



Vermont Seed Capital Fund, LP

Investing in Entrepreneurs since May 2010

Annual Report to Limited Partners and State of Vermont Stakeholders
Fiscal 2020

VCET Capital Corporation
General Partner and Fund Manager
October 15, 2020

Dear Stakeholder,

Please see attached the FY20 Vermont Seed Capital Fund (VSCF) Annual Report for public stakeholders and the audited financial statements. Included in the annual report report is Subsequent Event information as of October 15, 2020. As ever, the portfolio remains active, dynamic and with signals from several that real growth, value creation potential and economic impacts are being realized. Consistent with an inflection in growth in FY19, this year has also seen revenue, payroll and capital raised increasing at healthy levels. COVID-19 impacted many companies with deferred growth principally. None has failed specifically due to COVID-19 and most all were able to access federal and state recovery and programs. COVID conditions in most instances accelerated the future trends on which these businesses are built. This has created favourable tailwinds for many in the portfolio to gain access to new customers faster.

Talent availability for both startup and scaling firms in the portfolio remain a barrier to more Vermont payroll growth. FY20 saw no investment gains realized despite some indications that these would occur earlier in the year. COVID-19 is attributed as the causing factor for these delays in capital returns. The Fund made no initial investments this year as a result of current capital reserve levels and the aforementioned delay in the expected return of capital from two companies. Overall, the momentum in the active portfolio is very good and there are strong market signals from two long held, struggling companies who may be at last finding traction in their sectors.

The Fund is managed and supported by the [Vermont Center for Emerging Technologies \(VCET\)](#) and has now invested into 23 diverse early stage companies since May 2010. The portfolio has attracted cumulatively over \$183 million in capital (up \$18M in FY20), supported nearly \$125M in payroll (\$8.2M in VT payroll with \$68k average salary in FY20), and has generated revenues of nearly \$135M (Up 69% since FY18). However, there remains much to do and we are focused, committed and working hard each day to help entrepreneurs succeed. It is always dynamic and risky given this stage of investment, but the Fund's challenges and uncertainties ahead pale in comparison to the incredible efforts, ambition, innovation and risks undertaken by these entrepreneurs, employees, co-investors and partners. Though taking a few years longer than hoped for, the forward outlook for the Fund's investing returns and social impacts has never been brighter.

The three critical issues cited last year still remain plus a new one:

- **Workforce:** Too few people to fill high paying and diverse technology, engineering and manufacturing jobs.
- **Housing:** Limited availability and affordability of housing near these job openings or remote in Vermont.
- **Buyers:** Large customers are not here, but elsewhere, so we continue to find creative ways to get large customers (and their large investors) here to meet with companies, both big and small.
- **More Capital:** New opportunities abound for the Fund to invest and use its proven syndication network to advance companies with their first funding and early growth rounds. Recapitalization of the seed fund is a timely and necessary economic driver to consider in the year ahead.

Thank you for your continued support for the Fund, VCET and for Vermont's entrepreneurs and start-ups. If I can answer any questions or assist, please contact me at david@vcet.co.

Thank you.

[DAVID](#)

David Bradbury

VCET Capital Corporation

Fund Overview

The Vermont Seed Capital Fund, LP launched for investing in May 2010. The for-profit impact Fund is managed by the VCET Capital Corporation as General Partner. This entity is a wholly owned subsidiary of the non-profit Vermont Center for Emerging Technologies (VCET). VCET was selected as manager following a competitive process conducted by the Vermont Economic Development Authority (VEDA). The for-profit Fund is capitalized with \$5.176M, is professionally managed and designed as a revolving or “evergreen” venture capital investor to support a select number of seed and early stage companies. The two Fund investors are VCET Capital Investors (\$1M), a wholly owned subsidiary of VCET and VEDA Capital Investors (\$4.176M), a wholly owned subsidiary of VEDA.

The Fund’s four performance objectives are:

- Financial return commensurate with high risk investing in order to revolve the fund, after write-offs and expenses.
- Next generation job and payroll creation across Vermont.
- Capital leverage achieved for each \$1 invested by the Fund.
- Innovation ecosystem benefits (college technologies, internships, supply chain, cluster benefits, recruitment, natural resource utilization, green technologies, energy, etc).

The Fund initially invests between \$25,000 and \$250,000 per transaction via a variety of debt and equity instruments. The Fund's manager, which is an entity, not an individual, makes investment recommendations for review and action by the Fund’s three person Investment Committee.

Because of a strategic relationship with VCET, portfolio firms and capital seekers also have access to substantive programs, employee recruitment assistance, coworking facilities, partners, mentors, national investor syndicates and other value-adding services. In 2013, VCET was named the #11 incubation program in the world by the UBI Index and the February 2018 Rural Impact program by the InBIA. The VCET website is www.vcet.co and it may be followed on twitter @VCET.

