

Vantage Private Equity Growth 2

Quarterly Investor Report — Quarter Ended 31 March 2016



Special points of interest:

- VPEG2 commits \$8m to CHAMP IV and NZ\$4m to Waterman Fund 3.
- CHAMP IV acquires a controlling interest in Australia's largest online foreign exchange platform provider, Pepperstone.
- VPEG2 now ultimately holds interests in eight underlying company investments.

Inside this report:

Performance	2
Key Portfolio Developments	2
Overview of New Commitments & Investments	3
Portfolio Structure	4
Industry Spread of VPEG2's Underlying Investments	5
Contact Details	5

SUMMARY

Background

Vantage Private Equity Growth 2 (VPEG2) is a multi manager Private Equity investment fund structured as twin Australian unit trusts (VPEG2A & VPEG2B). VPEG2 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 to long-term 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.

VPEG2 will invest the majority of its Investment Portfolio into Australian based Private Equity funds who in turn are focused on investing into small to mid market sized companies headquartered in Australia and New Zealand, with enterprise value at initial investment of between \$20m and \$500m.

VPEG2's private equity investment portfolio will be developed over time and will ultimately make investment commitments into between six to eight private equity funds, including new (or Primary) private equity funds being established as well as into existing (or Secondary) private equity funds.

To date VPEG2 has made commitments of \$30.7m¹ across five Primary Private Equity funds who in turn hold interests in eight underlying companies. As at 31 March 2016, VPEG2's investment commitments include; \$8m to each of CHAMP IV and Next Capital Fund III, \$6m to Allegro Fund II, \$5m to Mercury Capital Fund 2 and NZ\$4m to Waterman Fund 3.

Note 1. Assumes an AUD / NZ exchange rate 1.1

Important Information

This report has been prepared by Vantage Asset Management Pty Limited (ABN 50 109 671 123) AFSL 279186 (VAM) (in its capacity as Investment Manager and Trustee of Vantage Private Equity Growth (Trusts 2A & 2B)). It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should seek their own advice about an appropriate investment or investment strategy. It should not be relied upon as personal advice nor is it an offer of any financial product. All \$ referred to in this report are Australian dollars

Performance

The period 1 January 2016 to 31 March 2016 saw continued growth in VPEG2's portfolio of Private Equity investments with an additional \$11.63m in Private Equity commitments made by VPEG2 to two new Private Equity funds.

During the period, one new Private Equity investment was added to VPEG2's Private Equity portfolio. An increase in the number of investments is set to continue with fund managers actively considering several investment opportunities.

In addition, two capital calls from VPEG2 were made during the March 2016 quarter. The first of these calls was for a new underlying Private Equity investment. The second call was for additional working capital requirements.

The first table to the right provides a summary of the performance of VPEG2A's portfolio during the March 2016 quarter. As demonstrated, VPEG2A's Net Asset Value (NAV) increased from \$0.119 per partly paid unit at the commencement of the quarter to \$0.161 per partly paid unit by 31 March 2016. The increase in VPEG2A's NAV was predominately due to call number 4 which was paid during February by VPEG2A investors to the fund. The amount of this call was for an additional 5% of committed capital, taking the total Paid Capital to 20 cents per partly paid unit.

The second table to the right provides a summary of the performance of VPEG2B's NAV per unit during the March 2016 quarter.

As demonstrated, VPEG2B's NAV decreased slightly during the quarter from \$1.003 to \$1.00 per unit, as the management, custody and administration costs incurred by the trust marginally exceeded the interest earned on VPEG2B's cash investments during the March quarter.

Note; Total Private Equity commitments assumes an AUD:NZ exchange rate of 1.1 for the total VPEG2 Commitment of NZ\$4m to Waterman Fund 3.

Month Ending	VPEG2A Paid Capital / Partly Paid Unit (\$)	VPEG2A NAV / Partly Paid Unit (\$)
31-Mar-16	0.20	0.161
29-Feb-16	0.20	0.164
31-Jan-16	0.15	0.116
31-Dec-15	0.15	0.119

Month Ending	VPEG2B NAV / Fully Paid Unit (\$)
31-Mar-16	1.00
29-Feb-16	1.001
31-Jan-16	1.001
31-Dec-15	1.003

Key Portfolio Developments

During the March 2016 quarter, VPEG2 continued to grow its underlying Private Equity portfolio with two new Private Equity investment commitments completed and one new investment added to the portfolio.

In January 2016, VPEG2 committed \$8m to **CHAMP IV**, managed by Sydney, Australia based, private equity mid market specialist CHAMP Private Equity.

In March 2016, VPEG2 committed NZ\$4m to Waterman Fund 3 (Waterman 3), managed by Auckland, New Zealand based, private equity small to mid market specialist Waterman Capital.

Draw downs during the quarter from VPEG2, totaling **\$2,233,333** were made to **Allegro Fund II** (Allegro II) and **CHAMP IV**.

