

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024

- A** This return/report is for:
 - a multiemployer plan
 - a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
 - a single-employer plan
 - a DFE (specify) E
- B** This return/report is:
 - the first return/report
 - the final return/report
 - an amended return/report
 - a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here. ▶
- D** Check box if filing under:
 - Form 5558
 - automatic extension
 - special extension (enter description)
 - the DFVC program
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶

Part II Basic Plan Information—enter all requested information

1a Name of plan <u>ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP</u>	1b Three-digit plan number (PN) ▶ <u>001</u> 1c Effective date of plan
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP</u> <u>3 RUE GABRIEL LIPPMANN</u> <u>MUNSBACH, LUXEMBOURG L-5365 LU</u>	2b Employer Identification Number (EIN) <u>98-1453417</u> 2c Plan Sponsor's telephone number <u>212-922-8240</u> 2d Business code (see instructions)

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE			
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Filed with authorized/valid electronic signature.	<u>04/10/2025</u>	<u>PETER DICKINSON</u>
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2023)
v. 230707

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 6a(2) 6b 6c 6d 0 6e 6f 6g(1) 6g(2) 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) <input type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____ (5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) – Number Attached <u> 0 </u> (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
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Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning **07/01/2023** and ending **06/30/2024**

A Name of plan ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP	D Employer Identification Number (EIN) 98-1453417	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

APEX FUND AND CORPORATE PRODUCTS SA

3 RUE GABRIEL LIPPMANN
MUNSBACH SCHUTTRANGE, LUXEMBOURG 5365 LU

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 28 51	NONE	363581	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

ERNST & YOUNG

35E AV. JOHN F KENNEDY
KIRCHBERG, LUXUMBOURG 1855 LU

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	114891	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

BNY MELLON ALTERNATIVE INV SERVICES

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 49 50 51	NONE	88832	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRICEWATERHOUSECOOPERS LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	51836	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

WAYSTONE MANAGEMENT COMPANY (LUX) S

19, RUE DE BITBOURG, L-1273 HAMM
LUXEMBOURG, LUXEMBOURG 1713 LU

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 28 51	NONE	41759	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

INTABULIS SCSP

51 BOULEVARD GRAND DUCHESSE CHARL
LUXEMBOURG, LUXEMBOURG L-1331 LU

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 50	NONE	25383	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ARENDDT AND MEDERNACH SA

41 AV. JOHN F. KENNEDY
KIRCHBERG, LUXEMBOURG 1858 LU

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	NONE	19106	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

HEIDELPAY - UNZER GROUP GMBH

SCHONEBERGER STR. 21 A,
BERLIN, GERMANY 10963 DE

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 70 99	NONE	18531	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

MACFARLANES LLP

20 CURSITOR STREET
LONDON, UNITED KINGDOM EC4A 1LT GB

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	NONE	17463	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

ANACAP PATHER CO-INVESTMENT (NO.1)

22 PERCY STREET, MET BUILDING
LONDON, UNITED KINGDOM W1T 1DZ GB

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	8363	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

VALIDUS RISK MANAGEMENT LIMITED

110 WEST 40TH STREET, 19TH FLOOR
NEW YORK, NY 10018

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 28 51	NONE	7687	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024

A Name of plan <u>ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP</u>	B Three-digit plan number (PN)	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP</u>	D Employer Identification Number (EIN) <u>98-1453417</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II		Information on Participating Plans (to be completed by DFEs, other than DCGs)	
(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)			
a	Plan name	AUTOMOTIVE MACHINISTS PENSION PLAN	
b	Name of plan sponsor	AUTOMOTIVE MACHINISTS PENSION TRUST	c EIN-PN 91-6123687-001
a	Plan name	DEFINED BENEFIT PENSION PLAN OF AGC-IUOE LOCAL 701 PENSION TRUST FUND	
b	Name of plan sponsor	BOARD OF TRUSTEES AGC-IUOE LOCAL 701 PENSION TRUST FUND	c EIN-PN 93-6075580-001
a	Plan name	I.B.E.W. LOCAL UNION NO 357 PENSION PLAN A	
b	Name of plan sponsor	I.B.E.W. BOARD OF TRUSTEES FOR LOCAL 357 PENSION TRUST	c EIN-PN 88-6023284-001
a	Plan name	INTERNATIONAL PAINTERS AND ALLIED TRADES INDUSTRY ANNUITY PLAN	
b	Name of plan sponsor	INTL PAINTERS & ALLIED TRADES IND. PENSION FUND-BOARD OF TRUSTEES	c EIN-PN 52-6073909-002
a	Plan name	INTERNATIONAL PAINTERS AND ALLIED TRADES INDUSTRY PENSION PLAN	
b	Name of plan sponsor	INTL PAINTERS & ALLIED TRADES IND. PENSION FUND-BOARD OF TRUSTEES	c EIN-PN 52-6073909-001
a	Plan name	IRON WORKERS' LOCAL NO. 25 PENSION FUND	
b	Name of plan sponsor	BOARD OF TRUSTEES, IRON WORKERS LOCAL NO 25	c EIN-PN 38-6056780-001
a	Plan name	MICHIGAN CARPENTERS' PENSION FUND	
b	Name of plan sponsor	BOARD OF TRUSTEES, MICHIGAN CARPENTERS PENSION FUND	c EIN-PN 38-6233978-001
a	Plan name	OPERATING ENGINEERS' LOCAL 324 PENSION FUND	
b	Name of plan sponsor	JOINT BOARD OF TRUSTEES OPERATING ENGINEERS LOCAL 324	c EIN-PN 38-1900637-001
a	Plan name	OPERATING ENGINEERS' LOCAL 324, DEFINED CONTRIBUTION PENSION PLAN	
b	Name of plan sponsor	JOINT BOARD OF TRUSTEES OPERATING ENGINEERS LOCAL 324, DC	c EIN-PN 38-3386104-002
a	Plan name	OPERATING ENGINEERS PENSION TRUST	
b	Name of plan sponsor	JOINT BOARD OF TRUSTEES, OPERATING ENGINEERS PENSION TRUST	c EIN-PN 95-6032478-001
a	Plan name	PENSION AND RETIREMENT PLAN OF PLUMBERS AND PIPEFITTERS UNION LOCAL 525	
b	Name of plan sponsor	JOINT GOV. COMM. PLUMBERS AND PIPEFITTERS LOCAL UNION NO. 525	c EIN-PN 88-6003864-001
a	Plan name	PIPE TRADES SERVICES MN PENSION PLAN	
b	Name of plan sponsor	BOARD OF TRUSTEES OF TWIN CITY PIPE TRADES PENSION TRUST	c EIN-PN 41-6131800-001

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024	
A Name of plan ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP	D Employer Identification Number (EIN) 98-1453417

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	28426438	1708658
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	43623800	45904571
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	957810	746240
(B) Common	1c(4)(B)	1765793	14622129
(5) Partnership/joint venture interests	1c(5)	0	4227038
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)	503562662	427134404
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	5330062	5660147

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	583666565	500003187
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	149543	254066
i Acquisition indebtedness	1i		
j Other liabilities	1j	4088845	11820563
k Total liabilities (add all amounts in lines 1g through 1j)	1k	4238388	12074629
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	579428177	487928558

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)	73114693	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		73114693
(2) Dividends:			
(A) Preferred stock	2b(2)(A)	37670	
(B) Common stock	2b(2)(B)	738126	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		775796
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds	2b(4)(A)	6218010	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		6218010
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-30451470	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		499709
d Total income. Add all income amounts in column (b) and enter total.....	2d		50156738

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)		
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		227808
i Administrative expenses:			
(1) Salaries and allowances.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	363580	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)	114891	
(5) Investment advisory and investment management fees.....	2i(5)		
(6) Bank or trust company trustee/custodial fees.....	2i(6)		
(7) Actuarial fees.....	2i(7)		
(8) Legal fees.....	2i(8)	223918	
(9) Valuation/appraisal fees.....	2i(9)		
(10) Other trustee fees and expenses.....	2i(10)		
(11) Other expenses.....	2i(11)	161850	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		864239
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1092047

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		49064691
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		140564310

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

- (1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

- (1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **ERNST & YOUNG LLP**

(2) EIN: **34-6565596**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

- (1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)			
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
l Has the plan failed to provide any benefit when due under the plan?			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3, RUE GABRIEL LIPPMANN
L-5365 MUNSBACH
GRAND DUCHY OF LUXEMBOURG
R.C.S. LUXEMBOURG: B226245

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

CONTENTS	PAGE
General Information	2
Report of General Partner	3-4
Independent Auditor's Report	5-7
Statement of Assets, Liabilities and Partners' Capital	8
Schedule of Investments	9
Statement of Operations	10
Statement of Changes in Partners' Capital	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-27
Supplementary Information (unaudited AIFM disclosures)	28
See attached the accompanying Audited Financial Statements of ECOF III S.à.r.l.	

