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

**Date:** February 28, 2019

**Re:** Badger Fund of Funds I Report for the Quarter Ended December 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 December 31, 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. Three funds have held final closings as of the date of this report and are actively investing. 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. No new fund commitments will be made. 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 October 1, 2018 and December 31, 2018, two new startup companies received investments from seed stage portfolio funds. The Idea Fund of La Crosse made one new investment in a new company based on intellectual property and assets of the defunct company Swallow Solutions LLC. This new company will focus on developing a device to treat the swallowing disorder dysphagia. The Winnebago Seed Fund made one new investment in Rebate Bus, which provides a platform for the expedited delivery of utility rebates and incentives. The Winnebago Seed Fund portfolio company Sift Medical Data raised additional financing during the quarter, with participation from a syndicate of new investors.

The Bold Coast Capital Fund and the Winnow Fund continue to actively raise private investment capital. 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, this new fund commitment has not yet been publicly disclosed.

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

During the quarter, Rock River Capital Partners held a final close on \$23.5 million and is actively evaluating investment opportunities. Rock River is the largest Badger Fund commitment and the largest portfolio fund in terms of size. The final close of the Rock River fund is a meaningful milestone for the Badger Fund. In November, Rock River made its first investment out of the fund in Gravy Live. Gravy Live is a Madison-based startup company focused on providing a unique online retail experience for consumers and marketers. The investment syndicate included a large investment firm based in China.

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 December 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</b>	<b>Total</b>	<b>BFF</b>	<b>Funded</b>	<b>Percent</b>	<b>Invested</b>
<b>as of 12/31/18</b>	<b>Fund Size</b>	<b>Commitment</b>	<b>To Date</b>	<b>Funded</b>	<b>to Date<sup>1</sup></b>
<b>Seed Stage Funds</b>					
Idea Fund of La Crosse	\$ 13,000,000	\$ 5,200,000	\$ 870,007	17%	\$ 1,930,000
Winnebago Seed Fund	\$ 11,000,000	\$ 4,400,000	\$ 1,109,478	25%	\$ 2,945,000
<b>Total Seed Stage</b>	<b>\$ 24,000,000</b>	<b>\$ 9,600,000</b>	<b>\$ 1,979,485</b>	<b>21%</b>	<b>\$ 4,875,000</b>
<b>Growth Stage Funds</b>					
Rock River Capital Partners	\$ 23,475,000	\$ 7,000,000	\$ 315,000	5%	\$ 750,000
<b>Total Growth Stage</b>	<b>\$ 23,475,000</b>	<b>\$ 7,000,000</b>	<b>\$ 315,000</b>	<b>5%</b>	<b>\$ 750,000</b>
<b>Badger Fund Total</b>	<b>\$ 47,475,000</b>	<b>\$ 16,600,000</b>	<b>\$ 2,294,485</b>	<b>14%</b>	<b>\$ 5,625,000</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 the company-level investment activity to date, the amount attributable to the Badger Fund and the total capital raised by the companies to date:

<b>Badger Fund Investment Multiple Summary</b>		<b>As Of 12/31/18</b>
<b>Number of Active Portfolio Companies</b>		11
<b>Total Investment in Wisconsin Portfolio Companies</b>		
(A)	Badger Fund Investment <sup>1</sup>	\$ 2,173,642
(B)	Other Dollars Invested <sup>2</sup>	\$ 5,571,108
<b>Total Investment in WI Companies</b>		<b>\$ 7,744,750</b>
<b>Investment Multiplier (B/A)</b>		<b>2.6x</b>

<sup>1</sup>Total amount of Badger Fund commitment invested by Portfolio Funds excluding private investment at the fund level

<sup>2</sup>Total amount of capital raised by companies excluding Portfolio Fund investment

In aggregate, for every \$1 invested by the Badger Fund, an additional \$2.6 from other investors has been invested in these Wisconsin-based companies. The Badger Fund anticipates the pace of company-level investment to increase as more funds complete fundraising and the existing closed funds continue making investments.

