KPMG

Illustrative financial statements

Private equity funds

January 2024

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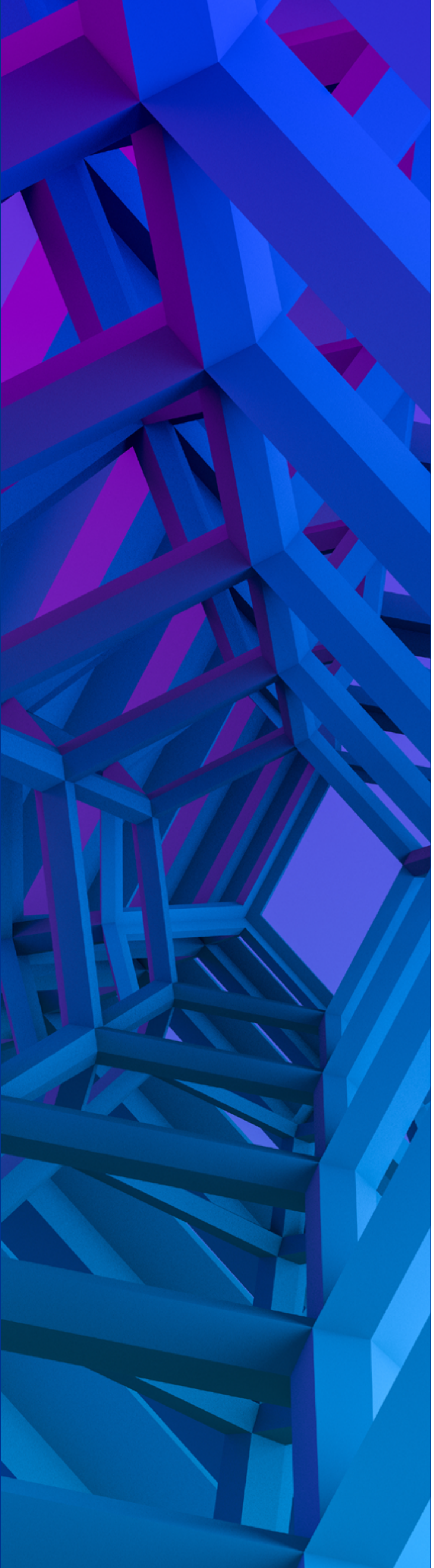
The information contained in these illustrative financial statements is of a general nature relating to private investment companies only and is not intended to address the circumstances of any particular entity.

The form and content of financial statements are the responsibility of the specific entity's management. These illustrative financial statements:

(a) are intended to provide general information on applying accounting principles generally accepted in the United States of America effective as of September 30, 2023, and do not include all possible disclosures that may be required for private investment companies; (b) are not intended to be a substitute for management's review of applicable law or accounting standards or for professional judgment as to the adequacy of disclosures and fairness of presentation; and (c) are being provided with the understanding that the information contained herein should not be construed as legal, accounting, tax, or other professional advice or services and that no one should act on any information contained herein without the appropriate professional advice provided in connection with the entity's particular situation. Although we endeavor to provide accurate and timely information, there can also be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Certain information contained in these illustrative financial statements may be superseded as new guidance or interpretations are issued. Financial statement preparers and other users of these illustrative financial statements are therefore cautioned to stay informed of, and carefully evaluate, subsequent authoritative and interpretative guidance.



Contents

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
CFTC	Commodity Futures Trading Commission

Private Equity, L.P.

Please refer to the conditions of use on the inside cover of this publication.

ASC 946-205-45-1

Private Equity, L.P.

Statement of assets and liabilities

December 31, 20XX

	Assets	
	Investments, at fair value (cost $639,396,000)	$769,440,000
	Digital assets, at fair value (cost $10,000,000)	11,200,000
ASC 946-210-45-20	Cash and cash equivalents	8,215,000
ASC 946-310-45-1	Interest and dividends receivable	500,000
ASC 946-310-45-1	Due from related parties	57,000
	Due from cryptocurrency exchanges	92,000
	Escrow proceeds receivable	85,000
ASC 505-10-45-2	Capital contributions receivable[1]	900,000
	Other assets	26,000
	Total assets	**790,515,000**

	Liabilities	
ASC 946-405-45-1	Management fee payable	2,080,000
ASC 480-10-45-1	Capital distributions payable	1,050,000
	Notes payable	100,000
	Accrued expenses and other liabilities	45,000
	Total liabilities	**3,275,000**

ASC 946-20-50-14	**Partners' capital[2]**	**$787,240,000**

[1] See guidance in ASC paragraph 505-10-45-2 to determine classification of capital contributions receivable as an asset or as a reduction of partners' capital.