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

GENERAL INFORMATION

PARTNERSHIP

Alcentra European Credit Opportunities Fund III SCSp
Effective until 7 March 2024:
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Effective as from 8 March 2024:
3, Rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

BOARD OF MANAGERS OF THE GENERAL PARTNER

Jens Hoellermann
Simon Barnes
Peter Dickinson

ALTERNATIVE INVESTMENT FUND MANAGER ("AIFM")

Waystone Management Company (Lux) S.A.
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

PORTFOLIO MANAGER

Alcentra Limited
Effective until 31 December 2023:
160 Queen Victoria Street
London, EC4V 4LA
United Kingdom

Effective as from 1 January 2024:

Cannon Place
78 Cannon Street
London, EC4N 6HL
United Kingdom

LEGAL ADVISORS

Macfarlanes LLP
20, Cursitor Street
London, EC4A 1LT
United Kingdom

Arendt & Medernach S.A.
41A, avenue John F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

GENERAL PARTNER

Clareant ECOF III GP S.à r.l.
Effective until 7 March 2024:
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Effective as from 8 March 2024:
3, Rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

ADMINISTRATOR TO THE PARTNERSHIP

Apex Fund and Corporate Products S.A.
Effective until 18 February 2024:
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Effective as from 19 February 2024:

3, Rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

INDEPENDENT AUDITOR

Ernst & Young S.A.
35E, avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

DEPOSITARY

Apex Fund and Corporate Products S.A.
Effective until 18 February 2024:
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Effective as from 19 February 2024:

3, Rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSF

REPORT OF THE GENERAL PARTNER

Clareant ECOF III GP S.à r.l. (the “General Partner”) presents the audited financial statements of Alcentra European Credit Opportunities Fund III SCSF (the “Partnership”) for the year ended June 30, 2024.

Principal Activity

The purpose of the Partnership is to accept commitments from investors and carry on the business of an investor in accordance with the Limited Partnership Agreement (“LPA”). The Partnership invests all of its investable assets into ECOF III S.à r.l. (the “Company”) and private equity investments as advised by Alcentra Limited (the “Portfolio Manager”). The Company is the Master Fund and the Partnership’s percentage ownership in the Master Fund at year end is 100%.

The General Partner has appointed Waystone Management Company (Lux) S.A. as Alternative Investment Fund Manager (“AIFM”) of the Partnership within the meaning of the AIFM Law. As such, the AIFM shall perform portfolio management and risk management services. Accordingly, the Partnership is subject to the AIFM Law and the EU Commission delegated regulation (EU) n°231/2013 of December 19, 2012 supplementing EU Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as may be amended from time to time.

The Partnership held its final closing on December 19, 2019 with aggregate commitments totalling USD 712,501,000. The investment period of the Partnership commenced on 13 December 2018 and has terminated three years after the final closing date, on December 19, 2022. The LPA was amended and restated on December 13, 2018.

Term of the Partnership

The term of the Partnership shall continue for a period of six years after the final closing date. The term of the Partnership may be extended at the election of the General Partner by up to two consecutive one year periods.

Summary of the Partnership activity for the year

The Partners’ Capital of the Partnership as at June 30, 2024 was USD 487,929,558. Net income for the year amounted to USD 41,572,451.

The total commitment of the Limited Partners at the year end was USD 712,500,000.

The amount of income distributions paid to Limited Partners for the year was USD 63,462,000.

The total drawn commitments from Limited Partners at year end was USD 484,055,000.

Net investments disposals during the year were USD 35,315,190. The fair value of investments, excluding derivatives, at year end amounted to USD 446,729,811. During the year, income distribution and capital contribution of USD 63,462,000 and USD 69,610,000 respectively were made to the Limited Partners.

Results for the year and financial position as at June 30, 2024

The Statement of Assets, Liabilities and Partners’ Capital is shown on page 7 and the Statement of Operations is shown on page 9.

Sustainable Finance Disclosure Regulation (“SFDR”)

The underlying investments do not take into account the EU criteria for environmentally sustainable economic activities per Article 6 of SFDR. The Partnership does not have as its objective sustainable investment, and environmental and/or social characteristics are not binding for the investment decision process.

However, the management of sustainability risk (which includes environmental, social and governance (“ESG”) considerations) forms an important part of the due diligence process implemented by the Portfolio Manager. When assessing the sustainability risk associated with underlying investments, the Portfolio Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by ESG factors. Using both quantitative and qualitative processes (which includes usage of ESG exclusions, sector materiality guides, an ESG and climate checklist, and a climate risk tool), sustainability risk is identified, monitored, and managed by the Portfolio Manager.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

REPORT OF THE GENERAL PARTNER (CONTINUED)

Post balance sheet events

Management has evaluated events occurring after the date of the financial statements through 30 September 2024, the date the financial statements were available to be issued. All subsequent events requiring recognition and disclosure have been incorporated into these financial statements.

Statement of Board of Managers of the General Partner's responsibilities

The Board of Managers of the General Partner is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. Generally Accepted Accounting Principles ("US GAAP").

It is the responsibility of the Board of Managers of the General Partner to:

- ensure that the financial statements comply with the LPA and US GAAP;
- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business for the foreseeable future.

The Board of Managers of the General Partner is responsible for keeping proper accounting records, for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Managers of the General Partner



Jens Hoellermann

Manager



Simon Barnes

Manager

Date: 30 September 2024

Independent auditor's report

To the Partners of
Alcentra European Credit Opportunities Fund III SCSp
3, Rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

Opinion

We have audited the financial statements of Alcentra European Credit Opportunities Fund III SCSp (the "Partnership"), which comprise the statement of assets, liabilities and partners' capital and schedule of investments as at June 30, 2024, and the statement of operations, the statement of changes in partners' capital and the statement of cash flows for the year then ended, and the notes to the financial statements, including significant accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position and schedule of investments of the Partnership as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Partnership in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers of the General Partner of the Partnership is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers of the General Partner of the Partnership for the financial statements

The Board of Managers of the General Partner of the Partnership is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for such internal control as the Board of Managers of the General Partner of the Partnership determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Managers of the General Partner of the Partnership is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers of the General Partner of the Partnership either intends to liquidate the partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the General Partner of the Partnership.
- Conclude on the appropriateness of the Board of Managers of the General Partner of the Partnership's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Kyle Frasca


Luxembourg, September 30, 2024

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

STATEMENT OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL

AS AT JUNE 30, 2024

(All amounts in USD, unless otherwise stated)


Jens Hoellermann
Manager


Simon Barnes
Manager

	As at June 30, 2024
Assets	
Investment in ECOF III S.à.r.l., at fair value (cost: USD 483,547,244)	427,121,444
Equity investments, at fair value (cost: USD 17,730,295)	19,608,367
Derivative contracts, at fair value	5,660,147
Cash and cash equivalents	125,643
Cash and cash equivalents denominated in foreign currency (cost: USD 1,505,600)	1,583,015
Interest receivable	45,725,178
Receivables from related parties	179,393
TOTAL ASSETS	500,003,187
Liabilities and Partners' Capital	
General Partner's share payable	1,761,234
Loan payable	10,010,754
Administration fees payable	51,495
Audit fees payable	80,175
Professional fees payable	93,892
Amounts due to Alcentra European Credit Opportunities Fund III (Finance) SCSp	34,615
Risk Management fees payable	28,504
Contribution payable to ECOF III S.à.r.l.	12,860
Capital contribution payable to Alcentra European Credit Opportunities Fund III (Finance) SCSp	100
TOTAL LIABILITIES	12,073,629
PARTNERS' CAPITAL	
Limited Partner	468,744,166
Carried Interest Partner	19,184,392
General Partner	1,000
TOTAL PARTNERS' CAPITAL	487,929,558

Approved by the Manager of the General Partner on 30 September 2024.