Fund Activity and Impact So Far

The Vermont Seed Capital Fund, LP (“Fund”) was created to provide early stage, high risk companies with risk capital to start, create wealth and grow next generation employment opportunities. Prior to the Fund’s capitalization in May 2010, Vermont was one of a handful of U.S. states without an early stage, state sponsored venture fund.

As of June 30, 2020 (fiscal year end), the Fund has invested in 23 companies for a total of \$4,321,915. This is comprised of \$2,854,544 in initial investments into 23 firms and \$1,467,369 in follow-on investments into 12 companies. The average initial investment per company is \$124,111. This initial amount has trended lower over time as the available funds to deploy have decreased and the average new initial commitment has likewise decreased. Total investment per company ranges from \$25,000 to \$629,306 with an average of \$187,909 invested per company.

The Fund's syndicate of co-investors, whether accredited angels, family offices, institutional venture capital firms or strategic corporate investors remains significant and diverse. This is very positive for portfolio firms, the Fund and in exposing new investors to the Vermont innovation ecosystem. So far, the Fund has co-invested with others such as Boston Seed Capital, Launch Capital, Atlas Ventures, Vermont Community Foundation, 406 Ventures, VEDA, Fairhaven Capital, Ascent Ventures, Silicon Valley Bank, Fresh Tracks Capital, Russell Investments, TFO, TransAmerica Ventures, HULA, FinTech Collective, VSJF Flexible Capital Fund and Google Ventures, among others. It is important to note that other accredited individuals, family offices, institutional investors and lenders are responsible for their own due diligence and investment decisions. Our syndicate of investors is deepening across all sectors and all investment stages which is a great benefit for the ecosystem. Many of the portfolio companies and prospects receive direct financing from the Fund's syndication partners and network without the Fund's investment participation. These impacts are not included in this report's data.

The Fund is required to report on total capital at the time of initial investment per company as a measure of capital leverage. With no new company investment completed in FY20, the total capital investment secured by the **23** portfolio companies at the time of the Fund's initial investments remains **\$20,854,544**. The Fund's leverage at time of initial investment is **7.3x** on average. During Fund formation, capital leverage at time of initial investment was expected to be 2x on average. This significant variance is largely evidence of companies and teams who are better prepared for capital raising, are benefitting from healthy private capital markets, and to a large degree, the positive network effect from within the portfolio and the Fund Manager's reputation and success at syndication. High risk capital is the protein source for emerging companies on their way to identifying a repeatable and sustainable business model.

As of June 2020, the **cumulative capital** reported by portfolio companies now totals **\$182,697,345** for a capital leverage ratio of **42.3x** the Fund's invested capital of \$4,321,915. There was \$18.2 million in new capital raised in FY20. The portfolio has raised **\$116 million over the last five years**. This trend is healthy, sustaining and reflects the maturity, markets and momentum of the companies.

Nationally on average, about 80% of all capital in the early and scaling stages of a company's life is used for personnel (full, part-time & consultant). Most of the Fund's investment proceeds are used for employees, marketing & sales, product development and general working capital purposes.

As a standard practice, for each \$1 invested by the Fund, an additional amount is held in reserve for follow-on growth financing, if it makes sense (and cents) to support further any one firm's situation. Not all firms who receive initial capital support, however, will receive follow-on funding. Since investing began in May 2010, the Fund has invested capital into 23 firms during its first capital revolve cycle. At inception, the Fund had targeted +/- 16 initial investments for diversification and in meeting fund performance objectives during its first 10 years of operation. Additionally, the Fund has assisted, without making a direct Fund investment, no fewer than 30 other diverse companies secure and raise capital from sources such as federal grants, high risk lenders, venture capital firms and large accredited angels and private family offices. These Fund and VCET related impacts regarding capital, revenues and payroll generated are excluded in the impact metrics reported.

In general, investments are not anticipated to return capital until years 5-8 post initial investment although there may be exceptions and circumstances requiring a longer time horizon. Per company investment losses are likely to occur during the first 1- 4 years post initial investment. During FY20, there were no new realized losses. **The remaining portfolio remains very well positioned to return the Fund's invested capital and substantive capital gains. Not assured by any means given the risk of this asset class, but the investment return outlook is very positive.**

The communities in which these first 23 startup employers have been supported are: Barre, White River Junction, Woodstock, Richmond, Burlington, Shoreham, Winooski, St. Johnsbury, S. Ryegate, Montpelier, Colchester, Middlebury, Barre, Stowe, Charlotte, Berlin, Waterbury and Waitsfield. Additional remote workers and offices are located around Vermont, around the US and across the globe. There still remains challenges on visibility and pipeline in some Vermont counties but relationships with innovation hubs and local investors are changing this.