[2] See Appendix B for an alternative presentation of partners' capital.

See accompanying notes to the financial statements.

ASC 946-205-45-1

Private Equity, L.P.

Schedule of investments[2]

ASC 946-210-50-6

December 31, 20XX	Percentage of partners' capital	Cost	Fair value
Investments, at fair value			
Private operating companies			
United States			
Consumer technology (57.8% of partners' capital)			
Private Consumer Technology Company A			
Preferred stock, 30,000,000 shares	21.5%	$140,000,000	$169,090,000
Common stock, 10,000,000 shares	4.2	10,000,000	33,000,000
Notes, X.X%, due 7/15/20XX, principal $10,000,000	1.5	10,000,000	12,000,000
		160,000,000	214,090,000
Private Consumer Technology Company B			
Preferred stock, 10,000,000 shares	15.2	100,100,000	120,000,000
Warrants, expire 1/31/20XX	0.4	596,000	3,000,000
		100,696,000	123,000,000
Healthcare (14.4% of partners' capital)			
Private Healthcare Company A			
Preferred stock, 7,500,000 shares	12.2	77,000,000	95,700,000
Common stock, 2,000,000 shares	2.2	25,000,000	17,500,000
		102,000,000	113,200,000
Private Healthcare Company B			
Contingent consideration	0.0	50,000	100,000
Blockchain technology (0.60% of partners' capital)			
Company A			
Preferred stock, 1,000,000 shares	0.6	3,000,000	4,300,000
Total United States	57.8	365,746,000	**454,690,000**
China			
Consumer technology (5.6% of partners' capital)			
Private Consumer Technology Company C[1]			
Common stock, 15,000,000 shares	4.4	30,000,000	35,000,000
Notes, X.X%, due 8/30/20XX, principal $5,000,000	1.0	5,000,000	8,000,000
Warrants, expire 8/25/20XX	0.2	900,000	1,250,000
Total China	**5.6**	**35,900,000**	**44,250,000**
Total private operating companies	**63.4**	**401,646,000**	**498,940,000**

[1] Private Consumer Technology Company C is held by Subsidiary A, which is wholly owned by Private Equity, L.P.

[2] See Appendix A for a sample presentation of the schedule of investments for investments in private investment companies and Appendix C for an alternative presentation of the schedule of investments.

(Note) The above statement represents a full Schedule of Investments. An alternative Condensed Schedule of Investments can be presented in accordance with ASC 946-210-50-6.
See accompanying notes to the financial statements.

Private Equity, L.P.

Schedule of investments (continued)

December 31, 20XX

	Percentage of partners' capital	Cost	Fair value
Investments, at fair value			
Marketable equity securities United States			
Consumer technology			
Private Consumer Technology Company A			
Common stock, 44,000,000 shares	18.4	$125,000,000	$145,000,000
Public Consumer Technology Company B			
Common stock, 32,000,000 shares	15.9	112,750,000	125,500,000
Total marketable equity securities	**34.3**	**237,750,000**	**270,500,000**
Total investments, at fair value	**97.7%**	**$639,396,000**	**$769,440,000**

The following table illustrates one way to present investments by type:

Investments by type, at fair value	Percentage of partners' capital	Cost	Fair value
Total preferred stock	50.0%	$320,100,000	$389,090,000
Total common stock	44.7	302,750,000	356,000,000
Total notes	2.5	15,000,000	20,000,000
Total warrants	0.5	1,496,000	4,250,000
Total contingent consideration	0.0	50,000	100,000
Total investments, at fair value	**97.7%**	**$639,396,000**	**$769,440,000**

	Percentage of partners' capital	Cost	Fair value
Digital assets, at fair value			
Cryptocurrencies			
Cryptocurrency A, 1,200 units	0.8%	$5,000,000	$6,000,000
Cryptocurrency B, 1,150 units	0.6	5,000,000	5,200,000
Total digital assets, at fair value	**1.4%**	**$10,000,000**	**$11,200,000**

See accompanying notes to the financial statements.

ASC 946-205-45-1

Private Equity, L.P.

