WISCONSIN DEPARTMENT OF
ADMINISTRATION

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November 29, 2017

Mr. Patrick E. Fuller
Assembly Chief Clerk
17 W. Main Street, Room 401
Madison, WI 53707

Mr. Jeff Renk
Senate Chief Clerk
Room B20 Southeast
State Capitol

Dear Chief Clerks:

Pursuant to Section 16.295(7)(b), Wisconsin Statues, please find attached the annual report for the Badger Fund of Funds I ("Fund"). This annual report has been prepared by Sun Mountain Kegonsa, LLC, as Investment Manager for the Fund, and provides a summary of activities as of June 30, 2017.

The attached report shows progress achieved by the Fund in the past year, including but not limited to the following:

- Two seed stage funds receiving commitments from the Fund (Idea Fund of La Crosse and the Winnebago Seed Fund) had their final closings and are both actively evaluating investment opportunities. The total size for each fund is higher than initially targeted.
- Subsequent to June 30, 2017, the first investment from one of these seed stage funds was made in a Wisconsin-based startup was announced. More information will be included in an upcoming quarterly report.
- One growth stage fund received a contingent commitment from the Fund (Rock River Capital Partners) and is actively raising private capital.
- In total, five funds have received contingent commitments from the Fund.
- New fund manager candidates continue to be recruited and evaluated. The Fund expects to make commitments to additional seed stage funds and growth stage funds.

Please contact me at (608) 267-0374 or david.erdman@wisconsin.gov with any questions regarding the attached annual report.

Sincerely,

David R. Erdman
Capital Finance Director

Badger
Fund of Funds

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

Date: October 27, 2017 (Amended & Restated on November 2, 2017)

Re: Badger Fund of Funds I Annual Report for the Fiscal Year Ended June 30, 2017

Dear Limited Partners,

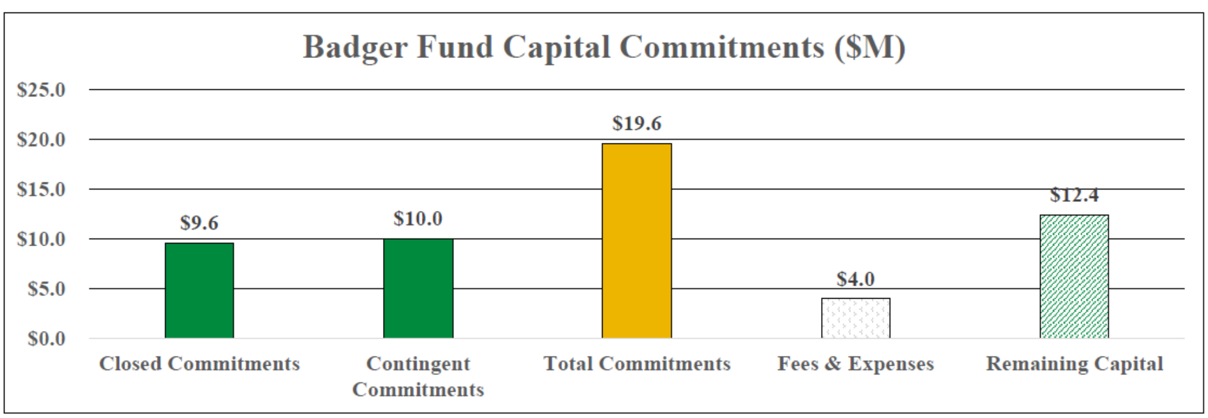
We are pleased to report on the progress achieved by the Badger Fund of Funds (the "Badger Fund") during the fiscal year ended June 30, 2017. In accordance with Section 7(c)(iv) of the Limited Partnership Agreement of the Badger Fund, Sun Mountain Kegonsa is required to provide a report after the end of each fiscal year. This report is to include the attached audited financial statements with an opinion from an independent accounting firm of certified public accountants. Below please find an update on the Badger Fund's operations, investment activity and investment due diligence work to date.

Investment Activity

To date, five funds have received commitments from the Badger Fund, including both "seed stage" funds as well as "growth stage" funds.

