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**To:** Limited Partners of Badger Fund of Funds I, L.P.

**Date:** May 29, 2018

**Re:** Badger Fund of Funds I Report for the Quarter Ended March 31, 2018

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Dear Limited Partners,

We are pleased to report on the progress achieved by the Badger Fund of Funds (the “Badger Fund”) during the quarter ended March 31, 2018. In accordance with Section 7(c)(i) of the Limited Partnership Agreement of the Badger Fund, Sun Mountain Kegonsa is required to provide a report after the end of each fiscal quarter. Below please find an update on the Badger Fund’s operations, investment activity and investment due diligence work.

### **Investment Activity**

The Badger Fund has made commitments to five funds to date, including both “seed stage” funds as well as “growth stage” funds. Two funds have held final closings, and three funds are actively fundraising. The Badger Fund is also conducting due diligence on three additional fund manager candidates. More detail is provided below.

#### ***Seed Stage Funds***

The seed stage funds in the Badger Fund portfolio will focus on pre-revenue companies. The Idea Fund of La Crosse and the Winnebago Seed Fund continue to actively evaluate investments. The Idea Fund has held four Investment Committee meetings to review potential investment opportunities. In addition, the Winnebago Seed Fund has held five Investment Committee meetings to review potential investment opportunities. Both funds hosted Limited Partner Annual Meetings during the quarter, in La Crosse and Neenah, respectively, and both meetings were attended by representatives of Sun Mountain Kegonsa. For additional detail on these funds, please see Appendix A.

As of March 31, 2018, the Winnebago Seed Fund and Idea Fund of La Crosse have made investments into three companies. For additional detail on the companies that have received investment from the seed stage funds, see Appendix B.

Two additional seed fund managers have received contingent commitments from the Badger Fund which have been publicly announced. Both funds finalized legal documents subsequent to March 31, 2018 and are currently fundraising. These funds are the Bold Coast Capital Fund and the Winnow Fund. The Bold Coast Capital Fund, managed by Ross Leinweber, is based in Milwaukee. The Winnow Fund, managed by Richelle Martin, is based in Madison, but the focus of the fund will be statewide on ideas generated by students in Wisconsin universities. As the offering documents for both funds were not completed until after quarter end, the commitment amounts will be reflected in the financial reporting for the fiscal year ended June 30, 2018.

**Growth Stage Funds**

The first growth stage fund in the Badger Fund portfolio, Rock River Capital Partners, is actively raising private capital. Rock River Capital Partners is managed by Andrew Walker and Christopher Eckstrom.

**Portfolio Reporting**

Please find below reporting information related to investments in Badger Fund portfolio funds as well as investments made by portfolio funds into Wisconsin-based startup companies.

**Portfolio Funds**

The table below summarizes the commitments made to portfolio funds which have held closings and are investing as of March 31, 2018, the amount of the Badger Fund commitment that has been funded as of the quarter end, and the amount that each fund has invested into Wisconsin-based startup companies.

<b>Badger Fund of Funds</b>					
<b>Portfolio Summary as of 3/31/18</b>	<b>Total Fund Size</b>	<b>BFF Commitment</b>	<b>Funded To Date</b>	<b>Percent Funded</b>	<b>Invested to Date</b>
<b>Seed Stage Funds</b>					
Idea Fund of La Crosse	\$ 13,000,000	\$ 5,200,000	\$ 280,371	5%	\$ 400,000
Winnebago Seed Fund	\$ 11,000,000	\$ 4,400,000	\$ 229,477	5%	\$ 800,000
<b>Total Seed Stage</b>	<b>\$ 24,000,000</b>	<b>\$ 9,600,000</b>	<b>\$ 509,848</b>	<b>5%</b>	<b>\$ 1,200,000</b>
<b>Badger Fund Total</b>	<b>\$ 24,000,000</b>	<b>\$ 9,600,000</b>	<b>\$ 509,848</b>	<b>5%</b>	<b>\$ 1,200,000</b>

The Badger Fund’s Limited Partnership Agreement and Wisconsin Statutes require the Badger Fund report the average internal rate of return of each portfolio fund investment as well as an accounting of any fee the venture capital fund has paid to itself or any principal or manager of the venture capital fund.

As of the quarter ended March 31, 2018, only one capital call had been made by each portfolio fund and, as such, there is no meaningful information to report with regard to either item.

**Portfolio Companies**

The following table summarizes investments made by portfolio funds to date, the amount attributable to the Badger Fund, total capital raised by the companies to date, and the number of Wisconsin employees of each company.

