November 12, 2021

StepStone Private Access Partnership, L.P.

Dear Limited Partner,

We are pleased to provide you with our September 30, 2021 Reporting Package of Searchlight Capital III, L.P., as well as the required notices and statements, as outlined in the Limited Partnership Agreement ("LPA") and the Side Letter Agreement ("SLA"). We hereby enclose the following:

(i) Our Quarterly Investor Letter;
(ii) Appendix I - the Fund's unaudited financial statements;
Please also refer to the following financial statement information:
1. Schedule of the Fund's Portfolio Companies, valuations and activity: The schedule of investments and Note 3;
2. The combined schedule of aggregate partners' capital (Partner ID: SCIII-INV0303);
(iii) Appendix II - the Capital Account statement;

The supplemental Fee Reporting Template prepared in accordance with ILPA guidance has also been provided in a separate excel file as part of our standard quarterly reporting package.

If you have any questions regarding the foregoing, please contact us at ir@searchlightcap.com.

Sincerely,

Searchlight Capital Partners

Searchlight Capital III

Quarterly Letter – Q3 2021

Dear Limited Partner,

We are pleased to report on the performance of Searchlight Capital III, L.P. ("Fund III" or "Searchlight") for the quarter ended September 30, 2021. Searchlight Capital III has a Net IRR of 48% and distributed $280 million in Q3 2021, which is in the top 5% of funds of the same vintage[1] on a DPI-basis, with additional realizations and distributions expected in the next 12 months.

New Investments

Care Advantage Inc. ("Care Advantage"): On August 31, 2021, Searchlight invested $99 million to acquire Care Advantage. Care Advantage is the largest privately owned home care company in the Mid-Atlantic with operations in Virginia, Washington, DC, Maryland and Delaware. Care Advantage offers a continuum of home-based care, with particular expertise in: (1) personal care services, which is non-medical care provided by unskilled aides, and (2) skilled home health care, which is medical care provided 30-60 days after a hospital stay by nurses and therapists. On an LTM basis ended September 2021, Care Advantage generated $101 million in revenue and $10 million in adjusted EBITDA. For the quarter ended September 2021, Care Advantage generated $27 million in revenue and $3 million in adjusted EBITDA. Since acquiring Care Advantage, we have moved quickly to execute our M&A strategy. In the 2 months since closing, EBITDA has increased by approximately 35% on a pro forma basis through attractive acquisitions signed at low, single digit EBITDA multiples.

The investment in Care Advantage was the culmination of long-term thematic work in the healthcare services space. Our investment thesis is focused on two key elements: (1) the home-based care industry will continue to benefit from long-term structural growth tailwinds, and (2) massive fragmentation will enable a highly compelling M&A roll-up opportunity with attractive multiple arbitrage. Specifically, the combination of strong demographic growth in the 65+ population and the desire of government payors to shift patients into lower cost settings of care should drive long-term organic growth in the home-based care sector.

Euclid Transactional, LLC ("Euclid"): On September 24, 2021, Searchlight invested $130 million in Euclid in partnership with the company's three founders and their current strategic partner, Euclid Insurance Services. Euclid is a specialized managing general agent focused on transactional risk insurance solutions, which includes representation and warranty, tax indemnity and contingent liability insurance products across North America and Europe. The company is the largest underwriter of transactional risk insurance by premium and has established itself as a market leader across North America and Europe. Searchlight invested based on a $484 million enterprise value, or 11.5x 2021E EBITDA, which is effectively equivalent to a cash flow multiple given limited capex. Given that Searchlight's investment was structured as a preferred equity security, our preferred creation multiple is 6.2x 2021E EBITDA, which provides strong downside with full equity upside participation.

During the quarter, Euclid generated $63 million of revenue and $15 million of EBITDA, up 336% and 656% year-over-year, respectively. Year-over-year growth during the quarter was driven by a combination of a rebound relative to a COVID impacted quarter during 2020 and strong market growth. A robust M&A environment has resulted in significant growth in deal volumes and Euclid's win rates have increased year-over-year. In addition, industry-wide insurance rate hardening has accelerated premium growth, which benefits Euclid given that it earns commissions as a percentage of premium written. EBITDA growth was primarily driven by the flow through of revenue growth. On an LTM basis, Euclid generated $184 million of revenue and $43 million of EBITDA.

[1] Cambridge Associates 2019 vintage benchmarking indices as of June 30, 2021.

Portfolio Company Updates

Consolidated Communications ("CNSL"): For the quarter ending September 2021, Consolidated Communications generated revenues of $319 million (down 2.5% year-over-year, down 0.7% sequentially) and adjusted EBITDA of $128 million (40% margin), down 3.2% year-over-year, and up 0.4% vs. the prior quarter. The decline in margins was driven by planned investments into sales and marketing efforts to support CNSL's fiber expansion strategy. Importantly, CNSL reached roughly 97,000 new fiber homes for sale in Q3 '21, meeting its internal construction targets. CNSL remains focused on ramping its construction pace throughout the year and remains on track to achieve its targeted goal of roughly 300,000 fiber homes released for sale through Q4 '21.

CNSL and Searchlight are awaiting receipt of FCC approvals to close on Phase II of Fund III's investment, an additional $75 million in exchange for a further 10% common equity ownership. FCC approvals are pending receipt of RDOF grant approval, which we expect to occur in 2021.

GetYourGuide ("GYG"): For the quarter ending September 2021, which remained heavily impacted by COVID, GYG generated €45.9 million of revenue and €2.2 million of contribution profit, representing a year-over-year increase in revenue of €31.8 million and a decrease in contribution profit of €0.3 million. Relative to September 2020, the company's liquidity position improved to €309 million (including an €80 million undrawn RCF) from €145 million, primarily due to the convertible note raised in November 2020 and strong cash preservation measures. During Q2 2021, GYG launched a major strategic initiative to reinforce the company's efforts in the US, which has experienced a faster post-COVID travel reopening relative to Europe. GYG's goal is to enhance its market-leading position in Europe and to become a market leader in the US with investments into the strategy over a 2-year horizon. In Q3 2021, the company announced a commercial agreement with Expedia to fulfil their experiences vertical through a revenue share model.

Global Risk Partners ("GRP"): For the quarter ending September 2021, GRP generated £46 million and £14 million of revenue and adjusted EBITDA, respectively, representing year-over-year revenue and adjusted EBITDA growth of 28% and 27%, respectively. GRP outperformed by a combination of (i) the various organic initiatives (e.g., bundled packages, cross-sell efforts, digital initiatives, etc.), (ii) an improving market as the UK economy reopens, and (iii) an improving insurance pricing environment driven by the major insurance carriers. GRP continues to pursue a successful roll up strategy in a highly fragmented market.

In the YTD period, the company completed or exchanged on 7 transactions, representing £11 million of Year 1 EBITDA or 220% of the annual target of £5 million EBITDA.

Opus Group AB ("Opus"): For the quarter ended September 2021, Opus generated revenue of SEK 679 million and adjusted EBITDA of SEK 168 million, representing a 10% and 7% increase year-over-year in constant currency, respectively. On an LTM basis, EBITDA is up ~15% on a constant currency basis. In the US, auto testing levels have recovered to pre-COVID levels. Latin America is following similar trends, with most countries back to pre-crisis levels. The Swedish business has been outperforming expectations and achieved its full-year EBITDA target at the end of October. Aside from vehicle inspection, growth in the business was supported by recently launched new products and signed contract wins in the Intelligent Vehicle Support division.

Sightline Payments ("Sightline"): For the quarter ending September 2021, Sightline generated revenue of $12.0 million, up 28% year-over-year, and EBITDA of -$4.9 million, down from $1.7 million in Q3 2020. The revenue increase was driven by continued industry growth, including the legalization of new states for online sports betting and the resumption of professional sport regular seasons. The decline in EBITDA was primarily driven by increased investment, especially on marketing and team buildout, to scale and position the business for future growth. Over the coming year, we expect Sightline to continue benefiting from strong industry tailwinds in online sports betting and iGaming.

In August 2021, Sightline announced an additional equity transaction led by William P. Foley II through his investment vehicle, Cannae Holdings, Inc. Mr. Foley is a deeply experienced FinTech investor with relevant experience in online gaming and consumer investments and will join the board of Sightline as part of the transaction. In connection with the above transaction, Searchlight completed a secondary sale of a portion of its equity stake in Sightline, while still retaining 23% equity ownership. This resulted in a realization of 2.5x MOIC.

Survitec Group Limited ("Survitec"): For the quarter ending September 2021, Survitec generated £96 million of revenues and £15 million of EBITDA (+60% growth on prior year), which included the acquisition of Hansen Protection completed in May 2021. Excluding Hansen Protection, Survitec achieved revenues of £84 million and EBITDA of £11 million (+15% like-for-like). The performance of Hansen Protection has exceeded expectations following a successful integration. Survitec has also hired a new Head of M&A to build on and leverage the success of the Hansen Protection transaction to pursue further accretive M&A given the high level of activity in the market.

Univision Communications Inc. ("Univision"): For the quarter ending September 2021, revenue grew 20% year-over-year driven by a strong rebound in the TV ad market. Advertising revenue grew 32% year-over-year as Univision lapped the meaningfully COVID-impacted Q3 2020 and successfully executed on a series of new ad sales initiatives. Carriage revenue grew 5% year-over-year driven by revenue from vMVPDs. Adjusted EBITDA increased 9% year-over-year as strong revenue growth was offset by an increase in operating expenses, primarily streaming related expenses and programming costs associated with the return of sports & tentpole events that were cancelled or delayed in 2020.

During the quarter, Univision continued to announce a series of key executive hires, which are now mostly complete. As previously discussed, Univision and Grupo Televisa S.A.B signed a definitive agreement in April 2021 in which Televisa's content and media assets will be merged with Univision. The combined business, PF for estimated cost synergies, will generate ~$4 billion in revenue, ~$1.8 billion in EBITDA, and over $500 million of levered FCF per year. The transaction remains on track to close by early 2022.

Ziply Fiber ("Ziply"): For the quarter ending September 2021, Ziply generated $128 million of revenue, down 5% year-over-year, and $45 million of adjusted EBITDA (35% margin)[2]. Since closing a little over a year ago, Ziply has successfully assumed control of the business, transitioned off of the Transition Services Agreement, started upgrading its network to fiber, and turned around broadband subscriber growth. Today, broadband subscribers are growing at a roughly 5% annualized rate (and accelerating) and Ziply has upgraded >125k premises to fiber. Importantly, initial market receptivity to Ziply's fiber product and pricing has been strong, with initial cohort penetration significantly outperforming our underwriting (Ziply is currently achieving ~17% penetration after ~130 days, as compared to the assumed penetration rates of 9% and 18% after 12 and 24 months, respectively). For the year-to-date period ended September 2021, Ziply averaged +2.3k residential fiber net adds per month vs. average of -0.5k during the prior year period under Frontier's ownership. In September 2021, Ziply successfully raised an additional $350 million of Secured Notes (4.75% coupon) to fund additional fiber builds and add liquidity to the balance sheet.

Current Investment Environment

In the third quarter of 2021, US and European economies experienced an economic upswing with optimism of a rapid "return to normal" that was slowed by the continued spread of the Delta variant and by supply chain disruptions and labor shortages as it proved more challenging than expected for companies to meet the requirements of rising demand. As a result, the IMF forecasts that the global economy will expand by 5.9% in 2021 and 4.9% in 2022 in its October report, which is a moderate decline from prior expectations.

While capital markets experienced some volatility in recent months, equity markets continue to generate robust gains with the S&P500 up 16.4% and the EURO STOXX600 up 13.2% year-to-date as corporate revenues and profits rebound from the post-COVID economic rebound. We have witnessed similar high valuation levels in private equity markets in North America and Europe, which is supported by continued availability of acquisition debt at historically low prices on very borrower-friendly terms.

A key question facing investors is whether the recent inflationary pressures are short-term in nature or a longer-term impact on the economies of the US, UK, and Europe. At the highly anticipated November FOMC meeting, Federal Reserve Chairman Powell announced plans to taper its asset purchases starting later this month. However, Powell signaled no hurry to increase interest rates based on his view that inflation remains transitory due to labor market inefficiencies, supply chain bottlenecks and raw material shortages as the global economy adjusts to the rapid demand rebound of a post-Covid economic recovery. Meanwhile, the European Central Bank and the Bank of England took similar positions on keeping interest rates unchanged at current low levels and

[2] Excludes regulatory subsidies provided under the Connect America Fund ("CAF") program

maintaining their existing government bond purchases by citing continued uncertainty around the near-term outlook for European economies. These central bank policy positions carry clear long-term risks that inflationary pressures could grow to a higher level in which they become much more difficult to tame without significant interest rate increases, which would be harmful to the longer-term economic recovery.

As the economic environment continues to be uncertain, Searchlight's investment strategy remains disciplined through our thematic investment approach and creative sourcing methods. We continue to focus on sectors where we have deep expertise and can evaluate clear opportunities to create value in companies throughout the evolving macro-environment. Searchlight seeks investment opportunities where the Firm's creative capital solutions and sector expertise facilitate transformative value creation post-investment, which can lead to significant MOIC uplift post-transformation.

Organizational Update

We are pleased to announce the addition of Owen Cartier as Managing Director, leading our Portfolio Value Creation effort in Europe. Prior to joining Searchlight in 2021, Mr. Cartier worked as a Partner at Bain & Company for 14 years across London, Madrid, Amsterdam, and Copenhagen, during which time he overlapped with Amanda Good, Head of our Portfolio Value Creation efforts. During his time at Bain, Owen worked on both private equity and listed companies on strategy, end to end execution of radical transformations, mergers / carve-outs and due diligence. Mr. Cartier received a Masters of Engineering from the University of Bristol and an MBA from Columbia Business School.

