

# VANTAGE PRIVATE EQUITY GROWTH 2



QUARTERLY INVESTOR REPORT  
30 SEPTEMBER 2025

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## VPEG2

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# EXECUTIVE SUMMARY

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

VPEG2's portfolio continues to demonstrate momentum as it matures through its divestment phase. During the quarter, two exits were completed, alongside the announced divestment of the remaining shares held in a portfolio company that was previously exited via IPO listing on the ASX in April 2021.

As VPEG2 progresses through its divestment phase, the Fund remains well-positioned to maximise value for investors. With the majority of platform build-out initiatives now complete, underlying managers are focused on optimising operations and preparing portfolio companies for exit. This includes strengthening earnings resilience, refining cost structures and ensuring each portfolio company is positioned to command an attractive valuation upon exit.

Supported by elevated private equity transaction activity, with sustained interest from both domestic and offshore trade and financial sponsors, VPEG2 is expected to benefit from the current exit environment. These dynamics reinforce confidence in delivering sustained returns and further distributions to VPEG2 investors in the near-term.

## PORTFOLIO HIGHLIGHTS

During the quarter, **Allegro Fund II completed the sale of Terrex**, by way of trade sale to global exploration group SAE. Additionally, **Odyssey Private Equity Fund 8 completed the sale of MTB Direct**, by way of trade sale to Adventure Holdings Group. As a result of these exits, the total number of portfolio company exits completed increased to 42 at quarter end.

In addition, **Next Capital Fund III announced the sale** of its residual holding in the previously exited, ASX-listed **Lynch Group Limited** (ASX: LGL) via a scheme of arrangement to Hasfarm Holdings, a TPG Private Equity-backed business.

VPEG2's underlying managers report that several underlying portfolio companies are now in advanced stages of final sale negotiations. Upon completion, these realisations are anticipated to support additional distributions to VPEG2 investors in the near-term.

## VPEG2 FUND ACTIVITY

During the quarter, a capital call totalling \$6,011 was paid to Odyssey Private Equity Fund 8. The called capital was attributable to the management fees and operating expenses of that manager across the period. No additional capital calls were issued by VPEG2A and VPEG2B as these entities, have already called 100% of investors committed capital.

During the period, VPEG2 received distributions totalling \$544,506 from Allegro Fund II and Odyssey Private Equity Fund 8. The distributions received were predominately from Allegro's completed sale Terrex and Odyssey Private Equity Fund 8's completed sale of MTB Direct. Further distributions were received from the release of escrowed proceeds relating to Allegro's previously exited portfolio company, Pizza Hut, during the period.

No 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 September 2025.

As at 30 September 2025, VPEG2A's and VPEG2B's **Net Asset Value** attributable to investors was **\$0.691 and \$0.698** per unit respectively. As such, VPEG2A's and VPEG2B's **Total Value to Paid In (TVPI)** multiple stands at **2.30x and 2.28x respectively**, representing a **net annualised return of 17.1% p.a. for VPEG2A investors and 12.0% p.a. for VPEG2B investors**, since the Fund's Final Close in May 2015.



# VANTAGE UPDATE

## **VPEG6 COMPLETES FIFTH PRIMARY COMMITMENT**

During the quarter, VPEG6 increased its total commitments to underlying funds to \$80.5 million, after a \$20 million commitment was made to mid-market technology and software specialist Potentia Capital Fund III. Potentia 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 robust track record of consistently delivering value across portfolio companies through margin improvement, pricing optimisation, international expansion and strategic M&A. This has enabled Potentia to deliver a prior fund that ranks among the top ten performing private equity funds globally for its vintage year.

## **VPEG6 NEARS COMPLETION OF SIXTH PRIMARY COMMITMENT**

During the quarter, Vantage has further continued the development of VPEG6's portfolio, with the fund nearing completion of its sixth primary fund commitment. This commitment is to a lower to mid-market buyout manager focused on investing in the Technology & Software, Healthcare, Business Services and Consumer sectors.

