# [Fund Name]

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM [Period start date] THROUGH [Period end date]**

** The below financial statements need to be reviewed & tailored to reflect the facts and circumstances specific to the Fund's valuation techniques and clauses and provisions in the Fund's documents. **

# [Fund Name]

## CONTENTS

# INDEPENDENT AUDITORS' REPORT

# [Fund Name]

## STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY

**[Year-End Date]**

| | | |
|---|---|---|
| **Assets** | | |
| Investments at fair value (Cost: $xxx) | $ | xxx |
| Cash | | xxx |
| **Total Assets** | **$** | xxx |
| | | |
| **Liabilities and Members' Equity** | | |
| | | |
| **Liabilities** | | |
| Accounts payable and accrued expenses | | xxx |
| **Total Liabilities** | **$** | xxx |
| | | |
| **Members' Equity** | | |
| Managing member | | xxx |
| Members | | xxx |
| **Total Members' Equity** | | xxx |
| | | |
| **Total Liabilities and Members' Equity** | **$** | xxx |

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

# [Fund Name]

## SCHEDULE OF INVESTMENTS

## [Year-End Date]

| Shares/ Units | Investment | Ticker Symbol | Cost | Fair Value | As a % of Members' Equity |
|---|---|---|---|---|---|
| | **United States** | | | | |
| | **Common Securities *** | | | | |
| | **[Industry]** | | | | |
| | | [TIC] | | | |
| xxx | Class A Common Shares | | xxx | xxx | xxx% |
| xxx | Warrants | | xxx | xxx | xxx % |
| | | | xxx | xxx | |
| | **[Industry]** | | | | |
| xxx | **[Company Name]** | (FREE) | | | |
| | | | xxx | xxx | xxx% |
| | **SPAC Sponsors **** | | | | |
| | **[Company Name]** | [TIC] | | | |
| xxx | Founder Shares | | xxx | xxx | xxx% |
| xxx | Private Placement Warrants | | xxx | xxx | xxx% |
| | | | xxx | xxx | |
| | **[Company Name]** | [TIC] | | | |
| xxx | Founder Shares | | xxx | xxx | xxx% |
| xxx | Private Placement Warrants | | xxx | xxx | xxx% |
| | | | xxx | xxx | |
| | **[Company Name]** | [TIC] | | | |
| | Founder Shares | | xxx | xxx | xxx% |
| xxx xxx | Private Placement Warrants | | xxx | xxx | xxx% |
| | | | xxx | xxx | |
| | **[Company Name]** | [TIC] | | | |
| xxx | Founder Shares | | xxx | xxx | xxx% |
| xxx | Private Placement Warrants | | xxx | xxx | xxx% |
| | | | xxx | xxx | |
| | **Total** | | **$** xxx | $ xxx | xxx% |

* Direct investment in a Special Purpose Acquisition Corporation ("SPAC"), ticker symbol noted in brackets.

** This is not a direct investment in the SPAC. These investments are made through SPAC Sponsor entities and is not a direct investment in the SPAC ticker symbol noted in brackets. The Fund invests in SPAC Sponsor entities through wholly owned subsidiaries. A separate wholly owned subsidiary is formed for each investment in a Portfolio Company. Each SPAC Sponsor investment is a minority investment and none of the Fund, its subsidiary nor the Manager have any board seats or control of any of the SPAC Sponsor entities. The success of any investment is dependent on management of the SPAC Sponsor entity. See Note 1 and Note 2.

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

# [Fund Name]

## STATEMENT OF OPERATIONS

### FOR THE PERIOD [Start Date] THROUGH [End Date]

| | | |
|---|---|---|
| Expenses | | |
| Professional fees | $ | xxx |
| Organizational Costs | | xxx |
| Filing Fees | | xxx |
| Compliance Fees | | xxx |
| Other Expenses | | xxx |
| **Total expenses** | | xxx |
| Net change in unrealized depreciation from investments | | xxx |
| **Net Income/loss** | **$** | xxx |

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

# [Fund Name]

## STATEMENT OF CHANGES IN MEMBERS' EQUITY

## FOR THE PERIOD [Start Date] THROUGH [End Date]

| | Managing Member | Members | Total |
|---|---|---|---|
| **Members' Equity - [Start Date] (Commencement of Operations)** | **$ -** | **$ -** | **$ -** |
| Capital contributions | xxx | xxx | xxx |
| Total expenses | - | xxx | xxx |
| Unrealized loss on investments | - | xxx | xxx |
| Return of contributions | - | xxx | xxx |
| **Members' Equity – [End Date]** | **$** | **$** | **$** |