Statement of operations

Year ended December 31, 20XX

	Investment income		
	Interest		$4,039,000
ASC 946-830-45-39	Dividends (net of foreign withholding taxes of $200,000)		2,495,000
	Other income		100,000
	Total investment income		**6,634,000**
ASC 946-220-45-3	**Expenses**		
ASC 946-20-45-4	Management fee, gross	16,000,000	
	Management fee, offset	(8,460,000)	
	Management fee, net		7,540,000
	Professional fees and other		565,000
	Due diligence costs		1,132,000
	Broken deal costs		200,000
	Interest expense		375,000
	Total expenses		**9,812,000**
ASC 946-220-45-5	**Net investment loss**		**(3,178,000)**
ASC 946-220-45-6	**Realized and unrealized gain (loss) from investments and foreign currency**		
ASC 946-830-45-1 to 4	Net realized gain from investments		25,165,000
	Net realized gain on distribution of investments		200,000
	Net unrealized gain from investments		17,273,000
	Net realized gain from foreign currency transactions[1]		400,000
	Net unrealized gain from translation of assets and liabilities in foreign currencies[2]		800,000
	Net gain from investments and foreign currency		**43,838,000**
ASC 946-220-45-7	**Net income[3]**		**$40,660,000**

[1] Represents net gains or losses on assets or liabilities denominated in foreign currencies. If separate reporting of foreign currency effects on realized gains or losses from investments is elected, those amounts may be included in this caption.

[2] Represents the net change during the period from translating assets and liabilities denominated in foreign currencies. If separate reporting of foreign currency effects on net unrealized gains and losses from investments is elected, those amounts may be included in this caption.

[3] ASC paragraph 946-220-45-7 defines the sum of net investment income or loss and net realized and unrealized gain or loss from investments and foreign currency as net increase or decrease in net assets resulting from operations. Funds may describe this line item as net increase or decrease in net assets resulting from operations or net income or loss.

See accompanying notes to the financial statements.

ASC 946-205-45-1, 3 and 5

Private Equity, L.P.

Statement of changes in partners' capital

Year ended December 31, 20XX

ASC 946-505-50-2, ASC 946-505-50-3

	General partner	Limited partners	Total
Partners' capital, beginning of year	$75,884,000	$682,957,000	$758,841,000
Capital contributions	250,000	24,750,000	25,000,000
Capital distributions	(373,000)	(36,888,000)	(37,261,000)
Allocation of net income[1] (ASC 946-205-45-3)			
Net investment loss	(31,000)	(3,147,000)	(3,178,000)
Net realized gain from investments	251,000	24,914,000	25,165,000
Net realized gain on distribution of investments	2,000	198,000	200,000
Net unrealized gain from investments	173,000	17,100,000	17,273,000
Net realized gain from foreign currency transactions	4,000	396,000	400,000
Net unrealized gain from translation of assets and liabilities in foreign currencies	8,000	792,000	800,000
Carried interest to general partner (ASC 946-20-45-4)	8,051,000	(8,051,000)	—
Net income after carried interest to General Partner	**8,458,000**	**32,202,000**	**40,660,000**
Partners' capital, end of year (ASC 946-505-50-3)	**$84,219,000**	**$703,021,000**	**$787,240,000**

[1] ASC paragraph 946-205-45-5 permits nonregistered investment partnerships to combine the statement of changes in net assets with the statement of changes in partners' capital if the information in ASC paragraph 946-205-45-3 is presented. AAG-INV Chapter 7 states that the alternative presentation in Appendix D may be used when the information in ASC paragraph 946-205-45- 3 is presented in the financial statements, and it is considered more meaningful to users of the financial statements.

See accompanying notes to the financial statements.

Private Equity, L.P.

Statement of cash flows

ASC 946-205-45-1

Year ended December 31, 20XX

	Cash flows from operating activities	
	Net income	$40,660,000
ASC 230-10-45-28	Adjustments to reconcile net income to net cash provided by operating activities:	
	Net realized gain from investments	(25,165,000)
	Net realized gain on distribution of investments	(200,000)
	Net unrealized gain from investments	(17,273,000)
	Net realized gain from foreign currency transactions	(400,000)
	Net unrealized gain from translation of assets and liabilities in foreign currencies	(800,000)
ASC-230-10-45-7, ASC 230-10-45-20 and ATQA 6910.20	Purchases of investments	(63,589,000)
	Purchases of digital assets	(12,000,000)
	Proceeds from sales of investments	91,197,000
	Proceeds from sales of digital assets	2,000,000
	Changes in operating assets and liabilities:	
	Interest and dividends receivable	400,000
	Due from related parties	(7,000)
	Escrow proceeds receivable	407,000
	Other assets	42,000
	Management fee payable	125,000
	Due to related parties	(35,000)
	Accrued expenses and other liabilities	29,000
	Net cash provided by operating activities	**15,391,000**
ASC 230-10-45-14 and 15,	**Cash flows from financing activities**	
ASC 230-10-45-26	Proceeds from contributions	24,100,000
ASC 230-10-50-5	Payments for capital distributions	(35,131,000)
	Proceeds from notes payable	2,000,000
	Repayments of notes payable	(2,700,000)
	Net cash used in financing activities	**(11,731,000)**
ASC 230-10-45-24	**Net increase in cash and cash equivalents (including restricted cash)**	**3,660,000**
ASC 230-10-45-24	**Cash and cash equivalents (including restricted cash), beginning of year**	**4,555,000**
ASC 230-10-45-24	**Cash and cash equivalents (including restricted cash), end of year**	**$8,215,000**

See accompanying notes to the financial statements.

