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PRIVATE EQUITY FUND, L.P.

Illustrative Financial Statements

December 31, 2019

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References to the relevant literature are included in the left-hand margin.

The following abbreviations are used for technical references:

ASC	FASB Accounting Standards Codification
ATQA	AICPA Technical Questions and Answers
AAG-INV	AICPA Audit and Accounting Guide, Investment Companies

Editor's Note
ASU No. 2018-13 Fair Value Measurement (Topic 820), *Disclosure Framework -- Changes to the Disclosure Requirements for Fair Value Measurement.*

In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019.

An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date.

Private Equity Fund, L.P.

Private Equity Fund, L.P.

ASC 946-205-45-1

Statement of Assets and Liabilities
December 31, 20XX

	Assets		
	Investments in securities, at fair value (cost $63,150,000)	$	86,709,000
ASC 946-305-45-1	Cash and cash equivalents		5,521,000
ASC 946-310-45-1	Interest and dividends receivable		18,000
ASC 946-310-45-1	Due from related parties		25,000
	Escrow proceeds receivable		115,000
ASC 505-10-45-2	Capital contributions receivable		125,000
	Other assets		3,000
	Total assets		92,516,000
ASC 946-405-45-1	Liabilities		
	Management fee payable		35,000
	Accrued expenses		222,000
ASC 480-10-45-1	Capital distributions payable		4,913,000
	Notes payable		111,000
	Total liabilities		5,281,000
ASC 946-20-50-14	Partners' capital	$	87,235,000

See Notes to Financial Statements.

Private Equity Fund, L.P.

ASC 946-205-45-1

Schedule of Investments
December 31, 20XX

		Principal amount or shares	Percentage of partners' capital	Cost	Fair value
	Investments in securities, at fair value				
ASC-946-210-50-6	Private operating companies				
	United States				
	Education technology				
	Private Education Company A, Inc.				
	Preferred stock	4,875,766	11.6%	$ 2,500,000	$ 10,087,000
	Common stock	1,856,650	4.4%	2,000,000	3,845,000
	Notes, X.X%, due 8/31/20XX	$ 2,500,000	2.7%	2,500,000	2,325,000
			18.7%	7,000,000	16,257,000
	Private Education Company B, Corporation				
	Preferred stock	10,000,000	7.2%	6,126,000	6,283,000
	Warrants, expires 1/31/20XX		0.0%	24,000	10,000
			7.2%	6,150,000	6,293,000
	Total United States		25.9%	13,150,000	22,550,000
	Japan				
	Consumer technology				
	Private Consumer Technology Company C, Inc.				
	Common stock	5,000,000	7.2%	5,000,000	6,250,000
	Notes, X.X%, due 9/30/20XX	$ 1,000,000	1.1%	1,000,000	1,000,000
	Total Japan		8.3%	6,000,000	7,250,000
	Total private operating companies		34.2%	19,150,000	29,800,000
	Marketable securities				
	United States				
	Consumer technology				
	Public Consumer Technology Company A				
	Common stock	44,000,000	65.2%	44,000,000	56,909,000
	Total marketable equity securities		65.2%	44,000,000	56,909,000
	Total investments in securities, at fair value		99.4%	$ 63,150,000	$ 86,709,000

See Notes to Financial Statements.

Private Equity Fund, L.P.

ASC 946-205-45-1

Statement of Operations
Year Ended December 31, 20XX

	Investment income		
	Interest		$ 200,000
ASC 946-830-45-39	Dividends (net of foreign withholding taxes of $200,000)		88,000
	Other income		10,000
	Total investment income		298,000
ASC 946-225-45-3	Expenses		
ASC 946-20-45-4	Management fee, gross	$ 950,000	
	Management fee, offset	(200,000)	
	Management fee, net		750,000
	Professional fees and other		107,000
	Broken deal costs		55,000
	Interest expense		9,000
	Total expenses		921,000
ASC 946-225-45-5	Net investment income (loss)		(623,000)
ASC 946-225-45-6	Realized and unrealized gain (loss) from investments and foreign currency transactions		
ASC 946-830-45-1 to 4	Net realized gain (loss) from investments and foreign currency transactions		269,000
	Net change in unrealized gains and losses on investments and foreign currency transactions		12,488,000
	Net gain from investments and foreign currency transactions		12,757,000
ASC 946-225-45-7	Net income (loss)[1]		$ 12,134,000

[1]ACS paragraph 946-225-45-7 defines the sum of net investment income or loss and net realized and unrealized gain or loss on investments and foreign currency transactions as the net increase or decrease in net assets resulting from operations.

See Notes to Financial Statements.

Private Equity Fund, L.P.