* * * * * * * * * * * *

As always, we greatly appreciate the trust and confidence that you place in our firm. Thank you for your support!

Sincerely,

Oliver Haarmann Erol Uzumeri Eric Zinterhofer

Performance Summary

Searchlight Capital III, L.P.

($mm)

As of September 30, 2021 Portfolio Investment	Date of Investment[A]	Invested Capital[B]	Realized Value[C]	Unrealized Value[D]	Total Value[E]	Gross IRR[F,H]	Gross Multiple of Invested Capital[G,I]
Sightline	Dec-20	96.5	236.6	198.7	435.3	N/M	4.5x
Distressed Credit Securities	Apr-20	45.0	45.0	56.4	101.4	117%	2.3x
Partially Realized [1]		***$141.5***	***$281.6***	***$255.1***	***$536.7***	***380%***	***3.8x***
Survitec	Oct-19	$85.0	$0.0	$142.6	$142.6	37%	1.7x
Opus	Feb-20	130.0	0.0	210.8	210.8	38%	1.6x
Ziply Fiber	May-20	76.7	0.0	98.4	98.4	21%	1.3x
Global Risk Partners	Jun-20	208.0	0.0	365.9	365.9	57%	1.8x
Consolidated Communications	Oct-20	202.0	0.0	375.3	375.3	N/M	1.9x
GetYourGuide	Oct-20	66.9	0.0	85.6	85.6	N/M	1.3x
Univision	Dec-20	227.0	0.0	376.6	376.6	N/M	1.7x
Care Advantage	Aug-21	99.7	0.0	99.7	99.7	N/M	1.0x
Euclid	Sep-21	130.0	0.0	130.0	130.0	N/M	1.0x
Unrealized		***$1,225.3***	***$0.0***	***$1,884.9***	***$1,884.9***	***54%***	***1.5x***
Total Gross Fund Performance[H,I]		**$1,366.8**	**$281.6**	**$2,140.0**	**$2,421.6**	**78%**	**1.8x**
Total Net Fund Performance[J,K]						**48%**	**1.5x**

Notes to Fund III Investment Performance

In considering prior performance information, investors and prospective investors should bear in mind that (i) past performance described herein is not indicative of future results, (ii) there can be no assurance that the Fund or any individual investment will achieve comparable results or will be able to avoid losses, including substantial or entire capital losses and (iii) in some cases the Fund utilizes a subscription facility when making investments which may have a material effect on performance as further described below. Dollar totals may not correspond to the sum of the constituents' parts because of rounding. General Partner contributions are not included for the purposes of Net IRR calculations, but are included for the purposes of invested capital, total value, and Gross IRR.

A. **Date of Investment** means the date of the initial funding or the date of the first trade made by the Fund for such Portfolio Investment regardless of the source of capital (i.e., whether capital is called from the Fund's Partners or drawn from the Fund's subscription facility)
B. **Invested Capital** represents capital called from the Fund's Partners and capital considered originally funded by the Fund as a whole.
C. **Realized Value** represents the sum of proceeds generated from dispositions and distributions, cash dividends, and interest, as applicable, without including transaction fees or deducting taxes paid, compensation, or carried interest.
D. **Unrealized Value** has been determined as of September 30, 2021. The Unrealized Value represents estimated fair value calculated in accordance with US GAAP. The valuation of the Fund's non-public investments requires significant judgment by the General Partner due to the inherent lack of liquidity, restrictions as to resale and the absence of quoted market values. Actual results could materially differ from those estimates as (1) there can be no assurance that the Fund will be able to realize the Unrealized Value of such Portfolio Investments, and (2) are dependent, among other factors, on future operating results, the value of the net assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of disposition. Portfolio Investments may be held via intermediate entities or investment vehicles and, where applicable, their Unrealized Value has been determined by reference to the fair value of the net assets of such entities.
E. **Total Value** represents Realized Value plus Unrealized Value.
F. **Gross IRR** represents an annually compounded gross internal rate of return and does not reflect the deduction of any management fees, carried interest, taxes and allocable expenses borne by investors, which in the aggregate may be substantial. All IRRs presented are annualized and calculated on the basis of daily cash flows (i) the date Partner capital calls are due for such portfolio investment (ignoring the effects of subsequent fund closes) and (ii) combined Fund cash distribution outflows to Partners. IRRs for Unrealized Portfolio Investments have been calculated by assuming that the remaining interest has been sold as of September 30, 2021 at the unrealized value shown and such cash equivalent amounts are distributed to Partners. Amounts exclude allocations of net permitted Fund expenses incurred in pursuing investment opportunities that do not materialize. "N/M" indicates that the determination is not meaningful for performance reporting purposes or is used in instances where the Investment Date is less than twelve months prior as of the quarter end. When the Fund makes an investment which includes the use of the Fund's subscription facility, the Gross IRR calculation for a portfolio company does not begin until the date that capital calls from its Partners are due for such investment and the impact on performance may be material.
G. **Gross Multiple of Invested Capital** has been calculated by dividing the Total Value by the amount of the Invested Capital, which does not reflect the deduction of any management fees, carried interest, taxes, and allocable expenses borne by investors.
H. **Fund Performance Gross IRR** reflects Fund level results for the Fund's Partners using daily cash flows and is used to determine each of the Portfolio Investment level Gross IRRs, which does not reflect the deduction of any management fees, carried interest, taxes, and allocable expenses borne by investors.
I. **Fund Performance Gross Multiple of Invested Capital** represents Total Portfolio Investment Value as of the indicated date over total capital called, which does not reflect the deduction of any management fees, carried interest, taxes, and allocable expenses borne by investors.

J. **Fund Performance Net IRR** represents the gross aggregate Limited Partner IRR adjusted to reflect the deduction of any Fund management fees, carried interest, taxes and allocable expenses borne by investors, and is inclusive of any distributions payable as of the reporting date. Assumes Limited Partner allocations are in accordance with the Fund's distribution methodology, including carried interest, if any, for any Unrealized Investments and is based on Realized Value and Unrealized Value, as applicable, without including transaction fees or deducting taxes paid by such Limited Partners. Performance results for an individual Limited Partner's capital account may vary from these returns based on the timing of capital transactions, differing management fee, and carried interest arrangements, etc. A Limited Partner paying the full management fees and carried interest may have net returns that are lower than those reflected in the chart. As noted above reflects the use of the Fund's subscription facility as applicable and the impact on the Fund's Net IRR may be material.

K. **Net Multiple of Invested Capital** represents the aggregate Limited Partners' capital account balance (net of any management fees, carried interest, taxes and allocable expenses borne by investors) as of September 30, 2021 divided by the net capital contributions funded to date reducing unpaid commitments. Performance results for an individual Limited Partner's capital account may vary from these returns based on the timing of capital transactions, differing management fee, and carried interest arrangements, etc. A Limited Partner paying the full management fees and carried interest may have net returns that are lower than those reflected in the chart. Reflects the use of the Fund's subscription facility as applicable and as noted above such impact may be material. The Fund may be required to call additional capital contributions or use proceeds from the sale of Portfolio Investments to reduce the Fund's outstanding borrowings.

Appendix I

Searchlight Capital III (a group of related entities)

Combined Financial Statements and
Supplemental Schedules of Partners' Capital
For the quarter ended September 30, 2021

Contents **Page**

Searchlight Capital III (a group of related entities)
Combined Statement of Assets, Liabilities and Partners' Capital
September 30, 2021
(Unaudited)

		As of September 30, 2021 (unaudited)		As of December 31, 2020 (audited)
Assets				
Investments, at fair value (cost: $724,466,546 and $649,044,801, respectively)	$	1,227,399,591	$	843,346,609
Derivatives, at fair value (premiums: $3,016,894 and $3,016,894, respectively)		627,670		880,509
Cash		2,249,737		9,514,326
Due from Portfolio Companies		5,802,669		3,006,810
Other assets		1,116,575		946,645
Due from other Searchlight Funds		3,600		-
Total assets	$	1,237,199,842	$	857,694,899
Liabilities and Partners' Capital				
Liabilities				
Derivatives, at fair value	$	3,328,386	$	4,912,143
Borrowings under Credit Facility (accrued interest: $1,452 and $29,412, respectively)		1,731,100		7,450,342
Due to broker		3,058,524		3,034,578
Accrued expenses		384,862		272,774
Due to Management Company		1,124,970		86,026
Management fee payable		6,160,183		-
Due to other Searchlight Funds		-		3,796,171
Other payables		1,319,560		-
Total liabilities		17,107,585		19,552,034
Commitments and contingencies (Note 8)				
Partners' capital				
General Partner and affiliates (Note 5)		187,353,456		88,644,068
Limited Partners		1,032,738,801		749,498,797
Total partners' capital		1,220,092,257		838,142,865
Total liabilities and partners' capital	$	1,237,199,842	$	857,694,899

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital III (a group of related entities)
Combined Schedule of Investments – For the Fund
September 30, 2021
(Unaudited)

Investments	Country	Initial Investment Date/Exit Date (7)	Searchlight Managed Funds' Effective Ownership %	Fund Effective Ownership %	Fund Total Invested Capital	Fund Current Adjusted Cost	Fund Cumulative Realized Proceeds	Fund Reported Value	Fund % of Partners' Capital (1)	Fund Investment Multiple (8)
Equity and Debt Investments:										
Unrealized Investments:										
Industrial:										
Survitec Group Limited (3)(6)										
Searchlight III SVT, L.P.										
Partnership Interests	UK	02-Oct-19	100.0%	57.1%	$ 48,521,471	$ 48,521,471	$ -	$ 81,415,549	6.6%	1.7
Automotive Services:										
Opus Group AB (4)(6)										
Searchlight III OZY, L.P.										
Partnership Interests	SE	20-Jan-20	100.0%	57.1%	74,209,305	74,209,305	-	120,352,006	9.9%	1.6
Insurance Services:										
Global Risk Partners (3)(6)(10)										
Searchlight III GLX, L.P.										
Partnership Interests	UK	11-Jun-20	79.4%	45.3%	118,716,315	118,716,315	-	214,638,474	17.6%	1.8
Euclid Transactional, LLC (6)										
Searchlight III CTG, L.P.										
Partnership Interests	US	24-Sep-21	100.0%	57.1%	74,209,304	74,209,304	-	74,209,304	6.1%	1.0
Total Insurance					192,925,619	192,925,619	-	288,847,778	23.7%	
Telecommunications:										
Ziply Fiber										
Northwest Fiber Holdco, LLC										
LLC Units	US	01-May-20	88.6%	5.6%	43,789,793	43,789,793	-	56,169,982	4.6%	1.3
Consolidated Communications Holdings, Inc. (6)(10)										
Searchlight III CVL II, L.P.										
Partnership Interests	US	02-Oct-20	99.1%	56.6%	115,324,960	115,324,960	-	214,223,851	17.6%	1.9
Total Telecommunications					159,114,753	159,114,753	-	270,393,833	22.2%	
Travel Agency:										
GetYourGuide (5)(6)(10)										
Searchlight III GYG, L.P.										
Partnership Interests	DE	02-Nov-20	94.5%	53.9%	38,194,007	38,194,007	-	48,859,409	4.0%	1.3
Media:										
Univision Holdings Inc. (6)										
Searchlight III UTD AGG, L.P.										
Partnership Interests	US	29-Dec-20	100.0%	57.1%	129,580,866	129,580,866	-	214,996,211	17.6%	1.7
Financial Technology:										
Sightline Payments (6)(10)										
Searchlight III FEY, L.P.										
Partnership Interests	US	22-Dec-20	98.5%	56.2%	55,086,129	24,992,257	135,065,620	113,439,438	9.3%	4.5
Healthcare:										
Care Advantage, Inc. (6)(10)										
Searchlight III HHS, L.P.										
Partnership Interests	US	31-Aug-21	99.4%	56.7%	56,928,268	56,928,268	-	56,928,268	4.7%	1.0
Other - Credit Strategy:										
SPE III DBT, L.P.										
Partnership Interests	Global	08-Apr-20	100.0%	57.1%	25,687,836	-	25,687,836	32,167,099	2.6%	2.3
Total Investments (2)					**$ 780,248,254**	**$ 724,466,546**	**$ 160,753,456**	**$ 1,227,399,591**	**100.6%**	**1.8**

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital III (a group of related entities)
Combined Schedule of Investments – For the Fund and Parallel Fund
September 30, 2021
(Unaudited)

