

# VPEG3

INVESTMENT MANAGER



## ANNUAL REPORT 2021

For the year ended 30 June 2021  
Vantage Private Equity Growth 3

**DIVERSIFY. GROW. OUTPERFORM.**

## CORPORATE DIRECTORY

### Directors of the General Partner of VPEG3, LP & Trustee of VPEG3A

**Michael Tobin** B.E., MBA, DFS, FAICD  
Managing Director

**David Pullini** B.E., MBA, GDAFI.  
Director

### Notice of Annual General Meeting

### The Annual General Meeting of Vantage Private Equity Growth 3, LP & Vantage Private Equity Growth Trust 3A

Will be held via video conference

Date: 1 December 2021

Time: 11:00am

### Principal Registered Office in Australia

#### **VPEG3, LP**

Level 50  
120 Collins Street  
Melbourne VIC 3000

#### **VPEG3A**

Level 39, Aurora Place  
88 Phillip Street  
Sydney NSW 2000

### Auditors

#### **Ernst & Young**

The EY Centre  
200 George Street  
Sydney NSW 2000

### Solicitors

#### **Corrs Chambers Westgarth**

Level 17, 8 Chifley  
8/12 Chifley Square  
Sydney NSW 2000

# VPEG3

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## GENERAL PARTNER & TRUSTEE'S REPORT

**Vantage Private Equity Growth 3 (the Fund or 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 be 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.

Vantage Asset Management Pty Limited (Vantage) is the General Partner of Vantage Private Equity Management Partnership, LP who in turn is the General Partner of VPEG3, LP. Vantage is also the Trustee of VPEG3A. The General Partner for VPEG3, LP and the Directors of the Trustee for VPEG3A hereby presents their report together with the financial statements of VPEG3, LP and VPEG3A for the year ended 30 June 2021.

### DIRECTORS

The following persons are the Directors of Vantage:

**Michael Tobin**

Managing Director

**David Pullini**

Director

### PRINCIPAL ACTIVITY

The principal activity of the Fund is the investment in professionally managed Private Equity funds focussed on investing in the Later Expansion and Buyout stages of Private Equity, predominately in Australia.

The principal objective of the Fund is to provide investors with the benefit of a well-diversified Private Equity investment portfolio. This is achieved by focusing on providing the majority of its commitments and investments to underlying funds that invest in profitable businesses that are at a more mature stage of development, and in particular the later expansion and buyout stages of Private Equity investment.

As at 30 June 2021, VPEG3 had committed \$67.5m across seven Primary Private Equity Funds and two co-investments. As a result, a total of 38 underlying company investments exist within the portfolio at financial year end. VPEG3's investment commitments include; \$12m to Allegro Fund III; \$10m to each of Adamantem Capital Fund 1, Advent Partners 2 Fund, Anchorage Capital Partners Fund III and Next Capital Fund IV, \$7.5m to Mercury Capital Fund 3 and \$7m to Odyssey Private Equity Fund 8. VPEG3 co-investments include; \$0.25m into Fitzpatrick Financial Group and \$0.75m into Tribe Brewing.

## FUND PERFORMANCE HIGHLIGHTS FOR FY21

- \$5.25m in Additional Capital Drawn by underlying Private Equity Funds
- 5 new underlying company investments added to the portfolio
- 3 underlying company investments sold delivering an average gross 3.6 X multiple of invested capital
- A total of 38 underlying company investments have now been completed with an average hold period of 1.9 years
- \$8.05m in total distributions received from underlying funds during the year,
- \$1.52m in total distributions paid to all VPEG3, LP investors during the year,
- \$22.13m Consolidated Net Profit for the year, across both VPEG3 entities, an increase of 997.3% from FY20
- 56.9% total return to VPEG3 investors, across FY21
- 23.0% p.a. after fees Annualised Return delivered by VPEG3 since inception to 30 June 2021.

## DISTRIBUTIONS

A distribution of **\$1,521,092 (\$0.03** per dollar of Committed Capital to VPEG3) was paid to all VPEG3, LP investors during the March 2021 quarter, due to the partial sale of shares through the successful IPO and ASX Listing of SILK Laser Clinics Australia (ASX:SLA) on 15 December 2020. Following the end of the financial year, a distribution of **\$718,403 (\$0.0802** per unit) was declared to be paid by the Trustee of VPEG3A, representing the net taxable income of VPEG3A, for the period ended 30 June 2021. This distribution will be paid during October 2021, to all investors in VPEG3, except SIV investors, who are not unitholders in VPEG3A.

## ECONOMIC CONDITIONS ACROSS FINANCIAL YEAR 2021

The global economy gradually recovered through the September 2020 quarter, after a severe contraction due to COVID-19. Financial conditions remained accommodative around the world and supportive of the economic recovery. Financial market volatility was low and the price of many assets had risen substantially despite the high level of uncertainty about the economic outlook.

The Reserve Bank of Australia's (RBA) policy package worked as expected and underpinned very low borrowing costs and the supply of credit to households and businesses. There was a high level of liquidity in the Australian financial system and borrowing costs were at record lows during the first six months of FY21. \$81 billion of low-cost funding for authorised deposit-taking institutions (ADIs) had been advanced under the initial allowance of the Term Funding Facility. ADIs had access to a further \$120 billion under this facility.

The unprecedented degree of fiscal and monetary policy stimulus since the outbreak of the pandemic played a key role in supporting the economy. Australia's GDP increased by 3.3% in the September quarter, ending its first recession since 1991. This was the largest Quarter on Quarter GDP increase since 1976. Household consumption in the September quarter rebounded 7.9%, driven by a 9.8% increase in services spending.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### ECONOMIC CONDITIONS ACROSS FINANCIAL YEAR 2021 (CONT.)

COVID related restrictions on domestic travel and social gatherings during the December 2020 and March 2021 quarters were predominately lifted, with both New Zealand and Australian governments commencing their vaccine rollout program in February 2021, albeit at a very slow rates. There was a two-way travel agreement formed between Australia and New Zealand whereby travel was permitted without the requirement to quarantine. Beyond this, international borders were expected to remain closed for the foreseeable future. Slow vaccine rollout in Australia had not impeded economic recovery. In April the IMF forecast the economy will expand 4.5% for the 2021 calendar year, a substantial upgrade to the 3.5% annual growth forecast in January.

Australia's GDP increased by 3.1% quarter-on-quarter in the December quarter. This is the first time in sixty-years quarter-on-quarter GDP has grown by more than 3% in two consecutive quarters. Household consumption increased by 4.3% and the unemployment rate fell from 6.3% to 5.8%. In New Zealand, the December quarter was more subdued.

GDP fell 1% in the December quarter, following a record 13.9% rise in the September quarter. While the unemployment rate fell to 4.9%, the New Zealand economy showed its vulnerability to slowing exports and suspended international tourism with slower growth continuing through the March 2021 quarter.

Since the onset of COVID-19, the Australian government has injected an estimated \$290 billion into the economy through wage subsidies, mortgage relief and support for small businesses, while the New Zealand government spent \$50 billion on similar support measures.

Most of these measures were withdrawn during the March 2021 quarter with no immediate negative impact being felt by the government. However, economists remained cautious about the economic outlook perceiving more downside risk than upside risk to the prevailing mood and consensus forecasts.

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.

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.

At the conclusion of the 2021 financial year the Australian economy grew strongly, with nominal GDP above pre-COVID levels, and the unemployment rate reaching a 10-year low in June of 4.9%. Growth was underpinned by strong consumer spending, aided by high commodity prices, particularly iron ore, and the continued loosening of government monetary policies.

Looking forward, economic activity is expected to pick up in the September 2021 quarter and beyond although somewhat muted in NSW and Victoria due to the recent outbreaks and resulting lockdowns in Sydney and Melbourne. As a result GDP was expected to grow by around 3½ per cent over 2022. The level of GDP is still expected to remain a little below that forecast before the pandemic, mostly due to lower population growth; in per capita terms, GDP is expected to be on a higher trajectory, supported by higher per capita household income and a strong contribution from public demand.

The unemployment rate is expected to continue declining, to around 5 per cent by the end of 2021 and 4½ per cent by the end of the forecast period in mid 2023. The lower forecast unemployment rate results in wages growth and underlying inflation ahead of what was previously anticipated. Inflation is expected to be close to 2 per cent by mid 2023.

### **CONSISTENT MOMENTUM OF PRIVATE EQUITY DEAL FLOW IN VPEG3'S TARGET MARKET SEGMENT**

Despite the ongoing economic uncertainty caused by COVID-19, the Australian and New Zealand private equity industry demonstrated its resilience with the highest number of announced transactions in almost 15 years.

Australia's private equity environment continued to remain buoyant as international investors sought quality investment opportunities in the Australian lower to mid-market. Private Equity managers report that these investors are attracted to companies operating in the lower to mid-market segment in Australia as these business have predominately demonstrated strong cash flows and resilience throughout the pandemic.

Aided by the considerable amount of consumer and business spend in retail, technology, Industrials and Healthcare companies across the previous quarters, these businesses have exhibited strong levels of liquidity, enabling many of these companies to continue to improve their performance despite interruptions to their operations caused by the various COVID lockdowns imposed in certain locations. In addition, a significant proportion of VPEG3's portfolio companies have an emphasis on growth initiatives, which as the economic recovery has come to fruition, has accelerated the adoption of their businesses offering's, leading to an increase in demand for the products or services of these companies.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### CONSISTENT MOMENTUM OF PRIVATE EQUITY DEAL FLOW IN VPEG3'S TARGET MARKET SEGMENT (CONT.)

The exit environment was strong across FY21 with a number of successful exits achieved through the IPO market, via trade sales and also via secondary sales to larger institutional sponsors. The buoyant IPO market offered fund managers an alternative to strategic or sponsor-to-sponsor deals as an exit path.

However, consistent with previous years momentum, private equity managers often turned to trade sales or secondary sales as their preferred exit route due a stronger likelihood for a 100% exit at completion.

### REVIEW OF VPEG3 OPERATIONS

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.

The General Partner of VPEG3, LP has been appointed as an authorised representative of Vantage who in turn is the Trustee of VPEG3A and the skills and expertise of the full Vantage team is utilised to undertake the Investment Management of the Fund.

Established in 2004, Vantage is a leading independent investment management company with expertise in Private Equity, funds management, manager selection and operational management. Vantage is Australian owned and domiciled with operations in Sydney and Melbourne and holds Australian Financial Services Licence (AFSL) No. 279186.



The Fund completed its first close, on 16 January 2017, allowing VPEG3 to commence its investment program and completed its final close on 15 January 2019 with total committed capital of \$50.7m.

In general, Application Monies received from Investors are initially invested in a Cash Management Trust (CMT) now managed by Vasco Custodians Pty Ltd (Escrow Agent). An Escrow Deed exists between the Escrow Agent and the General Partner such that as investments are proposed to be made by the Fund, funds will be drawn from the CMT to meet the Fund's obligations in relation to those investments and other Fund expenses.

