

VPEG2B

ANNUAL REPORT 2015

VANTAGE PRIVATE EQUITY GROWTH TRUST 2B

INVESTMENT MANAGER



**DIVERSIFY.
GROW.
OUTPERFORM.**

CORPORATE DIRECTORY

Directors of the Trustee

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

David Pullini B.E., MBA
Director

Notice of annual general meeting

The annual general meeting of
Vantage Private Equity Growth 2

will be held at Corrs Chambers Westgarth
L17, 8 Chifley Square
Sydney NSW 2000

time 10.30am

date 25 November 2015

Principal registered office in Australia

Level 25, Aurora Place
88 Phillip Street
Sydney NSW 2000

Auditors

Ernst & Young
The Ernst & Young Centre
680 George Street
Sydney NSW 2000

Solicitors

Norton Rose Fulbright
Grosvenor Place
225 George Street
Sydney NSW 2000

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TRUSTEE AND MANAGERS' REPORT

Vantage Asset Management Pty Limited the Trustee of Vantage Private Equity Growth Trust 2B ("the Fund" or "VPEG 2B") presents their report together with the financial statements of VPEG 2B for the year ended 30 June 2015.

Directors

The following persons were directors of the Trustee during the whole of the financial year and up to the date of this report, unless otherwise stated:

Michael Tobin (Managing Director)

David Pullini (Director)

Principal activity

The principal activity of the Fund is the investment in professionally managed Private Equity funds focused on investing in the later expansion and buyout stages of Private Equity in Australia and New Zealand.

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 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 2015 the Fund held investment commitments in three Private Equity funds managed by top performing Australian equity fund managers.

Fund Performance Highlights From Inception (May 2014) to 30 June 2015

- > First close Completed 28 May 2014
- > First Private Equity Investment Commitment made in November 2014
- > Final close completed on 28 May 2015
- > \$5.2m of Investment commitments made across three Private Equity funds during the year
- > \$489,000 in capital drawn by underlying Private Equity funds
- > Four new underlying company investments added to the portfolio

Distributions

No distributions have been paid or recommended for payment for the year ended 30 June 2015.

Economic Conditions across FY15

The key characteristics for global economic conditions during the second half of 2014 was low inflation, weak demand growth, and for Australia, a re-alignment of our economic cycle away from its traditional peers (in particular, the US). These global market conditions continued to impact on Australian companies manifesting in lower levels of top line growth.

Australia's economic growth during the second half of 2014 was around 2.5% which was below the long-term trend of 3.25% and very narrowly based upon the resource sector. Driven by resource sector export volumes, economic growth declined as commodity prices weakened in the second half of 2014. This meant that while Australia was producing more, the economy was earning less. During this period, iron ore prices had fallen to a decade low and some small Australian miner suspended operations. In addition, consumer and business sentiment remained subdued, impacting business investment and creating a deterioration in the labour market, which resulted in rising unemployment.

During this period, the Reserve Bank of Australia (RBA) consistently reiterated the need for the Australian dollar to be sustainably lower over the longer term to help re-balance the economy, given that the lower commodity prices were having little impact reducing the Australian dollar above its calculated fair value. Weaker commodity prices combined with slowing wages growth, confidence and currency, resulted in the RBA flexing their financial muscle over monetary policy and reducing interest rates in February and May of 2015. Both months saw interest rate cuts of 0.25% each, taking the cash rate down from 2.5% to a record low of 2%.

Another development impacting economic conditions in early 2015 was falling oil prices globally, which provided an overall boost to economic activity, positively impacting consumers and industry.

The impact of the combined lower input costs such as energy and interest rates, in the shorter term, improved consumer confidence. The low interest rates acted to support borrowing and spending and growth in lending to the housing market with building approvals and house prices recovering overall. Although consumers responded positively to lower interest rates, the response from non-mining businesses continued to disappoint.

Fluctuations in equity markets were felt by those businesses associated with the respective developments in China regarding increased concerns over the sustainability in its growth as it transitions to a more market based economy. Greece's default on its sovereign debt repayments also negatively impacted global equity markets at this time. Further volatility in global equity markets also resulted from negative sentiment associated with the impending interest rate normalisation program, which was expected to be implemented by the US Federal Reserve later in 2015. Despite this, the Australian Bureau of Statistics reported that Australian GDP grew by 0.9% in the first quarter of 2015, dropping to 0.2% in the second quarter. This produced an average GDP growth rate across FY15 of 0.5% per quarter.