Investments	Country	Initial Investment Date/Exit Date [7]	Searchlight Managed Funds' Effective Ownership %	Fund and Parallel Fund Effective Ownership %	Total Invested Capital	Current Adjusted Cost	Cumulative Realized Proceeds	Reported Value	% of Partners' Capital [1]	Investment Multiple [8]
Equity and Debt Investments:										
Unrealized Investments:										
Industrial:										
Survitec Group Limited [3][6]										
Searchlight III SVT, L.P.										
Partnership Interests	UK	02-Oct-19	100.0%	100.0%	$ 85,000,000	$ 85,000,000	$ -	$ 142,623,911	6.6%	1.7
Automotive Services:										
Opus Group AB [4][6]										
Searchlight III OZY, L.P.										
Partnership Interests	SE	20-Jan-20	100.0%	100.0%	130,000,000	130,000,000	-	210,832,871	9.9%	1.6
Insurance Services:										
Global Risk Partners [3][6][10]										
Searchlight III GLX, L.P.										
Partnership Interests	UK	11-Jun-20	79.4%	79.4%	207,967,465	207,967,465	-	376,004,087	17.6%	1.8
Euclid Transactional, LLC [6]										
Searchlight III CTG, L.P.										
Partnership Interests	US	24-Sep-21	100.0%	100.0%	130,000,000	130,000,000	-	130,000,000	6.1%	1.0
Total Insurance					337,967,465	337,967,465	-	506,004,087	23.7%	
Telecommunications:										
Ziply Fiber										
Northwest Fiber Holdco, LLC										
LLC Units	US	01-May-20	88.6%	9.7%	76,711,049	76,711,049	-	98,398,714	4.6%	1.3
Consolidated Communications Holdings, Inc. [6][10]										
Searchlight III CVL II, L.P.										
Partnership Interests	US	02-Oct-20	99.1%	99.1%	202,026,498	202,026,498	-	375,277,760	17.6%	1.9
Total Telecommunications					278,737,547	278,737,547	-	473,676,474	22.2%	
Travel Agency:										
GetYourGuide [5][6][10]										
Searchlight III GYG, L.P.										
Partnership Interests	DE	02-Nov-20	94.5%	94.5%	66,908,332	66,908,332	-	85,592,000	4.0%	1.3
Media:										
Univision Holdings Inc. [6]										
Searchlight III UTD AGG, L.P.										
Partnership Interests	US	29-Dec-20	100.0%	100.0%	227,000,000	227,000,000	-	376,630,762	17.6%	1.7
Financial Technology:										
Sightline Payments [6][10]										
Searchlight III FEY, L.P.										
Partnership Interests	US	22-Dec-20	98.5%	98.5%	96,500,000	43,781,484	236,608,207	198,723,437	9.3%	4.5
Healthcare:										
Care Advantage, Inc. [6][10]										
Searchlight III HHS, L.P.										
Partnership Interests	US	31-Aug-21	99.4%	99.4%	99,727,049	99,727,049	-	99,727,049	4.7%	1.0
Other - Credit Strategy:										
SPE III DBT, L.P.										
Partnership Interests	Global	08-Apr-20	100.0%	100.0%	45,000,000	-	45,000,000	56,350,387	2.6%	2.3
Total Investment [2]					**$ 1,366,840,393**	**$ 1,269,121,877**	**$ 281,608,207**	**$ 2,150,160,978**	**100.6%**	**1.8**

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital III (a group of related entities)
Combined Schedule of Investments – For the Fund and Parallel Fund (continued)
September 30, 2021
(Unaudited)

Derivatives - Hedging:

Investments	Fund						
	Notional	Total Invested Capital	Current Adjusted Cost / Premiums	Cumulative Realized Proceeds	Reported Value	% of Partners' Capital [1]	Investment Multiple [8]
Currency Options Purchased/Forward Contracts:							
USD-GBP Put [9]	$ 48,952,453	$ -	$ 3,016,894	$ -	$ 627,670	0.1%	n/a
USD-GBP Forward [9]	54,436,806	-	-	-	(3,328,386)	-0.3%	n/a
	$ 103,389,259	$ -	$ 3,016,894	$ -	$ (2,700,716)	-0.2%	n/a

Derivatives - Hedging:

Investments	Fund and Parallel Fund						
	Notional	Total Invested Capital	Current Adjusted Cost / Premiums	Cumulative Realized Proceeds	Reported Value	% of Partners' Capital [1]	Investment Multiple [8]
Currency Options Purchased/Forward Contracts:							
USD-GBP Put [9]	$ 85,755,000	$ -	$ 5,285,000	$ -	$ 1,099,554	0.1%	n/a
USD-GBP Forward [9]	95,362,500	-	-	-	(5,830,673)	-0.3%	n/a
	$ 181,117,500	$ -	$ 5,285,000	$ -	$ (4,731,119)	-0.2%	n/a

(1) Percentage represents reported value over the Fund's assets at the Fund level or the Fund and Parallel Fund's combined net assets at an aggregate level.

(2) Investments are jointly owned with affiliates (Note 1). Effective ownerships reflect the Fund's or the Fund and Parallel Fund's direct holdings.

(3) Denominated in British Pounds.

(4) Denominated in Swedish Krona.

(5) Denominated in Eurodollars.

(6) This investment is held via intermediary entities and the combined schedule of investments reflects the Fund's or the Fund and Parallel Fund's pro-rata interest in the net assets of the intermediary entities (investments at fair value plus/minus net assets/ liabilities) on an effective look through basis (Note 3). Effective ownership percentage reflects ownership levels in the relevant intermediary entity.

(7) Date Invested means the date of the initial funding or the date of the first trade made by the Fund for such Portfolio Investment.

(8) Investment Multiple has been determined by reference to (a) the sum of (i) the current fair value for financial reporting purposes, net of certain borrowings and (ii) cumulative realized income and proceeds, as a multiple of (b) the sum of (i) the gross cumulative cash flows from net or expected net capital contributions and (ii) pro-forma capital activites subsequent to the end of the period, if any. Total Investment Multiple calculation includes realized proceeds and income from investments.

(9) Hedging instrument established at or around investment date for and held in connection with investment in Global Risk Partners.

(10) Searchlight's effective ownership is subject to fluctuations on a fair value basis as a result of holding company level allocation mechanics. This does not impact voting control.

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital III (a group of related entities)
Combined Statement of Operations
For the quarter ended September 30, 2021
(Unaudited)

	Current Quarter (Jul 1, 2021 - Sep 30, 2021) (unaudited)	Year-to-Date (Jan 1, 2021 - Sep 30, 2021) (unaudited)	Inception-to-Date (Oct 2, 2019 - Sep 30, 2021) (unaudited)
Investment Income			
Interest income	$ -	$ -	$ 309
Total investment income	-	-	309
Expenses			
Management fees (net of offsets, see Note 4)	16,418,947	31,871,697	69,597,049
Organizational expenses	333,000	333,000	2,371,351
Investment expenses	986,390	4,617,936	7,071,629
Other expenses	270,643	1,382,287	3,210,646
Total expenses	18,008,980	38,204,920	82,250,675
Net investment income/(loss)	(18,008,980)	(38,204,920)	(82,250,366)
Realized and unrealized gain/(loss) on investments and foreign currency			
Net realized gain on investment	104,971,748	104,971,748	104,971,748
Net change in unrealized gain on investments	104,732,511	308,631,237	502,933,045
Net change in unrealized loss on derivatives	2,022,873	1,330,918	(5,717,610)
Net realized and unrealized gain/(loss) on investments and foreign currency	211,727,132	414,933,903	602,187,183
Net increase/(decrease) in partners' capital from operations	$ 193,718,152	$ 376,728,983	$ 519,936,817

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital III (a group of related entities)
Combined Statement of Changes in Partners' Capital
For the quarter ended September 30, 2021
(Unaudited)

(unaudited)	Current Quarter (Jul 1, 2021 - Sep 30, 2021)			Year-to-date (Jan 1, 2021 - Sep 30, 2021)			Inception-to-date (Oct 2, 2019 - Sep 30, 2021)		
	General Partner [3]	Limited Partners	Total	General Partner [3]	Limited Partners	Total	General Partner [3]	Limited Partners	Total
Partners' capital - beginning of period [1]	$ 136,959,676	$ 894,702,284	$ 1,031,661,960	$ 88,644,068	$ 749,498,797	$ 838,142,865	$ -	$ -	$ -
Capital contributions, net	10,508,104	144,957,497	155,465,601	10,134,274	155,839,591	165,973,865	57,544,633	803,364,263	860,908,896
Net increase/(decrease) in partners' capital from operations	15,798,790	177,919,362	193,718,152	30,807,727	345,921,256	376,728,983	46,766,707	473,170,110	519,936,817
Carried Interest allocation - accrued [2]	36,151,020	(36,151,020)	-	69,831,521	(69,831,521)	-	95,106,250	(95,106,250)	-
Distributions	(12,064,134)	(148,689,322)	(160,753,456)	(12,064,134)	(148,689,322)	(160,753,456)	(12,064,134)	(148,689,322)	(160,753,456)
Partners' capital - September 30, 2021	$ 187,353,456	$ 1,032,738,801	$ 1,220,092,257	$ 187,353,456	$ 1,032,738,801	$ 1,220,092,257	$ 187,353,456	$ 1,032,738,801	$ 1,220,092,257
Total Commitment - September 30, 2021	$ 146,447,467	$ 1,790,535,265	$ 1,936,982,732	$ 146,447,467	$ 1,790,535,265	$ 1,936,982,732	$ 146,447,467	$ 1,790,535,265	$ 1,936,982,732
Unfunded commitment - beginning of period (Note 5) [1]	$ 99,410,938	$ 1,132,128,499	$ 1,231,539,437	$ 99,037,108	$ 1,143,010,593	$ 1,242,047,701	$ -	$ -	$ -
Increase in new commitments	-	-	-	-	-	-	146,447,467	1,790,535,265	1,936,982,732
Less net contributions called	(10,508,104)	(144,957,497)	(155,465,601)	(10,134,274)	(155,839,591)	(165,973,865)	(57,548,873)	(860,887,888)	(918,436,761)
Plus contributions returned due to Subsequent Closings	-	-	-	-	-	-	4,240	57,523,625	57,527,865
Plus recallable distributions	5,880,397	81,528,505	87,408,902	5,880,397	81,528,505	87,408,902	5,880,397	81,528,505	87,408,902
Unfunded commitment - September 30, 2021	$ 94,783,231	$ 1,068,699,507	$ 1,163,482,738	$ 94,783,231	$ 1,068,699,507	$ 1,163,482,738	$ 94,783,231	$ 1,068,699,507	$ 1,163,482,738

Searchlight Capital III, L.P. and Parallel Fund

(unaudited)	Current Quarter (Jul 1, 2021 - Sep 30, 2021)			Year-to-date (Jan 1, 2021 - Sep 30, 2021)			Inception-to-date (Oct 2, 2019 - Sep 30, 2021)		
	General Partner [3]	Limited Partners	Total	General Partner [3]	Limited Partners	Total	General Partner [3]	Limited Partners	Total
Total Commitment	$ 250,000,000	$ 3,143,210,000	$ 3,393,210,000	$ 250,000,000	$ 3,143,210,000	$ 3,393,210,000	$ 250,000,000	$ 3,143,210,000	$ 3,393,210,000
Unfunded commitment - beginning of period	$ 169,811,030	$ 1,985,978,545	$ 2,155,789,575	$ 169,172,864	$ 2,005,180,790	$ 2,174,353,654	$ -	$ -	$ -
Increase in new commitments	-	-	-	-	-	-	250,000,000	3,143,210,000	3,393,210,000
Less net contributions called	(17,941,851)	(254,662,898)	(272,604,749)	(17,303,685)	(273,865,143)	(291,168,828)	(98,167,993)	(1,513,775,118)	(1,611,943,111)
Plus contributions returned due to Subsequent Closings	-	-	-	-	-	-	37,172	101,880,765	101,917,937
Plus recallable distributions	10,025,244	143,255,918	153,281,162	10,025,244	143,255,918	153,281,162	10,025,244	143,255,918	153,281,162
Unfunded commitment - September 30, 2021	$ 161,894,423	$ 1,874,571,565	$ 2,036,465,988	$ 161,894,423	$ 1,874,571,565	$ 2,036,465,988	$ 161,894,423	$ 1,874,571,565	$ 2,036,465,988

[1] Audited as of December 31, 2020 as applicable.
[2] Carried Interest allocation is related to unrealized appreciation of Portfolio Investments and is solely calculated for financial reporting purposes.
[3] Includes General Partner and affiliates (see note 5).

Searchlight Capital III (a group of related entities)
Combined Statement of Cash Flows
For the quarter ended September 30, 2021
(Unaudited)

	Current Quarter (Jul 1, 2021 - Sep 30, 2021) (unaudited)	Year-to-Date (Jan 1, 2021 - Sep 30, 2021) (unaudited)	Inception-to-Date (Oct 2, 2019 - Sep 30, 2021) (unaudited)
Cash flows from operating activities			
Net increase/(decrease) in partners' capital from operations	$ 193,718,152	$ 376,728,983	$ 519,936,817
Adjustments to reconcile net increase/(decrease) in partners' capital from operations to net cash provided by/(used in) operating activities:			
Net change in unrealized gain on investments	(104,732,511)	(308,631,237)	(502,933,045)
Net change in unrealized loss on derivatives	(2,022,873)	(1,330,918)	5,717,610
Net realized gain on investment	(104,971,748)	(104,971,748)	(104,971,748)
Increase/(decrease) in interest payable	(13,790)	(27,960)	1,452
Increase/decrease in due to/from Portfolio Companies	(152,197)	5,363,123	(94,258)
(Increase)/decrease in other assets	213,746	646,917	(299,728)
Increase/(decrease) in accrued expenses	15,983	112,088	384,862
Increase/(decrease) in due to Management Company	(1,275,116)	1,038,944	1,124,970
Increase/(decrease) in due to management fee payable	5,071,713	6,160,183	6,160,183
Increase/decrease in due to/from other Searchlight Funds	(1,800)	(3,799,771)	(3,600)
Increase/(decrease) in other payables	1,319,560	1,319,560	1,319,560
Increase/(decrease) in due to broker	8,091	23,946	41,630
Purchase of investments, net	(131,203,453)	(133,654,024)	(780,248,254)
Proceeds from dispositions of investments and returns of capital	155,045,045	155,045,045	155,045,045
Net cash provided by/(used in) operating activities	11,018,802	(5,976,869)	(698,818,504)
Cash flows from financing activities			
Capital contributions, net	154,648,754	165,157,018	860,092,049
Borrowings under Credit Facility	1,153,099	6,122,268	120,431,026
Repayment of borrowings under Credit Facility	(3,901,472)	(11,813,550)	(118,701,378)
Distributions to Partners	(160,753,456)	(160,753,456)	(160,753,456)
Net cash provided by/(used in) financing activities	(8,853,075)	(1,287,720)	701,068,241
Net change in cash	2,165,727	(7,264,589)	2,249,737
Cash			
Beginning of period	84,010	9,514,326	-
End of period	$ 2,249,737	$ 2,249,737	$ 2,249,737
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	$ 27,926	$ 80,918	$ 228,703

The accompanying notes are an integral part of these combined financial statements.

