

QUARTERLY REPORT

VANTAGE PRIVATE EQUITY GROWTH 3

QUARTERLY INVESTOR REPORT
31 DECEMBER 2021

VPEG3 DIVERSIFY
GROW
OUTPERFORM



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IMPORTANT INFORMATION

This report has been prepared by Vantage Private Equity Management Partnership, LP, an authorised representative of Vantage Asset Management Pty Limited ABN 50 109 671 123, AFSL 279186 ('VAM'), in its capacity as Investment Manager of Vantage Private Equity Growth 3, LP. It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should seek their own advice about an appropriate investment or investment strategy. This report should not be relied upon as personal advice nor is it an offer of any financial product. All \$ referred to in this report are Australian dollars.

SUMMARY

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

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

VPEG3A has been established to undertake private equity investments that are not permitted to 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.

VPEG3 is focused on investing in professionally managed Private Equity funds that invest in businesses that are at a more mature stage of development, and in particular the Later Expansion and Buyout stages of Private Equity investment.

The Fund's investment objective for its Investment Portfolio is to achieve attractive medium term returns on its Private Equity investments while keeping the volatility of the overall investment portfolio low. This is achieved by investing across a highly diversified portfolio of Private Equity assets with diversification obtained by allocating across fund manager, geographic region, financing stage, industry sector and vintage year.

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

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

SPECIAL POINTS OF INTEREST

VPEG3 distributes \$0.03 per Dollar of Committed Capital to all NON-SIV investors, with SIV investors receiving \$0.01 per Dollar of Committed Capital during October 2021

VPEG3 portfolio company Heritage Lifecare announces the sale and lease back agreement of a significant part of that company's property portfolio to Centuria Capital Group for a media reported \$NZ300 million (AUD \$280 million)

Mercury Capital Fund 3 completes the investment in Architectus, a market leader in the Australian commercial architecture market

Anchorage Capital Partners Fund III completes the investment in GBST Wealth Management, a provider of financial services technology to the capital market and wealth management sectors globally

VPEG3's consolidated performance continues to improve as the portfolio matures, with VPEG3 delivering a net return of 26.8% p.a. since inception to 31 December 2021

SUMMARY cont.

As at 31 December 2021, VPEG3 had committed \$67.50 million across seven Primary Private Equity Funds and two co-investments. As a result, a total of 44 underlying company investments exist within the portfolio at quarter end. VPEG3's investment commitments include; \$12 million to Allegro Fund III; \$10 million to each of Adamantem Capital Fund 1, Advent Partners 2 Fund, Anchorage Capital Partners Fund III and Next Capital Fund IV, \$7.5 million to Mercury Capital Fund 3 and \$7 million to Odyssey Private Equity Fund 8. VPEG3 co-investments include; \$0.25 million into Fitzpatrick Financial Group and \$0.75 million into Tribe Brewing.

PERFORMANCE

The period 1 October 2021 to 31 December 2021, saw elevated levels of Private Equity activity across VPEG3's portfolio, with the announcement and completion of a further two new underlying private equity investments added to VPEG3's portfolio. These new investments were completed by underlying funds Anchorage Capital Partners Fund III and Mercury Capital Fund 3. As a result of these investments being added to VPEG3's portfolio, the total number of underlying company investments increases to 44.

Also, during the December 2021 quarter, VPEG3 paid a distribution of \$0.011 per Dollar of Committed Capital to all VPEG3, LP SIV and NON-SIV investors. In addition to this, VPEG3 also paid a distribution to all VPEG3A NON-SIV investors totalling \$0.02 per Dollar of Committed Capital. The distributions were as a result of the distributable income applicable to the 2021 Financial year, due to the significant improvement in the Fund's operating profit in FY21 as VPEG3's portfolio further matures.

Across the quarter, VPEG3's underlying managers continued to work alongside management teams as they progress along with their investment agendas to deliver growth and generate value in each portfolio company.

VPEG3's managers' report that the Australian and New Zealand lower to mid market segment of Private Equity continues to represent an attractive investment proposition for foreign and domestic acquirers, due to the continuation of comparatively stable economies and strong return profiles. VPEG3's portfolio is well positioned to capitalise on the increasing appetite of these acquirers as managers enter into the final stages of negotiating the sale of a number of portfolio company investments.