ASC 946-205-45-1,
ASC 946-205-45-5

Statement of Changes in Partners' Capital
Year Ended December 31, 20XX

		General partner	Limited partners	Total
ASC 946-505-50-2, ASC 946-505-50-3	Partners' capital, beginning of year	$ 4,900,000	$ 71,381,000	$ 76,281,000
	Capital contributions	2,000	918,000	920,000
	Capital distributions	(3,000)	(2,097,000)	(2,100,000)
ASC 946-205-45-3	Allocation of net income (loss)			
	Pro rata allocation	2,000	12,132,000	12,134,000
ASC 946-20-45-4	Carried interest to General Partner	1,000,000	(1,000,000)	-
	Net income (loss)	1,002,000	11,132,000	12,134,000
ASC 946-505-50-3	Partners' capital, end of year	$ 5,901,000	$ 81,334,000	$ 87,235,000

See Notes to Financial Statements.

Private Equity Fund, L.P.

ASC 946-205-45-1

Statement of Cash Flows
Year Ended December 31, 20XX

	Cash flows from operating activities	
	Net income (loss)	$ 12,134,000
ASC 230-10-45-28	Adjustments to reconcile net income (loss) to net cash provided by operating activities	
	Net realized (gain) loss from investments and foreign currency transactions	(269,000)
	Net change in unrealized gains and losses on investments and foreign currency transactions	(12,488,000)
ASC 230-10-45-7,	Purchases of investments	(871,000)
ASC 230-10-45-20,	Proceeds from sales of investments	2,772,000
and ATQA 6910.20	Changes in operating assets and liabilities	
	Interest and dividends receivable	20,000
	Due from related parties	1,000
	Escrow proceeds receivable	(19,000)
	Management fee payable	6,000
	Accrued expenses	(10,000)
	Net cash provided by operating activities	1,276,000
ASC 230-10-45-14 and 15,	Cash flows from financing activities	
ASC 230-10-45-26 and ASC 230-10-50-5	Proceeds from contributions, net of change in capital contributions receivable	920,000
	Payments for capital distributions, net of change in capital distributions payable	(2,100,000)
	Proceeds from notes payable	1,500,000
	Repayments of notes payable	(1,500,000)
	Net cash used in financing activities	(1,180,000)
ASC 230-10-45-24	Net increase in cash and cash equivalents	96,000
	Cash and cash equivalents, beginning of year	5,425,000
	Cash and cash equivalents, end of year	$ 5,521,000
	Supplemental disclosure of cash flow data	
ASC 230-10-50-2	Cash paid during the year for interest	$ 9,000
	[if applicable] Cash paid for income taxes	$ -
ASC 230-10-50-3	Supplemental disclosure of noncash financing activities	
	Distribution of securities, at fair value (cost basis of $200,000)	$ 175,000
	Recalled capital in lieu of distribution payable	$25,000

See Notes to Financial Statements.

ASC 275-10-50-2

Note 1 - Organization

<u>{This note should be tailored to the Fund's specific nature of operations:}</u>
Private Equity Fund, L.P. (the "Fund") is a limited partnership created under the laws of the State of Delaware, which commenced operations on ***<u>{Month, Date, Year}</u>***. The Fund was organized for the *{state Fund's investment objective}*. The Fund is managed by Private Equity Fund General Partner, LLC (the "General Partner") and Private Equity Fund Investment Manager, LLC (the "Investment Manager"). ***{If applicable:}*** The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

The Limited Partnership Agreement (the "Agreement") provides that the Fund shall continue until the eighth anniversary of the closing date. The General Partner may also extend the term of the Fund beyond the eighth anniversary for up to two additional one-year periods.

Note 2 - Summary of significant accounting policies

ASC 235-10-50-1,
ASC 235-10-50-3

The significant accounting policies followed by the Fund are:

Basis of presentation

ASC 946-10-50-1

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, Financial Services - Investment Companies ("ASC 946"), the Fund has determined that it is an investment company and has applied the guidance in accordance with ASC 946.

Use of estimates

ASC 275-10-50-4

The preparation of financial statements in conformity with GAAP requires 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 income and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

ASC 230-10-50-1
ASC 825-10-50-20 and 21

Cash, including cash denominated in foreign currencies, represents cash deposits held at financial institutions. Cash equivalents include short-term, highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have maturities of three months or less when purchased. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed federally insured limits.

Foreign currency translation

{If applicable:} The values of investments in securities that are denominated in foreign currencies are translated based on the exchange rates that are in effect on the date of valuation. Transactions denominated in foreign currencies, including purchases and sales of investments and investment income and expenses, are translated into U.S. dollar amounts on the date of those transactions. Adjustments resulting from foreign currency transactions are reflected in the statement of operations.

{Pursuant to 945-830-45-4-The practice of not separately disclosing the portion of the changes in fair values of investments and realized gains and losses thereon that result from foreign currency rate changes is permitted.}

Investment transactions and investment income

ASC 946-320-25-1, ASC 946-320-40-1, ASC 946-320-35-5, AAG INV 2.127, ASC 946-320-35-20, ASC 946-830-45-34

Investment transactions are accounted for on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recognized on an accrual basis. ***{If applicable:}*** For nonpaying debt, interest is not accrued and interest receivable is written off when deemed uncollectible. The ***{specific identification} {an average cost}*** basis is used to determine realized gains and losses. ***{If applicable:}*** Discounts and premiums to the face amount of debt securities are accreted and amortized using the effective interest rate method over the lives of the respective debt securities. ***{If applicable:}*** Discounts to the face amount of debt securities are not accreted to the extent that interest income is not expected to be realized.