See accompanying notes to financial statements

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

SCHEDULE OF INVESTMENTS

AS AT JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

	Interest rate	Maturity date	% of Partners' capital	Fair value as at June 30, 2024
Investments, at fair value				
Debt investment				
Luxembourg				
Investment funds				
Investment in ECOF III S.à r.l. (cost: USD 483,547,244)	Qualifying interest	N/A	100.00%	427,121,444
Total - debt investment			100.00%	427,121,444
Equity investments				
Luxembourg				
Investment funds				
Investment in ECOF III S.à r.l. (cost: USD 13,563)	N/A	N/A	0.00%	12,860
Investment in Alcentra European Credit Opportunities Fund III (Finance) SCSP (cost: USD 100)	N/A	N/A	0.00%	100
United Kingdom				
Financial services				
Iseran (cost: USD 864,054)	N/A	N/A	0.55%	2,670,708
Jersey Telecom (cost: USD 967,730)	N/A	N/A	0.15%	753,969
AnaCap Panther Co-Investment (No.1) L.P. (cost: USD 1,017,341)	N/A	N/A	0.14%	697,373
Rising Point Holding (Equativ) (cost: USD 3,034,002)	N/A	N/A	0.72%	3,529,665
Brain Labs Bidco Limited (cost: USD 2,064,356)	N/A	N/A	0.42%	2,064,356
TFP (FC) (cost: USD 9,769,149)	N/A	N/A	2.02%	9,879,336
Total - equity investments			4.00%	19,608,367
Total - investments, at fair value			104.00%	446,729,811
Derivatives assets, at fair value				
Forward currency contracts				
United Kingdom				
<i>The following amounts are notional and are expressed as sell/buy amount</i>				
GBP/USD (GBP 89,602,315/USD 113,938,931)	N/A	7/26/2024	0.13%	620,989
CHF/USD (CHF 3,547,019/USD 4,174,923)	N/A	7/26/2024	0.04%	216,977
DKK/USD (DKK 105,261,149/USD 15,445,249)	N/A	7/26/2024	0.06%	303,749
USD/GBP (USD 44,042,576/GBP 34,544,308)	N/A	7/26/2024	-0.07%	(356,402)
NOK/USD (NOK 84,102,691/USD 8,075,467)	N/A	7/26/2024	0.04%	194,372
EUR/USD (EUR 239,211,442/USD 261,254,776)	N/A	7/26/2024	0.96%	4,689,860
USD/EUR (USD 20,971,069/EUR 19,352,914)	N/A	7/26/2024	-0.04%	(213,997)
USD/EUR (USD 15,245,559/EUR 14,096,223)	N/A	7/26/2024	-0.03%	(126,603)
USD/NOK (USD 381,198/NOK 4,047,867)	N/A	7/26/2024	0.00%	(2,611)
EUR/USD (EUR 7,801,180/USD 8,529,046)	N/A	7/26/2024	0.03%	161,933
GBP/USD (GBP 12,736,516/USD 16,212,431)	N/A	7/26/2024	0.02%	104,858
EUR/USD (EUR 137,000/USD 149,443)	N/A	7/26/2024	0.00%	2,504
EUR/USD (EUR 4,495,726/USD 4,886,459)	N/A	7/26/2024	0.01%	64,593
GBP/USD (GBP 758,180/USD 958,778)	N/A	7/26/2024	0.00%	(75)
Total - forward currency contracts			1.16%	5,660,147
Total derivatives assets, at fair value			1.16%	5,660,147

See accompanying notes to financial statements

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)


Jens Hoellermann
Manager


Simon Barnes
Manager

	For the year ended June 30, 2024
Investment Income	
Interest income from Master Fund	73,114,693
Other income	1,275,505
TOTAL INVESTMENT INCOME	74,390,198
Expenses	
GPPS fees	(7,492,240)
Administration fees	(363,580)
Interest expense	(227,808)
Legal and professional fees	(223,918)
Audit fees	(114,891)
Other operating expenses	(161,850)
TOTAL EXPENSES	(8,584,287)
Net investment income	65,805,911
Net realized and change in unrealized gain/(loss) on investment and foreign currencies	
Net realized loss on foreign currencies	(86,003)
Change in net unrealized gain on foreign currencies	557,375
Net realized gain on derivative contracts	6,304,005
Change in net unrealized gain on derivative contracts	4,203,093
Net realized gain from investments in Master Fund	8
Net realized loss from other investments	(7,706,151)
Change in net unrealized loss from other investments	(720,595)
Change in net unrealized loss from investments in Master Fund	(26,785,192)
NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS AND FOREIGN CURRENCIES	(24,233,460)
NET CHANGE IN PARTNERS' CAPITAL RESULTING FROM OPERATIONS	41,572,451

See accompanying notes to financial statements

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

	General Partner	Carried Interest Partner	Limited Partners	Total
Partners' capital at the beginning of the year	1,000	15,027,179	564,400,928	579,429,107
Capital distributions to Limited Partners	-	-	(69,610,000)	(69,610,000)
Income distributions to Limited Partners	-	-	(63,462,000)	(63,462,000)
NET CHANGE IN PARTNERS' CAPITAL RESULTING FROM OPERATIONS	-	4,157,213	37,415,238	41,572,451
PARTNERS' CAPITAL AT THE END OF THE YEAR	1,000	19,184,392	468,744,166	487,929,558

See accompanying notes to financial statements

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

	For the year ended June 30, 2024
Cash flows from operating activities	
Net change in Partners' Capital resulting from operations	41,572,451
Adjustments to reconcile net change in Partners' Capital resulting from operations to net cash used in operating activities	
Net realized loss on foreign currencies	86,003
Change in net unrealized gain on foreign currencies	(557,375)
Net realized gain on derivative contracts	(6,304,005)
Change in net unrealized gain on derivative contracts	(4,203,093)
Change in net unrealized loss from other investments	720,595
Net realized gain from investments in Master Fund	(8)
Change in net unrealized loss from investments in Master Fund	26,785,192
	58,099,760
Change in operating assets and liabilities:	
General Partner's share payable	(152,259)
Contribution payable to ECOF III S.à r.l.	(241)
Amounts due to investors	(1,093,935)
Amounts due to ECOF III S.à r.l.	(435,972)
Administration fees payable	(6,618)
Audit fees payable	37,622
Professional fees payable	60,980
Amounts due to Alcentra European Credit Opportunities Fund III (Finance) SCSP	11,794
Risk Management fees payable	12,539
Interest receivable	(2,347,285)
Receivables from related parties	66,514
Purchase of financial assets at fair value through profit or loss	(53,827,157)
Disposal of financial assets at fair value through profit or loss	89,142,347
Net receipts from derivatives	6,304,005
Non-cash movement on loan	(87,215)
Net cash generated from operating activities	95,784,879
Cash flows from financing activities	
Capital distributions to Limited Partners	(69,610,000)
Loan drawdown	20,351,188
Loan repayment	(10,253,219)
Income distributions to Limited Partners	(63,462,000)
Net cash used in financing activities	(122,974,031)
Net decrease in cash and cash equivalents	(27,189,152)
Cash and cash equivalents at the beginning of the year	28,426,438
Effects of exchange rate fluctuations on cash and cash equivalents	471,372
Cash and cash equivalents at the end of the year	1,708,658
At June 30, 2024, the amounts included in cash and cash equivalents include the following:	
Cash and cash equivalents	125,643
Cash and cash equivalents denominated in foreign currency	1,583,015
Total cash and cash equivalents	1,708,658
Supplementary cash flow information	
Net cash generated from operating activities include:	
Interest received	73,114,693
Interest paid	125,121

See accompanying notes to financial statements

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSp

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

1. GENERAL INFORMATION

Alcentra European Credit Opportunities Fund III SCSp (the “Partnership”) is a special limited partnership (*Société en commandite spéciale*) registered in Luxembourg with registration number B226245. The Partnership’s registered office address is 3, Rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg (formerly: 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg).

The General Partner of the Partnership is Clareant ECOF III GP S.à r.l. (the “General Partner”), a private limited company (*Société a responsabilité limitée*) registered in Grand Duchy of Luxembourg with registration number B226139. The registered address of the General Partner is 3, Rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg (formerly: 5, Heienhaff, L-1736 Senningerberg, Luxembourg). The General Partner has a commitment to the Partnership of USD 1,000. Alcentra EDL Carry SCSp (the “Carried Interest Partner”) acts as carried interest partner for the Partnership. The Carried Interest Partner is a special limited partnership (*Société en commandite spéciale*) registered in Luxembourg with registration number B198093. The Carried Interest Partner has a commitment of USD 1,000 to the Partnership.