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

# [Fund Name]

## STATEMENT OF CASH FLOWS

### FOR THE PERIOD [Start Date] THROUGH [End Date]

| | | |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net loss | $ | xxx |
| Adjustments to reconcile Net loss to net cash used in operating activities: | | |
| Investments purchased | | xxx |
| Net change in unrealized depreciation from investments | | xxx |
| Changes in operating assets and liabilities | | |
| Accounts payable and accrued expenses | | xxx |
| Net cash used in operating activities | | **xxx** |
| **Cash Flows from Financing Activities** | | |
| Capital contributions received from members | | xxx |
| Return of capital paid to members | | xxx |
| Net cash provided by financing activities | | **xxx** |
| **Increase in cash** | | xxx |
| Cash at beginning of period | | xxx |
| **Cash at end of period** | | **xxx** |

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

# [Fund Name]

## NOTES TO FINANCIAL STATEMENTS

## FOR THE PERIOD [Start Date] THROUGH [End Date]

---

### NOTE 1 - ORGANIZATION OF LIMITED LIABILITY COMPANY

**[Fund Name]** (the "Fund") was formed pursuant to the **[Formation Date]** and commenced operations on **[Start Date].** The manager is **[Fund Name]** (the "Manager"), a Delaware limited liability company, formed on **[Date of formation].**

The Fund's principal place of business is [LOCATION]. The Fund's investment objective is to invest, through one or more wholly owned Special Purpose Vehicles ("SPVs"), substantially all of its assets in securities of one or more entities that are established to serve as sponsors of newly created Special Purpose Acquisition Corporation's ("SPACs") (a "Sponsor Entity"). A SPAC is formed for the purpose of conducting an initial public offering ("IPO") of its stock and to use the proceeds of such offering to acquire one or more existing businesses. SPAC's are organized by management teams with a demonstrable track record of acquiring and/or operating successful businesses, often with expertise in a particular industry or other identified niche. A SPAC management team creates a Sponsor Entity to serve as the founder of the SPAC and to provide capital to finance and conduct the SPAC's early operations through IPO and the initial acquisition transaction. In consideration for providing such capital and its efforts in organizing and operating the SPAC, the Sponsor Entity receives a significant equity ownership position in the SPAC (typically comprised of both shares of common stock and warrants to purchase common stock) at prices commensurate with the risk of investing at the seed stage. It is the intention of a Sponsor Entity to realize an appreciation on its investment by adding value through the IPO and acquisition phases so founder shares and/or warrants can be monetized by sale in the public markets (after the lapse of contractual restrictions which most often occurs one or more years after the consummation of the SPAC's acquisition transaction). Each Sponsor Entity in which the Fund invests, through one or more respective SPVs, is referred to herein as a "Portfolio Company" and each such investment is referred to as a "Portfolio Company Investment." The Fund's Portfolio Company Investments will consist primarily of an equity interest in the SPAC Sponsor itself (typically in the form of membership interests, as the SPAC Sponsor is typically structured as a limited liability company) which in turn represents a percentage beneficial interest in the common stock and warrants held by the SPAC Sponsor in the particular SPAC. The common stock and warrants of the SPAC held by a SPAC Sponsor are typically subject to numerous restrictions usual and customary for SPAC transactions. Upon the release of the SPAC Sponsor restrictions, the Fund anticipates that the SPAC Sponsor will make an in kind distribution of its SPAC common stock and warrant to the SPAC Sponsor members, including the Fund (through the Fund's respective SPVs). At such point, the Fund will seek to realize gains through the sale of its SPAC common stock and/or warrants in open market or privately negotiated transactions.

# [Fund Name]

## NOTES TO FINANCIAL STATEMENTS

## FOR THE PERIOD [Start Date] THROUGH [End Date]

### NOTE 1 - ORGANIZATION OF LIMITED LIABILITY COMPANY (CONTINUED)

The Fund offers interests to investors (the "Offering") who become members of the Fund ("Members"). Interests will be offered and sold only to "accredited investors," as that term is defined in Rule 501(a) of Regulation D ("Regulation D") under the Securities Act, of 1933, as amended, who are also "qualified purchasers" within the meaning of Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "Investment Company Act").

As of **[End Date]** X members represented approximately **[Equity Percentages]** of members' equity.

As of **[End Date]**, the Fund had **$xxx** in capital commitments from its members and **$xxx** in capital commitments from the Managing Member, for total commitments of **$xxx**.