Private Equity, L.P.
Statement of cash flows (continued)

Year ended December 31, 20XX

[Include the following disclosure if cash, cash equivalents, and amounts generally described as restricted cash are presented in more than one line item within the statement of assets and liabilities.]
At December 31, 20xx, the amounts included in cash and cash equivalents (including restricted cash) include the following

	Statement of assets and liabilities	December 31, 20XX
ASC 230-10-50-8	Cash and cash equivalents	$7,215,000
	Restricted cash	1,000,000
	Total cash and cash equivalents (including restricted cash)	$8,215,000

	Supplemental disclosure of cash flow information	
ASC 230-10-50-2	Cash paid during the year for interest	$350,000
	Supplemental disclosure of noncash financing activities	
ASC 230-10-50-3	Distribution of securities, at fair value (cost basis of $2,000,000)	$2,200,000

See accompanying notes to the financial statements.

ASC 275-10-50-2

1. Organization

[This note should be tailored to the Fund's specific nature of operations.] Private Equity, L.P. (the Fund), a Delaware investment limited partnership, commenced operations on *[Month, Date, Year]*. The Fund was organized to *[Include a description of the Fund's investment objectives]*. The Fund is managed by General Partner, LLC (the General Partner) and Investment Manager, LLC (the U.S. Investment Manager). *[If applicable:]* The U.S. Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940.

The Fund commenced on *[Month, Date, Year]* and will expire on *[Month, Date, Year],* but may be extended for up to two consecutive one-year periods or dissolved or terminated prior to expiration in accordance with the Limited Partnership Agreement (the Agreement). The Fund's commitment period ended on *[Month, Date, Year].*

ASC 235-10-50-1,
ASC 235-10-50-3
ASC 946-10-50-1

2. Summary of significant accounting policies

The significant accounting policies followed by the Fund are:

Basis of presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Fund is an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 946, *Financial Services—Investment Companies*.

ASC 810-10-50-1

Principles of consolidation

[If applicable for consolidated financial statements: If consolidated financial statements are presented, the financial statements should be referred to as consolidated financial statements throughout. In addition, a Fund should apply the disclosure requirements in ASC Section 810-10-50 if the Fund has consolidated other entities in which it has a controlling financial interest and is not required to measure at fair value in accordance with ASC Topic 946.]

The Fund consolidates variable interest entities (VIEs) for which it is the primary beneficiary, generally as a result of having the power to direct the activities that most significantly affect the VIE's economic performance and holding variable interests that convey to the Fund the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Fund consolidates entities that are not VIEs when it has a controlling financial interest as a result of majority voting control. The Fund is precluded from consolidating entities that are not investment companies when it is required to measure those entities at fair value in accordance with ASC Topic 946.

The accompanying consolidated financial statements include the accounts of the Fund and its wholly owned and controlled subsidiary, Subsidiary A, which is not a VIE. Subsidiary A is an investment company established for the general purpose of executing specific investment transactions on behalf of the Fund. All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements. *[If applicable:]* At December 31, 20XX, the Fund does not hold variable interests in any VIEs for which it is the primary beneficiary.

Principles of combination

[If applicable for combined financial statements: If combined financial statements are presented, then financial statements should be referred to as combined financial statements throughout.]

2. Summary of significant accounting policies (continued)

Combined financial statements are presented for commonly controlled entities when they are likely to be more meaningful than their separate financial statements. The combined financial statements include the accounts of Fund B and C (collectively, the Fund). All intercompany accounts and transactions have been eliminated in combination.

ASC 275-10-50-4

Use of estimates

Preparing financial statements in accordance with GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

ASC 946-320-25-1 to 25-2

Investment transactions and related investment income

Securities transactions are accounted for on a trade-date basis. Securities transactions outside conventional channels are recorded as of the date the Fund obtains a right to demand the securities purchased or to collect the proceeds of sale, and incurs an obligation to pay the price of the securities purchased or to deliver the securities sold, respectively.