In summary, indicators for the Australian economy suggested that the economy had continued to grow over the year but at a rate somewhat below its longer-term average of 0.87% per quarter. The rate of unemployment had also elevated and together with slow growth in labour costs, inflation remained consistent with the RBA target rates, in spite of the lower exchange rate. The Australian Dollar depreciated during the period to \$US0.77 against the rising US dollar and this stimulated demand for domestically produced goods and services. However total business investment remained subdued leading into the second half of 2015.

Domestically, Private Equity activity, including acquisitions and divestments, remained buoyant across the year. Although equity markets were volatile during the period, IPO activity remained strong with a number of Private Equity backed floats being finalised.

TRUSTEE AND MANAGERS' REPORT

Economic Conditions across FY15 (continued)

In the June 2015 quarter, a number of IPOs were however pulled or repriced, possibly indicating the market becoming more discerning in the new issues it will back. Equity capital market advisors however are steadfast that the IPO market is open for quality businesses. This indicates that the IPO window will remain open which is positive for VPEG2's underlying Private Equity portfolio if fund managers determine it to be an appropriate means to progress through to exit when the opportunity presents.

In addition, the banking market for appropriately structured deals by sponsors did not materially change during the year. The local banks have also seen increasing competition from offshore credit funds looking to provide acquisition finance debt, typically for larger deals. Liquidity and terms continue to be supportive for new transactions into FY16.

Moving into the second half of 2015, conditions in the Australian Private Equity market remain strong with a number of new primary investments undertaken and more activity in the bolt-on acquisition space. These included four of VPEG2's underlying portfolio acquisitions including Great Southern Rail and Custom Bus by Allegro Fund II and Infinite Aged Care and Forest Coach Lines by Next Capital Fund III. Private Equity deal flow remains encouraging for FY16 and there are indicators of a more active buy side market over the coming quarters which will be positive for VPEG2's developing portfolio.

Review of VPEG 2B's Operations

Vantage Private Equity Growth 2B ('VPEG 2B') is one of a set of Private Equity funds managed by Vantage Asset Management Pty Ltd which is a leading independent investment management company with expertise in Private Equity, funds management and manager selection. VPEG 2B comprises one half of a twin trust structure (in conjunction with Vantage Private Equity Growth 2A), which are Australian unit trusts for sophisticated investors with a minimum capital commitment of \$50,000. The Fund's investment objective for its Investment Portfolio is to achieve attractive medium to longterm returns on Private Equity investments while keeping the volatility of the overall investment portfolio low. This is achieved by investing across a highly diversified portfolio of Private Equity assets with diversification obtained by allocating across manager, geographic region, financing stage, industry sector and vintage year.

Fully Paid Units Issued

The fund commenced raising capital and completed its first close on 28 May 2014 and subsequent final close, on 28 May 2015, achieving total investment of \$8,904,052 from investors. The initial issue price for units under this offer was \$1.00 per unit payable in full upon application if paid on or before the first close. (In accordance with the Information Memorandum, units issued subsequent to this date were issued at a premium 1.25% per quarter.)

As a result, VPEG 2B issued 8,847,838 fully paid units with total Paid Capital of \$8,904,052 at 30 June 2015.

New Underlying Private Equity Investments

Since the commencement of its investment program in May 2014, the fund has committed \$5.2 million across three Private Equity funds. Commitments to fund managers as at 30 June 2015 were as follows:

- > **\$2.0 million to Next Capital Fund II** (November 2014), managed by Sydney, Australia based, Private Equity mid-market specialist, Next Capital;
- > **\$2.0 million to Allegro Fund II** (December 2014), managed by Sydney, Australia based, Private Equity “transformational capital” specialist, Allegro; and
- > **\$1.2 million to Mercury Capital Fund 2** (June 2015), managed by Sydney, Australia based small to mid-market specialist, Mercury Capital.