1. Organization

Searchlight Capital III (the "Fund") is comprised of Searchlight Capital III, L.P. (the "Partnership"), its Alternative Investment Vehicles ("AIVs"), as described below, and its wholly owned consolidated subsidiaries used for investment transactions and other purposes. The Partnership is a Cayman Islands exempted limited partnership which commenced operations on October 2, 2019, the date of the Partnership's initial investment. Following the Fund's Final Close on November 8, 2020, the Fund is expected to terminate on November 8, 2030, unless terminated earlier or extended in accordance with the provisions of the Second Amended and Restated Exempted Limited Partnership Agreement dated July 2, 2019 (as amended, the "Partnership Agreement"). The Fund's commitment period is expected to continue through October 2, 2025 (the "Commitment Period").

Searchlight Capital Partners III GP, L.P. (the "General Partner"), a Cayman Islands exempted limited partnership, is the general partner of the Fund.

Searchlight Capital Partners, L.P. (the "Management Company"), a Delaware limited partnership and an affiliate of the General Partner, provides management and investment assistance and advice, as well as administrative services to the Partnership. The Management Company is a registered investment advisor under the Investment Advisors Act of 1940, as amended.

The principal purpose of the Fund is to make private equity and distressed investments in North American and European businesses.

The Fund invests on a side-by-side basis with Searchlight Capital III PV, L.P. (the "PV Fund") and as needed any related AIVs (collectively the "Parallel Fund"). The Fund and Parallel Fund invest and divest proportionally in investments, as applicable. The co-investment percentages of the Fund and the Parallel Fund are generally based upon the relative capital commitments to the Fund and the PV Fund.

The Partnership Agreement provides for investments to be held directly by the Partnership or in AIVs, which are investment vehicles used for the purpose of holding investments alongside the Partnership, due to legal, tax, regulatory or other similar reasons. As of September 30, 2021, the Partnership's AIVs are Searchlight Capital III OPT, L.P., Searchlight Capital III (FC) AIV III, L.P., Searchlight Capital III (FC) AIV, L.P. and Searchlight Capital III FEY, L.P., all Delaware limited partnerships established for Limited Partners of the Partnership. All contributions, distributions and allocations made to or by the AIVs from or to partners, where applicable, are aggregated with those of the Partnership for reporting contributions, distributions and allocations made pursuant to the Partnership Agreement.

The Fund and the Parallel Fund have total combined capital commitments of approximately $3.4 billion, of which $250.0 million has been committed by the General Partner and Searchlight Capital Advisors III, L.P. ("its affiliated Limited Partner", collectively the "Sponsor"). The Fund itself has capital commitments of approximately $1.9 billion, or 57.1% of the combined capital commitments, including approximately $146.4 million from the Sponsor.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Fund's combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Fund is considered an investment company under GAAP and follows the accounting and reporting guidance applicable to investment companies.

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The General Partner has concluded that given the common ownership of the Partnership and the AIVs, presentation of the financial statements on a combined basis provides the most meaningful information. The combined financial statements include the accounts of the Fund and its subsidiaries in which it has a controlling interest. The Fund uses various subsidiaries to make investment transactions, undertake financing or for other special purposes. The Fund consolidates those subsidiaries which are wholly-owned investment companies. All inter-entity transactions and balances within the combined group are eliminated upon combination.

Use of Estimates

The preparation of combined financial statements in conformity with GAAP requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the quarter. In particular, estimates are made relating to the fair value of investments. Actual results could materially differ from those estimates.

Investment Income, Operating Expenses and Investment Transactions

Interest income is recognized on an accrual basis and includes amortization and accretion of premiums and discounts, respectively, if any. Interest income is not accrued when collection is in doubt. The Fund may have portfolio investments which contain a payment-in-kind, or PIK provision. The PIK interest is added to the cost basis and principal of the investment and recorded as income. Certain debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer as well as general factors that influence the financial markets. Discounts on the acquisition or issuance of performing debt securities are generally amortized using the effective interest method. The Fund does not amortize the discount for defaulted securities and debt securities trading at deeply discounted pricing. Dividend income is recorded on the ex-dividend date and when reasonable expectation of collection exists. Distributions from portfolio companies are recognized as income or return of capital based on information reported by each respective portfolio company. Operating expenses consist of permitted Fund expenses in accordance with the terms of the Partnership Agreement, which are accrued as incurred. Such expenses generally include audit fees, tax preparation fees and other expenses associated with the operation of the Fund.

In accordance with the terms of the Partnership Agreement, the Fund and the Parallel Fund bear the organizational and offering expenses incurred in the formation of the Fund, the Parallel Fund, the General Partner and the Management Company. Offering and organizational expenses, other than fees paid to any external agent or agency for the marketing or sale of interests in the Fund and Parallel Fund ("Placement Fees"), are included as operating expenses. The Management Fee will be reduced by an amount equal to (i) 100% of any organizational and offering expenses (other than Placement Fees) in excess of $3.0 million on an aggregate basis (collectively, "Excess Organizational Expenses"), and (ii) the amount of any Capital Contributions by the Limited Partners used to pay Placement Fees.

Investment transactions are recorded on trade date or when contractual obligations or closing conditions have been met or satisfied. Realized gains and losses are recorded on a specific identification basis. Unrealized gains and losses represent the difference between the fair value and the Fund's cost basis in such investment.

2. Summary of Significant Accounting Policies (continued)

Investment Income, Operating Expenses and Investment Transactions (continued)

Pre-acquisition deal costs incurred in connection with the evaluation of specific investments are deferred and capitalized as a component of the cost basis of such investments when the transactions are consummated, are recorded as other assets on an interim basis, or are recorded as investment expenses when management believes the transaction will not be consummated. Post-acquisition costs incurred in connection with the ongoing holding of portfolio company investments are expensed as incurred.

Debt issuance costs are the costs of setting up the Fund's revolving Credit Facility. Such costs are capitalized as other assets and are amortized over the term of the facility. The Credit Facility can be drawn upon and repaid as needed, subject to the terms of the facility.

Investment Valuation

The Fund applies the authoritative guidance under GAAP on fair value measurements and disclosures. The guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance provides a consistent definition of fair value which focuses on an exit price, which is the price that would be expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The valuation of non-public investments requires significant judgment by the General Partner due to the absence of quoted market values, inherent lack of liquidity, and the long-term nature of such assets. Valuations are reviewed periodically using a market and/or income approach, as appropriate, utilizing available market data and where possible precedent transactions to determine if the carrying value of these investments should be adjusted. The General Partner evaluates non-public investments using recent available financial statements and forecasts. The General Partner also consults with the portfolio investments' senior management to obtain further updates on the portfolio company's performance, including information such as industry trends, new product development and other operational matters. Non-public investments may also be valued at their original transaction price, where applicable, for a period of time after an acquisition as the best indicator of fair value. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. For certain investments, the General Partner may determine fair value by aggregating the individual fair values of portions of the company. This may be the case in situations where an underlying company has distinct segments where market participants would apply different metrics to value each segment, as applicable. In such circumstances, the General Partner may first determine the fair value of each segment and then aggregate the values to determine the overall fair value of the investment.

Under the market approach, the General Partner typically uses the enterprise value methodology to determine the fair value of an investment. There is no one methodology to estimate enterprise value, and for any one portfolio investment, enterprise value is generally best expressed as a range of values, from which the General Partner judgmentally derives a single estimate of enterprise value. The market approach generally consists of valuations derived by reference to observable valuation measures for comparable companies or transactions (e.g., multiplying a key performance metric of the investee company, such as EBITDA, EBIT, EBITDA less capital expenditures, revenues or projected net earnings by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by the General Partner for differences as a result of company-specific issues, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

The income approach provides an indication of fair value based on the present value of future cash flows that a portfolio investment or security, such as an individual debt investment, is expected to generate. The most widely used methodology is the discounted cash flow method. Inherent in the discounted cash flow method are assumptions of expected results and a calculated discount rate.

The General Partner prepares a weighted average cost of capital for use in the discounted cash flow model for each investment, based on factors including, but not limited to: current pricing and credit metrics for similar proposed or executed investment transactions of private companies; the portfolio company's historical financial results and outlook; and the portfolio company's current leverage and credit quality as compared to leverage and credit quality as of the date the investment was made.

In addition, in deriving valuations a variety of additional factors are reviewed by the General Partner, including, but not limited to, subsequent rounds of financing and pending sales transactions with third-parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining valuation adjustments resulting from the investment review process, emphasis is placed on market participants' assumptions and market-based information over entity-specific information.

For debt investments for which there is no or limited secondary market trading, the primary valuation technique used to estimate the fair value is the discounted cash flow method. However, if there is deterioration in credit quality or a debt investment is in workout status, the Fund may consider other methods in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio investment or the proceeds that would be received in a liquidation analysis. The General Partner's discounted cash flow models estimate a range of fair values by applying an appropriate discount rate (for example, using an estimated implied yield based on comparable debt securities) to the future cash flow streams of its debt investments, based on future interest and principal payments as set forth in the associated loan agreements.

The General Partner may also consider the following factors when determining the fair value of debt investments: the portfolio investment's ability to make future scheduled payments; prepayment penalties; estimated remaining life; the nature and realizable value of any collateral; and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made. The General Partner estimates the remaining life of its debt investments to generally be the estimated holding period of the instrument, as the Fund generally intends to hold its loans for investment purposes, subject to changes in the capital structure. However, if the General Partner has information available to it that the loan is expected to be repaid in the near term, it would use an estimated remaining life based on the expected repayment date.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

Investments may also include debt instruments traded in the over-the-counter market or publicly-held equity investments. Such publicly-held equity investments are generally obtained on open markets for the purposes of a take-private transaction, through the initial public offering of privately-held equity investments or in connection with a private transaction. Publicly-held investments that trade on an active exchange are marked-to-market at the quoted public value, less adjustments for security level restrictions, where applicable. Discounts for restrictions are estimated by analyzing the length of the restriction period and the volatility of the equity security and result in the security not being classified as level 1 in the fair value hierarchy. Debt instruments traded in the over-the-counter ("OTC") market are generally fair valued at the mid-point of the bid and asked quotes obtained from pricing services or from dealers and market makers in the instruments, if available. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments including quotations from dealers, pricing matrices, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Debt instruments are generally categorized in level 2 or 3 of the fair value hierarchy, depending on the use and availability of observable inputs.

Furthermore, while the General Partner believes its valuation methods are appropriate, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different estimate of fair value at the reporting date. The General Partner's estimates are based on historical experiences and other factors, including expectations of future events that the General Partner believes to be reasonable under the circumstances. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the combined financial statements. The net changes in fair value of unrealized investments are included in net change in unrealized gain/(loss) on investments in the combined statement of operations.

The guidance also establishes a hierarchical framework which categorizes and ranks the level of market price observability used in measuring fair value and requires enhanced disclosures about fair value measurements. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily available, actively quoted or published prices, or for which fair value can be measured from actively quoted or published prices in an orderly market, will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments recorded at fair value are categorized based upon the level of observability and judgment associated with the inputs used to measure their fair value. Hierarchical levels directly related to the amount of subjectivity associated with inputs to fair valuation of these assets are as follows:

Level 1 – Quoted or published prices are available in active markets for identical investments as of the reporting date. The type of investments included in level 1 includes listed equities and actively-traded fixed income securities. As required by GAAP, the Fund does not adjust the quoted or published price for these investments, even in situations where the Fund may hold a large position and a sale could reasonably impact the quoted price.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

Level 2 – Pricing inputs are other than quoted or published prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Publicly-held investments with security level restrictions and investments valued based on certain broker dealer and/or pricing service quotes are classified in level 2 of the fair value hierarchy.

Level 3 – Pricing inputs are unobservable and significant to the overall fair value measurement for the investment. Includes situations where there is little, if any, market activity for the investment and investments for which only one broker quote is available or for which it is unclear if brokers are willing to transact at a quoted price and therefore alternative valuation procedures may need to be undertaken. The inputs into the determination of fair value require significant management judgment or estimation. Non-public private equity investments are classified in level 3 of the valuation hierarchy.

The fair value of OTC derivative contracts depends on the contractual product and transaction terms and can be modeled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments, and the pricing inputs are observed from actively quoted markets, as is the case of option contracts. OTC derivative products valued using pricing models may fall into this category and would be reported within level 2 of the fair value hierarchy.

