



2025 Q2

QUARTERLY UPDATE
ASX.CD3

ASX RELEASE DATE: 7 AUGUST 2025



The US mid-market private equity sector entered H1 2025 with strong momentum, as managers looked to rebound from slower exit years. However, by the beginning of Q2, sentiment had softened amid rising trade tariffs, persistent high interest rates, and escalating geopolitical tensions. Tariff-related uncertainty was particularly disruptive, with [PwC's May 2025 Pulse Survey](#) showing that 30% of firms had paused or reconsidered deals, leading to mounting frustration over delayed returns. As we have previously noted, many PE managers are adapting by targeting smaller, more flexible transactions and by extending hold periods or pursuing secondary market solutions.

In this environment, the secondaries market gained further traction. [Blackstone](#) have forecast that 2025 secondary transaction volumes will exceed US\$220 billion (up from US\$140 billion in 2024), as LPs seek liquidity and look to rebalance their portfolios. Notable fundraises, including Neuberger Berman's [\\$4 billion GP-led fund](#), underscore growing institutional demand and the secondaries market's increasing role as a core liquidity tool.

Within the CD Fund Series portfolio, we recognise the frustration stemming from these more challenging realisation and distribution conditions. Despite this backdrop, the underlying managers were able to bring several assets to market and close transactions during the half. Reflecting this progress, we were pleased to deliver an off-cycle distribution of \$0.12 per unit to CD2 Unitholders as the AUD reached a low in April, and the Responsible Entity and Manager are currently assessing the potential to return excess capital to CD1 and CD3 investors in the near term. We look forward to updating Unitholders as discussions progress.

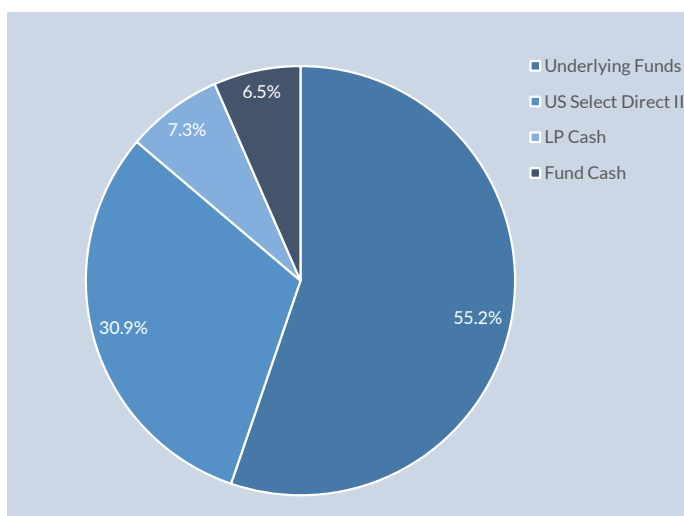
FUND 3: QUARTERLY UPDATE & PORTFOLIO COMPOSITION^{1,5,6,7}

Inception Date	July 2016
CD3 Original Unit Price	\$1.60 per unit
CD3 Distributions Paid Since Inception	\$2.039 per unit
CD3 30 June 2025 NTA (post-tax)	\$1.81 per unit
Q2 2025 Portfolio Realisations	1
Average Gross MOIC on Q2 Realisations	2.0x

CD3 Interest in LP3	71.22%
Total Underlying Funds (since inception)	13
Total Underlying Portfolio Companies (since inception)	144
Total Portfolio Company Realisations	77
Median Gross MOIC on Realisations	2.80x
Remaining Portfolio Companies (<i>see below</i>)	60
Hold Period of Remaining Active Investments	5.8 years

Fund Cash Balance	A\$9.38m
Fund's Interest in LP Cash Balance	US\$6.85m
Fund's Interest in Underlying Funds	US\$52.10m
Fund's Interest in US Select Direct 2 (USD2)	US\$29.19m

CD3 30 JUNE 2025: KEY STATISTICS		
NTA per unit	Gross assets	Quarterly NTA Return
\$1.81	A\$134.5 million	-3.2%



As at 30 June 2025, the Fund had 67 portfolio companies, with seven (10%) of those deemed inactive and unlikely to have significant value extracted.