ASC 610-20-25-6 to 25-7

[As applicable include accounting policy of the fund that addresses recognition and derecognition of cryptocurrency transactions such as] Cryptocurrency transactions are recorded when the Fund has obtained control over the cryptocurrency when purchased or has transferred control of the cryptocurrency when sold. In determining when control of the cryptocurrency has been obtained or transferred, the Fund evaluates when it or the counterparty has the ability to direct the use of and obtain substantially all of the benefits of the cryptocurrency.

ASC 946-320-40-1

Realized gains and losses on investment transactions are determined using cost calculated ***on [a specific identification] [an average cost]*** basis.

ASC 946-320-35-5S-X Rule 6-03(g)

[If applicable:] Net realized gains or losses on distribution of investments represent the difference between the original cost of the investments, determined using specific identification and the related market price on the distribution date. When investment securities are distributed to the partners, gains or losses are classified as realized.

[If applicable:] Distributions that represent returns of capital in excess of cumulative profits and losses are credited to investment cost rather than investment income. Dividends are recorded on the ex-dividend date and interest is recognized on an accrual basis.

ASC 946-830-45-34

[If applicable:] Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates

ASC 946-320-35-20

[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:]*** Premiums to the face amount of callable debt securities that have noncontingent call features that are callable at fixed prices and on preset dates are amortized using the effective interest rate method to the next call date when a call option at a specified price becomes exercisable. If there is no remaining premium or if there are no further call dates, the Fund resets the effective yield using the payment terms of the debt security.

ASC 946-320-17 to 19, ASC 310-10-35-8 to 11, ASC 946-320-30-4

[If applicable:] Interest income is no longer accrued, and interest receivable is written off when deemed uncollectible. ***[If applicable:]*** Discounts to the face amount of debt securities are not accreted and amortized to the extent that interest income is not expected to be realized.

2. Summary of significant accounting policies (continued)

ASC 230-10-50-1

Cash, cash equivalents and restricted cash

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

Cash represents cash on hand and demand 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 original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limitations.

Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. The Fund considers ***[The Fund should include a description of what balance sheet items are restricted]*** to be restricted cash.

[In addition, a fund should disclose the nature of restrictions on cash, cash equivalents, and amounts described as restricted cash.]

ASC 326-20-30-1
to 10; 326-20-35-1

Current expected credit losses

[Include if the Fund has material expected credit losses for financial assets measured at amortized cost and evaluate whether additional disclosures required under Topic 326 apply]

The Fund accounts for estimated credit losses on financial assets measured at an amortized cost basis under the current expected credit loss model in accordance with ASC Subtopic 326-20. The Fund estimates expected credit losses over the life of its financial assets as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. The Fund records the estimate of expected credit losses as an allowance for credit losses, which is a valuation account that adjusts the amortized cost basis of the financial asset. Changes in the allowance for credit losses are reported as an expense in the statement of operations.

Foreign currency translation

ASC 946-830-45-37

Assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into U.S. dollar amounts on the date of those transactions. Adjustments arising from foreign currency transactions are reflected in the statement of operations.

[Include if the Fund does not separately report foreign currency exchange effects from realized and unrealized gains and losses from investments:]

ASC 946-220-50-2,
ASC 946-830-50-1

The Fund does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Those fluctuations are included in net realized and unrealized gain or loss from investments in the statement of operations.

ASC 946-220-45-6,
ASC 946-830-45-38

Reported net realized gain (loss) from foreign currency transactions arises from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and

2. Summary of significant accounting policies (continued)

foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized gain (loss) from translation of assets and liabilities in foreign currencies arises from changes in the fair values of assets and liabilities, other than investments in securities at the end of the period, resulting from changes in exchange rates.

[Include if the Fund separately reports foreign currency exchange effects from realized and unrealized gains and losses from investments:]

ASC 946-220-50-2, ASC 946-830-50-1

The Fund isolates that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held.

ASC 946-220-45-6, ASC 946-830-45-36

Reported net realized gain (loss) from foreign currency transactions arises from sales of portfolio securities; sales and maturities of short-term securities; sales of foreign currencies; currency gains or losses realized between the trade and settlement dates on securities transactions; and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized gain (loss) from translation of assets and liabilities in foreign currencies arises from changes in the fair values of assets and liabilities, including investments in securities at the end of the period, resulting from changes in exchange rates.

Fair value – Hierarchy of fair value

The Fund determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund is able to access.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly. These inputs may include (a) quoted prices for similar assets in active markets, (b) quoted prices for identical or similar assets in markets that are not active, (c) inputs other than quoted prices that are observable for the asset, or (d) inputs derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Inputs that are unobservable and significant to the entire fair value measurement.

[If applicable:] Investments in private investment companies measured using net asset value as a practical expedient are not categorized within the fair value hierarchy.