The trend from last year continues in that there is a lot more coordination, awareness and exchange between and among local innovation hubs and programs than ever before. Entrepreneurs and companies are getting increased access to VCET and the Fund for advice and when appropriate investment consideration too. Our ecosystem is healthier, stronger and more active than ever in assisting and funding startups, scale-ups and aspiring entrepreneurs and business owners. **The limits to more rapid scaling are (1) lack of workforce (2) distance to/lack of large local customers and (3) equity capital for pre-revenue companies.**

The Fund's team has screened and reviewed an estimated 450 firms and entrepreneurs since inception. Capital seekers have come from across Vermont, the U.S., Quebec, alumni networks, portfolio company referrals, coworking members @VCET spaces, North Country Angels, other venture capital firms and elsewhere globally. At any given time, the Fund is tracking 2-3 firms for investment consideration. The investment process from initial screening to closing can range from 8 weeks to 2 years, depending on the readiness of the business proposition, team, co-investors required for a sufficient, credible round of finance and signals of market traction/demand for its products or services. The process now averages about 2-5 months from start to closing. The Investment Committee meets as needed to review portfolio situations and new financings.

New Initial Investments: During FY20, the Fund closed **0 initial** company transactions given lack of available capital to invest.

Follow on Investments: During FY20, there were **2 follow-on** financings into one company made due to available cash to invest and the availability of other investors to fill the need.

Realized Losses: During FY20, the Fund did not experience any unreserved for losses.

Realized Gains: During FY20, the Fund did not experience a new realized gain.

Subsequent Events (July 2020 - Oct 2020)

Subsequent to the Fund's June 30, 2020 fiscal year end thru October 15, 2020, the following items

warrant disclosure and sharing at this time:

- **Next Capital:** The company's Series D financing of \$30M was announced from Francisco Partners, IA Capital and Oak HC /FT. As of June 30th, \$10M of this amount had been reported. The company's total financing is now \$85M. The Fund was the first outside investor in May 2014 along with some accredited individuals the Fund sourced.

Fund Manager's Outlook into 2021

Since investing began in May 2010, the Fund's principal milestones and activities so far have been to organize (quickly and properly), complete the initial capitalization (two investors), make 23 initial investments (so far) into diverse companies, make follow-on investments into 12 companies, provide oversight and support to 23 portfolio firms, limit realized losses to 10 companies so far, achieve 4 returns from portfolio company sale / repayment, conduct annual Fund audits and reporting, prospect for high opportunity investments in support of Vermont's next generation of employers, and manage towards fulfilling the Fund's four principal impact objectives around:

- Financial return sufficient to revolve the Fund.
- Employment & payroll
- Capital leverage and
- Innovation ecosystem benefits.

Given finite capital resources, statutory fund requirements and an increasingly active entrepreneurial sector in Vermont, the Fund must say "no thanks" or "not yet" much more frequently than "yes" to capital seekers. Fortunately, the Fund's team is able to assist entrepreneurs and firms even if an investment is not made via a relationship with the non-profit Vermont Center for Emerging Technologies (VCET) and its network of mentors, partner organizations, angel investors, venture capital firms and higher education institutions.

Consistent with prior years, an independent Audit was performed and contained no material deficiency findings or any corrective actions - this is another solid result in CPA parlance. Among other areas, the audit covered topics such as accounting, governance, conflict of interest policy, portfolio valuation, cash management and other internal processes and practices. Fund operating expenses were 3.37% which consists of a 2% annual management fee and certain direct professional services fees such as legal, insurance and audit.

As we look ahead this year, the Fund could possibly make another 1-2 small initial investments from available capital. Likely, there will be more follow-on investment decisions to be made among the active portfolio for which the majority of remaining investment proceeds are being reserved. As determined by the Investment Committee and the company's performance, some portfolio companies may warrant additional funding, while others may not. One of the drawbacks and limitations of a small fund this size is being unable to maintain pro-rata ownership percentages in some of the rapidly scaling and most promising investments. **Recapitalization of the Fund by public sources is recommended for broader and continued new company capitalization and syndication.**

Currently, there are 5 companies in the active portfolio experiencing significant revenue scaling and product acceptance. The outlook for continued growth and success is pretty exciting for these teams. Interestingly, these 5 firms are ones in which VCET supported prior to capital raising in areas such as corporate strategy, team formation, coworking, capital formation roadmap, etc. Also of note is that the Fund was the first institutional investor committed to these Vermont startups. Each company has a deeply technical product and the majority are a combination of hardware/software addressing a specific and growing industry pain point. These Fund investing traits and operating practices of:

- (1) Supporting startup teams at VCET with our strategic academic partners like the University of Vermont, Middlebury College and Norwich University and our expert mentor network of over 130 professionals in preparing companies for launch, growth, scaling and exit.
- (2) Taking on the more technically challenging companies and using our available mentors, corporate relationships and college partners to better understand the science/technology, de-risk the investment decisions/milestones and assist the founding teams along the way.
- (3) Committing as the first institutional investor (despite being a tiny fund) into technical companies seems to be working well for the companies and for the Fund's realized and forward looking investment returns.

