



2025 Q1

QUARTERLY UPDATE

ASX.CD3

ASX RELEASE DATE: 7 MAY 2025



The first quarter of 2025 began with renewed enthusiasm for dealmaking across US private equity (PE) markets, with ample credit available, the valuation gap between buyers and sellers beginning to close, as well as the burgeoning secondary market (which included continuation vehicles). Markets had originally anticipated a pro-business administration, though there was low-level caution reflected in sentiment indicators (CNBC's CFO Council survey shows that [60% of CFO's](#) expect a recession in the second half of 2025).

During the quarter, PE markets largely moved sideways with Managers continuing to demonstrate their ability to adapt and wait for more favourable conditions, or where possible, to take advantage of strategic opportunities. Fortunately, we're no strangers to market volatility and macroeconomic challenges - evidenced just years ago throughout the pandemic - and it is the Manager's opinion that talented partners (like ours) tend to excel in these periods of dislocation. Over-leveraged companies will struggle in these periods, with a lack of liquid assets to weather the storm, whereas PE-backed companies have the capital to assist and the expertise to execute. As it relates to the CD Fund Series, our underlying managers will work to implement company specific changes as required to offset any cost increases or supply chain disruptions, strategically adjusting and renegotiating vendor contracts, finding alternative non-tariff suppliers and monitoring balance sheet or financing concerns. Of course, the full effects of tariffs remain to be seen, though at this stage exposure across the CD Fund Series portfolios is anticipated to be relatively minimal. As always, we will keep Investors apprised.

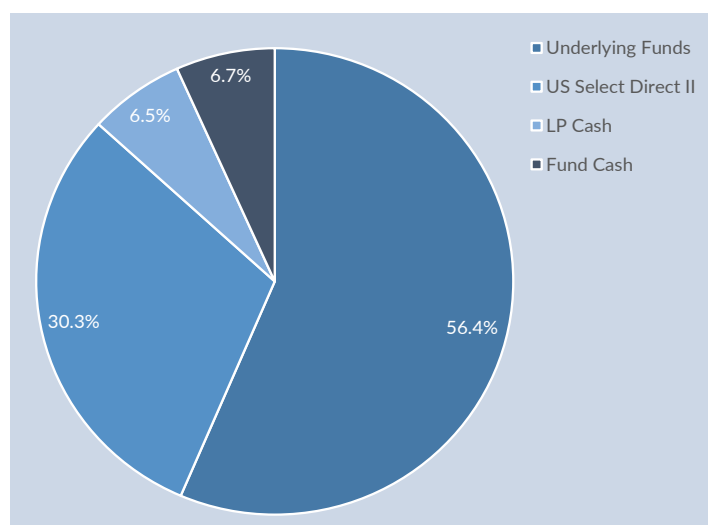
FUND 3: QUARTERLY UPDATE & PORTFOLIO COMPOSITION^{1,5,6,7}

Inception Date	July 2016
CD3 Original Unit Price	\$1.60 per unit
CD3 Distributions Paid Since Inception ⁸	\$2.039 per unit
CD3 31 March 2025 NTA (post-tax)	\$1.87 per unit
Q1 2025 Portfolio Realisations	2
Average Gross MOIC on Q1 Realisations	3.93x

CD3 Interest in LP3	71.22%
Total Underlying Funds (since inception)	13
Total Underlying Portfolio Companies (since inception)	144
Total Portfolio Company Realisations	76
Median Gross MOIC on Realisations	2.8x
Remaining Portfolio Companies (<i>see below</i>)	61
Hold Period of Remaining Active Investments	5.6 years

Fund Cash Balance	A\$9.99m
Fund's Interest in LP Cash Balance	US\$6.04m
Fund's Interest in Underlying Funds	US\$52.40m
Fund's Interest in US Select Direct 2 (USD2)	US\$28.15m

CD3 31 MARCH 2025: KEY STATISTICS ^{1,2}		
NTA per unit	Gross assets	Quarterly NTA Return
\$1.87	A\$139.6 million	2.8%



As at 31 March 2025, the Fund had 68 portfolio companies, with seven (7) of those deemed inactive and unlikely to have significant value extracted.

Of the remaining 61 portfolio companies, it is considered that 48 of these are active earners, and 13 have been impaired from their cost base in prior periods. Though these 13 have been impaired, they do still continue to hold value and a number have already returned capital during the hold period.