The purpose of the Partnership is to accept commitments from investors and carry on the business of an investor in accordance with the Limited Partnership Agreement (“LPA”). The Partnership invests all of its investable assets into ECOF III S.à r.l. (the “Company”) and private equity investments as advised by Alcentra Limited (the “Portfolio Manager”). The Company is the Master Fund and the Partnership’s percentage ownership in the Master Fund at year end is 100%.

The General Partner has appointed Waystone Management Company (Lux) S.A., as Alternative Investment Fund Manager (“AIFM”) of the Partnership within the meaning of the AIFM Law. As such, the AIFM shall perform portfolio management and risk management services. Accordingly, the Partnership is subject to the AIFM Law and the EU Commission delegated regulation (EU) n°231/2013 of December 19, 2012 supplementing EU Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as may be amended from time to time.

The Partnership held its final closing on December 19, 2019 with aggregate commitments totalling USD 712,501,000. The investment period of the Partnership commenced on December 13, 2018 and has terminated three years after the final closing date. The LPA was amended and restated on December 13, 2018. The term of the Partnership shall continue for a period of six years after the final closing date. The term of the Partnership may be extended at the election of the General Partner by up to two consecutive one year periods.

The financial statements were authorised for issue by the Board of Directors of the General Partner on 30 September 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Basis of presentation

The financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“US GAAP”) and are stated in United States dollars (“USD”). The Partnership is an investment company under US GAAP and follows the accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (ASC) Topic 946, Financial Services – Investment Companies. The functional currency of the Partnership is the United States Dollar (“USD” or “\$”), reflecting the fact that the Partnership’s investment activities are conducted primarily in USD.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference rate reforms

In March 2020, reacting to the global markets' planned shift away from using major interbank reference rates, including the London Interbank Offered Rate (LIBOR), the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, to ease the burden of accounting for contract modifications related to reference rate reform. The amendments in ASU 2020-04 created a new Topic in the Codification, ASC 848, Reference Rate Reform, which contains guidance designed to simplify how entities account for contracts that are modified to replace existing LIBOR or other benchmark interest rates with new rates.

In addition, in January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, to clarify that amendments to derivatives that change interest rates used for discounting, margining, and contract price alignment due to reference rate reform are within the scope of ASC 848.

In December 2022, the FASB also issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, to defer the sunset date of ASC 848 from December 31, 2022 to December 31, 2024.

The guidance in ASC 848 gives qualifying entities the option to apply expedients and exceptions to contract modifications that are made until December 31, 2024 if certain criteria are met. If adopted, these amendments and exceptions should be applied to all eligible modifications to contracts that are accounted for under an ASC Topic or industry Subtopic, except for hedging instruments. The optional expedients and exceptions for hedge accounting relationships designated under ASC 815 may be elected on a hedge-by-hedge basis.

Use of estimates

Preparing financial statements in accordance with US GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting year. Actual results could differ from those estimates.

Going concern

The Directors of the General Partner have made an assessment of the Partnership's ability to continue as a going concern and are satisfied that the Partnership has the resources to continue in business for the foreseeable future. During the year ended June 30, 2024, the Partnership recorded net change in Partners' Capital resulting from operations of USD 41,572,451. The Partnership has no fixed amount of aggregate commitments but received contributions at the discretion of the General Partner of ECOF III S.à.r.l.. Furthermore, the General Partner is not aware of any material uncertainties that may cast significant doubt upon the Partnership's ability to continue as a going concern. Details of capital commitments called are disclosed in Note 3. Therefore, these financial statements are prepared on the going concern basis.

Foreign currency

The Partnership does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of investments held. Such fluctuations are included in the change in net unrealized gain on investments in the Statement of Operations.

Reported net realized gain and loss from foreign currency transactions arises from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on loan notes transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Partnership's books and the US dollar equivalent of the amounts actually received or paid. Net change in unrealized gains or losses on translation of assets and liabilities denominated in foreign currencies arises from changes in the fair values of assets and liabilities, other than investments in loan notes at the end of the year, resulting from changes in exchange rates.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative contracts

In the normal course of business, the Partnership uses derivative contracts in connection with its proprietary trading activities. Derivatives held by the Partnership as at June 30, 2024 are disclosed in the Statement of Investments. An explanation of the derivatives held during the year or at year end is noted in the following paragraphs:

Forward currency contracts

Forward currency contracts are agreements for delayed delivery of specific currencies in which the seller agrees to make delivery at a specified future date of specified currencies. Forward currency contracts are priced using the prevailing forward rate of the foreign currency pair and the associated carrying costs of the contract.

Derivatives including foreign currency contracts are recognised initially at fair value which is normally nil or a minimal amount. Subsequent to initial recognition these contracts are measured at fair value with changes in fair value recognised in the Statement of Operations. Realized gains or losses on derivatives are recognised when the open hedge contract ends. The Portfolio Manager and the derivatives counterparty will agree upon the net position calculated based on the contract price. The net position will either be in-the-money (gain) or out-the-money (loss). If the net position is in-the-money the Partnership will recognize a realized gain upon receipt of the favourable net position. If the net position is out-the-money the Partnership will recognize a realized loss upon settlement of the unfavourable net position.

Cash and cash equivalents

Cash comprises of cash at bank. Cash equivalents are short-term, highly liquid financial assets with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. These instruments are held for the purpose of the meeting short-term cash commitments rather than for investment or other purposes.

Investment transactions, related investment income and expenses

Investment transactions are accounted for on the trade date. Interest income, adjusted for amortization of premiums and accretion of discounts on investments, is earned from settlement date and is recorded on an accrual basis. Expenses, including interest from third party loans, are recorded on an accrual basis as incurred. Realized gains and losses are reported on the specific identification method. At 30 June 2024, the Partnership's interest receivable in the Statement of Assets, Liabilities and Partners' Capital includes accrued interest earned, but not yet received, on the Partnership's securities held as of the same date.

Income and expense recognition

Income and expenses are recognised on an accrual basis. Net realized and change in unrealized loss on investments and foreign currencies includes all realized and change in unrealized fair value and foreign exchange difference but excludes interest and dividend income. Interest income is accrued from investment in Loan notes.

Investments that are funded at a discount will realize the discount as income as and when the investment principal, has been repaid to the Partnership. The effective interest rate is used to accrete discount and amortise premium.

Taxation

There is no provision for taxes in the accompanying financial statements as the Partnership is organized as a limited partnership and is treated as a partnership for U.S. tax purposes. However, the Partnership is liable for state taxes in various jurisdictions. During the year ended June 30, 2024 the total provision of state taxes was USD nil of tax expense, comprised of deferred tax benefit of USD nil and a current tax expense of USD nil. As of June 30, 2024, the Partnership has no tax payable.

The nexus of state income tax is established through the funding of private debt and equity investments by the Partnership to entities which are situated in various states of the US. Taxable Income is allocated to each state on the basis of investment income earned from debt and equity investments in the respective states. The tax rates applied to taxable income varies by state.

The tax effects of temporary differences that gave rise to the deferred tax liability primarily relate to certain unrealized gains related to some of the Partnership's investments that would be considered U.S. effectively connected income and subject to taxation in certain state/local tax jurisdictions upon realization.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

ASC 740-10 "Accounting for Uncertainty in Income Taxes" clarifies the accounting for uncertainty in income taxes recognized in the Partnership's financial statements in conformity with ASC 740 "Accounting for Income Taxes".

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return.

Tax positions that meet the more-likely-than-not recognition threshold are initially recorded and subsequently measured at the largest amount of tax benefit that is more than 50 percent likely of being realized on ultimate settlement, using the facts, circumstances and information at the reporting date.

The Partnership recognizes interest and penalties, if any, related to unrecognized tax liability as income tax expense in the Statement of Operations. During the year ended June 30, 2024, the Partnership did not incur any interest or penalties. Generally, the Partnership is and has been subject to income tax examinations in the United States since inception.

3. PARTNERS' CAPITAL

General Partner

The committed capital of the Partnership was set up at USD 1,000 from the General Partner.

