised value of VPEG3's underlying portfolio from 31 March 2020 to 30 June 2020 represented as a percentage of VPEG3's total Net Asset Value at 30 June 2020.

% CHANGE IN UNREALISED VALUE FROM 31 MARCH 2020 TO 30 JUNE 2020



As demonstrated in the chart on the previous page, a majority of companies in **VPEG3's underlying portfolio, representing 55% of total Net Asset Value (NAV)**, increased in value across the quarter with all other companies within the portfolio maintaining their value. Significantly, no underlying company with VPEG3's portfolio reduced in value across the quarter.

During the period many of VPEG3's underlying companies continued to adapt to the evolving operating environments as a result of the pandemic to deliver products and services, that assist customers in various ways. Ultimately, these initiatives have helped to protect and/or increase the value of the underlying companies within VPEG3's portfolio.

VPEG3 COVID-19 PORTFOLIO REVIEW

While most States across Australia have managed to either suppress or eliminate the spread of the coronavirus in recent months, the emergence of the second wave of the virus in Victoria during July and August has seen stage 3 and 4 restrictions introduced across that State. These new restrictions, which will be in place until at least September 2020, will cause a significant slowdown of the Victorian economy as well as drastically impact the operations and financial performance of many non-essential businesses operating in Victoria.

As the Victorian economy represents approximately 25% of Australia's GDP, any halt to economic activity in that State will also impact the recovery of the broader Australian economy. As such, Vantage regards it as necessary at this time to assess the degree to which the situation in Victoria will impact the operations and performance VPEG3's underlying portfolio.

As reported last quarter, VPEG3's underlying portfolio is strongly diversified across a broad range of industry sectors, with the majority of VPEG3's underlying company investments occupying non-cyclical, defensive or growth industry sectors. In addition, VPEG3's portfolio is also highly diversified geographically, with underlying companies operating in numerous locations across most states and regions of Australia and New Zealand.

Due to the high level of diversification of VPEG3's underlying portfolio, the effect of Victoria's recently imposed restrictions on the operations of each portfolio company has varied. However, recent analysis conducted by Vantage reveals that a significant majority of underlying companies across VPEG3's portfolio will likely experience no or a low impact to their financial performance as a result of Victoria's move to Stage 3 / 4 restrictions.

Summary points to note across the VPEG3 portfolio include;

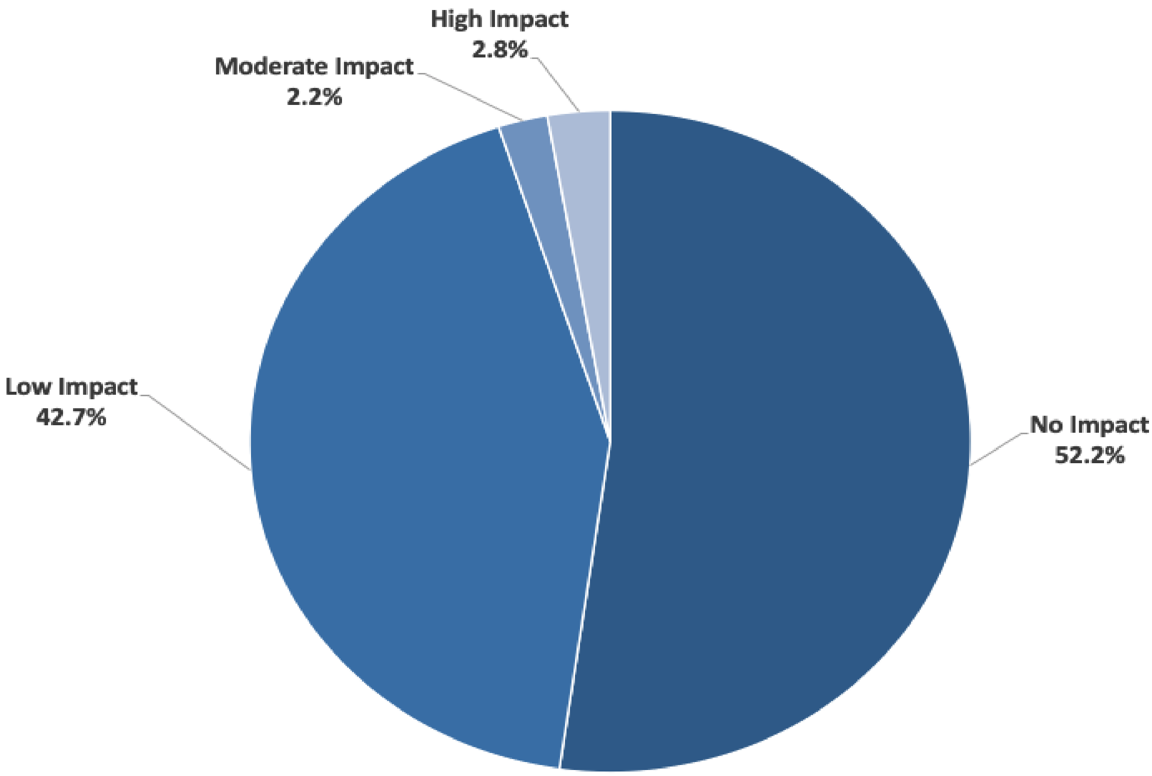
- A total of 30 underlying company investments currently exist within VPEG3's portfolio for which funds have been called from VPEG3

- 28 portfolio companies representing 94.9% of the total consolidated Net Asset Value (NAV) of VPEG3's Portfolio have reported that there will be no impact (52.2% of NAV) or possibly only a low impact (i.e. less than 20% reduction in revenue compared to pre COVID) to their financial performance as a result of the Victorian Government's recently imposed COVID-19 restrictions on that State,

- One portfolio companies representing 2.2% of VPEG3's NAV reported the possibility of only a moderate impact (i.e. less than 50% reduction in revenue) to their financial performance as a result of the Victorian restrictions,

- One portfolio company representing only 2.8% of NAV is likely to experience a High impact (more than 50% reduction in revenue) to its operations and financial performance as a result of the Victorian restrictions.

