

Appendix 4D

Half-Year Report For the period ended 30 September 2025

Name of entity

CD Private Equity Fund III

ARSN

612 132 813

Reporting Period

1 April 2025 to 30 September 2025

Previous Corresponding Period

1 April 2024 to 30 September 2024

Results for announcement to the market

		30/09/2025
Total net investment loss ("revenue from ordinary activities")	Up by -237%	(\$3,018,907)
Net operating loss for the period ("loss from ordinary activities after tax attributable to unitholders")	Up by -134%	(\$3,015,324)
Total comprehensive loss ("net loss for the period attributable to unitholders")	Up by -134%	(\$3,015,324)

Commentary on results

Refer to attached Half-Year Report including Report to Unitholders. Additional Appendix 4D disclosure requirements can be found in the notes to Half-Year Report.

Distributions

	Amount per unit
Distribution paid on 8 October 2025	10.0 cents
Total Distributions	10.0 cents

There is no Distribution Reinvestment Plan in operation in respect of these distributions.

Net tangible assets per unit

30/09/2025	\$1.73
31/03/2025	\$1.87

(Loss)/earnings per unit

	30 September 2025	30 September 2024
Basic (loss)/earnings per unit	(4.19) cents	(1.79) cents
Diluted (loss)/earnings per unit	(4.19) cents	(1.79) cents

Financial report

This report is based on the 30 September 2025 Half-Year Report and has been reviewed by Deloitte Touche Tohmatsu.



RESPONSIBLE ENTITY
K2 ASSET MANAGEMENT LTD
(ACN 085 445 094)
(AFSL 244 393)

HALF-YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
30 SEPTEMBER 2025

ARSN 6 1 2 1 3 2 8 1 3

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CD Private Equity Fund III

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30 September 2025

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**CD Private Equity Fund III
Report to unitholders
30 September 2025**

Dear Unitholders,

We are pleased to present the half-year report for the CD Private Equity Fund III (**CD3** or **Fund**) for the period ended 30 September 2025 (**HY26**).

Financial Performance

During the half-year, private equity (**PE**) activity in the US improved as interest rates stabilised and confidence returned to corporate buyers. While deal volumes remained below long-term averages, transaction values increased as managers focused on larger, higher-quality assets. Improved liquidity conditions and narrower valuation gaps also supported a rise in secondary sales and selective IPOs in the middle market.

These stronger exit conditions and broader market liquidity through to 30 September 2025 have underpinned realisation activity across private equity markets, which we believe to be a positive factor for CD3's continued return of capital, assuming underlying assets can be monetised at or above recent valuations. While pricing has generally stabilised, there remains meaningful heterogeneity across sectors and vintages - technology and healthcare assets continue to attract strong buyer demand, whereas older or more complex holdings may still trade at discounts. While these dynamics are not cause for concern, they do highlight the importance of capable managers who can read market cycles, act decisively, and capture value through well-timed realisations.

HY26 Results

For the six months to 30 September 2025, the Australian dollar strengthened against the US dollar, rising from around US\$0.62 to US\$0.66. Because the Fund's investments in the LPs are held in US dollars, this currency movement reduced the Australian-dollar value of those assets, offsetting the positive activity within the underlying portfolio and contributing to the overall loss for the period.

Operationally, the Fund recorded a net loss of \$3.02 million, or 4.19 cents per Unit, compared to a net loss of \$1.29 million, or 1.79 cents per Unit, for the same period in HY25. The result reflected a \$2.70 million fair value loss on the Fund's investment in the LP, primarily due to a foreign currency translation loss of \$7.14 million. The unfavourable foreign exchange movement was partially offset by positive valuation movements on the underlying portfolio of \$4.44 million.

Over this period, one portfolio company was realised, returning US\$1.78 million to the LP, in which the Fund holds an 71.2% interest. This realisation, as well as a rationalisation of cash holdings at the Fund and LP level, supported distributions of \$7.20 million or \$0.10 per Unit, to Unitholders at the end of the reporting period. After these distributions, the Fund closed HY26 with pre-tax net assets of \$128.34 million (equivalent to \$1.78 per Unit) and post-tax net assets of \$124.74 million (equivalent to \$1.73 per Unit).