VPEG 2B’s Private Equity portfolio and commitments, as at 30 June 2015, were as follows:

PRIVATE EQUITY FUND NAME	FUND SIZE	VINTAGE YEAR	INVESTMENT FOCUS	VPEG 2B’s COMMITMENT	CAPITAL DRAWN DOWN	TOTAL NO. OF INVESTEE COMPANIES	NO. OF EXITS
Next Capital Fund III	\$300m*	2014	Small to Mid Market Expansion / Buyout	\$2.0m	\$0.25m	2	0
Allegro Fund II	\$180m	2014	Small to Mid Market Expansion / Buyout	\$2.0m	\$0.2m	2	0
Mercury Capital Fund 2	\$300m	2015	Small to Mid Market Expansion / Buyout	\$1.2m	\$0.036m	0	0
			Total	\$5.2m	\$0.489m	4	0

* Target Fund Size

As detailed in the table above, the total value of funds drawn from VPEG into Private Equity investments at 30 June 2015 was \$0.489m. As a result, VPEG 2B’s portfolio at the end of FY15 consisted of four underlying Private Equity company investments.

TRUSTEE AND MANAGERS' REPORT

New underlying Private Equity company investments completed during the period included:

- > by Allegro Fund II
 - **Custom Bus** (August 2014) specialises in building large (41+ seat) government and school buses and is the 2nd largest bus builder in Australia with over 60 years of operating history.
 - **Great Southern Rail** (March 2015) operator of the transcontinental passenger rail services, The Ghan (Adelaide-Alice Springs-Darwin), The Indian Pacific (Sydney-Adelaide-Perth) and The Overland (Melbourne- Adelaide) in Australia.
- > by Next Capital Fund III
 - **Infinite Aged Care** (December 2014) established by two experienced operators in the aged care and property sectors with the objective of building a national leasehold aged care business.
 - **Forest Coach Lines** (December 2014) a leading urban bus operator in Sydney including ancillary charter tours and transfers to regional locations across the country.

The table below provides a summary of the underlying Private Equity investments in VPEG 2B's portfolio, for which funds have been drawn from VPEG 2B, as at 30 June 2015. As demonstrated in the table, VPEG 2B's investments in completed acquisitions represent 4.2% of VPEG 2B's Net Asset Value at 30 June 2015.

RANK	INVESTMENT	FUND	DESCRIPTION	% OF VPEG 2B'S PRIVATE EQUITY INVESTMENTS	CUMULATIVE % OF VPEG 2B'S NAV*
1	Infinite Aged Care	Next Capital III	Aged Care Operator and Developer	1.4%	1.4%
2	Custom Bus	Allegro Fund II	Bus Manufacturer	1.2%	2.6%
3	Forest Coach Lines	Next Capital III	Urban Bus Fleet Owner and Operator	1.0%	3.6%
4	Great Southern Rail	Allegro Fund II	Luxury Tourism Provider	0.6%	4.2%

Note; * VPEG 2B's pre-tax Net Asset Value.

Financial Performance of the Fund

During this initial full year of operations, the total income of the Fund was \$208,792. This represents the interest earned on cash and term deposits from application monies from investors through to 30 June 2015. Given the recent establishment of the Fund, no income has yet been received from underlying Private Equity investments, however distributions from these investments are likely to flow to the Fund overtime as the portfolio matures and companies are exited.

VPEG 2B's total funds invested in cash and term deposits as at 30 June 2015 was \$8,217,059. 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 2015 totalled \$248,118. The majority of these expenses consisted of adviser referral fees and other costs associated with the establishment and management of VPEG 2B.

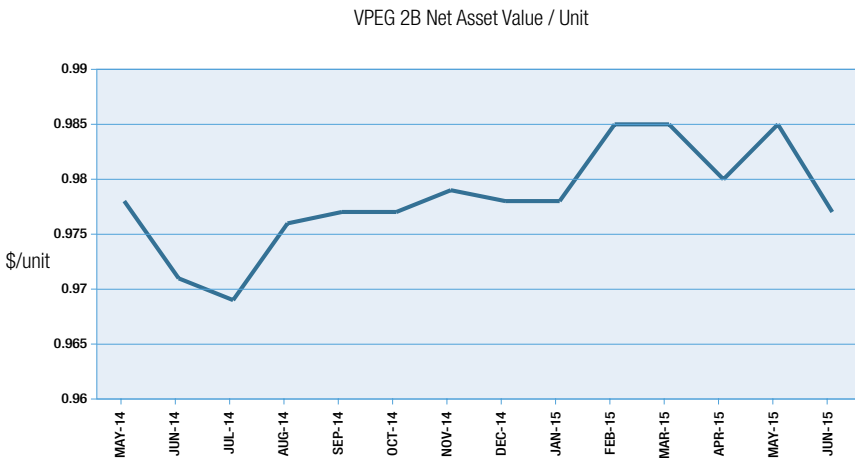
Financial Performance of the Fund (continued)

Furthermore a revaluation decrement of \$92,406 has been recognised for the year ended 30 June 2015 due to the underlying investment fund's costs being higher than their income and capital growth. 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.

