



Quarterly update for period ending 30 September 2018

About the Fund

The Cordish Dixon Private Equity Fund III is a private equity fund focused on US small-cap private equity funds and direct company investments. The Fund is a joint venture between, and managed by, the private investment arm of the Cordish family of Baltimore, Maryland, and Walsh & Company.

This venture is anchored in the belief that smaller and nimbler private equity funds materially outperform larger private equity funds. The Fund series was formed to provide investors with a platform to invest in a portfolio of high-quality small to mid-market private equity funds and companies – a strategy that is typically beyond the reach of all but the largest endowment funds and family offices.

The Fund series also provides investors with the opportunity to benefit from the Cordish Family Office's experience and network in investing in specialist small to mid-market private equity funds and direct equity investments in the US, as well as to invest side-by-side and on equal terms with the Cordish Family in these compelling opportunities.

Investment objectives

The General Partner (**GP**) and Investment Manager will seek to meet the 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 a five to ten-year investment horizon.

Underlying fund summary

| KEY DETAILS | |
|------------------------------------|-----------|
| Total underlying investments | 69 |
| Investments during the quarter | 11 |
| Full realisations | 3 |
| Realisations during the quarter | 0 |
| Current portfolio companies | 66 |
| Average age of remaining companies | 1.1 years |

Fund performance

| | 3 MONTH | 6 MONTH | 1 YEAR | 2 YEAR PA | 3 YEAR PA | SINCE INCEPTION PA ⁵ |
|--------------------------------|---------|---------|--------|-----------|-----------|---------------------------------|
| Unit price return ⁴ | -3.1% | -0.3% | 4.8% | -1.9 | N/A | -1.7% |
| NTA return ^{1,4} | 3.8% | 8.0% | 9.5% | 3.9% | N/A | 2.7% |

Notes:

¹ Source: Walsh & Company Investments Limited. Historical performance is not a guarantee of the future performance of the Fund. ² Administration and Responsible Entity fee pre-GST. No GST is applicable to Investment Manager fee. ³ Payment of distributions will likely be upon the realisation of underlying investments and occur intermittently. ⁴ Total returns are inclusive of distributions. NTA return is net of fees and costs. ⁵ Inception date July 2016.

Fund facts

| KEY FUND DETAILS | |
|---|-------------------------------|
| ASX ticker | CD3 |
| Inception | July 2016 |
| Sector | Listed investment trust |
| Currency | AUD (unhedged) |
| NTA | \$1.62 |
| Market capitalisation | \$110.9 million |
| Units outstanding | 72.0 million |
| Number of managers | 13 |
| ONGOING FEES | |
| Investment Manager fee | 1% pa ² |
| Administration & Responsible Entity fee | 0.33% pa ² |
| Performance fee | 10% with hurdle rate of 8% pa |

For more information on fees and costs associated with the product, please refer to Section 5 of the PDS dated 11 August 2017.

Key investment team members



Jonathan Cordish

Chairman of the Advisory Board



Jonathan Sinex

Managing Director, Cordish Private Ventures



Whitney Vouë

Principal, Cordish Dixon Private Equity Partners



Underlying Fund Activity

Bertram Growth Capital III Bertram invested in Registrar, LLC (“Registrar”) – a leading SaaS-assisted provider of U.S. Food and Drug Administration (FDA) compliance services for domestic and foreign food, medical device, drugs and cosmetic facilities. Since opening its headquarters in Hampton, Virginia in 2003, Registrar has expanded to 18 international offices and assisted more than 30,000 companies across 160 countries. Employees include former U.S. FDA officials, scientists and industry experts. <https://www.registrarcorp.com/>

DFW Capital Partners V DFW completed a growth investment in Restoration + Recovery – a leading provider of post-construction stormwater management services, including inspection, maintenance, repair, consulting services and emergency response, based in Durham, North Carolina. <http://www.rstormwater.com/>

Gemspring Capital I Gemspring invested in A10 Capital, LLC (“A10”). A10 is a leading provider of middle-market commercial real estate loans in the United States. With loans ranging from \$1 million to \$30 million for commercial properties, A10’s broad offering of transitional and permanent loans products covers the entire commercial property lifecycle. <https://a10capital.com/>

Gemspring also invested in TMP Worldwide (“TMP”). TMP is the recognised global leader in talent acquisition technologies and offers clients a full suite of industry-leading solutions for needs across every end market and candidate profile. Through its TalentBrew software platform, TMP powers candidate experiences for the world’s largest employers and hundreds of millions of candidates annually. <https://www.tmp.com/>

Growth Street Partners I Growth Street Partners invested in Hotel Effectiveness. Hotel Effectiveness’s SaaS platform allows hotel owners, third-party management companies and property-level managers to control labour expenses according to occupancy rates, labour standards and industry benchmarks. <http://www.hoteleffectiveness.com/>

Trive Capital II Trive invested in SSW Holding Company, Inc. (“SSW”). Based in Ft. Smith, Arkansas, SSW is an engineered product manufacturer for the appliance, HVAC and other industrial segments. Founded in 1946, SSW manufactures steel and glass components for the food preservation, cooking and home comfort market segments. SSW provides value-added products and systems to its OEM customer base, with innovative products such as self-cleaning, porcelain-coated oven racks and Spill Smart hydrophobic refrigerator shelving. <http://sswholding.net/>

US Select Direct Private Equity II US Select Direct Private Equity II invested in Jet Linx, Integrated Energy Services, Next Level, SpinCar and Nosara GP, LLC during the quarter.