- Two seed funds have successfully raised private capital and have held final closings. For both funds, the total fund size is higher than the initial target size.
- Two contingent commitments have been made, one to a seed stage fund and the second one to a growth stage fund. These funds are currently in the process of or preparing to begin raising private capital.
- The Fund's fifth commitment was made to another seed fund. After several months of negotiations, that fund manager decided to remain with his current employer and as a result the commitment was rescinded.

The level of investment activity is on track with the investment pacing plan outlined in the Badger Fund offering documents. The committed capital and anticipated remaining capital for investment is outlined in the chart below:



The two funds which have completed fundraising are currently actively pursuing investment opportunities. Subsequent to quarter end, the first portfolio fund investment in a Wisconsin-based startup was publicly announced. More detail on each portfolio fund category is provided below.

Seed Stage Funds

The seed stage funds in the Badger Fund portfolio will focus on pre-revenue companies. Two seed stage funds have held final closings and are actively evaluating investment opportunities. These funds are the Idea Fund of La Crosse, managed by Jonathon Horne, and the Winnebago Seed Fund, managed by David Trotter. A summary of both closed seed funds is outlined in the table below:

Fund Name	Summary
idea fund	**Idea Fund of La Crosse** 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.
WINNEBAGO SEED FUND	**Winnebago Seed Fund** 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.

The first portfolio fund investment in a Wisconsin-based startup was publicly announced by the Winnebago Seed Fund in November 2017. The company, Sift Medical Data, is based in Milwaukee, Wisconsin. As the investment was announced subsequent to year end, data related to this company will be included in the Badger Fund reporting for the fiscal quarter ended December 31, 2017.

A third seed fund manager has received a contingent commitment from the Badger Fund and is now in the process of finalizing legal terms and preparing offering documents. Once this process is completed, the fund manager will begin to actively raise private capital.

Growth Stage Funds

The growth stage funds in the Badger Fund portfolio will focus on startup companies that have revenue and existing investors. The Badger Fund expects these companies will have received funding from seed stage venture capital funds. These investments in growth stage startups are expected to be approximately $1-2 million. The first growth stage fund in the Badger Fund portfolio, Rock River Capital Partners, is actively raising private capital. A summary of Rock River Capital Partners is outlined in the table below:

Fund Name	Summary
ROCKRIVER CAPITAL PARTNERS	**Rock River Capital Partners** focuses on early and growth stage startup companies across Wisconsin. The fund has offices in Madison and Beloit. The fund is managed by Andrew Walker and Christopher Eckstrom. Andrew Walker is a serial entrepreneur with experience leading venture-backed companies. Christopher Eckstrom is a highly experienced investor with significant professional experience in alternative asset investing.

In addition to funds that have received contingent commitments, a pipeline of new fund manager candidates is being actively evaluated and recruited. The Badger Fund is currently focusing substantial effort on the Milwaukee area. The Badger Fund expects to recruit fund managers and make commitments to one to two additional seed stage funds and one to two additional growth stage funds.

Limited Partner Annual Meeting

The Badger Fund held the inaugural Limited Partner Annual Meeting on October 4, 2017 in La Crosse, Wisconsin. The key items discussed during the Annual Meeting included an update on investment and operational progress to date, presentations from the Idea Fund of La Crosse and the Winnebago Seed Fund managers, and an update on the trends in national venture capital investing and the implications for Wisconsin-based investors. In addition, Sun Mountain Kegonsa proposed an amendment to the Badger Fund Limited Partnership Agreement in order to clarify several items in the Agreement. The Badger Fund expects to host Annual Limited Partner Meetings in different geographies each year based on where portfolio funds are headquartered.

Capital Calls

Subsequent to fiscal year end, the Badger Fund issued its second capital call to the Limited Partners on October 6, 2017. The Badger Fund has largely funded operating expenses to date utilizing a Line of Credit with Wisconsin-based Capitol Bank. The Badger Fund anticipates issuing more frequent capital calls going forward as investment activity at the portfolio fund level begins to increase. The Badger Fund's expectation is that capital calls will be issued on a quarterly basis however additional capital calls may be required depending on investment needs of portfolio funds.