As to liquidity expectations from current investments, that outlook appears encouraging. COVID caused a delay in anticipated liquidity in 2020 but the companies are back progressing by and large. There are no guarantees on the amount or timing, but several are very well positioned for significant value creation, revenue scaling and operating profits. At the end of FY20, the Fund's Cumulative IRR stands at -2.30%, which is effectively the fund's operating expenses and 2% management fee. Though perhaps two years longer than originally anticipated given the J-Curve dynamics in seed stage investing, the Fund is now well postured for positive IRR (i.e. % returns) and positive multiples on cash invested returns from this portfolio.

We continue to seek to maximize the benefits to Vermont and meet the Fund's four operating objectives for impact. The Fund is designed to revolve its capital for future investment making. As a result, the pace of new initial investment making will soften to 1-3 firms per year as available cash for investment permits. A greater focus on achieving some liquidity from existing positions held will grow more important, absent new capital contribution inflows. However, companies coming to the Fund are still being assisted in finding appropriate capital investment from third parties within the Fund's investor network.

In accordance with policies and accounting standards, the Fund determines estimated market value adjustments at mid-year and year-end, or on an as realized, interim basis. These adjustments can include unrealized gains or losses and any realized gains or losses among its investments.

VCET Capital Corporation (the Fund Manager and General Partner) would also like to acknowledge and thank the Seed Fund Advisory Board (SFAB) members for their efforts and assistance. During FY20, the SFAB was reconstituted. The volunteer members are Hinda Miller (Entrepreneur), Cassie

Polhemus (VEDA CEO), Andrew Allen (Entrepreneur), Gwen Pokalo (Center for Women & Enterprise) and Bob Britt (Consulting CFO). SFAB was established under the enabling statutes, can receive confidential information on investments, receives the Fund's audit and members are invited to the semi-annual portfolio review meetings with the Investment Committee. Investment Committee members also attend the SFAB meetings. The SFAB convened as a group in FY20.

Fund Investment decisions are made by a three member committee consisting of VCET Capital Corporation's David Bradbury and two independent Investment Committee members with deep early stage investing and fund operation experiences. James Robinson and Ken Merritt serve as volunteer investment committee members providing independent domain expertise and guidance. The General Partner wishes to thank these professionals for their considerable volunteer time, expert skills, and thoughtful deliberation on these high risk, early stage investments. Since inception, the Investment Committee and the General Partner follow a Conflict of Interest policy.

As cautioned each year, early stage investing can be described as a "team contact sport" in that this stage is high risk, always dynamic, subject to inevitable losses, requires significant post investment support, and yet offers the greatest potential for high wage job growth, risk capital inflows and new wealth generation for employees, founders and Vermont as a whole.

We remain fully engaged, proactive in outreach and active in investing into appropriate high risk opportunities, supporting entrepreneurs statewide and fulfilling the Fund's four principal performance objectives. Thank you for your continued support.

Sincerely,

David Bradbury

David Bradbury, President
VCET Capital Corporation

STARTUP: “A temporary organization formed to search for
a *repeatable* and *scalable* business model”

-Steve Blank

Some of the Portfolio's sectors both past and present include:

Renewable Energy Storage

Advanced Manufacturing Equipment

Cyber Security

Internet of Things

Consumer Products

Financial Services Technologies

Artificial Intelligence / Marketing

Aerospace & Aviation

Urban Transportation

Consumer Media & Commerce Platforms

Agriculture Technology

and more...

Vermont Seed Capital Fund. LP

Impact Measures @ June 30, 2020

The Vermont Seed Capital Fund, LP is a \$5.2M for-profit, professionally managed, permanently revolving, early stage investment fund. Investors are the Vermont Center for Emerging Technologies (\$1M) and the Vermont Economic Development Authority (\$4.2M) as limited partners. The Fund Manager is the VCET Capital Corporation, a subsidiary of the non-profit Vermont Center for Emerging Technologies (VCET). Four principal operating and investment objectives guide our investments: **Financial Return, Capital Leverage, Jobs/Payroll Impacted and Innovation Ecosystem Benefits.**

