ANNUAL REPORT

VPESO

For the year ended 30 June 2023

Vantage Private Equity Secondaries Opportunities Fund

2023

CORPORATE DIRECTORY

DIRECTORS OF THE TRUSTEE

Michael Tobin B.E., MBA, DFS, FAICD
Managing Director

David Pullini B.E., MBA, GDAFI.
Director

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Vantage Private Equity Secondaries Opportunities Fund

Will be held via video conference

Date: 23 November 2023
Time: 9.00am

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 39, 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

VPESO

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TRUSTEE AND MANAGERS' REPORT

Vantage Private Equity Secondaries Opportunities Fund (VPESO or the Fund) is an open-ended wholesale, Australian unit trust, structured as a Managed Investment Trust (MIT).

The Fund has been established to provide sophisticated investors with exposure to a highly diversified portfolio of Australian and New Zealand lower to mid-market secondary and co-investment private equity investments.

Vantage Asset Management Pty Limited (Vantage) is the Manager of Vantage Asset Services Pty Ltd who is in turn the Trustee of Vantage Private Equity Secondaries Fund. The Manager for Vantage Asset Services Pty Ltd and the Directors of the Trustee of VPESO hereby present their report together with the financial statements of VPESO for the for the financial year ended 30 June 2023.

DIRECTORS

The following persons are the Directors of Vantage Asset Services Pty Ltd:

Michael Tobin
Managing Director

David Pullini
Director

PRINCIPAL ACTIVITY

The principal activity of the Fund is for secondary acquisitions into and co-investments alongside professionally managed Private Equity funds focussed on investing in the Later Expansion and Buyout stages of Private Equity, predominately in Australia and New Zealand.

The principal objective of the Fund is to provide investors with the benefit of a well-diversified secondary Private Equity and co-investment portfolio. This is achieved by focusing on secondary acquisitions and investments to private equity 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.

FUND PERFORMANCE HIGHLIGHTS ACROSS FY2023

- 7,622,135 units issued across the 2023 financial year at an average price of $1.16 per unit.
- $5.55m across two secondary acquisitions and two co-investments which were completed across the financial year.
- $8.94m of Capital Drawn by underlying Private Equity Funds to Fund.
- 13 new unique underlying company investments added to the portfolio.
- A total of 60 unique underlying company investments have been completed.
- 3 underlying company investments sold during the financial year.
- $3.51m in total distributions received from underlying funds during the financial.
- $0.95m Net Profit for the financial year.
- 11.9% p.a.[1] after fees Annualised Return delivered by VPESO since inception to 30 June 2023.

DISTRIBUTIONS

Following the end of the financial year, a cash distribution of **$1,347,408 ($0.057 per unit)** was declared and paid by the Trustee of VPESO, representing the net taxable income of VPESO for the financial year ended 30 June 2023. This distribution will be paid during October 2023 , to all investors in VPESO unitholders who were on the register as at 30 June 2023.

AUSTRALIA/NEW ZEALAND ECONOMIC REVIEW

Financial Year 2023 saw central banks attempt to address inflation with the sharpest rate hike cycle experienced since the early 1990s. This quick response in tightening monetary markets eventually led to a slowdown in economic activity across many large developed economies, including Australia and New Zealand. Unforeseen, the impact of these rate increases was much slower and shallower than expected, given the resilient consumer savings threshold, solid corporate earnings and continued tightness in labour markets.

However, Australia and New Zealand continued to experience the problems associated with inflation. For Australia, the prevailing 12-month period to 30 June 2023 saw inflation running at a modest 6.0%, which was a modest improvement from the reported 7.0% in the prior quarter and a further step-down from its peak at 8.4% in December 2022.

Although prices continued to rise for most goods and services, there were declines in travel, accommodation, and fuel prices. Economists have expressed concerns that inflation will remain higher for longer than expected. Still, they are encouraged by the fact that price increases, while continuing to grow, did so at a lower rate than in previous months. If this trend holds for the balance of the year inflation should be down to 4.0% by the end of 2023 and to 3.0% sometime in 2024. The RBA has stated that it believes inflation will be back within range during 2025.

1. Before Performance Fees

AUSTRALIA/NEW ZEALAND ECONOMIC REVIEW (CONT.)

New Zealand's scenario was somewhat similar to Australia's, however rate hikes had an earlier effect. For the 12-month period to 30 June 2023, New Zealand's inflation was running a 6.0%, the same number recorded as Australia. The greatest contributors to annual inflation over the year in New Zealand came from higher costs associated with the purchase of new property, grocery food prices and passenger transport services. Within passenger transport services, it was predominantly due to an increase in international air transport costs. The RBNZ target rate for New Zealand is between 1% and 3%, while the band for Australia is between 2% and 3%. Like Australia, the expectation is that inflation has also peaked in New Zealand but will take between 12 and 18 months to get to the RBNZ target.

Factors that have driven the rise of inflation in Australia and New Zealand have included higher energy and food costs as well as a surge in housing costs. The property market in NZ has been described as a "bubble" but has seen a sharp reversal with the price of housing in Auckland and Wellington falling in some cases between 20 and 25%. With New Zealand being one of the first developed countries to raise interest rates the outcome was to be expected. Australia continues to see a strong property market with prices remaining higher than expected. Although signs of mortgage stress have increased and listings are growing the limited amount of stock for sale has kept prices high.

The RBNZ was one of the first central banks to appreciate the threat of inflation. Accordingly, it was one of the first to raise rates and it is remains amongst the most resolute in its course of action. The RBNZ made its first rate rise in August 2021 and has made 12 subsequent rises with the Official Cash Rate now at 5.50%. With inflation showing some signs of slowing the RBNZ decided to keep rates on hold when they last met in July.