Of the remaining 60 portfolio companies, it is considered that 48 of these are active earners, and 12 (18%) have been impaired from their cost base in prior periods. Though these 12 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
Capital Call	April	-US\$0.05m	Incline Equity Partners IV, L.P.	Capital call for investment in BBG, management fee & partnership expenses.
Capital Call	April	-US\$0.34m	Luminate Capital Partners, L.P.	Investment in Conexiom, management fees & fund expenses.
Distribution	April	US\$1.78m	NMS Fund III, L.P.	Realisation: U.S. Urology Partners (USUP)
Distribution	April	US\$0.03m	Bertram Growth Capital III, L.P.	BVM post-sale proceeds
Capital Call	June	-US\$0.09m	DFW Capital Partners V, L.P.	Additional investment in Saol Holdings, LLC & management fees
Capital Call	June	-US\$0.04m	Growth Street Partners I, L.P.	-
Distribution	June	US\$0.09m	Growth Street Partners I, L.P.	-

Note: This table does not account for all cash flow movements of the LP during 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 QUARTERLY PORTFOLIO REALISATIONS¹



Status

Realised (Q2 2025)

Initial Investment Date
2018

Underlying Fund
NMS Fund III LP

During the quarter, the LP received notice of the realisation of [US Urology Partners](#), a portfolio company of NMS Fund III, L.P.

U.S. Urology Partners is a leading, integrated urology platform providing a wide range of treatment options across various subspecialties including general urology, prostate and bladder oncologic conditions, clinical research, radiology, pharmacy and infusion, and robotic surgery, amongst others. The company offers operational support, management expertise, and financial resources, enabling clients to retain independence and deliver care and treatment to their patients.

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

	TOTAL COMPANIES	TOTAL REALISATIONS	MOIC ON REALISATIONS (MEDIAN + AVERAGE)	ACTIVE PORTFOLIO COMPANIES	AVERAGE HOLD PERIOD ON ACTIVE COMPANIES	UNDERLYING FUND VALUE (\$USD millions)	QUARTERLY MOVEMENT (EXCLUDING REALISATIONS)
Fund 1	9	7	4.7x 4.1x	1	6.5 years	\$2.46m	-6.11%
Fund 2	7	3	2.5x 2.5x	4	7.1 years	\$4.47m	+7.82%
Fund 3	11	9	3.0x 7.6x	2	7.6 years	\$7.59m	-0.19%
Fund 4	12	5	2.9x 5.7x	6	6.7 years	\$8.79m	+0.96%
Fund 5	12	9	3.8x 6.2x	3	7.1 years	\$3.17m	-3.78%
Fund 6	9	6	7.0x 7.0x	3	4.5 years	\$4.13m	+2.61%
Fund 7	10	5	3.1x 3.9x	3	5.4 years	\$3.78m	+7.81%
Fund 8	7	7	2.2x 3.4x	0	-	\$4.57m	+7.59%
Fund 9	8	3	2.1x 2.1x	5	6.0 years	\$6.49m	+4.31%
Fund 10	12	5	2.3x 2.5x	6	7.6 years	\$5.85m	+1.02%
Fund 11	7	2	4.3x 4.3x	5	5.5 years	\$16.06m	-0.12%
Fund 12	15	11	1.2x 2.1x	4	5.9 years	\$5.81m	+2.97%
Fund 13	25	5	2.0x 2.7x	18	4.6 years	\$40.98m	+3.68%
Total	144	77	2.8x 4.4x	60	5.8 years	\$114.13m	+2.49%

*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 30 June 2025, is US\$9.61 million.