Jet Linx – an Omaha, Nebraska-based company – operates a private jet card membership program and the third largest managed fleet of private aircraft in the United States. <https://www.jetlinx.com/>

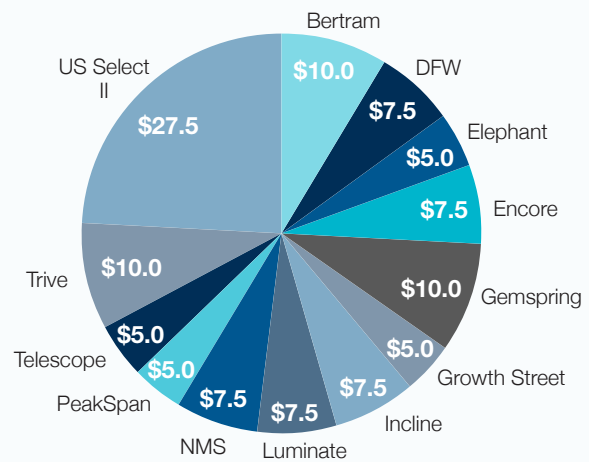
Integrated Energy Services (“IES”) is a technology-enabled provider of demand response solutions for more than 160 commercial office buildings.

Next Level is a designer and provider of branded activewear to the fashion basics segment of the US Wholesale Wearables Promotional Product industry. Next Level was founded as a traditional wholesale basics supplier before creating the category of fashion basics in 2009 as it successfully identified a shift in demand from low-cost commoditised products. <https://www.nextlevelapparel.com/>

SpinCar, founded in 2011, provides software products for digital retailing and merchandising, as well as digital marketing services for traditional auto dealerships. <https://spincar.com/>

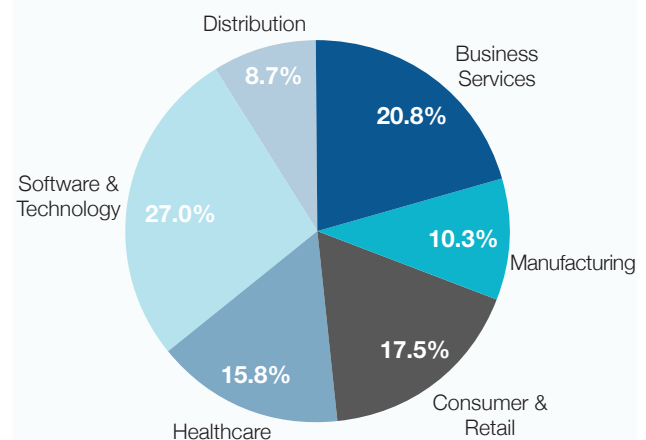
Nosara Capital Management LLC. Nosara Capital Management is the company responsible for the investment management of Nosara Capital Fund I, L.P., a fund that focuses on early growth stage digital marketplace businesses.

LP commitments to underlying managers (US\$115.5m)



Notes: The Fund has a 71.2% interest in the LP. Cordish Private Ventures, US Select Private Opportunities Fund II GP LLC (GP) and its partner contributed the remaining amount based on their proportional shares. Numbers may not add due to rounding.

CD3 Portfolio Asset Allocation



Note: Numbers may not add to 100% due to rounding.



Risks

Like all investments, an investment in the Fund 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 Fund include, but are not limited to, private investments risk, illiquidity risk and foreign exchange risk. For further information about the risks of investing in the product, please see Section 4 of the Product Disclosure Statement dated 11 August 2017.

About Walsh & Company

Walsh & Company is a multibillion-dollar global funds management firm founded in 2007, with assets under management across global equities, residential and commercial property, private equity, fixed income, and sustainable and social investments.

It provides access to unique investment strategies not readily accessible to investors and focuses on building high-quality, diversified portfolios.

Walsh & Company Investments Limited is the Responsible Entity of the Fund and is a wholly owned subsidiary of the Evans Dixon Group.

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Important information

This Quarterly Update (**Update**) has been prepared by Walsh & Company Investments Limited as Responsible Entity (ACN 152 367 649, AFSL 410 443) of Cordish Dixon Private Equity Fund III (**Fund**). An investment in the Fund is subject to various risks, many of which are beyond the control of the Investment Manager and the Fund. The past performance of the Fund is not a guarantee of the future performance of the Fund. This Update contains statements, opinions, projections, forecasts and other material (**forward looking statements**), based on various assumptions. Those assumptions may or may not prove to be correct. None of the Responsible Entity and the Fund, their officers, employees, agents, analysts nor any other person named in this Update makes 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. 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 the product.