Portfolio Reporting Requirements

Subsequent to quarter end, the first investment in a startup company was announced by the Winnebago Seed Fund. However, as no investments had been made at quarter end, there are no items to report for the categories shown below per the Badger 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 seed stage funds and one growth stage fund that received contingent 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

Rock River Capital Partners

111 N. Fairchild Avenue, Second Floor
Madison, Wisconsin

In summary, the Badger Fund is on track to achieving the pacing plan outlined in the Badger Fund offering documents and the proposal to the State of Wisconsin. The initial investment activity in startup companies is a significant milestone for the Badger Fund program. The Badger Fund team is highly encouraged by the ability of both the Idea Fund and the Winnebago Seed Fund to raise capital privately in the State of Wisconsin. Based on this success, the Badger Fund is optimistic about the prospects for the fund managers which have received commitments as well as those in the pipeline and is 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,

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

Badger Fund of Funds I, L.P.

(a Delaware limited partnership)

Audited Financial Statements

June 30, 2017

Tel: 608-831-8500
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One Erdman Place, Suite 404
Madison, WI 53717

Independent Auditor's Report

To the General Partner
Badger Fund of Funds I, L.P.
Madison, WI

We have audited the accompanying financial statements of Badger Fund of Funds I, L.P., which comprise the statement of assets, liabilities and partners' capital, including the schedule of investments, as of June 30, 2017 and the related statements of operations, changes in partners' capital, and cash flows for the year ended June 30, 2017 and the related notes to the financial statements.

The General Partner's Responsibility for the Financial Statements

The General Partner 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Badger Fund of Funds I, L.P. as of June 30, 2017 and the results of its operations, the change in its partners' capital and its cash flows for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

October 5, 2017

Badger Fund of Funds I, L.P.
(A Delaware Limited Partnership)

Statement of Assets, Liabilities and Partners' Capital

June 30, 2017

Assets:

Cash	$	1,782
Portfolio fund investments (cost $0)		-
Due from portfolio funds		3,530
Line of credit issuance costs		26,332
Amortization - line of credit issuance costs		(26,332)
Net line of credit issuance costs		-
Total assets		5,312

Liabilities and Partners' Capital:

Liabilities

Line of credit (Note 7)		316,277
Due to Sun Mountain Capital, L.L.C.		150,198
Payable for pending investment transactions		62,070
Accrued expenses		20,770
Accrued interest payable		1,063
Total liabilities		550,378
Net deficit	$	(545,066)

Partners' Capital

Cumulative contributed capital	$	695,000
Cumulative syndication costs		(115,085)
Cumulative investment performance:		
Net loss from investment operations		(1,062,911)
Net unrealized appreciation (depreciation) of investments		(62,070)
Total partners' capital	$	(545,066)

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

Badger Fund of Funds I, L.P.
(A Delaware Limited Partnership)

Schedule of Investments

June 30, 2017

	Cost	Fair Value	Fair Value as a Percentage of Partners' Capital
Collective Investment Vehicles, at fair value			
Collective Investment Vehicles:			
Idea Fund of La Crosse I, L.P.	$ -	$ -	0.0 %
Winnebago Seed Fund I, L.P.	-	-	0.0
Total Collective Investment Vehicles, at fair value	$ -	$ -	0.0 %

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

Badger Fund of Funds I, L.P.
(A Delaware Limited Partnership)

Statement of Operations

Year Ended June 30, 2017

Income:	
Total income	$ -
Expenses:	
Management fee	355,000
Professional fees	65,079
Due diligence and monitoring	29,648
Line of credit interest expense	11,396
Amortization of line of credit issuance costs	8,681
Insurance	4,630
Line of credit commitment fees	1,532
Organizational expenses	511
Bank service charges	138
Total expenses	476,615
Net loss from investment operations	(476,615)
Unrealized appreciation / (depreciation) of payable for pending portfolio investments:	
Balance at beginning of period	-
Balance at end of period	(62,070)
Change in unrealized appreciation / (depreciation)	(62,070)
Net realized gain / (loss) on portfolio investments	-
Net decrease in partners' capital resulting from operations	$ (538,685)