VPEG3 SUMMARY PERFORMANCE AT 31 DECEMBER 2021

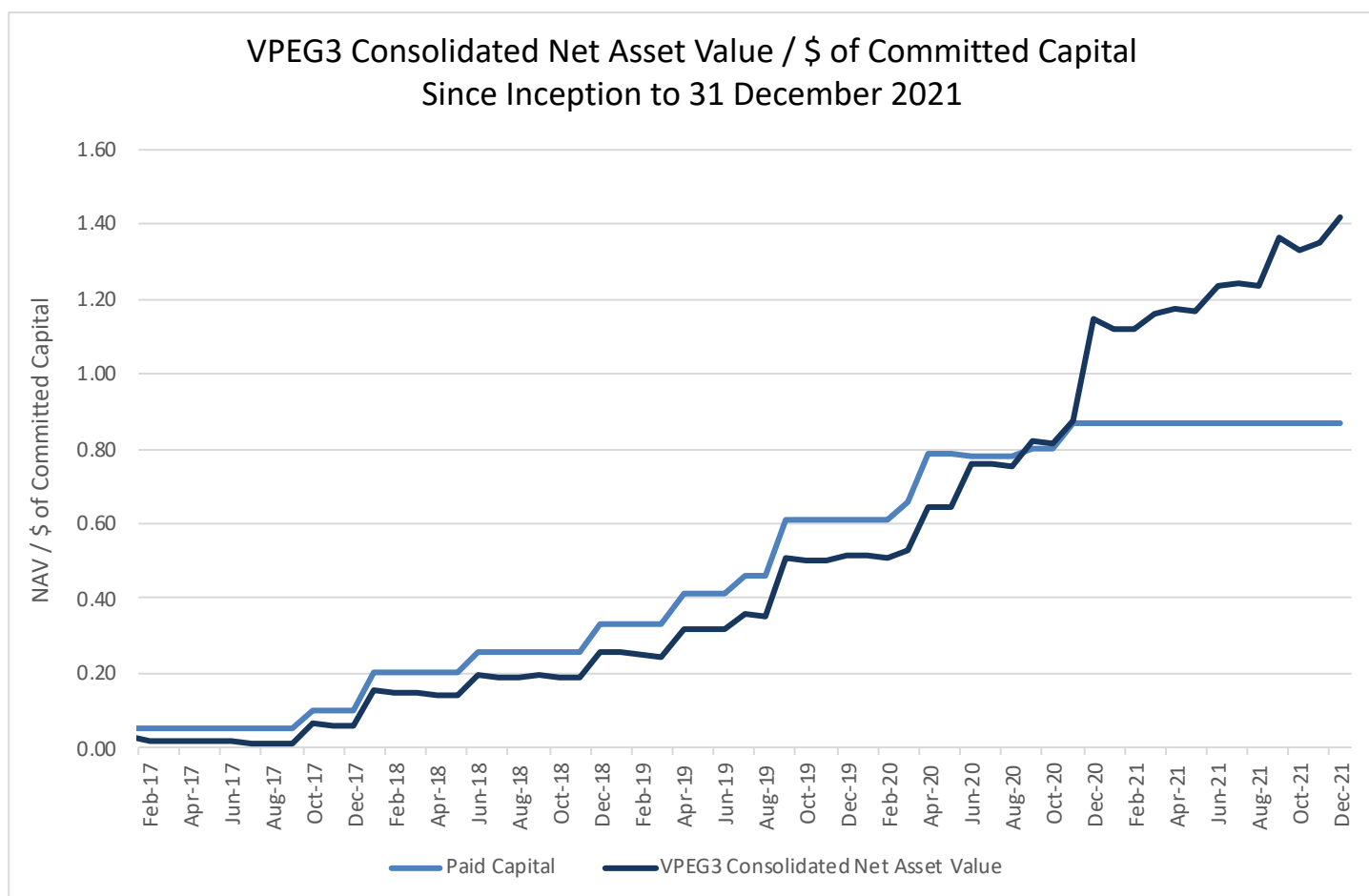
Fund	Cash	Fixed Interest	Private Equity (Value)	Paid Capital (per \$ of Committed Capital)	NAV (per \$ of Committed Capital)	Cumulative Distributions Paid	Total Value + Cumulative Distributions Paid	Net Return Since Inception* (p.a.)
VPEG3 CONSOLIDATED	5.25%	0.11%	96.64%	0.87	1.415	0.06	1.475	26.8%

