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

**Date:** November 27, 2018

**Re:** Badger Fund of Funds I Report for the Quarter Ended September 30, 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 September 30, 2018. In accordance with Section 7(c)(i) of the Limited Partnership Agreement of the Badger Fund, Sun Mountain Kegonsa will provide a report after the end of each fiscal quarter. Below please find an update on the Badger Fund’s operations and investment activity.

### **Investment Activity**

The Badger Fund has made commitments to seven funds to date, including both seed stage funds as well as growth stage funds. The Badger Fund commitment period ended in June 2018. As a result, no new fund commitments will be made. Three funds have held final closings as of the date of this report. Two funds are currently in the market raising private investment capital. In addition to these five funds, two other funds have received contingent commitments and are in the process of completing legal agreements.

Sun Mountain Kegonsa expects that the Badger Fund’s total investable capital will be fully deployed once all of the portfolio fund managers complete their fundraising process. Additional detail on the seed and growth funds is provided below.

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

The two closed seed stage funds continued to actively make investments during the quarter. Between July 1, 2018 and September 30, 2018, three new startup companies received investments from portfolio funds. The Idea Fund of La Crosse made one new investment in SciArt Software, a technology company focused on providing software tools for engineers utilizing a license from the Wisconsin Alumni Research Foundation. The Winnebago Seed Fund made investments in two new companies, Socialeads and Gentueri. Socialeads is an artificial intelligence (AI) platform focused on financial services companies. Socialeads was a participant in Northwestern Mutual’s reverse pitch program, and Northwestern Mutual invested in the financing round with the Winnebago Seed Fund through its Cream City Venture Capital fund. Gentueri provides solutions for the collection, packaging, preservation and processing of biological samples.

The Bold Coast Capital Fund and the Winnow Fund continue to actively fundraise private capital. The Bold Coast Capital Fund, managed by Ross Leinweber, is based in Milwaukee and is focused on investing in pre-revenue companies. The Winnow Fund, managed by Richelle Martin, is based in Madison and will have a statewide focus on ideas sourced from students at Wisconsin universities.

One additional seed fund has received a contingent commitment and is currently in the process of completing legal documentation. Given that legal documents have not been completed, the commitment has not yet been publicly disclosed.

### ***Growth Stage Funds***

Subsequent to quarter end, Rock River Capital Partners held a final close on \$23.5 million. The fund is currently evaluating investment opportunities and anticipates making its first investment by the end of the year.

One additional growth fund has received a contingent commitment and is currently in the process of finalizing its structure prior to beginning legal document preparation. Once the legal process has been completed, the commitment will be publicly disclosed.

For additional detail regarding funds that have closed on commitments to date, see Appendix A.

### **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 as of September 30, 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</b>	<b>Total</b>	<b>BFF</b>	<b>Funded</b>	<b>Percent</b>	<b>Invested</b>
<b>as of 9/30/18</b>	<b>Fund Size</b>	<b>Commitment</b>	<b>To Date</b>	<b>Funded</b>	<b>to Date<sup>1</sup></b>
<b><i>Seed Stage Funds</i></b>					
Idea Fund of La Crosse	\$ 13,000,000	\$ 5,200,000	\$ 602,695	12%	\$ 1,430,000
Winnebago Seed Fund	\$ 11,000,000	\$ 4,400,000	\$ 688,390	16%	\$ 2,275,000
<b>Total Seed Stage</b>	<b>\$ 24,000,000</b>	<b>\$ 9,600,000</b>	<b>\$ 1,291,085</b>	<b>13%</b>	<b>\$ 3,705,000</b>
<b><i>Growth Stage Funds</i></b>					
Rock River Capital Partners	\$ 21,200,000	\$ 7,000,000	\$ -	0%	\$ -
<b>Total Growth Stage</b>	<b>\$ 21,200,000</b>	<b>\$ 7,000,000</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>
<b>Badger Fund Total</b>	<b>\$ 45,200,000</b>	<b>\$ 16,600,000</b>	<b>\$ 1,291,085</b>	<b>8%</b>	<b>\$ 3,705,000</b>

<sup>1</sup>Invested to Date reflects the total amount invested by a portfolio fund in Wisconsin-based businesses including the Badger Fund commitment as well as private investors in the portfolio fund.