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

Badger Fund of Funds I, L.P.
(A Delaware Limited Partnership)

Statement of Changes in Partners' Capital

Year Ended June 30, 2017

	Limited Partners	General Partner	Total
Partners' capital at June 30, 2016	$ (688,869)	$ (4,319)	$ (693,188)
Capital contributions	685,347	9,653	695,000
Partner distributions	-	-	-
Syndication Costs	(8,079)	(114)	(8,193)
Management fees	(355,000)	-	(355,000)
Net decrease in partners' capital resulting from operations, excluding management fees	(181,134)	(2,551)	(183,685)
Partners' capital at June 30, 2017	$ (547,735)	$ 2,669	$ (545,066)

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

Badger Fund of Funds I, L.P.
(A Delaware Limited Partnership)

Statement of Cash Flows

Year Ended June 30, 2017

Cash flows used in operating activities:		
Net decrease in partners' capital resulting from operations	$	(538,685)
Adjustments to reconcile net decrease in partners' capital from operations to net cash used in operating activities:		
Increase (decrease) in payable for pending investment transactions		62,070
Line of credit issuance costs amortization		8,681
(Increase) decrease in due from Portfolio Funds		(3,530)
(Decrease) increase in due to Sun Mountain Capital, L.L.C.		(18,695)
(Decrease) increase in accrued expenses		(936)
(Decrease) increase in accrued interest		(761)
Net cash used in operating activities		(491,856)
Cash flows provided by financing activities:		
Capital contributions		695,000
Line of credit draws		379,777
Line of credit payments		(575,559)
Syndication costs incurred		(8,193)
Line of credit issuance costs		-
Net cash provided by financing activities		491,025
Net decrease in cash		(831)
Cash at beginning of the year		2,613
Cash at end of the year	$	1,782

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

1. Nature of operations and summary of significant accounting policies:

Nature of Operations

Badger Fund of Funds I, L.P. (the "Partnership") is a Delaware limited partnership formed on April 27, 2015. The General Partner of the Partnership is Sun Mountain Kegonsa L.L.C. ("General Partner"). The primary purpose of the Partnership is to make Portfolio Investments in accordance with the Limited Partnership Agreement (the "Agreement") dated June 3, 2015, and Section 16.295 of the Wisconsin Statutes. Any capitalized terms used but not defined herein have the meanings assigned to them in the Agreement.

Each fiscal year of the Partnership will commence on July 1 and end on June 30, or in the case of the first and last fiscal years, a fraction thereof commencing on the Closing Date or ending on the date on which the Partnership is terminated. The Partnership will continue for ten years from the Closing Date or Subsequent Closing Date, unless extended or terminated earlier pursuant to the terms of the Agreement. The General Partner may extend the Partnership for up to two successive one-year periods if prior notice of such extension is given to the Limited Partners.

Basis of Presentation

The Partnership has determined it is an investment company in accordance with *Financial Accounting Standards Board (FASB) ASC Topic 946, Financial Services – Investment Companies*. For the year ended June 30, 2017, the Partnership made no cash investments in Portfolio Investments. The details of all of the Partnership's investments have been disclosed on the Schedule of Investments.

These financial statements represent the financial position, results of operations, statement of changes in partners' capital and cash flows of the Partnership. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as detailed in the Financial Accounting Standards Board's Accounting Standards Codification.

Fair Value - Definition and Hierarchy

In accordance with ASC 820, Fair Value Measurement, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Partnership. Unobservable inputs reflect the Partnership's assumptions about the inputs market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

> Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access. Valuation adjustments are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgment.

1. Nature of operations and summary of significant accounting policies, continued:

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Partnership's own assumptions are set to reflect those that market participants would use in pricing the asset at the measurement date.