As of **[End Date]**, the Fund's uncalled capital commitments amounted to **$xxx** for the members and **$xxx** for the Managing Member. The ratio of total contributed capital to total committed capital was approximately **xx%** for the members and Managing Member.

During the period from **[Beginning Date]** (commencement of operations) through **[End Date]**, the Manager determined that the current conditions in the financial markets, caused primarily by the global reaction to the COVID-19 crisis, were not conducive to the Fund making additional SPAC sponsor investments and accordingly the Manager decided, with the concurrence of the applicable members, to return an aggregate of approximately **$xxx** received from members to the Fund.

As defined in the Fund's Operating Agreement (the "Agreement"), the Fund shall be dissolved upon the first to occur of the following:

(a) the sale or other disposition of all or substantially all of the Fund Property outside of the ordinary course of business and the collection of all the proceeds therefrom (except that, if the Fund receives purchase money paper in connection therewith, the Fund shall continue until such purchase money paper is paid in full or otherwise disposed of); or

(b) the determination of the Manager in its sole discretion to dissolve the Fund.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with United States generally accepted accounting principles ("U.S. GAAP"), which require management to make estimates and assumptions that affect the reported amounts, contingent assets and liabilities, and disclosures in the financial statements. Actual results could differ from those estimates. Management has considered the circumstances under which the Fund should recognize or make disclosures regarding events or transactions occurring subsequent to the statement of assets, liabilities and members' equity date through **[FS Issue Date]**, which represents the date the financial statements were available to be issued. Adjustments or additional disclosures, if any, have been included in these financial statements.

### *BASIS OF ACCOUNTING*

For accounting purposes, the Fund qualifies as an investment company and applies the specialized accounting and reporting guidance in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, *Financial Services – Investment Company*. The Company has been an investment company with no changes occurring in its investment company status since the Company's inception.

### *CASH*

The Fund maintains its cash at one institution, which is insured by the Federal Deposit Insurance Corporation ("FDIC") and may, at times, be in excess of federally insured legal limits. The Company has not experienced any losses in such accounts. As of **[End Date]**, there are no restrictions on cash.

### *INVESTMENTS*

The investments are recorded at their estimated fair value, as described in Note 3.

### *SCHEDULE OF INVESTMENTS*

The accompanying schedule of investments consists principally of investments in portfolio companies that are located in the United States. The industry classifications included in the schedule of portfolio investment represent management's belief as to the most meaningful presentation of the classification of the Fund's investments.

## NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *INCOME TAXES*

The Manager intends (i) that the Fund be treated as a partnership for U.S. federal income tax purposes, and not an association taxable as a corporation and (ii) to operate the Fund in a manner such that it should not be subject to entity level taxes by reason of being treated as a "publicly traded Fund" or otherwise. Because of the nature of the Fund's activities and investments in Portfolio Company Investments, it is possible that a tax-exempt Member may realize "unrelated business taxable income" under Section 512 of the U.S. Internal Revenue Code of 1986, as amended in respect of its investment in the Fund. It is also likely that a non-U.S. taxpayer would be required to recognize income which is effectively connected with a U.S. trade or business and which would be subject to U.S. federal income taxes.

The Fund is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Fund has determined that it has not incurred any liability for unrecognized tax benefits as of **[End Date]**. The Fund does not expect that its assessment regarding unrecognized tax benefits will materially change over the next twelve months.

If the Fund were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the year ended **[End Date]**. The Manager does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 months.

However, the Manager's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof, as well as other factors, including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. state and foreign income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. Generally, federal, state and local authorities may examine the Fund's tax returns for three years from the date of filing. All tax years since inception remain subject to examination as of **[End Date]**.

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *REVENUE RECOGNITION AND INVESTMENT INCOME*

Realized gains or losses on dispositions of investments represent the difference between the original cost of the investment, based on the specific identification method, and the proceeds received from the sale. The Fund applies a fair value accounting policy to its investments with changes in unrealized gains and losses recognized in the statement of operations as a component of net unrealized gain (loss). Interest income and expenses are recorded on the accrual basis. Income from investment represents distributions received from portfolio company investments and is recorded as soon as the Fund is informed of the distribution.