Investors who indicated in their Application Form a Committed Capital amount of at least \$1,000,000 (or such other amount determined by the General Partner) (Large Investors) initially only paid 5% of their Committed Capital (Initial Contribution) at the time of their application to the Fund's application account. The Application Monies of Large Investors is initially invested in Liquid Investments until they are required to be drawn to meet the Fund's investment obligations and other expenses.

The remainder of the Committed Capital will be progressively called from the Cash Management Trust or directly from Large Investors and paid to the Fund when a capital call is issued by the Fund Manager to meet the investors' pro rata share of the obligations of the Fund, including the funding of its underlying investments as they are made.

As a result of additional capital being called across FY21, directly from investors or drawn from the CMT for all other investors, the total Paid Capital to VPEG3, LP increased to 62.0% of every investors total Committed Capital to VPEG3. In addition, the total Paid Capital to VPEG3A increased to 25.0% of the total Committed Capital to VPEG3 of all investors, except SIV investors, as at 30 June 2021.

As at 30 June 2021, VPEG3 had committed \$67.50m across seven Primary Private Equity Funds and two co-investments. As a result, a total of 38 underlying company investments exist within the portfolio at quarter end. VPEG3's investment commitments include; \$12m to Allegro Fund III; \$10m to each of Adamantem Capital Fund 1, Advent Partners 2 Fund, Anchorage Capital Partners Fund III and Next Capital Fund IV, \$7.5m to Mercury Capital Fund 3 and \$7m to Odyssey Private Equity Fund 8. VPEG3 co-investments include; \$0.25m into Fitzpatrick Financial Group and \$0.75m into Tribe Brewing.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### VPEG3'S PRIVATE EQUITY PORTFOLIO AND COMMITMENTS, AS AT 30 JUNE 2021, WERE AS FOLLOWS:

VPEG3, with commitments to seven Private Equity funds and two co-investments, ultimately held interests in 38 underlying company investments. As at 30 June 2021, VPEG3's Private Equity portfolio and commitments, 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
<b>Adamantem Capital Fund I</b>	\$591m	2017	Mid Market Expansion / Buyout	\$10.0m	\$7.87m	6	1
<b>Odyssey Private Equity Fund 8</b>	\$275m	2017	Mid Market Growth Capital	\$7.0m	\$4.31m	6	–
<b>Advent Partners 2 Fund</b>	\$300m	2017	Mid Market Expansion / Buyout	\$10.0m	\$5.93m	5	1
<b>Allegro Fund III</b>	\$290m	2017	Mid Market Expansion / Buyout	\$12.0m	\$4.49m	5	1
<b>Anchorage Capital Partners Fund III</b>	\$350m	2017	Mid Market Expansion / Buyout	\$10.0m	\$5.58m	3	–
<b>Mercury Capital Fund III</b>	\$600m	2019	Mid Market Expansion	\$7.5m	\$3.90m	6	–
<b>Next Capital Fund IV</b>	\$275m	2019	Mid Market Expansion	\$10.0m	\$3.65m	5	–
<b>Co-invest (Fitzpatrick Financial Group)</b>	\$200m	2017	Mid Market Expansion	\$0.25m	\$0.28m	1	–
<b>Co-invest (Tribe Brewing)</b>	\$30m	2018	Mid Market Expansion	\$0.75m	\$0.66m	1	–
<b>TOTAL</b>				<b>\$67.50m</b>	<b>\$36.67m</b>	<b>38</b>	<b>3</b>

Note 1. total no. of investee companies only includes completed investments as at 30 June 2021.

As a result of the continued investment activity by VPEG3's underlying funds, the total value of funds drawn from VPEG3 into Private Equity investments during the year increased by 16.2% from \$31.50m at 30 June 2020 to \$36.67m at 30 June 2021.

This resulted in an increase of the number of underlying company investments in VPEG3's portfolio from thirty three to thirty eight during the year. In addition, four "bolt on" acquisitions were completed by three existing portfolio companies, to expand their operations during the period.

## NEW UNDERLYING PRIVATE EQUITY COMPANY INVESTMENTS COMPLETED DURING THE YEAR INCLUDED:

### by Odyssey Fund 8

- **MTB Direct (March 2021)**, a leading online store for mountain bike parts, riding apparel and accessories.

### by Mercury Capital Fund 3

- **ResourceCo (December 2020)**, a global leader in the recovery and re-manufacturing of primary resources, extracting maximum value from materials otherwise destined for landfill.
- **GreenOptions (April 2021)**, a leader in the Australian commercial landscape maintenance market, and the preeminent operator in the maintenance of elite sports turfs and educational facility landscapes.

### by Next Capital Fund IV

- **Eptech Group (July 2020)**, a privately-owned specialist contractor providing asset preservation, life extension and maintenance services to the marine sector (defence and commercial) and other critical transport and infrastructure assets in Australia.
- **Enviropacific Services (December 2020)**, a market leading environment remediation specialist delivering tailored engineering and applied science solutions for the prevention and treatment of solid and liquid contamination in Australia.

## SIGNIFICANT BOLT ON ACQUISITIONS COMPLETED DURING THE YEAR INCLUDED:

### by Adamantem Capital Fund 1

- In December 2020, **Legend Corporation** completed the bolt-on acquisition of **Mpower**, further broadening Legend Corporations business into the solar panel segment, batteries and emergency lighting. This strategic acquisition gives rise to material cross-sell opportunities for range of renewable and conventional power systems within Legend's extensive product offering. In April 2021, Legend Corporation also completed an additional bolt-on acquisition of **Acculec**, a leading designer and supplier of high voltage (HV) products used by power utilities, infrastructure, renewable power and industrial projects in Australia and New Zealand. The acquisition significantly extends the capabilities of Legend's HV Power business and enables the Group to provide a wider range of solutions to customers in a number of growing end-markets.

### by Allegro Fund III

- In February 2021, **Questas Group** completed the bolt-on acquisition of **Swanson Industries Australia**, a hydraulics service and repair business headquartered in Newcastle. In addition, Questas also completed the acquisition of **Meadow Industries**, a Hunter-based hydraulics service and repair business, further adding to the operations of Questas Group. These acquisitions reflect the ongoing execution of the Questas investment strategy to consolidate the largely fragmented hydraulics and water industry to ultimately generate synergies and increase the value of the Questas Group.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### SUMMARY OF TOP TEN UNDERLYING COMPANY INVESTMENTS

The table below provides a summary of the top 10 underlying company investments in VPEG3's portfolio, for which funds have been drawn from VPEG3, as at 30 June 2021. As demonstrated in the table, the top 10 investments in VPEG3's underlying portfolio represented 59.9% of VPEG3's total Private Equity Portfolio as at 30 June 2021.

RANK	INVESTMENT	FUND	DESCRIPTION	% OF VPEG3 PRIVATE EQUITY PORTFOLIO	CUMULATIVE %
1	<b>Best &amp; Less Group</b>	Allegro Fund III	Australia's Leading Value Apparel Specialty Retailer	18.3%	18.3%
2	<b>Compass Education</b>	Advent Partners 2 Fund	Student Information System Software / Services Provider	6.6%	24.9%
3	<b>Questas Group</b>	Allegro Fund III	Network of Niche Industrial Businesses across Australia	5.7%	30.6%
4	<b>Hellers</b>	Adamantem Capital Fund I	Producer of Processed Meats in New Zealand	5.1%	35.7%
5	<b>Railfirst Asset Management</b>	Anchorage Capital Partners Fund III	Rail Leasing Business	4.8%	40.5%
6	<b>Heritage Lifecare Limited</b>	Adamantem Capital Fund I	New Zealand Aged Care & Retirement Village Operator	4.6%	45.1%
7	<b>Medtech</b>	Advent Partners 2 Fund	Provider of Practice Management Software to the Healthcare Sector	4.2%	49.3%
8	<b>Hygain Holdings Pty Ltd</b>	Adamantem Capital Fund I	Australian Horse Feed & Supplement Manufacturer & Distributor	3.6%	52.9%
9	<b>SILK Laser Clinics Australia</b>	Advent Partners 2 Fund	Premium Provider of Laser and Skin Rejuvenation Services	3.6%	56.5%
10	<b>South Pacific Laundry</b>	Anchorage Capital Partners Fund III	Leading National Laundry Operator	3.4%	59.9%

## COMPLETED EXITS DURING FY2021

On 15 December 2020, **Advent Partners 2** completed the successful exit of **SILK Laser Clinics Australia** via an IPO. This exit represented VPEG3's first exit from the Funds underlying portfolio.

Advent Partners 2 made its initial investment in SILK on 31 January 2018 and since this time Advent has supported SILK to become a national leader in the Australian non-surgical aesthetics market taking its network of clinics from 12 to over 50. This growth included greenfield clinic expansion, an acquisition of a rival network of clinics which were subsequently rebranded SILK and the purchase and relaunch of a proprietary skincare brand Aesthetics Rx.

SILK Laser Clinics Australia (ASX: SLA) listed on 15 December 2020 at a share price of \$3.45, implying an enterprise value of \$162 million. Upon listing Advent Partners 2 realised a portion of their investment holding representing 2.0x of the Fund's original investment in SILK, with the Fund retaining 28% of SILK post IPO.

Once fully completed the exit will deliver top quartile performing returns for Advent Partners 2 investors, including VPEG3 investors. The realised proceeds from the IPO were distributed by Advent to VPEG3 on 18 December 2020 and subsequently distributed to VPEG3 investors during the March 2021 quarter.

During February 2021, **Allegro Fund III** completed the 100% sale of **Ngahua Group Ltd** to Tahua Partners.

In October 2017, Allegro Fund III partnered with existing management via an Management Buyout ("MBO") to acquire New Zealand's Leading footwear retail group, which includes Number One Shoes and Hannahs, with the group subsequently named Ngahua Group.

At the time of the acquisition to two shoe retailers had a total of 112 stores across New Zealand and greater than 30% share of the growing value and middle segment of the NZ footwear market. Allegro applied its unique approach and large operating partner team with skills across branding, operations and strategy to partner with management to accelerate the transformation of Ngahua.

The business pursued an aggressive customer and digital led strategy while shrinking its physical footprint and lowering its operating cost base. The business also invested in its data capability to drive CRM and digital marketing across its 1m+ customer database.

The sale of Ngahua Group provided Allegro Fund III and its investors, including VPEG3 with a strong investment return across a 3.4 year investment period.

In April 2021 **Adamantem Capital Fund I** completed the sale of portfolio company, **Servian** to US technology firm Cognizant Technology Solutions.

Following Adamantem's acquisition of Servian in June 2018, the business successfully executed on its growth strategy increasing consulting staff from 200 to over 500, acquired two businesses to expand their service offering, grew the New Zealand operations, established a presence in Singapore and the UK and strengthened their tier 1 cloud partnerships. The sale of Servian provided Adamantem Capital Fund I investors, including VPEG3 with a strong return across a 2.5 year investment period.