* Since inception, net Internal Rate of Return after all fees from final close January 2019

On a consolidated basis across both VPEG3, LP and VPEG3A the total NAV per dollar of Committed Capital to VPEG3 increased 3.7% across the quarter from \$1.365 at 30 September 2021 to \$1.415 at 31 December 2021. The increase in VPEG3's NAV across the quarter was as a result of an increase in unrealised values of a number of VPEG3's portfolio companies attributable to sustainable earnings growth throughout the December 2021 quarter.

Taking into account the distribution paid to all VPEG3 investors during October 2021, VPEG3's Consolidated NAV increased 5.9% across the December 2021 quarter.

The below graph demonstrates VPEG3's Consolidated NAV / \$ of Committed Capital performance since inception to 31 December 2021 is well above investors Paid Capital per Dollar of Committed Capital to VPEG3.



Figure; VPEG3's Consolidated Net Asset Value / \$ of Committed Capital movements since first close to 31 December 2021

Due to the increase in portfolio value of VPEG3 across the quarter, VPEG3's returns to Investors continues to improve as the fund matures.

As a result, VPEG3 has delivered investors a net return of 26.8% p.a since final close of the fund on 31 January 2019 to 31 December 2021.

As at 31 December 2021, all VPEG3 Investors had Paid Capital to VPEG3, LP totalling 62% of their Committed Capital to VPEG3. Furthermore, all VPEG3 investors, with the exception of SIV investors, had Paid Capital to VPEG3A, totalling 25.0% of their Committed Capital to VPEG3.

VPEG3's portfolio is well placed, with the value of the portfolio expected to continue to grow as underlying fund managers further maximise the value of each portfolio company prior to exit. It is anticipated that as managers enter into the final stages of negotiating the sale of a number of portfolio company investments, the number of exits from VPEG3's portfolio is expected to increase across the next three to six months. These exits will deliver further distributions and value to VPEG3 investors across the 2022 calendar year, ultimately delivering investors with a strong risk adjusted return over the term of the Fund.

KEY PORTFOLIO DEVELOPMENTS

The December 2021 quarter saw continued activity across VPEG3's portfolio with the announcement and completion of a further two new underlying private equity investments added to VPEG3's portfolio. These new investments were announced by VPEG3 investee's Anchorage Capital Partners Fund III and Mercury Capital Fund 3. This takes VPEG3's portfolio to a total of 44 underlying company investments. In addition to these new portfolio company investments, one bolt-on investment was completed, further expanding the operations of that business at quarter end.

Drawdowns during the quarter from VPEG3, totaling \$4,129,418 were paid to Adamantem Capital Fund I, Advent Partners 2, Allegro Fund III, Anchorage Capital Partners Fund III and Mercury Capital Fund 3.

The majority of the calls were to pay for VPEG3's share of the two new underlying investments as well as one previously announced investment that was completed during the December 2021 quarter. Additionally, capital was also called from VPEG3 for the follow-on and bolt-on investments in three portfolio companies as well as for the costs associated with the operations of underlying funds, including management fees and due diligence costs incurred in completing new investments.

During October 2021, Mercury Capital Fund 3 completed the investment in Architectus, a market leader in the Australian commercial architecture market.

In November 2021, VPEG3 investee Adamantem Capital Fund I portfolio company Hygain completed the bolt-on acquisition of Arenus, a leading animal supplement and nutraceuticals brand based in the United States. This acquisition further accelerates Hygain's growth within the United States by diversifying the groups offering with another high quality brand being added to its product portfolio.

During December 2021, Anchorage Capital Partners Fund III completed the investment in GBST Wealth Management, a provider of financial services technology to the capital market and wealth management sectors globally.