LP3 QUARTERLY CAPITAL CALLS & DISTRIBUTIONS¹

	MONTH	AMOUNT*	FUND	PRIMARY REASON
Distribution	January	US\$1.17m	Bertram Growth Capital	Realisation: Best Version Media
Capital Call	February	-US\$0.08m	DFW Capital Partners	Follow on investment: Saol Therapeutics
Capital Call	February	-US\$0.03m	DFW Capital Partners	Follow on investment: EmergeHoldCo
Capital Call	March	-US\$0.37m	Gemspring Capital	Follow on investment: Rapid Displays Inc Partnership expenses.
Capital Call	March	-US\$0.02m	DFW Capital Partners	Management fees & partnership expenses
Capital Call	March	-US\$0.13m	Trive Capital	Follow on investment: Rubicon Management fees & partnership expenses
Distribution	March	US\$1.48m	NMS Capital	Realisation: DCMS

Note: This table does not account for all cash flow movements of the LP during the quarter. This table does not include the receipt of proceeds from Smartsheet's take-private (see page 4) as the funds remained within the trading account at the end of the quarter.

*Amount of distributions may include simultaneous capital calls for minor follow-on investments, tax withholdings or payments, management fees & partnership expenses and/or carried interest payments.

LP3 UNDERLYING PORTFOLIO^{1,5,6,7}

	TOTAL COMPANIES	TOTAL REALISATIONS	MEDIAN MOIC (REALISATIONS)	ACTIVE PORTFOLIO COMPANIES	AVERAGE HOLD PERIOD ON ACTIVE COMPANIES	UNDERLYING FUND VALUE (\$USD millions)	QUARTERLY MOVEMENT (EXCLUDING REALISATIONS)
Fund 1	9	7	4.7x	1	6.2 years	\$2.62m	-12.81%
Fund 2	7	3	2.5x	4	6.9 years	\$4.15m	+8.11%
Fund 3	11	9	3.0x	2	7.3 years	\$7.60m	-0.28%
Fund 4	12	5	2.9x	6	6.4 years	\$8.71m	-0.79%
Fund 5	12	9	3.8x	3	6.8 years	\$3.29m	+10.87%
Fund 6	9	6	7.0x	3	4.2 years	\$4.02m	-0.60%
Fund 7	10	5	3.1x	3	5.2 years	\$3.50m	+3.18%
Fund 8	7	7	2.2x	-	-	\$4.24m	-2.93%
Fund 9	8	2	2.1x	6	5.8 years	\$7.93m	-0.43%
Fund 10	12	5	2.3x	6	7.4 years	\$5.79m	-1.36%
Fund 11	7	2	4.3x	5	5.2 years	\$16.08m	+12.89%
Fund 12	15	11	1.2x	4	5.7 years	\$5.65m	+3.15%
Fund 13	25	5	2.0x	18	4.3 years	\$39.52m	+5.37%
Total	144	76	2.8x	61	5.6 years	\$113.10m	+3.42%

*Remaining value is at the LP level. Fund 8 has had all underlying portfolio companies substantially exited, with two realisations having approximately 1/3 of the exit proceeds retained as rollover equity. The value not included in the above table, which includes LP cash as at 31 March 2025, is US\$8.47 million.



Status

Realised (Q1 2025)

Initial Investment Date

2018

Underlying Fund

Bertram Capital

During the quarter, the LP received notice of the realisation of Best Version Media (BVM), a portfolio company of Bertram Capital (Bertram).

[BVM](#), headquartered in Brookfield, WI, is a provider of print and digital advertising solutions to over 30,000 local small and medium-sized businesses.

Bertram first invested in the company in 2018 and described BVM as a standout investment, with their partnership leading to growth in both scale and revenue for the business. The successful realisation to H.I.G. Capital positions BVM for its next phase of growth, building on its already strong foundation in the small to medium-sized business advertising market.



Status

Realised (Q1 2025)

Initial Investment Date

2020

Underlying Fund

NMS Capital

During the quarter, the LP received notice of the realisation of [DCM Services](#) (DCMS), a portfolio company of Blue Point Capital Partners (Blue Point).

For more than 25 years, DCMS has established itself as an industry leader by providing comprehensive account resolution solutions to businesses in financial services, healthcare, automotive, retail, telecommunications, and utilities.

NMS first invested in the business in 2020, and during the holding period was able to strengthen the executive team, expand into new markets and drive growth across the business.



Status

Realised (Q1 2025)

Initial Investment Date

2020

During the quarter, in one of the largest take-private transactions of the year, Smartsheet was acquired by Blackstone & Vista Equity Partners for US\$8.4B.