Financial Return (IRR)¹ Target IRR > 20% Cumulative IRR -2.30% Absent an early year investment exits, positive IRR returns not anticipated until after year 5 and typical of the “J Curve” timing effect when investments start to return capital and gains to offset losses and expenses. Typically, outsized returns from just a few companies in a portfolio make or break the Fund’s ultimately reported IRR and cash-on-cash returns.	Jobs Impacted Target > 150 (Permanent FTE) Actual 284 Cumulative ² 1,676 Early stage firms can be expected to experience employment volatility associated with capital, revenues earned, and cash flows over time. Since FY15, VT hiring has been impacted by acute labor shortages and positions were filled in out of state offices.
Capital Leverage Total VSCF Investment (23) \$4,321,915 Total Capital Investment \$182,697,345 Leverage 42.3x	Innovation Ecosystem Benefits Portfolio founders are paying it forward more in coaching and assisting a new wave of entrepreneurs and startups. VCET’s #ScaleHere launched which brings deeply discounted and free perks to companies (>\$100k in perks available per company).
Total Revenue Actual (LTM ³) \$25,202,442 Cumulative \$135,012,667 Revenues are up 69% from FY18. This is a great signal.	Total Payroll (VT and Non-VT) Actual (LTM ³) \$25,981,852 Cumulative \$125,399,522 Vermont’s share in payroll growth is deeply limited by skilled labor supply despite average VT wages offered (\$68k avg). Some firms are scaling outside of Vermont.
Vermont Coverage Barre, WRJ, Richmond, Woodstock, Shoreham, Bristol, Middlebury, Winooski, Burlington, Montpelier, Colchester, S. Ryegate, St. Johnsbury, Barre, Waitsfield, Waterbury, Stowe, Charlotte, S.Burlington	Investment Roadmap (first revolve) Target # Firms 16 Actual # Firms 23 The Fund has invested into 23 firms to date and the evergreen model has proven sustainable.

¹ IRR : Internal rate of return is the standard Fund financial performance measure of cash outflows and cash inflows adjusted for timing. Funds investing are typically negative in early years (1-5) and then anticipate positive returns in years 5-10 upon realized gains from remaining portfolio investments. This effect is also referred to as the J Curve in the venture fund industry.

² Job-years: This seeks to represent the cumulative Job Years in portfolio companies as reported by firms annually.

³ LTM: Last twelve months.

PORTFOLIO COMPANIES @ JUNE 30, 2020



Sound Innovations

Location	White River Junction, VT
Fund Investment	\$150,000
Date of Investment	5.18.10
Date of Exit	2.28.14
Capital Returned:	\$450,000

Description	Sound Innovations (SI) offers an Active Noise Reduction (ANR) technology platform for headsets, ear plugs and communication systems serving military, industrial, commercial and consumer markets. The company was a Dartmouth College technology licensee.
Use of Funds	Working Capital, Payroll, R&D, and S&M
Status	ACQUIRED February 2014. Returned 3x capital invested.



SemiProbe

Location	Winooski, VT
Fund Investment	\$250,000 ; \$114,585 ; \$43,478
Date of Investment	12.20.10 ; 10.4.13 ; 11.5.14
Capital Returned (partial):	\$54,348 (Nov 2017) \$160,338 (Dec 2018)

Description	SemiProbe designs and manufactures the most innovative probing, inspection and test semiconductor solutions available today. Customers include the top foundries, research centers and corporations in the world. www.semiprobe.com
Use of Funds	Working capital, payroll, IT development, equipment and sales
Status	Active



Aprexis

Location	Montpelier
Fund Investment	\$200,000
Date of Investment	1.25.11

Description Aprexis Health Solutions empowers pharmacists with tools to increase medication adherence among patients. The easy to use, web-based software revolutionizes delivery of personalized medication therapy management (MTM) and patient-centric clinical services while increasing revenues for pharmacies. www.aprexis.com

Use of Funds Working capital, payroll, SaaS platform, customer services, and business development.

Status **Active**



Ello

Location	Los Angeles Burlington/Boulder
Fund Investment	\$50,000
Date of Investment	10.17.14

Description Now operated as a unit of L.A. based TalentHouse, Ello's mission is to transform the way creative people connect by fueling a worldwide movement based on beauty, positivity, and transparency. Ello is a Benefit Corporation

Use of Funds Personnel, Vermont company/office creation and development

Status **Active**

ElectroCell

Location	Colchester, VT
Fund Investment	\$99,544
Date of Investment	12.30.11

Description ElectroCell provides liquid waste treatment services to livestock farms, municipal wastewater treatment plants and industrial customers. Its bioelectric treatment uses precisely managed electrical pulses to open organic cells with breakthrough efficiency. www.Electrocell.us