Additionally during December 2021, VPEG3 investee Adamantem Capital Fund I portfolio company Heritage Lifecare announced the sale and lease back agreement of a significant part of that company's property portfolio to Centuria Capital Group for a media reported \$NZ300 million (AUD \$280 million). The sale includes Heritage Lifecare's land and property portfolio across all aged care assets and around half of the retirement village land. The transaction will deliver Adamantem Capital Fund I investors, including VPEG3 a return of all capital invested in Heritage Lifecare, which is expected to be distributed to VPEG3 following regulatory approval during the June 2022 quarter. Adamantem's ownership will remain unchanged, with management now exploring the appropriate options to exit the investment in Heritage across the remainder of the 2022 calendar year.

During the quarter, VPEG3 received distributions totaling \$1,890,862 from underlying fund managers Adamantem Capital Fund I and Mercury Capital Fund 3. The distribution from Adamantem Capital Fund I related to the refinancing of underlying investment Hellers during the period, as a result of that portfolio company's strong operating performance. The Mercury distribution was due to the receipt of the partially realised proceeds of previously announced exit MessageMedia.

VPEG3's underlying Private Equity fund managers' continue to engage in active communications with the management of each portfolio company ensuring that they continue to remain sufficiently resourced and well positioned for growth. As a result of the continual improvement in valuations of portfolio companies across the December quarter, VPEG3's total gain in value is expected to further increase as underlying managers enter into the final stages of exit discussions, with a number of underlying company investments expected to be sold across 2022.

***“VPEG3'S PORTFOLIO EXPANDS TO FORTY FOUR UNDERLYING COMPANIES OPERATING
ACROSS A BROAD RANGE OF INDUSTRY SECTORS”***

OVERVIEW OF NEW UNDERLYING INVESTMENTS

ARCHITECTUS AUSTRALIA – MERCURY CAPITAL FUND 3

On 13 October 2021, Mercury Capital Fund 3 completed the investment in Architectus, a market leader in the Australian commercial architecture market.

architectus™

Established in 2001, Architectus is headquartered in Sydney with over 350 staff operating across five studios in Australia (Sydney, Melbourne, Brisbane, Adelaide, Perth). Architectus has a diverse, blue-chip base of over 170 clients across 8 core sectors including transport, education, commercial, public, residential, urban design, interior design and technology. Key clients including well-known commercial and residential property developers (Brookfield, Charter Hall, Stockland), major airports (Sydney Airport, Melbourne Airport), educational institutions (UNSW, Melbourne University) and state government departments across transport, education and urban development. High customer satisfaction has translated into a stable set of clients that undertake multiple projects each year. These repeat clients represent a significant proportion of Architectus' revenue, providing strength and stability to a project-based business.

Mercury Capital was attracted to Architectus as it is one of five 'Tier 1' domestic industry leaders in Australia in a large domestic market, differentiating itself based on service quality and collaboration. The company presents a large and loyal blue-chip client base that provides a repeatable source of work and a proven delivery model that is consistently profitable.

GBST WEALTH MANAGEMENT – ANCHORAGE CAPITAL FUND III

During December 2021, Anchorage Capital Partners Fund III completed the investment in GBST Wealth Management, a provider of financial services technology to the capital market and wealth management sectors globally.

GBST | Financial Services
Technology

Established in 1984, GBST has a long heritage in the financial services sector. Today GBST works with over 100 organisations across Australia, Asia, the UK and the US and the company's technology supports millions of clients around the world who use the GBST technology.

GBST's Wealth Management business provides registry and end to end solutions for fund and pension administration, with its flagship product, Composer, offering an integrated system for wrap platforms, master trusts, superannuation funds, pension funds and wealth managers. The business has a blue-chip client base, including major domestic Australian banks, international banks / life insurance companies and leading wealth / asset managers. The company's service offering is recognised as one of the leading wealth management administration platform in the market.

The acquisition of GBST represents a special situation, with a regulatory forced sale presenting an opportunity for Anchorage to buy a high-quality asset with significant upside available from management's value driven investment initiatives.