Level 3 investments may include partnership interests and other privately issued securities. When observable prices are not available, the General Partner uses one or more valuation techniques for which sufficient and reliable data is available. The selection of appropriate valuation techniques may be affected by the availability of relevant inputs as well as the relative reliability of the inputs. In some cases, one valuation technique may provide the best indication of fair value while in other circumstances, multiple valuation techniques may be appropriate. The results of the application of the various techniques may not be equally representative of fair value, due to factors such as assumptions made in the valuation. In some situations, the General Partner may determine it appropriate to evaluate and weigh the results, as appropriate, to develop a range of possible values, with the fair value based on the General Partner's assessment of the most representative point within the range.

The General Partner will determine the valuations of the Partnership’s Level 3 investments quarterly. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value measurements and therefore, the Partnership’s results of operations.

Collective Investment Vehicles (CIV)

Accounting Standards Update (ASU) 2015-07, issued in May 2015, amended ASC 820 by eliminating the requirement to categorize within the fair value hierarchy for which fair value is measured using the net asset value per share practical expedient (the “NAV practical expedient”). Investments in CIV are valued at their respective NAV practical expedient, utilizing the net asset valuations provided by the CIV, without adjustment, when the net asset valuations of the investments are calculated in a manner consistent with GAAP for investment companies. The Partnership applies the practical expedient to its investments in the CIV 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 valuation. If it is probable that the Partnership will sell an investment at an amount different from the net asset valuation or in other situations where the practical expedient is not available, the Partnership considers other factors in addition to the net asset valuation, such as features of the investment, including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Partnership’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

1. Nature of operations and summary of significant accounting policies, continued:

Income and Expense Recognition

Interest income is recognized on the accrual basis as earned. Expenses are accrued as incurred.

Income Taxes

The Partnership does not record a provision for U.S. federal, state, or local income taxes because the Partners report their share of the Partnership's income or loss on their income tax returns. In accordance with GAAP, the Partnership is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit or liability recognized is measured as the largest amount of benefit or liability that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. Based on its analysis, the Partnership has determined that it has not incurred any unrecognized tax benefits or liabilities as of June 30, 2017. The Partnership does not expect that its assessment regarding unrecognized tax benefits or liabilities will materially change over the next twelve months. However, the Partnership's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. federal and state tax laws, and changes in the administrative practices and precedents of the relevant taxing authorities.

Realized Gains or Losses and Change in Net Unrealized Appreciation or Depreciation of Investments

Realized gains or losses on investments are measured by the difference between distributions and the cost basis of the investment using the specific identification method. Distributions received from CIV are recorded as a reduction of such CIV's cost basis. Then, once the cost basis of the Partnership's investment in the CIV has been reduced to zero, all future proceeds received from the CIV are recorded as a realized gain. As a result of the varying level of information disclosed to the Partnership by CIV regarding their distributions, the Partnership's cost basis as calculated for book purposes may differ from the Partnership's cost basis as calculated for tax purposes. Realized gain or loss on investments is included in partners' capital and is recorded without regard to unrealized appreciation or depreciation previously recognized.

Change in net unrealized appreciation or depreciation of investments primarily reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized. Unrealized appreciation or depreciation of investments is included in partners' capital.

Organization and Syndication Costs

Organizational and syndication costs are expenses attributable to the organization of the Partnership and the marketing and offering of interests therein, including without limitation any related legal and accounting fees and expenses, travel expenses and filing fees. Organizational costs are charged to expense when incurred and syndication costs are deducted from partners' capital.

2. Liquidity:

The Partnership, since inception, has utilized an operating line of credit (discussed in Note 7). The line of credit balance outstanding at June 30, 2017 was $316,277 with repayment due November 1, 2017. As discussed in Note 7, the Partnership's line of credit allows for a maximum borrowing limit of $1,000,000. As of June 30, 2017 the Partnership had total liabilities of $550,378 and the right to call $35.3 million from Partners of the Partnership, which would be sufficient to pay for outstanding Partnership liabilities. The Partnership was therefore adequately liquid to fund operations and outstanding liabilities as of June 30, 2017.