The majority of this draw down funded VPEG2's share of the investment in **Pepperstone Group** by CHAMP IV, which was completed in February 2016. (See page 3 for further details). The remaining capital drawn from VPEG2 during the quarter contributed toward working capital expenditure (i.e. underlying fund costs and management fees relating to CHAMP IV and Allegro II).

With Allegro II and Next III having completed three investments each, Mercury 2 having completed one investment and CHAMP IV completing its initial investment, the total number of underlying Private Equity company investments within VPEG2's portfolio as at 31 March 2016 was eight.

"CHAMP IV completes its first investment into Pepperstone Group resulting in VPEG2 ultimately holding interests in eight underlying company investments at 31 March 2016."

OVERVIEW OF NEW COMMITMENTS



CHAMP IV

During January 2016, VPEG 2 committed a total of \$8m to CHAMP IV. This commitment was split as follows; \$6m by VPEG2A and \$2m by VPEG2B

CHAMP IV is a \$1 Billion (target) mid market buyout fund, managed by Sydney, Australia headquartered CHAMP Private Equity Pty Ltd ("CHAMP").

CHAMP has one of the most successful private equity track records in Australasia, with a history of principal investment dating back to 1987. Its core focus is on the Australian and New Zealand markets, but with an international reach extending into Asia and North America.

CHAMP has delivered top quartile results to its investors over its historical track record since 1987.

The investment philosophy at CHAMP is value creation through earnings growth. Prudent leverage is a factor in the business model, however, the real driver of value creation is sustainable earnings growth based on superior management and investment in growth initiatives.

Refer below for details of CHAMP IV's first investment.

Waterman Fund 3



During March 2016, VPEG 2 committed a total of NZ\$4m to Waterman Fund 3. This commitment was split as follows; NZ\$3m by VPEG2A and NZ\$1m by VPEG2B (at an AUD/NZD exchange rate of 1.1).

Waterman Fund 3 (Waterman 3) is a NZ\$200 Million mid market buyout fund, managed by Auckland, New Zealand headquartered Waterman Capital (www.waterman.co.nz).

Established in 2004, Waterman Capital is one of New Zealand's most experienced private equity players, managing a series of funds that channel capital and skills to private New Zealand companies like Manuka Health, Academic Colleges Group, and Healthcare Holdings (Mercy Ascot) an operator of the largest private hospitals in Auckland.

Waterman has a long track record of investing in, and adding value to businesses in the mid-market space. Waterman Fund 3 will continue to provide capital and skills to assist private, New Zealand based businesses achieve their growth aspirations. These companies form the heart of the New Zealand economy and have significant growth potential but are often constrained by a lack of capital and resources.

Waterman Fund 3 will focus on expansion and replacement capital, and management buy-out transactions. In all instances Waterman seeks to partner with management and other shareholders for mutual benefit.

Waterman's investment thesis is to 'create superior returns through active involvement in privately owned New Zealand companies, and the investment focus for Waterman Fund 3 is consistent with prior funds.

OVERVIEW OF NEW INVESTMENTS

Pepperstone — CHAMP IV



In March 2016, CHAMP IV completed its first investment into Pepperstone Group a high growth online investment platform specialising in Foreign Exchange, commodities and Contract For Difference (CFD) products.

Founded in 2010, Pepperstone is headquartered in Melbourne with offices also in Shanghai and Dallas, providing 24 hour global coverage and client support to its over 26,000 active clients that currently trade more than \$100 billion in Foreign exchange turnover monthly utilising Pepperstone's platform.

With an automated proprietary back-office IT systems to enable operations, Pepperstone provides superior technology that uses low-latency execution and delivers low-cost spreads, resulting in exceptional customer service.

CHAMP invested in Pepperstone to assist it to expand internationally grow the company's branding efforts and widen its product offerings through partnerships with technology vendors in different regions.

PORTFOLIO STRUCTURE

VPEG2's Portfolio Structure – 31 March 2016

The tables and charts below provide information on the breakdown of VPEG2's investments as at 31 March 2016.

Current Investment Portfolio Allocation*

The following tables provide the percentage split of the current investment portfolio of each of VPEG2A and VPEG2B, across cash, fixed interest securities (term deposits) and Private Equity.

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

"During the March 2016 quarter, VPEG2 completed two additional investment commitments to CHAMP IV (\$8m) and Waterman Fund 3 (NZ\$4m)."