The company was part of the Fund's portfolio following the sale of [Brandfolder](#), a Telescope Partners company, to the NYSE Listed Smartsheet in Q3 2020. The LP received cash proceeds from the sale in 2020, as well as restricted shares in Smartsheet which had an estimated cost base of US\$47.84 per share.

As part of the privatisation, the LP received US\$56.50 per share (US\$0.7m) after the end of the quarter. You can read more about this take private [here](#) and [here](#).

LP3 TOP 10 PORTFOLIO COMPANIES^{1,7}



Industry
Business/Productivity Software
Employee Count
250-500
Initial Investment Date
2018
Representative Value of LP3
6.2%



Industry
Business/Productivity Software
Employee Count
500-1,000
Initial Investment Date
2019
Representative Value of LP3
5.7%



Industry
Marine
Employee Count
100-200
Initial Investment Date
2021
Representative Value of LP3
3.9%



Industry
Business/Productivity Software
Employee Count
50-100
Initial Investment Date
2018
Representative Value of LP3
3.8%



Industry
Pet Food/Consumer
Employee Count
100-200
Initial Investment Date
2017
Representative Value of LP3
3.8%



Industry
Financial Software
Employee Count
100-200
Initial Investment Date
2021
Representative Value of LP3
3.8%



Industry
Restaurants, Hotels & Leisure
Employee Count
100-200
Initial Investment Date
2017
Representative Value of LP3
3.3%



Industry
Food Products
Employee Count
250-500
Initial Investment Date
2018
Representative Value of LP3
2.9%

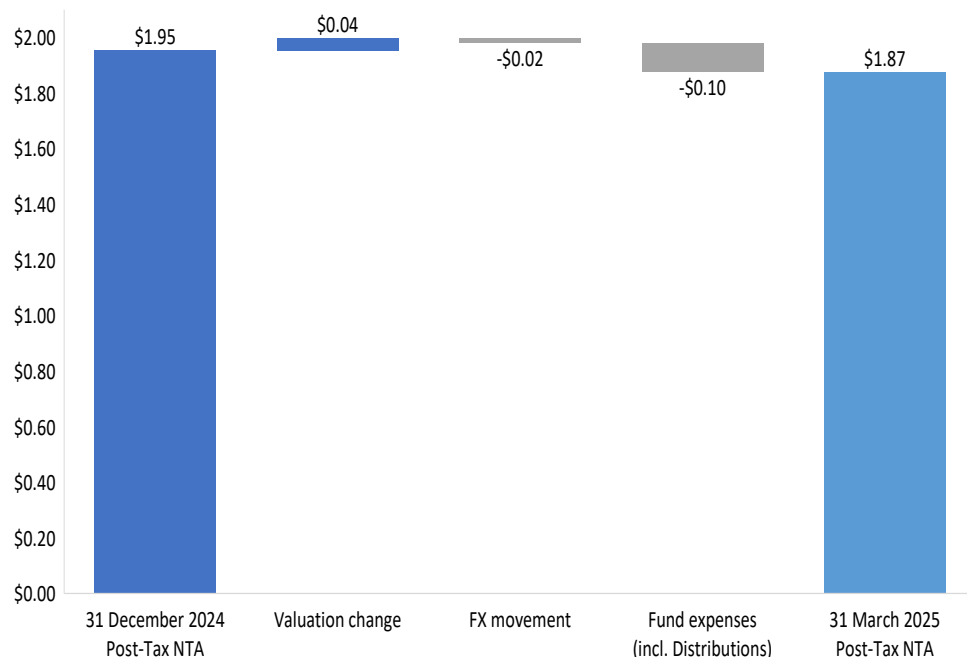


Industry
Specialty Retail
Employee Count
200-500
Initial Investment Date
2020
Representative Value of LP3
2.7%



Industry
Business/Productivity Software
Employee Count
50-100
Initial Investment Date
2018
Representative Value of LP3
2.6%

CD3 QUARTERLY NTA MOVEMENT (PER UNIT)¹



CD3 DISTRIBUTION HISTORY (PER UNIT)^{1, 2}

	Distributions Declared	Cumulative Distributions	NTA as of 31 March	DPI	TVPI
2018	\$0.013	\$0.013	\$1.50	0.01x	0.95x
2019	\$0.00	\$0.013	\$1.74	0.01x	1.10x
2020	\$0.00	\$0.013	\$2.08	0.01x	1.31x
2021	\$0.895	\$0.908	\$2.15	0.57x	1.91x
2022	\$0.451	\$1.359	\$2.31	0.85x	2.29x
2023	\$0.33	\$1.689	\$2.15	1.06x	2.40x
2024	\$0.22	\$1.909	\$1.82	1.19x	2.33x
2025	\$0.13	\$2.039	\$1.87	1.27x	2.44x