Including distributions paid and the impact of foreign exchange movements, the Fund generated a total return of -2.1% on a post-tax net tangible asset (NTA) basis for the six months. On a longer-term view, the Fund has delivered a post-tax annual return of 13.2% p.a. since inception, an Internal Rate of Return (**IRR**) of 13.1% p.a., and a Total Value to Paid-In Capital (**TVPI**) multiple of 2.42 times¹.

Fund Activity

Supportive exit conditions during the half-year allowed the Fund's underlying managers to focus on selective realisations, positioning the Fund to return capital efficiently and capture value from portfolio companies.

During HY26, the LP received notice of one portfolio company realisation, with more detail found on page 4 and the resulting cash flow movement outlined in the table below. As a reminder, distributions to Unitholders will continue to be primarily funded through the realisation of underlying portfolio companies.

REALISATIONS			
Company name	Manager	Date	Cash flow impact to LP at exit (\$USD)
U.S. Urology Partners	NMS Fund III, LP	April 2025	\$1.78 million

¹ The TVPI is calculated as the total distributions to Unitholders since inception plus the current net tangible asset value, divided by the original unitholder investment of \$1.60 per unit.

CD Private Equity Fund III
Report to unitholders
30 September 2025

In addition to the realisation of U.S. Urology Partners, several companies were deemed to require additional capital for add-on acquisitions, working capital or additional cash-flow runway.

INVESTMENT ACTIVITY			
Company name	Manager	Date	Cash flow impact to LP (\$USD)
BBG, Inc.	Incline Equity Partners IV, LP	April 2025	\$0.03 million
ecMarket Inc (DBA Conexiom)	Luminate Capital Partners, LP	April 2025	\$0.29 million
Saol Holdings, LLC	DFW Capital Partners V, LP	June 2025	\$0.08 million
United Group Programs, Inc	Gemspring Capital Fund I, LP	September 2025	\$0.28 million

Outside of the investment activity noted above, capital calls for partnership expenses & management fees (non-investment activity) totaling US\$0.29 million.

Capital Management & Fund Outlook

The Fund closed the half-year with \$16.73 million in cash (\$7.2 million held for distributions paid in October 2025), and the Fund's share of the LP cash balance was US\$1.60 million. As RE, our goal remains to manage the Fund's capital structure as effectively as possible, ensuring that excess capital continues to be directed toward Unitholder distributions. To that end, the Fund declared a distribution of \$0.10 per Unit in the period, taking year-to-date distributions to \$0.23 per Unit. In addition to NTA growth over the period, in aggregate, 13.3% of NTA has been returned to investors since 30 September 2024.

We are pleased to have worked with the Manager to rationalise the LP's cash balance, with the Fund's share of LP's cash balance decreasing by just over 70% in the half-year. Aside from distributions payable, the Fund's cash balance remained largely unchanged for the six months. As Investors may recall, the Fund has \$5.4 million in uncalled capital commitments to the LP which could be called at any time. We continue to believe that retaining this liquidity is prudent, but we are working with the Manager to explore opportunities to reduce these commitments in the near-term.

CD3 remains in the early stages of its harvest phase. The underlying managers are focused on active portfolio management, supporting operational performance, and preparing assets for future exit. As of 30 September 2025, the Fund comprised 67 portfolio companies: 49 continue to generate value, 7 are in the pipeline for sale (though a sale is not guaranteed within any timeline), and approximately 18 are considered mature or non-core. The Manager is encouraged by the operational momentum within the portfolio and believes that CD3's earlier position in the realisation cycle provides flexibility to optimise timing and maximise value as market conditions evolve.

Unlike the more mature CD1 and CD2 portfolios, CD3 is not currently considering a portfolio-level transaction. The Manager and RE continue to monitor capital-management options but remain firmly focused on disciplined, asset-by-asset execution that prioritises long-term investor outcomes. Experience gained through the realisation programs of CD1 and CD2 continues to inform the approach for CD3, reinforcing a consistent philosophy across the CD Fund Series of transparent communication and capital discipline.

We remain committed to transparent communication and welcome questions or feedback from investors at any time. Our Investor Relations team is available at cdfunds@k2am.com.au or on +61 3 9691 6110.

We look forward to updating you on the Fund's progress throughout FY26.

Yours faithfully,



Hollie Wight

Managing Director, Head of RE & Trustee Services

27 November 2025

HY26 Realisations

U.S. Urology Partners (USUP), a portfolio company of NMS Fund III, LP (NMS).

During the period, NMS Capital exited its investment in U.S. Urology Partners.