VPEG2A			
Cash	Fixed Interest	Private Equity	
1.9%	5.5%	Later Expansion	4.9%
		Buyout	87.7%

VPEG2B			
Cash	Fixed Interest	Private Equity	
0.4%	82.2%	Later Expansion	0.8%
		Buyout	16.6%

Private Equity Portfolio

VPEG2, with commitments to five Private Equity funds, ultimately held interests in eight underlying company investments at quarter end. As a result, VPEG2's Private Equity portfolio and commitments, as at 31 March 2016, were as follows:

Private Equity Fund Name	Fund Size	Vintage Year	Investment Focus	VPEG Commitment		Capital Drawn Down		Total No. of Investee Companies	No. of Exits
				VPEG2A	VPEG2B	VPEG2A	VPEG2B		
Next Capital Fund III	\$300m*	2014	Small to Mid Market Expansion / Buyout	\$6.0m	\$2.0m	\$1.28m	\$0.42m	3	0
Allegro Fund II	\$180m	2014	Small to Mid Market Expansion / Buyout	\$4.0m	\$2.0m	\$0.75m	\$0.38m	3	0
Mercury Capital Fund 2	\$300m	2015	Small to Mid Market Expansion / Buyout	\$3.8m	\$1.2m	\$0.30m	\$0.10m	1	0
CHAMP IV	\$1,000m*	2016	Mid Market Buyout	\$6.0m	\$2.0m	\$1.65m	\$0.55m	1	0
Waterman Fund 3	NZ\$200m	2016	Small to Mid Market Expansion / Buyout	NZ\$3.0m	NZ\$1.0m	\$0.00m	\$0.00m	0	0
Total (**)				\$22.6m	\$8.1m	\$3.98m	\$1.44m	8	0

* Target Fund Size

** Assumes AUD/ NZD exchange rate of 1.1

PORTFOLIO STRUCTURE — continued

Summary of VPEG2's Underlying Private Equity Investments

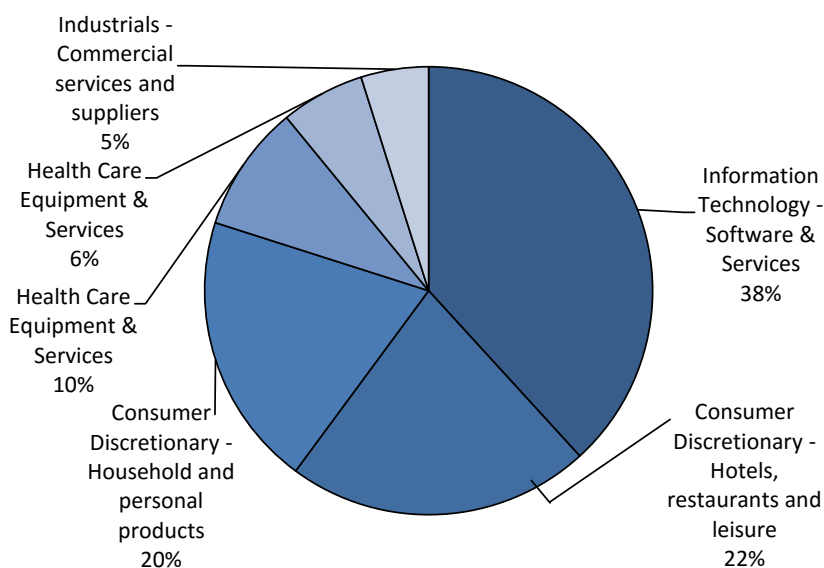
The table below provides an overview of the spread of underlying private equity investments in VPEG2's portfolio, for which funds had been drawn from VPEG2 (on a pro rata basis across both trusts A & B), as at 31 March 2016.

Rank	Investment	Fund	Description	% of VPEG2's Private Equity Investments	Cumulative %
1	Pepperstone	CHAMP IV	Online retail investment platform	38.2%	38.2%
2	Great Southern Rail	Allegro Fund II	Luxury tourism provider	21.9%	60.1%
3	Lynch Group	Next Capital III	Flower and potted plant operator	12.8%	73.0%
4	Carpet Court NZ	Allegro Fund II	Flooring retailer	7.0%	79.9%
5	Forest Coach Lines	Next Capital III	Urban bus fleet owner and operator	6.1%	86.1%
6	Infinite Aged Care	Next Capital III	Aged care operator and developer	6.1%	92.1%
7	Hexagon	Mercury Capital 2	Label manufacturer	4.9%	97.0%
8	Custom Bus	Allegro Fund II	Bus manufacturer	3.0%	100.0%

Industry Spread of VPEG2's Underlying Investments

With the addition of Pepperstone to VPEG2's underlying Private Equity portfolio during the March 2016 quarter, VPEG2 gained exposure to the "Information Technology — Software & Services" sector. Accordingly there were reductions in VPEG2's exposure to the remaining industry sectors from the previous quarter.

As a result, VPEG2's exposure to the "Consumer Discretionary—Hotels, Restaurants and Leisure" sector, occupied by Great Southern Rail reduced from 33% to 22%. Information Technology—Software & Services now represents VPEG2's largest industry exposure at 38% of VPEG2's total Private Equity portfolio at 31 March 2016.



CONTACT DETAILS

Vantage Private Equity Growth 2 (Trusts A & B)

Level 25, Aurora Place
88 Phillip Street
Sydney NSW, 2000 Australia
Email: investor@vantageasset.com
Internet: www.vpeg2.info

Trustee & Investment Manager

Vantage Asset Management Pty Limited
Managing Director - Michael Tobin
Phone: +612 8211 0477
Fax: +612 8211 0555
Email: investor@vantageasset.com
Internet: www.vantageasset.com