Vantage and the manager have a long-standing relationship, with the latter very well-regarded and known for partnering with founders and management teams to drive operational improvements, expand market reach and pursue targeted M&A to strategically reposition assets. This has seen the manager consistently deliver global top quartile returns for its investors.

Vantage has received preliminary IC approval during October 2025, with final approval expected to be received during November 2025.

Upon completion, this commitment will increase VPEG6's total commitments made to underlying funds to \$100.5 million, further enhancing VPEG6's portfolio construction and providing additional diversification and specialist sector expertise across Growth, Buyout, and Turnaround strategies.

Heading into CY2026, the pipeline of new opportunities is robust, with an additional two private equity managers expected to raise funds in Q1 CY2026. As a result, VPEG6 is well positioned to achieve its targeted portfolio allocation of eight to ten underlying managers, adding further diversification across manager strategies and sectors.

## **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](mailto: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>

# PERFORMANCE



# PERFORMANCE

| QUARTER ENDING                                  | 30 SEPTEMBER 2025            |                   |
|---|------------------------------|-------------------|
| FINAL CLOSE                                     | MAY 2015                     |                   |
| STRATEGY  | PRIVATE EQUITY FUND OF FUNDS |                   |
| <b>VPEG2 ENTITY</b>                             | <b>VPEG2A</b>                | <b>VPEG2B</b>     |
| COMMITTED CAPITAL (\$M)                         | \$27.08                      | \$8.85            |
| PAID CAPITAL (\$M)                              | \$27.08                      | \$8.90            |
| NET ASSET VALUE PER UNIT                        | \$0.691                      | \$0.698           |
| DISTRIBUTED TO PAID IN (DPI) MULTIPLE           | 1.61x                        | 1.58x             |
| TOTAL VALUE TO PAID IN (TVPI) MULTIPLE          | 2.30x                        | 2.28x             |
| <b>NET ANNUALISED RETURN</b>                    | <b>17.1% p.a.</b>            | <b>12.0% p.a.</b> |
| <b>PORTFOLIO</b>                                |                              |                   |
| TOTAL COMMITTED CAPITAL TO PRIVATE EQUITY (\$M) | \$50.27                      |                   |
| NO. OF PRIMARY PRIVATE EQUITY COMMITMENTS       | 8                            |                   |
| NO. OF CO-INVESTMENTS                           | 1                            |                   |
| NO. OF PORTFOLIO COMPANIES                      | 55                           |                   |
| NO. OF EXITS <sup>1</sup>                       | 42                           |                   |
| NO. OF REMAINING PORTFOLIO COMPANIES            | 13                           |                   |