A year ago, the expectation was that rates in New Zealand would peak around 4.5% to 4.75%. With inflation running much higher than expected and the labour market being unsustainably tight, the RBNZ clearly felt that even higher rates were needed. New Zealand's rates are now amongst the highest of any developed economy.

As a result, the New Zealand property market has experienced extreme volatility over the past three years. During the pandemic, house prices appreciated by as much as 50% reflecting shortage of supply and the low cost of credit. When the RBNZ began its aggressive rate tightening cycle in November 2021 prices of homes started to fall rapidly. Supply of new buildings remained tight, due to what was estimated to be a 35% increase in building costs, driven by a combination of raw material and labour shortages. As reported earlier these conditions have seen prices correct sharply and the market becoming a buyers' one.

AUSTRALIA/NEW ZEALAND ECONOMIC REVIEW (CONT.)

While the bubble has clearly been burst and the reduction in prices has restored to some degree of equilibrium within the market, there are still a number of challenges that are still yet to be dealt with. The biggest of these comes with ongoing and higher levels of mortgage stress being experienced by borrowers. A high percentage of the low fixed rate mortgages will adjust to market in the current year. Many of these that had original fixed rates of 3 – 4% will be reset at rates of 7% or higher. This additional burden will be on top of higher food and energy costs.

Despite higher interest rates and the impact of higher prices the New Zealand economy had, for the first three quarters of 2022, been performing reasonably well. Indeed, growth for the calendar year 2022 came in at 2.4% with demand for exports of goods rising by a bullish 13% to NZ$72 billion. The Q4 2022 result came in much weaker than forecast with the actual result being -0.7%. This compared with a 0.7% growth number being forecast by the RBNZ and suggested that the higher interest rates were already being felt.

The results for Q1 2023 were also negative, albeit on a more modest basis (-0.1%) suggesting that the country is already in a technical in a recession. The weakness in the economy continues to be broadly based with slowing conditions in manufacturing, retail, trade and accommodation. Despite this, unemployment remains very low with the figures for the March quarter being a very modest 3.4%. This was essentially unchanged from the prior quarter and remains uncomfortably tight.

Australia's economic position is broadly similar to New Zealand's with positive growth in 2022 but a distinct slowing in 2023 as the effect of higher interest rates and inputs take effect. In fact, Australia's growth last year at 3.7% was over 1% higher than most other developed countries. Although the IMF is calling for growth to moderate to 1.6% in the current year this is still expected to be higher than many other advanced nations.

Unemployment in Australia remains at extremely low levels with the most recent figures for June remaining at 3.5%. During the latest period, almost 33,000 new jobs were created, most of which were full-time.

This was described as a "tight" labour market, which is not helping the fight against inflation. The RBA is expecting these numbers to weaken slowly as the effects of higher interest rates are felt and retail spending falls. At the same time the suggestion is that unemployment may peak at 4.5% during 2024.

Relative to many other developed or advanced economies the outlook for Australia and New Zealand is positive, but not without their challenges. Inflation remains high in both countries, though there are signs it is abating. Although export markets for both countries remain strong, they will not negate the impact of pressures arising from cost of living issues and the inevitable decline in disposable income. New Zealand has already had to deal with the consequences of deflation in house prices but so far this has been avoided in Australia.

AUSTRALIAN AND NEW ZEALAND PRIVATE EQUITY CONDITIONS

Despite a relatively challenging investment environment, there were 18 private equity deals completed in Australia across the 2023 Financial Year. Notably, most of these were at the lower end of the middle market, as limited availability of financing and tighter covenants impacting deal execution for large buyouts were prominent.

The improving economic outlook and narrowing of the gap between GP reported NAVs and mark-to-market NAVs have not yet translated into meaningfully higher secondary pricing. The picture was one of most strategies trading sideways. Buyers on average continue to demand discounts across Private Equity Buyout Strategies. The most recent data shows that pricing for buyout funds slid slightly from 84% of NAV in 2022 to 83% of NAV as at 30 June 2023. The modest decline was driven by an increased supply of tail-end funds (i.e., pre-2013 vintages), which are pricing relatively weaker amidst a prolonged slowdown in the distribution rate evidenced by a 54% decline in sponsor-backed exits on an annualized basis compared to 2023. Younger vintages with some amount of unfunded capital (net of outstanding fund-level leverage) are pricing at the higher end of the spectrum as buyers seek multiple uplift at lower entry valuations.

Buyers continue to favour high-quality buyout managers invested in companies with strong operational performance in defensive sectors such as business / industrial services, education, healthcare and software / technology. It is expected that pricing for buyout funds will improve moderately as the valuation gap between public and private market closes, and falling inflation leads to an easing of monetary policy.

VPESO's underlying managers have reported a noteworthy surge in inbound intermediated origination activity over the course of the last six months as investors seek to acquire resilient private equity backed assets. This suggests a positive environment for VPESO's underlying managers to exit portfolio companies that have achieved their investment objectives and are demonstrating sustainable maintainable earnings. VPESO's underlying managers report that they are in ongoing discussions and negotiations for the exit of a number of portfolio companies, which are expected to be completed over the next three to six months, ultimately delivering further returns to VPESO investors.

REVIEW OF VPESO'S OPERATIONS

VPESO's investment strategy is focused on secondary private equity and co-investments in the lower to mid-market. This segment of private equity focuses on investments into profitable businesses with proven products and services. These businesses typically have a strong market position and generate strong cash flows, which will allow the Fund to generate strong consistent returns to investors, while significantly reducing the risk of a loss within the portfolio.

This is achieved by VPESO acquiring direct secondary positions in existing Private Equity funds. The Fund will also acquire existing interests in Vantage Private Equity Growth Fund series funds as well as invest in selective co-investment opportunities and other preferred equity opportunities in target Private Equity funds.