Fair value - definition and hierarchy

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement that should be determined based on the assumptions market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy distinguishes between: (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). Valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

> Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

a. Quoted prices for similar assets or liabilities in active markets;

b. Quoted prices for identical or similar assets or liabilities in markets that are not active;

c. Inputs other than quoted prices that are observable for the asset or liability; and

d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the reporting entity's own data. However, market participant assumptions cannot be ignored and, accordingly, the reporting entity's own data used to develop unobservable inputs are adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

{If applicable:} Certain of the Fund's investment in private investment companies are measured using net asset value ("NAV") per share as a practical expedient and are therefore not categorized within the fair value hierarchy.

Fair value - valuation techniques and inputs

Investments in securities

Investments in securities are valued at their last reported sales price if they are traded on a national securities exchange or quoted by the NASDAQ National Market System on their valuation date. If no sales price is available, the investments in securities are valued at the last representative bid price.

Investments that are not listed on an exchange but are traded over-the-counter ("OTC") are valued at the sale price as of the measurement date provided by pricing vendors. If there is no reliable sale price as of the measurement date, they are valued at the "bid" quotation if held long and the "ask" quotation if held short.

To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

ASC 820-10-50-1(a), 820-10-50-2 (bbb)

The Fund uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value. The valuation techniques used by the Fund to determine fair value are consistent with the market or income approaches.

For fair value measurements categorized within Level 3 of the fair value hierarchy, a reporting entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement.

Investments in restricted securities of public companies
Investments in restricted securities of public companies cannot be offered for sale to the public until the issuer complies with certain statutory requirements. The valuation of the securities by management takes into consideration the type and duration of the restriction, but in no event, does it exceed the listed price on any major securities exchange. Investments in restricted securities of public companies are generally categorized in Level 2 of the fair value. However, to the extent that significant inputs used to determine liquidity discounts are not observable, investments in restricted securities of public companies may be categorized in Level 3 of the fair value hierarchy.

Investments in private operating companies
Investments in private operating companies primarily consist of private common and preferred stock (together or individually "equity") investments and debt of privately owned portfolio companies. The transaction price, excluding transaction costs, is typically the Fund's best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. Ongoing reviews by the Fund's management are based on an assessment of trends in the performance of each underlying investment from the inception date through the most recent valuation date.

{If applicable:} The market approach includes valuation techniques that use observable market data (e.g. current trading and/or acquisition multiples) of comparable companies and applying the data to key financial metrics of the investment. The comparability (as measured by size, growth profile, and geographic concentration, among other factors) of the identified set of comparable companies to the investment is considered in applying the market approach. The Fund generally uses the market approach to value investments in private operating companies.

{If applicable:} The income approach measures the present value of anticipated future economic benefits (i.e. net cash flow). The net cash flow is forecasted over the expected remaining economic life and discounted to present value using an appropriate risk-adjusted discount rate.

{If applicable:} In certain instances, the Fund may use multiple valuation techniques for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results. These investments in private operating companies are categorized in Level 3 of the fair value hierarchy.

Warrants

{Definition - Warrants are contracts that give the holder the right but not the obligation to buy an underlying security at a certain price, quantity and future time.} Warrants that are traded on an exchange are valued at their last reported sales price as of the valuation date. The fair value of OTC warrants is valued using the Black-Scholes option pricing model, a valuation technique that follows the income approach. This pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including time value, implied volatility, equity prices, interest rates and currency rates.

Warrants that are traded on an exchange in an active market are generally classified in Level 1 in the fair value hierarchy. Warrants that are not traded on an exchange in an active market are generally categorized in Level 2 or 3 of the fair value hierarchy.

ASC 820-10-35-59 through 62

Private investment companies

Investments in private investment companies are valued, as a practical expedient, utilizing the net asset valuations provided by the underlying private investment companies, without adjustment, when the net asset valuations of the investments are calculated in a manner consistent with GAAP for investment companies. The Fund applies the practical expedient to its investments in private investment companies on an investment-by-investment basis, and consistently with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the net asset valuation. ***{If applicable:}*** If it is probable that the Fund 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 Fund 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. Investments in private investment companies are not categorized in the fair value hierarchy.

{In addition, describe the methods used by either the Fund or pricing services to determine the value of the Fund's private operating companies:} When applying valuation techniques used in the determination of fair value, the Fund assumes a reasonable period of time for estimating cash flows and takes into consideration the financial condition and operating results of the portfolio company, the nature of the investment, restrictions on marketability, market conditions, foreign currency exposures, and other factors. When determining the fair value of investments, the Fund exercises significant judgment and uses the information available as of the measurement date. Due to the inherent uncertainty of valuations, the fair values reflected in the financial statements as of the measurement date may differ materially from: 1) values that would have been used had a principal or most advantageous market existed for such investments and 2) the values that may ultimately be realized.

