

ANCHOR EQUITY PARTNERS FUND III, L.P.

2021 THIRD QUARTER REPORT

SEPTEMBER 30, 2021

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1. General Information

Company	Anchor Equity Partners Fund III, L.P. PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
General Partner	Anchor Equity Partners III GP (Cayman), Ltd. PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Investment Advisor	Anchor Equity Partners (Asia) Limited L15, 28 Hennessy Road Hong Kong
Investment Sub-advisor	Anchor Equity Partners Korea Limited Unit 1006, CCMM Building 101, Yeouigongwon-ro Yeongdeungpo-gu 07241 Seoul, South Korea
Auditor	Ernst & Young Ltd. Suite 6401, 62 Forum Lane, Camana Bay, P.O. Box 510, Cayman KY1-1106, Cayman Islands
Fund Administrator	Langham Hall Hong Kong Limited 2909-12 The Center 99 Queen's Road Central Hong Kong
Legal Counsels	Maples & Calder PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands Gibson, Dunn & Crutcher 32/F Gloucester Tower, The Landmark 15 Queen's Road Central Hong Kong Kim & Chang 39, Sajik-ro 8-gil, Jongno-gu, Seoul 03170, Korea

2. Fund Overview

Below is a summary of the Fund's status as of September 30, 2021:

Fund Name	Anchor Equity Partners Fund III, L.P.
Initial Closing Date	April 11, 2018
Final Closing Date	April 11, 2019 ¹
Vintage Year	2019
Total Commitment	USD 693,500,000 ²
Fund's Domicile	Cayman Islands
Legal Form	Exempted Limited Partnership
Legal Structure	General Partner and Limited Partners
Term	10+1+1 years
Investment Period	Until February 29, 2024
Investment Focus by Geography	Republic of Korea

The information in this section is abridged in order to provide an overview only. This report should be read in conjunction with the Limited Partnership Agreement for an explanation of defined terms.

¹ Final closing date of Anchor Fund III and its parallel vehicles

² Total commitment for Anchor Fund III across all parallel vehicles is USD1,118,500,000

3. Financial Summary

	September 30, 2021		June 30, 2021	
	USD	Percentage of Committed Capital	USD	Percentage of Committed Capital
Total committed capital	693,500,000	100.00%	693,500,000	100.00%
Total capital contributions	508,021,377	73.25%	501,217,168	72.27%
Total remaining available for drawdown	221,295,478	31.91%	228,099,687	32.89%
Cumulative distributions¹	48,080,028	6.93%	48,080,028	6.93%
Recallable distributions	35,816,855	5.16%	35,816,855	5.16%
Fair value of the portfolio	637,511,989		486,816,100	
Total other assets and liabilities	(55,592,949)		(20,605,727)	
Total net asset value (NAV)	581,919,040		466,210,373	
Total invested in portfolio companies²	523,116,225		485,378,506	
Total additional committed to portfolio companies	-		-	
Total additional planned for follow on investments	-		-	
Total allocated to portfolio companies²	523,116,225		485,378,506	
Gross IRR	35.50%		15.72%	
Net IRR	25.46%		3.88%	
Multiple of cost	1.3x		1.1x	
Multiple to investors				
Total value to paid-in capital (TVPI)	1.24		1.03	
Distributions to paid-in capital (DPI)	0.09		0.10	
Residual value to paid-in capital (RVPI)	1.15		0.93	

¹ Includes withholding taxes

² Remaining invested capital in portfolio companies

4. Cash Flow Schedule and Net IRR Calculation

(in USD)				
Date of cash flow	Capital Contributions from partners	Distributions to partners	Fund's net asset value (NAV)	Cash flow and NAV
03/21/2019	(34,335,485)	-		(34,335,485)
03/21/2019	1,636,982	-		1,636,982
05/06/2019	(33,923,279)	-		(33,923,279)
08/29/2019	(3,629,286)	-		(3,629,286)
03/30/2020	(30,404,277)	-		(30,404,277)
06/24/2020	(85,662,837)	-		(85,662,837)
11/24/2020	-	5,067,973		5,067,973
01/09/2021	(72,177,845)	-		(72,177,845)
04/19/2021	(55,903,564)	-		(55,903,564)
06/03/2021	(186,817,577)	-		(186,817,577)
06/03/2021	6,995,561	-		6,995,561
06/15/2021	-	43,012,055		43,012,055
09/03/2021	(13,799,770)	-		(13,799,770)
09/30/2021			581,919,040	581,919,040
Net IRR				25.46%

5. Credit Facility Overview

Size of the credit facility	USD220,000,000 ¹
Current available limit as of the quarter end	USD106,420,077 ²
Interest	WSJ Prime -1% per annum
Termination date of the facility	November 27, 2022 ³
Current outstanding balance as of the quarter end	USD113,579,923 ²

¹ Maximum commitment USD100 mm for Anchor Fund III across parallel vehicles which allows a temporary increase in the maximum commitment of up to USD220 mm

² Represents total current amount for Anchor Fund III across all parallel vehicles