The Trustee of VPESO has been appointed as an authorised representative of Vantage 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.

On 27 July 2021 and 31 August 2021, the Fund closed its initial two tranches of capital raising with a total of 16,016,600 units issued at $1.00 per unit.

The majority of capital raised to date by the Fund, was utilised for the secondary acquisition of $10,000,000 of commitments and investments in the Advent Partners 2 Fund, $5,000,000 of commitments and investments in Anchorage Capital Partners Fund III as well as to acquire $4,700,000 of commitments and investments across Vantage Private Equity Growth 3, LP and Vantage Private Equity Growth Trust 3A.

In general Application Monies received from Unitholders are initially invested into the Fund to meet the obligations of the Fund, which include the funding of secondary acquisitions and underlying investments as they are made. The remainder of the capital is invested in liquid investments such as cash and term deposits, until they are required to be drawn to meet future investment obligations and other expenses.

As income is received by the Fund it will generally be reinvested back into the Fund with investors receiving additional units for their pro-rata re-investment amount. Otherwise, income will be distributed to investors who elect to receive the distributions in cash.

As at 30 June 2023, a total of $25,329,035 of the Fund's capital had been utilised to acquire interests in Advent Partners 2, Anchorage Capital Partners Fund III, Vantage Private Equity Growth 3 and Genesis Capital Fund I, as well as to invest further capital into Advent Partners 2 Fund and Anchorage Capital Partners Fund III for additional portfolio company investments completed to date. VPESO has also completed three co-investments which include $2 million in Gull NZ, alongside Allegro Fund IV, $2 million in Compare Club, alongside Next Capital Fund IV and $1 million in Pac Trading, alongside Adamantem Environmental Opportunities Fund. As a result, VPESO ultimately held interests and commitments in 60 underlying company investments.

NEW SECONDARY PRIVATE EQUITY FUND ACQUISITIONS

During the financial year 30 June 2023, VPESO acquired a total of $1.55 m in secondary positions from two private equity funds and one fund of funds. These acquisitions are summarised below;

$1.0m Secondary Acquisition of Genesis Capital Fund I

During April 2023, VPESO completed the secondary acquisition of $1.0 million in investment commitments in Genesis Capital Fund I ("GCF I").

GCF I, managed by Sydney-based firm Genesis Capital Pty Ltd is a 2021 vintage fund with $195 million in investment commitments targeting opportunities within the healthcare sector that exhibit strong growth potential and headquartered in Australia or New Zealand.

At the time of acquisition, Genesis Capital Fund I had completed six investments across Australia and New Zealand. These investments added to VPESO's underlying portfolio upon completion include; Sana Health Group, Therapy Pro, Impression Dental, Crux Biolabs, HealthBright, P3 Research.

An additional $1.55m of Secondary Positions Acquired in Vantage Private Equity Growth 3 (VPEG3)

Vantage Private Equity Growth 3 (VPEG3) is a multi-manager Private Equity investment fund consisting of Vantage Private Equity Growth 3, LP (VPEG3, LP) an Australian Fund of Funds (AFOF) Limited Partnership and Vantage Private Equity Growth Trust 3A (VPEG3A) an Australian Unit Trust, established to undertake private equity investments that are not permitted to made by an AFOF, in accordance with Australian regulations.

VPEG3's investment commitments include; $12 million to Allegro Fund III; $10 million to each of Adamantem Capital Fund 1, Advent Partners 2 Fund, Anchorage Capital Partners Fund III and Next Capital Fund IV, $7.5 million to Mercury Capital Fund 3 and $7 million to Odyssey Private Equity Fund 8.

As a result of the additional acquisition being completed, VPESO's total portfolio exposure increased to $6.2 million in commitments and investments in VPEG3, at financial year end.

NEW UNDERLYING CO-INVETSMENT COMMITMENT

During the financial year ended 30 June 2023, VPESO made a total of $3.0 million across two co-investment commitments.

These co-investments are summarised below;

$2.0m Co-investment into Compare Club

During September 2022, VPESO completed a $2 million co-investment alongside Next Capital Fund IV (a VPEG3 investee) into Compare Club, one of Australia's leading personal finance marketplaces, currently offering comparison and brokerage services across health insurance, life insurance and home loan products.

Established in 2017 via the merger of ChooseWell (health insurance sales brokerage business) and Alternative Media (a specialist digital lead generation business), CC has engaged over 3.7 million members over time across its key verticals of health insurance. The business is uniquely positioned in the comparison site marketplace through its data-driven digital marketing and lead generation, and full-service end-to-end conversion and sales capability.

$1.0m Co-investment into Pac Trading

During June 2023, VPESO's Investment Committee approved a $1 million co-investment alongside Adamantem Environmental Opportunities Fund into Pac Trading, an Australian-based company providing innovative and sustainable packaging solutions to the food services industry.

Pac Trading offers a wide and unique range of quality products for any food-services business. The company specialises in custom print packaging for food and retail industries, providing a high level of professional customer service. Pac Trading has 69 employees with warehouse facilities in Melbourne, Brisbane, Sydney and Perth as well as a head office in Sydney, which is supplemented by a support team in the Philippines.

VPESO's co-investment into Pac Trading was completed during July 2023, with VPESO funding its share of the investment during that month.

