

VANTAGE PRIVATE EQUITY GROWTH 2



QUARTERLY INVESTOR REPORT
30 JUNE 2025

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EXECUTIVE SUMMARY

Welcome to the Vantage Private Equity Growth 2 (VPEG2) quarterly investor report for the period ending 30 June 2025.

Overall, VPEG2's portfolio continues to demonstrate strong momentum as it matures through its divestment stage. During the quarter, VPEG2's underlying managers continued to execute on a range of operational initiatives to further drive value creation across each portfolio company.

Despite the softer economic environment, VPEG2's underlying portfolio is delivering solid year-on-year trading performance. The sustained earnings growth is underpinned by the defensive and resilient nature of the underlying portfolio.

Reflective of VPEG2's fund stage, managers have largely shifted their focus from platform expansion initiatives to positioning each portfolio company for divestment. With 40 underlying portfolio companies having now been successfully sold, VPEG2's Private Equity managers are increasingly seeking to leverage strong inbound interest from local and offshore trade and financial sponsors for high quality assets demonstrating sustained earnings growth. This is expected to drive an uplift in exit activity across VPEG2's portfolio throughout the remainder of 2025, supporting further portfolio valuation gains and additional distributions to investors.

PORTFOLIO HIGHLIGHTS

During the June 2025 quarter, no exits were announced or completed from VPEG2's underlying portfolio. As a result, the total number of portfolio company exits completed remains at 40 at quarter end.

Underlying managers continued to advance their strategic initiatives to position each remaining portfolio company for exit. As part of this, **CPE Capital 8** portfolio company **ASDAM** completed a bolt-on acquisition of **Milspec**. Consistent with prior quarters, and reflective of VPEG2 being in its divestment phase, there were no new investments during the quarter.

VPEG2's private equity managers have indicated that they are in advanced discussions to fully exit portfolio company holdings. Once completed, these transactions are expected to generate additional distributions to VPEG2 investors.

VPEG2 FUND ACTIVITY

During the quarter, no capital calls were received by VPEG2 from underlying managers. As a result of both VPEG2A and VPEG2B entities having already called 100% of investors committed capital to date, no further capital calls were made to investors.

During the period, no distributions were received from VPEG2's underlying managers. As a result, no additional distributions were paid to VPEG2 investors during the quarter. Consequently, VPEG2A's and VPEG2B's **Distributed to Paid-In (DPI)** multiple's stands at **1.61x** and **1.58x** respectively as at 30 June 2025.

As at 30 June 2025, VPEG2A's and VPEG2B's **Net Asset Value (NAV)** was **\$0.704** and **\$0.713** per unit respectively. VPEG2A's and VPEG2B's **Total Value to Paid In (TVPI)** multiple stands at **2.31x** and **2.29x** respectively, representing a **net annualised return of 17.4% p.a. for VPEG2A investors and 12.2% p.a. for VPEG2B investors**, since the Fund's Final Close in May 2015.



VANTAGE UPDATE

VPEG6 COMPLETES FOURTH PRIMARY COMMITMENT

During the quarter, VPEG6 increased its commitments to underlying funds to \$60.5 million, after a \$15 million commitment was made with growth private equity specialist Pemba Capital. Pemba is one of the most active private equity investors in the Australian and New Zealand lower to mid-market segment having completed over 200 partnership investments in the last 20 years.

With a focus on defensive growth sectors and leveraging their direct origination team to source off-market deal flow, they have consistently generated top quartile returns.

At the time of VPEG6's commitment, Pemba's fund was seeded with two investments, **Satori** and **Locatrix**. Following completion of this commitment with Pemba Capital, VPEG6's underlying investment portfolio increased to four companies at June 2025 quarter end.

VPEG6 NEARS COMPLETION OF FIFTH PRIMARY COMMITMENT

Vantage continued the development of VPEG6's primary portfolio during the quarter, with the Fund nearing completion of its fifth primary commitment to a fund managed by an Australian technology specialist private equity manager.