As a result of the initial lower income and higher operational costs (including establishment costs) incurred during the period, VPEG 2B booked a loss of \$131,742 for the year ended 30 June 2015 (2014: \$134,591).

Change in Net Asset Value / Unit

The graph below details the movement in VPEG 2B's Net Asset Value (NAV) per unit since inception through to 30 June 2015.



As demonstrated in the graph above, VPEG 2B's Net Asset Value (NAV) initially dropped from the issue price of \$1.00 per unit, due to the payment of adviser referral fees and other costs associated with the establishment and management of VPEG 2B. VPEG 2B's NAV then increased due to the interest earned on VPEG 2B's cash investments exceeding the management, custody and administration costs incurred by the fund. The NAV decreased slightly in June due to capital drawn by Allegro II, which included VPEG 2B's share of establishment costs of that fund.

TRUSTEE AND MANAGERS' REPORT

Significant changes in the state of affairs

During the financial year there were no significant changes in the state of affairs of the Fund.

Matters subsequent to the end of the financial year

On 24 July 2015, Allegro Fund II completed the acquisition of an additional underlying portfolio company, Carpet Court NZ. Details of this investment will be provided in the September 2015 quarterly report available on the Fund's website at www.vpeg2.info during November 2015. The manager expects the number of acquisitions within the underlying portfolio to continue in line with the rate of acquisitions over the past year 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 2015 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 its existing business operations as well as new commitments and investments made to (and through) Private Equity funds. VPEG 2B will ultimately make investment commitments into six to eight Private Equity funds. These funds include new funds being established, as well as existing Private Equity funds. In line with the investment strategy per the Information Memorandum, the Fund is well on track to meeting this target. This however is tempered with the objective of ensuring a dynamic allocation strategy which is designed to achieve a reduced volatility of returns over the medium to long-term and optimise the allocation of the Fund's investment portfolio to the highest performing assets, managed by the best performing Private Equity fund managers.

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 on VPEG 2B's Investment, Audit and Risk Committee (Investment Committee) during the whole of the financial year and up to the date of this report:

Roderick H McGeoch AO (Chairman of Investment Committee)

Patrick Handley (Independent Committee Member)

Paul Scully (Independent Committee Member)

Michael Tobin (Committee Member and Managing Director of Trustee)

David Pullini (Committee Member and Director of Trustee)



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 BGP Holdings PLC and Mediaworks Investments Limited and a Director of Ramsay Healthcare Limited and Destination NSW. Rod is also the Honorary Chairman of the Trans-Tasman Business Circle and the Co-Chairman of the Australia New Zealand Leadership Forum as well as Deputy Chairman of the Sydney Cricket and Sports Ground Trust. Rod was previously a Director of Sky City Entertainment Group (resigned 17 October 2014). Rod was also previously a member of the International Advisory board of Morgan Stanley Dean Witter, one of the world's leading financial institutions.

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 2014 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.

TRUSTEE AND MANAGERS' REPORT

INFORMATION ON INVESTMENT COMMITTEE MEMBERS (continued)



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 Executive 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), Chairman of Bridgeport Energy Limited and a Director of Suncorp Metway Limited, AMP Limited, HHG and Deputy Chairman of Babcock & Brown Capital Limited.

Special responsibilities

Chairman of the Audit Committee.



Paul Scully BA, FIAA, FAICD. Investment Committee Member (Independent)

Experience and expertise

Paul has spent 35 years in financial services and has extensive local and international experience in many aspects of institutional investment management, covering business and asset management, M&A and Private Equity. Paul's current board positions include SAS Trustee Corporation, a NSW Government employee superannuation fund, its financial planning subsidiary State Super Financial Planning Australia and the Investor Review Committees of the Australian Prime Property Funds. Paul has also been a Director of ING Management Pty Ltd, the responsible entity for the listed property funds of the ING Group in Australia, including the ING Office Fund & ING Industrial Fund, both past ASX top 100 entities.