3. Fair value measurements:

The Partnership's assets recorded at fair value have been categorized as described in the Partnership's significant accounting policies in Note 1. All investments of the Partnership are Level 3 investments or are not included in the fair value hierarchy because they are valued using the NAV practical expedient. Both observable and unobservable inputs may be used to determine the fair value of investments that the Partnership has classified within the Level 3 category. As a result, the unrealized gains and losses for the assets within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs. For the year ended June 30, 2017, the Partnership had two investments for which the NAV practical expedient was used.

The fair value of the Portfolio Investments for which the Partnership utilized the NAV practical expedient was $0 at June 30, 2017, and the cumulative unfunded commitments was $9.6 million. The Partnership does not have any redemption rights in these investments, which have indeterminate remaining lives. For the year ended June 30, 2017, the Partnership had no realized gains or losses on investments.

On August 5, 2016 and August 10, 2016, the Partnership entered into a Limited Partnership Agreement with Idea Fund of La Crosse I, L.P. and Winnebago Seed Fund I, L.P. (the "Funds"), respectively, committing specific capital balances to be called at the Funds' discretion. As of June 30, 2017, neither Fund had called capital from the Partnership, resulting in a cost basis of $0 as shown on the Schedule of Investments. Subsequent to each Fund's closing, expenses incurred by the Funds allocated to the Partnership as of June 30, 2017 totaled $47,190 and $14,880 for Idea Fund of La Crosse I, L.P. and Winnebago Seed Fund I, L.P., respectively. Due to the Partnership's capital commitments, the expenses allocated to the Partnership were recorded as "Payable for pending investment transactions" and an unrealized depreciation of investments was recognized.

4. Concentration of credit risk:

In the normal course of business, the Partnership maintains its cash balances in a financial institution, which at times may exceed federally insured limits. The Partnership is subject to credit risk to the extent the financial institution with which it conducts business is unable to fulfill contracted obligations on its behalf. Management monitors the financial condition of this financial institution and does not anticipate any losses from this counterparty.

5. Committed capital:

The total committed capital to the Partnership at June 30, 2017, was $36.0 million, of which 1.9% had been drawn as of June 30, 2017. The Commitment Period ends June 3, 2018, as defined in the Agreement. The General Partner may call commitments to enable the Partnership to make investments committed by it, to pay fees and expenses, or provide reserves. No limited partner is required to fund an amount in excess of its uncalled commitment.

6. Allocations and distribution of profits and losses:

Profits and losses will be allocated among the Partners in a manner such that, the Capital Account of each Partner, immediately after making such allocation, is as nearly as possible equal to the distributions that would be made if the Partnership were dissolved, its affairs wound up, its assets sold for cash equal to their Carrying Value, its liabilities were satisfied, and the net assets of the Partnership were distributed. Distributions are prioritized as follows: (1) 100% to the Limited Partners and General Partner until they have received distributions in an amount equal to their capital contributions to date, and (2) thereafter, 90% to the Limited Partners and 10% (the Carried Interest) to the General Partner, subject to a clawback provision.

7. Bank line of credit:

Through October 2016, the Partnership had a $1,000,000 line of credit which was secured by all capital contributions, capital contribution proceeds, capital calls and all other proceeds and rights to payment from the Partners in the Partnership. Borrowings under this arrangement bore interest at the Wall Street Journal Prime Rate plus 0.50%. There was also an unused commitment facility fee of 0.15% paid on the difference between the line of credit and actual borrowings.

During the second quarter of fiscal year 2017, the Partnership entered into a new line of credit with a different bank concurrent with the original line of credit's maturation.

Under the new line of credit, the Partnership continued to have a $1,000,000 line of credit which is secured by all capital contributions, capital contribution proceeds, capital calls and all other proceeds and rights to payment from the Partners in the Partnership. Borrowings under this arrangement currently bear interest at a fixed rate of 3.5%. There is also an unused commitment facility fee of 0.1% paid on the difference between the line of credit and actual borrowings. For the year ended June 30, 2017, the average borrowings were $280,340, and the average interest rate was 3.66%. The maximum borrowing for the year ended June 30, 2017 was $547,059. The maturity date for the line of credit is November 1, 2017. The Partnership is in compliance with all covenants associated with the line of credit.