The manager is well-known to Vantage and holds a differentiated position in the market through its sole focus on investing in software and technology businesses with high recurring revenues and high switching costs. The manager has a demonstrated ability to drive value creation across its portfolio companies through a combination of margin enhancement, pricing optimisation, international market expansion, and disciplined execution of strategic M&A.

Notably, the manager's track record includes delivering a prior fund that ranks among the top ten performing private equity funds globally for its vintage year. Vantage received confirmatory IC approval in July 2025 and is progressing the legal documentation, with execution of these targeted for early August 2025.

Upon completion, this commitment will further strengthen VPEG6's portfolio construction, delivering further diversification and sector specialism expertise across Growth, Buyout, and Turnaround private equity strategies.

VPEG6 REMAINS OPEN FOR INVESTMENT

VPEG6 will remain open for investment until either the Fund's target size of \$250 million is reached, or the second anniversary of the First Closing Date. If you wish to learn more about VPEG6, please visit <https://vantageasset.com/vpeg-6/> or contact Vantage's Investor Services Team via email at info@vantageasset.com or call 02 9067 3133.

An application can also be made by contacting your Wealth Adviser or through VPEG6's Online Application form by copying the following link into your web browser;

<https://apply.automic.com.au/VPEG6>

VANTAGE NEWS

The first half of 2025 has been another active period for Vantage's funds, with continued strong capital commitments, new investments and successful exits. In the last six months, Vantage's flagship funds have recorded four exits, including the sale of Medtech by Advent Partners and Questas Group by Allegro.

These four exits saw Vantage's funds distribute a total of \$23.6 million, providing strong distributions back to investors, building on the strong momentum seen in Q4 2024 which saw six exits announced and/or completed.

Despite news headlines around a constrained exit environment driving prolonged holding periods and reduced liquidity for investors, Vantage's funds have defied this and delivered consistent performance and sizeable distributions back to investors.

The lower to mid-market segment in Australia and New Zealand, where Vantage's Fund's invest, continues to demonstrate its resilience, delivering strong risk-adjusted returns for investors through the current business cycle.

PERFORMANCE



PERFORMANCE

QUARTER ENDING	30 JUNE 2025	
FINAL CLOSE	MAY 2015	
STRATEGY	PRIVATE EQUITY FUND OF FUNDS	
VPEG2 ENTITY	VPEG2A	VPEG2B
COMMITTED CAPITAL (\$M)	\$27.08	\$8.85
PAID CAPITAL (\$M)	\$27.08	\$8.85
NET ASSET VALUE (NAV) PER UNIT	\$0.704	\$0.713
DISTRIBUTED TO PAID IN (DPI) MULTIPLE	1.61x	1.58x
TOTAL VALUE TO PAID IN (TVPI) MULTIPLE	2.31x	2.29x
NET ANNUALISED RETURN	17.4% p.a.	12.2% p.a.
PORTFOLIO		
TOTAL COMMITTED CAPITAL TO PRIVATE EQUITY (\$M)	\$51.50	
NO. OF PRIMARY PRIVATE EQUITY COMMITMENTS	8	
NO. OF CO-INVESTMENTS	1	
NO. OF PORTFOLIO COMPANIES	55	
NO. OF EXITS	40	
NO. OF REMAINING PORTFOLIO COMPANIES	15	