ASC 740-10-50-15(e) **Income taxes**

{The following example includes required disclosures when a Fund has not incurred a liability for unrecognized tax benefits.}

The Fund does not record a provision for U.S. federal, U.S. state or local income taxes because the partners report their share of the Fund's income or loss on their income tax returns. ***{If applicable:}*** However, certain U.S. dividend income and interest income may be subject to a maximum 30% withholding tax for limited partners that are foreign entities or foreign individuals. ***{If applicable:}*** Further, certain non-U.S. dividend income and interest income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction. The Fund files an income tax return in the U.S. federal jurisdiction and may file income tax returns in various U.S. states ***{If applicable:}*** and foreign jurisdictions. Generally, the Fund is subject to income tax examinations by *{Federal} {list applicable states} {Foreign jurisdictions}* for the years after 20XX.

The Fund is required to determine whether its tax positions are "more likely than not" to be sustained on examination by the applicable taxing authority, based on the technical merits of the position. The Fund recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained, assuming examination by tax authorities. The tax benefit recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Tax positions not deemed to meet a "more likely than not" threshold would be recorded as a tax expense in the current year.

{The following is an example that may apply to the Fund's assessment of possible changes in unrecognized tax benefits over the next 12 months:}

ASC 740-10-50-15(d) The Fund has determined that it is reasonably possible that the total amount of the unrecognized tax benefits will *{increase} {decrease}* by approximately ***{include an estimate of the range reasonably possible change or a statement that an estimate of the range cannot be made}***.

ASC 740-10-50-15(c)
ASC 740-10-50-19

{If applicable,} the Fund recognizes interest and penalties related to unrecognized tax benefits in interest expense and other expenses, respectively. During the year ended December 31, 20XX, the Fund recognized $XX,XXX and $XXX,XXX, respectively, related to interest and penalties. At December 31, 20XX, the Fund accrued $XX,XXX and $XX,XXX, respectively, for the payment of interest and penalties.

ATQA 4110.01

Syndication costs

Syndication costs represent costs incurred in connection with the syndication of limited partnership interests. These costs are reflected as a direct reduction of partners' capital. Approximately $XXX,XXX was incurred for syndication costs in the initial year of the Fund.

ASC 720-15-25-1

Organization costs

Organization costs are expensed as incurred.

Broken deal costs

Costs and expenses incurred related to sourcing, investigating, identifying, analyzing, and pursuing potential portfolio investments are expensed as incurred, with amounts included in the statement of operations. Approximately $XXX,XXX was incurred for broken deals costs for the year ended December 31, 20XX.

Recently adopted accounting standards

{The following is an example of a recently adopted accounting standard that a fund may elect to disclose, but is not required to do so.}

In August 2018, the FASB issued Accounting Standard Update (ASU) 2018-13, Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements. The Fund adopted ASU 2018-13 on a retrospective basis as of January 1, 20XX. The effect of adopting this guidance resulted in the modification or removal of certain fair value measurement disclosures presented in the Fund's financial statements.

Note 3 - Fair value measurements

ASC 820-10-50-1A,
ASC 820-10-50-2B,
ASC 820-10-50-8

Fair value hierarchy

The Fund's assets recorded at fair value have been categorized based on a fair value hierarchy as described in the Fund's significant accounting policies in Note 2.

ASC 820-10-50-2(b) The following table presents information about the Fund's assets measured at fair value as of December 31, 20XX **{assuming that certain of the Fund's investment in private investment companies are measured using net asset value ("NAV") per share as a practical expedient and are therefore not categorized within the fair value hierarchy.}**:

	Level 1	Level 2	Level 3	Investments measured at net asset value	Total
Investments in securities, at fair value					
Common stock	$ 56,909,000	$ -	$ 11,095,000	$ -	$ 68,004,000
Preferred stock	-	-	16,370,000	-	16,370,000
Notes	-	-	2,325,000	-	2,325,000
Warrants	-	-	10,000	-	10,000
Total securities, at fair value	$ 56,909,000	$ -	$ 29,800,000	$ -	$ 86,709,000

ASC 820-10-50-2(c) The following table presents the changes in assets classified in Level 3 of the fair value hierarchy for the year ended December 31, 20XX:

	(In thousands)	Common Stock	Preferred Stock	Notes	Warrants	Total
	Balance, January 1, 20XX	$ 6,864	$ 15,377	$ 554	$ 10	$ 22,805
	Realized gains (losses)	-	269	-	-	269
	Unrealized gains (losses)	3,481	3,189	1,960	-	8,630
	Purchases	750	-	-	-	750
	Sales	-	(2,465)	(189)	-	(2,654)
	Transfers into Level 3	-	-	-	-	-
	Transfers out of Level 3	-	-	-	-	-
	Balance, December 31, 20XX	$ 11,095	$ 16,370	$ 2,325	$ 10	$ 29,800
ASC 820-10-50-2(d)	Change in unrealized gains (losses) during the period for assets still held at December 31, 20XX	$ 3,452	$ 6,491	$ 2,111	$ -	$ 12,054

ASC 820-10-50-2(c)(3), ASC 820-10-50-2C ***{If applicable, when a Level 3 rollforward is presented:}*** All transfers are recognized by the Fund at the ***{beginning}*** ***{end}*** of each reporting period. Transfers between Levels 2 and 3 generally relate to whether significant unobservable inputs are used for the fair value measurements.