VPESO'S PRIVATE EQUITY PORTFOLIO AND COMMITMENTS, AS AT 30 JUNE 2023, WERE AS FOLLOWS:

VPESO, with commitments to and investments in two primary private equity funds, one fund of funds and one co-investment, ultimately had invested in 60 underlying company investments. As at 30 June 2023, VPESO's Private Equity portfolio and commitments, were as follows;

ACQUISITION	FUND SIZE	VINTAGE YEAR	INVESTMENT FOCUS	VPESO ACQUISITION COMMITMENT	PAID-IN CAPITAL	TOTAL NO. OF INVESTEE COMPANIES	NO. OF EXITS
Advent Partners 2 Fund	$300m	2017	Lower to Mid Market Growth / Buyout	$10.00m	$8.98m	7	1
Anchorage Capital Partners Fund III	$350m	2017	Mid Market Turnaround / Buyout	$5.00m	$4.94m	5	2
Vantage Private Equity Growth 3	$600m	2019	Fund of Funds - Lower to Mid Market Growth / Buyout / Turnaround	$6.20m	$4.98m	50	9
Genesis Capital Fund I	$190m	2020	Lower to Mid Market Growth / Buyout	$1.00m	$0.35m	7	-
Co-Invest No. 1 (Gull New Zealand)	~$500m	2022	Mid Market Special Situations	$2.00m	$2.00m	1	-
Co-invest No.2 (Compare Club)	$110m	2022	Later Stage Buyout	$2.00m	$2.00m	1	-
Co-invest No. 3 (PAC Trading)	$71m	2023	Lower to Mid Market Growth Capital / Buyout	$1.00m	$1.00m	1	-
			TOTAL[1]	**$27.20m**	**$24.25m**	**60**	**9[2]**

1. Total No. of Investee Companies and No. of Exits excludes duplicates.
2. Excludes small holdings acquired for less than $50k each of VPEG2B and Catalyst Buyout Fund 2.

As a result of the completed secondary acquisitions of commitments and investment in one direct underlying private equity fund, the acquisition of interests in a Fund of Funds and the two completed co-investments, the value of funds drawn from VPESO during the financial year totalled $22.34m as at 30 June 2023.

This resulted in the number of underlying company investments in VPESO's portfolio to increase to 60 during the financial year. In addition, four "bolt on" acquisitions were completed by three existing portfolio companies, further expanding their operations during the financial year.

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

By Anchorage Capital Partners Fund III (and VPEG3)

- **Evolve NZ** (September 2022), New Zealand's second largest Early Childhood Education business consisting of a national portfolio of ~105 centres.

By VPEG3 Investee By Mercury Capital Fund 3

- **Avive Health** (December 2022), a developing private hospital operator with a specialisation in mental health.

By VPEG3 Investee Next Capital Fund IV

- **Compare Club** (July 2022), one of Australia's leading personal finance marketplaces, currently offering comparison and brokerage services across health insurance, life insurance and home loan products.

By VPEG3 Investee Allegro Fund III

- **Camp Australia** (February 2023), Australia's largest out of school hours care provider, with a strong reputation for delivering high-quality care to primary school-aged children.

SIGNIFICANT BOLT ON ACQUISITIONS COMPLETED DURING THE FINANCIAL YEAR INCLUDED:

By VPEG3 Investee Next Capital Fund IV

- During the March 2023 quarter, **Eptec Group** completed the bolt-on acquisition of **Corrosion Control Engineering (CCE)**, Australasia's largest and most experienced Cathodic Protection specialist. The acquisition further increases Eptecs' growing capabilities in servicing the Defence and Infrastructure, Asset Remediation & Corrosion Mitigation Solutions.

By VPEG3 Investee Allegro Fund IV

- **Questas Group**, an Allegro Fund III portfolio company performed the bolt-on acquisition of **Isadraulics**, a locally renowned specialist in hydraulic cylinder repairs. The acquisition further increases Questas' growing customer base spread across the heavy industrial, manufacturing and resources industries.

By Anchorage Capital Partners Fund III (and VPEG3)

- During the June 2023 quarter, **GBST Wealth Management**, an Anchorage Capital Partners Fund III portfolio company, completed the bolt-on acquisitions of **Wealthconnects** and **Advice Intelligence**. WealthConnects is a Melbournebased global developer and owner of world leading front office cloud based wealth management SaaS solution, built on the Salesforce Financial Services Cloud platform. Advice Intelligence is an award-winning cloud-based end-to-end financial planning software solution. These strategic acquisitions align seamlessly with GBST Wealth Management's commitment to delivering enhanced financial planning services to its clients, positioning the company as a leader in delivering top-tier solutions to meet diverse financial needs.

SUMMARY OF TOP TEN UNDERLYING COMPANY INVESTMENTS

The table below provides a summary of the top 10 underlying company investments in VPESO's portfolio, for which funds have been drawn from VPESO, as at 30 June 2023. As demonstrated in the table, the top 10 investments in VPESO's underlying portfolio represented 76.59% of VPESO's total Private Equity Portfolio as at 30 June 2023.

RANK	UNDERLYING INVESTMENT	FUND	DESCRIPTION	% OF VPESO'S PRIVATE EQUITY INVESTMENTS	CUMULATIVE %
1	**Compass Education**	Advent Partners 2 Fund	Student Information System Software / Services Provider	12.40%	12.40%
2	**Medtech Global**	Advent Partners 2 Fund	Provider of Practice Management Software	12.16%	24.56%
3	**Imaging Associates Group**	Advent Partners 2 Fund	Diagnostic Imaging Service Provider	7.91%	32.48%
4	**Compare Club**	Co-investment No. 2	Personal Finance Marketplace	7.86%	40.33%
5	**GBST Wealth Management**	Anchorage Capital Partners Fund III	Financial Services Technology Provider to Global Wealth Markets	7.70%	48.03%
6	**Gull New Zealand**	Co-investment No. 1	New Zealand Petroleum Distribution Company and Petrol Station Chain	7.28%	55.31%
7	**Flintfox**	Advent Partners 2 Fund	Developer of Trade Revenue Management Software	6.91%	62.23%
8	**Zero Latency**	Advent Partners 2 Fund	Virtual Reality Gaming Developer & Experience Attraction	5.71%	67.94%
9	**Specialised Linen Services**	Anchorage Capital Partners Fund III	Leading National Laundry Operator	4.90%	72.83%
10	**SILK Laser & Skin Holdings Pty Ltd**	Advent Partners 2 Fund	Premium Provider of Laser & Skin Rejuvenation Services	3.75%	76.59%