#### *SPAC SPONSOR ENTITIES - SPECIAL PURPOSE VEHICLES*

At various times, the Fund may utilize special-purpose vehicles ("SPVs") in the investment process. The Fund advances money to these SPVs for the specific purpose of investing in securities on behalf of the Fund (an "SPV Investment"). When the Fund makes an SPV Investment, the investment is held through the Fund's interest in the respective SPV. The Fund presents and fair values its SPV Investments in the financial statements as if they were owned directly by the Fund and the SPVs have been disregarded for presentation purposes as a result of the following:(1) an SPV Investment is the sole activity of the SPV; (2) the Fund's underlying ownership of the SPV is proportionate to the contributions made by the SPV members; and (3) the Fund will receive the exact proportion of cash proceeds as the SPV Investment is monetized and distributed. As is the nature of SPAC transactions, the Fund's ownership interests in the SPVs and the SPVs interests in the SPAC investment (Portfolio Company) may be diluted by additional investments or by the final terms of the SPACs' acquisition transactions. The SPVs may incur a tax liability associated with distributions made by underlying portfolio investments. As discussed above, since the Fund is not subject to any direct taxation, any taxes incurred would be taxed to the individual partners who are responsible for their proportionate share.

#### *ORGANIZATIONAL AND OFFERING EXPENSES*

The Fund is responsible for the payment of all organizational expenses and expenses associated with the Offering, including legal, filing, marketing and accounting fees ("Organizational Expenses") and, if applicable, the fees and expenses of any placement agents utilized by the Fund. Accordingly, any amounts so paid will not be available to the Fund for investment in Portfolio Company Investments.

#### *USE OF ESTIMATES*

The preparation of financial statements in accordance with U.S. GAAP requires the Manager to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates.

## NOTE 3 - FAIR VALUE MEASUREMENTS

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's investments and are summarized in the following fair value hierarchy:

- Level 1 - Valuations based on quoted prices for investments in active markets (quoted prices from national exchanges) that the Fund has the ability to access at the measurement date. Valuation adjustments and block discounts are not applied to Level 1 investments.

- Level 2 - Valuations based on other significant observable inputs (including quoted prices for similar securities, quoted prices in markets that are not active, interest rates, prepayment speeds, credit risks, etc.) Investments whose values are classified as Level 2 include positions that are not traded in active markets and/or are subject to transfer restrictions. Valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- Level 3 - Valuations based on significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). Investments whose values are classified as Level 3 have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the Fund uses one or more valuation techniques for which sufficient and reliable data is available.

The inputs used by the Fund in estimating the value of Level 3 securities may include the original transaction price, recent transactions in the same or similar instruments, 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 securities may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Fund in the absence of market information. Assumptions used by the Fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations.

Investments for which market quotations are not readily available are fair valued as determined by the Fund. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including periods of market dislocation.

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The use of valuation techniques and the availability of observable inputs can vary from security to security and are affected by a wide variety of factors and other characteristics particular to the transaction. As a general principle, the current fair value of an issue of securities being valued by the Fund would be the amount which the owner might reasonably expect to receive for them upon a potential sale under current market conditions.

The Fund may employ a market-based valuation approach which may use related or comparable securities, recent transactions, market multiples, book values, and other relevant information to determine fair value. Other factors that may be considered when fair valuing a security are: the cost of the security, the pricing of subsequent rounds of financing by the portfolio company, the price of securities of other companies comparable to the portfolio company, financial condition, current and projected operating performance of the portfolio company along with other factors considered appropriate by the Fund. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Because of the inherent uncertainty of valuations, the estimated values may be higher or lower than the values that would have been used, had a ready market for the securities existed, and the differences could be material. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the level in the fair value hierarchy which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The valuation techniques used to measure fair value for the year ended **[End Date]** maximized the use of observable inputs and minimized the use of unobservable inputs.

The following are the classes of assets measured at fair value on a recurring basis during the year ended **[End Date]**, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

## NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

| Description | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets (at fair value) | | | | |
| Investments: | | | | |
| Restricted Securities | | | | |
| Common stock | - | - | xxx | **xxx** |
| Warrants | - | - | xxx | **xxx** |
| | - | - | xxx | **xxx** |
| SPAC Sponsors | | | | |
| Founder Shares | - | - | xxx | **xxx** |
| Private Placement Warrants | - | - | xxx | **xxx** |
| | - | - | xxx | **xxx** |
| **Total Assets** | **-** | **-** | **xxx** | **xxx** |

There were no transfers of investments between Level 3 and Level 1 or 2 during the period from **[Start Date]** (commencement of operations) through **[End Date]**.

