



Vermont Seed Capital Fund, LP

Investing in Entrepreneurs since May 2010

FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023



VERMONT SEED CAPITAL FUND, L.P.

FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 -2
FINANCIAL STATEMENTS	
Statements of Assets, Liabilities and Partners' Capital	3
Statements of Operations	4
Statements of Changes in Partners' Capital	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 14



INDEPENDENT AUDITOR'S REPORT

To the General and Limited Partners of
Vermont Seed Capital Fund, L.P.
Burlington, Vermont

We have audited the accompanying financial statements of Vermont Seed Capital Fund, L.P. (a limited partnership) which comprise the statements of assets, liabilities, and partners' capital as of June 30, 2024 and 2023, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended, and related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vermont Seed Capital Fund, L.P. as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vermont Seed Capital Fund, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Vermont Seed Capital Fund, L.P.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



To the General and Limited Partners of
Vermont Seed Capital Fund, L.P.
Burlington, Vermont
Page 2

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Vermont Seed Capital Fund, L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vermont Seed Capital Fund, L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Dennis Holgate America CPAs, PLLC

Williston, Vermont
September 10, 2024

VERMONT SEED CAPITAL FUND, L.P.

STATEMENTS OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 554,492	\$ 834,043
Prepaid expenses	<u>10,966</u>	<u>10,126</u>
Total current assets	<u>565,458</u>	<u>844,169</u>
OTHER ASSETS		
Investments in portfolio securities, at fair value	8,953,754	7,949,156
Accrued interest, convertible notes	<u>65,358</u>	<u>33,289</u>
Total other assets	<u>9,019,112</u>	<u>7,982,445</u>
Total assets	<u>\$ 9,584,570</u>	<u>\$ 8,826,614</u>
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES		
Due to related parties	<u>\$ 3,082</u>	<u>\$ 11,578</u>
Total liabilities	<u>3,082</u>	<u>11,578</u>
PARTNERS' CAPITAL	<u>9,581,488</u>	<u>8,815,036</u>
Total liabilities and partners' capital	<u>\$ 9,584,570</u>	<u>\$ 8,826,614</u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

STATEMENTS OF OPERATIONS
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
INVESTMENT INCOME		
Interest income	\$ 94,276	\$ 50,254
Realized investment gain (loss)	<u>(394,544)</u>	<u>1,065,952</u>
Total investment income	<u>(300,268)</u>	<u>1,116,206</u>
EXPENSES		
Management fees	121,628	121,601
Insurance	10,947	10,835
Professional fees	12,626	10,619
Franchise tax	250	250
Bank service fees	<u>40</u>	<u>105</u>
Total expenses	<u>145,491</u>	<u>143,410</u>
Net investment income (loss) before unrealized gain (loss)	<u>(445,759)</u>	<u>972,796</u>
OTHER INCOME (LOSS)		
Unrealized investment gain (loss) arising during the current period	<u>1,248,164</u>	<u>(1,357,196)</u>
Net investment income (loss)	<u>\$ 802,405</u>	<u>\$ (384,400)</u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

**STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
For the Years Ended June 30, 2024 and 2023**

	General Partner	Limited Partners		Total
	VCET Capital, LLC	VCET Investors, LLC	VEDA Capital Investors, LLC	
BALANCE, July 1, 2022	\$ --	\$ 3,015,351	\$ 6,182,709	\$ 9,198,060
Capital contributions	--	--	1,376	1,376
Net investment gain (loss)	--	(120,240)	(264,160)	(384,400)
BALANCE, June 30, 2023	<u>\$ --</u>	<u>\$ 2,895,111</u>	<u>\$ 5,919,925</u>	<u>\$ 8,815,036</u>
BALANCE, July 1, 2023	\$ --	\$ 2,895,111	\$ 5,919,925	\$ 8,815,036
Tax obligation distribution	--	(36,000)	--	(36,000)
Capital contributions	--	--	47	47
Net investment gain (loss)	--	250,992	551,413	802,405
BALANCE, June 30, 2024	<u>\$ --</u>	<u>\$ 3,110,103</u>	<u>\$ 6,471,385</u>	<u>\$ 9,581,488</u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net investment gain (loss)	\$ 802,405	\$ (384,400)
Adjustments to reconcile change in investment gain (loss) to net cash provided (used) by operating activities		
Realized and unrealized (gain) loss on investments	(853,620)	291,244
Changes in:		
Prepaid expenses	(840)	(2,000)
Investments in portfolio securities	(150,978)	354,148
Accrued interest	(32,069)	4,421
Due to related parties	<u>(8,496)</u>	<u>11,458</u>
Net cash provided (used) by operating activities	<u>(243,598)</u>	<u>274,871</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Limited Partner tax obligation distribution	(36,000)	--
Limited Partner capital contributions	<u>47</u>	<u>1,376</u>
Net cash provided (used) by financing activities	<u>(35,953)</u>	<u>1,376</u>
Net change in cash and cash equivalents	(279,551)	276,247
Cash and cash equivalents, beginning of year	<u>834,043</u>	<u>557,796</u>
Cash and cash equivalents, end of year	<u>\$ 554,492</u>	<u>\$ 834,043</u>