The General Partner is only entitled to a repayment of an amount up to their committed capital on the winding-up of the Partnership and such payment is subordinate to the holders of the Limited Partners and Carried Interest Partner.

Limited Partners

The total commitment of the Limited Partners at the year end was USD 712,500,000.

The total drawn commitments from Limited Partners at year end was USD 484,055,000.

The amount of income distributions paid to Limited Partners for the year was USD 63,462,000.

Uncalled commitments from Limited Partners at the year end amounted to USD 228,445,000 at June 30, 2024.

In accordance with the LPA, each investor shall be required to advance capital contributions to the Partnership for completing underlying investments, meeting liabilities and making follow-on investments limited to their commitment to the Partnership. The capital contributions are drawn at the discretion of the General Partner and by recommendation from the Portfolio Manager.

Distributions are determined at the discretion of the General Partner.

Carried Interest Partner

The committed capital of the Partnership was set up at USD 1,000 from the Carried Interest Partner.

The cumulative amount of capital contribution from the Carried Interest Partner at year end was USD 1,000.

As at June 30, 2024, uncalled commitments from the Carried Interest Partner amounted to USD nil.

Allocations of profits and losses

Profits and losses of the Partnership are allocated to partners in the proportions in which they hold such underlying investment. To the extent the Partnership receives gains or losses with respect to the equity securities in initial public offerings, those gains or losses will be allocated solely to the capital accounts of those partners of the Partnership that are not prohibited from participating in those allocations under Rule 5130 of the Financial Industry Regulatory Authority.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

3. PARTNERS' CAPITAL (CONTINUED)

Contribution

In accordance with the LPA, each investor shall be required to advance capital contributions to the Partnership for completing underlying investments, meeting liabilities and making follow-on investments limited to their commitment to the Partnership. The capital contributions are drawn at the discretion of the General Partner and by recommendation from the Portfolio Manager.

Distributions are determined at the discretion of the General Partner.

Distributions to Limited Partners

Distributions to Limited Partners are recognised in the Statement of Changes in Partners' Capital when they are appropriately authorised by the Board of Managers of the General Partner. Net change in Partners' Capital resulting from operations attributable to the Limited Partners is distributed as soon as reasonably practicable after each quarter end date. In accordance with the LPA income distributions are made to the Limited Partners from the cash the Partnership received from the underlying investment net of ongoing expense and the payment of the General Partner Profit's Share.

4. FAIR VALUE MEASUREMENT

Fair value measurements

The Partnership follows the provisions of ASC 820 - Fair Value Measurement ("ASC 820"), which defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosure of fair value measurements. ASC 820 determines fair value to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable.

In accordance with ASC 820, these inputs are summarised in the three broad levels listed below:

- (a) Level 1 - The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually based on the last sale price.
- (b) Level 2 - Inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly. These inputs may include (a) quoted prices for similar assets in active markets; (b) quoted prices for identical or similar assets in markets that are not active; (c) inputs other than quoted prices that are observable for the asset; or (d) inputs derived principally from or corroborated by observable market data by correlation or other means.
- (c) Level 3 - Inputs that are unobservable and significant to the entire fair value measurement. The unobservable inputs have been used and they are significant for the determination of the fair value.

The hierarchy requires the use of observable market data when available. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

There were no significant transfers between Level 1, Level 2 and Level 3 during the year. The Partnership's policy is to recognise transfers in and out as of the end of the reporting year.

The Partnership invests all of its investable assets into private debt and equity investments in accordance with ECOF III S.à.r.l.'s investment policy and as advised by the Portfolio Manager.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

4. FAIR VALUE MEASUREMENT (CONTINUED)

Fair value measurement (continued)

The Partnership invests in first lien and second lien secured loans. The first lien secured loans represent the most senior claim on a company's assets and cash flows and such loans typically have three to eight years maturity. The second lien secured loans sit below first lien secured loans in a capital structure. The second lien secured loans typically exhibits higher returns but a lower rate of recovery than first lien secured loans. In certain circumstances the Partnership may take a minority equity position in a company it lends to.

The Partnership uses an independent valuation source, Markit, for the purpose of fair valuing the loans, IDC for the purpose of fair valuing the bonds and the Alcentra Pricing Committee to evaluate illiquid investments.

The Partnership uses the Alcentra Pricing Committee to evaluate illiquid assets. The fair value is estimated using the market comparison/discounted cash flow techniques. This considers (i) current or recent quoted process for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.

Fair value hierarchy

The Partnership assets and liabilities recorded at fair value have been categorized based on a fair value hierarchy.

Investment in ECOF III S.à.r.l.

The Partnership's investment in ECOF III S.à.r.l. has been fair valued in accordance with the policies set out in Note 2. The debt investments held by the companies are not all actively traded on organised public markets and therefore, may prove to be illiquid in certain situations. This may affect the price and time at which the Partnership may liquidate its investment in ECOF III S.à.r.l.. As a result, the carrying value of the investment held in ECOF III S.à.r.l. may not be indicative of the value ultimately realized on redemption.

As at June 30, 2024, the Partnership classified its investment in ECOF III S.à.r.l. as level 3 within the fair value hierarchy, as the investment in ECOF III S.à.r.l. was valued using the net asset value as practical expedient and not levelled.

Private equity investments

The Partnership values private investment companies using the net asset values provided by the underlying private investment companies as a practical expedient. The Partnership applies the practical expedient to private investment companies on an investment-by-investment basis, and consistently with the Partnership's entire position in a particular investment, unless it is probable that the Partnership will sell a portion of an investment at an amount different from the net asset value (NAV) of the investment.

Derivative instruments

Derivative instruments can be exchange-traded or privately negotiated Over-The-Counter ("OTC"). Exchange-traded derivatives, such as futures contracts and exchange traded option contracts, are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether they are deemed to be actively traded.

OTC derivatives, including forwards, currency contracts, credit default swaps, total return swaps, and interest rate swaps, are valued using observable inputs, such as quotations received from the counterparty, dealers or brokers, whenever available and considered reliable.

In instances where models are used, the value of an OTC derivative depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, and measures of volatility, prepayment rates and correlations of such inputs. Certain OTC derivatives, such as generic forwards, currency contract, swaps and options, have inputs which can generally be corroborated by market data and are therefore classified within level 2. Forward currency contracts are priced using the prevailing forward rate of the foreign currency pair and the associated carrying costs of the contract.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

4. FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Partnership's financial assets and financial liabilities measured at fair value as at June 30, 2024:

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Debt investments				
Investment in ECOF III S.à r.l. (Loan Notes)	-	-	427,121,444	427,121,444
Equity investments				
Investment in ECOF III S.à r.l. (Share Capital)	-	-	12,860	12,860
Investment in Alcentra European Credit Opportunities Fund III (Finance) SCSP	-	-	100	100
Private equity investments	-	-	19,595,407	19,595,407
Derivative contracts				
Forward currency contracts	-	5,660,147	-	5,660,147
TOTAL	-	5,660,147	446,729,811	452,389,958

The following table shows a reconciliation from the opening balances to closing balances for fair value measurements in level 3 of the fair value hierarchy:

	Equity investments	Debt investments	Total
Opening balance at July 1, 2023	5,988,118	503,562,662	509,550,780
Purchases	14,658,436	39,168,721	53,827,157
Disposals	(317,592)	(88,824,747)	(89,142,339)
Unrealized loss	(720,595)	(26,785,192)	(27,505,787)
Balance at June 30, 2024	19,608,367	427,121,444	446,729,811

There were no transfers into and out of level 3 during the year ended June 30, 2024.

Valuation technique and significant unobservable inputs

The table below sets out information about significant unobservable inputs used at June 30, 2024 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

Description	Fair value as June 30, 2024	Valuation technique	Unobservable inputs	Range of estimates for unobservable input	Sensitivity to changes in significant unobservable inputs
Investments in ECOF III S.à r.l.	427,134,304	Net asset value	N/A	See note (i)	See note (i) below
Investment in Alcentra European Credit Opportunities Fund III (Finance) SCSP	100	Net asset value	N/A	See note (i)	See note (i) below
Private equity investments	19,595,407	Market approach using comparable trade multiples	EBITDA/ revenue multiple	0x-57.11x	The estimated fair value would increase if: - the EBITDA multiples were higher, or - the discount for lack of marketability were lower.
			Discount for lack of marketability	-42.00%-16.27%	

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

4. FAIR VALUE MEASUREMENT (CONTINUED)

Valuation technique and significant unobservable inputs (continued)

- (i) The fair value of the investments in ECOF III S.à.r.l. and Alcentra European Credit Opportunities Fund III (Finance) SCSP are determined by their net asset value as included in their respective annual accounts as at June 30, 2024.