### *SIGNIFICANT UNOBSERVABLE INPUTS*

### *VALUATION TECHNIQUES*

The Fund's investments are restricted securities and SPAC Sponsor Entities. The restricted securities consist of common stock and warrants. The SPAC Sponsor Entities consist of founder shares and private placement warrants were valued using the market approach. 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 conservatively reflect potential exit values in the investment's principal market under current market conditions. Ongoing reviews by the Fund manager are based on an assessment of each underlying investment from inception date through the most recent valuation date. The Fund uses valuation techniques it believes are most appropriate to estimate the fair value of its portfolio investments.

Initially, the Fund invests in a Limited Liability Company that was formed to create a SPAC ("SPAC Sponsor"). The Partnership will receive Member interest in the SPAC Sponsor. When the SPAC goes public the SPAC Sponsor will receive "Founders Shares" and Warrants of the SPAC. The SPAC will then do an in-kind distribution to the Members of the SPAC Sponsor on a Pro-Rata Basis. At the time of the in-kind distribution the Company allocate cost and fair value of the Founders Shares and Warrants based upon their relative fair value of the SPAC's common stock price at the time of the public offering.

### NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

#### *VALUATION TECHNIQUES (CONTINUED)*

From the time that the Fund makes an investment in an SPAC Sponsor until they receive Founders Shares, the Fund will value their investment at transaction price less the capitalized deal expenses of such investment ("Transaction Price").

As a general rule, the Fund will value each of its Founders Shares of a SPAC at Transaction Price, until the SPAC acquires an Operating Company ("Acquisition"). Because there are numerous restrictions on the common stock and warrants received in the Acquisition, the Fund will value the shares received in the Acquisition at Transaction price until the following occurs:

**Restrictions of Time Only**: the investment will be held at Transaction Price until **x** days after the Acquisition the Fund will value its investment at the Fair Market Value of the common stock and shares and warrants (the "Investment") held by the SPAC, less the Transaction Price (the "Premium") and apply a **xx%** discount to the Premium on the shares and warrants held by the Fund. After the **xx** day period the Fund will ratably reduce the discount of the Premium over the life of the timed lock-up. The Fund will then value its Investment on a mark to market basis.

**Restriction Based on Price Hurdles**: In certain circumstances the restriction is based upon price hurdles (the Stock Price needs to meet certain conditions. Until those conditions are met,) (the "Hurdle") the Fund will apply a xx% discount to the Premium. Once the conditions are met and the restriction is lifted, the Fund will value the Investment on a mark to market basis.

**Restriction Based on Price Hurdles and Time:** The Fund will apply a **xx%** discount to the Premium for a Period of **xx** days after the Acquisition. After the **xx** days period, the Fund will ratably reduce the discount of the Premium over the life of the timed lock-up. The Fund will then value its Investment on a mark to market basis. The exception to this is if and when the Hurdle is met, the Fund will remove any remaining discount to the Premium and value the Investment on a mark to market basis.

## NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

### *VALUATION TECHNIQUES (CONTINUED)*

| Assets | Fair Value at [End Date] | Valuation Technique s | Unobservable Input | Range of Inputs |
|---|---|---|---|---|
| **Investments:** | | | | |
| Common stock | $xxx | Market Approach | Discount for lack of marketability, price hurdles and/or time restrictions | 100% |
| Founder shares | $xxx | Transaction price | Discount for lack of marketability, price hurdles and/or time restrictions | 100% |
| Warrants | $xxx | Market Approach | Discount for lack of marketability, price hurdles and/or time restrictions | 100% |
| Private placement warrants | $xxx | Transaction price | Discount for lack of marketability, price hurdles and/or time restrictions | 100% |

## NOTE 4 - FUND TERMS AND RELATED-PARTY TRANSACTIONS

### *CONCENTRATION OF MEMBERS*

The Fund has a concentration of members holding a significant percentage of members' capital. At **[End Date]**, **X** members comprised **xx%** of members' capital, respectively. Interruptions of capital contributions from these two members could have a material impact on the Fund.

### *MANAGEMENT FEES*

The Manager will not charge a management fee to the Fund.

## NOTE 4 - FUND TERMS AND RELATED-PARTY TRANSACTIONS (CONTINUED)

### *DUE FROM AFFILIATES*

The Fund considers the 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. Due from affiliates represents amounts paid by the Fund for professional fees on behalf of other funds managed by the Manager ("Affiliated Entities"). The Fund expects to be fully reimbursed for these expenses. As of **[End Date]**, **[there was (NO) amount due from affiliated entities].**

## NOTE 5 - DERIVATIVE FINANCIAL INSTRUMENTS

The Fund may receive warrants from portfolio companies upon an investment in the debt or equity of a portfolio company. The warrants provide the Fund with exposure to and potential gains upon equity appreciation of the portfolio company's share price.