Investments where the portfolio investments are held via intermediary entities or where such portfolio investments are structured as partnerships are generally fair valued based on the net assets of such portfolio investment as a practical expedient. The net assets of such underlying entities or portfolio investments are generally valued based on each underlying investment within such entity taking into consideration the Fund's valuation policies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The valuation process involved for portfolio investments categorized as level 3 is designed to subject the valuation of level 3 investments to an appropriate level of consistency, oversight, and review. The Management Company has established a valuation committee (the "Valuation Committee"), comprised of individuals from the Management Company, which is responsible for overseeing and determining the valuation of investments held by the Fund. The Valuation Committee meets quarterly and on an as-needed basis to review the methodology and/or significant inputs used in the fair valuation and changes in fair value. For investments held by the Fund and classified as level 3, the investment professionals with responsibility for the underlying portfolio company prepare preliminary valuations using the methodologies described above which are first reviewed by the finance and operations team. These preliminary valuations are then reviewed by the Valuation Committee. After reflecting any input from the Valuation Committee, the final valuations are then re-reviewed where applicable and approved.

2. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

The combined financial statements and the books and records of the Fund are maintained in U.S. Dollars. Assets and liabilities denominated in non-U.S. Dollar currencies are translated into U.S. Dollar equivalents using valuation date exchange rates, while revenues and expenses are translated at the transaction date exchange rates or average quarterly exchange rates as applicable.

The Fund does not isolate the portion of the results of operations arising as a result of changes in foreign exchange rates from the fluctuations arising from changes in the value of investments during the quarter. Foreign currency exchange differences arising on translation and realized gains and losses on disposals or settlements of other assets and liabilities denominated in foreign currencies are recognized within net change in unrealized gain/(loss) on translation of other assets and liabilities in foreign currencies and net realized gain/(loss) on transactions of other assets and liabilities in foreign currencies, respectively, in the combined statement of operations.

Cash

Cash consists of cash on deposit with financial institutions. At September 30, 2021, the Fund's cash balance was approximately $2.2 million and held at Citibank, N.A. Additional information on cash receipts and payments is presented in the combined statement of cash flows.

Due from/to Portfolio Companies

Amounts due from/to portfolio companies represent short-term advances transacted in the ordinary course of business in connection with funding requirements, expenses paid for or by the portfolio companies, or other amounts receivable from or payable to the portfolio companies. These amounts are recorded in the combined financial statements at cost which the General Partner believes approximates fair value.

Due to Broker

Amounts due to broker represent amounts owed to counterparties of derivative hedge transactions.

Taxes

The Partnership is governed by The Exempted Limited Partnership Law (Revised) in the Cayman Islands and has received undertakings by the Cayman Islands' government that no taxes of any kind will be levied on the Partnership for fifty years from the date the Cayman Islands decides to levy taxes. The Partnership has elected to be treated as partnerships for U.S. tax purposes. The AIVs are Delaware limited partnerships. As such, the Fund is treated as transparent from a tax perspective, profits and losses are attributed to partners such that they are then taxed on their respective share resulting in taxation not being provided for in the Fund's financial statements. No provision is made in the accompanying combined financial statements for partnership level U.S. federal, state, or local taxes, since any such liabilities are generally the responsibility of individual partners and not the Fund, except as a result of a U.S. federal tax audit assessment. The Fund may be subject to taxes imposed in other countries in which it invests. Such taxes are generally based on investment income and/or gains earned.

However, certain U.S. dividend income and interest income may be subject to a maximum 30% withholding tax as a result of the investment structure or in the absence of treaty benefits for those Limited Partners that are foreign entities or foreign individuals. Further, certain non-U.S. dividend income may be subject to tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction. The Fund files an income tax return in the U.S. federal jurisdiction and may file income tax returns in various U.S. states and foreign jurisdictions.

2. Summary of Significant Accounting Policies (continued)

Taxes (continued)

In addition, where applicable, the Fund's subsidiaries or intermediary entities (collectively the "Subsidiaries") use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, using statutory tax rates in effect for the period in which the temporary differences are expected to reverse. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. Taxable income generally excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized. The Subsidiaries hold certain portfolio investments for the Fund.

The Subsidiaries are not consolidated with the Fund for income tax purposes and may generate income tax expense as a result of their ownership of various portfolio investments. Pursuant to the Partnership Agreement, such income tax expense or withholding tax, where applicable, is attributed to the Limited Partner that holds an indirect interest in the related portfolio investment via the Subsidiary. For financial statement purposes such attributed taxes are initially treated as an advance and are reflected in the Fund's combined statement of changes in partners' capital as a net change in advances for withholding and blocker taxes.

Authoritative guidance on accounting for and disclosure of uncertainty in tax positions requires the General Partner to determine whether a tax position of the Fund is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more-likely-than-not threshold, the tax amount recognized in the combined financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. At September 30, 2021, the General Partner has determined that no reserve is necessary due to the absence of uncertain tax positions and does not believe that this position will change within the next twelve months.

The Fund files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Fund is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. As of September 30, 2021, the tax periods from inception remain subject to examination by the major tax jurisdictions under the statute of limitations.

3. Investments

As of September 30, 2021, the Fund's investment assets and liabilities reported at fair value have been categorized based on a fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Other Investments	Total
			(in millions)		
Investment and derivative assets, at fair value					
Equity Interests	$ -	$ -	$ 56.2	$ -	$ 56.2
Partnership Interests	-	-	-	1,171.2	1,171.2
Options - Foreign Currency	-	0.6	-	-	0.6
Total investment and derivative assets	$ -	$ 0.6	$ 56.2	$ 1,171.2	$ 1,228.0

3. Investments (continued)

	Level 1	Level 2	Level 3	Other Investments	Total
			(in millions)		
Derivative liabilites, at fair value					
Currency Forward Contracts	$ -	$ 3.3	$ -	$ -	$ 3.3
Total derivative liabilities	$ -	$ 3.3	$ -	$ -	$ 3.3

Other Investments held within partnership interests are fair valued based on net assets as a practical expedient.

The level 3 investment values have been estimated by the General Partner using the market approach, the income approach, precedent transactions, and other valuation techniques in the absence of readily ascertainable fair values. Significant level 3 unobservable inputs are summarized below:

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value at September 30, 2021 (in millions)	Valuation Methodology	Unobservable Inputs	Value
Equity Interests	$56.2	Market approach	EBITDA multiple	8.3x
			Liquidity discount	10%
		Income approach	Discount rate	7.3%
			Terminal EBITDA multiple	8.5x
		Precedent transactions	EBITDA multiple	9.6x

The classification of investments within level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement. However, level 3 investments may include, in addition to the use of unobservable inputs, observable inputs (that is, inputs that are actively quoted, published or can be validated to market sources and data); accordingly, gains and losses may include changes in fair value due in part to changes in observable inputs that are part of the valuation methodology.

During the quarter ended September 30, 2021, there were no purchases of level 3 investments and no transfers between levels of the fair value hierarchy.

3. Investments (continued)

Following a restructuring of Survitec Group Limited ("Survitec"), the Fund has an indirect exposure to (i) approximately £14.6 million in preferred shares of Survitec (£25.6 million for the Fund and Parallel Fund) and (ii) a 13.5% interest in common shares of Survitec (23.6% for the Fund and Parallel Fund). Survitec is a privately held global manufacturer and servicer of safety systems for commercial marine and defense applications headquartered in the UK. The Fund's interest in Survitec is indirectly held via Searchlight III SVT, L.P ("SLSVT"), a Cayman Islands exempted limited partnership. The September 30, 2021 fair value of the Fund and Parallel Fund's interest in the consolidated net assets of SLSVT, representing an indirect interest in Survitec, is approximately $142.6 million on a US dollar equivalent basis and is principally comprised of (1) the interest in Survitec equity with a fair value of $136.1 million, inclusive of accrued dividend income and (2) other net assets of $6.5 million comprised primarily of cash.

The Fund and Parallel Fund hold an 86.0% interest in Opus Group AB ("Opus"), a leading player in the vehicle inspection and advanced automotive diagnostics sectors in Europe and North America. The Fund's interest in Opus is indirectly held via Searchlight III OZY, L.P ("SLOZY"), a Cayman Islands exempted limited partnership. The September 30, 2021 fair value of the Fund and Parallel Fund's interest in the consolidated net assets of SLOZY is approximately $210.8 million on a US dollar equivalent basis and is principally comprised of (1) the indirect interest in Opus common stock fair valued at $202.3 million and (2) $8.5 million of other net assets comprised primarily of cash less accrued expenses.

The Fund, Parallel Fund, and other Searchlight managed investment vehicles hold a controlling interest in Ziply Fiber ("Ziply"), which provides residential and commercial communications services over its owned networks in the Northwest U.S. The Fund's investment in Ziply is held via Northwest Fiber Holdco, LLC, a Delaware limited liability corporation.

The Fund, Parallel Fund, a Searchlight managed investment vehicle and certain third-party investors (collectively "SCPGRP") hold an equity interest in Global Risk Partners ("GRP"), a UK focused insurance intermediary offering commercial and private client retail broking, wholesale specialty broking, and specialty product underwriting agencies. The Fund's interest in GRP is indirectly held via Searchlight III GLX, L.P ("SLGLX"), a Cayman Islands exempted limited partnership held by SCPGRP. As of September 30, 2021, the fair value of the consolidated net assets of SLGLX is $473.3 million on a US dollar equivalent basis, principally comprised of the indirect investment in GRP. The Fund and Parallel Fund's effective ownership percentage in GRP is 59.7%.

In connection with its investment in GRP, the Fund along with the Parallel Fund entered at origin into a put option hedge with Nomura International PLC, to sell £42.8 million for an aggregate long exposure of $49.0 million (£75.0 million and $85.8 million, respectively, for the Fund and Parallel Fund on a combined basis). The option contract provides the Fund the right, but not the obligation, to sell the specified amount of British Pound currency at the contracted price on March 27, 2024. The total premium cost of the put option hedge, including financing charges, of approximately $3.1 million ($5.5 million for the Fund and Parallel Fund) is due on expiry of the option in March 2024 or at exercise and has been committed by the Fund, subject to certain conditions. The put option is classified as level 2 in the valuation hierarchy. Furthermore, in connection with its investment in GRP, the Fund also entered at origin into a forward currency contract hedge with Citibank, N.A., to sell £42.8 million for an aggregate long exposure of $54.4 million (£75.0 million and $95.4 million, respectively, for the Fund and Parallel Fund on a combined basis). The forward currency contract requires the Fund to sell the specified amount of Pound currency at the contracted price on June 16, 2025. The forward currency contract is classified as level 2 in the valuation hierarchy. The net change in unrealized loss on these two hedging derivatives during the quarter of $2.0 million has been included in the combined statement of operations.

3. Investments (continued)

The Fund and Parallel Fund's investment in SPE III DBT, L.P. ("SPEDBT"), a Cayman Islands exempted limited partnership, represents an indirect interest originally in a portfolio of credit securities from stressed and distressed businesses in North America and Europe. The September 30, 2021 fair value of the Fund and Parallel Fund's indirect interest in the consolidated net assets of SPEDBT is approximately $56.4 million on a US dollar equivalent basis, principally comprised of (1) a structured investment in credit securities denominated in U.S. Dollars, British Pounds, and Eurodollars, fair valued at $263.0 million, (2) other net assets of $71.2 million comprised primarily of cash, as well as investment sales and purchases pending settlement, net of (3) financing equivalent to $129.8 million, due in 2023 provided by UBS AG and (4) debt financing of $148.0 million, due in 2023 under the revolving credit agreement with Citibank, N.A. to which SPEDBT is a party to. During the quarter ended September 30, 2021, the Fund distributed $25.7 million ($45.0 million for the Fund and Parallel Fund) of net proceeds from the underlying credit securities portfolio. In connection with a contemplated investment transaction, the Fund and Parallel Fund have a potential commitment to fund €29.9 million.

The Fund, Parallel Fund, a Searchlight managed vehicle and a third-party investor hold an investment in Consolidated Communications Holdings, Inc. ("Consolidated"). Consolidated is a U.S. based publicly traded broadband communications provider. The Fund's interest in Consolidated is indirectly held via Searchlight III CVL II, L.P. ("SLCVL"), a Delaware limited partnership held by the Fund, Parallel Fund and a third-party investor. As of September 30, 2021, the fair value of the total net assets of SLCVL is $671.7 million, effectively comprised of (1) restricted common shares fair valued at $211.4 million, (2) additional common shares to be received upon regulatory and shareholder approval which are valued at $51.3 million, and (3) rights to ultimately receive preferred shares with a fair value of $410.3 million, net of (4) other net liabilities of $1.3 million. Subject to certain conditions being met, the Fund, Parallel Fund and a Searchlight managed vehicle have an additional funding commitment of $75.0 million as of September 30, 2021. The Fund and Parallel Fund's investment in common shares results in a 13.7% equity interest in Consolidated.

The Fund, Parallel Fund and certain third-party investors (collectively "SCPGYG") hold an investment in GetYourGuide ("GYG"), a leading European based online travel agency and marketplace for travel activities and experiences. Their interest in GYG is indirectly held via Searchlight III GYG, L.P ("SLGYG"), a Cayman Islands exempted limited partnership. As of September 30, 2021, the fair value of the consolidated net assets of SLGYG was $90.6 million, on a US dollar equivalent basis, principally comprised of a convertible loan investment in GYG with a principal value of €58.3 million.