Over the ownership period, U.S. Urology Partners expanded to more than 180 providers operating across 50+ clinic locations in five U.S. states, incorporating enhanced infrastructure, technology, and ancillary services (such as robotic surgery, interventional radiology and pharmacy) under NMS's oversight. This transaction underlines the success of NMS's thematic approach in healthcare services, scaling a specialised provider platform and realising value through exit to a large-scale investor.

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**CD Private Equity Fund III
Directors' report
30 September 2025**

The directors of K2 Asset Management Ltd, the Responsible Entity of the CD Private Equity Fund III (**Fund**), present their report together with the condensed financial statements of the Fund for the half-year ended 30 September 2025.

Directors

The directors of the Responsible Entity at any time during or since the end of the financial half-year are listed below:

- Campbell Neal
- Hollie Wight
- George Boubouras
- Neil Sheather

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activity of the Fund during the half-year was investing in small-to-mid market private investment funds and privately held companies with a predominate focus in the United States (**US**). There were no significant changes in the nature of these activities.

Review and results of operations

The loss for the Fund after providing for income tax amounted to \$3,015,324 (30 September 2024: \$1,290,354).

The key components of this result was a \$2,698,507 fair value loss (30 September 2024: \$629,978 loss) incurred on the Fund's investment in the LP during the period. As at 30 September 2025, the Fund had net assets of \$124,743,193 (31 March 2025: \$134,961,359), representing \$1.73 per unit (31 March 2025: \$1.87 per unit).

The Fund has invested in a limited partnership, US Select Private Opportunities Fund III, L.P. (**LP**) which, in turn, invests in small-to-mid market private investment funds and companies. The LP has committed capital across 13 underlying private investment funds which focus on a range of industries including health care, business services, software businesses, and food and consumer products. For the half-year ended 30 September 2025, these underlying private investment funds made drawdown requests on the LP to fund their investments, management fees and operating expenses. Net drawdown requests made by the underlying private investment funds since inception to the end of the period totalled US\$98.4 million.

The Fund has committed capital of US\$73.7 million, representing an interest of 71.2% in the LP. The Fund's proportionate share of the total capital called as at 30 September 2025 was US\$70.2 million (or \$106.1 million).

Distributions

Distributions declared during the financial half-year were as follows:

	30 September 2025 \$	30 September 2024 \$
Distribution - 7 cents per unit paid on 5 August 2024	-	5,041,989
Distribution - 10 cents per unit paid on 8 October 2025	7,202,842	-
	<u>7,202,842</u>	<u>5,041,989</u>

Events subsequent to the reporting period

No matter or circumstance has arisen since 30 September 2025 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

CD Private Equity Fund III
Directors' report
30 September 2025

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Hollie Wight
Director of K2 Asset Management Ltd, Responsible Entity

27 November 2025

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27 November 2025

The Board of Directors
K2 Asset Management Ltd
as Responsible Entity for:
CD Private Equity Fund III
Level 44, 101 Collins Street
Melbourne VIC, 3000
Australia

Dear Board Members

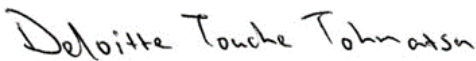
Auditor's Independence Declaration to CD Private Equity Fund III

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of CD Private Equity Fund III.

As lead audit partner for the review of the half year financial report of CD Private Equity Fund III for the half-year ended 30 September 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Carlo Pasqualini
Partner
Chartered Accountants

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CD Private Equity Fund III
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2025

	Note	30 September 2025 \$	30 September 2024 \$
Investment income			
Interest income		53,049	82,231
Foreign exchange loss		(373,449)	(348,624)
Fair value movements of equity investments	4	<u>(2,698,507)</u>	<u>(629,978)</u>
Total investment loss		<u>(3,018,907)</u>	<u>(896,371)</u>
Expenses			
Management and administration fees	8	(258,782)	(255,055)
Listing fees		(30,005)	(34,142)
Custody fees		(12,357)	(11,021)
Registry fees		(11,339)	(18,048)
Legal and professional fees		(146,178)	(113,507)
Other expenses		<u>(3,435)</u>	<u>(3,446)</u>
Total expenses		<u>(462,096)</u>	<u>(435,219)</u>
Loss before income tax benefit		(3,481,003)	(1,331,590)
Income tax benefit		<u>465,679</u>	<u>41,236</u>
Loss after income tax benefit for the half-year		(3,015,324)	(1,290,354)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the half-year		<u><u>(3,015,324)</u></u>	<u><u>(1,290,354)</u></u>
		Cents	Cents
Basic loss per unit	3	(4.19)	(1.79)
Diluted loss per unit	3	(4.19)	(1.79)