COMPLETED EXITS DURING FY2023

During October 2022, **Anchorage Capital Partners Fund III (& a VPEG3 investee)** completed the 100% sale of **RailFirst Asset Management** to investment firms DIF Capital Partners and Amber Infrastructure for a media reported $425 million, delivering a ~4.0x Multiple of Invested Capital to Anchorage Fund III investors including VPEG3. Under Anchorage III's ownership the Company was repositioned to focus on Australia's growing intermodal sector, made material investment in implementing new systems and processes which delivered strong sustainable growth.

In May 2023, **VPEG3 investee Allego Fund III** portfolio company **Best and Less Group** (ASX:BST) received a cash, off-market takeover offer of all its securities for A$1.89 per share by Ray Itaoui and BBRC, a company associated with Brett Blundy, a non-executive director of BST and well-known investor in consumer retailing businesses.

The cash offer of $1.89 per share represented a 4.8% discount to the prior day closing price of $1.985 per share. At the time of the off market take over offer, Allegro Fund III had a 32.8% share holding, which represented 40,659,591 shares. The sale proceeds represent approximately $76 million which was distributed to Allegro at completion of the take over on 3 July 2023.

During the March 2023 quarter, one of VPESO's direct secondary positions and one of VPEG3's underlying portfolio companies were placed into administration. The circumstances causing this were due to factors including COVID-19, high-cost pressures, capacity constraints, and labour shortages. The companies affected were **Tribe Brewing (a VPEG3 co-investment alongside Advent Partners 1 Fund)** and **Scott's Refrigerated Logistics (Anchorage Capital Partners Fund III)**.

However, as a result of Vantage's high level of portfolio diversification, a key facet of Vantage's investment strategy, the impact of these investments being written off was immaterial to the fund's overall performance as the total cost of each company represented less than 3.5% of VPESO's total investment portfolio at initial investment.

FINANCIAL PERFORMANCE OF VPESO

During the financial year, 7,622,135 fully paid units were issued to new and existing VPESO investors at an average price of $1.16 per unit. All interests in VPESO are of the same class and carry equal rights. As a result, units on issue at the end of the financial year totalled 23,638,735, equating to $24,869,781 in unitholder contributions at the financial year end. This capital was partially used for one of the co-investments completed during the financial, with the excess cash being available to be used to fund VPESO's requirements of future capital calls from underlying Funds.

Total distribution income received by the Fund across FY23 was $3,511,839 up from the $759,326 recorded in FY22.

This represented the distributions received from underlying funds during the financial year were in the form of dividends, capital gains, return of capital and other interest income received from underlying company investments. Distributions received during the financial were predominately as a result of the distribution received from Anchorage Capital Fund III following the sale of Railfirst Asset Management in October 2022. Furthermore, a distribution was received from co-investment No.1 Gull New Zealand following the completed sale and leaseback of retail site as well as a distribution received from VPEG3 in February 2023 relating to the exits within the VPEG3's underlying investments portfolio.

VPESO's total funds invested in cash and term deposits as at 30 June 2023 was $1,734,638, up from $273,252 at 30 June 2022. 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, excluding revaluations, incurred by the Fund for the financial year ended 30 June 2023 totalled $672,349, a decrease of 33.5% from the $1,011,259 incurred for FY22 The majority of these expenses consisted of management fees and other costs associated with the management of the Fund.

A revaluation decrement of $1,915,378 was booked for VPESO for the financial year ended 30 June 2023. The valuation decrement resulted from realisations of underlying portfolio companies over the financial year, that resulted in distribution income for the Fund.

As a result of the distribution income received by VPESO, offset by the operation costs of the Fund and reduction in the fair value of the investments, VPESO recorded a total profit for the financial year ended 30 June 2023 of $952,705.

Net Assets attributable to Unitholders in VPESO was $28,535,999, equating to $1.207 per unit as at 30 June 2023.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year ended 30 June 2023, VPESO commenced the development of the Funds Secondary investment and co-investment portfolio. There were no significant changes in the state of affairs of the Fund during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In July 2023, VPESO completed a $1.0 million co-investment alongside Adamantem Environmental Opportunities Fund into PAC Trading, which was approved by the VPESO Investment Committee in June 2023.

In September 2023, VPESO completed the secondary acquisition of a $6 million investment commitment and underlying investments of The Growth Fund III.

In September 2023, VPESO increased its issued and paid-up capital by $9,578,995 by way of issuance of 8,339,996 units at a price of $1.15 per unit.

In the opinion of the Trustee and Directors, no other matter or circumstance has arisen since 30 June 2023 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.

Further details of new underlying investments of the Fund will be provided in the VPESO September 2023 quarterly investor report to be emailed to all investors during November 2023 and available on the Fund's website at www.vpeso.info.

The manager expects the number of direct secondary acquisitions added to the portfolio to grow as the Fund matures and further investment commitments are made into additional co-investment opportunities.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The operations of the Fund will continue as planned with new direct secondary positions acquired into private equity funds and further underlying investments to be made by (and through) underlying Private Equity funds. Additionally, as the portfolio progressively matures, the manager expects an increase in the number of exits to occur in VPESO's underlying portfolio to be completed across the remainder of calendar year 2023 and into 2024.