IMPACT TO REVENUE ACROSS VPEG3's UNDERLYING PORTFOLIO RESULTING FROM VICTORIAN GOVERNMENTS IMPOSED STAGE 3 / 4 RESTRICTIONS



Note; Split as a % of VPEG3's NAV at 30 June 2020

In summary, the high level of diversification across VPEG3's underlying investments significantly reduces the impact of the current government imposed COVID restrictions in Victoria, thus likely to only marginally impact the overall performance of VPEG3's portfolio value. In addition, given the strong oversight of VPEG3's underlying fund managers and the ability for each underlying company to rapidly adapt their strategies to meet the challenges presented by the virus, Vantage is confident that VPEG3's portfolio will continue to grow and ultimately deliver superior risk adjusted returns to investors over the term of the Fund.

MARKET & ECONOMIC CONDITIONS

Disruptions caused by the COVID-19 pandemic have continued to impact both global and domestic demand in Australia and New Zealand during the June 2020 quarter. As a result of a largely successful suppression of the virus (despite the recent outbreak in Melbourne) and significant Government stimulus, Australian equity markets strongly rebounded, reversing most of the losses experienced toward the end of the March 2020 quarter. The Australian economy experienced a significant downturn throughout April as restrictions were strictly enforced. However, as governments began to gradually ease restrictions over May and June, economic activity began to subsequently increase. These movements in economic activity where represented by the Performance of Manufacturing Index (PMI), which crashed in April 2020 to 35.8, down from 53.7 in March, before rebounding to 51.5 at the 30 June 2020 quarter end, due to an overall improvement in demand. The services segment of the PMI however continued its decline throughout the period, dropping from 38.7 in March 2020 to 31.5 in June 2020 – despite the economy beginning to open up from the COVID-19 restrictions. Business sentiment bounced back from its -65 low at the end of March, through to the latest May 2020 reading, which remains negative at -20. Similarly, consumer confidence fell sharply from 91.9 in March 2020 to 75.6 in the following month, before rebounding to 88.1 in May 2020.

Real GDP in Australia is forecast to have experienced its sharpest fall on record during the June quarter. Activity is expected to pick up in the September quarter and beyond, with the continued easing of restrictions in most parts of the country. Real GDP is forecast to fall by 0.25% in 2019-20 fiscal year and by 2.5% in 2020-21 fiscal year. In calendar-year terms, real GDP is forecast to fall by 3.75% in 2020, before increasing by 2.5% per cent in 2021.

A confident sentiment however is viewed among economists as it is expected that both Australian and New Zealand economies are forecast to recover much sooner than in past recessions due to the gradual easing of restrictions in both countries, though it is expected that it will be a long road back to full recovery with the unemployment rate remaining elevated for some time. Both the Federal Government and the Reserve Bank of Australia have remained highly accommodative in their response to the coronavirus pandemic with fiscal and monetary packages being appropriately allocated.

AUSTRALIA / NEW ZEALAND ECONOMIC RESPONSE

In Australia, the Federal Government revised the size of its economic support package to $289bn, representing 14.6% of annual GDP. Australia's JobKeeper scheme has paid out over $30 billion to 3.5 million workers from more than 960,000 businesses. The government has decided to extend multiple support packages beyond September, including:

- A tapered extension of the income support measures, including an additional $20.4bn in reduced payments for JobKeeper (until March 2021) and JobSeeker (until December 2020).
- Additionally, further support packages include $525 million to infrastructure projects in VIC and NSW, a $680 million Home Builder grant and an additional $2 billion JobTrainer skills program.

While Australia's net debt is expected to increase with the expanded support, the country's robust finances prior to the current downturn means that net debt is expected to climb to 35.7% of GDP in June 2021. Treasury estimates a $85.8 billion deficit in 2019-20 and a $184.5 billion deficit in 2020-21, which includes the $16.6 billion JobKeeper extension.

New Zealand's decision to ease most, if not all, restrictions early on during the quarter, has materially improved its country's economic position. In May 2020, the New Zealand government announced that it would borrow an additional NZ$50 billion in the June 2021 fiscal year to be mitigate impact of the COVID-19 pandemic. The government's response to the 8 week extension of its wage subsidy scheme is now up to NZ$14 billion and is being set aside in the event of the country experiencing a second wave outbreak. As a result of the economic support, New Zealand posted a rise in net debt to 25.1% of GDP at the end of May 2020.

In comparison to other world economies, the consensus among professional economists, is that Australia and New Zealand will emerge from the current crisis better than most economies. For instance, the IMF forecasts the Australian economy to contract by 4.5% before rebounding by approximately 4% in 2021. This represents is a 2.2-point improvement on its April outlook and makes Australia second only to South Korea in terms of economic resilience. According to S&P, New Zealand is expected to contract by 5% in 2020 before rebounding by 6% in 2021.

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