1. Includes both completed and announced exits at reporting period



# PRIVATE EQUITY PORTFOLIO





# PRIVATE EQUITY PORTFOLIO

## VPEG2 PRIVATE EQUITY PORTFOLIO

| VPEG2 INVESTEE                                      | FUND /<br>DEAL SIZE<br>(\$M) | VINTAGE<br>YEAR | INVESTMENT FOCUS      | COMMITMENT<br>(AUD\$M) | CAPITAL<br>DRAWN<br>(AUD\$M) | PORTFOLIO<br>COMPANIES | EXITS <sup>1</sup> |
|---|------------------------------|-----------------|-----------------------|------------------------|------------------------------|------------------------|--------------------|
| NEXT CAPITAL FUND III                               | \$265                        | 2014            | EXPANSION /<br>BUYOUT | \$7.21                 | \$6.89                       | 8                      | 8                  |
| ALLEGRO FUND II                                     | \$180                        | 2014            | BUYOUT                | \$6.00                 | \$5.89                       | 9                      | 9                  |
| MERCURY CAPITAL FUND 2                              | \$300                        | 2015            | EXPANSION /<br>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 /<br>BUYOUT | \$3.64                 | \$3.03                       | 4                      | 4                  |
| PENCARROW BRIDGE FUND                               | NZ\$80                       | 2016            | EXPANSION /<br>BUYOUT | \$1.92                 | \$1.71                       | 4                      | 3                  |
| ADAMANTEM CAPITAL<br>FUND I                         | \$591                        | 2017            | EXPANSION /<br>BUYOUT | \$10.00                | \$8.46                       | 6                      | 1                  |
| ODYSSEY PRIVATE EQUITY<br>FUND 8                    | \$275                        | 2017            | EXPANSION /<br>BUYOUT | \$8.00                 | \$7.35                       | 6                      | 3                  |
| CO-INVEST NO.1<br>(FITZPATRICKS FINANCIAL<br>GROUP) | \$200                        | 2017            | EXPANSION             | \$0.50                 | \$0.59                       | 1                      | -                  |
| <b>TOTAL</b>  |                              |                 |                       | <b>\$50.27</b>         | <b>\$45.57</b>               | <b>55</b>              | <b>42</b>          |

1. Includes both completed and announced exits at reporting period end



# PRIVATE EQUITY PORTFOLIO

## TOP 10 HOLDINGS ACROSS THE PORTFOLIO

| RANK | PORTFOLIO COMPANY               | INVESTEES                     | DESCRIPTION   | % SHARE | CUMULATIVE |
|------|---------------------------------|-------------------------------|---|---------|------------|
| 1    | DELTA AGRIBUSINESS <sup>1</sup> | ODYSSEY PRIVATE EQUITY FUND 8 | PROVIDER OF AGRICULTURAL INPUTS, FARM ADVISORY AND AGENCY SERVICES                        | 11.7%   | 11.7%      |
| 2    | FOOD ODYSSEY                    | ODYSSEY PRIVATE EQUITY FUND 8 | RETAILER OF FRESH SUSHI AND OTHER JAPANESE-INSPIRED HEALTHY CONVENIENCE FOODS             | 11.2%   | 22.9%      |
| 3    | HELLERS                         | ADAMANTEM CAPITAL FUND I      | NEW ZEALAND PRODUCER OF PROCESSED MEATS   | 10.2%   | 33.1%      |
| 4    | ASDAM                           | CPE CAPITAL 8                 | SOVEREIGN DEFENCE AND ADVANCED MANUFACTURING SUPPLIER TO AEROSPACE AND DEFENCE INDUSTRIES | 10.2%   | 43.3%      |
| 5    | TAMAKI HEALTH GROUP             | MERCURY CAPITAL FUND 2        | NEW ZEALAND PRIMARY CARE OPERATOR   | 9.6%    | 52.9%      |
| 6    | LEGEND CORPORATION              | ADAMANTEM CAPITAL FUND I      | SUPPLIER OF ELECTRICAL AND GAS COMPONENTS, TOOLS AND TEST AND MEASUREMENT SERVICES        | 7.1%    | 60.0%      |
| 7    | LYNCH GROUP <sup>2</sup>        | NEXT CAPITAL FUND III         | GROWER AND WHOLESALE OF FLOWERS AND POTTED PLANTS IN AUSTRALIA AND CHINA                  | 6.6%    | 66.6%      |
| 8    | HYGAIN HOLDINGS                 | ADAMANTEM CAPITAL FUND I      | PRODUCER OF PREMIUM BRANDED HORSE FEEDS   | 6.2%    | 72.8%      |
| 9    | FRANKIE4 HOLDINGS               | ODYSSEY PRIVATE EQUITY FUND 8 | WOMEN'S FASHION FOOTWEAR  | 5.5%    | 78.3%      |
| 10   | HERITAGE LIFECARE               | ADAMANTEM CAPITAL FUND I      | NEW-ZEALAND AGE-CARE & RETIREMENT VILLAGE OPERATOR  | 5.4%    | 83.8%      |

1. Divestments of portfolio companies Delta Agribusiness and Lynch Group had been announced but not completed at 30 September 2025, VPEG2 maintained its exposure to each asset at period end, and thus the investment is reflected in the top 10 holding count. Delta Agribusiness transaction was completed in November 2025.