LP3 TOP 10 PORTFOLIO COMPANIES^{1,7}



Industry
Business/Productivity Software
Employee Count
250-500
Initial Investment Date
2018
Representative Value of LP3
6.3%



Industry
Educational Software
Employee Count
2000+
Initial Investment Date
2016 (realised: 2023)
Representative Value of LP3*
5.6%



Industry
Business/Productivity Software
Employee Count
500-1000
Initial Investment Date
2019
Representative Value of LP3
5.6%



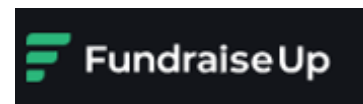
Industry
Marine
Employee Count
100-200
Initial Investment Date
2021
Representative Value of LP3
3.9%



Industry
Business/Productivity Software
Employee Count
50-100
Initial Investment Date
2018
Representative Value of LP3
3.9%



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
3.7%



Industry
Specialty Retail
Employee Count
200-500
Initial Investment Date
2020
Representative Value of LP3
2.8%



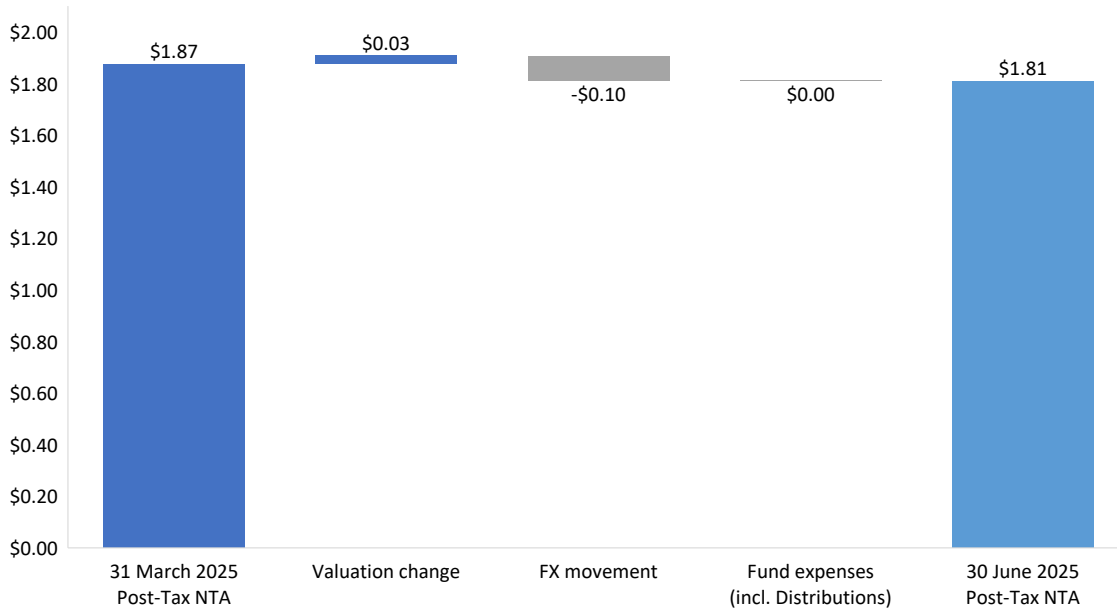
Industry
Business/Productivity Software
Employee Count
50-100
Initial Investment Date
2018
Representative Value of LP3
2.7%



Industry
Industrial Supplies & Parts
Employee Count
2000+
Initial Investment Date
2018
Representative Value of LP3
2.5%

*KnowBe4 was a successful portfolio company [realisation](#) in 2023. As part of the realisation, a portion of the proceeds were taken as a rollover equity investment. The company was previously not deemed a current portfolio company as the underlying manager is no longer the main private equity partner to the business, however it remains a substantial investment of the LP and has been included above for completeness.

CD3 QUARTERLY NTA MOVEMENT (PER UNIT)¹



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

	Distributions Declared	Cumulative Distributions	NTA as of 30 June	DPI	TVPI
2018	\$0.013	\$0.013	\$1.55	0.01x	0.98x
2019	\$0.00	\$0.013	\$1.77	0.01x	1.11x
2020	\$0.00	\$0.013	\$1.84	0.01x	1.16x
2021	\$0.895	\$0.908	\$2.14	0.57x	1.91x
2022	\$0.451	\$1.359	\$2.27	0.85x	2.27x
2023	\$0.33	\$1.689	\$1.91	1.06x	2.25x
2024	\$0.22	\$1.909	\$1.80	1.19x	2.32x
2025	\$0.13	\$2.039	\$1.81	1.27x	2.41x

