

November 16, 2016

Dear Limited Partners:

### **Badger Fund of Funds I Quarterly Report for the period ended on September 30, 2016**

In accordance with Section 7(c)(i) – Report to Partners, of the Limited Partnership Agreement of the Badger Fund of Funds I, L.P. (the “Badger Fund” or the “Fund”), and pursuant to provisions in Section 16.285 (7), Wisconsin Statutes, Sun Mountain Kegonsa, LLC (“SMK” or the “General Partner”) is required to provide a report within 60 days after the end of each of the first three fiscal quarters. Such report will include financial statements as well as summary descriptions of Portfolio Investments, Portfolio Companies, and Eligible Businesses.

The Badger Fund held its final closing on June 3, 2016. Capital commitments to the Fund total \$36 million, with \$25 million from the State of Wisconsin and \$11 million from private individual and institutional investors. Below please find an update on the Fund’s operations, investment activity and investment due diligence work to date.

#### **Investment Activity**

To date, two fund managers have received contingent Badger Fund commitments and completed formal offering documents. These fund managers are currently actively raising private capital and include the Idea Fund of La Crosse, managed by Jonathon Horne, and the Winnebago Seed Fund, managed by David Trotter. The Badger Fund commitments were made contingent on the fund managers’ ability to raise private capital. Since beginning fundraising efforts, both the Idea Fund of La Crosse and the Winnebago Seed Fund have been making progress in each fund’s respective target geography.

A third fund manager has completed the Badger Fund due diligence process and has received a contingent commitment. However this fund manager is still in the process of preparing formal offering documents.

In addition to the current managers that have received commitments, the Badger Fund is actively evaluating a number of other fund manager candidates. As described in the Badger Fund’s offering documents, the Badger Fund continues to evaluate new fund manager candidates and opportunities in parallel to assisting existing fund managers.

#### **First Capital Call**

The Badger Fund has made its first two investment commitments to portfolio funds as described in the Investment Activity section above. As a result, the Badger Fund issued the first capital call to Limited Partners on August 26, 2016 for \$695 thousand, which represents 1.9% of the Fund’s total committed capital. As previously discussed, the Badger Fund utilizes its line of credit such that capital calls are used to fund portfolio fund draws and expenses of the Badger Fund in arrears. To enhance Limited Partner returns, SMK has not included any future Fund expenses and management fees in this capital call but will use the Fund’s line of credit.

### **Line of Credit**

During the quarter ended September 30, 2016, the Badger Fund solicited proposals from Wisconsin-based banks to provide a line of credit that would replace the Silicon Valley Bank facility. Multiple responses from Wisconsin-based financial institutions were received and evaluated. Subsequent to quarter end, the Badger Fund negotiated and closed on a new line of credit with Capitol Bank in Madison, WI.

Once the line of credit with Capitol Bank was finalized, the Badger Fund fully paid off and closed out the previous line of credit from Silicon Valley Bank. The Badger Fund views this as a notable milestone and is proud to be working with a Wisconsin bank.

### **Portfolio Reporting Requirements**

At quarter's end, the Badger Fund has made commitments to three portfolio funds (as discussed above). However these portfolio funds have not yet completed their fundraising and so the Badger Fund has not made any investments as of September 30, 2016. As a result, there are no items to report for the categories shown below in the Fund's Limited Partnership Agreement and the Wisconsin Statutes:

- Portfolio fund information, including name and location of fund, amount invested, fees paid, financial performance such as IRR, and other required information;

- Underlying business information, including name and location of business, description of the business, portfolio funds invested in the business, employment information, and other required information.

Please find below the name and physical address of the two funds that have received commitments from the Badger Fund and completed formal offering documents:

#### **Idea Fund of La Crosse**

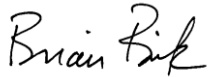
*102 Jay Street, Suite 400  
La Crosse, Wisconsin*

#### **Winnebago Seed Fund**

*124 W. Wisconsin Avenue, Suite 240F  
Neenah, Wisconsin*

In summary, the quarter ended September 30, 2016, has been very active in investment due diligence and aligning the Fund more closely with the Wisconsin ecosystem. The Badger Fund remains optimistic about the Fund's current committed fund managers and the prospects for additional fund manager candidates. If you have any questions or wish to discuss any aspect of this report, please do not hesitate to contact either myself or Ken Johnson.

Best Regards,



Brian Birk  
President  
Sun Mountain Kegonsa, LLC  
Investment Manager for the Badger Fund of Funds



Kenneth U. Johnson  
Partner  
Sun Mountain Kegonsa, LLC  
Investment Manager for the Badger Fund of Funds