Use of Funds Working capital, personnel, pilot projects, equipment, and sales

Status **Active**



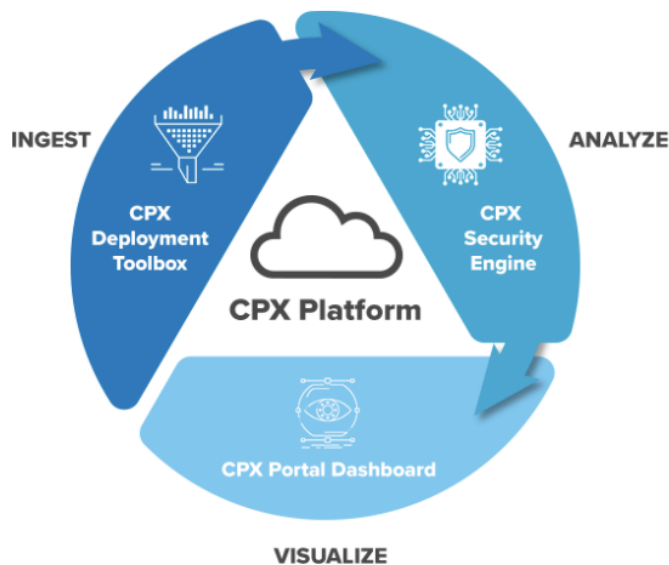


Rapid Focus Security

Location	Burlington and Boston
Fund Investment:	\$629,306 (12 transactions)
Date of Investments:	Oct 2012 - Nov 2017

Description	CPX Security is the new d.b.a for Rapid Focus Security. CPX Security is the first security management solution designed exclusively for manufacturers' connected products and the Internet of Things. www.CPXSecurity.com
Use of Funds	Working capital, personnel, product development and business development
Status	Active

HOLISTIC IOT SECURITY



Complete End-to-End Coverage

- Devices, workstations, gateways, firewalls, cloud...

Entire Product Lifecycle

- Design, deploy, monitor, maintain

Full Visibility

- Searchable inventory, prioritized lists, detailed to holistic views



Northern Reliability

Location	Waterbury / Waitsfield, VT
Fund Investment	\$150,000 ; \$75,000
Date of Investment	4.1.13 ; 3.27.15

Description As remote and back-up power experts, Northern Reliability offers premium stand-alone power systems and microgrids providing solutions for customers needing a reliable energy source for their business or community, no matter the location or environment. www.NorthernReliability.com

Use of Funds Working capital, personnel, product development and business development

Status Active





Faraday

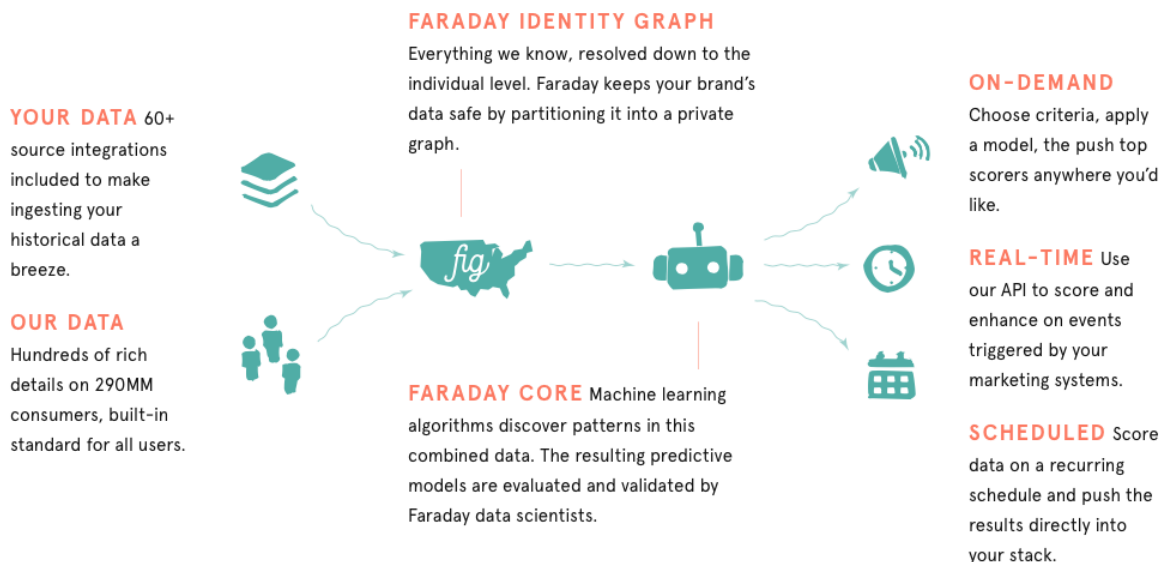
Location	Middlebury, Burlington
Fund Investment	\$75,000; \$100,000; \$25,000; \$25,000
Date of Investment	2.13.14 ; 1.21.15 ; 5.12.16 ; 6.5.17
Capital Returned:	\$100,000 (Oct 2017)

