2019

INVESTMENT MANAGER
vantage
Asset Management

VPEG3

DIVERSIFY. GROW. OUTPERFORM.

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019
VANTAGE PRIVATE EQUITY GROWTH 3

CORPORATE DIRECTORY

DIRECTORS OF THE GENERAL PARTNER OF VPEG3, LP & OF THE TRUSTEE OF VPEG3A

Michael Tobin B.E., MBA, DFS (Financial Markets)
Managing Director

David Pullini B.E., MBA, BappFin.
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 at:	Corrs Chambers Westgarth Level 17, 8 Chifley 8/12 Chifley Square Sydney NSW 2000
Time:	11.30am
Date:	28 November 2019

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 25, 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

CONTENTS

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 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 Trustee for VPEG3A hereby presents their report together with the financial statements of VPEG3, LP and VPEG3A for the year ended 30 June 2019.

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 2019 VPEG3 had committed $67.3m across seven Primary Private Equity Funds and two co-investments. As a result, a total of 17 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 $0.5m into Tribe Brewing.

FUND PERFORMANCE HIGHLIGHTS FOR FY19

- $18.0m of new investment commitments made across two Private Equity Funds and one co-investment
- $10.5m in Additional Capital Drawn by Underlying Private Equity Funds
- 9 new underlying company investments added to the portfolio
- Paid capital by all investors to VPEG3, LP of $0.33 per dollar of Committed Capital to VPEG3
- Paid capital by all investors, except SIV investors, to VPEG3A of $0.08 per dollar of Committed Capital to VPEG3.

DISTRIBUTIONS

No distributions have been paid or recommended for payment to VPEG3 investors for the period ended 30 June 2019.

ECONOMIC CONDITIONS ACROSS FY19

The Australian economy started of the 2019 financial year on a strong platform following the growth rates posted at the end of the financial year growth rates of 3.4% as at 30 June 2018. This strong economic growth was generally fuelled by consumer spending and financed by a lower rate of household savings. This was better than the 3.1% reported to the year ended 31 March 2018, and at the same time also higher than the 3.0% the RBA had initially forecast. Encouragingly, it was the fastest annual rate of growth since the height of the mining boom in 2012 continuing its world record run of 27 years of consecutive growth.

The Australian economy continued to be a standout among developed countries during the second quarter of the 2019 financial year, with annualised growth continuing to run in excess of 3%. This position was driven by a combination of favourable global conditions as well as strong domestic demand.

Overall household spending was being driven by population growth as well as buoyant consumer confidence. Part of this is understandable in the light of the recent property boom in residential housing, which generated a feeling of optimism among consumers. Running counter to this, however, was the fact that wage growth had been slow. Government spending was also being influenced by population issues which had seen an unprecedented level of investment in infrastructure and transportation projects, particularly in NSW and Victoria throughout the December 2018 quarter. Additionally, exports also contributed to the strong result within the first quarter. Agricultural sales were strong in both livestock and grains. Mining and natural resources were also buoyant. Oil and gas sales performed robustly reflecting strong demand and higher oil prices.

GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

ECONOMIC CONDITIONS ACROSS FY19 (CONT.)

The coal industry also performed exceptionally well. At the time, it was reported the industry posted its strongest performance since 2014, on the back of good demand for both thermal and coking coal.

During the last quarter of 2018, the economy grew at only 0.2% on a seasonally adjusted basis. This was below consensus of 0.3%. Through the calendar year of 2018 the economy grew by 2.3%, which was below market expectations of 2.5% and trend of 2.75%.

Strong demand from export markets for energy and commodities played a crucial part to this growth. On the back of this demand the government was able to make significant progress towards reducing the deficit. During the first two months of the 2019 calendar year, Australia reported its largest trade surplus on record. At $9.2 billion this was substantially ahead of the $2.7 billion reported in the same period last in 2018.

During third quarter of the 2019 financial year, the economy grew at 0.4%. The result was again impacted by weak household spending with consumers holding back on discretionary spending. This rather disappointing result was helped to some extent by strong government spending and continuing good export numbers in the commodity areas.

In May 2019 the federal election occurred, with the Coalition returning to power. Notwithstanding the polls, which had forecast a change of government for some time, the Coalition surprised voters with their quite unexpected but successful result.

This return, of the incumbent was beneficial from two perspectives. First it avoided the three to six month period of inactivity, which inevitably follows a change of government. Second the Coalition was elected with a more pro-business agenda, while the losing Labor party was less so with major increases in taxes and spending.

The government was immediately active after returning to power with the emphasis on boosting the Australian economy with efforts focussing on tax cuts, spending on infrastructure and improving the property market.

To counter the slowing economy throughout the final quarter of the 2019 financial year, the RBA lowered the cash rate by 25 basis points to sit at 1.25%. The cash rate was then cut another consecutive time in July 2019 to start the 2020 financial year at a record low 1.00%. These changes represent the first and second changes since 2016 and reflect concerns about unemployment numbers, which have been creeping up, and the lower than desired rate of growth. Whether these cuts are actually effective remains to be seen as only one of the four major banks passed on the full benefit to their customers. Further cuts are expected later in the calendar year as well as in the first quarter of 2020. The RBA Board announced they will continue to monitor developments in the labour market, with some commentators suggesting further rate cuts to boost to consumer spending, wage inflation and lower underemployment.

While both the Australian Government and the Reserve Bank are being more pro-active in their support for the economy, the outlook will to a large extent be driven by the health and prosperity of its trading partners. Demand has to date generally held up well, while commodity prices have also been largely accommodative.

STRONG PRIVATE EQUITY DEAL FLOW IN VPEG3'S TARGET MARKET SEGMENT

Across the year ended 30 June 2019, there were continued strong levels of activity in all phases and aspects of the local private equity market.

In terms of investment opportunities, the flow of transactions remained healthy and the quality of the deals continued to be suitable.

The Australian Lower-mid Market M&A environment throughout the 2019 financial year proved to be the most active marketplace for Private Equity fund managers, with 70% of all deals being classified to fall within this segment. This trend of deal flow within the lower-mid market is expected to continue throughout the future years as there are currently over 10,000 plus privately owned businesses in Australia who are forecast to be considering a change of ownership over the next five years.