PORTFOLIO STRUCTURE

VPEG3's PORTFOLIO STRUCTURE - 31 DECEMBER 2021

The tables and charts below provide information on the breakdown of VPEG3's investments as at 31 December 2021.

CURRENT INVESTMENT ALLOCATION

The following tables provide the percentage split of each of the VPEG3 entities, current investment portfolio, across cash, fixed interest securities (term deposits) and Private Equity.

The Private Equity component of the portfolio is further broken down by the investment stage (Later Expansion or Buyout) of the underlying investments that currently make up VPEG3's Private Equity portfolio.

As at 31 December 2021, the Private Equity component of VPEG3, LP's investment portfolio consisted of thirty three completed investments for which funds had been called from VPEG3, LP, which include; Hygain Holdings, Endeavour Learning Group, Adventure Holdings Australia Pty Ltd (Oztrail), Mining Technologies Holdings Pty Limited, MessageMedia, SILK Laser Clinics Australia, Compass, Specialised Linen Services, Zenitas Healthcare, Hellers, Delta Agribusiness, Sushi Sushi, Questas Group, FRANKiE4, Perth Radiology Clinics, Legend Corporation, The Best & Less Group, Squiz, Mandoe Media, TM Insights, Are Media Group, InterHealthCare, Medtech, Eptec Group, Enviropacific Services, ResourceCo, MTB Direct Green Options Pty Ltd, Zero Latency, Imaging Associates Group, Architectus and GBST Wealth Management.

VPEG3, LP				VPEG3A			
Cash	Fixed Interest Investments	Private Equity		Cash	Fixed Interest Investments	Private Equity	
6.6%	0.1%	Later Expansion	33.4%	1.2%	0.3%	Later Expansion	22.1%
		Buyout	59.9%			Buyout	76.4%

As at 31 December 2021, the Private Equity component of VPEG3A's investment portfolio consisted of ten investments for which funds had been called from VPEG3A, including; Heritage Lifecare, Fitzpatrick Financial Group, Flintfox, Tribe Brewing, Silverchef, The Entertainment Group (TEG), Railfirst Asset Management (formally CF Asia Pacific), AHG Refrigerated Logistics, Toll Group and E&P Financial Group Limited.

PRIVATE EQUITY PORTFOLIO

VPEG3, with commitments to seven Private Equity funds and two co-investments, ultimately had invested in 44 underlying company investments with 4 exits completed (partially or fully realised) from the portfolio at quarter end. As a result, VPEG3's Private Equity portfolio and commitments, as at 31 December 2021, were as follows;

Private Equity Fund Name	Fund / Deal Size	Vintage Year	Investment Focus	VPEG3 Commitment	Capital Drawn Down	Total No. of Investee Companies	No. of Exits
Adamantem Capital Fund I	\$591m	2017	Mid Market Expansion / Buyout	\$10.0m	\$7.93m	6	1
Odyssey Private Equity Fund 8	\$275m	2017	Mid Market Growth Capital	\$7.0m	\$5.14m	6	-
Advent Partners 2 Fund	\$300m	2017	Mid Market Expansion / Buyout	\$10.0m	\$8.17m	7	1
Allegro Fund III	\$290m	2017	Mid Market Expansion / Buyout	\$12.0m	\$6.75m	6	2
Anchorage Capital Partners Fund III	\$350m	2017	Mid Market Expansion / Buyout	\$10.0m	\$7.81m	4	-
Mercury Capital Fund 3	\$600m	2019	Mid Market Expansion	\$7.5m	\$5.10m	8	-
Next Capital Fund IV	\$275m	2019	Mid Market Expansion	\$10.0m	\$3.65m	5	-
Co-invest (Fitzpatrick Financial Group)	\$200m	2017	Mid Market Expansion	\$0.25m	\$0.28m	1	-
Co-invest (Tribe Brewing)	\$30m	2018	Mid Market Expansion	\$0.75m	\$0.71m	1	-
Total				\$67.50m	\$46.09m	44	4

Note; 1. total no. of investee companies only includes completed investments as at 31 December 2021.