### ***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.

Badger Fund of Funds - Portfolio Funds						
Company Investments as of 9/30/18	Portfolio Fund Investment <sup>1</sup>	Badger Fund Amount <sup>1</sup>	Total Capital Raised	WI Employees At Investment	WI Employees Current	
Company A	\$ 400,000	\$ 160,000	\$ 400,000	2	2	
Company B	\$ 400,000	\$ 160,000	\$ 400,000	1	2	
Company C	\$ 400,000	\$ 160,000	\$ 451,000	3	7	
Company D	\$ 375,000	\$ 150,000	\$ 500,000	4	7	
Company E	\$ 500,000	\$ 200,000	\$ 500,000	3	4	
Company F	\$ 500,000	\$ 200,000	\$ 500,000	1	1	
Company G	\$ 600,000	\$ 240,000	\$ 750,000	2	2	
Company H	\$ 530,000	\$ 212,000	\$ 530,000	4	4	
<b>Total</b>	<b>\$ 3,705,000</b>	<b>\$ 1,482,000</b>	<b>\$ 4,031,000</b>	<b>20</b>	<b>29</b>	

Note: Companies anonymized in reporting of investment and employment data 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. All of the investments are in companies which are considered Qualified New Business Ventures (QNBV) per Wisconsin Statutes and are therefore eligible for ACT 255 tax credits. The Badger Fund is encouraged by the early growth of existing portfolio companies and the promising deal flow that has been reviewed by fund managers to date. For additional detail on the companies which have received investment from Badger Fund portfolio funds to date, please see Appendix B.

### **Capital Calls**

As of September 30, 2018, the Badger Fund had issued five capital calls to Limited Partners. Subsequent to quarter end, the sixth capital call was issued to Limited Partners on November 9, 2018. The Badger Fund does not anticipate making additional capital calls prior to December 31, 2018.

### **Ecosystem Events**

The Badger Fund team sponsored and attended the annual Early Stage Symposium hosted by the Wisconsin Technology Council on November 7-8. This event is one of the largest events of the year focused on entrepreneurship and venture capital. Badger Fund team members and portfolio fund managers also participated in several events related to Startup Milwaukee Week between November 5-11 as well as the Milwaukee Tech Hub Summit hosted by Northwestern Mutual.

In addition to participating in ecosystem events and conferences, Ken Johnson presented an overview of the Wisconsin investment ecosystem to a cohort of companies in Gen8rator's gBeta program. The gBeta program is an accelerator initiative focused on early stage startup companies.

During the quarter, the Badger Fund team also provided a Badger Fund progress update to the Wisconsin Economic Development Corporation (WEDC).

### Limited Partner Annual Meeting

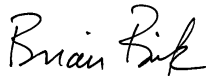
The second Annual Limited Partner Meeting was held on November 5, 2018 at the EAA Air Museum in Oshkosh, Wisconsin. During the meeting, updates were provided on investment activity and operations of the Badger Fund. Portfolio fund managers also provided updates on their respective funds during the event.

If you would like to receive a physical copy of the slides presented at the meeting, please contact [SMCFinance@Sunmountaincapital.com](mailto:SMCFinance@Sunmountaincapital.com) or respond directly to this e-mail.

### Summary

In summary, the Badger Fund continues to make substantial progress, with key developments including the increase in investments being made in Wisconsin-based startup companies and the final close of Rock River Capital Partners. We remain optimistic about the fundraising abilities of the two seed stage fund managers that are currently in the market as well as the prospects of the newest contingent commitments made by the Badger Fund. If you have any questions or wish to discuss any aspect of this report, please do not hesitate to contact me or Ken Johnson.

Best Regards,



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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>

***Growth Stage Funds***

<u>Fund Name</u>	<u>Summary</u>
<p><b>Rock River Capital Partners</b> 821 East Washington Ave Madison, Wisconsin <a href="http://rockrivercapital.com">rockrivercapital.com</a></p>	<p><b>Rock River Capital Partners</b> focuses on growth stage startup companies across Wisconsin. The fund is based in Madison, Wisconsin. The fund is managed by Andrew Walker and Christopher Eckstrom, Wisconsin natives. Andrew Walker has experience successfully managing startup companies. Christopher Eckstrom has experience in institutional investment management.</p>

**Appendix B – Company Summaries**

<u>Company Name</u>	<u>Summary</u>
<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>
<p><b>Agrograph</b> 3830 Council Crest Madison, Wisconsin</p>	<p><b>Agrograph</b> provides a platform that delivers accurate and timely information on crop yields, land sustainability, risk assessment and other agricultural information and field scale.</p>
<p><b>American Provenance</b> 9873 Blue Valley Rd Mt. Horeb, Wisconsin</p>	<p><b>American Provenance</b> is a consumer products company which provides hand-crafted natural personal care and wellness products.</p>
<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>Gentueri</b> 7126 New Washburn Way Madison, Wisconsin</p>	<p><b>Gentueri</b> provides innovate solutions for the collection, packaging, preservation and processing of biological samples.</p>
<p><b>SciArt Software</b> 505 S. Rosa Rd. Suite 225 Madison, Wisconsin</p>	<p><b>SciArt Software</b> provides optimization tools for Design Engineers which create designs based on engineering constraints.</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>Socialeads</b> 925 E. Wells Street, Suite 1123 Milwaukee, Wisconsin</p>	<p><b>Socialeads</b> is an artificial intelligence (AI) platform that helps financial services companies and their advisors to automatically know the size, depth and value of their professional and social networks.</p>