Additionally, there are over 340,000 family owned businesses within Australia across a variety of industry sectors, providing VPEG3's Private Equity fund managers with a deep pool of attractive investments within the lower-mid market segment. These investments are highly attractive to VPEG3's underlying fund managers as these family owned businesses are generally built around core values with aspirational purposes.

VPEG3's underlying Private Equity fund managers' report that the deal pipeline for new investments is solid and many new and bolt on opportunities are being assessed in line with each of their firm's investment mandates.

As a result, it is anticipated that VPEG3's underlying managers are expected to complete a number of additional acquisitions across FY20, which will ultimately grow the number of companies within VPEG3's underlying private equity portfolio, across a range of industry sectors, thereby enhancing VPEG3's portfolio diversification and ultimately its value.

REVIEW OF VPEG3'S 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, with 75 investors committing approximately $20m of capital to the Fund, allowing VPEG3 to commence its investment program. The Fund completed it's final close on 15 January 2019 with total committed capital of $50.7m.

GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

REVIEW OF VPEG3'S OPERATIONS (CONT.)

In general, Application Monies received from Investors are initially invested in a Cash Management Trust (CMT) managed by One Managed Investment Funds Limited (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 indicate 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. As a result of additional capital being called from VPEG3 investors across FY19, Large Investors total Paid Capital to VPEG3 increased to 41% of their Committed Capital as at 30 June 2019.

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 at 30 June 2019 VPEG3 had committed $67.30m across seven Primary Private Equity Funds and two co-investments. As a result, a total of 17 underlying company investments exist within the portfolio at 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 $0.5m into Tribe Brewing.

NEW UNDERLYING PRIVATE EQUITY FUND COMMITMENTS AND INVESTMENTS

During the year ended 30 June 2019, VPEG3 committed an additional $18.0m across two underlying Private Equity funds and completed one additional co-investment. These additional commitments and the co-investment are summarised below.

- **$0.5m co-investment** (August 2018) with **Advent Partners 1** into **Tribe Brewing Pty Ltd**
- **$7.5 million to Mercury Capital Fund 3** (December 2018), a $600m mid-market expansion fund, managed by Sydney, Australia based, Mercury Capital
- **$10 million to Next Capital Fund IV** (March 2019), a $350m lower to mid-market expansion and buyout fund, managed by Sydney, Australia based, Next Capital Management Pty Ltd.

VPEG3'S PRIVATE EQUITY PORTFOLIO AND COMMITMENTS, AS AT 30 JUNE 2019, WERE AS FOLLOWS:

PRIVATE EQUITY FUND NAME	FUND/DEAL SIZE	VINTAGE YEAR	INVESTMENT FOCUS	VPEG3 COMMITMENT	CAPITAL DRAWN DOWN	TOTAL NO. OF INVESTEE COMPANIES	NO. OF EXITS
Adamantem Capital Fund 1	$591m	2017	Mid Market Expansion / Buyout	$10.0m	$5.68m	5	0
Odyssey Private Equity Fund 8	$275m	2017	Mid Market Growth Capital	$7.0m	$3.74m	4	0
Advent Partners 2 Fund	$300m	2017	Mid Market Expansion / Buyout	$10.0m	$2.51m	2	0
Allegro Fund III	$290m	2017	Mid Market Expansion / Buyout	$12.0m	$2.01m	3	0
Anchorage Capital Partners Fund III	$350m	2017	Mid Market Expansion / Buyout	$10.0m	$0.42m	1	0
Mercury Fund III	$600m	2019	Mid Market Expansion	$7.5m	$0.15m	0	0
Next Capital Fund IV	$350m*	2019	Mid Market Expansion	$10.0m	-	0	0
Co-invest (Fitzpatrick Financial Group)	$200m	2017	Mid Market Expansion	$0.25m	$0.27m	1	0
Co-Invest (Tribe Brewing)	$30m	2018	Mid Market Expansion	$0.55m	$0.51m	1	0
			TOTAL	**$67.30m**	**$15.29m**	**17**	**0**

*Target fund size.

GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

NEW UNDERLYING PRIVATE EQUITY FUND COMMITMENTS AND INVESTMENTS (CONT.)

As a result of 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 219.7% from $4.78m at 30 June 2018 to $15.28m at 30 June 2019.

This resulted in an increase of the number of underlying company investments in VPEG3's portfolio from eight to seventeen during the year.

In addition, a number of "bolt on" acquisitions were completed by three existing portfolio companies to expand their operations. As a result, at 30 June 2019, VPEG3 held 17 underlying company investments in its underlying portfolio.

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

by Adamantem Capital Fund 1

- **Zenitas** (December 2018), a community based healthcare provider.
- **Hellers** (February 2019), New Zealand's leading producer of processed meats.

by Advent Partners 2 Fund

- **Compass Education** (August 2018), a leading provider of information systems within the education industry.

by Allegro Fund III

- **Endeavour Learning Group** (October 2018), an Australian based higher education institution in the natural health sector.
- **Questas Group** (June 2019), a group of associated companies operating through a national branch network to provide hydraulic, irrigation, pump and engine solutions to the agricultural and general industrial sectors.

by Anchorage Capital Partners Fund III

- **South Pacific Laundry** (September 2018), Australia's leading commercial laundry operator.

by Odyssey Fund 8

- **Sushi Sushi** (April 2019), a vertically integrated food business that supplies sushi and other Japanese healthy convenience foods.
- **Delta Agribusiness** (April 2019), a leading provider of independent rural services and retail agricultural inputs.

Co-invest (Tribe Brewing)

- Co-investment alongside the **Advent Partners 1 Fund** into **Tribe Brewing Pty Ltd**, a leading independent manufacturer of craft beer and premium alcoholic beverages.