SUMMARY OF VPEG3's UNDERLYING PRIVATE EQUITY INVESTMENTS

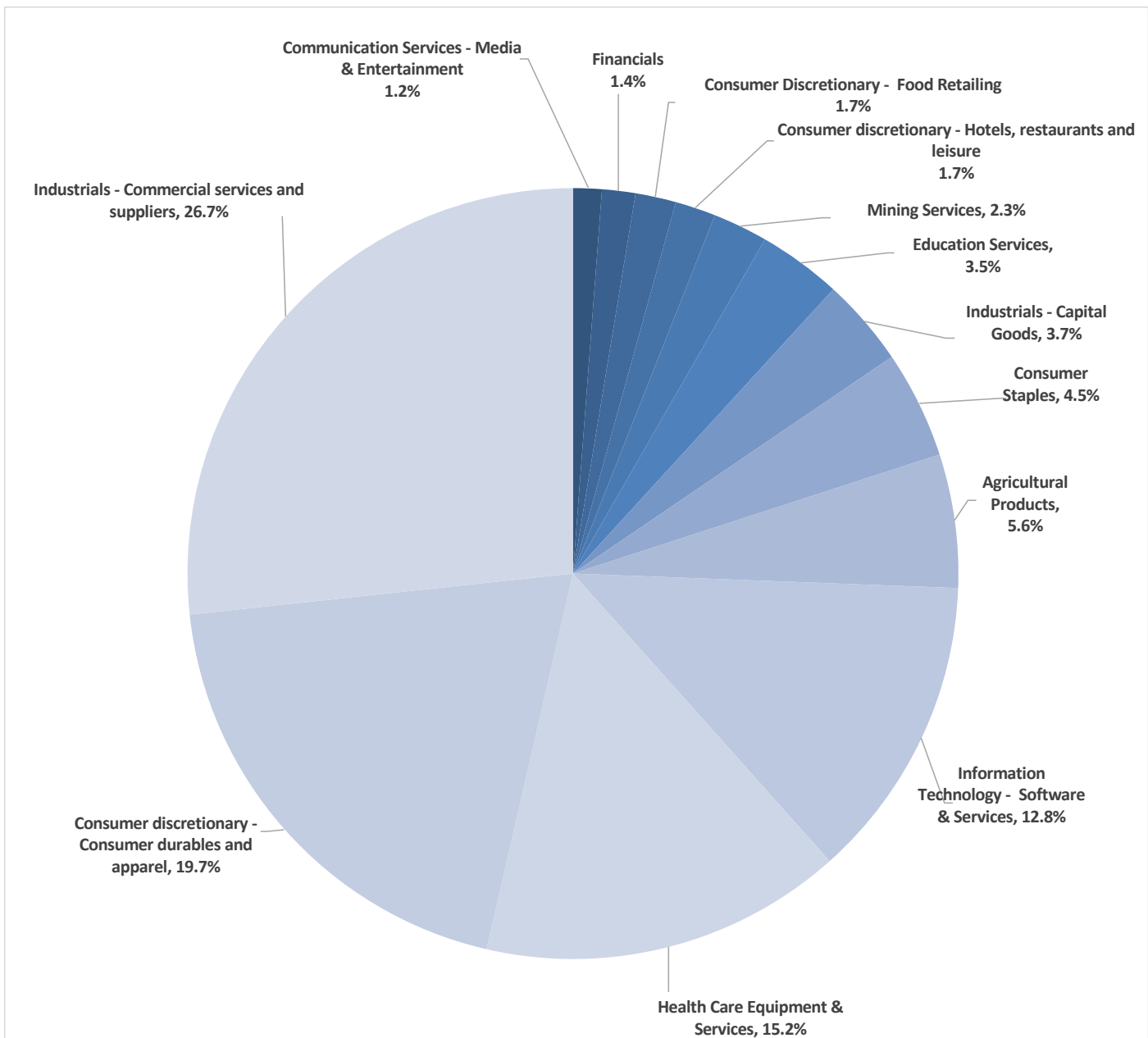
The table below provides a summary of the top ten underlying private equity investments in VPEG3's portfolio for which capital had been called from VPEG3 as at 31 December 2021. As VPEG3 investee Allegro Fund III retains a significant minority in now ASX listed Best & Less Group (ASX:BST), the remaining value is represented in VPEG3's investment portfolio pending the completion of that funds escrow arrangements with the market, until release of the Company's H1 FY23 financial results in February 2023.