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CD Private Equity Fund III
Condensed statement of financial position
As at 30 September 2025

	Note	30 September 2025 \$	31 March 2025 \$
Assets			
Current assets			
Cash and cash equivalents		16,729,924	9,989,349
Receivables		31,962	19,666
Current tax assets		279,671	-
Prepayments		40,267	13,838
Total current assets		<u>17,081,824</u>	<u>10,022,853</u>
Non-current assets			
Other financial assets	4	<u>118,857,178</u>	<u>129,513,536</u>
Total non-current assets		<u>118,857,178</u>	<u>129,513,536</u>
Total assets		<u>135,939,002</u>	<u>139,536,389</u>
Liabilities			
Current liabilities			
Trade and other payables		112,679	134,609
Current tax liabilities		-	41,443
Distributions payable		7,202,842	-
Total current liabilities		<u>7,315,521</u>	<u>176,052</u>
Non-current liabilities			
Deferred tax	5	<u>3,880,288</u>	<u>4,398,978</u>
Total non-current liabilities		<u>3,880,288</u>	<u>4,398,978</u>
Total liabilities		<u>11,195,809</u>	<u>4,575,030</u>
Net assets		<u>124,743,193</u>	<u>134,961,359</u>
Equity			
Unit capital	6	109,672,616	109,672,616
Retained earnings		<u>15,070,577</u>	<u>25,288,743</u>
Total equity		<u>124,743,193</u>	<u>134,961,359</u>

The above condensed statement of financial position should be read in conjunction with the accompanying notes

CD Private Equity Fund III
Condensed statement of changes in equity
For the half-year ended 30 September 2025

	Unit capital \$	Retained earnings \$	Total equity \$
Balance at 1 April 2024	109,672,616	21,139,098	130,811,714
Loss after income tax benefit for the half-year	-	(1,290,354)	(1,290,354)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(1,290,354)	(1,290,354)
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Distributions paid (note 7)	-	(5,041,989)	(5,041,989)
Balance at 30 September 2024	<u>109,672,616</u>	<u>14,806,755</u>	<u>124,479,371</u>

	Unit capital \$	Retained earnings \$	Total equity \$
Balance at 1 April 2025	109,672,616	25,288,743	134,961,359
Loss after income tax benefit for the half-year	-	(3,015,324)	(3,015,324)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(3,015,324)	(3,015,324)
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Distributions declared (note 7)	-	(7,202,842)	(7,202,842)
Balance at 30 September 2025	<u>109,672,616</u>	<u>15,070,577</u>	<u>124,743,193</u>

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes

CD Private Equity Fund III
Condensed statement of cash flows
For the half-year ended 30 September 2025

	30 September 2025 \$	30 September 2024 \$
Cash flows from operating activities		
Interest income received	43,291	86,382
Net payments to suppliers	(512,993)	(495,991)
Income tax paid	(43,380)	(51,805)
Net cash used in operating activities	<u>(513,082)</u>	<u>(461,414)</u>
Cash flows from investing activities		
Receipts from distributions	<u>7,868,067</u>	<u>1,822,604</u>
Net cash from investing activities	<u>7,868,067</u>	<u>1,822,604</u>
Cash flows from financing activities		
Payment for distribution	<u>-</u>	<u>(5,041,989)</u>
Net cash used in financing activities	<u>-</u>	<u>(5,041,989)</u>
Net increase/(decrease) in cash and cash equivalents	7,354,985	(3,680,799)
Cash and cash equivalents at the beginning of the financial half-year	9,989,349	13,185,011
Effects of exchange rate changes on cash and cash equivalents	<u>(614,410)</u>	<u>(508,706)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>16,729,924</u></u>	<u><u>8,995,506</u></u>

The above condensed statement of cash flows should be read in conjunction with the accompanying notes

CD Private Equity Fund III
Notes to the condensed financial statements
30 September 2025

1. General information

CD Private Equity Fund III (**Fund**) is a Managed Investment Scheme registered and domiciled in Australia. The principal activities of the Fund are to invest in small-to-mid-market private investment opportunities in the United States of America (**US**), through its capacity as a Limited Partner of the US Select Private Opportunities Fund III, L.P. (**LP**) registered in the Cayman Islands.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Fund.