SIGNIFICANT BOLT ON ACQUISITIONS COMPLETED DURING THE YEAR INCLUDED:

by Adamantem Capital Fund 1

- **Hygain Holdings** added **Mitavite** from Ingham's Group, with the bolt on acquisition allowing two premium horse feed brands to come together to establish a solid platform in the domestic market (August 2018). The acquisition of the Mitavite assets allows Hygain to accelerate a number of strategic initiatives to gain greater access to horse owners across Australia and into new market segments.

by Advent Partners 2

- **SILK Laser Clinics** acquired a third-party skincare brand **AestheticRX (ARx)** (August 2018) adding a nine-piece cosmeceutical range that will replace the third-party agency brands that previously stocked SILK Clinics.
- **SILK** additionally acquired **The Laser Lounge** (August 2018), a complementary franchise business headquartered in Sydney. This bolt on added an additional 16 clinics across New South Wales and Queensland into SILK's combined clinic network, positioning SILK as one of the largest national players in the market.

by Odyssey Private Equity Fund 8

- **Adventure Holdings Australia (AHA)** acquired **Primus Australia Pty Ltd** (July 2018), trading as Companion Brands. Companion Brands is a key wholesale distributor in the Australian market, distributing products to over 3,400 outlets across leisure, hardware, auto and outdoor categories providing AHA with an array of complimentary product categories to AHA's existing product portfolio.

GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

The table below provides a summary of the top 10 underlying Private Equity investments in VPEG3's portfolio, for which funds have been drawn from VPEG3, as at 30 June 2019. As demonstrated in the table, the top 10 investments in VPEG3's underlying portfolio represented 79.2% of VPEG3's total Private Equity Portfolio as at 30 June 2019.

RANK	INVESTMENT	FUND	DESCRIPTION	% OF VPEG3'S PRIVATE EQUITY INVESTMENTS	CUMULATIVE %
1	**Hygain**	Adamantem Capital Fund 1	Australian Horse Feed & Supplement Manufacturer & Distributor	11.8%	11.8%
2	**Compass Education**	Advent Partners 2 Fund	Student Information System Software/Services Provider	9.6%	21.4%
3	**Heritage Lifecare Limited**	Adamantem Capital Fund 1	New Zealand Age-Care & Retirement Village Operator	8.2%	29.6%
4	**Zenitas Healthcare**	Adamantem Capital Fund 1	Community-based Healthcare Provider	8.1%	37.7%
5	**Mining Technologies Holdings Pty Limited**	Odyssey Private Equity Fund 8	Leading Global Provider of Data & Voice Communications	8.1%	45.8%
6	**Hellers**	Adamantem Capital Fund 1	Producer of Processed Meats in New Zealand	8.0%	53.8%
7	**Adventure Holdings Australia Pty Ltd (Oztrail)**	Odyssey Private Equity Fund 8	Leading Outdoor Equipment Brand	7.7%	61.6%
8	**Food Odyssey (Sushi Sushi)**	Odyssey Private Equity Fund 8	Food Retailing - Sushi	7.2%	68.8%
9	**SILK Laser & Skin Holdings Pty Ltd**	Advent Partners 2 Fund	Premium Provider of Laser and Skin Rejuvenation Services	5.4%	74.2%
10	**Questas Group**	Allegro III	Network of Niche Industrial Businesses across Australia	4.9%	79.2%

FINANCIAL PERFORMANCE OF VPEG3, LP AND VPEG3A

During the year to 30 June 2019, Limited Partner contributions to VPEG3, LP totalled $8,121,398 up from $7,376,960 that were contributed by Limited Partners across the year ended 30 June 2018. The additional contributions were received following the issue of two call notices across the year, with Call number 4 for 5% of the total Committed Capital to the Fund paid in December 2018 and Call number 5 for 8% of the total Committed Capital to the Fund paid in April 2019. As a result, total Paid Capital in VPEG3, LP as at 30 June 2019 was $16,732,011, representing $0.33 per dollar of committed capital to the Fund.

During the year to 30 June 2019, Unitholder contributions to VPEG3A totalled $1,025,800 which was less than the $1,841,400 that were contributed by Unitholders across the year ended 30 June 2018. The additional contributions were received following the issue of a single call notice, with call number 2 for 2% of the total Committed Capital to the Fund paid in December 2018 by VPEG3A Unitholders. As a result, total Paid Capital in VPEG3A as at 30 June 2019 was $2,867,200 representing $0.08 per dollar of committed capital to the Fund.

Total income received by the Fund across FY19 was $131,565 for VPEG3, LP and $6,927 by VPEG3A. This represented the interest earned on cash and term deposits as well as the equalisation premiums referred to above which became an asset of each Fund entity. No income distributions were received from underlying Private Equity funds for the year ended 30 June 2019.

However, distributions from VPEG3's Private Equity portfolio are likely to flow to the Fund in future years as the portfolio matures and companies are exited. VPEG3's total funds invested in cash and term deposits as at 30 June 2019 were $816,088 for VPEG3, LP, down from $2,120,434 at 30 June 2018 and $816,552 for VPEG3A up from $213,703 at 30 June 2018. 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 incurred by the Fund for the year ended 30 June 2019 totalled $1,203,173 for VPEG3, LP, up from $1,100,088 for FY18 and $102,044 for VPEG3A an increase over the $58,233 incurred in FY18. The majority of these expenses consisted of adviser referral fees and the costs associated with the management of the Fund.

Furthermore, a revaluation decrement of $529,290 for VPEG3, LP was booked for the year ended 30 June 2019 due to the costs associated with the establishment and management fees of all underlying Private Equity funds committed to by VPEG3, being higher than the income received and capital growth from each of their underlying company investments. This is consistent with the initial phase of the Fund as it continues to establish its investments into new underlying Private Equity funds and companies.

However, there was a revaluation increment of $75,482 for VPEG3A for the year ended 30 June 2019, due to the revaluations of underlying companies in the VPEG3A portfolio by the underlying fund managers, due to the growth of earnings across those companies.

GENERAL PARTNER & TRUSTEE'S REPORT (CONT.)

FINANCIAL PERFORMANCE OF VPEG3, LP AND VPEG3A (CONT.)