CD3 PERFORMANCE SUMMARY^{1, 2, 3, 4}

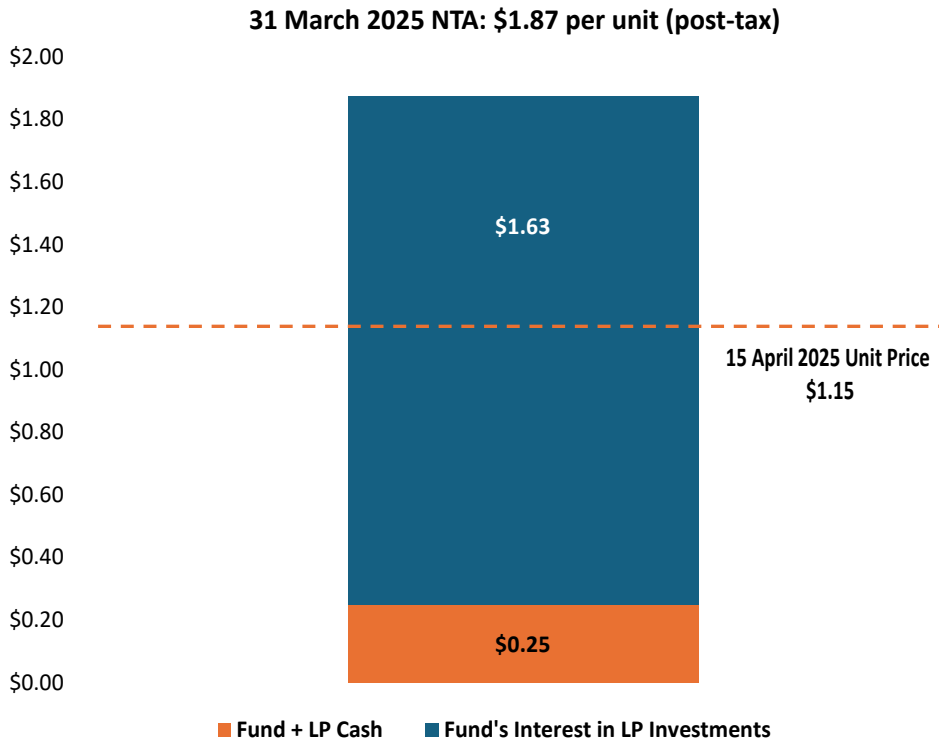
	3 MONTHS	6 MONTHS	12 MONTHS	3 YEARS	5 YEARS	SINCE INCEPTION	IRR
NTA RETURN	2.8%	17.2%	14.5%	11.7% p.a.	18.7% p.a.	14.3% p.a.	13.6% p.a.

The Fund's NTA return is net of fees (including initial issuer or product fees) and is inclusive of distributions paid. Movement from 31 December 2024 includes payment of a \$0.13 per unit distribution in February 2025, as well as the adoption of positive valuation movements following the receipt of the underlying fund valuations. This can be seen in the NTA quarterly waterfall graph above.

Historical performance is not a guarantee of the future performance of the Fund.

CD3: DISCOUNT TO NTA^{1,7}

As a listed private equity product, Investors are able to access this [portfolio of companies](#) at a discount to the NTA, as illustrated below.



The RE has confidence in the valuations of the underlying portfolio, which are supported by layers of independent audit and valuation assessment across the Fund and LP.

There are of course certain elements outside of the RE and Manager's control which may impact the trading price, such as:

- portfolio disclosures (due to confidentiality agreements signed)
- uncertainty regarding distribution amounts
- illiquidity of the asset class, and
- low market trading volume.

Despite these factors, we remain confident in the selection of underlying funds and companies that are held in the portfolio, as well as the stated guidance for a return of capital as the underlying portfolio companies are realised.

Historical performance is not a guarantee of the future performance of the Fund.

GLOSSARY AND NOTES

Source: E&P Investments Limited (for data before 24 June 2023) and K2 Asset Management Ltd (for data after 24 June 2023).

All figures are in AUD unless otherwise noted. Figures throughout the document may not sum due to rounding. AUD:USD 31 March 2025 spot rate of 0.6247 used. The Unit price of CD3 was \$1.19 as at 31 March 2025, the last trading day of the quarter.