³ Subject to annual renewal. On November 26, 2021, credit facility was renewed

6. Fees

(in USD)	Current Quarter	Since Inception
Gross management fees	3,373,750	34,899,569
Director/monitoring fees	-	-
Other fee income	-	-
Excess Organizational expenses	-	-
Credit from received fees - Subtotal	-	-
Net management fees	3,373,750	34,899,569
Carried interest paid	-	-
Carried interest accrued/ (Clawback)	23,537,810	23,537,810

7. Unaudited Financial Statements

Unaudited Statement of Operations

For the period from March 1, 2019 (date of commencement of operations) to September 30, 2021

(in USD)	July 1, 2021 to September 30, 2021	Inception to September 30, 2021
Income		
Bank interest income	-	718
Miscellaneous income	-	302,461
Total income	-	303,179
Expenses		
Management fees	3,373,750	34,899,569
Administration and corporate secretarial fees	41,351	414,013
Legal and professional fees	33,344	644,105
Organizational expenses	-	563,677
Transaction costs	54,810	125,740
Loan interest expenses and borrowing costs	308,381	4,120,207
Other operating expenses	32,371	122,023
Total expenses	3,844,007	40,889,334
Net operating gain/ (loss)	(3,844,007)	(40,586,155)
Unrealized gains/ (losses) on investments	112,748,465	157,186,675
Realized gains/ (losses) on investments, net of withholding taxes	-	5,317,992
Net increase/ (decrease) in partners' capital resulting from operations	108,904,458	121,918,512

Unaudited financial statements prepared in accordance with the U.S. generally accepted accounting principles

Unaudited Statement of Assets, Liabilities and Partners' Capital
As at September 30, 2021

(in USD)	September 30, 2021	June 30, 2021
Assets		
Investments at fair value	637,511,989	486,816,100
Loan receivable	11,751,362	11,751,362
Prepayments and other receivables	3,374,231	10,653,024
Amount due from related parties	90,954	262,422
Cash and cash equivalents	336,147	542,234
Total assets	653,064,683	510,025,142
Liabilities		
Bank loan payable	70,276,625	42,707,330
Accrued expenses and other payables	432,611	623,360
Amount due to related parties	436,407	484,079
Total liabilities	71,145,643	43,814,769
Partners' capital	581,919,040	466,210,373
Total liabilities and partners' capital	653,064,683	510,025,142

Unaudited Statement of Changes in Partners' Capital**For the period from March 1, 2019 (date of commencement of operations) to September 30, 2021**

(in USD)	General Partner	Limited Partners	Total
Capital contributions from March 1, 2019 (date of commencement of operations) to June 30, 2021	13,059,476	488,157,692	501,217,168
Distributions from March 1, 2019 (date of commencement of operations) to June 30, 2021	(1,314,323)	(46,706,526)	(48,020,849)
Net increase/(decrease) in partners' capital resulting from operations from March 1, 2019 (date of commencement of operations) to June 30, 2021	1,212,525	11,801,529	13,014,054
Partners' capital at June 30, 2021	12,957,678	453,252,695	466,210,373
Capital contributions during the quarter	176,241	6,627,968	6,804,209
Distributions during the quarter	-	-	-
Allocation of Carried Interest	23,537,810	(23,537,810)	-
Net increase/(decrease) in partners' capital resulting from operations during the quarter	3,130,399	105,774,059	108,904,458
Partners' capital at September 30, 2021	39,802,128	542,116,912	581,919,040

8. Changes in Investors' Capital

Unaudited Statement of Changes in Investors' Capital

For the period from March 1, 2019 (date of commencement of operations) to September 30, 2021

(in USD)

Capital account from March 1, 2019 (date of commencement of operations) to September 30, 2021

Investor	Percent Ownership	Total commitment	Capital Contributions	Distributions	Cumulative portfolio gains/ (losses)	Cumulative management fees	Cumulative Carried Interest	Cumulative other operating income and expenses	Capital account at fair value carried forward
SA Real Assets 8 Limited	7.2098%	50,000,000	36,664,369	(3,461,024)	11,708,643	(2,586,111)	(1,744,716)	(409,506)	40,171,655
Other Partners	92.7902%	643,500,000	471,357,008	(44,559,825)	150,796,024	(32,313,458)	1,744,716	(5,277,080)	541,747,385
Total fund	100.0000%	693,500,000	508,021,377	(48,020,849)	162,504,667	(34,899,569)	-	(5,686,586)	581,919,040

Capital account during the current reporting period from July 1, 2021 to September 30, 2021

Investor	Percent Ownership	Capital account at fair value brought forward	Capital Contributions	Distributions	Portfolio gains/ (losses)	Management fees	Carried Interest	Other operating income and expenses	Capital account at fair value carried forward
SA Real Assets 8 Limited	7.2098%	33,587,210	491,143	-	8,121,921	(250,000)	(1,744,716)	(33,903)	40,171,655
Other Partners	92.7902%	432,623,163	6,313,066	-	104,626,544	(3,123,750)	1,744,716	(436,354)	541,747,385
Total fund	100.0000%	466,210,373	6,804,209	-	112,748,465	(3,373,750)	-	(470,257)	581,919,040

Email: aramcoteam@ntrs.com; Saudi_aramco@jpmorgan.com; dsdata@burgiss.com; reporting@stepstoneglobal.com; wisayah@dataservices.blackrock.com