# PRIVATE EQUITY PORTFOLIO

## INDUSTRY DIVERSIFICATION OF PORTFOLIO

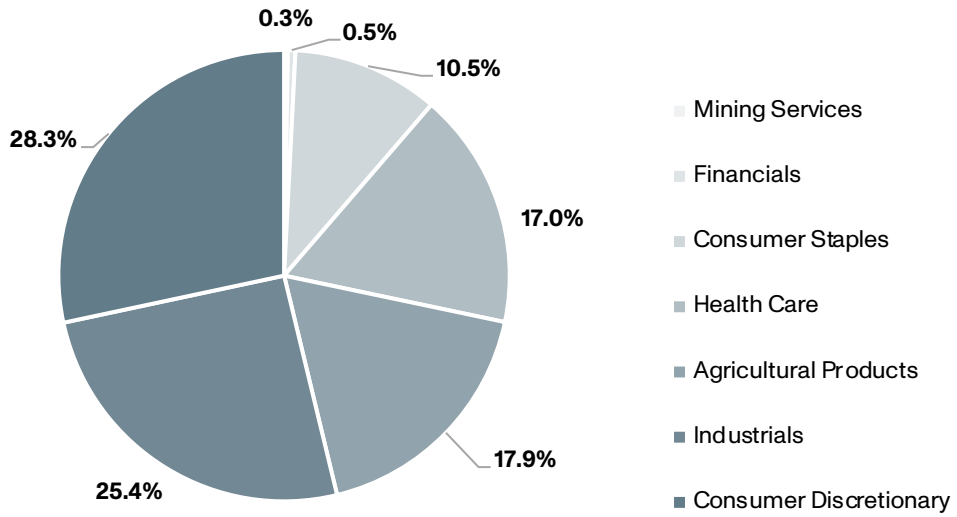


Image: Industry diversification of VPEG2 portfolio at period end 30 September 2025. Key is in descending order.

# PORTFOLIO ACTIVITY





# PORTFOLIO ACTIVITY

During the quarter, exit activity increased with improved market sentiment and renewed buyer appetite enabling a number of portfolio companies to complete sale processes.

This resurgence was reflected in the completion of two portfolio company exits, alongside the announced divestment of the remaining shares held in a previously exited portfolio company.

Further information of the completed portfolio company realisations are detailed below.

## **MTB DIRECT – ODYSSEY PRIVATE EQUITY FUND 8 (OPE8)**

During the quarter, Odyssey Private Equity Fund 8 completed the exit of MTB Direct by way of trade sale to Adventure Holdings Australia, a leading outdoor equipment and leisure brand which is also a portfolio company OPE8.

Across OPE8's ownership, Odyssey enhanced MTB Direct's operational and commercial foundations, investing in technology, systems and supply-chain efficiencies to support the business' next phase of growth. Initiatives centred on strengthening inventory management processes, improving fulfilment capability, and expanding product depth.

These initiatives were complemented by a focus on customer acquisition and retention, supported by data-driven digital marketing initiatives that lifted brand engagement and repeat purchasing behaviour.

## **TERREX – ALLEGRO FUND II**

During the quarter, Allegro Fund II completed the sale of Terrex by way of trade sale to SAExploration (SAE). At the time of sale Terrex was a seismic data and geospatial surveying provider servicing the resources, energy and infrastructure sectors.

Across Allegro Fund II's ownership period, Allegro led a comprehensive turnaround of Terrex Group, stabilising the business following significant sector headwinds and improving operational resilience. Key value-creation initiatives included rationalising the cost base, restructuring underperforming divisions and strengthening operational planning and project controls.