ASC 820-10-50-2 (bbb)

Significant unobservable inputs

The following table summarizes the valuation techniques and significant unobservable inputs used for the Fund's investments that are categorized in Level 3 of the fair value hierarchy as of December 31, 20XX:

(In thousands)	Fair value at December 31, 20XX		Valuation technique	Unobservable inputs	Range of inputs (weighted average)
Investments, at fair value					
Equity securities	$	16,257	Market approach - comparable companies	Revenue multiples - last twelve months	X%-X% (X%)
				EBITDA multiples	X%-X% (X%)
Private operating companies		6,283	Income approach - discounted cash flows model	Discount rate	X%-X% (X%)
				Growth rate	X%-X% (X%)
				Terminal value growth rate	X%-X% (X%)
Warrants		10	Income approach - option pricing model	Volatility	X%-X% (X%)
				Discount rate	X%-X% (X%)
				Estimated time to exit	X-X (X)

{If a portion of Level 3 investments were not valued using internally developed unobservable inputs, include language to reconcile the difference such as the following if not included in the preceding table:}
{Certain of} the Fund's Level 3 investments have been valued using unadjusted inputs that have not been internally developed by the Fund, including third-party transactions and indicative broker quotations. {As a result, fair value assets of approximately $7,250,000 have been excluded from the preceding table.}

ASC 820-10-50-2(f), ASC 820-10-55-105

Valuation processes

The Fund establishes valuation processes and procedures to ensure that the valuation techniques for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent and verifiable. The Fund or General Partner designates a Valuation Committee (the "Committee") that is responsible for coordinating and consistently implementing valuation policies, guidelines and processes to ensure that the valuation of Level 3 investments are subject to an appropriate level of consistency, oversight and review. The Committee is comprised of various Fund personnel who are separate from the Fund's portfolio management and trading functions and reports to the Fund's Board of Directors. The Committee is responsible for developing the Fund's written valuation processes and procedures and conducting periodic reviews of the valuation policies.

The Committee meets on at least a monthly basis, or more frequently as needed, to discuss the portfolio and the Fund's Level 3 investments. The valuations as determined by the Fund are required to be supported by market data, industry accepted third-party pricing models, or another method the Committee deems to be appropriate.

The Fund periodically tests its valuation of Level 3 investments by performing back testing of the sales of such investments by comparing the amount realized against the most recent fair values reported and, if necessary, uses the findings to recalibrate its valuation procedures.

{On an annual basis, the Committee may use the services of a nationally recognized third-party valuation firm to perform an independent review of the valuation of certain of the Fund's Level 3 investments, and may adjust its valuations based on the recommendations from the valuation firm.}

ASC 820-10-50-2 (bbb)(1)

Changes in valuation techniques

***{*In situations where there has been a change in either or both a valuation approach and a valuation technique for measurements categorized in Levels 2 and 3 of the fair value hierarchy the reporting entity shall disclose that change and the reason(s) for making it.}** During the year ended December 31, 20XX, the Fund changed the valuation technique used to value from the income approach to market approach. The Fund believes the change in valuation technique and its application results in a measurement that is equally or more representative of the fair value in the circumstances because of **…{Disclose the reasons for the change in the valuation approach or technique}**

ASC 825-10-50-21

Note 4 - Concentration of credit risk

The Fund is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contracted obligations on its behalf. Management monitors the financial condition of those financial institutions and does not anticipate any losses from these counterparties.

ASC 815-10-50-1A**,** ASC 815-10-50-5

Note 5 - Warrants

The Fund may receive warrants from portfolio companies. A warrant is a derivative instrument that entitles the holder to buy stock of the portfolio company through a specified term at a specified price. Warrants are subject to equity price risk and its value will fluctuate with the price of the underlying security ("intrinsic value"). Upon expiration, the warrants are worthless unless the price of the common stock is greater than the exercise price. There are certain risks involved in trading warrants, including the time value of the warrant, which decreases as the warrant approaches the date of expiration. Warrants are also subject to counterparty risk, as there is risk the issuer will not settle the exercised warrant. As a result, there is the potential for the Fund to lose its entire investment in a warrant.

{Entities should consider the need for disclosure of the volume of warrant activity in accordance with ASC Section 815-10-50.}

Note 6 - Escrow proceeds receivable

During 20XX, the Fund completed the sale of its investment in ***{insert company names}***. A portion of proceeds from the sale of the portfolio company is held in escrow as recourse for indemnity claims that may arise under the sale agreement. Amounts held in escrow are held at estimated realizable value, and included in net realized gain (loss) on investments. As of December 31, 20XX, the carrying amount of escrow proceeds receivable is $115,000.