As a result of the operational costs exceeding income received by each Fund entity across the year, combined with a general reduction in the value of drawn capital to all underlying funds across the year due to the payment of underlying fund management fees and other costs associated with the operations of those funds, VPEG3, LP recorded a loss of $1,600,898 for the year.

As VPEG3A's portfolio reported a net gain the value of its underlying investments which offset a significant portion of the operational cost of the Trust, VPEG3A's loss for the year ended 30 June 2019 was only $19,635.

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) and adhered to by all funds that VPEG3 invests in.

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

Across VPEG3's underlying portfolio of investments, cumulative Revenue and EBITDA increased by 30.7% and 13.9% respectively, across the 2019 financial year.

These results were 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 are revalued in line with earnings growth, their improved value will result in increasing gains to VPEG3's overall value and performance.

As 64% of VPEG3's underlying portfolio have been held for less than one year, currently only a small number of underlying companies have been revalued from their initial cost of investment. As such Vantage expects that, as the portfolio matures, the revaluation of underlying companies will lead to an increase in unrealised gains over the coming years, which will offset all the operational costs of the Fund as well as underlying fund costs and management fees, such that once the sale of those companies occur after an average 2-4 year hold period, positive investment returns will flow to VPEG3's investors.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year ended 30 June 2019, 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 2019, a further three new underlying company investments were added to the VPEG3 investment portfolio.

In July 2019, **Odyssey Fund 8** acquired **FRANKiE4**, a leading and award-winning women's supportive footwear label.

In August 2019, **Adamantem Capital Fund 1** acquired ASX listed **Legend Corporation**, a distributor of product tools, components and accessories into the electrical wholesale and industrial / commercial gas markets.

Also, during August 2019, **Mercury Capital Fund 3** completed an investment into **Squiz**, Australia's largest content management system and enterprise search business with over 439 employees and operations across Australia, New Zealand, United Kingdom, Poland and the United States.

Further details about the above investments will be provided in the September 2019 quarterly report available on the Fund's website at www.vpeg3.info during November 2019. The manager expects the number of acquisitions within the underlying portfolio to continue as the Private Equity portfolio develops and further investment commitments are made into additional Private Equity funds.

In the opinion of the directors, no other matter or circumstance has arisen since 30 June 2019 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 by (and through) underlying Private Equity funds. Given that during the year ended 30 June 2019, VPEG3 completed its final two underlying fund commitments, bringing total completed underlying fund commitments to seven, as well as two co-investments, the Fund is now fully committed and will not be undertaking any further commitments or co-investments in the future.

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
Chairman of Investment Committee

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 (FINANCIAL MARKETS)
Investment Committee Member and Managing Director of Vantage

Experience and expertise

Michael is the Managing Director of Vantage and is responsible for overseeing the implementation of the Fund's investment strategy. 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 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).

Special responsibilities

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

DAVID PULLINI BE, MBA
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 2019, and the number of meetings attended by each committee member were:

DIRECTOR	MEETINGS OF INVESTMENT, AUDIT & RISK COMMITTEE	
	A	B
Roderick H McGeoch AO*	7	7
Patrick Handley*	7	7
Michael Tobin	7	7
David Pullini	7	7

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

In accordance with the Fund's partnership deed, the General Partner 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 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 FUND

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
31 October 2019

VPEG3, LP
FINANCIAL STATEMENTS

VANTAGE PRIVATE EQUITY GROWTH 3, LP

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
INVESTMENT INCOME			
Interest income (includes equalisation interest paid)		**131,565**	104,974
Total investment income		**131,565**	104,974
OPERATING EXPENSES			
Accountancy fees		**(15,960)**	(17,724)
Audit fees		**(11,440)**	(8,558)
Advisor referral fees		**(337,487)**	(427,406)
Investment administration fees		**(12,205)**	(25,023)
Investment committee fees		**(224,889)**	(163,817)
Net loss on investments held at fair value		**(529,290)**	-
Management fees		**(587,003)**	(426,607)
Registry fees		**(15,392)**	(26,727)
Establishment costs		**-**	(2,336)
Other expenses		**1,203**	(1,890)
Total expenses		**(1,732,463)**	(1,100,088)
Loss from operating activities		**(1,600,898)**	(995,114)
Loss attributable to Partners		**(1,600,898)**	(995,114)
OTHER COMPREHENSIVE INCOME			
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:			
Net unrealised movements in reserves upon revaluation of available for sale investments	7	**-**	(808,819)
Reclassification adjustments relating to available for sale financial assets disposed of / refinanced in the year		**-**	-
Other comprehensive income / (loss) for the year		**-**	(808,819)
Total comprehensive income / (loss) for the year		**(1,600,898)**	(1,803,933)

The accompanying notes form part of these financial statements.

VANTAGE PRIVATE EQUITY GROWTH 3, LP

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	2019 $	2018 $
ASSETS			
Current assets			
Cash and cash equivalents	2	**816,088**	2,120,434
Receivables	3	**78,511**	1,112,896
Total current assets		**894,599**	3,233,330
Non-current assets			
Investments at fair value through profit or loss	4	**11,947,807**	2,890,715
Total non-current assets		**11,947,807**	2,890,715
Total assets		**12,842,406**	6,124,045
LIABILITIES			
Creditors	5	**342,221**	144,360
Total liabilities		**342,221**	144,360
Net assets		**12,500,185**	5,979,685
PARTNERS' FUNDS			
Partners' contributions	6	**16,732,011**	8,610,613
Reserves	7	**-**	(871,059)
Accumulated losses	8	**(4,231,826)**	(1,759,869)
Total Partners' Funds		**12,500,185**	5,979,685

The accompanying notes form part of these financial statements.