ECOF III S.à.r.l. has investment in direct lending loans which are for the purpose of generating interest income and, potentially, capital gains. The fair value of the investments held as financial fixed assets is derived from market comparable data taken from the listed markets or from recent transactions in the loan market space.

5. DERIVATIVE CONTRACTS

In accordance with ASC Topic 815 – Derivatives and Hedging (“ASC 815”), the Partnership is required to provide users of financial statements with an enhanced understanding of the use of derivative instruments by the Partnership and how these derivatives affected the financial position, results of operations and cash flows of the Partnership.

The following table sets forth the fair value of the Partnership’s derivative contracts by major risk categories, on the Statement of Assets, Liabilities and Partners’ Capital, arranged by type of contract, as of June 30, 2024.

Derivative type	Risk category	Unrealized gain, at fair value
Forward currency contracts	Foreign exchange risk	4,203,093

Realized and net change in unrealized gain for forward currency contracts are included in the Statement of Operations under the line items net realized gain on derivative contracts and in net unrealized gain on derivative contracts respectively.

Derivative type	Risk category	Net realized gain	Unrealized gain, at fair value
Forward currency contracts	Foreign exchange risk	6,304,005	4,203,093

Volume of derivatives traded

As an indication of the volume of derivatives traded during the year, an average net notional for the year was calculated based on actual notional held per quarter. The Portfolio Manager is of the opinion that this provides the users of the financial statements with an accurate reflection of the volume of derivative activity traded during the year by Partnership.

Derivative type	Currency sold	Risk category	Average number of contracts	Average notional
Forward currency contracts	USD/GBP	Foreign exchange risk	3	130,622,749
Forward currency contracts	USD/CHF	Foreign exchange risk	1	4,157,431
Forward currency contracts	USD/DKK	Foreign exchange risk	1	15,589,380
Forward currency contracts	USD/NOK	Foreign exchange risk	1	8,199,507
Forward currency contracts	USD/EUR	Foreign exchange risk	5	278,681,900
Forward currency contracts	GBP/USD	Foreign exchange risk	2	20,464,295
Forward currency contracts	EUR/USD	Foreign exchange risk	1	10,987,784
Forward currency contracts	NOK/USD	Foreign exchange risk	1	2,111,967
Forward currency contracts	DKK/USD	Foreign exchange risk	1	1,462,500
Forward currency contracts	CHF/USD	Foreign exchange risk	1	30,000

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

6. FINANCIAL RISK REVIEW AND MANAGEMENT

The Partnership has exposure to the following risks from financial instruments:

- Market risk
- Liquidity risk; and
- Credit risk

This note presents information about the Partnership's exposure to each of the financial risks as well as about the Partnership's objectives, policies and processes for measuring and managing risk, and the Partnership's management of capital.

The Partnership maintains positions in financial instruments in accordance with its investment management strategy which is to make, hold, monitor and realize investments (such investments being made primarily by the origination of loans) in companies, corporate bodies or partnerships.

Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The Partnership's strategy on the management of investment risk is driven by the Partnership's investment objectives. The Partnership's primary objective is to generate absolute net returns to investors with low correlation to other markets.

(i) Currency risk

The Partnership may hold financial instruments and enter into transactions denominated in currencies other than the USD, which is the functional currency of the Partnership. Consequently, the Partnership may be exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Partnership's assets or liabilities denominated in currencies other than the USD.

The Partnership's currency risk is managed as necessary by the Portfolio Manager in accordance with policies and procedures in place.

The table below sets out the Partnership's total exposure to foreign currency risk and the net exposure to foreign currencies of the financial assets and financial liabilities.

June 30, 2024	GBP	EUR	USD	CHF	DKK	NOK	Total
All amounts are in USD							
Investment in ECOF III S.à.r.l., at fair value	121,430,113	231,524,664	58,877,293	9,263,527	-	6,025,847	427,121,444
Equity investments, at fair value	13,304,013	3,529,665	2,077,316	-	-	697,373	19,608,367
Derivative contracts, at fair value	725,772	4,918,890	(699,613)	216,977	303,749	194,372	5,660,147
Cash and cash equivalents	178,551	1,389,828	125,643	8,595	1,274	4,767	1,708,658
Interest receivable on loan notes	-	-	45,725,178	-	-	-	45,725,178
Receivables from related parties	29,953	89,858	59,582	-	-	-	179,393
Total assets	135,668,402	241,452,905	106,165,399	9,489,099	305,023	6,922,359	500,003,187
General Partner's share payable	-	-	1,761,234	-	-	-	1,761,234
Loan payable	-	10,010,754	-	-	-	-	10,010,754
Administration fees payable	-	51,495	-	-	-	-	51,495
Audit fees payable	-	80,175	-	-	-	-	80,175
Professional fees payable	-	17,240	76,652	-	-	-	93,892
Amounts due to Alcentra European Credit Opportunities Fund III (Finance) SCSp	-	34,615	-	-	-	-	34,615
Risk Management fees payable	-	28,504	-	-	-	-	28,504
Contribution payable to ECOF III S.à.r.l.	-	12,860	-	-	-	-	12,860
Capital contribution payable to Alcentra European Credit Opportunities Fund III (Finance) SCSp	-	-	100	-	-	-	100
Total liabilities	-	10,235,643	1,837,986	-	-	-	12,073,629
Net exposure	135,668,402	231,217,262	104,327,413	9,489,099	305,023	6,922,359	487,929,558

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

6. FINANCIAL RISK REVIEW AND MANAGEMENT (CONTINUED)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The table below sets out the effect on the partners' capital of a possible weakening of the GBP, EUR, CHF, DKK and NOK against the USD by 5%. The analysis assumes that all other variables remain constant.

	As at June 30, 2024 USD
EUR	11,560,863
GBP	6,783,420
CHF	474,455
NOK	346,118
DKK	15,251

A strengthening of the EUR and GBP against the USD would have resulted in an equal but opposite effect.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial assets.

The Partnership's interest rate risk is managed on a daily basis by the Portfolio Manager in accordance with the policies and procedures in place.

The financial assets and financial liabilities of the Company are predominantly floating-rate debt securities, being leveraged loans and floating rate notes. The large majority of the Company's investments in debt securities carry variable interest rates, typically with maturity levels greater than five years. The Company's overall interest rate risks are monitored on a continuous basis by the Portfolio Manager. Where the Company's interest rate risk profile is not in accordance with the investment policy or guidelines of the Partnership, the Portfolio Manager will rebalance the portfolio.

The following table details the Partnership's direct exposure to interest rate risk:

	As at June 30, 2024
Assets	
Debt investments, at fair value	427,121,444
Interest receivable	45,725,178
Total assets	472,846,622
Net exposure	472,846,622

An increase of 100 basis points in interest rates as at reporting date would have increased the partners' capital by USD 4,879,296. A decrease of 100 basis points would have had an equal but opposite effect.

During the prior year, the Partnership held variable rate debt investments linked to LIBOR which were transitioned to an alternative benchmark, Euribor. The impact of this transition is captured in the fair value of these investments.

(iii) Other market price risk

The Partnership is exposed to equity price risk which arises from investments measured at fair value through profit or loss. All buy and sell decisions are approved by the Board of Manager of the General Partner. The primary goal of the Partnership's investment strategy is to maximise returns.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

6. FINANCIAL RISK REVIEW AND MANAGEMENT (CONTINUED)

Credit risk

Credit investment process

The Portfolio Manager has a stringent Credit Investment/Approval process including ongoing monitoring and quarterly review of each investment. The Portfolio Manager has a team of experienced credit analysts who track different industry sectors and report into a weekly Credit Meeting, which is chaired by senior members of the Portfolio Manager's Investment Committee. As at June 30, 2024 no sensitivity analysis on credits risk has been performed as no conditions that could have material impacts on the credit risk have been identified.

An effective two-stage process based upon detailed, fundamental credit analysis allows the Portfolio Manager to make timely and well-informed decisions. This feedback can then be passed to arranging banks with final allocation decisions made thereafter.