These three exits completed during FY21 generated strong investment returns, with an average gross 3.6 X multiple of invested capital delivered across an average investment hold period of 3 years.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### FINANCIAL PERFORMANCE OF VPEG3, LP AND VPEG3A

During the year to 30 June 2021, Limited Partner contributions to VPEG3, LP totalled \$3,232,320 down from \$11,471,615 that were contributed by Limited Partners across the year ended 30 June 2020. The additional contributions were received following the issue of call notice across the year, with Call number 9 for 6.375% of the total Committed Capital to the Fund paid in November 2020. As a result, total Paid Capital in VPEG3, LP as at 30 June 2021 was \$31,435,946, representing \$0.62 per dollar of committed capital to the Fund.

During the year to 30 June 2021, Unitholder contributions to VPEG3A totalled \$716,800, which was less than the \$5,376,000 that was contributed by Unitholders across the year ended 30 June 2020. The additional contributions were received following the issue of one call notice across the year, with Call number 4 for 2% of the total Committed Capital to the Fund paid in September 2020.

As a result, total Paid Capital in VPEG3A as at 30 June 2021 was \$8,960,000, representing \$0.25 per dollar of committed capital to the Fund.

Total distribution income received from underlying Private Equity funds was \$6,822,259 for VPEG3, LP and \$1,229,941 for VPEG3A. The breakdown of distributions and interest received for VPEG3, LP and VPEG3A is shown in the table below.

SOURCE OF INCOME FY2021	VPEG3, LP	VPEG3A	VPEG3 CONSOLIDATED
Distribution Income Received from Underlying Private Equity Funds	\$6,820,909	\$1,229,921	\$8,050,830
Interest on Cash and Short Term Deposits	\$1,350	\$20	\$1,370
<b>TOTAL</b>	<b>\$6,822,259</b>	<b>\$1,229,941</b>	<b>\$8,052,200</b>

Distributions received from underlying funds during the year were in the form of dividends, capital gains, return of capital and other interest income received from underlying company investments. Distributions received by VPEG3, LP were predominately as a result from the exits of SILK Laser Clinics (December 2020), By Advent Partners 2 and Servian (April 2021), by Adamantem Capital Fund I. Additionally, VPEG3, LP received dividends from three underlying companies within the portfolio which related to the strong financial performances throughout the financial year.

Distributions received by VPEG3A during the period were predominately as a result from the exit of Ngahua Group (February 2021), by Allegro Fund III. Additionally, VPEG3A received the Return of Capital distribution related to redemption of preference shares from underlying investment Hellers and the refunding of unused capital from Adamantem Capital Fund I to VPEG3A.

VPEG3's total funds invested in cash and term deposits as at 30 June 2021 were \$4,476,003 for VPEG3, LP, up from \$2,348,669 at 30 June 2020 and \$388,916 for VPEG3A up from \$25,884 at 30 June 2020. The mix of investments in cash and term deposits provides an income yield while ensuring an appropriate level of liquidity, to meet future calls by underlying Private Equity fund managers, as new private company investments are added to the portfolio.

Operational costs, excluding revaluations, incurred by the Fund for the year ended 30 June 2021 totalled \$893,365 for VPEG3, LP, an increase of 73.6% from the \$514,667 incurred for FY20 and \$308,721 for VPEG3A a decrease of 59.7% compared to the \$766,977 incurred in FY20. The majority of these expenses consisted of adviser referral fees and the costs associated with the management of the Fund.

Furthermore, a revaluation increment of \$17,042,012 for VPEG3, LP was booked for the year ended 30 June 2021. This revaluation increment resulted predominately from the increase in the unrealised value of a majority of VPEG3, LP's underlying companies across the financial year. The uplift in unrealised value across the portfolio throughout the period was attributed to the increased earnings across the portfolio of companies as a result of the continued increase in business and consumer spending and further easing of COVID-19 related restrictions across the 2021 financial year.

However, there was a revaluation decrement of \$1,758,337 for VPEG3A for the year ended 30 June 2021, due to the reallocation of an underlying portfolio company from VPEG3A being transferred to VPEG3, LP due to that underlying company becoming an eligible VCLP complying investment, ultimately allowing the underlying asset to be held by VPEG3, LP, an Australian Fund of Funds Limited Partnership (AFOF).

As a result of VPEG3, LP's reporting a substantial net gain in the value of its underlying investments, offset by the operation costs of the Fund, VPEG3, LP recorded total profit for the financial year ended 30 June 2021 of \$22,970,906.

However, due to the operational costs exceeding income received by VPEG3A across the year, combined with the reduction in fair value of the Trust because of the reallocation of an underlying portfolio company to VPEG3, LP, VPEG3A recorded a loss of \$837,117 for the year.

As a result, Net Assets attributable to Partners in VPEG3, LP increased from \$22,606,629 at 30 June 2020 to \$47,288,763 at 30 June 2021. A portion of the growth in Net Assets was due to the increase in the Paid Capital of Investors from \$0.556 / \$ of Committed Capital to VPEG3 at 30 June 2020 to \$0.62 / \$ of Committed Capital to VPEG3 at 30 June 2021. The remainder of the growth in VPEG3, LP's Net Assets was largely attributed to the \$17,042,012 revaluation increment recognised for the year ended 30 June 2021 as well as the increase in the unrealised value of a majority of the VPEG3, LP's remaining portfolio companies across the financial year period.

Net Assets attributable to Unitholders in VPEG3A decreased from \$11,414,597 at 30 June 2020 to \$10,575,877. The reduction was predominately due to the FY21 tax distribution payable of \$718,403 to all investors in VPEG3, except SIV investors, offset by the increase in the Paid Capital of investors, excluding SIV investors, from \$0.23 / \$ of Committed Capital to VPEG3 at 30 June 2020 to \$0.25 / \$ of Committed Capital to VPEG3 30 June 2021.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### CHANGE IN NET ASSET VALUE / DOLLAR OF COMMITTED CAPITAL TO VPEG3

The below graph summarises VPEG3's Consolidated NAV / \$ of Committed Capital performance since inception to 30 June 2021.

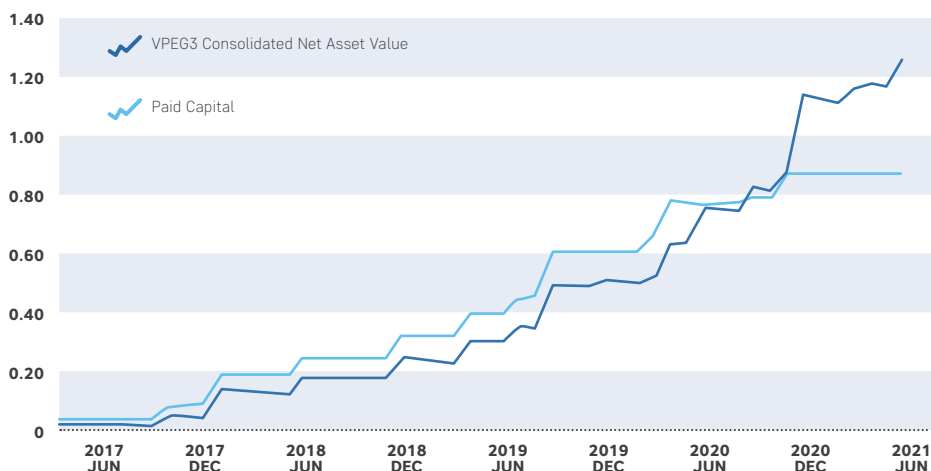


Figure: VPEG3's Consolidated Net Asset Value / \$ of Committed Capital movements since inception to 30 June 2021.

As demonstrated in the graph above, VPEG3's consolidated Net Asset Value (NAV) increased from \$0.761 / \$ of Committed Capital to VPEG3 at 30 June 2020 to \$1.248 / \$ of Committed Capital to VPEG3 at 30 June 2021.

Taking into account capital calls paid by Investors to VPEG3 and distributions paid by VPEG3 to Investors during the financial year, VPEG3's Consolidated total return to Investors across FY21 was 56.9%.



VPEG3's underlying Private Equity fund managers all value their underlying portfolio of companies in accordance with the International Private Equity Investment Valuation Guidelines that have been adopted by the Australian Investment Council (AIC), including the revised "look through" approach, which deducts debt like items and other working capital impacts (i.e. working capital deficits or debt build-ups resulting from the subsequent COVID impact) from the enterprise value, to estimate fair value. All of VPEG3's underlying managers adhered to these guidelines and applied these recommendations to all underlying individual investments that VPEG3 has exposure to at period end.

Each of VPEG3's underlying company investments, once acquired, have demonstrated improved financial performance due to the value creation strategies that have been implemented across the portfolio by underlying Private Equity Fund managers.

Across VPEG3's underlying portfolio of investments, cumulative Revenue and EBITDA has increased by 57.2% and 50.9% respectively since the initial investment into each company. These results have been accomplished by underlying fund managers focusing on earnings enhancement initiatives such as top-line growth, operational improvement and strategic bolt-on acquisitions, following the initial investment of each company. As these companies mature and continue to be revalued in line with earnings growth, their improved value will result in increasing gains to VPEG3's overall value and performance.

With 68% of VPEG3's underlying portfolio companies having been held long enough to be revalued above their initial cost of investment, it is expected that net returns to investors will continue to improve as the remainder of the portfolio matures and further exits occur over the term of the Fund.

With three companies now sold from VPEG3's underlying portfolio across the past financial year, the total number of exits from the portfolio is expected to increase over 2022 and into 2023. These three exits have delivered VPEG3 a gross 3.6x multiple of invested capital across an average hold period of 3.0 years.

As a result of the strong level of distributions received from underlying funds across the year as well as the increase in the value of unrealised investments, the total improvement in unit holder value across FY21 represented a gain of 56.9%. This has subsequently contributed to a consolidated net of all fees annualised return for VPEG3 investors of 23.0% p.a. since the final close of the Fund on 31 January 2019. As VPEG3's underlying portfolio further matures, the number of companies sold from the portfolio will accelerate over the course 2022 and into 2023, delivering continued distributions and ultimately an attractive risk adjusted return to VPEG3 investors over the term of the Fund.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year ended 30 June 2021, VPEG3 continued with the development of its investment portfolio. There were no significant changes in the state of affairs of either Fund entity during the period.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to 30 June 2021, the sale of two underlying companies from VPEG3's private equity portfolio where announced. These exits where announced by VPEG3 investees Mercury Capital Fund 3 and Allegro Fund III. Following the completion of the sale of these companies, expected during the September and December 2021 quarters, the total number of companies sold from VPEG3's portfolio will increase to five. Recent exits included;

During June 2021, **Mercury Capital Fund 3** announced the 100% sale of **MessageMedia** for AUD\$1.7 billion to Sinch, a leading global cloud communications business listed on the Nasdaq Sweden. Following Mercury Capital's initial investment into MessageMedia via Mercury Capital Fund 2 in August 2018, the business transformed from a primarily Australian and New Zealand SMS provider to the leading global Server Message Block (SMB) Customer Engagement platform. Mercury Capital Fund 3 subsequently invested in MessageMedia across two tranches (November 2019 and January 2020), along with an additional follow-on investment by Mercury Fund 2.

This exit marked an excellent investment for Mercury Capital and at the time of announcement marked one of the largest ever deals for an Australian technology company.