1. Exit count includes both completed and announced exits at reporting period

PRIVATE EQUITY PORTFOLIO





PRIVATE EQUITY PORTFOLIO

VPEG2 PRIVATE EQUITY PORTFOLIO

PRIVATE EQUITY FUND NAME	FUND / DEAL SIZE (\$M)	VINTAGE	INVESTMENT STRATEGY	COMMITMENT (\$M)	CAPITAL DRAWN (AUD\$M)	PORTFOLIO COMPANIES	EXITS ²
NEXT CAPITAL FUND III	\$265	2014	EXPANSION / BUYOUT	\$7.20 ³	\$6.89	8	8
ALLEGRO FUND II	\$180	2014	BUYOUT	\$6.00	\$5.89	9	8
MERCURY CAPITAL FUND 2	\$300	2015	EXPANSION / BUYOUT	\$5.00	\$4.55	7	6
CPE CAPITAL 8	\$735	2016	BUYOUT	\$8.00	\$7.05	10	8
WATERMAN FUND 3	NZ\$200	2016	EXPANSION / BUYOUT	NZ\$4.00	\$3.03	4	4
PENCARROW BRIDGE FUND	NZ\$80	2016	EXPANSION / BUYOUT	NZ\$2.00	\$1.71	4	3
ADAMANTEM CAPITAL FUND I	\$591	2017	EXPANSION / BUYOUT	\$10.00	\$8.46	6	1
ODYSSEY PRIVATE EQUITY FUND 8	\$275	2017	EXPANSION / BUYOUT	\$8.00	\$7.35	6	2
CO-INVEST NO.1 (FITZPATRICKS FINANCIAL GROUP)	\$200	2017	EXPANSION	\$0.50	\$0.59	1	-
TOTAL				\$51.50	\$45.57	55	40

2. Exit count includes both completed and announced exits at reporting period

3. Effective 31 October 2022, \$0.8m committed capital to Next Capital Fund III was cancelled, resulting the revised committed capital to be \$7.20 million.



PRIVATE EQUITY PORTFOLIO

TOP 10 HOLDINGS ACROSS THE PORTFOLIO

	PORTFOLIO COMPANY	FUND	DESCRIPTION	% SHARE	CUMULATIVE
1	DELTA AGRIBUSINESS ⁴	ODYSSEY PRIVATE EQUITY FUND 8	PROVIDER OF AGRICULTURAL PRODUCTS AND INDEPENDENT RURAL SERVICES	11.0%	11.0%
2	FOOD ODYSSEY (SUSHI SUSHI)	ODYSSEY PRIVATE EQUITY FUND 8	SUPPLIER OF SUSHI AND OTHER JAPANESE-INSPIRED HEALTHY CONVENIENCE FOODS	10.9%	21.9%
3	HELLERS	ADAMANTEM CAPITAL FUND I	PRODUCER OF PROCESSED MEATS IN NEW ZEALAND	9.8%	31.7%
4	TAMAKI HEALTH GROUP	MERCURY CAPITAL FUND 2	NEW ZEALAND PRIMARY CARE OPERATOR	9.8%	41.5%
5	ASDAM	CPE CAPITAL 8	SUPPLIER OF PRECISION ENGINEERED SOLUTIONS FOR AEROSPACE & DEFENCE INDUSTRIES	8.8%	50.3%
6	LEGEND CORPORATION	ADAMANTEM CAPITAL FUND I	WHOLESALE & DISTRIBUTOR OF ELECTRICAL & GAS PRODUCTS	7.4%	57.7%
7	HYGAIN HOLDINGS	ADAMANTEM CAPITAL FUND I	PREMIUM HORSE FEED MANUFACTURER & DISTRIBUTOR	5.9%	63.6%
8	FRANKIE ⁴	ODYSSEY PRIVATE EQUITY FUND 8	LEADING WOMEN'S SUPPORTIVE FOOTWEAR LABEL	5.4%	69.0%
9	HERITAGE LIFECARE LTD	ADAMANTEM CAPITAL FUND I	NEW-ZEALAND AGE-CARE & RETIREMENT VILLAGE OPERATOR	5.3%	74.2%
10	LYNCH GROUP	NEXT CAPITAL FUND III	WHOLESALE AND GROWER OF FLOWERS AND POTTED PLANTS IN AUSTRALIA & CHINA	5.1%	79.3%

4. As the divestment of portfolio company Delta Agribusiness had been announced but not completed at 30 June 2025, VPEG2 maintained exposure to the asset at period end, and thus is reflected in the top 10 holding count.