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, determining fair value requires more judgment. Because of the inherent uncertainty of valuation, estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Therefore, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3.

2. Summary of significant accounting policies (continued)

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

ASC 820-10-50-2(bbb)

Fair value – Valuation techniques and inputs

[The following includes examples of valuation techniques and inputs used by investment companies. These examples do not include all possible investment types or valuation techniques and inputs that may apply to a particular type of investment. A fund's disclosures should be tailored to describe the valuation techniques and inputs used under the specific facts and circumstances of the fund, including the extent to which valuations are obtained from third-party pricing services or broker quotations.]

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

The market approach includes valuation techniques that use prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. The Fund generally uses the market approach to value ***[Include categories of investments valued using a market approach as applicable, such as the following:]*** exchange-traded securities and exchange-traded derivatives.

[Alternative language for the market approach specific to nonmarketable or privately held investments:] 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 ***[Include other categories of investments as applicable such as:]*** equity investments in private operating companies.

The income approach includes valuation techniques that measure the present value of anticipated future economic benefits (i.e., net cash flows). The estimated net cash flows are forecast over the expected remaining economic life and discounted to present value using a discount rate commensurate with the level of risk associated with the expected cash flows. The Fund generally uses the income approach to ***[Include categories of investments valued using an income approach as applicable, such as:]*** value equity and debt investments in private operating companies.

ASC 946-325
ASC 946-325-32-1

Cryptocurrency

[Refer to KPMG's Accounting for crypto assets by investment companies publication, for an overview of accounting for crypto intangible assets by investment companies] Digital assets are stated at fair value and generally valued using prices as reported on reputable and liquid exchanges and ***[Include accounting policy of investment company to determine the cut-off to value its cryptocurrency assets, for example whether the Fund uses the market prices of its crypto assets at a time other than close of its reporting period such as:]*** may involve utilizing an average of bid and ask quotes using prices provided by such exchanges at a specified time of determination on the last day of its reporting period.

2. Summary of significant accounting policies (continued)

When determining a principal market for cryptocurrencies, the Fund identifies publicly available, well established cryptocurrency exchanges that are accessible to the Fund, and considers factors including the recent price activity of an exchange, liquidity, and security and stability of an exchange, to determine which exchanges to utilize.

While some digital assets are traded in active markets and are valued based on quoted prices other digital assets may be more thinly-traded or subject to irregular trading activity. To the extent that digital assets are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Digital assets traded on inactive markets are generally categorized in Level 2 of the fair value hierarchy.

Marketable equity securities

The Fund values equity securities that are traded on a national securities exchange at their last reported sales price. The Fund generally values equity securities traded in over-the-counter (OTC) markets and listed securities for which no sale was reported on that date at ***[the price within the bid-ask spread that best represents fair value] [their last reported bid price if held long, and last reported ask price if sold short]***. To the extent that equity securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Equity securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

Private operating companies

Investments in private operating companies may consist of common stock, preferred stock, and debt of privately owned portfolio companies. At each measurement date, the Fund reviews the valuation of each investment and records adjustments as necessary to reflect the expected exit value of the investment under current market conditions. Ongoing reviews by the Fund's management are based on an assessment of the type of investment, the stage in the lifecycle of the portfolio company, and trends in the performance and credit profile of each portfolio company as of the measurement date. The ***[Fund values] [Fund uses an independent pricing service to value]*** private operating companies using an income approach or a market approach. In certain instances, the Fund may use multiple valuation approaches 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. The decision to use a valuation approach will depend on the investment type and the information available.

When applying valuation techniques used to determine fair value, the Fund assumes a reasonable period of time for estimating cash flows and considers 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 best 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 from (1) values that would have been used had a readily available market existed for those investments and (2) the values that may ultimately be realized.

[Examples of income approach input technique disclosures:] Inputs used under an income approach may include annual projected cash flows for each investment through their expected remaining economic life discounted to present value using appropriate risk-adjusted discount rates. These cash flow assumptions may be probability weighted to reflect the risks associated with achieving expected performance levels across various business scenarios. Inputs used under an income approach may include an assessment of the credit profile of the portfolio company as of the measurement date; the operating performance of the portfolio company; trends in the liquidity and

2. Summary of significant accounting policies (continued)

financial leverage ratios as of the measurement date; and an assessment of the portfolio company's business enterprise value, liquidation value, and debt repayment capacity of each subject debt investment. In addition, inputs may include an assessment of potential yield adjustments for each debt investment based on trends in the credit profile of the portfolio company and trends in the interest rate environment as of the measurement date.