Once completed, the sale will deliver Mercury Capital Fund 3 investors, including VPEG3 with a strong return on investment across a 1.6 year investment period. VPEG3's share of the net sale proceeds of MessageMedia will be distributed to all VPEG3 investors once the sale is completed during the second half of 2021.

On 26 July 2021, **Allegro Fund III** portfolio Company **Best & Less Group (ASX:BST)** successfully listed on the ASX after experiencing significant institutional and retail investor demand, raising \$60 million at \$2.16 per share, representing a Market Capitalisation of \$271 million. The IPO was more than 2.4x oversubscribed by institutional and retail investors. The IPO followed a strategic \$40 million equity investment from BB Retail Capital (BBRC), a private investment firm founded and chaired by experienced retail entrepreneur Brett Blundy.

Since acquiring the business in December 2019, Allegro repositioned BST from being a discount retailer to a value apparel, specialty retailer, with a 245-physical store network in Australia and New Zealand and an online platform across its two brands. Across Allegro's ownership to date, EBITDA at BST has grown by almost 3 times from \$24.5m in FY19 to \$71.6m in FY21, with revenues of \$663.2m in FY21. Allegro Fund III sold ~31% of the Fund's share holding in the IPO with the remaining ~43% of Allegro's shares held in escrow until release of the Company's H1 FY23 financial results. The partial exit of the Best & Less Group delivered Allegro Fund III investors, including VPEG3, with an exceptionally strong investment return across a 1.5 year investment period, with the partially realised proceeds expected to be received by VPEG3 and distributed to all VPEG3 investors during the December 2021 quarter.

In addition to these completed and announced exits two new underlying company investments were completed and added to VPEG3's portfolio.

In July 2021, **Allegro Fund III** completed the acquisition of **Toll Global Express**, an Australian transportation and logistics company with operations in road, rail, sea, air and warehousing. Toll Global Express includes Toll's courier and express parcels arms, as well as its palletised, intermodal and shipping operations, and its New Zealand business. Its assets include 39 planes, dozens of depots and thousands of trucks and containers. The biggest contributor to the Group is express parcels, which include same-day delivery and next-day delivery and makes more than \$1 billion a year revenue.

Also in July 2021, **Mercury Capital Fund 3** announced an investment in **E&P Financial Group Limited (E&P)**, an ASXlisted diversified financial services business, with service offerings across wealth management, funds management and corporate advisory.

Further details of the recent exits and new investments of the Fund will be provided in the VPEG3 September 2021 quarterly investor report to be emailed to all investors during November 2021 and available on the Fund's website at [www.vpeg3.info](http://www.vpeg3.info). The manager expects the number of exits from within the underlying portfolio to continue as the Private Equity portfolio matures over the coming year.

In the opinion of the General Partner and Directors, no other matter or circumstance has arisen since 30 June 2021 to the date of this report that otherwise has significantly affected, or may significantly affect:

- a) the Fund's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the Fund's state of affairs in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The operations of the Fund will continue as planned with new underlying investments to be made by (and through) underlying Private Equity funds. Additionally, as the portfolio progressively matures, the manager expects the first exit to occur in VPEG3's underlying portfolio to be completed by calendar year end with a number of other exits to subsequently follow as underlying fund managers engage in discussions with prospective acquirers.

## ENVIRONMENTAL REGULATION

The operations of this Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

## INFORMATION ON INVESTMENT COMMITTEE MEMBERS

The following persons served of VPEG3's Investment, Audit and Risk Committee (Investment Committee) during the period and up to the date of this report:

**Roderick H McGeoch** AO, LLB.  
 Chairman of Investment Committee  
 (Independent)

**Patrick Handley**  
 Independent Investment Committee Member

**Michael Tobin**  
 Investment Committee Member  
 and Managing Director Vantage

**David Pullini**  
 Investment Committee Member  
 and Director of Vantage

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)



**RODERICK  
H. MCGEOCH**

**AO, LLB**

**INVESTMENT COMMITTEE  
CHAIRMAN (INDEPENDENT)**

### Experience and expertise

Rod is the immediate past Chairman Emeritus of Corrs Chambers Westgarth, a leading Australian law firm and has significant board and advisory experience. His current board positions include; Chairman of Chubb Insurance Australia Limited, Chairman of BGP Holdings PLC, Director of Ramsay Healthcare Limited, Director of Ramsay Healthcare Limited, Director of Destination NSW and a Director of Corporation Airports America. Rod is also deputy Chairman of the Sydney Cricket and Sports Ground Trust. Rod was also previously a member of the International Advisory board of Morgan Stanley Dean Witter, one of the world's leading financial institutions and also the Honorary Chairman of the Trans-Tasman Business Circle and the Co-Chairman of the Australia New Zealand Leadership Forum.

Rod was also the Chief Executive Officer of Sydney's successful Olympic bid and a Director of the Sydney Organising Committee for the Olympic Games. Rod was awarded membership of the Order of Australia for services to Law and the Community in 1990. In 2013 Rod was made an Officer of the Order of Australia (AO) for distinguished service to the community through contributions to a range of organisations and to sport, particularly through leadership in securing the Sydney Olympic Games.

### Special responsibilities

Chairman of the Investment Committee and member of the Audit Committee.



**PATRICK  
HANDLEY**

**B.COM., MBA.**

**INVESTMENT COMMITTEE  
MEMBER (INDEPENDENT)**

### Experience and expertise

Pat has over 30 years of international financial services experience and is currently the Chairman of Mason Stevens Pty Limited. Pat was previously Chairman of Pacific Brands Ltd where he oversaw the turnaround of the company after it was purchased from Pacific Dunlop in a Management Buyout led by the Private Equity fund managers Catalyst and CVC Asia Pacific in 2001.

Pat was also previously an Executive Director and Chief Financial Officer of Westpac Banking Corporation, where during his tenure he established the first Quadrant Capital fund in 1994. Pat has also been Chairman and Chief Executive Officer of County Savings Bank (USA), Chief Financial Officer of BancOne Corporation (USA), and a Director of Suncorp Metway Limited, AMP Limited and HHG.

Pat holds a Bachelor of Commerce in Economics and Mathematics from Indiana University and an MBA from Ohio State University.

### Special responsibilities

Chairman of the Audit Committee.



## **MICHAEL TOBIN**

**B.E., MBA, DFS, FAICD**

**INVESTMENT COMMITTEE  
 MEMBER AND MANAGING  
 DIRECTOR OF VANTAGE**

### **Experience and expertise**

Michael is responsible for the development and management of all private equity fund investment activity at Vantage and its authorised representatives, and has managed Vantage's funds share of investment into over \$13.5 billion of Australian Private Equity funds resulting in more than \$8.5 billion of equity funding across 140 underlying portfolio companies.

Michael is also responsible for the operational and compliance management of all Vantage managed funds and investment vehicles. Michael has over 30 years' experience in private equity management, advisory and investment as well as in management operations.

Michael was formerly Head of Development Capital and Private Equity at St George Bank where he was responsible for the management and ultimate sale of the bank's commitments and investments in \$140m worth of St George branded private equity funds. Michael also established the St George Bank's private equity advisory business, which structured and raised private equity for corporate customers of the bank. Michael has arranged and advised on direct private equity investments into more than 40 separate private companies in Australia across a range of industry sectors. Michael holds a BE (UNSW), an MBA (AGSM) and a Diploma of Financial Services (AFMA) and is a Fellow of the Australian Institute of Company Directors.

### **Special responsibilities**

Managing Director of Vantage and Executive Member of the Audit Committee.



## **DAVID PULLINI**

**BE, MBA, GDAFI.**

**INVESTMENT COMMITTEE  
 MEMBER AND DIRECTOR  
 OF VANTAGE**

### **Experience and expertise**

David is a Director of Vantage and has more than 25 years of general management, business development, investment, advisory, acquisitions and divestment experience. In 2005 David was a founding partner of O'Sullivan Pullini, a firm that became recognised as a leading investment bank in Australia. O'Sullivan Pullini completed M&A transactions worth over A\$10 billion in value across multiple industry sectors and to a broad cross-section of clients. The firm was particularly active in advising in the Private Equity space, including successful advisory mandates for Kohlberg Kravis Roberts (KKR) on the acquisition of the Australian businesses of Cleanaway and Brambles Industrial Services from Brambles Industries, the establishment of a A\$4 billion joint venture with the Seven Network and the later divestment of Cleanaway.

Prior to co-founding O'Sullivan Pullini, David managed international corporate businesses for fifteen years in Australia and Europe. For the eight years David was based in Europe, he managed a portfolio of Brambles European based businesses. David has deep experience and understanding of the key drivers of profitable business growth and the levers of value creation. David holds a BE Hons. (UTS), an MBA (IMD) and a Graduate Diploma of Applied Finance (SIA).

### **Special responsibilities**

Director of Vantage and Executive Member of the Investment Committee.

## GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

### MEETINGS OF INVESTMENT, AUDIT AND RISK COMMITTEE

The number of meetings of the investment committee held during the period ended 30 June 2021, and the number of meetings attended by each committee member were:

DIRECTOR	MEETINGS OF INVESTMENT, AUDIT & RISK COMMITTEE	
	A	B
<b>Roderick H McGeoch AO*</b>	6	6
<b>Patrick Handley*</b>	6	6
<b>Michael Tobin</b>	6	6
<b>David Pullini</b>	6	6

A = Number of meetings attended.  
B = Number of meetings held during the year whilst committee member held office.  
\* = Independent members of investment, audit and risk committee.

Vantage will, out of Fund Property, and to the extent permitted by law, purchase and maintain insurance, and pay or agree to pay a premium of insurance for each Member against any liability incurred by the Member as a Member of the Investment Committee including but not limited to a liability for negligence or for reasonable costs and expenses incurred in defending proceedings.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

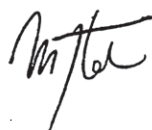
During the financial year, the VPEG3, LP and VPEG3A paid a combined premium of \$19,238 in relation to insurance cover for the General Partner of VPEG3, LP, the Trustee of VPEG3A and its Directors and officers and the VPEG3 investment committee members in relation to the operations of VPEG3.

In accordance with the Fund's partnership deed and trust deed, the General Partner and Trustee will be indemnified out of the Fund in respect of all fees, expenses and liabilities incurred in relation to the Fund unless the General Partner or Trustee has acted with fraud, gross negligence or in breach of Fund.

Also, in accordance with the Investment, Audit & Risk Committee Charter & Agreement entered into between Vantage and each Investment Committee member, Vantage will indemnify Investment Committee Members out of Fund Property for any liabilities incurred by Investment Committee Members in properly performing their role, except to the extent such liability results from the fraud of or breach of duty by the Investment Committee Member.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court to bring proceedings on behalf of the General Partner of VPEG3, LP or the Trustee of VPEG3A or intervene in any proceedings to which the General Partner of VPEG3, LP or the Trustee of VPEG3A is a party for the purpose of taking responsibility on behalf of the General Partner of VPEG3, LP or the Trustee of VPEG3A for all or any part of those proceedings. The General Partner of VPEG3, LP and the Trustee of VPEG3A were not parties to any such proceedings during the year. This report has been made in accordance with a resolution of the directors of Vantage Asset Management Pty Limited.



