

# CD PRIVATE EQUITY FUND III: **ASX: CD3**

## NET TANGIBLE ASSET UPDATE – 31 MARCH 2025

NTA per unit	Gross assets (million)	Distributions Last 12 months	Distributions Since Inception	Fund Inception	5 year NTA return
\$1.87	\$139.6	\$0.20 per unit	\$2.039 per unit	July 2016	18.7% p.a.

The estimated unaudited net tangible asset value (NTA) after tax as at 31 March 2025 was \$1.87<sup>1,3</sup> per unit (28 February 2025 was \$1.82<sup>1,3</sup> per unit).

The NTA movement recorded during the month (+2.7%) is a result of positive fair value movement on underlying assets following the receipt of all underlying fund valuations for the period ended 31 December 2024. This was partially offset by foreign exchange movements with the Australian dollar strengthening against the US dollar by 0.61%.

## PERFORMANCE SUMMARY

NTA Return <sup>1,2</sup>	1 month	6 months	1 year	3 years p.a.	5 years p.a.	Since Inception p.a.
	2.7%	17.2%	14.5%	11.7%	18.7%	14.3%

On an NTA/Internal Rate of Return (IRR) basis, CD3 has achieved a return of 13.6% per annum since inception.

## MONTHLY LP & FUND UPDATE

During the month, the LP received four capital calls for a total of US\$0.53 million, as well as two distributions for a total of US\$1.49 million. The largest distribution was in relation to the successful [realisation](#) of DCM Services, LLC (DCM), an underlying portfolio company of NMS Fund III, LP (NMS).

For more than 25 years, [DCM](#) 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 and drive other meaningful change across the business which enabled it to expand into new markets and grow the overall business.

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 31 March 2025 NTA is unaudited and does not take into account any adjustments that may come as a result of this process.

Authorised for release by K2 Asset Management Ltd (K2) (ACN 085 445 094, AFSL 244 393), the responsible entity of CD Private Equity Fund III (Fund or CD3). Notes: AUD:USD spot rate of 0.6247 as at 31 March 2025. Numbers may not sum due to rounding.

- Source: E&P Investments Limited (for data before 24 June 2023) and K2 Asset Management Ltd (for data post 24 June 2023). The historical performance is not a guarantee of the future performance of the Fund;
- Total returns are inclusive of distributions and based on the Fund's post tax NTA. The tax component in the post tax NTA refers to the estimate of likely US tax the Fund will incur upon realisation of recorded fair value movements.
- Estimated unaudited net tangible asset value before tax at 31 March 2025 of \$1.94 per unit (28 February 2025 was \$1.91).

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### US MARKET & TARIFF UPDATE

Amidst the frequent and unpredictable shifts in global trade policy over the last few weeks, a number of the underlying portfolio managers within the CD Fund Series (including CD3) have confirmed that they are actively evaluating individual company exposures to trade tariffs and, where necessary, developing mitigation strategies.

While the scope and implementation of tariffs remain uncertain, their potential impacts range from increased input costs and supply chain disruptions to broader economic consequences, including shifts in consumer demand and elevated market uncertainty. Depending on a variety of factors, these impacts may be negative, though certain scenarios could also present strategic opportunities.

In most cases where underlying portfolio companies face tariff exposure, managers have noted that sourcing structures are generally consistent with industry peers. As a result, it is reasonable to expect that many of these companies may be able to pass through tariff-related cost increases. Ultimately, the impact on financial performance will depend on several key factors, including:

- The flexibility to offshore suppliers
- The extent to which consumers can defer purchases or shift to untariffed alternatives
- The price elasticity of demand

The underlying portfolio managers will continue to closely monitor developments in operating performance, customer stability, and the lending environment to ensure that portfolio companies remain resilient and positioned to take advantage of any opportunistic shifts. As it stands, the volatility in unmitigated tariff estimates has been so significant that any quantitative forecast would vary considerably depending on the timing of this commentary, therefore we will keep Investors updated in upcoming releases with any notable impacts.

#### Currency Impact

The Fund Series portfolios remain unhedged, meaning any sustained weakness in the Australian dollar (AUD) is likely to benefit the Fund Series. A decline in the AUD:USD exchange rate increases the Australian dollar value of the US-denominated assets, which will increase the local value of the portfolio for our Australian investors.

As always, Unitholders are welcome to reach out to the team with any questions via email at [cdfunds@k2am.com.au](mailto:cdfunds@k2am.com.au), or by calling +61 3 9691 6110.