The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an in-the-money warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, the Fund could potentially lose its entire investment in a warrant.

The Fund is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Fund is the fair value of the contracts. The Fund considers the effects of counterparty risk when determining the fair value of its investments in warrants.

Authoritative guidance requires qualitative disclosures about the objectives and strategies for using derivative instruments and quantitative disclosures about the volume of, fair value of, and gains and losses on derivative instruments. The Fund does not designate any derivative instruments as hedging instruments. The Fund has acquired warrants to purchase equity shares at specified exercise prices with each instrument's primary risk exposure being equity price risk. The fair value of these derivative instruments is included in the Statement of Assets, Liabilities and Members' Capital and within the Schedule of Portfolio Investments with changes in fair value reflected as realized gains (losses) or net change in unrealized gains (losses) within the Statement of Operations.

## NOTE 5 - DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At **[End Date]**, the volume of the Fund's derivative activities based on their notional amounts, categorized by primary underlying risk, are as follows:

| | Long Exposure | | Short Exposure | |
|---|---|---|---|---|
| **Primary Underlying Risk** | **Notional Amounts** | **Number of Contracts** | **Notional Amounts** | **Number of Contracts** |
| **Equity Price** | | | | |
| Warrants[(a)] | $ xxx | $ xxx | $ - | $ - |
| | $ xxx | $ xxx | $ - | $ - |

[(a)] Notional amounts for warrants are based on the number of contracts times the fair value of the underlying instruments as-if exercised at **[End Date]**.

At **[End Date]**, the fair value amounts of derivative instruments included in the Statement of Assets, Liabilities and Members' Equity, categorized by primary underlying risk, are as follows:

| **Primary Underlying Risk** | **Derivative Assets** | **Derivative Liabilities** | **Location In The Statement of Financial Condition** |
|---|---|---|---|
| **Equity Price** | | | |
| Warrants | $ | $ | Investments at fair value |
| | $ xxx | $ - | |

The table below shows the impact of these derivative contracts on the Statement of Operations as of **[End Date]**:

| **Primary Underlying Risk** | **Realize d gain or (loss) on Derivatives** | **Net Change in Unrealized Appreciation (Depreciation)** | **Location In The Statement of Financial Condition** |
|---|---|---|---|
| **Equity Price** | | | |
| Warrants | $ - | $ xxx | Net change in unrealized depreciation from investments |
| | $ - | $ - | |

### NOTE 5 - DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

When a warrant is acquired, an amount equal to the consideration paid (if any) is recorded as an investment and is subsequently adjusted to current market value. If the market value of a purchased warrant exceeds the consideration paid, the excess is treated as an unrealized gain. Conversely, if the consideration paid exceeds the market value, the shortfall, to the extent of consideration paid, is treated as an unrealized loss. When a purchased warrant expires on its stipulated expiration date or when a closing transaction is entered into, the related asset is extinguished and the Fund realizes a gain or loss. The Fund bears the market risk of an unfavorable change in the price of the security underlying the warrant. During the year ended **[End Date]**, the Fund engaged in warrant transactions.

### NOTE 6 - WITHDRAWALS, DISTRIBUTIONS AND PROFIT AND LOSS ALLOCATIONS

***WITHDRAWALS***

As a consequence of the Company’s long term investment strategy, no Member will have the right to withdraw from the Fund prior to the expiration of the term of the Fund. Accordingly, an Investor must be able to retain its investment in the Fund for an indeterminate time.

The Manager may require any Member to withdraw in whole or in part from the Fund if the Manager reasonably believes that such withdrawal is in the best interests of the Fund. In such event, the withdrawing Member is entitled to receive the fair market value of its Interest as determined in accordance with the Operating Agreement. There can be no assurance that the fair market value will equal or exceed the amount of such Member’s Capital Contributions.

Any Member so removed will not have the opportunity to participate in any gains realized subsequent to its removal.

***DISTRIBUTIONS***

The Manager, in its sole discretion, but subject to any contractual restrictions with third parties, shall have the right, but not the obligation, to distribute to the Members, cash, or other Fund property.