Allegro also refreshed the senior leadership team and implemented enhanced financial and governance frameworks, providing greater discipline around capital allocation and positioning the business for more sustainable performance.

Furthermore, the remainder of the portfolio continues to demonstrate robust performance, underpinned by VPEG2A's and VPEG2B's Residual Value to Paid-In (RVPI) multiples of 0.69x and 0.70x respectively, highlighting the value yet to be realised across VPEG2's portfolio.

With the completion of these exits, the total number of exits completed within VPEG2's underlying portfolio increased to 42, with 13 actively remaining portfolio companies as at 30 September 2025.

## **LYNCH GROUP (ASX:LGL) – NEXT CAPITAL FUND III**

During August 2025, Next Capital Fund III announced the sale of its residual holding in the previously exited, ASX-listed Lynch Group Limited (ASX: LGL) via a scheme of arrangement to Hasfarm Holdings, a TPG Private Equity-backed business.

The offer price was \$2.245 per share representing a +34.3% premium to the 6-month Volume-Weighted Average Price (VWAP). The offer valued Lynch's equity at c.\$280 million, implying an enterprise value of \$304 million.

Completion of the sale is expected to be received upon approval of the arrangement on 9 December 2025, at which point VPEG2 will receive its pro-rata share of the sale proceeds.

# MARKET INSIGHTS





# MARKET INSIGHTS

The third quarter of CY2025 has unfolded amid a complex interplay of cautious central bank policy, persistent geopolitical friction and resilient corporate earnings. While the U.S. Federal Reserve delivered a modest rate cut in October and underscored its “data-dependent approach to monetary policy”, other major central banks, including the European Central Bank, Bank of Japan and the RBA have held firm, underscoring their cautionary outlook in reigniting inflation.

Recent political developments, such as the ever-evolving developments in the Middle East and Ukraine, have grabbed headlines, but had minimal macroeconomic impact. Markets have generally remained resilient and investor sentiment buoyant, powered by robust earnings and surging AI-led capital expenditure. Despite talks of an AI bubble and elevated valuations, stable consumer demand and resilient credit conditions have positioned profits, not politics, as the primary engine of Q3’s market momentum.

Australia’s economy continues to stabilise, with GDP projected to grow by 2.0% in 2025 and 2.2% in 2026. Inflation is now expected to remain above 3% until late 2026 meaning that the RBA is reluctant to put in place any near-term rate reductions. However, private demand is improving supported by tax cuts and rising housing prices, while unemployment should hover around 4.3%, despite ongoing capacity pressures.

New Zealand’s economy is set to rebound, with projected GDP growth of ~2% in 2025 increasing to ~3.1% in 2026, surpassing Australia. In October, the RBNZ cut interest rates to 2.5% to bolster domestic demand, housing and exports. Inflation is likely to remain at 3% driven by food and cost pressures, while unemployment of 5.2% and muted wage growth is expected to improve as the economy returns to growth.

After a prolonged period of constrained private equity exits, most acutely felt in the larger buyout segment, there are early signs that private equity’s liquidity freeze is beginning to thaw. Private equity managers globally are reporting a surge in deal activity attributed to a narrowing of valuation gaps, healthier markets, improved credit conditions and a re-opening of the IPO window.

While this rebound has been most pronounced in the US and Europe, private equity firms in Australia and New Zealand are also seeing renewed optimism. Q3 saw 33 Australian mid-market transactions accounting for \$5.7bn of deal value, more than double the amount on the prior quarter (Q2 saw 15 deals completed, accounting for \$2.6bn). This strong momentum and solid macroeconomic backdrop is set to benefit Vantage’s underlying managers, with a step-up in deal activity forecast for the remainder of 2025 and into 2026.

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## IMPORTANT INFORMATION

This report has been prepared by Vantage Asset Management Pty Limited ABN 50 109 671 123, AFSL 279186. 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.



# VANTAGE ASSET MANAGEMENT