VANTAGE PRIVATE EQUITY GROWTH 3, LP

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	PARTNER CONTRIBUTIONS $	RETAINED EARNINGS $	ASSET REVALUATION RESERVE $	TOTAL $
Balance at 1 July 2017		1,233,653	(764,755)	(62,240)	406,658
COMPREHENSIVE INCOME					
Loss for the year		-	(995,114)	-	(995,114)
Other comprehensive income / (loss)		-	-	(808,819)	(808,819)
Total comprehensive income / (loss) for the year attributable to Partners		**-**	**(995,114)**	**(808,819)**	**(1,803,933)**
Transactions with owners, in their capacity as owners					
Partner contributions	6	7,376,960	-	-	7,376,960
Total transactions with Partners		**7,376,960**	**-**	**-**	**7,376,960**
Balance at 30 June 2018		**8,610,613**	**(1,759,869)**	**(871,059)**	**5,979,685**
Adjustment on adoption of AASB 9	7, 8	-	(871,059)	871,059	-
COMPREHENSIVE INCOME					
Loss for the year		-	(1,600,898)	-	1,600,898)
Other comprehensive income / (loss)		-	-	-	-
Total comprehensive income / (loss)		**-**	**(1,600,898)**	**-**	**(1,600,898)**
Transactions with owners, in their capacity as owners					
Partner contributions	6	8,121,398	-	-	8,121,398
Total transactions with Partners		**8,121,398**	**-**	**-**	**8,121,398**
Balance at 30 June 2019		**16,732,011**	**(4,231,826)**	**-**	**12,500,185**

VANTAGE PRIVATE EQUITY GROWTH 3, LP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
CASH FLOW			
Cash flows from operating activities			
Interest received (including equalisation interest)		**131,565**	104,974
Expenses paid		**(1,055,407)**	(1,028,780)
Net cash used in operating activities	10	**(923,842)**	(923,806)
Cash flows from investing activities			
Payments to acquire financial assets		**(9,586,382)**	(3,688,334)
Repayments / (Payments) Vantage Private Equity Growth Trust 3A		**1,084,480**	(1,045,741)
Net cash used in investing activities		**(8,501,902)**	(4,734,075)
Cash flows from financing activities			
Partner capital contributions received	6(a)	**8,121,398**	7,376,960
Net cash from financing activities		**8,121,398**	7,376,960
Net increase in cash and cash equivalents		**(1,304,346)**	1,719,079
Cash and cash equivalents at beginning of the year		**2,120,434**	401,355
Cash and cash equivalents at end of the year	2	**816,088**	2,120,434

The accompanying notes form part of these financial statements.

VANTAGE PRIVATE EQUITY GROWTH 3, LP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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.

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.

Australian Accounting Standards (AASBs) are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

In preparing this special purpose financial report, all recognition and measurement standards have been applied which are in accordance with IFRS. Therefore the equity and income reported in the financial statements are considered to be in accordance with IFRS.

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

The Partnership has adopted revisions and amendments to the Australia Accounting Standards issued by the Australian Standards Board which are relevant to and effect the Partnership's financial statements for the annual year beginning 1 July 2018.

AASB 15 Revenue from contracts with customers and AASB 9 financial instruments became effective for periods beginning on or after 1 January 2018. Accordingly, the Partnership applied AASB 15 and AASB 9 for the year ended 30 June 2019.

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 revenue, AASB 111 Construction contracts and several revenue related interpretations. The adoption of AASB 15 had no impact on the financial statements of the Partnership.

AASB 9 Financial instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. The new accounting standards makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for impairment of financial assets.

When adopting AASB 9, the Partnership has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

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

The Partnership 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 2019. There are no effects resulting from any changes to accounting standards applicable to the Partnership for the current year.

AASB 16 *Leases*

AASB 16 eliminates the classification of leases as either operating or finance. There is now a single lessee model which requires a lessee to recognise assets and liabilities in the statement of financial position for leases with terms of more than 12 months unless the underlying asset is of low value.

The standard is applicable for annual reporting periods beginning on or after 1 January 2019.

This standard will be adopted in the year ending 30 June 2020 and there will be no impact on the financial statements of the Partnership.

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.

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) Revenue

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

Equalisation premiums received from applications from investors subsequent to the First Close of the Fund are recognised as 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. Unrealised gains are not assessable or distributable until realised.

VANTAGE PRIVATE EQUITY GROWTH 3, LP

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

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

c) Investments

Available for sale investments (before July 2018)

The Partnership has investments in the interests of trusts and other Limited Partnerships that are not traded in an active market. Investments are classified as available for sale financial assets and are stated at fair value. Fair value is based on the net asset backing of units in the trusts / investment vehicle at balance date.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve, with the exception of impairment losses, which are recognised in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Dividends on available for sale investments are recognised in profit or loss where the Partnership's right to receive the dividend has been established.

Financial assets at fair value through profit or loss (subsequent 1 July 2018)

Under AASB 139, financial instruments were classified as available for sale and measured at fair value through other comprehensive income. Changes in fair value were recognised directly in equity until the security is disposed of or impaired at which the cumulative gain or loss previously recognised in equity s included in profit or loss for the year.

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 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 about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

VANTAGE PRIVATE EQUITY GROWTH 3, LP

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

i) Critical Accounting Estimates and Judgments (CONT.)

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:

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's audited financial statements. This valuation is determined by the Manager of investees on the following basis:

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.

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.

j) Comparative Figures

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

k) Finance costs

Income distributions paid and payable on units are recognised in the profit and loss as finance costs and as a liability where not paid. Distributions paid are included in cash flows from operating activities in the statement of cash flows.

NOTE 2. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank	**816,088**	2,120,434
	816,088	2,120,434

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:

Cash and cash equivalents	**816,088**	2,120,434

NOTE 3. RECEIVABLES

	2019 $	2018 $
Current		
GST receivable	**41,239**	30,681
Other receivables - VPEG Trust 3A	**37,272**	1,082,215
Total receivables	**78,511**	1,112,896

VANTAGE PRIVATE EQUITY GROWTH 3, LP

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	NOTE	2019 $	2018 $
Non-current			
INTERESTS IN UNLISTED PRIVATE EQUITY FUNDS / LIMITED PARTNERSHIPS AT FAIR VALUE THROUGH PROFIT OR LOSS:			
Investments at fair value through profit or loss	4(a)	**11,947,807**	2,890,715
a) Movement 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		**2,890,715**	11,200
Calls		**9,586,382**	3,688,333
Revaluation		**(529,290)**	(808,818)
Balance at end of the financial year		**11,947,807**	2,890,715

The decrease in the Accumulated Portfolio Revaluation is due to the accrual and payment of VPEG3, LP's share of additional underlying investee funds, establishment costs and management fees, during the year ending 30 June 2019 in addition to operational costs across all funds.