PRIVATE EQUITY PORTFOLIO

INDUSTRY DIVERSIFICATION OF PORTFOLIO

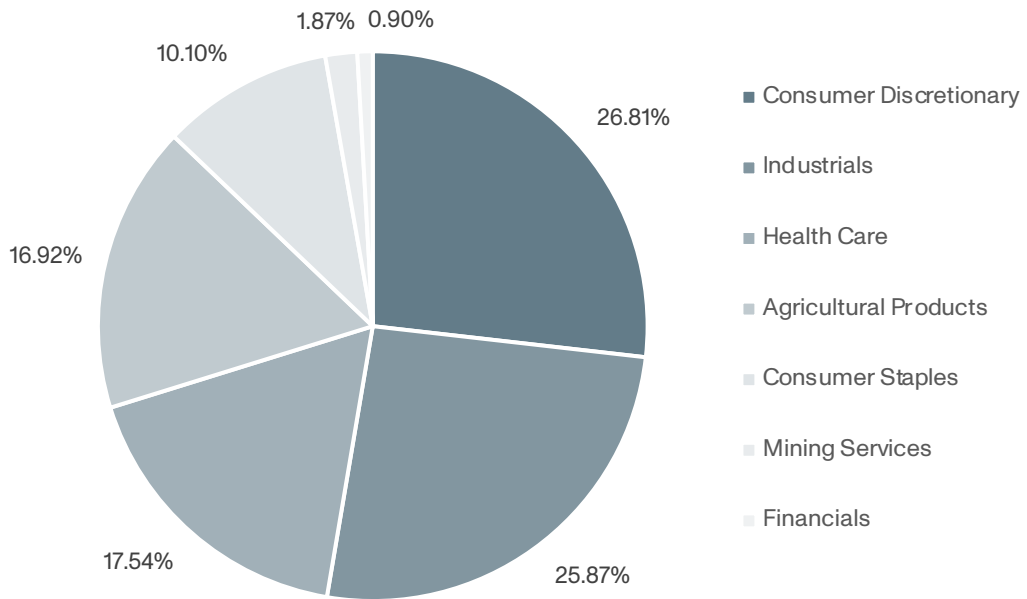


Image: Industry diversification of VPEG2 portfolio at period end 30 June 2025. Key is in descending order.

PORTFOLIO ACTIVITY





PORTFOLIO ACTIVITY

Across the quarter, VPEG2's private equity managers focused on executing on operational initiatives aimed at increasing both revenue and underlying earnings.

Specifically, these initiatives included, refining operating models, optimising pricing strategies and efficiently reducing costs through the adoption of digitalisation.

With the successful implementation of these value creation and operational initiatives, underlying portfolio companies have demonstrated improvements in top-line growth, margin expansion and overall earnings performance.

Several portfolio companies remain conservatively valued relative to peers, despite delivering strong year-on-year earnings growth. Notably, these underlying investments are generally carried at a 20–40% discount to prevailing market comparables, providing potential for meaningful valuation uplifts upon exit.

As VPEG2 matures through its divestment stage, the number of underlying portfolio exits will significantly increase, as private equity managers engage sell side advisors and sale negotiations commence. Portfolio companies with media-reported sale processes underway include:

- **Hellers**, from Adamantem Fund I
- **Sushi Sushi**, from Odyssey Fund 8
- **Silverchef**, from Next Capital Fund IV; and
- **Delta Agribusiness**, from Odyssey Fund 8 (sale to Elders subject to ACCC approval).

Upon completion of these and other planned exits anticipated over the next three to six months, the realised proceeds will be received by VPEG2 and subsequently distributed to investors, further enhancing the Fund's overall return and DPI multiple.