The Fund and Parallel Fund hold a 26.0% equity interest in Univision Holdings, Inc. ("Univision"), the largest Spanish-language media company in the United States as measured by audience and revenue. The Fund's interest in Univision is indirectly held via Searchlight III UTD AGG, L.P. ("SLUTD"), a Delaware limited partnership. As of September 30, 2021, the fair value of SLUTD net assets was $376.6 million, principally comprised of (1) the indirect investment in Univision valued at $375.8 million and (2) other net assets of $0.8 million principally comprised of cash less accrued expenses.

The Fund, Parallel Fund and a third-party investor hold a 23.3% equity interest in Sightline Payments ("Sightline"), a US financial technology company that provides specific payment solutions to the regulated US gaming industry. The Fund's interest in Sightline is indirectly held via Searchlight III FEY, L.P ("SLFEY"), a Delaware limited partnership. As of September 30, 2021, the fair value of SLFEY net assets was $201.7 million, principally comprised of (1) the indirect investment in Sightline valued at $201.4 million and (2) other net assets of $0.3 million principally comprised primarily of cash less accrued expenses. During the quarter ended September 30, 2021, the Fund distributed $135.1 million ($236.6 million for the Fund and Parallel Fund) following the receipt of proceeds from Sightline's most recent equity raise, net of any applicable amounts withheld.

3. Investments (continued)

The Fund, Parallel Fund and a third-party investor hold a 97.5% equity interest in Care Advantage, Inc. ("Care Advantage"), a US based provider of post-acute home-based care. The Fund's interest in Care Advantage is indirectly held via Searchlight III HHS, L.P. ("SLHHS"), a Delaware limited partnership. As of September 30, 2021, the fair value of SLHHS net assets was $100.3 million, principally comprised of (1) the indirect investment in Care Advantage valued at $100.2 million and (2) other net assets of $0.1 million principally comprised primarily of cash less accrued expenses.

Subsequent to quarter end, the Fund and Parallel Fund completed the acquisition of a 35% ownership stake in Euclid Transactional, LLC ("Euclid"), a specialized managing general agent focused on transactional risk insurance solutions across North America and Europe. The Fund's interest in Euclid is indirectly held via Searchlight III CTG, L.P. ("SLCTG"), a Delaware limited partnership. As of September 30, 2021, the initial investment of $74.2 million ($130.0 million for the Fund and Parallel Fund) is included in investments in the Combined Statement of Assets, Liabilities and Partners' Capital.

4. Related Party Transactions

Management Fee

The Management Company or its designee is entitled to receive an investment management fee (the "Management Fee") payable semi-annually in advance by the Partnership with respect to each Limited Partner (each a "Limited Partner" and collectively the "Limited Partners"), other than any affiliated Limited Partner, in the amount of 2.0% per annum of the commitment of such Limited Partner, and a pro-rata portion thereof for any partial fiscal year during the Initial Fee Period. Thereafter, such Management Fee will be an amount equal to 1.5% per annum of such Limited Partner's pro-rata share of the adjusted cost of all unrealized investments as of the first date of such semi-annual period. The Management Company is entitled to receive the Management Fee commencing as of the Effective Date based on the commitment of such Limited Partner, regardless of when such Limited Partner is actually admitted to the Fund.

To the extent, the General Partner or any of its affiliates earns any fees, net of related Fund expenses or other unreimbursed Fund expenses from portfolio companies or broken deals, the Limited Partners' pro-rata portion of such net fees will generally be applied to reduce subsequent installments of the Management Fee but shall not be carried back to prior periods. The reduction amount will equal the Fund's pro-rata allocated share of 100% of such net fees received by the Management Company. The current period's Management Fee was reduced by $0.6 million to account for other fees received by the Management Company. As of September 30, 2021, $0.2 million in unapplied other fees have been received by the Management Company. During the quarter ended September 30, 2021, the Fund incurred Excess Organizational Expenses of $0.3 million. Such fees and excess amounts will be applied to reduce future Management Fees.

Other

In the normal course of operations, the Management Company pays for permitted Fund expenses and other costs on behalf of the Fund. As of September 30, 2021, approximately $1.1 million of Fund expenses were due to the Management Company as reimbursement.

5. Partners' Capital

Capital Commitments

Each Limited Partner has made a Capital Commitment to the Fund pursuant to the acceptance of such Limited Partner's Subscription Agreement by the General Partner on behalf of the Fund. The Limited Partners had total Capital Commitments of approximately $1.8 billion and the Sponsor had total Capital Commitments of approximately $146.4 million to the Fund as of September 30, 2021. At September 30, 2021, on a combined basis the Limited Partners and Sponsor of the Fund and the Parallel Fund had Capital Commitments totaling $3.1 billion and $250.0 million respectively.

As permitted by the Partnership Agreements of the Fund and the Parallel Fund, the General Partner, as General Partner of the Fund and the applicable Parallel Fund, may make its contributions for portfolio investments either via Searchlight Capital III, L.P., its affiliated AIVs, subsidiary Intermediate Entities, other entities affiliated to the General Partner or a Searchlight managed investment vehicle, as applicable thereby utilizing its commitment to the Fund.

At September 30, 2021, there remains approximately $1.2 billion ($2.0 billion for the Fund and Parallel Fund) of unfunded commitments representing 60.1% of the total Partners' Capital Commitments on a net basis – approximately $1.1 billion for Limited Partners and approximately $94.8 million for the Sponsor.

Contributions

The Partners are obligated to make capital contributions, on a pro-rata basis in accordance with their respective commitments, as and when called from time to time by the General Partner, to permit the Fund to make investments and to pay the Fund's obligations and other liabilities, or to establish adequate reserves. For any capital contributions required with respect to the Management Fee, contributions are made by each Limited Partner in an amount determined as described in Note 4.

Where applicable, capital contributions by Partners for investments and associated Fund expenses may be directed to AIVs or Intermediate Entities as a result of their admission as partners or shareholders to those AIVs or Intermediate Entities.

Distributions

At the sole discretion of the General Partner, distributions may be made in cash, marketable securities or other in-kind distributions of securities ("Distributable Proceeds"). Generally, Distributable Proceeds will be apportioned as follows:

a) Distributable Proceeds attributable to portfolio investments will first be apportioned as an interim step among the Partners in accordance with their percentage interest in such portfolio investment (the "Subject Investment"). Amounts apportioned to the Sponsor will then be distributed to such partner. Subject to the previous sentences, each Limited Partner's share of such distribution of Distributable Proceeds shall be divided between such Limited Partner and the General Partner as follows:

    i. First, 100% to such Limited Partner until such Limited Partner has received an amount equal to the sum of (a) all net capital contributions made by such Limited Partner applied to the Subject Investment, (b) unrecouped losses on dispositions on realized investments, bridge financings and temporary investments, (c) the Limited Partner's net unrealized loss, if any; and (d) the Management Fee and other Fund expenses of such Limited Partner allocated to all realized investments;

5. Partners' Capital (continued)

Distributions (continued)

ii. Second, 100% to such Limited Partner until the cumulative amount previously and currently distributed to the Limited Partner is sufficient to provide such Limited Partner their preferred return. Preferred return is an amount equal to an 8% cumulative annual return, compounded annually, and calculated based upon each Limited Partner's aggregate capital contributions that are described in clause (i) above;

iii. Third, 20% to the Limited Partner and 80% to the General Partner as a catch-up to 20% overall carried interest distribution, to the extent necessary for the aggregate of such distributions, up to and including the current distribution, to equal 20% of the cumulative amounts of distributions made to such Limited Partner under clause (ii) above, as well as tax distributions and this clause; and

iv. Thereafter, 80% to the Limited Partner and 20% to the General Partner.

The 20% allocation in clauses (iii.) and (iv.) above is termed the "Carried Interest".

b) The Distributable Proceeds attributable to any bridge financing will be returned to the Partners, pro-rata in accordance with each partner's percentage interest with respect to such bridge financing.

c) Distributable Proceeds attributable to any temporary investment will be returned to the Partners, pro-rata in accordance with each Partner's percentage interest with respect to such temporary investment, except that with respect to any temporary investment that was made using proceeds from the disposition of a portfolio investment, the Distributable Proceeds from such temporary investment will be distributed to the Partners pro-rata in proportion to the amount of Distributable Proceeds from such portfolio investment that would have been made to each Partner if such distribution occurred at the time the temporary investment was acquired.

The General Partner is allocated profits and may participate, where available, in Fund distributions taking into account the notional amount of cumulative Waived Fee Contributions and capital commitments. Fund intermediary entity, blocker expenses and withholding taxes may be treated as Distributable Proceeds, together with amounts paid to the attributable Limited Partner, as if apportioned and distributed to such Limited Partner pursuant to the above.

The General Partner may at any time elect not to receive any or all portion of any distribution or allocation that otherwise would be made to it with respect to its Carried Interest. The General Partner may impose restrictions with respect to distributions and allocations associated with such Carried Interest (or subsequent amounts) in its sole discretion in connection with making this election. Such amounts shall, in the General Partner's sole discretion, either be retained by the Fund or distributed to the Limited Partners. If the General Partner elects to distribute such amounts to the Limited Partners, beginning on the date determined by the General Partner, 100% of any and all subsequent distributions by the Fund of distributable proceeds available shall be distributed to the General Partner until the General Partner has received the same aggregate amount of carried interest it would have received had it not waived receipt of these distributions.

Under the circumstances described in the next sentence, in the event the General Partner has received distributions of Carried Interest in respect of any Limited Partner, the General Partner will be obligated to make clawback amount contributions for the benefit of such Limited Partner within 120 days (i) after the end of the sixth full Fiscal Year of the Fund and every third full Fiscal Year thereafter, and (ii) after the liquidation of the Fund (each a "Determination Date").

5. Partners' Capital (continued)

Distributions (continued)

The clawback amount is determined separately for each Limited Partner and is equal to the greater of (i) the amount, if any, by which cumulative Carried Interest distributions received by the General Partner in respect of such Limited Partner as of the Determination Date less all clawback amounts previously contributed by the General Partner with respect to such Limited Partner exceed 20% of the amount of the aggregate distributions made by the Fund in respect of such Limited Partner as of the Determination Date in excess of the sum of (a) the aggregate capital contributions made by such Limited Partner that are described in clause (a)(i) above as of the Determination Date, and (b) without duplication, the net unrealized loss as of the Determination Date, if any, or (ii) the positive shortfall amount, if any, by which the sum of the Preferred Return as of the applicable Determination Date and the amounts described in subclauses (a) and (b) of clause (i) above exceeds the cumulative distributions to such Limited Partner as of the Determination Date.

The clawback amount will not exceed on a cumulative basis the after-tax amounts received by the General Partner as aggregate Carried Interest distributions with respect to such Limited Partner. Any applicable clawback of Carried Interest will be accrued as appropriate.

Where applicable, Distributable Proceeds from investments held via AIVs are determined as if the Limited Partner had received such distribution from the Partnership when determining the above.

The Fund may also withhold distributions to pay any taxes the Fund is required to withhold with respect to any amount allocable to a Partner and any amounts so withheld will be deemed to be a distribution to the Partner. If the cumulative withholdings for any period exceeds the Distributable Proceeds attributable to the Partner, the excess will be considered a loan from the Fund to the Partner with interest at the Prime Rate.

Allocation of Profits and Losses

Except as otherwise provided for in the Partnership Agreement, any profits and losses of the Fund will be allocated to the Partners such that a partner's capital account, immediately after making such allocation, is equal (proportionately) to the distributions that would be made to such partner pursuant to the distribution provisions above if the Fund were dissolved, its affairs wound up and its assets sold for cash equal to their carrying value, all Fund liabilities were satisfied (limited with respect to each nonrecourse liability to the carrying value of the assets securing such liability), and the net assets of the Fund were distributed in accordance with the distribution provisions above to the Partners immediately after making such allocation.

Any applicable Carried Interest related to unrealized appreciation will be accrued as an allocation for financial statement purposes, even though an appreciated investment is not currently realized. There can be no assurance that such unrealized appreciation will be realized in the future.

Accordingly, any applicable Carried Interest, as calculated and accrued would not necessarily be distributable under the Partnership Agreement and may never be paid based upon the computation of Carried Interest in subsequent periods.

As of September 30, 2021, the cumulative accrued Carried Interest amounted to $95.1 million following an allocation of $36.2 million from the Limited Partners to the General Partner in the current quarter ended September 30, 2021. There has been no Carried Interest paid since inception of the Fund.

Withdrawals and Transfers

As further described in the Partnership Agreement, Limited Partners of the Fund are generally not permitted to withdraw their capital from the Fund. Similarly, the transfer of a partner's interest is generally not permitted without the General Partner's prior consent.

6. Risks

The following summary of certain risks factors is not intended to be a comprehensive summary of all risks inherent in investing in the Fund and describes only certain of the risks associated with the Fund’s investment strategy. The market for investments suitable for the Fund is highly competitive and the Fund may not be able to locate, complete and exit investments that satisfy the Fund’s investment objectives or realize upon their values. The Fund’s investments are subject to various risk factors including, but not limited to, market, credit, industry, and currency risks.

Market risk represents the potential loss in value of financial instruments caused by movements in market variables, such as interest and foreign exchange rates and equity prices. Investment performance of a more concentrated sector may have a significant impact on the performance of the Fund.

Illiquidity in the markets in which the Fund invests could also adversely impact the performance and the valuation of the Fund's underlying investments. The Fund may also invest in debt obligations and other securities of distressed companies, and the unstable financial condition of these companies may entail substantial risks. As of September 30, 2021, the Fund was invested in certain entities which generally do not permit redemptions or transfers except as specified in the respective agreements.