<b>Badger Fund of Funds - Portfolio Funds</b>						
<b>Company Investments as of 3/31/18</b>	<b>Portfolio Fund Investment<sup>1</sup></b>	<b>Badger Fund Amount<sup>1</sup></b>	<b>Total Capital Raised</b>	<b>WI Employees At Investment</b>	<b>WI Employees Current</b>	
Company A	\$ 400,000	\$ 160,000	\$ 400,000	2	1	
Company B	\$ 400,000	\$ 160,000	\$ 400,000	1	1	
Company C	\$ 400,000	\$ 160,000	\$ 451,000	3	5	
<b>Total</b>	<b>\$ 1,200,000</b>	<b>\$ 480,000</b>	<b>\$ 1,251,000</b>	<b>6</b>	<b>7</b>	

Note: Companies anonymized in reporting of investment and employment to protect confidential company-level information.

<sup>1</sup>The Portfolio Fund Investment amount is inclusive of the Badger Fund Amount. The Badger Fund Amount represents the portion of a portfolio fund’s investment that is attributable to the Badger Fund’s commitment to that fund.

To date, all company investments have been made by seed stage portfolio funds. Part of the seed fund investment strategy is to be the first institutional investor in a company, with the intent of securing large ownership positions at attractive valuations. Subsequent financing rounds of companies will increasingly leverage external investors joining the investor syndicate. The investment amounts to date are reflective of this investment strategy. As successful companies grow, the number of employees as well as total capital raised is anticipated to increase.

For additional detail on the companies which have received investment from Badger Fund portfolio funds to date, please see Appendix B.

### **Capital Calls**

During the quarter ended March 31, 2018, no capital calls were issued by the Badger Fund. Subsequent to quarter end, the fourth capital call was issued to limited partners on April 19, 2018.

### **Upcoming Events**

The Badger Fund team and portfolio fund managers will be participating in several upcoming ecosystem events that can be attended by Limited Partners in the Badger Fund.


The first upcoming event is the annual Wisconsin Entrepreneur’s Conference happening June 5-6 at the Union South building on the UW-Madison campus. On Wednesday, June 6, the Badger Fund will be featured in the morning plenary panel session. This panel will consist of a representative from the Badger Fund team as well as all of the current portfolio fund managers.

The second upcoming event the Badger Fund will be participating in is Forward Fest. This year will be the third year the Badger Fund will host an evening portfolio fund manager meet and greet event during the Forward Fest week. The event will be hosted on Wednesday, August 22 from 5-8PM.

**Summary**

The Badger Fund remains optimistic about the prospects for the fund managers who have received commitments as well as those in the pipeline. We are proud of the progress which has been made to date towards accomplishing the mission of the Fund. 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,

A handwritten signature in black ink that reads "Brian Birk".

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

A handwritten signature in black ink that reads "Kenneth U. Johnson".

Kenneth U. Johnson  
Partner  
Sun Mountain Kegonsa, LLC  
Investment Manager for the Badger Fund of Funds  
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**Appendix A – Portfolio Fund Summaries**

***Seed Stage Funds***

<u>Fund Name</u>	<u>Summary</u>
<p><b>Idea Fund of La Crosse</b> 102 Jay Street, Suite 400 La Crosse, Wisconsin <a href="http://ideafundvc.com">ideafundvc.com</a></p>	<p><b>Idea Fund of La Crosse</b> focuses on seed stage startup companies in Western Wisconsin. The fund is based in La Crosse, Wisconsin. The fund is managed by Jonathon Horne, a La Crosse native with professional experience in the financial services industry.</p>
<p><b>Winnebago Seed Fund</b> 124 W. Wisconsin Ave, Suite 240F Neenah, Wisconsin <a href="http://winnebagoseedfund.com">winnebagoseedfund.com</a></p>	<p><b>Winnebago Seed Fund</b> focuses on seed stage startup companies in the Fox Valley region. The fund is based in Neenah, Wisconsin. The fund is managed by David Trotter, a native of the Fox Valley with investment management experience.</p>

**Appendix B – Company Summaries**

<u>Company Name</u>	<u>Summary</u>
<p><b>Curate Solutions</b> 326 W. Gorham Street Madison, Wisconsin</p>	<p><b>Curate Solutions</b> provides a SaaS platform which combines web-scraping and artificial intelligence to scan public municipality meeting minutes and agendas to find upcoming projects for general contractors and vendors.</p>
<p><b>Sift Medical Data</b> 3268 N. Hacket Ave Milwaukee, Wisconsin</p>	<p><b>Sift Medical Data</b> is a healthcare analytics platform that leverages data sources to reduce claims denials, increase patient collection rates and capture clinical insights for clients.</p>
<p><b>The 3<sup>rd</sup> Element</b> 124 W. Wisconsin Ave, Suite 240F Neenah, Wisconsin</p>	<p><b>The 3<sup>rd</sup> Element</b> provides a training system to young athletes combining personality assessment and video-based training content to teach soft skills and develop leadership abilities.</p>