Basis of preparation

(i) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The condensed financial statements were authorised for issue by the directors on 27 November 2025.

(ii) Summary of material accounting policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to the operations and effective for the current half-year. The adoption of new and revised Standards and Interpretations has had no material impact on the financial statements.

(iii) Critical accounting estimates and judgements

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

Accounting policies which are subject to significant accounting estimates and judgements include fair value determination of the interest held by the Fund in the Limited Partnership (refer to note 4 (iv)), recognition of a deferred tax liability in respect of likely US tax obligations which will arise from underlying fund investment realisations (refer to note 5), and selection of Australian dollars as the functional currency of the Fund. The AUD:USD half-year spot exchange rate is 0.6613. The AUD:USD half-year average exchange rate is 0.6477.

2. Operating segment

The Fund operates a single reportable segment, that being the business of investing in small-to-mid-market private investments in the United States of America through its interest in a Limited Partnership.

The Responsible Entity of the Fund is the Chief Operating Decision Maker (**CODM**) for the purpose of resource allocation and assessing performance of the operating segment.

Revenue, profit or loss, assets, liabilities and other financial information reported and monitored by the CODM of the single identified segment are reflected in the condensed financial statements and notes to the condensed financial statements of the Fund.

CD Private Equity Fund III
Notes to the condensed financial statements
30 September 2025

3. Loss per unit

	30 September 2025 \$	30 September 2024 \$
Loss after income tax	<u>(3,015,324)</u>	<u>(1,290,354)</u>
	Number	Number
Weighted average number of ordinary units used in calculating basic loss per unit	<u>72,028,420</u>	<u>72,028,420</u>
Weighted average number of ordinary units used in calculating diluted loss per unit	<u>72,028,420</u>	<u>72,028,420</u>
	Cents	Cents
Basic loss per unit	(4.19)	(1.79)
Diluted loss per unit	(4.19)	(1.79)

4. Non-current assets - other financial assets

(i) Equity investment constituting interest in Limited Partnership (LP) - at fair value:

	30 September 2025 \$	31 March 2025 \$
US Select Private Opportunities Fund III, LP (LP)	<u>118,857,178</u>	<u>129,513,536</u>

	30 September 2025 \$	31 March 2025 \$
(ii) Reconciliation		
Balance at the beginning of the period	129,513,536	120,804,006
Movement in fair value through profit or loss*	(2,698,507)	17,340,168
Distributions received from LP^	<u>(7,957,851)</u>	<u>(8,630,638)</u>
Balance at the end of the period	<u>118,857,178</u>	<u>129,513,536</u>

* Included in the 'movement in fair value' amount of \$2,698,507 loss (year ended 31 March 2025: \$17,340,168 gain) is an unrealised foreign exchange translation loss component of \$7,138,408 (year ended 31 March 2025: \$5,814,339 gain). This amount is also net of the Fund's 71.2% share of management fees paid by the LP to the General Partner of the LP, totalling \$582,670 (year ended 31 March 2025: \$1,156,681) and performance fees accrued by the LP to the GP, totalling \$13,308,054 (year ended 31 March 2025: \$13,891,126) (refer to note 8).

^Net distribution received from LP include a refund of the prepayment of the Fund's US tax obligations of (\$93,404) (US(\$54,786)) (year ended 31 March 2025: (\$3,323,659) (US(\$2,200,335) tax refund) on behalf of the Fund, contributing to a reduction in the Fund's current tax liability, resulting in a net current tax asset at balance date.

CD Private Equity Fund III
Notes to the condensed financial statements
30 September 2025

4. Non-current assets - other financial assets (continued)

(iii) Fund's interest in assets and liabilities of LP

The 71.2% economic interest held by the Fund is not represented by voting rights or other power vested in the Fund to make decisions relating to the assets and liabilities of the LP. As is common practice with Limited Partnership arrangements, the General Partner of the LP is considered to be the party who holds the existing rights to direct the relevant activities of the LP, including the acquisition and disposal of investments.