The Fund’s investments will also be subject to general global economic conditions and fluctuations in the debt and equity markets, which conditions could include interest rates, availability of credit, inflation rates, economic uncertainty and changes in national or international political circumstances, public health crises and other events. The COVID-19 pandemic has led, and for an unknown period of time, will continue to lead to disruptions in markets and economies. Due to the international scope of its investing strategy, the Fund’s investments may also be susceptible to foreign currency and exchange restrictions, as well as foreign investment and repatriation restrictions. Furthermore, the

Fund is exposed to economic risk concentrations related to concentrations of investments in certain industries and geographies.

Due to the private equity nature of the Fund’s investments, portfolio valuation inherently is highly subjective and may not reflect the price at which the Fund could dispose of its interests in a particular portfolio company at any given time. In addition, the significant unobservable inputs used in the fair value measurement of the Fund’s investment are EBITDA, EBIT or revenue multiples and discounts for lack of marketability. Significant decreases (increases) in observed market prices, EBITDA, EBIT or revenue multiples or increases (decreases) in the discount for lack of marketability or discount rates in isolation as inputs would result in a significantly lower (higher) fair value measurement.

Furthermore, investments in private equity securities are illiquid, can be subject to various restrictions on resale, and there can be no assurance that the Fund will be able to realize the value of such investments in a timely manner.

The Fund invests in assets and accesses financing that have stated interest rates determined by reference to LIBOR. As a result of various regulatory and market participant decisions, LIBOR will be replaced as a reference benchmark after 2021. At this time, it is not possible to predict the nature or effect of any such change. As market participants in many jurisdictions have begun transitioning away from LIBOR, the uncertainty of such transition or other reforms may adversely affect the market for or value of the Fund’s investments and financial obligations that are determined by reference to LIBOR.

6. Risks (continued)

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Fund's strategy may include the acquisition of debt securities. Investment portfolios with debt securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such security.

The Fund and the portfolio investments may enter into transactions with broker-dealers in securities and may also use hedging strategies that could involve a variety of derivative transactions. The risks posed by these transactions include the risk that counterparties will default on their obligations.

In the normal course of operations, the Fund may enter into derivative transactions for hedging purposes that are cross-collateralized between the Fund and its Parallel Fund that enter into similar transactions with the same counterparty. In the event the Parallel Fund or their respective subsidiaries are unable to fulfill their obligation with the counterparty, the Fund may be required to perform to the extent the Parallel Fund has outstanding obligations.

Cash balances may be held at Citibank, N.A. and at times may exceed federally insured limits and they may therefore be subject to credit risk.

Certain investments may also be held with financial institutions as custodians. The bankruptcy or insolvency of one of the Fund's custodians may cause the Fund's rights with respect to the securities held by the custodians to be limited. The Fund monitors its custodians on a periodic basis and obtains monthly reporting.

The investments held by the Fund involve a high degree of business and financial risk that can result in substantial losses. The Fund's investments may utilize credit facilities from third-party lending institutions as important components of their capital structure. Certain economic conditions or company specific factors could increase funding costs, limit access to the credit markets or result in a decision by lenders not to extend credit to the Fund's investments. These circumstances, among others, may ultimately impact the value of the Fund's investments.

Because of the inherent uncertainty of the valuation of the Fund's investments, the allocation of profits and losses to all partners as reflected within these combined financial statements may not necessarily represent amounts that might ultimately be allocated and distributed.

As outlined in the Partnership Agreement, Limited Partners of the Fund cannot redeem or withdraw their capital and there are restrictions applicable to the sale or transfer of an investor's interest.

The Management Company and the General Partner provide investment management services to the Fund and its Parallel Fund as well as other investment vehicles. Also, the General Partner and/or its affiliates make co-investments with other investors and/or more Limited Partners. Other affiliated entities may also hold certain securities held by the Fund and its Parallel Fund. The Fund could be materially affected by the actions and liquidity of the General Partner and the Management Company. In addition, any unfunded partners' capital commitments are subject to the risk of default by such partners and the Fund could be materially affected by the actions of the Parallel Fund and other investment vehicles.

7. Credit Facility

Subsequent to quarter end, the Partnership along with the Parallel Fund renewed their revolving credit agreement (the “Credit Facility”) with Citibank, N.A., the administrative agent and initial lender for an ultimate aggregate commitment from Citibank and a syndicate of lenders of $450.0 million. Borrowings are at a rate of LIBOR plus 1.75% per annum. Subsequent to year end, the LIBOR benchmark will be replaced with the new relevant benchmark for borrowings in the different permitted currencies. Any borrowing under the Credit Facility, by the Partnership, Parallel Fund, Intermediate Entity, or portfolio company constitute the joint and several obligations of the Partnership and the Parallel Fund. The agreement expires on October 6, 2023. Borrowing availability under the Credit Facility is limited to the lesser of the facility total and the calculated borrowing base, which is based on stipulated risk weighted percentages applied to the Fund’s eligible Limited Partners’ unpaid commitments. The Credit Facility permits the issuance of letters of credit. Letters of credit issued pursuant to the Credit Facility reduce the amount available for borrowing under the Credit Facility.

As permitted by the Partnership Agreement, Citibank, N.A. was granted a security interest in the General Partner’s right to drawdown the Limited Partners’ unpaid commitments. If the amount of such unpaid commitments securing the Credit Facility decreases as capital is called, the General Partner may be required to call additional capital contributions or use proceeds from the sale of portfolio investments to reduce the Fund's outstanding borrowings under the Credit Facility. The Fund is subject under its Credit Facility to i) financial covenants, including among other items, maintenance of certain funding requirements; ii) non-financial covenants, including among other items, restrictions on incurring additional financial indebtedness.

As of September 30, 2021, the Fund had outstanding borrowings of approximately $1.7 million, including accrued interest, and together with the Parallel Fund, amounts outstanding of $3.0 million, including accrued interest. Portfolio companies party to the Credit Facility had borrowings outstanding of $148.0 million, including accrued interest, under the Credit Facility, on a US dollar equivalent basis and with short dated maturities. The fair value of outstanding borrowings approximates its carrying amount in the combined statement of assets, liabilities and partners’ capital.

8. Commitments and Contingencies

Other than in connection with the Fund’s investments denoted in Note 3 and Credit Facility in Note 7, there were no other unfunded investment commitments at September 30, 2021. Unfunded commitments to provide funds to portfolio investments are not reflected on the Fund’s combined statement of assets, liabilities and partners’ capital.

In the normal course of business, the Fund enters into general contracts that contain a variety of representations and warranties and which provide general indemnifications, including with respect to the General Partner and certain affiliates. Contracts containing indemnification obligations include, but are not limited to, agreements with the General Partner and its affiliates and other service providers, under certain circumstances. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the General Partner expects the risk of loss to be remote.

The Fund is not currently subject to any material legal proceedings. From time to time, the Fund or its portfolio companies may be a party to certain legal proceedings in the ordinary course of business. While the outcome of these legal proceedings cannot be predicted with certainty, the Fund does not expect that these proceedings will have a material effect upon its financial condition or results of operations.

9. Financial Highlights

Financial highlights for the quarter ended September 30, 2021 are as follows:

Ratios to Weighted Average Limited Partners' Capital [(a)(b)]		
Ratio of net investment loss [(e)]		(4.2)%
Ratio of total expenses prior to offset for other fees	4.3%	
Offset for other fees [(d)]	(0.1)%	
Ratio of total expenses after offset for other fees		4.2 %
Ratio of Carried Interest allocation		4.0 %
Ratio of total expenses and Carried Interest allocation		8.2 %
Limited Partners' Internal Rate of Return[(a)(c)]		
Inception to September 30, 2021		48.0 %
Inception to December 31, 2020 [(1)]		41.3 %

[(1)] Audited as of December 31, 2020

a) The ratios to average Limited Partners' capital and the Internal Rate of Return ("IRR") are calculated for the Limited Partners as a whole. The computation of such ratios and IRR based on the amounts allocated to an individual partner's capital account may vary from these ratios and IRR based on the timing of capital transactions.

b) The ratios are computed as a percentage of average monthly Limited Partners' capital for the quarter. The expense ratios are presented both inclusive and exclusive of the effects of Carried Interest, expense offsets and other credits.

c) The IRR, net of all fees and Carried Interest allocation to the General Partner, is computed using Limited Partners' cash inflows (capital contributions) and outflows (distributions) since inception and the Limited Partners' capital account at the end of the quarter.

d) Offset for other fees includes fees received from portfolio companies and Excess Organizational Expenses.

e) The net investment loss ratio does not include the effects of Carried Interest.

10. Subsequent Events

Events and transactions from October 1, 2021 through November 12, 2021, the date that these combined financial statements were available to be issued, have been evaluated by the General Partner, for the purpose of recognition and disclosure in these combined financial statements. Other than as disclosed, there are no other subsequent events that require adjustments to or disclosures in these financial statements.

Searchlight Capital III (a group of related entities)
Combined Supplemental Schedule of Partners' Capital
For the quarter ended September 30, 2021
(Unaudited)

	Partners' Capital beginning of quarter	Capital Contributions / Transfers In	Profits/(losses) and other allocations	Distributions / Transfers Out	Partners' Capital end of quarter
Searchlight Capital III					
Limited Partners					
SCIII-INV0021	$ 12,505,215	$ 2,035,360	$ 1,969,651	$ (2,076,047)	$ 14,434,179
SCIII-INV0023	1,499,467	245,690	236,164	(249,126)	1,732,195
SCIII-INV0107	10,004,169	1,628,293	1,575,727	(1,660,839)	11,547,350
SCIII-INV0114	20,008,338	3,256,580	3,151,443	(3,321,672)	23,094,689
SCIII-INV0117	74,952,557	12,099,673	11,907,916	(12,456,277)	86,503,869
SCIII-INV0125	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0126	3,001,253	488,486	472,713	(498,250)	3,464,202
SCIII-INV0127	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0128	2,998,937	491,383	472,321	(498,250)	3,464,391
SCIII-INV0130	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0132	3,401,421	553,613	535,749	(564,687)	3,926,096
SCIII-INV0133	34,014,175	5,536,188	5,357,458	(5,646,846)	39,260,975
SCIII-INV0134	5,102,127	830,427	803,619	(847,027)	5,889,146
SCIII-INV0135	25,010,427	4,070,722	3,939,320	(4,152,093)	28,868,376
SCIII-INV0137	74,952,565	12,099,663	11,907,924	(12,456,277)	86,503,875
SCIII-INV0283	74,952,556	12,099,669	11,907,883	(12,456,244)	86,503,864
SCIII-INV0284	149,537,872	24,049,379	23,935,811	(24,912,557)	172,610,505
SCIII-INV0285	6,552,730	1,066,533	1,032,098	(1,087,847)	7,563,514
SCIII-INV0286	2,050,849	333,803	323,023	(340,471)	2,367,204
SCIII-INV0287	5,702,378	928,121	898,164	(946,676)	6,581,987
SCIII-INV0288	9,303,881	1,514,307	1,465,424	(1,544,578)	10,739,034
SCIII-INV0289	7,503,126	1,221,219	1,181,791	(1,245,629)	8,660,507
SCIII-INV0290	499,825	81,894	78,722	(83,041)	577,400
SCIII-INV0291	9,804,085	1,595,725	1,544,211	(1,627,620)	11,316,401
SCIII-INV0292	2,199,219	360,349	346,371	(365,384)	2,540,555
SCIII-INV0293	1,418,221	230,834	223,379	(235,445)	1,636,989
SCIII-INV0294	5,002,085	814,146	787,860	(830,418)	5,773,673
SCIII-INV0295	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0296	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0297	4,001,669	651,314	630,290	(664,334)	4,618,939
SCIII-INV0298	2,998,937	491,383	472,321	(498,250)	3,464,391
SCIII-INV0299	749,736	122,846	118,083	(124,562)	866,103
SCIII-INV0300	2,501,043	407,072	393,930	(415,209)	2,886,836
SCIII-INV0301	3,501,456	569,905	551,501	(581,292)	4,041,570
SCIII-INV0302	2,250,938	366,364	354,540	(373,689)	2,598,153
SCIII-INV0303	2,250,938	366,364	354,540	(373,689)	2,598,153
SCIII-INV0304	3,501,456	569,905	551,501	(581,292)	4,041,570
SCIII-INV0305	6,502,708	1,058,388	1,024,220	(1,079,543)	7,505,773
SCIII-INV0306	1,499,467	245,690	236,164	(249,126)	1,732,195
SCIII-INV0307	1,999,289	327,590	314,882	(332,169)	2,309,592
SCIII-INV0308	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0309	1,050,435	170,972	165,453	(174,388)	1,212,472
SCIII-INV0310	90,042	14,649	14,183	(14,948)	103,926
SCIII-INV0311	410,173	66,756	64,607	(68,094)	473,442
SCIII-INV0312	5,246,681	846,974	833,556	(871,939)	6,055,272
SCIII-INV0313	112,415,543	18,169,403	17,856,541	(18,684,417)	129,757,070
SCIII-INV0314	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0315	150,063	24,422	23,639	(24,912)	173,212
SCIII-INV0316	500,210	81,412	78,786	(83,041)	577,367
SCIII-INV0317	1,250,524	203,532	196,967	(207,605)	1,443,418
SCIII-INV0318	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0319	2,499,110	409,487	393,605	(415,209)	2,886,993
SCIII-INV0320	2,000,835	325,657	315,145	(332,169)	2,309,468
SCIII-INV0321	6,002,508	976,972	945,433	(996,503)	6,928,410
SCIII-INV0322	44,018,347	7,164,477	6,933,183	(7,307,683)	50,808,324
SCIII-INV0323	3,751,566	610,608	590,894	(622,813)	4,330,255
SCIII-INV0324	2,000,835	325,657	315,145	(332,169)	2,309,468
SCIII-INV0326	250,108	40,702	39,396	(41,521)	288,685
SCIII-INV0327	500,210	81,412	78,786	(83,041)	577,367
SCIII-INV0328	624,781	102,368	98,401	(103,802)	721,748
SCIII-INV0329	250,108	40,702	39,396	(41,521)	288,685