Note 7 - Contingent consideration

{If applicable:} Contingent consideration refers to additional amounts from milestones or liquidated investments that management believes may be realized at future dates and/or as future events occur. The terms of these milestones are generally defined in the sales/liquidation agreements of the liquidated investment. The amount of the actual milestone payments ultimately received by the Fund may vary depending on whether the future milestone events are (or are not) attained.

Note 8 - Notes payable

{If applicable:} On December XX, 20XX, the Fund entered into a $XX million promissory note including a security agreement (the Note) with an unrelated third party to provide short-term liquidity. The Note is secured by certain investments of the Fund and is due on ***{insert date}***. Interest is accrued at X.X% per annum. At December 31, 20XX, the amount of the Note was $XXX,XXX.

{If applicable:} On December XX, 20XX, the Fund entered into a line of credit agreement with ***{insert bank name}***, which provides a $XX million credit facility for the Fund and expires on ***{Date, Year}***. The line of credit is collateralized by certain assets of the Fund. On **{insert date**}, the Fund drew down $XX million under this line of credit and repaid the $XX million on January XX, 20XX. Interest accrues at X.X% per annum.

Note 9 - Commitments and contingencies

{**The following disclosures are examples of long-term commitments and contingences, which may occur for an investment company. The appropriate disclosures to be included should be tailored based on the facts and circumstances of the Fund:}**

ASC 450-20-50-4

{If applicable:} In the normal course of business, the Fund has been named as a defendant in various matters. Management of the Fund, after consultation with legal counsel, believes that the resolution of these matters will not have a material adverse effect on the financial condition, results of operations or cash flows of the Fund.

ASC 460-10-50-4 ***{If applicable:}*** The Fund has provided general indemnifications to the General Partner, any affiliate of the General Partner, and any person acting on behalf of the General Partner or that affiliate when they act, in good faith, in the best interest of the Fund. The Fund is unable to develop an estimate of the maximum potential amount of future payments that could potentially result from any hypothetical future claim but expects the risk of having to make any payments under these general business indemnifications to be remote.

ASC 946-20-50-15 ***{If applicable:}*** The Fund has provided financial support to its investees in the normal course of executing its investment strategies. The following tables summarize financial support provided to the Fund's investees during the year ended December 31, 20XX. ***{Note: Examples of financial support may include loans, capital commitments and guarantees. This can also include situations in which the Fund assisted an investee in obtaining financial support.}***

ASC 946-20-50-15 The Fund was contractually required to provide financial support is as follows:

Type	Amount (in thousands)	Reasons for providing support
[Describe the type of financial support]	$ X,XXX	[Describe the primary reasons for providing financial support.]

ASC 946-20-50-15 The Fund was not contractually required financial support to provide is as follows:

Type	Amount (in thousands)	Reasons for providing support
[Describe the type of financial support]	$ X,XXX	[Describe the primary reasons for providing financial support.]

ASC 946-20-50-16 The following table summarizes the amount of financial support the Fund will be contractually required to provide to investees but has not yet provided:

Type	Amount (in thousands)	Reasons for providing support
[Describe the type of financial support]	$ X,XXX	[Describe the primary reasons for providing financial support.]

ASC 946-205-50-25

Note 10 - Committed capital

At December 31, 20XX, the Fund has total commitments of $XXX,XXX,XXX, of which $XXX,XXX,XXX is committed by limited partners. The General Partner may call capital up to the amount of unfunded commitments to enable the Fund to make investments, pay fees and expenses, or provide reserves. No limited partner is required to fund an amount in excess of its unfunded commitment. At December 31, 20XX, the Fund's unfunded commitments amounted to $XXX,XXX,XXX, of which $XXX,XXX,XXX is unfunded from the limited partners. The ratio of total contributed capital to total committed capital is X.X%.

Note 11 - Partners' capital

ASC 505-10-50-3 ***{The following disclosures are examples of the pertinent rights and privileges of the Fund's capital structure. These disclosures should be tailored to reflect the provisions in the Fund's legal documents:}***

Capital contributions

Capital contributions are due from the partners within XX business days of advance notice from the General Partner and are subject to certain limitations.

{If applicable:} Certain amounts of the General Partner's capital contributions may be deemed to have been satisfied by applying a cashless contribution to the General Partner, and as such, the actual amount of the General Partner's cash contributions may be less than its pro rata capital commitment amount.

Allocation of partnership profits and losses

Net investment income (loss), net realized gain (loss) loss from investments and foreign currency transactions, and net change in unrealized gain and losses on investments and foreign currency transactions are allocated to the partners' pro rata in proportion to their respective capital contributions; however, the limited partners' allocation of profits and losses is divided between the limited partners and the General Partner. After payment or provision for payment of all liabilities and obligations of the Fund, the remaining assets, if any, shall be distributed as follows:

First, 100% to all partners' pro rata according to their respective contributions until each partner has received distributions equal to such partner's aggregate capital contributions.