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 VPESO's Investment, Audit and Risk Committee (Investment Committee) during the financial year and up to the date of this report:

Michael Tobin
Investment Committee Member
and Managing Director Vantage

David Pullini
Investment Committee Member
and Director of Vantage

INFORMATION ON INVESTMENT COMMITTEE MEMBERS

MICHAEL TOBIN

B.E., MBA, DFS, FAICD

Investment Committee Member & Managing Director of Vantage

Experience and expertise

Michael is the Managing Director of Vantage and responsible for the development and management of all private equity fund investment activity at Vantage and its authorised representatives, and has managed Vantage's funds share of investment into over $7 billion of Australian Private Equity funds resulting in more than $8 billion of equity funding across 150 underlying portfolio companies.

Michael is also responsible for the operational and compliance management of all Vantage managed funds and investment vehicles. 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 holds a BE (UNSW), an MBA (AGSM) and a Diploma of Financial Services (AFMA) and is a Fellow of the Australian Institute of Company Directors.

Special responsibilities

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

DAVID PULLINI

BE, MBA, GDAFI.

Investment Committee Member & 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. David is Chair of Ardea Investment Management, Chair of Humanforce and Chair of Phocas. David is also a Director of Ansarada and Folklore Ventures.

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 Audit Committee.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, VPESO paid a premium of $6,682 in relation to insurance cover for the Manager and Trustee of the Fund and its Directors and Officers and VPESO investment committee members in relation to the operations of VPESO.

In accordance with the Fund's trust deed, the Manager and Trustee will be indemnified out of the Fund in respect of all fees, expenses and liabilities incurred in relation to the Fund unless the Manager or Trustee 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 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 financial year. This report has been made in accordance with a resolution of the directors.

Michael Tobin
Managing Director

David Pullini
Director

Sydney
26 October 2023

VPESO

FINANCIAL STATEMENTS

INVESTMENT MANAGER vantage Asset Management

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	1 JUL 2022-30 JUN 2023 $	12 JUL 2021-30 JUN 2022 $
INVESTMENT INCOME			
Distribution income	2	**3,511,839**	759,326
Interest income		**28,593**	9,514
Net changes in fair value of investments through profit or loss	5a	**(1,915,378)**	3,436,430
Total investment income		**1,625,054**	4,205,270
OPERATING EXPENSES			
Audit fees		**(8,652)**	(9,734)
Advisor referral fees		**(243,133)**	(376,580)
Investment administration fees		**(37,620)**	(36,900)
Insurance fees		**(6,682)**	-
Management fees		**(340,348)**	(234,907)
Performance fees		**-**	(323,126)
Registry fees		**(17,358)**	(16,555)
Tax compliance fee		**(8,503)**	(8,108)
Other expenses		**(10,053)**	(5,349)
Total operating expenses		**(672,349)**	(1,011,259)
Profit for the financial year, representing total comprehensive income for the financial year		**952,705**	3,194,011

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTE	2023 $	2022 $
CURRENT ASSETS			
Cash and cash equivalents	3	**1,734,638**	273,252
Receivables	4	**10,970**	7,765
Total current assets		**1,745,608**	281,017
NON-CURRENT ASSETS			
Investments at fair value through profit or loss	5	**26,850,087**	19,829,633
Total non-current assets		**26,850,087**	19,829,633
Total assets		**28,595,695**	20,110,650
LIABILITIES			
Current liabilities			
Trade and other payables	6	**(59,696)**	(900,039)
Distribution payable	9	**(1,347,408)**	(480,498)
Total liabilities		**(1,407,104)**	(1,380,537)
Net assets		**27,188,591**	18,730,113
EQUITY ATTRIBUTABLE TO UNITHOLDERS			
Unitholders capital	7	**24,869,781**	16,016,600
Retained earnings	8	**4,146,716**	3,194,011
Distributions paid to Unitholders	9	**(1,827,906)**	(480,498)
Total equity attributable to Unitholders		**27,188,591**	18,730,113

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	UNITHOLDERS CAPITAL	RETAINED EARNINGS $	DISTRIBUTION TO UNITHOLDERS $	TOTAL $
Balance at 12 July 2021		**-**	**-**	**-**	**-**
TRANSACTIONS WITH UNITHOLDERS, IN THEIR CAPACITY AS UNITHOLDERS,					
Calls during the financial year		16,016,600	-	-	16,016,600
Distributions payable during the financial year	9	-	-	(480,498)	(480,498)
Total transactions with Unitholders		**16,016,600**	**-**	**(480,498)**	**15,536,102**
Profit for the period, representing total comprehensive income for the financial year		-	3,194,011	-	3,194,011
Balance at 30 June 2022		**16,016,600**	**3,194,011**	**(480,498)**	**18,730,113**
TRANSACTIONS WITH UNITHOLDERS, IN THEIR CAPACITY AS UNITHOLDERS,					
Calls during the financial year		8,853,181	-	-	8,853,181
Distributions payable during the financial year	9	-	-	(1,347,408)	(1,347,408)
Total transactions with Unitholders		**8,853,181**	**-**	**(1,347,408)**	**7,505,773**
Profit for the financial year, representing total comprehensive income for the financial year		-	952,705	-	952,705
Balance at 30 June 2023		**24,869,781**	**4,146,716**	**(1,827,906)**	**27,188,591**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	1 JUL 2022- 30 JUN 2023	12 JUL 2021- 30 JUN 2022
Cash flows from operating activities		
Distribution incomes received	**3,511,839**	759,326
Interest received	**28,593**	9,514
Expenses paid	**(581,229)**	(442,109)
Net cash used in operating activities	**2,959,203**	326,731
Cash flows from investing activities		
Payments for investments at fair value through profit or loss	**(8,935,832)**	(16,393,203)
(Payments to) / receipts from related party	**(826,388)**	323,124
Net cash used in investing activities	**(9,762,220)**	(16,070,079)
Cash flows from financing activities		
Issuance of units	**8,744,901**	16,016,600
Distributions paid	**(480,498)**	-
Net cash from financing activities	**8,264,403**	16,016,600
Net increase in cash and cash equivalents	**1,461,386**	273,252
Cash and cash equivalents at the beginning of the financial year	**273,252**	-
Cash and cash equivalents at the end of the financial year	**1,734,638**	273,252