Description Faraday assists direct business to consumer (DTC) companies unlock third party and internal data for insights, customer acquisition and marketing returns. The company uses big data sources on over 140 million US households, proprietary learning algorithms and leading visualization tools. Visit www.faraday.io

Use of Funds Working capital, personnel, product development and business development

Status **Active**

Here's how the Faraday platform works





NextCapital Group

Location	Stowe, Burlington, Chicago
Fund Investment	\$250,000 ; \$50,000 ; \$100,000
Date of Investment	5.13.14 ; 12/11/15 ; 12/14/17

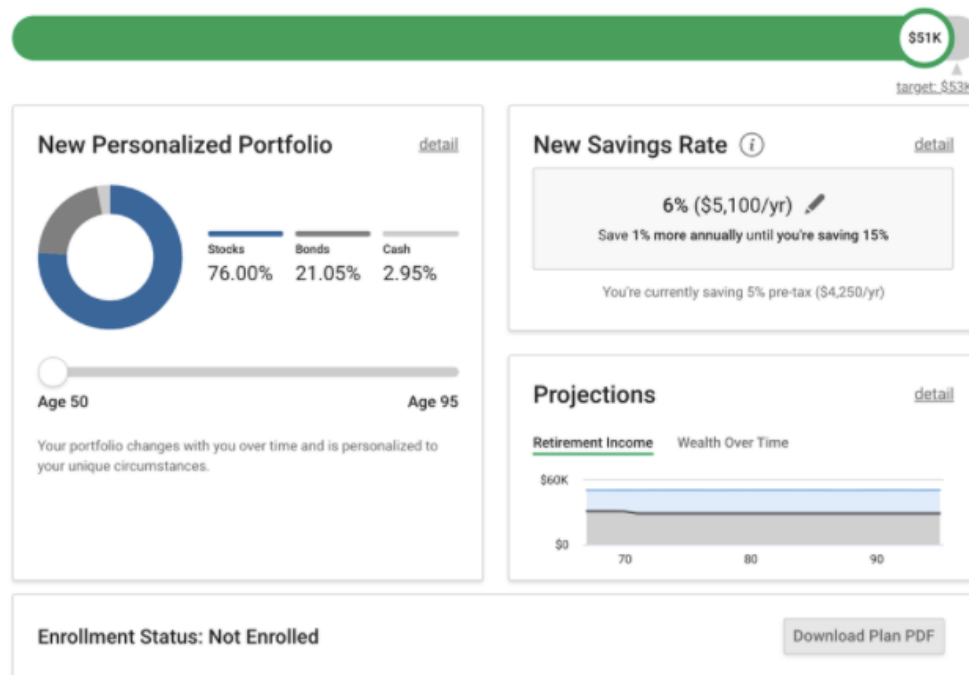
Description NextCapital is a digital enterprise wealth adviser technology platform that allows large institutions, wealth managers and investors to build and manage personal, objective, and affordable world-class investment portfolios and services.
www.NextCapital.com

Use of Funds Personnel, Vermont company/office creation, customer deployments and business development

Status Active

Your Retirement Plan ⓘ

Based on a [retirement age](#) of 67, we estimate you'll have an [annual retirement income](#) of \$51,022. [Personalize more.](#)



Powered by [nextcapital](#)



Visura.co

Location	Stowe
Fund Investment	\$75,000
Date of Investment	11.19.15

Description Visura.co is a professional global networking platform for visual artists and photographers, large media buyers and organizations. The company is located in Stowe. www.visura.co

Use of Funds Personnel, Vermont company/office creation and business development

Status **Active**

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Green Power Monitoring Systems, Inc (GPMS)

Location	Shoreham
Fund Investment	\$75,000
Date of Investment	6.15.16

Description Design, improve, and support the best available prognostic health management system (HUMS) globally, for rotorcraft such as helicopters and eVOTL aircraft. Visit www.GPMS-VT.com

Use of Funds Personnel, Product design, Vermont company/office creation and business development and working capital.

Status **Active**



Our HUMS product offers a full range of features

- ⚙ Engine Performance Monitoring
- ⚙ Mechanical System Monitoring
- ⚙ Flight Regime Recognition
- ⚙ Flight Data Monitoring
- ⚙ Rotor Track and Balance

More About Foresight MX

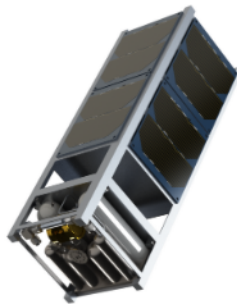


Location	S.Burlington / Philadelphia
Fund Investment	\$100,000; \$50,000; \$25,000
Date of Investment	3/5/18; 12/19/19 ; 5/15/20

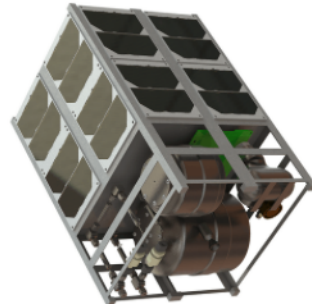
Description Benchmark Space Systems designs and manufactures micro propulsion and navigation systems for the rapidly growing small and cube satellite markets. The company is a UVM technology licensee. www.benchmarkspacesystems.com

Use of Funds Personnel, Product design, Vermont company/office creation and business development and working capital.