Rank	Investment	Fund	Description	% of VPEG3's Private Equity Investments	Cumulative %
1	Best & Less Group	Allegro Fund III	Australia's leading value apparel specialty retailer	15.1%	15.1%
2	Railfirst Management	Anchorage Capital Partners Fund III	Rail Leasing Business	5.4%	20.5%
3	Compass Education	Advent Partners 2	Student Information System Software / Services Provider	5.4%	25.9%
4	Questas Group	Allegro Fund III	Network of niche industrial businesses across Australia	5.3%	31.2%
5	Heritage Lifecare Ltd	Adamantem Capital I	New Zealand Age-care & Retirement Village Operator	4.2%	35.4%
6	Silverchef	Next Capital IV	Rental & Financing of Commercial Equipment	3.7%	39.1%
7	Hellers	Adamantem Capital I	Producer of Processed Meats in New Zealand	3.5%	42.6%
8	Toll Global Express	Allegro Fund III	An Australian transportation and logistics company with operations in road, rail, sea air and warehouse.	3.5%	46.1%
9	Medtech	Advent Partners 2 Fund	Provider of Practice Management Software (PMS)	3.5%	49.6%
10	Endeavour Learning Group	Allegro Fund III	Australia's largest higher education provider in natural therapies	3.5%	53.1%

INDUSTRY SPREAD OF VPEG3’s UNDERLYING INVESTMENTS

As Anchorage Capital Partners Fund III’s investment in GBST Wealth Management was completed during December 2021, VPEG3’s exposure to the “Information Technology – Software & Services” industry sector increased from 11.3% to 12.8% at quarter end.

VPEG3’s exposure to the “Industrial – Commercial Services and Suppliers” industry sector which consists of; Questas Group, RailFirst Management, Silverchef, Toll Global Express, Specialised Linen Services, Scott’s Refrigerated Logistics, Legend Corporation, Resourceco, Eptec Group, TM Insight, Enviropacific and Architectus represents VPEG3’s largest industry sector exposure, at 26.7% of VPEG3’s total private equity portfolio at December quarter end.



Figure; Industry exposure of VPEG3’s underlying investments

MARKET & ECONOMIC UPDATE

In Australia, the December quarter commenced with the reopening of New South Wales and Victoria following a stringent lockdown period instituted in response to the outbreak of the COVID-19 Delta variant. With this easing in restrictions, the economy rebounded quicker than previously anticipated, supported by the return of domestic tourism in the eastern Australian states and the surge in retail sales from the release of pent-up demand and robust pre Christmas trading.

During December, evidence of the new COVID-19 variant was detected in Australia and since then, the number of cases has continuously increased, particularly in New South Wales and Victoria. The spread of the Omicron variant has had considerable social and economic impacts domestically, including the material contraction of consumer spending.

The near-term outlook for both Australia and New Zealand looks very positive in broad terms. Both economies are growing at rates well above trend and consumer and business sentiment remains strong. Inflationary pressures are more obvious in New Zealand, while CPI growth in Australia remains comfortably within the RBA's target band. Both countries are operating essentially with full employment and job shortages are more of an ongoing issue than unemployment statistics.

Public markets continued to climb during the quarter before cooling in the last weeks of January 2022 to a 6-month low. Corporate cash balances are at elevated levels following a period of under investment and there remains a significant number of investment opportunities for private equity funds including those within VPEG4's portfolio.

Industry deal flow was strong through the quarter but tailed off significantly towards the end of the calendar year. There were 15 buyout transactions announced or completed (11 in Australia and four in New Zealand) and 17 private equity exits (14 in Australia and three in New Zealand) during the quarter. Regarding the exits, the majority were to trade buyers, with 13 announced, and four were secondary private equity transactions.

VPEG3's underlying managers are continuing to review sale options for those companies within their portfolios that have achieved their investment thesis. As a result we expect that the number of exits from VPEG3's portfolio will accelerate across 2022 and into 2023, delivering additional distributions to VPEG3 investors as each company sale is completed.

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