See Independent Auditor's Report and Notes to Financial Statements.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations

Vermont Seed Capital Fund, L.P. (the Partnership), is a limited partnership formed under the laws of Vermont on March 11, 2010. The General Partner of Vermont Seed Capital Fund, L.P., is VCET Capital, LLC (formerly, VCET Capital Corporation) (the General Partner).

The Partnership is organized: (1) to increase the amount of investment capital provided to firms within the State of Vermont and to support job creation and preservation in the State of Vermont; (2) to acquire, directly or indirectly, hold for investment, convert and distribute or otherwise dispose of Portfolio Investments and other Securities in accordance with the Entrepreneurs' Seed Capital Fund as set for in the Fund Act promulgated by the Vermont legislature; (3) to provide favorable investment returns to the Partners; and (4) carry on any other activities necessary in connection with or incident to the foregoing.

Key partnership performance objectives include: (1) generating a sufficient market financial return in order to revolve the fund, after expenses and any distributions; (2) creating jobs and positive payroll impact in the Vermont business community; (3) adequately leveraging the Fund's capital; and (4) creating positive synergies with Vermont businesses, the State's economy, Vermont colleges and universities, and other venture capital firms looking to invest in Vermont businesses.

The Partnership Agreement states that the Partnership shall terminate on December 31, 2060, unless otherwise extended or terminated earlier by the General Partner with consent of a majority-in-interest of the limited partners, as defined.

Advisory board and investment committee

Prior to making its first investment, the Partnership created an advisory board consisting of five members: two appointed by the Limited Partners, two members appointed by the General Partner, and one member appointed jointly by the Limited and General Partners. The Advisory Board provides non-binding advice and recommendations and represents the economic interests of the State of Vermont with respect to the management of the Partnership. The Partnership advises the Advisory Board of investments made and provides access to all information held by the Partnership with respect to investments. The General Partner also appoints an investment committee of at least three people qualified to make investment decisions on behalf the General Partner and the Partnership. A majority approval of investment committee members is required for any investment to be made with Partnership assets.

A summary of significant accounting policies follows:

Basis of accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Recently adopted accounting standards

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). The standard provides that non-profit entities recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. Effective July 1, 2022, the Partnership was required to record lease assets and offsetting lease liabilities for all leasing arrangements with a term of more than twelve months. The adoption of the standard did not have an impact on the Partnership's financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments, Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which was effective for the Partnership on July 1, 2023. This standard addresses measurement of credit losses on financial instruments and replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of information to estimate credit losses. The adoption of this standard did not have a material impact on the Partnership's financial statements.

Cash and cash equivalents

The Organization considers all investments with an original maturity of three months or less to be cash and cash equivalents.

Income taxes

The company files its income tax returns as a partnership for federal and state income tax purposes, and thus no income tax expense has been recorded in the statements. Each member separately accounts for their pro-rata shares of the Partnership's items of income, deduction, loss and credits.