The first stage involves an initial review of a prospective investment by the relevant industry analyst. Based upon this analysis, the analyst prepares an initial investment review, which is then presented at the weekly Credit Meeting. At the meeting, it is decided whether to decline the investment or to continue to a more detailed analysis.

If the preliminary Investment Committee decision is to continue with further analysis, the responsible analyst will undertake a full due diligence process of the prospective investment. This typically includes a meeting with management personnel and documentation review.

This second stage leads to a report being written by the analyst including financial models, recovery rating and an internal rating score for Investment Committee review. Typically referred to as a "Credit Paper", this report makes a final assessment of the credit worthiness and investment potential of the prospective investment.

The Credit Paper is submitted to the Investment Committee, upon which a final decision to proceed with an investment is made. Execution of the buy or sell decision is delegated to Portfolio Manager upon a majority decision from the Investment Committee.

Once an investment has been made, it is the credit analyst's responsibility to continually track its performance.

The credit analyst monitors key metrics such as revenue, gross profit, EBITDA, EBIT (and their margins), free cash flow and liquidity to ensure all interest and capital repayment can be met by the issuer. Such metrics are typically compared against budget and prior year results with adjustments made so that like-for-like performance can be monitored.

Investments/issuers are assigned a rating to show if they are ahead of, in line or behind budget. With each set of monthly accounts, the responsible credit analyst provides a monitoring template to the Investment Committee including all of the above analysis plus covenant performance, quarterly performance and rolling twelve months performance.

Additionally, the portfolio is discussed at the weekly credit meeting where any downturn in performance is considered.

Credit/counterparty risk

The Partnership is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Partnership is also exposed to counterparty credit risk on cash and cash equivalents, interest and other receivables. The main concentration to which the Partnership is exposed arises from its investment in debt securities.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

6. FINANCIAL RISK REVIEW AND MANAGEMENT (CONTINUED)

Credit risk (continued)

Credit/counterparty risk (continued)

The Partnership's exposure to credit risk arises in respect of the following financial instruments:

- Debt investments, at fair value;
- Equity investments, at fair value
- Derivative contracts, at fair value;
- Cash and cash equivalents;
- Receivables from related parties; and
- Interest receivable.

(i) Analysis of credit quality

Cash and cash equivalents

The Partnership's cash and cash equivalents are held mainly with The Royal Bank of Scotland International Limited, and State Street Bank and Trust Company. The Portfolio Manager monitors the financial position of The Royal Bank of Scotland International Limited on a quarterly basis. The Royal Bank of Scotland International Limited had a credit rating of A from S&P Ratings as at June 2024. State Street Bank and Trust Company had a credit rating of AA- from S&P ratings as at June 2024.

Derivatives

Derivative transactions are either transacted on an exchange, or entered into under International Derivatives Swaps and Dealers Association (ISDA) agreements. Under ISDA agreements in certain circumstances - e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

(ii) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments. For the Partnership, derivatives transactions are entered into under ISDA master netting agreement.

The following tables show an analysis of counter-party credit exposures arising from derivatives transactions as at 30 June 2024:

30 June 2024	Gross amount of recognised financial assets	Gross amount of recognised financial assets offset in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position	Related amounts not offset in the Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash Collateral received	
Type of financial assets						
Forward currency contracts	6,359,835	(699,688)	5,660,147	-	-	5,660,147
Total	6,359,835	-	5,660,147	-	-	5,660,147

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

6. FINANCIAL RISK REVIEW AND MANAGEMENT (CONTINUED)

Credit risk (continued)

(iii) Offsetting financial assets and financial liabilities (continued)

As at June 30, 2024, the Partnership has forward currency contracts as below:

Counterparty	Maturity date	Amount bought	Amount sold	Unrealised gain/(loss)
Lloyds Bank Plc	July 26, 2024	USD 113,938,931	GBP 89,602,315	620,989
Lloyds Bank Plc	July 26, 2024	USD 4,174,923	CHF 3,547,019	216,977
Lloyds Bank Plc	July 26, 2024	USD 15,445,249	DKK 105,261,149	303,749
Lloyds Bank Plc	July 26, 2024	GBP 34,544,308	USD 44,042,576	(356,402)
Lloyds Bank Plc	July 26, 2024	USD 8,075,467	NOK 84,102,691	194,372
Lloyds Bank Plc	July 26, 2024	USD 261,254,776	EUR 239,211,442	4,689,860
Lloyds Bank Plc	July 26, 2024	EUR 19,352,914	USD 20,971,069	(213,997)
Lloyds Bank Plc	July 26, 2024	EUR 14,096,223	USD 15,245,559	(126,603)
Lloyds Bank Plc	July 26, 2024	NOK 4,047,867	USD 381,897	(2,611)
Wells Fargo	July 26, 2024	USD 8,529,046	EUR 7,801,180	161,933
Wells Fargo	July 26, 2024	USD 16,212,431	GBP 12,736,516	104,859
Wells Fargo	July 26, 2024	USD 149,443	EUR 137,000	2,504
Wells Fargo	July 26, 2024	USD 4,886,459	EUR 4,495,726	64,593
Wells Fargo	July 26, 2024	USD 958,778	GBP 758,180	(75)
				5,660,147

General Partner's share

The General Partner is entitled to a General Partner's Share ("GPPS") of 1.35% per annum of aggregate acquisition cost of investments. The annual rate is 1.35% for an investor making a Commitment of EUR 75 million or more, with effect from the date on which the threshold is met. The annual rate is 0.88% for an investor which made a Commitment of EUR 75 million or its equivalent at the First Closing date. The fee is payable quarterly in advance. The GPPS for the year was USD 7,492,240. USD 1,761,234 was outstanding at year end.

AIFM

In accordance with the LPA, the Partnership shall pay to the AIFM such part of the AIFM fee as is specified as payable by the Partnership in the AIFM fee Letter. As per the AIFM fee letter, the AIFM fee shall be (i) 0.02% per annum of the Partnership's portfolio acquisition value, up to a portfolio acquisition value of €100 million, and (ii) 0.01% per annum of the Partnership's portfolio acquisition value above €100 million, where applicable, subject to a minimum aggregate amount payable by the Partnership of €25,000 per annum or such lesser amount as may be agreed between the parties to the AIFM fee letter. The remainder of the AIFM fee shall be borne by the General Partner out of its General Partner's Share as described in the AIFM letter.

As at the year end, an amount of USD 174,401 has been paid to the AIFM in relation to carrying out their activities in respect of the Partnership. USD 75,772 was still outstanding to the AIFM at reporting date.

7. RELATED PARTY TRANSACTIONS

Portfolio Manager

As at the year end, no fees have been charged or paid to the Portfolio Manager or any of its respective associates in carrying out its activities in respect of the Partnership.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

7. RELATED PARTY TRANSACTIONS (CONTINUED)

Carried Interest Partner

The Carried Interest Partner is a related party to the Partnership. In preparing these financial statements, allocations to the Carried Interest Partner have been made on an unrealized basis, i.e. unrealized gains and losses have been allocated to the Carried Interest Partner as if realized and distributed in accordance with the LPA. As at June 30, 2024, an unrealized amount of USD 19,184,392 was allocated to the Carried Interest Partner.

Others

During the year, the following amounts were paid by the Partnership on behalf of related parties or paid by related parties on behalf of the Partnership. These amounts relate to expenses and can be expected to be repaid or paid within the next year.

The following table show a breakdown of these amounts:

Entity	Nature of receivable	Amount	Entity	Nature of payable	Amount
Clareant ECOF III GP S.à r.l.	Capital contribution	1,000	Alcentra European Credit Opportunities Fund III (Finance) SCSP	Capital contribution	100
Alcentra EDL Carry SCSP	Capital contribution	1,000	Alcentra European Credit Opportunities Fund III (Finance) SCSP	General Partner's Share	1,761,234
Clareant ECOF III S.à r.l.	Interest on loan note	45,725,178	Clareant ECOF III GP S.à r.l.	Share capital	12,859
Stichting EDL III GP	Share capital reimbursement	12,860	Alcentra European Credit Opportunities Fund III (Finance) SCSP	Transfer of bridge proceeds	10,010,754
Clareant ECOF III GP S.à r.l.	Share capital reimbursement	12,860			
Alcentra EDL Carry SCSP	Carry SCSP Expense	18,968			
Alcentra EDL Carry SCSP	Carry SCSP Tax Distribution	57,582			
Total receivables		45,829,448	Total payables		11,784,947

During the year, interest expense of USD 13,643 was accrued on the Multicurrency Revolving Secured Capital Call Facility Agreement entered into on April 5, 2023 with Mitsubishi UFJ Trust and Banking Corporation by Alcentra European Credit Opportunities Fund III (Finance) SCSP. This interest is payable by the Partnership on behalf of Alcentra European Credit Opportunities Fund III (Finance) SCSP. As at 30 June 2024, the amount payable by the Partnership to Alcentra European Credit Opportunities Fund III (Finance) SCSP amounts to USD 10,010,754.