Second, 100% to the partners' pro rata according to their respective contributions until each partner has received distributions equal in value to a rate of return of 8% (the "Preferred Return") on the amount of such partner's aggregate capital contributions to date (as defined by the Agreement).

Third, 100% to the General Partner have received cumulative aggregate distributions in an amount equal to 20% of the sum of the Preferred Return and the amount of proceeds distributed under this paragraph.

Fourth, 80% to all partners, pro rata according to their respective contributions and 20% to the General Partner and the Limited Partners, in proportion to their respective partnership percentage.

ASC 946-20-50-5 The allocation of profits and losses in steps three and four above represents carried interest to the General Partner.

Capital distributions

{If applicable:} The Fund is required to make an annual mandatory distribution to each partner within 90 days after December 31, 20XX to satisfy the individual partner tax liabilities generated by the Fund during the year. The General Partner, in its own discretion, may make additional distributions subject to certain restrictions.

Distributions are made to the partners' pro rata in proportion to their respective capital contributions; however, the limited partners' shares of any distributions are divided between the limited partners and the General Partner in the same manner as the allocation of partnership profits and losses.

Carried interest

ATQA 6910.29

The capital accounts reflect the carried interest to the General Partner as if the Fund had realized all assets and settled all liabilities at the fair value reported in the financial statements, and allocated all gains and losses and distributed the net assets to the partners at December 31, 20XX consistent with the provisions of the Agreement. The carried interest to the General Partner will remain provisional until final liquidation of the Fund.

Clawback

ATQA 6910.29

{If applicable:} On termination of the Fund, if there has been any distribution of carried interest to the General Partner and if the distributions received by the limited partners have been insufficient to provide the required return of capital and preferred return, the General Partner will be obligated to return previously received carried interest payments (the "clawback") to the limited partners.

The clawback is limited to the after-tax amount of carried interest previously distributed to the General Partner.

{If applicable:} The capital accounts reflect a clawback of $XXX,XXX to be returned to the Fund as if the Fund were to liquidate as of December 31, 20XX. The clawback will remain provisional until final liquidation of the Fund.

ASC 946-20-50-5

Note 12 - Management fee

{Please review the Fund's Agreement for the specific terms. The disclosure below is only an example:}

The Fund pays an annual management fee, calculated and payable on a quarterly basis, to the Investment Manager. The management fee is based on an annual rate of 2% of the aggregate capital commitments of the limited partners. After reaching the investment period termination date on ***{Month, Date, Year}***, the management fee will be based on the amount of invested capital.

From time to time, the Investment Manager, General Partner or any affiliate of the Fund may enter into specific transactions on behalf of the Fund and receive a fee for their services, and {XX%} of that fee is applied to reduce future management fees payable by the Fund to the Investment Manager. For the year ended December 31, 20XX, the Investment Manager earned $XX,XXX,XXX as a result of these transactions, of which XX% has been applied as a reduction of management fee expense. For the year ended December 31, 20XX, the net management fee charged to the Fund was $XX,XXX,XXX.

Management fee payable of $XX,XXX,XXX represents the management fee due to the Investment Manager and is expected to be paid in ***{Month, Year}***.

{If applicable:} At the discretion of the General Partner and Investment Manager, certain limited partners have special management fee arrangements.

Note 13 - Related party transactions

ASC 850-10-50-1 to 3

The Fund considers the General Partner and the Investment Manager, their principal owners, members of management and members of their immediate families, as well as entities under common control, to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

{If applicable:} Certain limited partners are related parties of the General Partner. The aggregate value of limited partners' capital owned by related parties at December 31, 20XX is approximately $XXX,XXX.

{If applicable:} Certain members of the General Partner serve as members of the Board of Directors of certain investments aggregating approximately XX% of total capital in which the Fund holds investment positions.

{If applicable:} The Fund has amounts due from related parties for advances in the normal course of business. As of December 31, 20XX, $XX,XXX is receivable from related parties. Amounts are noninterest-bearing and are due on demand.

{If applicable:} Additionally, the Fund may coinvest with other entities with the same General Partner as the Fund. ***{If applicable:}*** At December 31, 20XX, the Fund held an investment with a fair value of $XXX,XXX that was coinvested with affiliated funds. ***{If applicable:}*** At December 31, 20XX, the Fund had no investments that were coinvested with affiliated funds.

Note 14 - Risk factors

{The following disclosures are examples of risk factors that may occur for an investment company. The appropriate disclosure to be included should be tailored based on the facts and circumstances of the Fund:}

Management of the Fund seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the Fund invests, and general economic and political conditions, may have a significant negative effect on the investee's operations and profitability. In addition, the Fund is subject to changing regulatory and tax environments. These events are beyond the Fund's control and the likelihood that they may occur cannot be predicted. Furthermore, most of the Fund's investments are made in private operating companies whose shares do not trade on established exchanges. While it is expected that these companies may pursue initial public offerings, trade sales or other liquidation events, there are generally no public markets for these investments at the current time. The Fund's ability to liquidate its private operating companies and realize value is subject to significant limitations and uncertainties, including currency fluctuations. The Fund's ability to liquidate its publicly traded investments is subject to limitations, including discounts that may be required to be taken on quoted prices due to the number of shares being sold.