The Fund's 71.2% interest in US Select Private Opportunities Fund III, L.P. at 30 September 2025 is represented by its proportionate interest in the LP's assets and liabilities as follows:

	30	31 March
	September	2025
	2025	2025
	\$	\$
Cash	2,417,633	9,655,475
Prepaid taxes to US Treasury	538,793	4,133,438
Federal Refund Receivable	3,576,958	-
Investment - JP Morgan US Government money market	726,674	753,544
Investment in US private investment funds recorded at fair value:		
DFW Capital Partners V, LP	5,114,772	4,723,267
Elephant Partners I, LP	8,158,303	8,658,395
Encore Consumer Capital Fund III, LP	9,698,186	9,918,558
Gemspring Capital Fund I, LP	3,097,174	3,753,230
Growth Street Partners I, LP	4,638,496	4,583,391
Incline Equity Partners IV, LP	3,931,206	3,990,804
Luminate Capital Partners, LP	4,907,029	4,835,049
NMS Fund III, LP	7,263,542	9,032,429
Peakspan Capital Growth Partners I, LP	5,980,724	6,598,309
Telescope Partners I, LP	16,941,964	18,320,662
Trive Capital Fund II, LP	5,851,501	6,587,512
Bertram Growth Capital III, LP	2,477,459	2,980,409
US Select Direct Private Equity II, LP	46,844,818	45,033,224
Due to Trive Capital Fund II, LP	-	(153,034)
Accrued performance fees	<u>(13,308,054)</u>	<u>(13,891,126)</u>
Net assets*	<u>118,857,178</u>	<u>129,513,536</u>

*Included in the net assets of \$118,857,178 (31 March 2025: \$129,513,536) are investments in US private investment funds of \$124,905,174 (31 March 2025: \$129,015,239).

(iv) Valuation

Valuation technique adopted

As disclosed in the most recent annual financial report, the valuation of the Fund's interest in the LP at balance date has been based on the Fund's established valuation basis described below.

The fair value of the Fund's interest in the LP is determined using a 'proportionate' value method based on the Fund's 71.2% interest held in the total net asset value of the LP.

4. Non-current assets - other financial assets (continued)

The LP holds investments predominately in US private investment funds, and the LP adopts a similar fair value measurement basis, based on the proportionate interest it holds in the most recent reported total net asset values of the respective investment funds. There is up to a three month difference between the Fund's reporting date and the date of the most recent reported net assets of the underlying investment funds. The underlying investment funds typically invest in US unlisted equity investments with fair values determined periodically based on market or income-based valuation techniques, which may involve the use of unobservable inputs such as discount rate and earnings multiple.

The valuation of the Fund's equity investment in the LP is based on the fair values of the underlying investment funds at 30 June 2025 adjusted for any material changes to those valuations to reflect movements to 30 September 2025, including foreign exchange translation impacts arising from translating the USD denominated interest in the LP to AUD at each balance date.

Investment risks

As noted above, the LP has invested in underlying private investment funds in the US market who have in turn invested in a portfolio of private equity investments. Because of the absence of any liquid trading market for these types of investments, it may take longer to liquidate these investments than would be the case for marketable securities and accordingly the value obtained on realisation may differ to the estimated fair values at balance date. As there are no directly observable prices, the fair values assigned by the investment funds to each investment are based on a range of factors, including but not limited to the initial purchase price, market trading multiples and observed transaction metrics. The resulting valuations may differ significantly from the values that would have been realised had a transaction taken place at balance date. The differences would directly impact the value of the interest held by the LP in the underlying investment funds and consequently the value of the interest held by the Fund in the LP. Estimation uncertainty also arises in relation to likely US tax obligations the Fund will incur in connection with realisation of recorded fair value movements (refer to note 5).

Inter-relationship between significant unobservable inputs and fair value measurement

The inter-relationship between the significant unobservable inputs and fair value measurements is such that the higher the growth rates or earnings multiples adopted by the underlying investment funds, the higher the resultant fair value determination of the underlying equity investments, and therefore ultimately the higher the fair value of the Fund's investment in the LP. Since neither the Fund itself, nor the LP, has access to the underlying detailed equity investment valuations performed by the US investment funds, it is unable to assess the sensitivity of fair value determinations to changes in underlying unobservable inputs. However, at the Fund level, a 5% change (increase/decrease) in the carrying value of the LP's interest held in the underlying US investment funds would result in a \$6,245,259 (increase/decrease) in the carrying value of the Fund's investment in the LP. A 5% increase in the AUD/USD exchange rate would decrease the value of the Fund's investment in the LP by \$5,801,102. Conversely, a 5% decrease would increase the value of the Fund's investment by \$6,099,538. Refer to note 1(iii) for further details regarding investment risks and estimation uncertainty applied in the determination of the fair value of the underlying unlisted equity investments to which the Fund is exposed.