Paul is the former CEO and Managing Director of ING Investment Management (INGIM) Asia Pacific and a member of INGIM's Global Management Board. Paul was responsible for establishing INGIM's Private Equity multi manager investment program in 1997 and was part of the team that subsequently built that business to approximately \$300m of funds under management. During his tenure, INGIM invested in many Private Equity funds managed by close to 20 Australian Private Equity fund managers.

Paul is an actuary by training, undertakes consulting assignments and has also written extensively on finance related topics.



Michael Tobin B.E., MBA, DFS (Financial Markets)
Investment Committee Member and Managing Director

Experience and expertise

Michael has been made available to the Fund as Managing Director by Vantage Asset Management Pty Limited (the Manager) and is responsible for overseeing the implementation of the Fund's investment strategy. Michael has over 25 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 and Company Secretary of the Trustee and Member of the Investment Committee.



David Pullini BE, MBA Investment Committee Member and Director.

Experience and expertise

David is a Director of Vantage Asset Management Pty Limited (the Manager) 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.

In Europe, David completed a Master of Business Administration at IMD, Switzerland. In Australia, David studied engineering and finance.

Special responsibilities

Director of the Trustee and Executive Member of the Investment Committee.

TRUSTEE AND MANAGERS' REPORT

Meetings of Investment, Audit and Risk Committee

The number of meetings of the Investment Committee held during the period ended 30 June 2015, and the number of meetings attended by each committee member were:

	FULL MEETINGS OF DIRECTORS		MEETINGS OF INVESTMENT AUDIT & RISK COMMITTEE	
	A	B	A	B
Roderick H McGeoch AO*	-	-	6	6
Patrick Handley*	-	-	6	6
Paul Scully*	-	-	6	6
Michael Tobin	6	6	6	6
David Pullini	6	6	6	6

A = Number of meetings attended

B = Number of meetings held during the year whilst committee member held office

* = Independent members of investment, audit and risk committee

Indemnification and Insurance of Directors and Officers

During the financial year, the Trustee paid a premium of \$16,978 (2014: \$16,978) in relation to insurance cover for Vantage Asset Management Pty Limited its Directors and officers.

Under VPEG 2B's trust deed, Vantage Asset Management Pty Limited, may indemnify the investment committee members out of VPEG 2B's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its power, duties or rights in relation to VPEG 2B.

The Trustee indemnifies the directors and officers on a full indemnity basis and to the full extent possible permitted by law against all losses, liabilities, costs charges and expenses incurred by the officer as an officer of the company or by a related body corporate. The company may, to the extent permitted by law, purchase and maintain insurance, and pay or agree to pay a premium of insurance for each officer against any liability incurred by the officer as an officer of the company or a related body corporate including but not limited to a liability for negligence or for reasonable costs and expenses incurred in defending proceedings. In addition, the company and each director have entered into a deed which gives the director a contractual right:

- to an indemnity from the company for liabilities incurred as an officer of the company, to the extent permitted by the Corporations Act;
- to directors' and officers' insurance cover, as permitted in the Corporations Act, for the period that each director is a director of the company and for 7 years after that director ceases to hold office; and
- to access documents and records of the company both while the director is a director of the company and after that director ceases to hold office for the purposes expressly permitted by the deed.

Proceedings on behalf of the Fund

No person has applied to the Court to bring proceedings on behalf of the Trustee or intervene in any proceedings to which the Trustee is a party for the purpose of taking responsibility on behalf of the Trustee for all or any part of those proceedings.

The Trustee was not a party to any such proceedings during the year.

This report has been made in accordance with a resolution of the directors.



Michael Tobin
Managing Director



David Pullini
Director

29 October 2015

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
Income		
Interest Received	208,783	6,714
Movement in Net Market Values	(92,407)	-
	116,376	6,714
Expenditure		
Accountancy Fees	5,125	-
Bank Charges	121	18
Broker Commissions	62,893	101,174
Investment Committee Fees	46,532	2,742
Establishment Costs	6,946	30,947
Management Fees	122,795	6,424
Registry Fees	3,706	-
	248,118	141,305
Operating Profit/(Loss) Before Income Tax	(131,742)	(134,591)
Income tax expense	-	-
Operating Profit/(Loss) After Income Tax	(131,742)	(134,591)
Accumulated income (Accumulated losses) at beginning of year	(134,591)	-
	(266,333)	(134,591)
Amounts transferred to (from) reserves	2 (92,407)	-
Total Available For Distribution (Loss)	(173,926)	(134,591)
Distribution to Beneficiaries	-	-
Accumulated Income (Losses) at End of Financial Year	(173,926)	(134,591)