NOTE 5. CREDITORS

	2019 $	2018 $
Current		
Accounts payable	**342,221**	144,360
	342,221	144,360

NOTE 6. PARTNERSHIP CONTRIBUTIONS

	NOTE	2019 $	2018 $
Partner contributions		**16,732,011**	8,610,613

a) Movement in Paid Capital

Opening balance		**8,610,613**	1,233,653
Partnership contributions - current year Paid Capital		**8,121,398**	7,376,960
Closing balance		**16,732,011**	8,610,613

b) Paid Capital per $1 of total Committed Capital to VPEG3		**0.33**	0.20

c) Committed Capital

Opening capital committed to VPEG3		**43,053,064**	24,673,064
Additional capital committed to VPEG3 during the year		**7,650,000**	18,380,000
Closing capital committed at the end of the year		**50,703,064**	43,053,064
Opening capital committed to VPEG3, LP		**41,211,664**	24,673,064
Additional capital committed to VPEG3, LP during the year		**7,341,000**	18,380,000
Closing capital committed to VPEG3, LP		**48,552,664**	43,053,064
Reallocation of committed capital to VPEG3A	6(e)	**(716,800)**	(1,841,400)
VPEG3, LP total committed capital as at the end of the year		**47,835,864**	41,211,664

d) Paid Capital

As at the beginning of the year, 41,211,664 (2018: 24,673,064) partnership interests were paid up to $0.20 (2018: $0.05) per $1 of Committed Capital. During the year, an additional $7,341,000 (2018: $18,380,000) of Capital was Committed to VPEG3, LP. Partnership interests were initially issued at $0.05 per partnership interest plus any additional paid capital at the date of allotment.

During the year, two call notices were issued totalling $0.13 of total VPEG3 Committed Capital. The first during December 2018 for $0.05 per $ of Committed Capital and later during April 2019 for $0.08 per $ of Committed Capital. The total unpaid capital for these partnership interests as at 30 June 2019 is $0.67 per $ of Committed Capital.

During the year ended 30 June 2018, two call notices were issued totalling $0.15 of total VPEG3 Committed Capital. The first during October 2017 for 0.05 per $ of Committed Capital and later during January 2018 for $0.10 per $ of Committed Capital. The total unpaid capital for these partnership interests as at 30 June 2018 was $0.80 per $ of Committed Capital.

VANTAGE PRIVATE EQUITY GROWTH 3, LP

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6. PARTNERSHIP CONTRIBUTIONS (CONT.)

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 7. INVESTMENT REVALUATION RESERVE

	2019 $	2018 $
Investment Revaluation Reserve	-	(871,059)

a) Movement in reserves

Opening balance	**(871,059)**	(62,240)
Adjustment due to Adaption of Accounting Standard AASB9	**871,059**	-
Net revaluations	-	(808,819)
Closing balance	-	(871,059)

The decrease in the Investment Revaluation Reserve is due to the accrual and payment of VPEG3, LP's share of underlying fund, establishment costs and management fees, during the year ending 30 June 2018.

As a result of the adoption of AASB 9: Financial Instruments the net revaluation increments / (decrements) have been disclosed in the Statement of Profit or Loss.

NOTE 8. ACCUMULATED LOSSES

	2019 $	2018 $
Accumulated losses	**(4,231,826)**	(1,759,869)

a) Movement in accumulated losses

	2019 $	2018 $
Opening balance	**(1,759,869)**	(764,755)
Adjustment due to Adaption of Accounting Standard AASB9	**(871,059)**	-
Net operating loss for the year	**(1,600,898)**	(995,114)
Closing balance	**(4,231,826)**	(1,759,869)

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. 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.

VANTAGE PRIVATE EQUITY GROWTH 3, LP

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 10. NOTES TO THE STATEMENT OF CASH FLOWS

	2019 $	2018 $
a) Reconciliation of profit or loss for the period to net cash flows from operating activities:		
Net operating profit / (loss) for the year	**(1,600,898)**	(995,114)
CASH FLOWS EXCLUDED FROM PROFIT ATTRIBUTABLE TO OPERATING ACTIVITIES		
Finance costs - Distributions to Unit Holders	**-**	-
NON-CASH FLOWS IN PROFIT		
Movement in net market values	**529,290**	-
CHANGES IN ASSETS AND LIABILITIES:		
(Increase) / decrease in GST receivable	**(10,558)**	16,956
(Increase) in other receivables	**(39,537)**	-
Increase in creditors	**197,861**	54,352
Cash flow from operations	**(923,842)**	(923,806)

NOTE 11. EVENTS AFTER THE BALANCE SHEET DATE

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 12. REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

Level 3
480 Collins Street
MELBOURNE VIC 3000
AUSTRALIA

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 20 to 34, present fairly the Partnership's financial position as at 30 June 2019 and of its performance for the year ended 30 June 2019 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

David Pullini
Director

Melbourne
31 October 2019

INDEPENDENT AUDITOR'S REPORT

Building a better working world

Ernst & Young
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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 2019, 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 is prepared, in all material respects, in accordance with Partnership Deed of Vantage Private Equity Growth Limited 3, LP, the recognition and measurement requirement specified by the Australian Accounting Standards.

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 partners 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 Partners of the General Partner are responsible for the other information. The other information is the partners' 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.

INDEPENDENT AUDITOR'S REPORT

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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.

- 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.