Status **Active**



DFAST — WARM GAS GENERATOR SYSTEM



B125 — 'GREEN' BIPROPELLANT SYSTEM



Ceres Greens, LLC

Location	Barre
Fund Investment	\$25,000
Date of Investment	2.19.19

Description

Ceres Greens is a hydroponic, vertical farming operation in a revitalized and repurposed former industrial building in downtown Barre, Vermont. The company grows leafy greens year round using non-GMO, pesticide free and water efficient practices.

Use of Funds

Personnel, farm/manufacturing facility and customer development

Status

Active

HOW WE GROW

Our produce is grown vertically in an indoor controlled environment to provide the most ideal growing conditions. Imagine aisles of living walls of edible plants! [Learn more >](#)

WHY WE GROW

To provide the freshest, tastiest locally grown produce possible, significantly reducing food miles and providing a secure source of food. [Explore >](#)

WHERE TO BUY

Our retail partners are coming online soon, and we look forward to sharing details on where to find Ceres Greens produce near you.



Total Firms invested into: 23 so far.

Realized Gains:

The Fund is at the point where some investments are beginning to mature to a point that produces a return of capital. This liquidity can be produced any number of ways via sale, merger, recapitalizations, liquidations, employee buyout, etc. This financial return is by design and necessary to cover Fund expenses, losses and for revolving the fund forward in order to make new investments into entrepreneurs and growth companies.

During FY20, there was not a realized return from within the portfolio.

Sound Innovations, Inc. (Sale FY14)

Fund Investment	\$150,000 (May 2010)
Capital Returned	\$450,000 (Feb 2014)

Faraday, Inc. (Partial sale FY18)

Fund Investment	\$76,498 (2015/2016)
Capital Returned	\$100,000 (Oct 2017)

SemiProbe (Loan repaid FY18)

Fund Investment	\$43,437 (Nov 2014)
Capital Returned	\$54,348 (Nov 2017)

SemiProbe (3 Convertible Notes repaid FY19)

Fund Investment	\$114,585 (2013-2014)
Capital Returned	\$160,338 (Dec 2018)

Fund Investment
Capital Returned

Fund Investment
Capital Returned

Realized Losses:

For the year ended FY20, Budnitz Bicycles became a realized loss since first investing in 2015. The investment had previously been written off. These 10 now failed businesses and teams worked tirelessly towards finding a sustainable business model. While these risk takers did not reach their lofty goals, the work and impacts of the employees, founders and investors nevertheless contributed to Vermont's start-up ecosystem and in meeting three other Fund objectives for capital leverage, revenues and payroll creation.

Summary Data (10 Firms)

Total Fund Investment:	\$1,585,000
Cumulative Capital Raised:	\$36,516,997
Capital Leverage:	23.0x
Cumulative Wages:	\$12,801,872
Cumulative Revenues:	\$14,544,002

True Body Products (FY12)

Fund Investment	\$50,000 ; \$10,000
Date of Investment	Jul 9 2010 ; Aug 8 2011

eCorp English (FY12)

Fund Investment	\$200,000
Date of Investment	Oct 22 2010

Thermal Storage Solutions (FY12)

Fund Investment	\$75,000 ; \$25,000
Date of Investment	Feb 22 2011 ; Nov 7 2011

Evergreen Behavioral Solutions (vTrim) (FY12)

Fund Investment	\$150,000 ; \$25,000
Date of Investment	Sep 6, 2011 ; Apr 27, 2012

BuysideFX (FY14)

Fund Investment	\$100,000 ; \$100,000
Date of Investment	5.16.12 ; 7.24.13

Green Mountain Digital (Yonder) (FY16)

Fund Investment	\$300,000 over 4 transactions
Date of Investment	Sept 2010 - May 2015

BityBean, Inc (FY17)

Fund Investment	\$30,000
Date of Investment	April 2014

GroupZoom (BRDJ/Campus Connector)(FY17)

Fund Investment	\$50,000
Date of Investment	July 2013

Horse Network (FY19)

Fund Investment	\$100,000
Date of Investment	October 2015

Budnitz Bicycles (FY20)

Fund Investment	\$370,000 over 3 transactions
Date of Investment	May 2015 thru Dec 2016

Fund Investment	
Date of Investment	