(v) Capital commitments

As at 30 September 2025, the Fund has made capital commitments totalling US\$73.7 million to the LP, of which US\$70.2 million has been called at balance date.

As at 30 September 2025, the Fund has uncalled capital commitments of US\$3.6 million (or \$5.4 million) outstanding to the LP. The capital commitments can be called at any time in the future.

The uncalled capital commitments referred to above were converted at the half-year end AUD:USD exchange rate of 0.6613.

CD Private Equity Fund III
Notes to the condensed financial statements
30 September 2025

5. Non-current liabilities - deferred tax

	30 September 2025	31 March 2025
	\$	\$
Deferred tax liability	<u>3,880,288</u>	<u>4,398,978</u>

The deferred tax liability has been assessed based on an estimate of likely US tax obligations the Fund will incur upon realisation of recorded fair value movements in connection with the realisation of certain underlying private equity investments that the Fund has an interest in.

Through the Fund's investment in the LP, it is anticipated that the Fund will be treated as directly or indirectly engaged in a trade or business in the US and will likely generate income that is effectively connected with the US. The Fund will be required to file a US federal corporate income tax return and pay US federal income tax on a net basis (at the same rates that are generally applicable to US corporations, currently 21%) in respect of its share of Effectively Connected Income (ECI) derived from that trade or business. Additionally, the Fund may also be required to pay Branch Profits Tax at a rate of 5% pursuant to the Double Tax Treaty for certain qualified tax residents.

As at 30 September 2025, the deferred tax liability has been measured at an effective rate on estimated ECI of 24.95% incorporating both corporate and branch profit taxes. This estimate is subject to estimation uncertainty as a result of limitations in the availability of information pertaining to the tax structure of the underlying investments in respect of which the Fund has an interest.

6. Equity - unit capital

	30 September 2025	31 March 2025	30 September 2025	31 March 2025
	Units	Units	\$	\$
Ordinary units - fully paid	<u>72,028,420</u>	<u>72,028,420</u>	<u>109,672,616</u>	<u>109,672,616</u>

All issued units are fully paid. The holders of ordinary units are entitled to one vote per unit at meetings of the Fund and are entitled to receive distributions declared from time to time by the Responsible Entity.

There were no movements in unit capital during the half-year and previous year.

7. Equity - distributions

Distributions declared during the financial half-year were as follows:

	30 September 2025	30 September 2024
	\$	\$
Distribution - 7 cents per unit paid on 5 August 2024	-	5,041,989
Distribution - 10 cents per unit paid on 8 October 2025	<u>7,202,842</u>	-
	<u>7,202,842</u>	<u>5,041,989</u>

CD Private Equity Fund III
Notes to the condensed financial statements
30 September 2025

8. Related party disclosures

Key management personnel

Campbell Neal, Hollie Wight, George Boubouras, Neil Sheather are directors of the Responsible Entity, K2 Asset Management Ltd, and are deemed to be key management personnel.

The key management personnel do not receive compensation from the Fund or from the Responsible Entity directly for their management function performed for the Fund.

Management fees

The Responsible Entity's duties include establishing the Fund's compliance plan and procedures and monitoring against regulatory and legislative requirements, the issuance of disclosure documents, the appointment and monitoring of external service providers to the Fund and overall administration of the Fund.

For these services, the Responsible Entity charged management fees of 0.275% per annum (exclusive of GST) on the gross asset value of the Fund. This is comprised of the Responsible Entity Fee of 0.05% per annum and Administration Fee of 0.225% per annum. Management fees are paid to the Responsible Entity monthly in advance.

The total management fees paid to the Responsible Entity for the half-year ended 30 September 2025 was \$188,810 (2024: \$185,243), exclusive of GST. There were no outstanding management fees as at 30 September 2025 (2024: \$nil).

K2 Asset Management Ltd, provides fund administration services to the Fund under an agreement with the Responsible Entity. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. Total fund administration fees paid or payable for the half-year ended 30 September 2025 were \$60,000 (2024: \$60,000), exclusive of GST.