INDEPENDENT AUDITOR'S REPORT

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3

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

Daniel Cunningham
Sydney
29 October 2019

VPEG3A

FINANCIAL STATEMENTS

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 $	2018 $
INVESTMENT INCOME			
Interest income (includes equalisation interest paid)		**6,927**	3
Net gains on investments held at fair value		**75,482**	-
Total investment income		**82,409**	3
OPERATING EXPENSES			
Accountancy fees		**(1,045)**	(2,584)
Audit fees		**(3,287)**	-
Establishment costs		**(225)**	-
Adviser referral fees		**(36,328)**	(42,726)
Investment administration fees		**(12,247)**	(1,642)
Investment committee fees		**(12,133)**	(3,102)
Management fees		**(30,174)**	(8,079)
Registry fees		**(5,878)**	-
Other expenses		**(727)**	(100)
Total expenses before finance cost		**(102,044)**	(58,233)
Loss for the year		**(19,635)**	(58,230)
OTHER COMPREHENSIVE INCOME			
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:			
Net unrealised movements in reserves upon revaluation of available for sale investments	7	**-**	(127,961)
Other comprehensive income for the year		**-**	(127,961)
Total comprehensive income for the year		**(19,635)**	(186,191)

The accompanying notes form part of these financial statements.

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	2019 $	2018 $
ASSETS			
Current assets			
Cash and cash equivalents	2	**816,552**	213,703
Receivables	3	**10,746**	1,634,113
Total current assets		**827,298**	1,847,816
Non-current assets			
Investments at fair value through profit or loss	4	**1,878,373**	888,299
Total non-current assets		**1,878,373**	888,299
Total assets		**2,705,671**	2,736,115
LIABILITIES			
Other payables	5	**49,297**	1,085,906
Total liabilities		**49,297**	1,085,906
Net assets		**2,656,374**	1,650,209
EQUITY			
Unit Holders Capital	6	**2,867,200**	1,841,400
Reserves	7	**-**	(127,961)
Accumulated losses	8	**(210,826)**	(63,230)
Total equity		**2,656,374**	1,650,209

The accompanying notes form part of these financial statements.

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	UNIT HOLDERS CAPITAL $	RETAINED EARNINGS $	ASSET REVALUATION RESERVE $	TOTAL $
Balance at 1 July 2017		-	(5,000)	-	(5,000)
Transactions with Unit Holders, in their capacity as Unit Holders					
Calls during the year	6	1,841,400	-	-	1,841,400
Total transactions with Unit Holders		**1,841,400**	**-**	**-**	**1,841,400**
COMPREHENSIVE INCOME					
Loss for the year		-	(58,230)	-	(58,230)
Other comprehensive income / (loss)		-	-	(127,961)	(127,961)
Total comprehensive income / (loss) for the year attributable to Unit Holders		-	(58,230)	(127,961)	(186,191)
Balance at 30 June 2018		**1,841,400**	**(63,230)**	**(127,961)**	**1,650,209**
Adjustment on adoption of AASB 9		-	(127,961)	127,961	-
Transactions with Unit Holders, in their capacity as Unit Holders					
Calls during the year	6	1,025,800	-	-	1,025,800
Total transactions with Unit Holders		**1,025,800**	**-**	**-**	**1,025,800**
COMPREHENSIVE INCOME					
Loss for the year		-	(19,635)	-	(19,635)
Other comprehensive income / (loss)		-	-	-	-
Total comprehensive income / (loss) for the year attributable to Unit Holders		**-**	**(19,635)**	**-**	**(19,635)**
Balance at 30 June 2019		**2,867,200**	**(210,826)**	**-**	**2,656,374**

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 2019

	NOTE	2019 $	2018 $
CASH FLOW			
Cash flows from operating activities			
Interest received		**6,927**	3
Expenses paid to suppliers		**(58,606)**	(64,046)
Net cash used in operating activities	10	**(51,679)**	(64,043)
Cash flows from investing activities			
Payments to acquire financial assets		**(914,592)**	(985,298)
(Payments to) / receipts from related parties		**(1,084,480)**	1,049,444
Net cash from / (used in) investing activities		**(1,999,072)**	64,146
Cash flows from Unit Holders' activities			
Proceeds from issue of units		**2,653,600**	213,600
Net cash from Unit Holders' activities		**2,653,600**	213,600
Net increase in cash and cash equivalents		**602,849**	213,703
Cash and cash equivalents at beginning of the year		**213,703**	-
Cash and cash equivalents at end of the year	2	**816,552**	213,703

The accompanying notes form part of these financial statements.

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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 Constitution.

Statement of Compliance

This special purpose financial report has been prepared in accordance with the Fund's Constitution, 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.

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

The Trust has adopted revisions and amendments to the Australia Accounting Standards issued by the Australian Standards Board which are relevant to and effect the trusts financial statements for the annual year beginning 1 July 2018.

AASB 15 Revenue from contracts with customers and AASB 9 financial instruments became effective for periods beginning on or after 1 January 2018. Accordingly, the trust applied AASB 15 and AASB 9 for the year ended 30 June 2019.

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 revenue, AASB 111 Construction contracts and several revenue related interpretations. The adoption of AASB 15 had no impact on the financial statements of the Trust.

AASB 9 Financial instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. The new accounting standards makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for impairment of financial assets.

When adopting AASB 9, the Trust has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

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

The trust 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 2019. There are no effects resulting from any changes to accounting standards applicable to the Trust for the current year.

AASB 16 *Leases*

AASB 16 eliminates the classification of leases as either operating or finance. There is now a single lessee model which requires a lessee to recognise assets and liabilities in the statement of financial position for leases with terms of more than 12 months unless the underlying asset is of low value.

The standard is applicable for annual reporting periods beginning on or after 1 January 2019.

This standard will be adopted in the year ending 30 June 2020 and there will be no impact on the financial statements of the trust.

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.

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) Revenue

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

Trust distributions are recognised as revenue when the right to receive payment is established. Distribution income includes capital gains and return of capital arising from the disposal of underlying investments. Unrealised gains and losses are transferred to reserves and are not assessable or distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains.

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

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

c) Investments

Available for sale investments (before July 2018)

The Fund has investments in the interests of unit trusts that are not traded in an active market. Investments are classified as available for sale financial assets and are stated at fair value. Fair value is based on the net asset backing of units in the trusts at balance date.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve, with the exception of impairment losses, which are recognised in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Dividends on available for sale investments are recognised in profit or loss where the Fund's right to receive the dividend has been established.