**Michael Tobin**  
Managing Director



**David Pullini**  
Director

Sydney  
29 October 2021

# **VPEG3, LP**

# **Financial**

# **Statements**

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# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 \$	2020 \$
<b>INVESTMENT INCOME</b>			
Distribution income	2	<b>6,820,909</b>	-
Interest income		<b>1,350</b>	4,593
Net changes in fair value of investments held at fair value through profit or loss	5	<b>17,042,012</b>	(855,097)
<b>Total investment income</b>		<b>23,864,271</b>	(850,504)
<b>OPERATING EXPENSES</b>			
Tax compliance fee		<b>(12,085)</b>	(12,683)
Audit fees		<b>(18,335)</b>	(17,842)
Adviser referral fees		<b>(188,636)</b>	(74,753)
Insurance expense		<b>(15,649)</b>	(9,517)
Investment administration fees		<b>(12,222)</b>	(12,259)
Investment committee fees		<b>(122,639)</b>	(105,444)
Management fees		<b>(498,138)</b>	(281,381)
Registry fees		<b>(22,399)</b>	(31,124)
Other expenses reimbursed		<b>(3,262)</b>	30,336
<b>Total expenses</b>		<b>(893,365)</b>	(514,667)
<b>Profit / (loss) from operating activities</b>		<b>22,970,906</b>	(1,365,171)
<b>Profit / (loss) attributable to the Partners</b>		<b>22,970,906</b>	(1,365,171)
Other Comprehensive Income		-	-
Total other comprehensive income for the year		-	-
<b>Total comprehensive income / (loss) for the year</b>	8	<b>22,970,906</b>	(1,365,171)

The accompanying notes form part of these Financial Statements.



VANTAGE PRIVATE EQUITY GROWTH 3, LP

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	<b>4,476,003</b>	2,348,669
Receivables	4	<b>136,657</b>	479,568
<b>Total current assets</b>		<b>4,612,660</b>	2,828,237
<b>Non-current assets</b>			
Investments at fair value through profit or loss	5	<b>42,849,075</b>	21,487,735
<b>Total non-current assets</b>		<b>42,849,075</b>	21,487,735
<b>Total assets</b>		<b>47,461,735</b>	24,315,972
<b>LIABILITIES</b>			
Creditors	6	<b>172,972</b>	1,709,343
<b>Total liabilities</b>		<b>172,972</b>	1,709,343
<b>Net assets</b>		<b>47,288,763</b>	22,606,629
<b>PARTNERS' FUNDS</b>			
Partner contributions	7	<b>31,435,946</b>	28,203,626
Partner distributions	9	<b>(1,521,092)</b>	-
Accumulated profit / (loss)	8	<b>17,373,909</b>	(5,596,997)
<b>Total Partners' Funds</b>		<b>47,288,763</b>	22,606,629

The accompanying notes form part of these Financial Statements.

# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	PARTNER CONTRIBUTIONS \$	RETAINED EARNINGS \$	PARTNER DISTRIBUTIONS \$	TOTAL \$
<b>Balance at 1 July 2019</b>		<b>16,732,011</b>	<b>(4,231,826)</b>	<b>-</b>	<b>12,500,185</b>

### COMPREHENSIVE INCOME

Interest income	-	(1,365,171)	-	(1,365,171)
Other comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive income / (loss) for the year attributable to Partners</b>	-	<b>(1,365,171)</b>	-	<b>(1,365,171)</b>

### Transactions with owners, in their capacity as owners

Partner contributions	7	16,795,437	-	-	16,795,437
Partner return of callable capital / reallocation of paid capital		(5,323,822)	-	-	(5,323,822)
<b>Total transactions with Partners</b>		<b>11,471,615</b>	-	-	<b>11,471,615</b>
<b>Balance at 30 June 2020</b>		<b>28,203,626</b>	<b>(5,596,997)</b>	<b>-</b>	<b>22,606,629</b>

### COMPREHENSIVE INCOME

Profit for the year	-	22,970,906	-	-	22,970,906
Other comprehensive income / (loss)	-	-	-	-	-
<b>Total comprehensive income / (loss) for the year attributable to Partners</b>	-	<b>22,970,906</b>	-	-	<b>22,970,906</b>

### Transactions with owners, in their capacity as owners

Partner contributions	7	3,232,320	-	-	3,232,320
Distribution to Limited Partners	7	-	-	(1,521,092)	(1,521,092)
<b>Total transactions with Partners</b>		<b>3,232,320</b>	-	<b>(1,521,092)</b>	<b>1,711,228</b>
<b>Balance at 30 June 2021</b>		<b>31,435,946</b>	<b>17,373,909</b>	<b>(1,521,092)</b>	<b>47,288,763</b>

VANTAGE PRIVATE EQUITY GROWTH 3, LP

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Income distributions received		<b>6,820,909</b>	-
Interest received (including equalisation interest)		<b>3,567</b>	2,376
Interest income		<b>(528,420)</b>	(1,107,007)
Distributions paid to investors	9	<b>(1,521,092)</b>	-
<b>Net cash used in operating activities</b>	11	<b>4,774,964</b>	(1,104,631)
<b>Cash flows from investing activities</b>			
Payments to acquire investments		<b>(4,319,328)</b>	(10,395,025)
Repayments received from VPEG3A		<b>800,000</b>	4,763,200
Payments to VPEG3A		<b>(800,000)</b>	(4,763,200)
<b>Net cash used in investing activities</b>		<b>(4,319,328)</b>	(10,395,025)
<b>Cash flows from financing activities</b>			
Partner capital contributions received	7a	<b>3,232,320</b>	16,795,437
Partner capital contributions reallocated to VPEG3A		-	(3,763,200)
Refund of redrawable capital to investors	6	<b>(1,560,622)</b>	-
<b>Net cash from financing activities</b>		<b>1,671,698</b>	13,032,237
Net increase in cash and cash equivalents		<b>2,127,334</b>	1,532,581
Cash and cash equivalents at beginning of the year		<b>2,348,669</b>	816,088
<b>Cash and cash equivalents at end of the year</b>	3	<b>4,476,003</b>	2,348,669

The accompanying notes form part of these Financial Statements.

# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial reporting framework

Vantage Private Equity Growth 3, LP ("the Partnership", "VPEG3, LP") is a registered partnership, is not a reporting entity as in the opinion of the directors of Vantage Private Equity Growth Management, LP (the General Partner) as there are unlikely to exist any users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the reporting requirements under the Partnership Deed of VPEG3, LP.

The financial statements are presented in Australian dollars and were authorised for issue on 29 October 2021.

#### Statement of compliance

This special purpose financial report has been prepared in accordance with the Partnership Deed, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations and the disclosure requirements of Accounting Standards AASB 101 "Presentation of Financial Statements", AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors", AASB 107 "Statement of Cash Flows" and AASB 1054 "Australian Additional Disclosures". The disclosure requirements of other accounting standards have not been adopted in full. AASB 127 "Consolidated and Separate Financial Statements" has not been adopted in preparation of this special purpose financial report.

#### Significant accounting policies

Significant accounting policies adopted in the preparation of the financial statements are set out below. Accounting policies have been consistently applied to the period presented, unless otherwise stated.

#### Basis of preparation

The financial report is prepared on an accruals basis and is based on historical costs, except for the revaluation of certain financial instruments which are carried at their fair values. Cost is based on the fair value of the consideration given in exchange for assets.

#### New and revised standards that are effective for these financial statements

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### a) Cash and cash equivalents

Cash comprises cash at banks and on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **b) Investment income**

### *i) Interest income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

### *ii) Net changes in fair value of investments held at fair value through profit or loss*

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred. Unrealised gains and losses are not assessable or distributable until realised.

### *iii) Distribution income*

Fund distributions are recognised as revenue when the right to receive payment is established. Distribution income includes return of capital and capital gains arising from the disposal of underlying investments.

## **c) Investments at fair value through profit or loss**

Investments are classified as financial assets at fair value through profit or loss.

Under AASB 9, financial instruments are classified as fair value through profit or loss. The equity instruments are measured at fair value with changes in the fair value being recognised directly to profit or loss. The Partnership classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Partnership's portfolio of financial assets is managed and its performance is evaluated on a fair value basis.

At initial recognition, the Partnership measures financial assets at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value of the financial assets or at fair value through profit or loss category are presented in the statement of comprehensive income in the period in which they arise. All transaction costs for such instruments are recognised directly in the Statement of Comprehensive Income.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Partnership has transferred substantially all of the risks and rewards of ownership.

## **d) Expenses**

Expenses are brought to account on an accruals basis.

# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### e) Distributions and taxation

Under current legislation, the Partnership is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the investors. The Limited Partners of VPEG3,LP are taxed individually on their share of the net partnership income or loss. There is therefore no accounting for income tax in the accounts of VPEG3,LP.

The Partnership Deed provide that retentions from the proceeds of investment realisations are permitted in certain circumstances, including fulfilling obligations in respect of investments and paying for management and administration expenses of the Partnership. Distributions are payable as soon as practicable after they become available. Any distributable (taxable) income not already paid through the financial year is payable at the end of June each year. Distributions are recognised as a reduction of partners' funds.

The benefits of imputation credits and passed on to Limited Partners.

#### f) Trade and other receivables

Trade and other receivables are measured at amortised cost less any impairment.

#### g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Payables in the balance sheet are shown inclusive of GST.

Cash outflows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### h) Payables

Trade and other payables are measured at amortised cost.

## **i) Critical accounting estimates and judgments**

In the application of the Partnership's accounting policies, the manager is required to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually bases its judgements, estimates and assumptions on historical experience and other factors that are considered to be relevant. The accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### *i) Fair value of financial instruments*

The valuation of investments is based upon the net assets attributable to interest holders as noted in the underlying investee funds' audited financial statements. Each investee fund will select an appropriate valuation technique for financial instruments that are not quoted in an active market.

This valuation is based upon a fair estimation of values (which are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, market volatility, investment stage, estimated cash flows etc.) as determined by the Manager of the investees on the following basis:

#### *ii) Fair value information*

The fair values of financial assets are determined by reference to active market transactions where possible, however the majority of managed investee companies are unlisted Australian companies and there are no direct, quoted market prices available. In this case, fair value estimates are made at a specific point in time, based on market conditions and information about the specific financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, market volatility, investment stage, estimated cash flows etc) and therefore cannot be determined with precision.

Valuations are inherently based on forward looking estimates and judgements about the underlying business, its market and the environment in which it operates.

# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### i) Critical accounting estimates and judgments (CONT.)

##### iii) *Fair estimation of values*

Where new investments are made within the reporting year and no significant changes have occurred in the underlying business since acquisition, the investment may be maintained at cost or fair value.

Estimated valuations for other entities are primarily based on multiples of EBITDA or EBIT, depending on the industry for each investee. In estimating the valuations, a range of multiples is used to determine a range of outcomes. EBITDA or EBIT are based on forward estimates of the investees' performance based on past, present and future views of performance.