There are related party transactions in relation to minor/non-significant expenses that are being borne and charged at the level of the Partnership that are not disclosed to avoid duplication of bank charges at each level.

During the year ended June 30, 2024, interest income from the loan notes of ECOF III S.à r.l. amounted to USD 73,114,693. Distribution of USD 70,121,697 was received from ECOF III S.à r.l. during the year ended June 30, 2024.

During the year ended June 30, 2024, the Partnership made investments in the loan notes of ECOF III S.à r.l. amounting to USD 53,827,157.

Other Key Contracts

Peter Dickinson is a Manager of the General Partner and is also a director of Apex Fund and Corporate Products S.A., which provides administration services to the General Partner and the Partnership. Total administration fees in respect of the year ended June 30, 2024 amounted to USD 363,580. USD 51,495 was payable at the end of the year.

Jens Hoellermann and Simon Barnes who are Managers of the General Partner, are also the Partners of Intabulis SCSP, which provides professional services to the General Partner and the Partnership. Service fees of USD 25,383 were charged during the financial year.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(All amounts in USD, unless otherwise stated)

8. FINANCIAL HIGHLIGHTS

The following represents the performance information, ratios to average Partner's capital and internal rate of return for year ended June 30, 2024:

	As at June 30, 2024
Internal rate of return, since inception:	
Beginning of year	9.55%
End of year	9.14%
Ratio to average Limited Partners' capital:	
Expenses before carried interest to Carried Interest Partner	-1.53%
Carried interest to Carried Interest Partner	3.52%
Expenses, including carried interest to Carried Interest Partner	-5.05%
Net investment income	12.03%

The average Partners' capital is calculated by taking the sum of the Partners' capital value for the different quarters during the year of the Partnership and divide against the number of periods considered. An individual Limited Partner's return and ratios may vary based on different General Partner's Share arrangements. Financial highlights are calculated for the Limited Partner class taken as a whole.

The internal rate of return (IRR) since inception of the Partnership is computed based on the actual dates of capital contributions and distributions and the ending aggregate Limited Partners' capital balance (residual value) at the reporting date. The cash flows from the loan are not factored into the IRR.

9. SUBSEQUENT EVENTS

Management has evaluated events occurring after the date of the financial statements through 30 September 2024, the date the financial statements were available to be issued. All subsequent events requiring recognition and disclosure have been incorporated into these financial statements.

As at June 30, 2024, the amount of uncalled commitment from the investment held in ECOF III S.à r.l. is USD 191,057,661.

As at June 30, 2024, the amount of uncalled commitment from investments is USD 41,394,450.

As at June 30, 2024, the amount of uncalled commitment from the investments in ECOF III S.à r.l. is USD 748,230.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

SUPPLEMENTARY INFORMATION (UNAUDITED AIFM DISCLOSURES)

(All amounts in USD, unless otherwise stated)

SUPPLEMENTARY INFORMATION (UNAUDITED AIFM DISCLOSURES)

For the year ended June 30, 2024

Disclosures under the Alternative Investment Fund Managers Directive (Unaudited)

Risk management

All risks relevant to the portfolio of the AIF (and its sub-funds as the case may be) derived from assets and financial instruments held or invested into are appropriately identified according to market standard practices, in accordance to the risk management process and risk management policy of the AIFM. The AIFM has put in place different risk managements systems to, in an appropriate manner, depending on the asset classes identified by the AIFM, measure and monitor the different risks to which the AIF and its sub-funds may be exposed to, and as part of the risk management practices, regular reporting is prepared illustrating key risk metrics, in line with methodologies which are appropriate for the type of investments the AIF and its sub-funds may be exposed to. Furthermore, stress tests are performed and regular investment compliance checks are conducted with regards to the legal investment restrictions as well as any relevant restrictions of the offering documents. All key risk and potential issues are reported to the board of the AIF.

In accordance with the AIFM Regulation leverage is any method which increases the Fund's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of a Fund's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of a Fund's positions (including all holdings) after deduction of cash balances and cash equivalents, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and cash equivalents and after certain hedging and netting positions are offset against each other if applicable.

As at 30/06/2024, the total amount of leverage calculated according to the gross method and according to the commitment method amounts to 251.30 % and 178.29 % respectively.

Remuneration

Waystone Management Company (Lux) S.A. (Henceforth, "Waystone", "WMC Lux", or the "Company") has adopted a remuneration policy in accordance with the applicable regulatory framework, particularly:

- The ESMA Guidelines on sound remuneration policies under the UCITS Directive of 14 October 2016 (ESMA/2016/575) and the ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232, as amended by ESMA/2016/579),
- The Law of 17 December 2010 relating to undertakings for collective investment,
- The Law of 12 July 2013 on alternative investment fund managers, and
- The CSSF Circular 18/698 of 23 August 2018 on the Authorization and organization of investment fund managers incorporated under Luxembourg law.

Through its remuneration policy, and as prescribed by the Sustainable Finance Disclosure Regulation [Regulation (EU) 2019/2088 of 27 November 2019 or the "SFDR"], the Company ensures that the structure of its remuneration does not encourage excessive risk taking with respect to sustainability risks when performing its activities as AIFM/Management Company, while it promotes sound and effective risk management with respect to sustainability risks.

Details of Waystone's remuneration policy, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements, and an overview of how remuneration is determined, is available under <https://www.waystone.com/waystone-policies>.

With respect to the financial year ended 31 December 2023 (when, as of that date, WMC Lux had a headcount of 83 employees), the total fixed and variable remuneration paid by the Company to its employees amounted to EUR 8,084,973 and EUR 714,783 respectively.

ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

SUPPLEMENTARY INFORMATION

(All amounts in USD, unless otherwise stated)

SUPPLEMENTARY INFORMATION (UNAUDITED AIFM DISCLOSURES) (Continued)

For the year ended June 30, 2024

Disclosures under the Alternative Investment Fund Managers Directive (Unaudited) (Continued)

Remuneration (Continued)

The total remuneration paid by the Company to senior management and members of its identified staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,872,522

The Company's remuneration committee has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of directors in the financial year ended 31 December 2023, being the current version dated of November 2023.

The remuneration policy was reviewed and approved by the Board of Directors on 29 November 2023.

Neither the AIFM or the AIF pay any remuneration to the identified staff of the delegate.

Name of plan
ALCENTRA EUROPEAN CREDIT OPPORTUNITIES FUND III SCSP

Three-digit plan number
001

Name of plan sponsor
THE BANK OF NEW YORK MELLON

Employer Identification Number
98-1453417

**Schedule of Assets Held for Investment Purposes at Year End - Schedule H, Line 4i
as of June 30, 2024**

Investment Description	Investment Type	Cost	Market Value
Brain Labs Bidco Limited	Common Stock	2,064,356	2,064,356
Iseran	Common Stock	864,054	2,670,708
Jersey Telecom (Common)	Common Stock	9,797	7,729
TFP (FC)	Common Stock	9,769,149	9,879,336
Jersey Telecom (Preferred)	Preferred Stock	945,934	746,240
AnaCap Panther Co-Investment	Limited Partnerships	1,017,341	697,373
Rising Point Holding	Limited Partnerships	3,034,002	3,529,665
ECOF III S.à r.l. (Loan Notes)	Loans (other than to participants)	483,547,244	427,121,444
ECOF III S.à r.l. (Share Capital)	Loans (other than to participants)	13,563	12,860
Alcentra European Credit Opportunities Fund (Finance) SC: Loans (other than to participants)		100	100
Foreign Currency Contracts	Other Investments	5,660,147	5,660,147
	Total Assets Held for Investment		452,389,958