[Examples of market approach input technique disclosures:] Inputs used under a market approach may include valuation multiples applied to corresponding performance metrics, such as earnings before interest, taxes, depreciation, and amortization (EBITDA); revenue; or net earnings. The selected valuation multiples were estimated through a comparative analysis of the performance and characteristics of each investment within a range of comparable companies or transactions in the observable marketplace. In addition, recent merger and acquisition transactions of comparable companies may be used as a basis to develop implied valuation multiples. Investment valuations using the market approach may also consider factors such as liquidity, credit, and market risk factors of the portfolio company.

[Examples of probability weighted expected return method disclosures:] The probability weighted expected return method is based on an estimate of expected fair value as analyzed through various liquidity scenarios. Fair value is determined for a given scenario at the time of the future liquidity event and discounted back to the valuation date using a risk-adjusted discount rate. To determine fair value, the present values under each scenario are weighted based on the expected probability of each scenario occurring.

[Examples of option pricing model disclosures:] The option pricing model treats a portfolio company's common stock and preferred stock as call options on the enterprise or equity value of the portfolio company, with exercise or strike prices based on the characteristics of each series or class of equity in the portfolio company's capital structure (e.g., the liquidation preference of a given series of preferred stock). This method is sensitive to certain key assumptions, such as volatility and time to exit, that are not observable.

Investments in private operating companies are generally categorized in Level 3 of the fair value hierarchy.

Restricted securities of public companies

Restricted securities of public companies cannot be offered for sale to the public until the issuer complies with certain statutory or contractual requirements. The Fund generally values restricted securities of public companies at a discount to similar publicly traded companies when the restriction is specific to the security. The Fund considers the type and duration of the restriction, but in no event does the valuation exceed the listed price on any major securities exchange.

Restricted securities of public companies are generally categorized in Level 2 of the fair value hierarchy. However, to the extent that significant inputs used to determine liquidity discounts are unobservable, restricted securities in public companies may be categorized in Level 3 of the fair value hierarchy.

Warrants

The Fund values warrants that are traded on an exchange at their last reported sales price. The Fund values OTC or nontraded warrants using the Black-Scholes option pricing model, which takes into account the contract terms (including the strike price and contract maturity) and multiple inputs (including time value, 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 of the fair value hierarchy. Warrants that are traded on the OTC market are generally classified in Level 2 or 3 of the fair value hierarchy.

2. Summary of significant accounting policies (continued)

Private investment companies

946-235-50-5(b) The Fund values private investment companies using the net asset values provided by the underlying private investment companies as a practical expedient. The Fund applies the practical expedient to 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 value (NAV) of the investment. ***[See Appendix A for additional disclosures for investments in private investment companies that are not valued using NAV as a practical expedient.]***

Special-purpose vehicles

Special-purpose vehicles (SPVs) consist of ***[common stock, limited partnership interests, etc.]*** in unconsolidated entities that invest directly or indirectly in private equity or debt securities, real estate, or intangible property. The valuation of the Fund's SPVs may depend on whether the SPV is required to be accounted for as an investment company under GAAP ASC Topic 946.

If an SPV is accounted for as an investment company, the Fund generally values the investment, as a practical expedient, using the NAV provided by the SPV when the NAV is calculated in a manner consistent with GAAP for investment companies. The Fund applies the practical expedient to eligible SPVs 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 NAV of the investment.

If an SPV is not accounted for as an investment company, the SPV may be valued in its entirety using an income approach or a market approach. ***[See Private Operating Companies for examples of valuation techniques and inputs that may apply to investments in SPVs.]*** In certain instances, an SPV may be valued based on an evaluation of the net assets of the SPV, whereby the assets and liabilities of the SPV are valued based on each underlying investment within the SPV, incorporating valuations that consider financing and sales transactions with third parties, expected cash flows, and market-based information including comparable transactions and performance multiples, among other factors.

SPVs are generally categorized in Level 3 of the fair value hierarchy. ***[Note: This does not apply to investments in SPVs valued using NAV as a practical expedient.]***

Contingent consideration

[If applicable:] The Fund recognizes contingent consideration from the sale of liquidated investments as a financial asset measured at fair value. ***[Describe the valuation inputs and techniques used to measure contingent consideration recognized as a financial asset.]***

Fair value of financial instruments

[If the fund is subject to the disclosure requirements under ASC Section 825-10-50, include disclosures as required by ASC paragraphs 825-10-50-10 through 19. The following example may be appropriate when the fair value of certain financial instruments approximates their carrying amounts:] The fair value of certain of the Fund's financial instruments, including ***[list specific receivables and payables and the corresponding amounts if not evident elsewhere in the financial statements]***, approximates the carrying amounts presented in the statement of assets and liabilities, due to the short-term nature of these instruments.