Other portfolio activity during the quarter included **CPE Capital 8** portfolio company **ASDAM** completing the significant bolt-on acquisition of **Milspec**. Milspec is an Australian engineering firm that designs, integrates, and manufactures electromechanical subsystems. The acquisition expands ASDAM's defence manufacturing capabilities through broadening its product offerings into electro-mechanical systems, as well as strengthening its position in supplying critical equipment to the defence sector.

As at 30 June 2025, VPEG2 had invested in 55 underlying portfolio companies, with 40 portfolio company exits completed or announced as at quarter end.

MARKET INSIGHTS





MARKET INSIGHTS

The second quarter of the CY2025 remained a challenging period for global markets, as geopolitical tensions and uncertainties from Trump's Liberation Day tariff announcements manifested into significant market volatility.

Despite this and broader market headwinds, Australia posted its strongest H1 announced M&A deal volume since 2021. While execution timelines have extended, the elevated activity underscores the willingness of sponsors and corporates to transact, with Australia and New Zealand viewed as relative safe havens from tariff-related uncertainties compared to the broader global landscape.

Managers are coming to grips with the acknowledgement that a degree of uncertainty and volatility is now the new norm. In this environment, significant dry powder and ageing portfolio assets are acting as catalysts for renewed deal activity.

This change in sentiment, and broad acceptance that Trump will either delay or dial back his policies, has seen renewed confidence in equity markets, best evidenced by the successful IPO of Virgin Australia, a Bain Capital portfolio company.

While the final scope of US tariffs and policy responses in other countries remains largely unknown, Australia and New Zealand have remained relatively unscathed, with 10% baseline tariffs imposed on all imported goods.

Australia's political stability was reinforced during the quarter, with Anthony Albanese's Labour Party securing a second term, with a stronger-than-expected majority. While potential taxation change is dominating headlines, Treasurer Jim Chalmers' productivity reform underpins the key focus for the government, signalling a focus on innovation and growth to Australia's private sector.

Inflation remains near to the mid-point of the RBA's 2–3% target. In May 2025, the RBA cut the cash rate by 25bps to 3.85%, with markets expecting further cuts to a cycle low of 3.25% by year-end. While July's decision to hold rates surprised markets, consensus still anticipates 50bps of cuts in H2, with the RBA signalling the pause reflects timing, given geopolitical uncertainties, rather than direction.

Given Australia's historical bias toward second-half deal activity, the pipeline for new transactions in the lower- to mid-market segment is expected to be robust, supported by continued willingness from market participants to deploy capital into new opportunities.

The Australian private equity market has experienced a notable increase in public-to-private transactions and corporate carve-outs. Listed companies continue to recognise the constraints under public market ownership and see greater growth potential under private equity's longer-term investment horizon. At the same time, many corporates have undertaken strategic reviews and sought to divest non-core assets to strengthen their balance sheets amid ongoing economic uncertainty and market volatility.

Sectors like healthcare, business services, infrastructure, energy and resources, technology and financial services are seeing the most investment activity, especially where digitisation is highlighted to be a key value driver.

Acquisition finance remains well supported by banks and private credit providers, underpinned by ample liquidity. Lenders continue to navigate prevailing market uncertainties and thus are undertaking deeper due diligence into the fundamental operations of the assets they are seeking to underwrite.

In addition, Vantage's underlying managers note that they are receiving heightened levels of inbound interest and desire for private equity-owned businesses, reflecting sustained appetite from offshore strategic acquirers and financial sponsors for high-quality assets. Given the strong buyer interest and the ability of Vantage's underlying portfolio companies to demonstrate resilience and sustained earnings, exit activity is expected to accelerate over the next six to twelve months.

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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 of Vantage Private Equity Growth 2. It has been prepared without taking into account the objectives, financial situation or needs of any investor, which should be considered before investing. Investors should seek their own advice about an appropriate investment or investment strategy. This report should not be relied upon as personal advice nor is it an offer of any financial product. All \$ referred to in this report are Australian dollars.



VANTAGE ASSET MANAGEMENT