##### iv) *Coronavirus (COVID-19) pandemic*

The COVID-19 pandemic is impacting the current economic climate in which the underlying investee fund's portfolio of investments operate both directly and/or indirectly:

- Valuations at year-end have been prepared based upon underlying audited financial statements of investee funds assimilating all the known factors at that time;

- Any forecasts and budgets used by investee funds in the valuation approach are subject to variations beyond the underlying fund managers control. However continued market uncertainties exist subsequent to year end and Vantage Private Equity Growth 3LP's Manager, Vantage Asset Management Pty Limited, is in constant contact with the management of its underlying investee funds to assess the impact (if any); and
- Valuations are monitored and adjusted, where required, on a month to month basis, as investee funds provide updated net asset valuations which are based upon their own forecasts and budgets as they become available.

Judgement has therefore been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Partnership based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the investee operates.

#### j) **Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.



## NOTE 2. REVENUE AND OTHER INCOME

	2021 \$	2020 \$
Distribution income	<b>6,820,909</b>	-

## NOTE 3. CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank	<b>4,476,003</b>	18,669
Term deposits	-	2,330,000
	<b>4,476,003</b>	2,348,669

### Reconciliation of cash

CASH AT THE END OF THE FINANCIAL YEAR AS SHOWN IN THE CASH FLOW STATEMENT IS RECONCILED TO ITEMS IN THE BALANCE SHEET AS FOLLOWS:

	<b>4,476,003</b>	2,348,669
<b>Cash and cash equivalents</b>	<b>4,476,003</b>	2,348,669

## NOTE 4. RECEIVABLES

	2021 \$	2020 \$
<b>Current receivables</b>		
GST receivable	<b>10,707</b>	-
Interest receivable on term deposit	-	2,217
Other receivables - VPEG3A	<b>125,950</b>	477,351
<b>Total other receivables</b>	<b>136,657</b>	479,568

# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	NOTE	2021 \$	2020 \$
<b>NON-CURRENT</b>			
INTERESTS IN UNLISTED PRIVATE EQUITY FUNDS / LIMITED PARTNERSHIPS AT FAIR VALUE THROUGH PROFIT OR LOSS:			
	5a	<b>42,849,075</b>	21,487,735

#### a) Movements in fair values

MOVEMENTS IN FAIR VALUES OF INVESTMENTS THROUGH PROFIT OR LOSS BETWEEN THE BEGINNING AND THE END OF THE YEAR.

Balance at beginning of year	<b>21,487,735</b>	11,947,807
Calls	<b>4,319,328</b>	10,395,025
Revaluation	<b>17,042,012</b>	(855,097)
<b>Balance at end of the financial year</b>	<b>42,849,075</b>	21,487,735

**b) Vantage Private Equity Growth 3 has committed capital to underlying funds amounting to \$67.5m (2020: \$67.5m). As at 30 June 2021, the amount of uncalled capital owing to underlying funds was \$30.83m (2020: \$36.0m).**

### NOTE 6. CREDITORS

	NOTE	2021 \$	2020 \$
<b>Current</b>			
Accounts payable		<b>172,972</b>	138,867
Other creditors and accruals	6a	-	1,560,622
GST payable		-	9,854
		<b>172,972</b>	1,709,343

**a) Represents the 10.5% refund of redrawable capital owing to SIV investors for capital called and paid to VPEG3,LP as at 30 June 2020. As at 18 June 2020, 10.5% of Non-SIV investors called capital was reallocated to VPEG3A to fund restricted investments entered into by the Trust. See note 7d for further detail.**

## NOTE 7. PARTNERSHIP CONTRIBUTIONS

	NOTE	2021 \$	2020 \$
Partner contributions		<b>31,435,946</b>	28,203,626

### a) Movement in Paid Capital

Opening balance		<b>28,203,626</b>	16,732,011
Partnership contributions - current year Paid Capital		<b>3,232,320</b>	16,795,437
Refund of redrawable capital / reallocation of paid capital to VPEG3A	7d	-	(5,323,822)
<b>Closing balance</b>		<b>31,435,946</b>	28,203,626

### b) Paid Capital per \$1 of total Committed Capital to VPEG3

		<b>\$0.55625</b>	\$0.55625
Opening balance		<b>0.55625</b>	0.33000
Total calls issued during the year per \$1 of Committed Capital		<b>0.06375</b>	0.33125
Total redrawable capital refunded / reallocated to VPEG3A		-	(0.1050)
<b>Closing balance</b>		<b>\$0.62000</b>	\$0.55625

### c) Committed Capital

Opening capital committed to VPEG3		<b>50,703,064</b>	50,703,064
COMPRISED OF:			
Capital committed to VPEG3, LP		<b>41,743,064</b>	42,459,864
Capital committed to VPEG3A		<b>8,960,000</b>	8,243,200
<b>Closing capital committed at the end of the year</b>		<b>50,703,064</b>	50,703,064
Opening capital committed to VPEG3,LP		<b>42,459,864</b>	47,835,864
Reallocation of committed capital to VPEG3A	7e	<b>(716,800)</b>	(5,376,000)
<b>VPEG3, LP total committed capital as at the end of the year</b>		<b>41,743,064</b>	42,459,864

# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### d) Paid capital

As at the beginning of the year, 50,703,064 (2020: 50,703,064) partnership interests were paid up to \$0.55625 (2020: \$0.33) per \$1 of Committed Capital. VPEG3, LP's final close was during December 2019 hence no new capital has been committed to the Partnership.

During the year, one call notice was issued totalling \$0.06375 of total VPEG3 Committed Capital. The first during July 2019 for \$0.05 per \$ of Committed Capital, the second was due during September 2019 for \$0.15 per \$ of Committed Capital and the third was due during April 2020 for \$0.13125 per \$ of Committed Capital.

During the year ended 30 June 2020, three call notices were issued totalling \$0.33125 of total VPEG3 Committed Capital. The first during July 2019 for \$0.05 per \$ of Committed Capital, the second was due during September 2019 for \$0.15 per \$ of Committed Capital and the third was due during April 2020 for \$0.13125 per \$ of Committed Capital.

During the year ended 30 June 2020, 10.5% of capital called and paid by Non-SIV investors was reallocated to VPEG3A to fund restricted investments as determined under the Venture Capital Act 2002. In addition, 10.5% of capital called from SIV investors was refunded to SIV investors who are unable to participate in restricted investments (see note 7 for the refund owing at 30 June 2020).

The total unpaid capital for partnership interests as at 30 June 2021 was \$0.38 per \$ of Committed Capital (2020: \$0.44375 per \$ of Committed Capital).

### e) Reallocation of committed capital

In accordance with clause 4.3(4)(a) of VPEG3, LP's Partnership Deed, this represents the Trust Subscription Amount that has been applied to VPEG3A. VPEG3A was formed to enable the acquisition of investments that are not permitted to be made by an Australian Fund of Funds. This has not impacted the total committed capital to VPEG3 and only investors who are not Significant Investor Visa applicant investors, have had their Committed Capital to the Partnership reduced by the Trust Subscription amount.

### f) Rights of partnership interests

All interests in VPEG3,LP are of the same class and carry equal rights. Under VPEG3, LP Partnership Deed, each interest represents a right to an individual share in VPEG3,LP and does not extend to a right to the underlying assets of VPEG3, LP.

In addition, following the completion of the Minimum Holding Period (subsequent to the fourth anniversary of a Limited Partner's initial investment, investors may redeem their investment in the Partnership (subject to the terms and conditions of the Limited Partnership Deed including formal written request and approval by the General Partner).

## NOTE 8. ACCUMULATED INCOME

	2021 \$	2020 \$
Accumulated losses	<b>17,373,909</b>	(5,596,997)

### a) Movement in accumulated income

Opening balance	<b>(5,596,997)</b>	(4,231,826)
Net operating profit / (loss) for the year	<b>22,970,906</b>	(1,365,171)
<b>Closing balance</b>	<b>17,373,909</b>	(5,596,997)

The asset revaluation reserve represents accumulated gains and losses arising on the revaluation of available for sale investments that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

## NOTE 9. PARTNER DISTRIBUTIONS

	2021 \$	2020 \$
DISTRIBUTIONS PAID TO PARTNERS		
Distribution paid	<b>1,521,092</b>	-

During the year ended 30 June 2021, a distribution of \$0.03 / \$ of committed capital to VPEG3 was paid to all VPEG3, LP investors following the partial exit of SILK Laser Clinics by Advent Partners 2 Fund.

## NOTE 10. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Contingent Liabilities

There are no contingent liabilities requiring disclosure in the financial report.

### Contingent Assets

There are no contingent assets requiring disclosure in the financial report.

# VPEG3, LP

VANTAGE PRIVATE EQUITY GROWTH 3, LP

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 11. NOTES TO THE STATEMENT OF CASH FLOWS

	2021 \$	2020 \$
<b>a) Reconciliation of profit or loss for the period to net cash flows from operating activities</b>		
Net operating profit / (loss) for the year	<b>22,970,906</b>	(1,365,171)
CASH FLOWS EXCLUDED FROM PROFIT ATTRIBUTABLE TO OPERATING ACTIVITIES		
Distributions to Limited Partners	<b>(1,521,092)</b>	-
NON-CASH FLOWS IN PROFIT		
Movement in net market values	<b>(17,042,012)</b>	855,097
CHANGES IN ASSETS AND LIABILITIES:		
(Increase) / decrease in GST receivable	<b>(20,561)</b>	51,093
(Increase) in other receivables	<b>2,217</b>	(2,217)
Increase / (decrease) in creditors	<b>34,105</b>	(203,354)
(Increase) in related party receivables	<b>351,401</b>	(440,079)
<b>Cash flow from operations</b>	<b>4,774,964</b>	(1,104,631)

### NOTE 12. EVENTS AFTER THE BALANCE SHEET DATE

A distribution totalling \$541,845 was paid to VPEG3, LP investors on the register as at 22 October 2021 being a component of the taxable income of the Limited Partnership for the year ended 30 June 2021 in addition to the \$1,521,092 paid earlier in the year.

There have not been any other matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the results of those operations of the Partnership in future financial years.

### NOTE 13. REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business of the Partnership is:

Level 50  
120 Collins Street  
Melbourne VIC 3000

## PARTNERS' DECLARATION OF THE GENERAL PARTNER

As detailed in note 1 to the financial statements, the Partnership is not a reporting entity because in the opinion of the partners, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the partners' reporting requirements under the Partnership Deed.

The partners declare that:

- a) in the partners' opinion, the attached financial statements and notes, as set out on pages 24 to 38, present fairly the Partnership's financial position as at 30 June 2021 and of its performance for the year ended 30 June 2021 and comply with accounting standards to the extent disclosed in Note 1 to the financial statements; and
- b) in the partner's opinion, there are reasonable grounds to believe that the Partnership will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Partnership and is signed for and on behalf of the partners by:



**Michael Tobin**  
Managing Director

Melbourne  
29 October 2021



**David Pullini**  
Director

## INDEPENDENT AUDITOR'S REPORT



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### Independent Auditor's Report to the Partners of Vantage Private Equity Growth 3, LP

#### Opinion

We have audited the financial report, being a special purpose financial report, of Vantage Private Equity Growth 3, LP (the "Partnership"), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the partners declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Partnership as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Partnership Deed.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Partnership in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial report is prepared to assist the Partnership to meet the requirements of Partnership Deed of Vantage Private Equity Growth Limited 3, LP. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Partnership and to the directors of Vantage Asset Management Pty Limited as the ultimate General Partner (the "General Partner") of the Partnership (collectively the "Recipients") and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.