Accounting for uncertain tax positions

The Partnership files income tax returns in the U.S. Federal jurisdiction and the State of Vermont. The Company is no longer subject to U.S. Federal income tax examination by authorities for the years prior to June 30, 2021. With respect to the State of Vermont, with limited exceptions, the Partnership is no longer subject to examination by authorities prior to June 30, 2021. In the normal course of business, the Partnership is subject to examination by various taxing authorities. Although the outcome of tax examinations is always uncertain, the Partnership believes that there are no significant unrecognized tax liabilities at June 30, 2024.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Allocation of profits and losses

In accordance with the Partnership agreement, the general rule (subject to modification, as defined) is that net income (and items thereof) and net loss (and items thereof) for any fiscal year shall be allocated among the Partners in a manner such that the capital account of each Partner, immediately after giving effect to such allocation, is, as nearly as possible, equal (proportionately) to the amount equal to the distributions that would be made to such Partner during such fiscal year, as defined, if (1) the Partnership were dissolved and terminated; (2) its affairs were wound up and each Partnership asset was sold for cash equal to its book value; (3) all Partnership liabilities were satisfied; and (4) the net assets of the Partnership were distributed to the Partners immediately after giving effect to such allocation. For purposes of this calculation, the Partnership will assume that the net assets are distributed and not reinvested in the Partnership. The General Partner may, in its discretion, make such other assumptions (whether or not consistent with the above assumptions) as it deems necessary or appropriate in order to effectuate the intended economic arrangement of the Partners so that capital accounts are maintained in accordance with Section 704(b) of the Internal Revenue Code.

Distributions

The General Partner, at its sole discretion, can make distributions of distributable cash, as defined, to the partners in a priority of (1) return of capital to the Limited Partners, (2) return of capital to the General Partner, (3) carried ownership interest of the Limited Partners and the General Partner, all as computed and defined in the partnership agreement. Certain distributions require reinvestments in the partnership as additional capital contributions, as defined.

Fair value measurements

Professional literature defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance states that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions market participants would use in pricing the asset or liability under current market conditions at the measurement date. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy that is based on the subjectivity of inputs.

It distinguishes between observable inputs (Levels 1 and 2) which are either observable form market data or corroborated by observable market data and those that are unobservable (Level 3).

Three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Fair value measurements (continued)

Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs include quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means. This category generally includes certain U.S. Government and agency mortgage-backed debt securities and alternative investments using net asset value (NAV) per share for which the Partnership has the ability to redeem its investment at or close to the measurement date.

Level 3 – Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the Partnership's assumptions based on the best information available in the circumstances. This category generally includes certain private debt and equity instruments, alternative investments where the investee at NAV per share or the redemption date is not close to the measurement date. This category also includes investments held in trust where the Partnership is not the trustee and the beneficial interest is in perpetual trust.

All long term investments (see Note 3.) have been valued in accordance with the definition of Level 3 inputs as described above.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, although the Partnership believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Subsequent events

Subsequent events have been evaluated through September 10, 2024, which is the date the financial statements were issued.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 2. Investments

Investments are stated at fair value and consisted of the following at:

	Cost	Unrealized Gain (Loss)	Market Value
June 30, 2024			
Equity Investments	\$ 1,984,812	\$ 6,268,942	\$ 8,253,754
Convertible Notes	700,000	--	700,000
Total investments	<u>\$ 2,684,812</u>	<u>\$ 6,268,942</u>	<u>\$ 8,953,754</u>
June 30, 2023			
Equity Investments	\$ 2,003,379	\$ 5,020,777	\$ 7,024,156
Convertible Notes	925,000	--	925,000
Total investments	<u>\$ 2,928,379</u>	<u>\$ 5,020,777</u>	<u>\$ 7,949,156</u>

All of the Partnership's investments in portfolio securities are illiquid interests in early stage, high risk, U.S companies mainly located in the state of Vermont. Investments consist of equity investments (including common and preferred stock and other equity investments) and five convertible promissory notes with interest rates of 5% and 7.5%.

The following schedule summarizes the net return on investments reported in the Statement of Operations for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Realized investment gain (loss)	\$ (394,544)	\$ 1,065,952
Unrealized investment gain (loss)	1,248,164	(1,357,196)
Interest accrued and received on portfolio securities	94,276	50,254
Net return on investments	<u>\$ 947,896</u>	<u>\$ (240,990)</u>

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 3. Fair Value Measurements – Investments

The table below segregates all financial assets and liabilities as of June 30, 2024 and 2023 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date: (Level 3 as described in Note 1.)