Note 15 - Financial highlights

ASC 946-205-45-2 Financial highlights for the year ended December 31, 20XX are as follows:

ASC 946-205-50-23	Internal rate of return, since inception		
	Beginning of year	14.8	%
	End of year	15.0	%
ASC 946-205-50-10 and 12 through 14	Ratios to average limited partners' capital		
	Expenses before carried interest to General Partner	0.9	%
	Carried interest to General Partner	4.2	
	Expenses, including carried interest to General Partner	5.1	%
	Net investment income (loss)	(0.8)	%

ASC 946-205-50-4
ASC 946-205-50-15 Financial highlights are calculated for the limited partner class taken as a whole. ***{If applicable}*** An individual limited partner's return and ratios may vary based on different management fee and carried interest arrangements.

ASC 946-205-50-24 The internal rate of return ("IRR") of the limited partner class since inception of the Fund is net of carried interest to the General Partner and computed based on the actual dates of capital contributions and distributions and the ending aggregate limited partners' capital balance (residual value).

ASC 946-205-50-13 The net investment income (loss) ratio does not reflect the effect of carried interest to the General Partner.

ASC 946-205-50-10
ASC 946-205-50-13

{For periods greater than or less than one year:} The ratios, excluding nonrecurring expenses and carried interest to the General Partner, have been annualized.

ASC 855-10-50-1 and 2

Note 16 - Subsequent events

These financial statements were approved by management and available for issuance on ***{Month, Date, Year}***. Subsequent events have been evaluated through this date.

Appendix A
Early Adoption of ASU 2018-13

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2018-13 ("ASU 2018-13"), Fair Value Measurement (Topic 820): *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. Nonpublic entities are exempt from certain disclosure requirements, as noted below.

ASU 2018-13 modifies the disclosure requirements on fair value measurements in Topic 820 as follows:

Removal of Certain Disclosures

The following four disclosure requirements were removed from Topic 820:

1. The amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy **(The amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy can be removed for nonpublic entities that elect to early adopt ASU 2018-13.)**;

2. The policy for timing of transfers between levels of the fair value hierarchy **(The timing of transfers between levels of the fair value hierarchy can be removed for nonpublic entities that elect to early adopt ASU 2018-13.)**;

3. The valuation processes for Level 3 fair value measurements **(The description of the valuation process can be removed for nonpublic entities that elect to early adopt ASU 2018-13.);** and

4. For nonpublic entities, the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. **(The changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at year end can be removed for nonpublic entities that elect to early adopt ASU 2018-13.)**.

Modifications to Certain Disclosures

The following three disclosure requirements were modified in Topic 820:

1. In lieu of a roll forward for Level 3 fair value measurements, a nonpublic entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases, and issues of Level 3 assets and liabilities. **(In lieu of the roll forward of the Level 3 fair value measurements for nonpublic entities that elect to early adopt ASU 2018-13, an entity should disclose the following information. "For the year ended December 31, 20XX, the Fund purchased, issued, transferred into and out of the following Level 3 assets (and liabilities) $XX,XXX, $XX,XXX, $XX,XXX and $XX,XXX, respectively.").**

Appendix A
Early Adoption of ASU 2018-13

If an entity holds multiple Level 3 investment types, it may decide to disclose the Level 3 activity in tabular format. The below is an example of this disclosure option:

The following table summarizes purchases and transfers in and out of the Fund's Level 3 assets for the year ended December 31, 2018:

	Common stocks	Corporate bonds	Limited partnerships
Purchases	$ -	$ -	$ -
Issuances	-	-	-
Transfer in	-	-	-
Transfer out	-	-	-

2. For investments in certain entities that calculate net asset value, an entity is required to disclose the timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse only if the investee has communicated the timing to the entity or announced the timing publicly. **(An example disclosure of this required information may be found within ASU 2018-13 [see ASC 820-10-55-107].)**.

3. The amendments clarify that the measurement uncertainty disclosure is to communicate information about the uncertainty in measurement **as of the reporting date**.

In its "Basis for Conclusions," the FASB indicates that there was some confusion in practice and that an entity should only disclose uncertainty at the reporting date, **and not sensitivity to expected future changes as this information would be deemed to be forward-looking and, accordingly, not required**.

This Appendix does not address the additional disclosures required by public entities.

Effective Date

In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019.

An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date.

Industry practice does not require comparative financial statements for nonpublic investment partnerships. Since early adoption of the disclosure requirements in ASU 2018-13 is permitted, nonregistered investment partnerships should be able to eliminate or modify certain information in financial statements for the year ended December 31, 2018.

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