#### Information Other than the Financial Report and Auditor's Report Thereon

The directors of the General Partner of the Partnership are responsible for the other information. The other information is the General Partner's report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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## INDEPENDENT AUDITOR'S REPORT



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### Information Other than the Financial Report and Auditor's Report Thereon (cont.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Partners for the Financial Report

The Partners of the General Partner are responsible for the preparation of the financial report in accordance with the financial reporting requirements of Australian Accounting Standards Board and for such internal control as the partners determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the partners are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the partners either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the partners.

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## INDEPENDENT AUDITOR'S REPORT



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### Auditor's Responsibilities for the Audit of the Financial Report (cont.)

- ▶ Conclude on the appropriateness of the partners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the partners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young  
Sydney  
29 October 2021

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# **VPEG3A**

# **Financial Statements**

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# VPEG3A

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 \$	2020 \$
<b>INVESTMENT INCOME</b>			
Distribution income	2	<b>1,229,921</b>	-
Interest income		<b>20</b>	461
Net changes in fair value of investments held at fair value through profit or loss	5a	<b>(1,758,337)</b>	4,148,739
<b>Total investment income</b>		<b>(528,396)</b>	4,149,200
<b>OPERATING EXPENSES</b>			
Accountancy fees		<b>(1,097)</b>	(523)
Audit fees		<b>(6,224)</b>	(6,035)
Establishment costs		-	(30,574)
Adviser referral fees		<b>(68,114)</b>	(191,687)
Insurance fee		<b>(3,589)</b>	-
Investment administration fees		<b>(12,300)</b>	(12,350)
Investment committee fees		<b>(46,839)</b>	(145,032)
Management fees		<b>(158,430)</b>	(370,900)
Registry fees		<b>(7,865)</b>	(8,321)
Other expenses		<b>(4,263)</b>	(1,555)
<b>Total operating expenses</b>		<b>(308,721)</b>	(766,977)
<b>Profit / (loss) for the year</b>		<b>(837,117)</b>	3,382,223
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total other comprehensive income for the year</b>		-	-
<b>Total comprehensive income / (loss) for the year</b>		<b>(837,117)</b>	3,382,223

The accompanying notes form part of these Financial Statements.

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	<b>388,916</b>	25,884
Receivables	4	<b>15,389</b>	42,162
<b>Total current assets</b>		<b>404,305</b>	68,046
<b>Non-current assets</b>			
Investments at fair value through profit or loss	5	<b>11,029,596</b>	11,854,002
<b>Total non-current assets</b>		<b>11,029,596</b>	11,854,002
<b>Total assets</b>		<b>11,433,901</b>	11,922,048
<b>LIABILITIES</b>			
Other payables	6	<b>139,621</b>	507,451
Distributions payable	7	<b>718,403</b>	-
<b>Total current liabilities</b>		<b>858,024</b>	507,451
<b>Total liabilities</b>		<b>858,024</b>	507,451
<b>Net assets</b>		<b>10,575,877</b>	11,414,597
<b>EQUITY</b>			
Unitholders capital	8	<b>8,960,000</b>	8,243,200
Retained earnings	9	<b>2,334,280</b>	3,171,397
Distributions to Unitholders	10	<b>(718,403)</b>	-
<b>Total equity attributable to Unitholders</b>		<b>10,575,877</b>	11,414,597

The accompanying notes form part of these Financial Statements.

# VPEG3A

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	UNIT HOLDERS CAPITAL \$	RETAINED EARNINGS \$	DISTRIBUTIONS TO UNITHOLDERS \$	TOTAL \$
<b>Balance at 1 July 2019</b>		<b>2,867,200</b>	<b>(210,826)</b>	<b>-</b>	<b>2,656,374</b>
<b>Transactions with Unitholders, in their capacity as Unitholders</b>					
Calls during the year	8	5,376,000	-	-	5,376,000
<b>Total transactions with Unitholders</b>		<b>5,376,000</b>	<b>-</b>	<b>-</b>	<b>5,376,000</b>
<b>COMPREHENSIVE INCOME</b>					
Profit for the year		-	3,382,223	-	3,382,223
Other comprehensive income / (loss)		-	-	-	-
<b>Total comprehensive income / (loss) for the year attributable to Unitholders</b>		<b>-</b>	<b>3,382,223</b>	<b>-</b>	<b>3,382,223</b>
<b>Balance at 30 June 2020</b>		<b>8,243,200</b>	<b>3,171,397</b>	<b>-</b>	<b>11,414,597</b>
<b>Transactions with Unitholders, in their capacity as Unitholders</b>					
Calls during the year	8	716,800	-	-	716,800
Distributions paid / payable	10	-	-	(718,403)	(718,403)
<b>Total transactions with Unitholders</b>		<b>716,800</b>	<b>-</b>	<b>(718,403)</b>	<b>(1,603)</b>
<b>COMPREHENSIVE INCOME</b>					
Loss for the year		-	(837,117)	-	(837,117)
Other comprehensive income / loss		-	-	-	-
<b>Total comprehensive income / (loss) for the year attributable to Unitholders</b>		<b>-</b>	<b>(837,117)</b>	<b>-</b>	<b>(837,117)</b>
<b>Balance at 30 June 2021</b>		<b>8,960,000</b>	<b>2,334,280</b>	<b>(718,403)</b>	<b>10,575,877</b>

The accompanying notes form part of these Financial Statements.

**VANTAGE PRIVATE EQUITY GROWTH TRUST 3A**  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 \$	2020 \$
<b>CASH FLOWS</b>			
<b>Cash flows from operating activities</b>			
Income distributions received		<b>1,229,921</b>	-
Interest received		<b>20</b>	461
Expenses paid to suppliers		<b>(229,418)</b>	(817,590)
<b>Net cash from / (used in) operating activities</b>	12	<b>1,000,523</b>	(817,129)
<b>Cash flows from investing activities</b>			
Payments to acquire financial assets		<b>(933,931)</b>	(5,826,890)
(Payments to) / receipts from related parties		<b>(1,220,360)</b>	-
Receipts from related parties		<b>800,000</b>	477,351
<b>Net cash used in investing activities</b>		<b>(1,354,291)</b>	(5,349,539)
<b>Cash flows from Unitholders'</b>			
Proceeds from issue of units		<b>716,800</b>	5,376,000
<b>Net cash from Unitholders' activities</b>		<b>716,800</b>	5,376,000
<b>Net increase in cash and cash equivalents</b>		<b>363,032</b>	(790,668)
Cash and cash equivalents at beginning of the year		<b>25,884</b>	816,552
<b>Cash and cash equivalents at end of the year</b>	3	<b>388,916</b>	25,884

The accompanying notes form part of these Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial reporting framework

Vantage Private Equity Growth Trust 3A ("the Fund", "VPEG3A") is not a reporting entity as in the opinion of the directors of Vantage Asset Management Pty Limited ("the Trustee") as there are unlikely to exist any users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the reporting requirements under the Fund's trust deed.

The financial statements are presented in Australian dollars and were authorised for issue on 27 October 2021.

#### Statement of compliance

This special purpose financial report has been prepared in accordance with the Fund's trust deed, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations and the disclosure requirements of Accounting Standards AASB 101 "Presentation of Financial Statements", AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors", AASB 107 "Statement of Cash Flows" and AASB 1054 "Australian Additional Disclosures". The disclosure requirements of other accounting standards have not been adopted in full. AASB 127 "Consolidated and Separate Financial Statements" has not been adopted in preparation of this special purpose financial report.

#### Significant accounting policies

Significant accounting policies adopted in the preparation of the financial statements are set out below. Accounting policies have been consistently applied to the period presented, unless otherwise stated.

#### Basis of preparation

The financial report is prepared on an accruals basis and is based on historical costs, except for the revaluation of certain financial instruments which are carried at their fair values. Cost is based on the fair value of the consideration given in exchange for assets.

#### New and revised standards that are effective for these financial statements

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Accounting standards and interpretations issued but not yet effective and not early adopted

The Fund has not applied any Australian Accounting Standards that have been issued as at balance date but are not yet operative for the period ended 30 June 2021. There are no effects resulting from any changes to accounting standards applicable to the Fund for the current year.



The Fund has not yet assessed the impact of these new or amended accounting standards. The new or amended Accounting Standards and Interpretations, most relevant to the Fund, are set out below.

AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

These standards are applicable to annual reporting periods on or after 1 July 2021. AASB 2020-2 will prohibit certain for-profit entities from preparing special purpose financial statements and AASB 1060 provides a new Tier 2 Reporting framework with Simplified disclosures that are based on the requirements of IFRS for SME's. None of these are expected to have a material effect on the financial statements of the Fund.

### **Adoption of new and revised accounting standards**

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Adoption of these new and revised Standards and Interpretations has not had any significant impact on the amounts reported in these financial statements.

### **a) Cash and cash equivalents**

Cash comprises cash at banks and on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **b) Investment income**

#### *i) Interest income*

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

#### *ii) Net changes in fair value of investments held at fair value through profit or loss*

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred. Unrealised gains and losses are not assessable or distributable until realised.

#### *iii) Distribution received*

Fund distributions are recognised as revenue when the right to receive payment is established. Distribution income includes return of capital and capital gains arising from the disposal of underlying investments.

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### c) Investments at fair value through profit or loss

Under AASB 9, financial instruments are classified as fair value through profit or loss. The equity instruments are measured at fair value with changes in the fair value being recognised directly to profit or loss. The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis.

The Fund recognises financial assets on the date it becomes party to the contractual agreement (or when capital is called for investments) and recognises changes in the fair value of the financial assets from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all of the risks and rewards of ownership.

At initial recognition, the Fund measures financial assets at fair value. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or at fair value through profit or loss category are presented in the statement of comprehensive income in the period in which they arise.

#### d) Expenses

Expenses are brought to account on an accruals basis.

#### e) Distributions and taxation

Under current legislation, the Fund is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the investors.

The Fund fully distributes its distributable income, calculated in accordance with Vantage Private Equity Growth Trust 3A's trust deed and applicable taxation legislation and any other amounts determined by the Trustee, to Unitholders by cash or reinvestment.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unit-holders but are retained in the Fund to be offset against any future realised capital gain. If realised capital gains exceed realised capital losses the excess is distributed to the unit-holders.

The benefits of imputation credits and passed on to Unitholders.

#### f) Trade and other receivables

Trade and other receivables are measured at amortised cost less any impairment.

### **g) Goods and Services Tax (GST)**

Management fees and other expenses are recognised net of the amount of Goods and Services Tax (GST) recoverable from the Australian Taxation Office (ATO) as a Reduced Input Tax Credit (RITC).

Payables in the balance sheet are shown inclusive of GST.