	<u>2024</u>	<u>2023</u>
Equity Investments	\$ 8,253,754	\$ 7,024,156
Convertible Notes	<u>700,000</u>	<u>925,000</u>
Total investments	<u>\$ 8,953,754</u>	<u>\$ 7,949,156</u>

In addition to quoted market prices in active markets, valuation techniques for Level 3 inputs included:

Level 3 investments were valued by the General Partner utilizing valuation metrics specific to the investment and the industry in which it operates. The Partnership's investment has been classified within Level 3 as it has unobservable inputs, as they trade infrequently or not at all. The Level 3 investments currently include convertible notes, common and preferred stock, warrants for common stock and equity interests in limited liability companies. When observable prices are not available for these securities, the General Partner uses one or more valuation techniques (e.g., the market approach, the income approach or, the cost approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and/or other risk factors.

The inputs used by the General Partner in estimating the value of Level 3 investments include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information.

The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

The General Partner, along with an independent investment committee, meet semi-annually to conduct an investment review whereby the fair value methodology is applied and investments are adjusted.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 3. Fair Value Measurements – Investments (continued)

The table below sets forth a summary of changes in the fair value of the Partnership's Level 3 investment assets for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 7,949,156	\$ 8,594,548
Realized and unrealized gain (loss) on investments	853,620	(291,244)
Purchases	125,000	1,117,927
Return of capital received	<u>25,978</u>	<u>(1,472,075)</u>
Ending balance	<u>\$ 8,953,754</u>	<u>\$ 7,949,156</u>

Note 4. Management Fee and Other Partnership Expenses

The Partnership Agreement provides for the payment of a quarterly management fee to the General Partner of 2% of the aggregate capital contributions to the Partnership, including any reinvestments of distributable cash to the Partnership.

As manager, the General Partner bears all normal operating costs and expenses incurred in connection with the management of the Partnership; the Partnership bears all costs and expenses incurred in the purchase, holding, sale or exchange of securities, as well as interest on indebtedness incurred by the Partnership, certain legal and accounting fees and other expenses which are specifically defined in the Partnership Agreement.

Note 5. Related Party Transactions

Pursuant to the Partnership Agreement the Partnership incurred management fees for services provided by the General Partner in the amount of \$121,628 and \$121,601 for the years ended June 30, 2024 and 2023, respectively. There were no outstanding management fees due to the General partner at June 30, 2024 and 2023.

Occasionally the Partnership will advance funds to or borrow funds from related parties. The amount outstanding from VEDA was \$47 and \$1,376, at June 30, 2024 and 2023, respectively. The amount outstanding due to VCET was \$3,129 and \$12,954 at June 30, 2024 and 2023, respectively.

Note 6. Concentration of Credit Risk

Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC). At various times during the year Vermont Seed Capital Fund, L.P. may maintain its balance with one financial institution in excess of the federally insured limit.

VERMONT SEED CAPITAL FUND, L.P.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

Note 7. Reclassifications

Certain amounts for the year ended June 30, 2023 have been reclassified for comparative purposes to conform to the presentation used in the June 30, 2024 financial statements. The reclassifications have no effect on partners' capital for the year ended June 30, 2023.

Note 8. Financial Highlights

The Partnership is required to disclose certain financial highlights for the common interest in the Partnership (i.e., the Limited Partners' interest). These financial highlights consist of the operating expenses and net investment loss ratios for the period ended June 30, 2024 and the Internal Rate of Return since inception (IRR) of the Limited Partners, net of all fees and profit allocations (carried interest) to the General Partner, through June 30, 2024. The following summarizes the Limited Partners' financial highlights:

	<u>2024</u>	<u>2023</u>
Net investment income (loss) ratio	8.72%	-4.27%
Operating expense ratio	1.58%	1.59%
Cumulative IRR	3.78%	3.33%

The net investment loss and operating expense ratios are computed as a percentage of average partners' capital. The IRR was computed based on the actual dates of cash inflows (capital contributions), outflows (cash distributions), and the balance at the end of the year (residual value) of the Limited Partners' capital account as of the measurement date.

These financial highlights might not be indicative of the future performance of the Partnership. An individual partner's return may vary from this calculated return based on the timing of capital transactions.

Note 9. Subsequent Event

Subsequent to June 30, 2024, one investment was closed which resulted in a realized gain of approximately \$167,000 and an additional investment was made into an existing portfolio company for \$49,999.