## NOTE 6 - WITHDRAWALS, DISTRIBUTIONS AND PROFIT AND LOSS ALLOCATIONS (CONTINUED)

***DISTRIBUTIONS (CONTINUED)***

Distributions of Net Cash Available for Distribution will be made in the following order and priority:

(i) *Return of Capital*. First, **xx%** to the Members, pro rata in accordance with their respective Membership Percentages, until the Members have received aggregate distributions (including amounts that have been previously returned to such Members pursuant to this clause (i)) equal to their total Capital Contributions that were attributed to the applicable Portfolio Company Investment; then

(ii) *Manager Catch-up*. Second, **xx%** to the Manager until it has received an aggregate amount equal to **xx%** of the sum of (x) all amounts distributed to the Members pursuant to clause (i) above and (y) the amounts distributable to the Manager pursuant to this clause (ii); and

(iii) *Manager Carried Interest*. Thereafter, **xx%** to the Members, pro rata in accordance with their respective Membership Percentages, and **xx%** to the Manager.

The Manager generally intends to make all distributions in cash rather than in-kind. However, the Manager reserves the right to make distributions in-kind, subject to all legal and contractual restrictions on such distributions.

***CARRIED INTEREST***

The capital accounts will reflect the carried interest to the Managing Member 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 members at the reporting date consistent with the provisions of the Fund's governing documents. The carried interest to the Managing Member will remain provisional until final liquidation of the Fund. There was no carried interest at **[End Date]**.

***PROFIT AND LOSS ALLOCATIONS***

The Fund will establish and maintain a capital account for each Member. All items of income, gain and loss will generally be allocated to the Members' capital accounts in a manner consistent with the Operating Agreement provisions regarding distributions of the Fund.

## NOTE 7 - GUARANTEES

The Fund may enter into contracts and agreements that contain indemnifications and warranties. The Fund's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

## NOTE 8 – MARKET AND OTHER RISK FACTORS

### *FINANCIAL INSTRUMENTS*

At the time of the Offering, the Fund had received no disclosure or financial information from the SPAC Sponsor Entities and the Portfolio Companies it has invested in and it had not received, nor did it have access to, any public or non-public, verifiable information that would allow it to justify the current or future valuation of such investments.

The Fund has not obtained representation on the board of directors nor does it have any control over the management of the SPAC Sponsor Entity nor the Portfolio Company investment management and the success of its investments depends on the ability and success of the management of the SPAC Sponsor Entities and the Portfolio Company investment management, in addition to economic and market factors.

### *LIQUIDITY RISK*

The Fund's investments in the SPAC Sponsor Entities and the Portfolio Companies are subject to liquidity risks. No assurance can be given that an IPO or other liquidity event will be consummated by the SPACs. Accordingly, there is a risk that the Fund may not be able to realize its investment objectives by sale or other disposition of its investments at prices currently reflective of their fair value. As a result, the Fund may sustain losses with respect to some or all of its investment in the SPAC Sponsor Entities and the Portfolio Companies.

### *MARKET RISK*

At the time of the Offering, and until the IPO or another liquidity event for SPAC Sponsor Entities and the Portfolio Companies owned by the Fund, there has been and will continue to be a limited, negotiated market for such shares in which the Fund has invested. Valuations may fluctuate considerably due to changes in market demand for such securities.

## NOTE 8 - MARKET AND OTHER RISK FACTORS (CONTINUED)

### *CONCENTRATION OF INVESTMENTS*

Securities are held, either directly or indirectly, through investments in SPAC Sponsor Entities that own Portfolio Company Investments. The Fund expects that it will only invest in a small number of Portfolio Company Investments. Accordingly, the Fund will be dependent upon the success or failure of each Portfolio Company to successfully negotiate a favorable SPAC investment as well as the ability of the underlying SPAC to successfully conduct an IPO and subsequent business combination. Given the concentration of the Fund's investments, the value of an investment in the Fund may be subject to greater volatility and may be more susceptible to any single economic, political or regulatory occurrence than would be the case if the Fund's investments were more diversified.

SPAC Risks:

Each potential SPAC transaction will involve risks particular to that transaction and the following list is not intended to be an exhaustive list of risks that investors in the Fund should consider.

•A SPAC is a blank check company with no operating history or revenues. The SPAC Sponsor Entity will have no basis on which to evaluate the ability of the SPAC to accomplish its business purpose or to produce a return on the SPAC Sponsor Entity's investment.

•The SPAC is wholly dependent on its management team and past successes can be no assurance of the success of any particular SPAC project.

•There may be a limited number of potential acquisition targets for the SPAC.

•Management of the SPAC Sponsor may have the power to direct all activities of the SPAC despite the wishes of minority stakeholders in the Sponsor Entity.