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

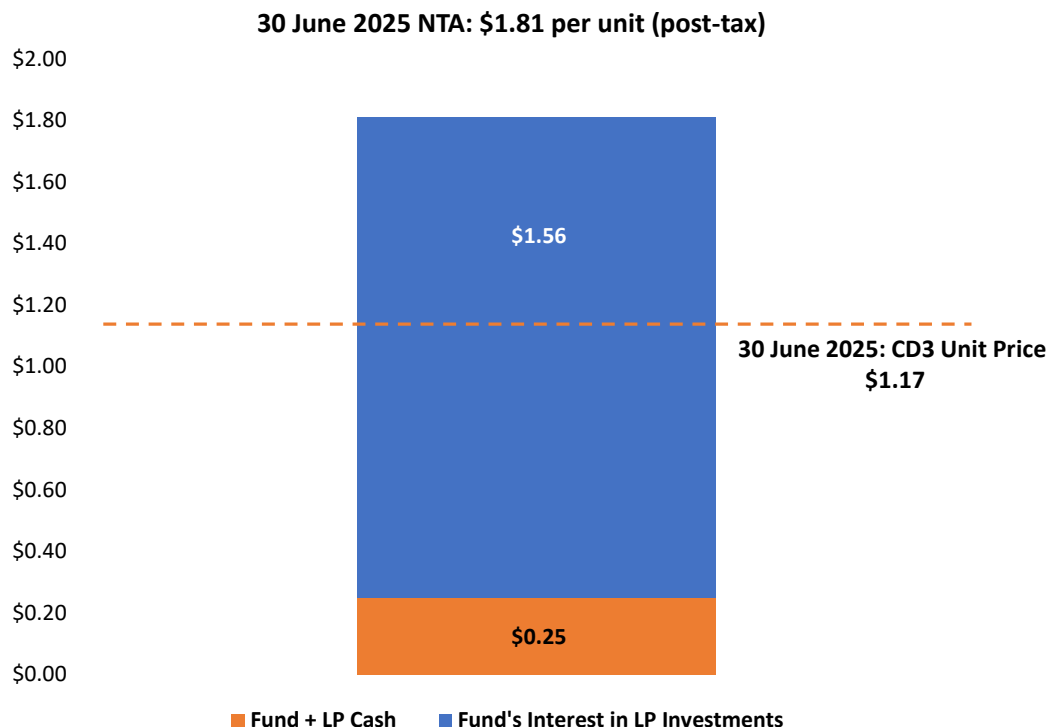
	3 MONTHS	6 MONTHS	12 MONTHS	3 YEARS	5 YEARS	SINCE INCEPTION	IRR
NTA RETURN	-3.2%	-0.5%	12.1%	7.5% p.a.	20.9% p.a.	13.5% p.a.	13.2% p.a.

The Fund's NTA return is net of fees (including initial issuer or product fees) and is inclusive of distributions paid. Movement from 31 March 2025 is primarily attributable to foreign exchange losses due to the strengthening of the Australian Dollar during the quarter. 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 30 June 2025 spot rate of 0.6581 used. The Unit price of CD3 was \$1.17 as at 30 June 2025, the last trading day of the quarter.

1. Data is unaudited and is as at 30 June 2025.
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 30 June 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 March 2025 valuations provided by the underlying GP's before 30 June 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.

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).

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.

The general partner of each of the Limited Partnerships (LPs) in the series has engaged either E&P Funds Management Pty Limited (ACN 159 902 708)(LP1)("E&PFM") or the Investment Manager (LPs II,III,IV) to act as investment manager and/ or investment advisor for each respective underlying LP. An investment in any of the Funds is subject to various risks, many of which are beyond the control of the Investment Manager and the Funds. The past performance of the Funds is not a guarantee of the future performance of the Funds. This Update may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Responsible Entity and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (Parties) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and the Parties assume no obligation to update that information. This Update may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs, and consider obtaining advice from a financial advisor. You should obtain a copy of the relevant PDS or offer document before making any decisions to purchase a product. All performance figures, unit prices and distributions are in Australian Dollars, unless otherwise stated. Like all investments, an investment in any of the Funds carries risks which may result in the loss of income or principal invested. In addition to the general risks of investing, specific risks associated with investing in the Funds include, but are not limited to, private investments risk, illiquidity risk and foreign exchange risk.

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.