Financial assets at fair value through profit or loss (subsequent 1 July 2018)

Under AASB 139, financial instruments were classified as available for sale and measured at fair value through other comprehensive income. Changes in fair value were recognised directly in equity until the security is disposed of or impaired at which the cumulative gain or loss previously recognised in equity s included in profit or loss for the year.

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 constitution and applicable taxation legislation and any other amounts determined by the Trustee, to unit holders 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 Unit Holders.

f) Trade and Other Receivables

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

g) Finance costs

Income distributions paid and payable on units are recognised in the profit and loss as finance costs and as a liability where not paid. Distributions paid are included in cash flows from operating activities in the statement of cash flows.

h) Goods and Services Tax (GST)

The Fund is not registered for 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.

i) Comparative Figures

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

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

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

j) Critical Accounting Estimates and Judgments

In the application of the Fund's accounting policies, the trustee is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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:

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's audited financial statements. This valuation is determined by the Manager of investees on the following basis:

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.

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.

NOTE 2. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank	**816,552**	213,703

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:

Cash and cash equivalents	**816,552**	213,703

NOTE 3. RECEIVABLES

	2019 $	2018 $
Current		
GST receivable	**10,746**	6,313
Called capital receivable	**-**	1,627,800
Total receivables	**10,746**	1,634,113

NOTE 4. OTHER FINANCIAL ASSETS

		2019 $	2018 $
Non-current			
INTERESTS IN UNLISTED PRIVATE EQUITY FUNDS / LIMITED PARTNERSHIPS AT FAIR VALUE THROUGH PROFIT OR LOSS:			
Investments at fair value through profit or loss	4(a)	**1,878,373**	888,299

a) Movement 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	**888,299**	30,962
Calls	**914,592**	985,298
Current year net revaluation	**75,482**	(127,961)
Balance at end of the financial year	**1,878,373**	888,299

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5. OTHER PAYABLES

	2019 $	2018 $
Current		
Accounts payable	**12,025**	-
Related Party Payable - Vantage Private Equity Growth 3,LP	**37,272**	1,085,906
	49,297	1,085,906

NOTE 6. ISSUED UNITS

	2019 $ PER $1 OF COMMITTED CAPITAL	2018 $ PER $1 OF COMMITTED CAPITAL	NUMBER OF UNITS	2019 $	2018 $
1,841,400 units issued	0.02	0.06	2,867,200	2,867,200	1,841,400

	2019 $ PER UNIT	2018 $ PER UNIT	NUMBER OF UNITS	2019 $	2018 $
a) Movement in Called Capital					
Opening balance	-	-	1,841,400	**1,841,400**	-
Units issued during the period to new investors	-	-	309,000	**309,000**	-
Paid up capital/additional units issued to investors	1.00	1.00	716,800	**716,800**	1,841,400
Closing balance			2,867,200	**2,867,200**	1,841,400

During the year, 1,025,800 (2018: 1,841,400) units were issued to new and 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, addition capital was called equal to $0.02 (2018: $0.06) 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. This has not impacted the total committed capital to VPEG3.

NOTE 7. INVESTMENT REVALUATION RESERVE

	2019 $	2018 $
Investment Revaluation Reserve	-	(127,961)

a) Movement in reserves

	2019 $	2018 $
Opening balance	**(127,961)**	-
Adjustment on adoption of AASB 9	**127,961**	-
Net revaluation decrements	-	(127,961)
Closing balance	-	(127,961)

The decrease in the Investment Revaluation Reserve is due to the accrual and payment of VPEG3A's share of underlying fund, establishment costs and management fees, during the year ending 30 June 2018.

As a result of the adoption of AASB 9: Financial Instruments the net revaluation increments / (decrements) have been disclosed in the Statement of Profit or Loss.

NOTE 8. ACCUMULATED LOSSES

	2019 $	2018 $
Accumulated income losses	**(210,826)**	(63,230)

a) Movement in accumulated losses

	2019 $	2018 $
Opening balance	**(63,230)**	(5,000)
Adjustment on adoption of AASB 9	**(127,961)**	-
Net operating loss for the year	**(19,635)**	(58,230)
Closing balance	**(210,826)**	(63,230)

VANTAGE PRIVATE EQUITY GROWTH TRUST 3A

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9. 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 10. NOTES TO THE STATEMENT OF CASH FLOWS

	2019 $	2018 $
a) Reconciliation of profit or loss for the period to net cash flows from operating activities:		
Net operating loss for the year	**(19,635)**	(58,230)
CASH FLOWS EXCLUDED FROM PROFIT ATTRIBUTABLE TO OPERATING ACTIVITIES		
Finance costs - Distributions to Unit Holders	**-**	-
NON-CASH FLOWS IN PROFIT OR LOSS		
Investment revaluations	**(75,482)**	-
CHANGES IN ASSETS AND LIABILITIES:		
(Increase) in receivables	**(4,433)**	(5,813)
Increase in other payables	**47,871**	-
Cash flow from operations	**(51,679)**	(64,043)

NOTE 11. EVENTS AFTER THE BALANCE SHEET DATE

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 Fund in future financial years.

NOTE 12. TRUSTEE AND MANAGER DETAILS

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

Level 3
480 Collins Street
MELBOURNE VIC 3000
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 under the Fund's Constitution.

The director 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 40 to 53, present fairly the Fund's financial position as at 30 June 2019 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;

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

David Pullini
Director

Sydney
31 October 2019

INDEPENDENT AUDITOR'S REPORT

EY
Building a better working world

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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 Trust), which comprises the statement of financial position as at 30 June 2019, 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 Trust as at 30 June 2019, 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 Trust 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.

Responsibilities of the Directors for the Financial Report

The directors of the Trustee Company 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 Trust'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 Trust 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.

INDEPENDENT AUDITOR'S REPORT

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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 Trust'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 Trust'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 Trust 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

Ernst & Young
Sydney
29 October 2019

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