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2015

	NOTES	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	8,217,059	4,936,077
Receivables	4	47,884	9,982
Total current assets		8,264,943	4,946,059
Non-current assets			
Investments	5	396,614	-
Total non current assets		396,614	-
Total assets		8,661,557	4,946,059
LIABILITIES			
Current liabilities			
Creditors and borrowings	6	23,838	13,240
Total current liabilities		23,838	13,240
Total liabilities		23,838	13,240
Net assets (liabilities)		8,637,719	4,932,819
TRUST FUNDS			
Issued Units - 8,847,838 Fully Paid Units	7	8,904,052	5,067,410
Reserves	8	(92,407)	-
Accumulated Income (Losses)		(173,926)	(134,591)
Total trust funds		8,637,719	4,932,819

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 Statement of significant accounting policies

This financial report is a special purpose financial report prepared in order to satisfy the requirements of the trust deed to prepare a financial report. The trustee has determined that the trust is not a reporting entity 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.

This special purpose financial report has been prepared in accordance with generally accepted accounting principles as specified in the trust deed.

The financial report is also prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Investments

Investments are brought to account at their market value.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. 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 change in value.

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 Taxation 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. Receivables and payables in the statement of Balance Sheet are shown inclusive of GST.

Revenue and Other Income

Interest revenue is recognised on a time proportional basis taking into account the effective interest rates applicable to the financial assets.

Dividends are recognised in profit or loss where the Trust's right to receive the dividend has been established.

2 Movement in reserves

	2015 \$	2014 \$
<i>Asset Revaluation Reserve</i>		
Portfolio Revaluation	(92,407)	-

3 Cash

	2015 \$	2014 \$
St George Bank	-	4,936,077
Westpac Bank Business One Account	74	-
Westpac Bank Business Cash Reserve Account	856,775	-
Westpac Term Deposit #1	5,042,402	-
Westpac Term Deposit #2	2,317,808	-
	8,217,059	4,936,077

4 Receivables

	2015 \$	2014 \$
Current		
GST Receivable	27,920	9,982
Accrued Interest	19,964	-
	47,884	9,982

5 Investments

	2015 \$	2014 \$
Non-current		
<i>Units in Unlisted Trusts</i>		
Next Capital Fund III	250,000	-
Mercury Fund II	36,000	-
Allegro Fund II	203,021	-
Portfolio Revaluation	(92,407)	-
	396,614	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

6 Creditors and borrowings

	2015 \$	2014 \$
Current		
Other Creditors	<u>23,838</u>	<u>13,240</u>

7 Issued units

	2015 \$	2014 \$
Issued Units (at \$1.00 / unit)	<u>8,904,052</u>	<u>5,067,410</u>

8 Reserves

	2015 \$	2014 \$
Asset Revaluation Reserve	<u>(92,407)</u>	<u>-</u>

DIRECTORS' DECLARATION

30 JUNE 2015

The directors of the trustee company declare that the trust is not a reporting entity. The directors of the trustee company have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the trustee company declare that:

1. the financial statements and notes presents fairly the trust's financial position as at 30th June 2015 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements;
2. in the directors' opinion there are reasonable grounds to believe that the trust 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 Board of Directors of the trustee company:



Michael Tobin
Managing Director



David Pullini
Director

29 October 2015

INDEPENDENT AUDITOR'S REPORT

30 JUNE 2015



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the unitholders of Vantage Private Equity Growth Trust 2B

We have audited the accompanying special purpose financial report of Vantage Private Equity Growth Trust 2B, which comprises the balance sheet as at 30 June 2015 and the profit and loss statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the trust are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the Trust Deed and is appropriate to meet the needs of the unitholders. The directors are also responsible for such controls as they determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

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INDEPENDENT AUDITOR'S REPORT

30 JUNE 2015



Opinion

In our opinion the financial report is prepared, in all material respects, in accordance with the accounting policies described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial is prepared to assist Vantage Private Equity Growth Trust 2B to meet the requirements of the Trust Deed. As a result the financial report may not be suitable for another purpose.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young
Sydney
29 October 2015

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