These portfolio companies create high-skill, high-wage jobs for Wisconsin residents across the state. The table below summarizes the impact of Badger Fund portfolio companies in terms of employment and payroll:

<b>Badger Fund Investment Multiple Summary</b>		<i>As Of 12/31/18</i>
<b>Total WI Employees</b>		66
<b>Wisconsin Economic Impact</b>		
Quarterly WI Payroll	\$	1,036,132
Quarterly WI Purchases	\$	1,563,604
<b>Total Quarterly WI Economic Spend</b>	<b>\$</b>	<b>2,599,736</b>
<b>Average Employee Salary</b>	\$	62,796
<b>Median WI Household Income<sup>1</sup></b>	\$	56,759

<sup>1</sup>United States Census Bureau, 2017

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 pace of company-level investment activity, the private capital that has been attracted to date by portfolio companies, and the creation and retention of high-skill jobs in Wisconsin.

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

For additional detail regarding company investments, please see Appendix C.

### **Capital Calls**

As of December 31, 2018, the Badger Fund had issued six capital calls to Limited Partners. The Badger Fund issued its seventh capital call on February 26, 2019.

### **Tax Extension Update**

For 2018 tax reporting, the Badger Fund will be filing an extension with the IRS effective March 15. Similar to last year, our goal is to issue final partner K-1's by April 15.

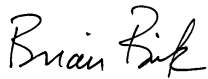
### **Ecosystem Events**

During the quarter, the Badger Fund team and portfolio managers participated in a number of ecosystem events. These events include the annual Early Stage Symposium hosted by the Wisconsin Technology Council, Startup Milwaukee Week and the Milwaukee Tech Hub Summit hosted by Northwestern Mutual. Badger Fund portfolio managers also typically participate in ecosystem events in their target geographies on an ongoing basis.

## Summary

In summary, the quarter marked significant progress in terms of both portfolio funds as well as company-level investments. Key developments include final close of Rock River Capital Partners, Rock River's first company investment, and the new investments made by the Winnebago Seed Fund and Idea Fund of La Crosse. 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,

A handwritten signature in black ink that reads "Brian Birk". The signature is written in a cursive, flowing style.

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 "Ken U. Johnson". The signature is written in a cursive, flowing style.

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

**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>Gravy Live</b> 202 State St Madison, Wisconsin</p>	<p><b>Gravy Live</b> is an e-commerce company focused on creating a unique online retail experience for consumers and marketers.</p>
<p><b>Idea Fund Investment Company</b> 232 3<sup>rd</sup> St S. Suite 202 La Crosse, Wisconsin</p>	<p><b>Idea Fund Investment Company</b> is focused on commercializing the SwallowSTRONG medical device, which treats the swallowing disorder dysphagia.</p>
<p><b>Rebate Bus</b> 821 E. Washington Ave Madison, Wisconsin</p>	<p><b>Rebate Bus</b> provides a platform for expediting the delivery of utility rebates and incentives.</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>

**Appendix C – Company Investment Detail**

<b>Badger Fund of Funds - Portfolio Funds</b>						
<b>Company Investments as of 12/31/18</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	2	
Company B	\$ 570,000	\$ 228,000	\$ 1,313,750	1	3	
Company C	\$ 400,000	\$ 160,000	\$ 451,000	3	7	
Company D	\$ 375,000	\$ 150,000	\$ 500,000	4	8	
Company E	\$ 500,000	\$ 200,000	\$ 500,000	3	4	
Company F	\$ 500,000	\$ 200,000	\$ 500,000	1	3	
Company G	\$ 600,000	\$ 240,000	\$ 750,000	2	3	
Company H	\$ 530,000	\$ 212,000	\$ 530,000	4	5	
Company I	\$ 500,000	\$ 200,000	\$ 500,000	15	16	
Company J	\$ 750,000	\$ 223,642	\$ 1,800,000	16	15	
Company K	\$ 500,000	\$ 200,000	\$ 500,000	0	0	
<b>Total</b>	<b>\$ 5,625,000</b>	<b>\$ 2,173,642</b>	<b>\$ 7,744,750</b>	<b>51</b>	<b>66</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.