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial reporting framework and statement of compliance

Vantage Private Private Equity Secondaries Opportunities (the Trust or VPESO) is an Australian Unit Trust established and domiciled in Australia. Vantage Asset Management Pty Limited (the Manager) is the Manager of VPESO and Vantage Asset Services Pty Ltd is the Trustee of VPESO. The Trust is not a reporting entity as in the opinion of the directors of the Trustee 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 Trust Deed of VPESO.

The financial statements are presented in Australian dollars and were authorised for issue on 26 October 2023.

As the Trust has prepared a special purpose financial report to satisfy the reporting requirements under the Trust Deed, it has not complied with the full recognition, measurement, or disclosure requirements of the Australian Accounting Standards Board. Therefore, this special purpose financial report does not comply to all the requirements of the International Financial Reporting Standards. This financial report contains the disclosures deemed necessary by the Trustee to meet the needs of the unitholders and is not intended for any other purpose.

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.

Adoption of new and revised accounting standards

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

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

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) Investment income

i) *Distribution income*

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.

ii) *Interest income*

Interest income is recognised using the effective interest method.

iii) *Net changes in fair value of investments through profit or loss*

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Profit or Loss and Other Comprehensive Income in the year they are incurred. Unrealised gains and losses are not assessable or distributable until realised.

c) Investments in financial instruments

Financial instruments are measured at net assets attributable to interest holders as noted in the underlying investees' audited financial statements adjusted for carried interest. with changes in the value being recognised directly to profit or loss. The Trust's portfolio of financial assets is managed and its performance is evaluated on this basis.

At initial recognition, the Trust measures financial assets at cost. Subsequent to initial recognition, all financial instruments are measured at net assets attributable to interest holders as noted in the underlying investees' audited financial statements adjusted for carried interest. Gains and losses arising from changes in the value of the financial assets are presented in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. All transaction costs for such instruments are recognised directly in the Statement of Profit or Loss and Other Comprehensive Income.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Trust has transferred substantially all of the risks and rewards of ownership.

d) Expenses

Expenses are brought to account on an accruals basis.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

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

e) Distributions and taxation

Under current legislation, the Trust is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the investors.

The Trust fully distributes its distributable income, calculated in accordance with the Trust's Deed and applicable taxation legislation and any other amounts determined by the Trustee, to unitholders 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 Trust is not subject to capital gains tax.

Realised capital losses are not distributed to unit-holders but are retained in the Trust to be offset against any future realised capital gain. If realised capital gains exceed realised capital losses the excess is distributed to the Unitholders.

The benefits of imputation credits and passed on to Unitholders.

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 associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

The GST incurred on the costs of various services provided such as audit fees, custodial services and investment management fees have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

h) Comparative figures

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

The comparatives covered a period of 11 months from 12 July 2021 to 30 June 2022. Accordingly, the comparative amounts for the statement of comprehensive income, statements of changes in equity, statements of cash flow and the related notes are not comparable.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

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

i) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Trust's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement - Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

j) Critical Accounting Estimates and Judgments

In the application of the Trust's accounting policies, the trustee is required to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually bases its judgements, estimates and assumptions on historical experience and other factors that are considered to be relevant. The accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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 SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

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

j) 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:

i) *Valuation of financial instruments*

The valuation of investments is based upon the net assets attributable to interest holders as noted in the underlying investees' audited financial statements adjusted for carried interest. Each investee fund will select an appropriate valuation technique for financial instruments that are not quoted in an active market. This valuation is based upon a fair estimation of values which are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, market volatility, investment stage, estimated cash flows etc.) as determined by the Manager of the investees.

The carried interest, which may be part of the underlying investees' valuation, will be adjusted from the values adopted by the Trust as the Trustee deem it more appropriate for the Trust to include the carried interest when it crystallises.

ii) *Fair value information*

The fair values of financial assets in the underlying investees 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.

iii) *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 the basis above.

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.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2. DISTRIBUTION INCOME

	1 JUL 2022- 30 JUN 2023	12 JUL 2021- 30 JUN 2022
Distribution income	**3,511,839**	759,326

NOTE 3. CASH AND CASH EQUIVALENTS

	2023 $	20221 $
Cash at bank	**1,734,638**	273,252

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	**1,734,638**	273,252

NOTE 4. RECEIVABLES

	2023 $	2022 $
Current		
GST receivable	**10,970**	7,765
Total receivables	**10,970**	7,765

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	NOTE	2023 $	2022 $
NON-CURRENT			
INTERESTS IN UNLISTED PRIVATE EQUITY FUNDS / LIMITED PARTNERSHIPS AT FAIR VALUE THROUGH PROFIT OR LOSS	5a	**26,850,087**	19,829,633

a) Movements in fair values

	2023	2022
Investments at fair value at beginning of the financial year	**19,829,633**	-
Calls paid to underlying investee funds during the financial year	**8,935,832**	16,393,203
Net changes in fair value of investments through profit or loss	**(1,915,378)**	3,436,430
Investments at fair value at the end of the financial year	**26,850,087**	19,829,633

b) Net investment revaluations includes the impact of distributions received during the financial year represented by:

	2023	2022
Distributions received/receivable during the financial year	**(3,511,839)**	(759,326)
The Trust's share of movement during the financial year	**1,596,461**	4,195,756
Net changes in fair value of investments through profit or loss	**(1,915,378)**	3,436,430

c) VPESO has acquired committed capital to the underlying funds amounting to $23.74 million (2022: $20.15 million).