•The Sponsor Entity will have no interest in the trust account established for the benefit of the SPAC IPO investors and will have no right to redeem any shares in the SPAC.

•The fact that SPAC IPO shareholders may elect to redeem their shares for cash may make it difficult for the SPAC to complete an acquisition transaction and may imperil the SPAC's capital structure.

•The limited timeframe in which the SPAC must complete an acquisition transaction (usually 21 to 24 months from the completion of IPO) may impair its negotiating power in seeking to complete an acquisition.

### NOTE 8 - MARKET AND OTHER RISK FACTORS (CONTINUED)

•If the SPAC does not complete an acquisition within the required timeframe, it will be forced to liquidate and the SPAC Sponsor Entity's investment will be lost.

•The SPAC must comply with a complex legal and regulatory scheme and the failure to so comply could lead to significant liability and/or the failure of the SPAC to attain its business objectives.

•While a SPAC generally has the intention of acquiring a business that is consistent with the experience and expertise of its management, it often has the flexibility to vary from that focus. The resulting business may be outside the experience and expertise of the SPAC management.

•The SPAC may not be required to obtain a "fairness opinion" or similar analysis from an investment banking firm and, therefore, there can be no assurance that the consideration paid for an acquisition will be fair to the SPAC shareholders from a financial point of view.

•The SPAC may issue more common and/or preferred shares to effectuate its initial acquisition transaction than initially contemplated, resulting in greater than anticipated dilution to SPAC shareholders including the Sponsor Entity.

•The SPAC entity may incur debt, reducing the value of the Sponsor Entity's investment.

•The SPAC may expend its initial resources pursuing an IPO and acquisition transaction without success.

•The loss of any of the Sponsor Entity's officers, directors or key personnel could negatively impact its ability to attain its goals.

•Management of the SPAC Sponsor Entity may seek to remain involved with the SPAC following its initial acquisition transaction, resulting in conflicts of interest with other shareholders.

•Management of the Sponsor Entity will have other interests and will devote only such amount of time to the SPAC project as they determine necessary and reasonable given their other commitments.

•Potential acquisition targets will most likely be privately held companies about which there may be limited financial and other information, making profitability and overall success of the underlying business difficult to predict.

•The ability of investors to realize gains on their investment may be dependent upon the SPAC maintaining a current and effective prospectus in respect of the SPAC shares and warrants held by the Sponsor Entity, as well as the ability of the SPAC to establish and maintain a viable public market for its securities.

### NOTE 8 - MARKET AND OTHER RISK FACTORS (CONTINUED)

•The structure of the SPAC and the requirements relating to its potential acquisition activities and transactions could place it at a competitive disadvantage relative to other potential acquirers.

•There will initially be no market for SPAC securities and there can be no assurance that such a market will develop.

•Each SPAC will be an "emerging growth company" and the reduced disclosure requirements applicable to emerging growth companies may make the securities of the SPAC less attractive to investors.

***COVID-19***

Certain impacts from the COVID-19 outbreak may have a significant negative impact on the Fund's operations and performance. These circumstances may continue for an extended period of time, and may have an adverse impact on economic and market conditions. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual companies, are not known. The extent of the impact to the financial performance and the operations of the Fund will depend on future developments, which are highly uncertain and cannot be predicted.

### NOTE 9 - FINANCIAL HIGHLIGHTS

The Fund has presented the following disclosures of financial highlights for the period from **[Start Date]** through **[End Date]**.

| | |
|---|---|
| **Internal Rate of Return** | **xx%** |

The internal rate of return on the Member Interests is an inception to date metric and is after all fees and profit allocations (carried interest) and was computed based on (i) actual dates of Members' contributions and distributions (as of the beginning of each period), and (ii) Members' equity at the end of each period (residual value as of the measurement date). For the period from **[Start Date]** through **[End Date]** no Carried Interest has been allocated to the Manager.

| | |
|---|---|
| **Ratio to Average Members' Equity:** | |
| **Operating Expenses** | **xx%** |
| **Net Loss** | **xx%** |

## NOTE 9 - FINANCIAL HIGHLIGHTS (CONTINUED)

The ratios, excluding nonrecurring expenses and carried interest to the Manager, have been annualized.

Operating expenses and net loss ratios are calculated based on the weighted average Members' equity for the period from **[Start Date]** through **[End Date]** for the Members taken as a whole.

## NOTE 10 - SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through **[FS Issue Date]** which is the date these financial statements were available to be issued. Except as described below, the Fund is not aware of any subsequent events that would require recognition or disclosure in the financial statements.