Investment manager fee

US Select Private Opportunities Fund III, L.P. (**LP**), in which the Fund holds an 71.2% interest, is required to pay its Investment Manager, US Select Private Opportunities Fund III, GP, being an entity associated with the former Responsible Entity, for acting on behalf of the limited partnership to acquire, manage and transact on partnership interests within the scope of the limited partnership agreement, a fee equivalent to 1% per annum of the total funds committed by the partners to the LP. The fee is payable quarterly in advance from the funds of the LP. The total fees paid or payable during the half-year ended to 30 September 2025 amounted to \$818,357 (US\$530,018) (2024: \$797,593 (US\$530,018)). The Fund's 71.2% interest equates to \$582,670 (2024: \$567,886). This fee is recorded in the books of the LP.

The GP is also entitled to a performance fee of 10% of the return achieved by the LP above invested capital once a cumulative, non-compounded, pre-tax return of 8% per annum (**Hurdle Rate**) on all capital contributed to the LP and not yet returned by distribution to the limited partners. The Hurdle Rate references to the LP, not the Fund level, and is denominated in US dollars. The performance fees will only be paid following the limited partners' actual receipt of invested capital and once the Hurdle Rate is achieved, through distribution of income and capital by the LP.

The performance fee has been earned by the GP as the Hurdle Rate was achieved during the prior year ended 31 March 2024. As part of the LP distributions to the limited partners, there were performance fee payments totalling US\$750,000 paid to the GP for the half-year ended 30 September 2025. Future distributions from the LP will continue to be split 10% to the GP and 90% to the limited partners, including the Fund, until the performance fee is extinguished.

For the half-year ended 30 September 2025, US\$17,689,849 (2024: US\$16,457,756) was accrued as performance fees. The Fund's interest equates to \$13,308,054 (US\$8,800,616) (2024: \$12,835,062 (US\$8,872,878)). This fee is accrued in the books of the LP.

US Select Direct Private Equity II, L.P.

At balance date, the Fund's share of the LP's investment in US Select Direct Private Equity II, L.P. was \$46,844,818 (US\$30,978,478) (31 March 2025: \$45,033,224 (US\$28,132,255)).

CD Private Equity Fund III
Notes to the condensed financial statements
30 September 2025

8. Related party disclosures (continued)

Recharges paid to related entity

To avoid suppliers receiving multiple payments, K2 Asset Management Ltd, makes a single payment to certain suppliers, and recharges the Fund its share at cost during the reporting period. There is no mark-up or charge to the Fund for being provided this service. The Fund only incurs the costs directly attributable to the work performed for it by the supplier, as if it had contracted with that provider individually.

9. Fair value measurement

Fair value

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 September 2025				
<i>Financial assets carried at fair value</i>				
Other financial assets - equity investment constituting interest in US Select Private Opportunities Fund III, LP	-	-	118,857,178	118,857,178
Total assets	-	-	118,857,178	118,857,178
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 March 2025				
<i>Financial assets carried at fair value</i>				
Other financial assets - equity investment constituting interest in US Select Private Opportunities Fund III, LP	-	-	129,513,536	129,513,536
Total assets	-	-	129,513,536	129,513,536

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. There were no transfers between levels during the period ended 30 September 2025.

Details of the determination of level 3 fair value measurements including the valuation technique adopted and the key underlying unobservable inputs used are set out in note 4(iv).

The Fund has established a control framework with respect to measurement and assessment of fair values. This framework includes a sub-investment committee that has overall responsibility for analysing the performance and fair value movements of underlying US investment fund holdings during each reporting period.

10. Events after the reporting period

No matter or circumstance has arisen since 30 September 2025 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

CD Private Equity Fund III
Directors' declaration
30 September 2025

In the opinion of the directors of the Responsible Entity:

- the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with the Accounting Standards;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 30 September 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors



Hollie Wight
Director of K2 Asset Management Ltd, Responsible Entity

27 November 2025

Independent Auditor's Review Report to the Unitholders of CD Private Equity Fund III

Conclusion

We have reviewed the half-year financial report of CD Private Equity Fund III (the "Fund") which comprises the condensed statement of financial position as at 30 September 2025, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 30 September 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of K2 Asset Management Ltd (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Responsible Entity of the Fund (the "directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 30 September 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini

Carlo Pasqualini
Partner
Chartered Accountants

Sydney, 27 November 2025

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CD Private Equity Fund III
Directory
30 September 2025

The Fund's units are quoted on the official list of Australian Securities Exchange (**ASX**).
The ASX code is **CD3**.

CD Private Equity Fund III

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