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6. TRADE AND OTHER PAYABLES

	NOTE	2023 $	2022 $
CURRENT			
Accounts payable		**36,628**	21,990
Accruals		**23,068**	51,661
Related party payable	6a	**-**	826,388
Total trade and other payables		**59,696**	900,039

Related parties payables in the previous financial year relates to performance fee ($323k) payable to the Manager and $503k payable to Vantage Private Equity Growth 3, LP for a secondary purchase of VPEG 3's investment.

NOTE 7. UNITHOLDERS CAPITAL

	NOTE	2023 $	2022 $
CARRYING AMOUNT			
Opening balance		**16,016,600**	-
Paid up capital / units issued to investors		**8,853,181**	16,016,600
Closing balance		**24,869,781**	16,016,600
NUMBER OF UNITS ON ISSUE			
Opening balance		**16,016,600**	-
Paid up capital / units issued to investors	7a	**7,622,135**	16,016,600
Closing balance		**23,638,735**	16,016,600

During the current financial year, the Trust issued 7.62 million units, comprising:

- 7.51 million units issued for an average price of $1.16 per unit
- 108,280 units issued in lieu of adviser fees

All interests in the Trust are of the same class and carry equal rights. Under VPESO's Trust Deed, each interest represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the the Trust.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 8. RETAINED EARNINGS

	2023 $	2022 $
Retained earnings	**4,146,716**	3,194,011

	2023 $	2022 $
Movement		
Opening balance	**3,194,011**	-
Net operating loss for the financial year	**952,705**	3,194,011
Closing balance	**4,146,716**	3,194,011

NOTE 9. DISTRIBUTIONS PAID TO UNITHOLDERS

	2023 $	2022 $
Distribution paid	**1,827,906**	480,498

	$ UNIT PER 2023	$ UNIT PER 2022	2023 $	2022 $
Movement				
Opening balance	$0.030	-	**480,498**	-
Distributions paid/payable during the financial year	$0.057	$0.030	**1,347,408**	480,498
Closing balance	$0.087	$0.030	**1,827,906**	480,498

The distribution payable in the previous financial year represents investors' entitlement to the income of the Trust. It was paid to all VPESO investors in October 2022.

The distribution payable in the current financial year represents investors' present entitlement to the income of the Trust and it is intended to be paid to all VPESO investors in October 2023.

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 10. 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 11. NOTES TO THE STATEMENT OF CASH FLOWS

	1 JUL 2022- 30 JUN 2023 $	12 JUL 2021- 30 JUN 2022 $
Reconciliation of profit or loss for the period to net cash flows from operating activities		
Net operating profit for the financial year	**952,705**	3,194,011
NON-CASH FLOWS IN PROFIT		
Net changes in fair value of investments through profit or loss	**1,915,378**	(3,436,430)
Units issued in lieu of adviser fees	**108,280**	-
CHANGES IN ASSETS AND LIABILITIES:		
Changes in receivables	**(3,205)**	(7,764)
Changes in trade and other payables	**(13,955)**	576,914
Cash flow used in operations	**2,959,203**	326,731

VANTAGE PRIVATE EQUITY SECONDARIES OPPORTUNITIES

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12. EVENTS AFTER THE BALANCE SHEET DATE

In July 2023, the Fund completed a $1mil co-investment alongside Adamantem Environmental Opportunities Fund into PAC Trading, which was approved by the VPESO Investment Committee in June 2023.

In September 2023, the Fund completed the secondary acquisition of a $6 million investment commitment and underlying investments of The Growth Fund III.

In September 2023, the Fund increased its issued and paid-up capital by $9,578,995 by way of issuance of 8,339,996 units at a price of $1.15 per unit.

In October 2023, the Trust paid distribution to the investors, refer to Note 9 to the financial statements.

Apart from the matters above, there have not been any 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 13. TRUSTEE AND MANAGER DETAILS

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

Level 39, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia

DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

As detailed in Note 1 to the financial statements, the Trust 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 VPESO's Trust Deed.

The directors of Vantage Asset Services Pty Ltd also declare that:

a) in the directors' opinion, the attached financial statements and notes, as set out on pages 22 to 36, present fairly the Trust's financial position as at 30 June 2023 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; and

b) in the director's 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 directors' of the Trustee, Vantage Asset Asset Services Pty Ltd.

Michael Tobin	**David Pullini**
Managing Director	Director

Sydney
26 October 2023

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 Secondaries Opportunities

Opinion

We have audited the financial report, being a special purpose financial report, of Vantage Private Equity Secondaries Opportunities (the "Fund"), which comprises the statement of financial position as at 30 June 2023, 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 is prepared, in all material respects, in accordance with the accounting policies determined by the Trustee as described in Note 1 to the financial statements.

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 Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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

We draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial report is prepared to assist the Fund to meet the requirements of the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Fund and the directors of Vantage Asset Management Pty Limited as Trustee of the Fund (the "Trustee") (collectively the "Recipients") and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Trustee are responsible for the preparation of the financial report in accordance with the financial reporting requirements of the Trust Deed and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the directors are responsible for assessing the Fund'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 Fund or to cease operations, or have no realistic alternative but to do so.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the Trustee and Managers 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.

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.

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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- 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 Fund'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 Fund to cease to continue as a going concern.

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
Sydney
26 October 2023

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2023