Searchlight Capital III (a group of related entities)
Combined Supplemental Schedule of Partners' Capital
For the quarter ended September 30, 2021
(Unaudited)

	Partners' Capital beginning of quarter	Capital Contributions / Transfers In	Profits/(losses) and other allocations	Distributions / Transfers Out	Partners' Capital end of quarter
Searchlight Capital III					
Limited Partners (Continued)					
SCIII-INV0330	125,054	20,351	19,698	(20,760)	144,343
SCIII-INV0331	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0332	249,914	40,944	39,365	(41,521)	288,702
SCIII-INV0333	249,914	40,944	39,365	(41,521)	288,702
SCIII-INV0334	299,891	49,138	47,237	(49,826)	346,440
SCIII-INV0335	374,867	61,422	59,043	(62,281)	433,051
SCIII-INV0336	249,914	40,944	39,365	(41,521)	288,702
SCIII-INV0337	249,914	40,944	39,365	(41,521)	288,702
SCIII-INV0338	499,825	81,894	78,722	(83,041)	577,400
SCIII-INV0339	249,914	40,944	39,365	(41,521)	288,702
SCIII-INV0340	624,781	102,368	98,401	(103,802)	721,748
SCIII-INV0341	749,736	122,846	118,083	(124,562)	866,103
SCIII-INV0342	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0343	2,000,835	325,657	315,145	(332,169)	2,309,468
SCIII-INV0344	4,501,881	732,726	709,074	(747,376)	5,196,305
SCIII-INV0345	2,000,835	325,657	315,145	(332,169)	2,309,468
SCIII-INV0346	14,005,837	2,279,608	2,206,014	(2,325,173)	16,166,286
SCIII-INV0347	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0348	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0349	500,210	81,412	78,786	(83,041)	577,367
SCIII-INV0350	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0351	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0352	500,210	81,412	78,786	(83,041)	577,367
SCIII-INV0353	500,210	81,412	78,786	(83,041)	577,367
SCIII-INV0355	999,646	163,794	157,440	(166,083)	1,154,797
SCIII-INV0396	500,210	81,412	78,786	(83,041)	577,367
SCIII-INV0397	1,000,415	162,831	157,569	(166,083)	1,154,732
SCIII-INV0398	500,210	81,412	78,786	(83,041)	577,367
SCIII-INV0399	249,914	40,944	39,365	(41,521)	288,702
SCIII-INV0400	249,914	40,944	39,365	(41,521)	288,702
SCIII-INV0401	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0402	5,002,085	814,146	787,860	(6,604,091)	-
SCIII-INV0403	7,503,126	1,221,219	1,181,791	(1,245,629)	8,660,507
SCIII-INV0404	2,429,136	398,019	382,584	(403,583)	2,806,156
SCIII-INV0405	2,501,043	407,072	393,930	(415,209)	2,886,836
SCIII-INV0406	5,747,965	941,812	905,292	(954,982)	6,640,087
SCIII-INV0407	6,002,508	976,972	945,433	(996,503)	6,928,410
SCIII-INV0408	2,499,110	409,487	393,605	(415,209)	2,886,993
SCIII-INV0412	5,068,197	830,442	798,231	(842,045)	5,854,825
SCIII-INV0413	1,250,524	203,532	196,967	(207,605)	1,443,418
SCIII-INV0414	999,646	163,794	157,440	(166,083)	1,154,797
SCIII-INV0415	7,503,126	1,221,219	1,181,791	(1,245,629)	8,660,507
SCIII-INV0416	2,501,043	407,072	393,930	(415,209)	2,886,836
SCIII-INV0417	3,498,752	573,285	551,048	(581,292)	4,041,793
SCIII-INV0418	15,006,257	2,442,432	2,363,583	(2,491,255)	17,321,017
SCIII-INV0419	5,002,085	814,146	787,860	(830,418)	5,773,673
SCIII-INV0039	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0502	2,499,111	409,487	393,603	(415,209)	2,886,992
SCIII-INV0503	7,497,329	1,228,463	1,180,813	(1,245,629)	8,660,976
SCIII-INV0501	1,500,626	244,242	236,357	(249,126)	1,732,099
SCIII-INV0043	2,501,042	407,072	393,930	(415,209)	2,886,835
SCIII-INV0606	-	5,773,673	-	-	5,773,673
Subtotal	894,702,284	150,731,170	141,768,342	(154,462,995)	1,032,738,801
General Partner	136,959,676	10,508,104	51,949,810	(12,064,134)	187,353,456
Total	**1,031,661,960**	**161,239,274**	**193,718,152**	(166,527,129)	**1,220,092,257**
Parallel Fund	775,522,951	132,709,994	145,447,645	(136,425,597)	917,254,993
Total Searchlight Fund III	**$ 1,807,184,911**	**$ 293,949,268**	**$ 339,165,797**	**$ (302,952,726)**	**$ 2,137,347,250**

The information above should be read in conjunction with the associated combined financial statements and should not be used for tax purposes. This schedule has been prepared in accordance with the accounting policies described in the accompanying notes to the combined financial statements and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of exclusion of all required disclosures.

Appendix II

Searchlight Capital III, L.P.
Capital Account Statement
For the quarter ended September 30, 2021

Limited Partner: StepStone Private Access Partnership, L.P. | **Limited Partner ID: SCIII-INV0303**

Commitment Amount:	4,500,000	% of Total Commitments[2]:	0.1%
Total Capital Contributions[1]:	1,826,144	% Contributed[1]:	40.6%
Total Unpaid Commitment:	2,673,856	% of Unfunded Capital:	59.4%

	Quarter-to-Date	Year-to-Date	Inception-to-Date
Beginning Capital	$ 1,079,168	$ 1,001,915	$ -
Capital Contributions			
Paid	365,952	407,023	1,229,814
Due[3]	-	-	-
Investment Income			
Interest Income and Dividends/Income distributions from Portfolio Companies	-	-	1
Realized gain/(loss) on investments	-	-	-
Net change in unrealized gain on investments and derivatives	29,216	142,190	490,254
Net change in unrealized translation gain/(loss) on other assets and liabilities in foreign currencies	-	-	-
Fund Expenses			
Management Fee - Net			
Gross Management Fee	(45,000)	(90,000)	(202,438)
Reduction for Excess Organizational Expenses	-	757	757
Reduction for Other Fee offset	1,501	4,673	7,694
Reduction for Management Fee waiver	-	-	5,727
Organizational Expenses	(774)	(774)	(5,510)
Investment and other fund expenses	(2,757)	(13,403)	(22,914)
Carried Interest allocation [4]	(301)	(25,376)	(76,380)
Distributions			
Paid	(59,904)	(59,904)	(59,904)
Due[3]	-	-	-
Ending Capital	$ 1,367,101	$ 1,367,101	$ 1,367,101

Notes:

(1) Reflects only Capital Contributions reducing your Unpaid Commitment net of any Distributions which are subject to recall.
(2) % of Total Commitments of Searchlight Capital III, L.P. and the Parallel Fund.
(3) Net amounts receivable or due under inception-to-date results reflect an issued Drawdown Notice or Distribution Notice where payment has not been received or made.
(4) Carried Interest allocation is related to unrealized appreciation of Portfolio Investments and is solely for financial reporting purposes.
(5) Measurements in this Statement are expressed in U.S. Dollars.

The information above should be read in conjunction with the associated financial statements and should not be used for tax purposes. This schedule has been prepared in accordance with the accounting policies described in the accompanying notes to the combined financial statements and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of exclusion of all required disclosures.

Searchlight Capital III FEY, L.P.
Capital Account Statement
For the quarter ended September 30, 2021

Limited Partner: StepStone Private Access Partnership, L.P. **Limited Partner ID: SCIII-INV0303**

Total Capital Contributions[1]: - % of Total Capital[2]: 0.0%

	Quarter-to-Date	Year-to-Date	Inception-to-Date
Beginning Capital	$ 187,746	$ 127,262	$ -
Capital Contributions			
Paid	115	778	128,573
Due[3]	-	-	-
Investment Income			
Interest Income and Dividends/Income distributions from Portfolio Companies	-	-	-
Realized gain/(loss) on investments	243,608	243,608	243,608
Net change in unrealized gain on investments and derivatives	134,645	205,737	205,262
Net change in unrealized translation gain/(loss) on other assets and liabilities in foreign currencies	-	-	-
Fund Expenses			
Investment and other fund expenses	(27)	(84)	(142)
Carried Interest allocation [4]	(75,028)	(86,242)	(86,242)
Distributions			
Paid	(313,785)	(313,785)	(313,785)
Due[3]	-	-	-
Ending Capital	$ 177,274	$ 177,274	$ 177,274

Notes:
(1) Reflects only Capital Contributions reducing your Unpaid Commitment net of any Distributions which are subject to recall.
(2) % of Total Capital of Searchlight Capital III FEY, L.P. on a funded basis.
(3) Net amounts receivable or due under inception-to-date results reflect an issued Drawdown Notice or Distribution Notice where payment has not been received or made.
(4) Carried Interest allocation is related to unrealized appreciation of Portfolio Investments and is solely for financial reporting purposes.
(5) Measurements in this Statement are expressed in U.S. Dollars.

The information above should be read in conjunction with the associated financial statements and should not be used for tax purposes. This schedule has been prepared in accordance with the accounting policies described in the accompanying notes to the combined financial statements and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of exclusion of all required disclosures.

Searchlight Capital III (FC) AIV, L.P.
Capital Account Statement
For the quarter ended September 30, 2021

Limited Partner: StepStone Private Access Partnership, L.P. | **Limited Partner ID: SCIII-INV0303**

Total Capital Contributions[1]:	302,329	% of Total Capital[2]:	0.2%

	Quarter-to-Date	Year-to-Date	Inception-to-Date
Beginning Capital	$ 425,521	$ 300,512	$ -
Capital Contributions			
Paid	148	148	302,329
Due[3]	-	-	-
Investment Income			
Interest Income and Dividends/Income distributions from Portfolio Companies	-	-	-
Realized gain/(loss) on investments	-	-	-
Net change in unrealized gain on investments and derivatives	51,494	198,899	197,298
Net change in unrealized translation gain/(loss) on other assets and liabilities in foreign currencies	-	-	-
Fund Expenses			
Investment and other fund expenses	(30)	(110)	(178)
Carried Interest allocation [4]	(9,471)	(31,787)	(31,787)
Distributions			
Paid	-	-	-
Due[3]	-	-	-
Ending Capital	$ 467,662	$ 467,662	$ 467,662

Notes:
(1) Reflects only Capital Contributions reducing your Unpaid Commitment net of any Distributions which are subject to recall.
(2) % of Total Capital of Searchlight Capital III (FC) AIV, L.P. on a funded basis.
(3) Net amounts receivable or due under inception-to-date results reflect an issued Drawdown Notice or Distribution Notice where payment has not been received or made.
(4) Carried Interest allocation is related to unrealized appreciation of Portfolio Investments and is solely for financial reporting purposes.
(5) Measurements in this Statement are expressed in U.S. Dollars.

The information above should be read in conjunction with the associated financial statements and should not be used for tax purposes. This schedule has been prepared in accordance with the accounting policies described in the accompanying notes to the combined financial statements and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of exclusion of all required disclosures.

Searchlight Capital III OPT, L.P.
Capital Account Statement
For the quarter ended September 30, 2021

Limited Partner: StepStone Private Access Partnership, L.P. **Limited Partner ID: SCIII-INV0303**

Total Capital Contributions[1]:	371,447	% of Total Capital[2]:	0.2%

	Quarter-to-Date	Year-to-Date	Inception-to-Date
Beginning Capital	$ 558,503	$ 455,756	$ -
Capital Contributions, net			
Paid	149	(12,001)	371,447
Due[3]	-	-	-
Investment Income			
Interest Income and Dividends/Income distributions from Portfolio Companies	-	-	-
Realized gain/(loss) on investments	-	-	-
Net change in unrealized gain on investments and derivatives	33,148	173,767	257,080
Net change in unrealized translation gain/(loss) on other assets and liabilities in foreign currencies	-	-	-
Fund Expenses			
Investment and other fund expenses	(70)	(165)	(417)
Carried Interest allocation [4]	(5,614)	(31,241)	(41,994)
Distributions			
Paid	-	-	-
Due[3]	-	-	-
Ending Capital	$ 586,116	$ 586,116	$ 586,116

Notes:
(1) Reflects only Capital Contributions reducing your Unpaid Commitment net of any Distributions which are subject to recall.
(2) % of Total Capital of Searchlight Capital III OPT, L.P. on a funded basis.
(3) Net amounts receivable or due under inception-to-date results reflect an issued Drawdown Notice or Distribution Notice where payment has not been received or made.
(4) Carried Interest allocation is related to unrealized appreciation of Portfolio Investments and is solely for financial reporting purposes.
(5) Measurements in this Statement are expressed in U.S. Dollars.

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