Cash outflows are presented in the cash flow statement on a gross basis.

### **h) Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### **i) Critical accounting estimates and judgments**

In the application of the Fund's accounting policies, the trustee is required to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually bases its judgements, estimates and assumptions on historical experience and other factors that are considered to be relevant. The accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### *i) Fair value of financial instruments*

The valuation of investments is based upon the net assets attributable to interest holders as noted in the underlying investee funds' audited financial statements. Each investee fund will select an appropriate valuation technique for financial instruments that are not quoted in an active market. This valuation is based upon a fair estimation of values (which are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, market volatility, investment stage, estimated cash flows etc.) as determined by the Manager of the investees on the following basis:

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### i) Critical Accounting Estimates and Judgments (CONT.)

##### ii) Fair value information

The fair values of financial assets are determined by reference to active market transactions where possible, however the majority of managed investee companies are unlisted Australian companies and there are no direct, quoted market prices available.

In this case, fair value estimates are made at a specific point in time, based on market conditions and information about the specific financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, market volatility, investment stage, estimated cash flows etc) and therefore cannot be determined with precision.

Valuations are inherently based on forward looking estimates and judgements about the underlying business, its market and the environment in which it operates.

##### iii) Fair estimation of values

Where new investments are made within the reporting year and no significant changes have occurred in the underlying business since acquisition, the investment may be maintained at cost or fair value.

Estimated valuations for other entities are primarily based on multiples of EBITDA or EBIT, depending on the industry for each investee. In estimating the valuations, a range of multiples is used to determine a range of outcomes. EBITDA or EBIT are based on forward estimates of the investees' performance based on past, present and future views of performance.

##### iv) Coronavirus (COVID-19) pandemic

The COVID-19 pandemic is impacting the current economic climate in which the underlying investee fund's portfolio of investments operate both directly and/or indirectly:

- Valuations at year-end have been prepared based upon underlying audited financial statements of investee funds assimilating all the known factors at that time;
- Any forecasts and budgets used by investee funds in the valuation approach are subject to variations beyond the underlying fund managers control. However continued market uncertainties exist subsequent to year end and Vantage Private Equity Growth 3A's Manager, Vantage Asset Management Pty Limited, is in constant contact with the management of its underlying investee funds to assess the impact (if any); and
- Valuations are monitored and adjusted, where required, on a month to month basis, as investee funds provide updated net asset valuations which are based upon their own forecasts and budgets as they become available.

Judgement has therefore been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the fund based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the investee operates.

## NOTE 2. REVENUE AND OTHER INCOME

	2021 \$	2020 \$
Distribution income	<b>1,229,921</b>	-

## NOTE 3. CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank	<b>388,916</b>	25,884

### Reconciliation of cash

CASH AT THE END OF THE FINANCIAL YEAR AS SHOWN IN THE CASH FLOW STATEMENT IS RECONCILED TO ITEMS IN THE BALANCE SHEET AS FOLLOWS:

<b>Cash and cash equivalents</b>	<b>388,916</b>	25,884
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## NOTE 4. RECEIVABLES

### Current receivables

GST receivable	<b>15,330</b>	42,162
Called capital receivable	<b>59</b>	-
<b>Total receivables</b>	<b>15,389</b>	42,162

# VPEG3A

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	NOTE	2021 \$	2020 \$
<b>NON-CURRENT</b>			
INTERESTS IN UNLISTED PRIVATE EQUITY FUNDS / LIMITED PARTNERSHIPS AT FAIR VALUE THROUGH PROFIT OR LOSS:			
	5a	<b>11,029,596</b>	11,854,002

#### a) Movements in fair values

MOVEMENTS IN FAIR VALUES OF INVESTMENTS THROUGH PROFIT OR LOSS BETWEEN THE BEGINNING AND THE END OF THE YEAR.

Balance at beginning of year	<b>11,854,002</b>	1,878,373
Calls	<b>933,931</b>	5,826,890
Current year net revaluation	<b>(1,758,337)</b>	4,148,739
<b>Balance at end of the financial year</b>	<b>11,029,596</b>	11,854,002

**b) Vantage Private Equity Growth 3 has outstanding capital commitments to underlying funds as at 30 June 2021. These amounts are disclosed in the investments at fair value through profit or loss in Vantage Private Equity Growth 3, LP's financial statements.**

### NOTE 6. OTHER PAYABLES

	2021 \$	2020 \$
<b>Current</b>		
Accounts payable	<b>82,630</b>	30,100
Related Party Payable - Vantage Private Equity Growth 3,LP	<b>56,991</b>	477,351
	<b>139,621</b>	507,451

## NOTE 7. OTHER PAYABLES

	NOTE	2021 \$	2020 \$
<b>Current</b>			
Distribution Payable	10	<b>718,403</b>	-

For the year ended 30 June 2021, distribution payable represents investors' present entitlement to the income of the Fund and was paid to all VPEG3A investors on 29 October 2021.

## NOTE 8. UNITHOLDERS CAPITAL

	PAID CAPITAL PER \$ OF COMMITTED CAPITAL TO VPEG3 2021	PAID CAPITAL PER \$ OF COMMITTED CAPITAL TO VPEG3 2020	NUMBER OF UNITS	2021 \$	2020 \$
8,960,000 units issued	\$0.25	\$0.23	8,960,000	<b>8,960,000</b>	8,243,200
	2021 \$ PER UNIT	2020 \$ PER UNIT	NUMBER OF UNITS	2021 \$	2020 \$

### a) Movement in Called Capital

Opening balance			8,243,200	<b>8,243,200</b>	2,867,200
Units issued during the period to new investors			-	-	-
Paid capital/additional units issued to investors	\$1.00	\$1.00	716,800	<b>716,800</b>	5,376,000
<b>Closing balance</b>			8,960,000	<b>8,960,000</b>	8,243,200

During the year, 716,800 (2020: 5,376,000) units were issued to existing investors at \$1 per unit. All interests in VPEG3A are of the same class and carry equal rights. Under VPEG3A's Trust Deed, each interest represents a right to an individual share in VPEG3A and does not extend to a right to the underlying assets of VPEG3A. In addition, during the year, additional capital was called equal to \$0.02 (2020: \$0.23) per \$1 of committed capital.

VPEG3 (the Fund), consists of two investment entities, Vantage Private Equity Growth 3, LP (VPEG3,LP) and Vantage Private Equity Growth Trust 3A (VPEG3A). In accordance with VPEG3A's Trust Deed, the units issued represents the Trust Subscription Amount that is a reallocation of Vantage Private Equity Growth 3 committed capital to enable the acquisition of investments that are not permitted to be made by an Australian Fund of Funds Limited Partnership. This has not impacted the total committed capital to VPEG3.

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 9. RETAINED EARNINGS

	2021 \$	2020 \$
Retained earnings	<b>2,334,280</b>	3,171,397
<b>a) Movement in retained earnings</b>		
Opening balance	<b>3,171,397</b>	(210,826)
Net operating profit / (loss) for the year	<b>(837,117)</b>	3,382,223
<b>Closing balance</b>	<b>2,334,280</b>	3,171,397

### NOTE 10. DISTRIBUTIONS TO UNITHOLDERS

	2021 \$	2020 \$			
<b>Distributions to Unitholders</b>					
Distributions paid / payable	<b>718,403</b>	-			
<b>a) Movement in distributions to Unitholders</b>					
	2021 \$ PER UNIT	2020 \$ PER UNIT	NOTE	2021 \$	2020 \$
Opening balance	-	-		-	-
Distributions paid during the year	<b>0.08</b>	-	7	<b>718,403</b>	-
<b>Total distributions paid</b>	<b>0.08</b>	-		<b>718,403</b>	-

**b) Distribution payable as at 30 June 2021,  
was paid to all Unitholders on 29 October 2021.**



## NOTE 11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Contingent Liabilities

There are no contingent liabilities requiring disclosure in the financial report.

### Contingent Assets

There are no contingent assets requiring disclosure in the financial report.

## NOTE 12. NOTES TO THE STATEMENT OF CASH FLOWS

	2021 \$	2020 \$
<b>a) Reconciliation of profit or loss for the period to net cash flows from operating activities:</b>		
Net operating profit / (loss) for the year	<b>(837,117)</b>	3,382,223
NON-CASH FLOWS IN PROFIT OR LOSS:		
Investment revaluations	<b>1,758,337</b>	(4,148,739)
CHANGES IN ASSETS AND LIABILITIES:		
(Increase) / decrease in receivables	<b>26,773</b>	(31,416)
Increase / (decrease) in other payables	<b>52,530</b>	(19,197)
<b>Cash flow from operations</b>	<b>1,000,523</b>	(817,129)

### b) Non cash investing activities and transactions with Unitholders

- i) During the year ended 30 June 2020, \$3,763,200 of capital called into VPEG3,LP was reallocated to VPEG3A to reimburse payments made on behalf of the Fund for capital drawn and paid to underlying investees and to reimburse VPEG3,LP for expenditure incurred on behalf of VPEG3A.

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2021

### NOTE 13. EVENTS AFTER THE BALANCE SHEET DATE

There have not been any matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the results of those operations of the Fund in future financial years.

### NOTE 14. TRUSTEE AND MANAGER DETAILS

The registered office and principal place of business of Vantage Asset Management Pty Limited is:

Level 39, Aurora Place  
88 Phillip Street  
Sydney NSW 2000  
Australia

## DIRECTOR'S DECLARATION OF THE TRUSTEE COMPANY

As detailed in note 1 to the financial statements, the Fund is not a reporting entity because in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the directors' reporting requirements in accordance with the Fund's Trust deed.

The directors of Vantage Asset Management Pty Limited also declare that:

- a) in the directors' opinion, the attached financial statements and notes, as set out on pages 44 to 58, present fairly the Fund's financial position as at 30 June 2021 and of its performance for the year ended on that date and comply with accounting standards to the extent disclosed in Note 1 to the financial statements; and
- b) in the director's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors' of the Trustee Vantage Asset Management Pty Limited.



**Michael Tobin**  
Managing Director

Sydney  
29 October 2021



**David Pullini**  
Director

## INDEPENDENT AUDITOR'S REPORT



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Sydney NSW 2000 Australia  
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### Independent Auditor's Report to the Members of Vantage Private Equity Growth Trust 3A

#### Opinion

We have audited the financial report, being a special purpose financial report, of Vantage Private Equity Growth Trust 3A (the "Fund"), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Fund as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Trust Deed.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial report which describes the basis of accounting. The financial report is prepared to assist the Fund to meet the requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of the Fund and the directors of Vantage Asset Management Pty Limited as Trustee of the Fund (the "Trustee") (collectively the "Recipients") and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.

#### Responsibilities of the Directors for the Financial Report

The directors of the Trustee are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the Trust Deed and is appropriate to meet the needs of the unitholders. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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## INDEPENDENT AUDITOR'S REPORT



**Building a better  
working world**

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young  
 Sydney  
 29 October 2021

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## NOTES

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# VPEG3

## 2021

**DIVERSIFY.  
GROW.  
OUTPERFORM.**

**VPEG3.INFO**

INVESTMENT MANAGER