The Partnership capitalized $26,322 of issuance costs related to the original line of credit as presented on the Statement of Assets, Liabilities and Partners' Capital. In accordance with guidance provided by the FASB's Emerging Issues Task Force, the Partnership amortized such issuance costs ratably over the term of the line of credit, which matured on October 25, 2016. All issuance costs have been fully amortized as of June 30, 2017.

8. Management fee:

The General Partner entered into an agreement with Sun Mountain Capital, L.L.C. ("SMC") to provide management and administrative services on behalf of the General Partner in connection with the Partnership. SMC provides management services to the Partnership for a fee that is due at the beginning of each quarter. For each quarter during the first four years of the Partnership (beginning June 3, 2015), the Management Fee is based on the capital commitment of the Limited Partners of the Partnership multiplied by 0.25%. Beginning on the fourth anniversary of the Partnership's existence, a Monitoring Charge will be paid to SMC quarterly in advance. Such Monitoring Charge is calculated based on the capital commitment of the Limited Partners of the Partnership multiplied by a percentage starting at 0.225% on the fourth anniversary and descending to 0.125% on the tenth anniversary, at which point the fee will remain at 0.125% through the dissolution of the Partnership. The Management Fee and Monitoring Charge for the Partnership's initial and final fiscal quarters, respectively, if less than a calendar quarter, is prorated based on the days the Partnership existed during that quarter to the number of days in the quarter. The Management Fee for the Partnership for the year ended June 30, 2017 was $355,000, as disclosed in the Statement of Operations.

9. Related-party transactions:

SMC will periodically fund Partnership expenses, as provided for in the Agreement, and the Partnership reimburses SMC for such amounts. For the year ended June 30, 2017, $27,514 was reimbursed to SMC. Included in the Statement of Assets, Liabilities and Partners' Capital at June 30, 2017, was a payable to SMC in the amount of $150,198. Included in the Statement of Operations, and as provided for in the Agreement, are expenses of $12,000 paid to SMC for financial reporting services.

10. Indemnification:

The Agreement obligates the Partnership to indemnify the General Partner, the partners, managers, members and affiliates of the General Partner, the Tax Matters Partner and their agents for losses they incur in connection with the Partnership, its properties, business or affairs. This indemnity does not extend to any conduct which constitutes recklessness, willful misconduct or gross negligence as determined by a court of competent jurisdiction following the expiration of all appeals. The Partnership's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Partnership that have not yet occurred. However, the Partnership expects the risk of having to make any payments under these general business indemnifications to be remote.

11. Risks associated with certain financial investments:

Management of the Partnership seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the Partnership invests, as well as general economic and political conditions, may have a significant negative impact on the investee's operations and profitability. In addition, the Partnership is subject to changing regulatory and tax environments. Such events are beyond the Partnership's control, and the likelihood that they may occur cannot be predicted. The Partnership's ability to liquidate its investments and realize value is subject to significant limitations and uncertainties.

12. Commitments and contingencies:

As of June 30, 2017, the Partnership had made contingent commitments to two CIVs for up to $10.0 million. The investment closing is subject to change and is contingent on each CIV's ability to raise specified capital requirements.

13. Financial highlights:

The Partnership is required to disclose financial highlights for the common interest in the Partnership (i.e. the limited partners' interest). These financial highlights consist of the expense and net investment loss ratios for the period ended June 30, 2017, and the internal rate of return since inception ("IRR") of the limited partners, net of all fees, through June 30, 2017. The General Partner has reviewed returns as of June 30, 2017 based on guidance set forth under GAAP. Because of the limited operating activity and capital calls during the period, there are no meaningful financial highlights for the period from inception through June 30, 2017.

14. Subsequent events:

Subsequent events were evaluated by the Partnership through October 5, 2017, which is the date the Partnership's financial statements were available to be issued.