1. Data is unaudited and is as at 31 March 2025. The Fund is in the process of finalising its 31 March 2025 full-year financial report, with release expected by the end of May 2025. Accordingly, this quarterly report is unaudited and does not take into account any adjustments that may come as a result of this process.
2. NTA and total returns are inclusive of distributions and are based on post tax NTA, net of fees and costs.
3. Inception date of CD3 was July 2016.
4. CD3 original Unitholder investment was \$1.60 per Unit.
5. MOIC returns are as at 31 March 2025 and represent all underlying portfolio company sales since inception. MOIC returns are net of all underlying fees and expenses of the individual fund managers, but before fees and expenses of the LP and the Australian Unit Trust. MOIC returns are based on US dollar denominated investments and include US Select Direct II (USD2).
6. Age of portfolio companies refers to the average duration of time that the LP has been invested in the remaining underlying portfolio companies.
7. LP investments values are based on the 31 December 2024 valuations provided by the underlying GP's before 31 March 2025. The valuations have also been adjusted for capital calls, distributions and foreign exchange movements over the period, where required.

DEFINED TERMS

Portfolio Company:	A company that is an investment of the LP.
MOIC:	Multiple on Invested Capital. MOIC is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital.
IRR:	Internal Rate of Return. Performance of the fund(s) by taking into account the size and timing of its cash flows (capital calls and distributions) and the Fund's net asset value at the time of the calculation.
DPI:	Distribution to Paid-in Capital (total distributions divided by original investment).
TVPI:	Total Value to Paid-in Capital. (total distributions + current NTA divided by original investment).
M&A:	Mergers & Acquisitions. Transactions in which the ownership of companies or their operating units — including all associated assets and liabilities — is transferred to another entity.
VINTAGE:	The year in which a private equity fund makes its first investment in the portfolio company.

HISTORICAL PERFORMANCE IS NOT A GUARANTEE OF THE FUTURE PERFORMANCE OF THE FUNDS.

DISCLOSURES

This Quarterly Update (Update) has been prepared and authorised for release by K2 Asset Management Ltd (K2) as Responsible Entity (ACN 085 445 094, AFSL 244 393) of the CD Private Equity Fund Series (Funds or Fund Series) which includes CD Private Equity Fund I (ARSN 158 625 284) (CD1), CD Private Equity Fund II (ARSN 162 057 089) (CD2), CD Private Equity Fund III (ARSN 612 132 813) (CD3), and CD Private Equity Fund IV (ARSN 624 474 531) (CD4). K2 and the Manager have taken reasonable care to ensure that the information contained in this document is accurate at the date of publication. However, no warranty or guarantee (express or implied) is given by either party as to the accuracy of the information in this document, and to the extent permitted by applicable law, K2 and the Manager specifically disclaim any liability for errors, inaccuracies or omissions in this document and for any loss or damage resulting from its use.

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For further information about the risks of investing in any of the Funds, please see the relevant Product Disclosure Statements available on the website: cdfunds.com.au.

INVESTMENT OBJECTIVES

The CD Private Equity Fund Series, including CD Private Equity Fund I (ASX: CD1), CD Private Equity Fund II (ASX: CD2), CD Private Equity Fund III (ASX: CD3), and CD Private Equity Fund IV (CD4) (together, Funds or Fund Series), is a series of private equity funds focused on US small-cap private equity funds and direct company investments. The Fund Series investments are selected by a joint venture between the private investment arm of the Cordish Companies of Baltimore, Maryland, and E&P Funds with underlying investments managed by experienced private equity fund managers.

The General Partner and Investment Manager will seek to meet each Fund's aim of providing Unitholders with exposure to a portfolio of investments in small and mid-market private investment funds and privately held companies predominantly focused in the US; and capital growth over the medium to long term.

CORDISH EQUITY PARTNERS TEAM



Jonathan Cordish
President
Cordish Equity Partners



Jonathan Sinex
Managing Director
Cordish Equity Partners

RESPONSIBLE ENTITY



K2 Asset Management Ltd (K2) is the Responsible Entity of the Funds. K2 is a listed Australian diversified financial services firm with three core pillars:

- Responsible Entity (RE) and Trustee Services
- Exchange Traded Funds (ETFs); and
- Funds Management.

Established in 1999, K2 is the main operating subsidiary of K2 Asset Management Holdings Ltd which is listed on the Australian Securities Exchange (ASX Code: KAM).