[The following example includes required disclosures when a fund has incurred a liability for unrecognized tax benefits. A fund may tailor its disclosures where appropriate if it has not incurred a liability for unrecognized tax benefits.]

2. Summary of significant accounting policies (continued)

AAG-INV 7.189

Income taxes

The Fund does not record a provision for U.S. federal, 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.

ASC 740-10-50-15(e)

Generally, the Fund is subject to income tax examinations by ***[Federal] [list applicable states] [Foreign jurisdictions]*** for years after 20XX.

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.

Tax positions not deemed to meet a more likely than not threshold would be recorded as a tax expense in the current year.

At December 31, 20XX, the Fund recorded a liability for unrecognized tax benefits of $XXX,000 related to its tax positions. ***[Include a description of the uncertainty in tax positions, for example, investment gains from certain foreign jurisdictions where the Fund has elected not to file an income tax return.]***

[The following are examples 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 amount or a range of the reasonably possible changes in unrecognized tax benefits]*** within the next 12 months as a result of ***[Describe the nature of events that can cause a significant change in unrecognized tax benefits, including, but not limited to, settlements, expiration of statutes of limitations, changes in tax law, and new authoritative rulings].***

The Fund has determined that it is reasonably possible that the total amount of the unrecognized tax benefits will ***[increase] [decrease]*** within the next 12 months as a result ***of [Describe the nature of events that can cause a significant change in unrecognized tax benefits, including, but not limited to, settlements, expiration of statutes of limitations, changes in tax law, and new authoritative rulings].*** Until formal resolutions are reached between the Fund and tax authorities, the amount of a possible ultimate settlement with respect to the effect on unrecognized tax benefits is not readily determinable.

The Fund does not expect that its assessment related to unrecognized tax benefits will materially change over the next 12 months. However, the Fund's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, the nexus of income among various tax jurisdictions; compliance with U.S. federal, U.S. state, and foreign tax laws; and changes in the administrative practices and precedents of the relevant taxing authorities.

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

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.

2. Summary of significant accounting policies (continued)

[The Bipartisan Budget Act of 2015 (the Budget Act) provides for assessment and collection of imputed underpayment of tax, interest and penalties at the partnership level. A fund that is subject to imputed underpayments at the partnership level under the Budget Act collection mechanism should consider appropriate disclosures of its partnership status under the tax law (e.g. the existence of the collection mechanism and the fund's ability to elect out or make a 'push-out election') and potential partner obligations resulting from imputed underpayments.

If a fund is able to make a push-out election, it should consider disclosing the status of tax audits and its assessment of its partners' potential obligations.

If a fund is unable to make the push-out election or has forfeited its right to make the election, the recognition and disclosure guidance under ASC Topic 450, Contingencies, would apply.]

ASC 720-15-25-1
ATQA 4110.01

Organization costs

Organization costs are expensed as incurred.

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 $150,000 was incurred for syndication costs in the initial year of the Fund.

Due diligence costs and 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 due diligence costs and broken deal costs in the statement of operations.

Recent accounting standards

[The following are examples of recent accounting standards.These examples are not inclusive of all recent accounting standards that may apply to a fund. In addition, the content of the disclosures may vary between funds, depending on the effective date of adoption, the transition method applied for a change in accounting principle, and the effects of the change on the financial statements, including any changes to prior-period information as a result of retrospective application. In addition, ASC Topic 250, Accounting Changes and Error Corrections, includes accounting and disclosure guidance when a change in accounting principle is required by a newly issued Codification update.]

On January 1, 2023 the Fund adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* which required entities to recognize impairment of financial assets measured at amortized cost by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. ***[Management should evaluate whether the impact of CECL adoption had a material impact to the Fund's financial statements. If the impact is material, disclosure of the impact should be made. If the impact is not material, the following language may be used:]*** The adoption of ASU 2016-13 did not have a material effect on the Fund's financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions.* The ASU clarifies that a contractual restriction on the sale of an equity security should not be considered in measuring the fair value of the equity security, and also cannot be recognized as a separate unit of account. The ASU also requires the investor to disclose the fair value of equity securities subject to contractual sale restrictions, the nature and remaining duration of the

2. Summary of significant accounting policies (continued)

restriction(s), and the circumstances that could cause a lapse in the restriction(s). The ASU is effective for the Fund for annual and interim periods beginning after December 15, 2024. Early adoption is permitted.

[If applicable:] The Fund is currently evaluating the impact the adoption of this new accounting standard will have on its financial statements and related disclosures.

946-820-10-65-13(d)

[If early adopted in the current period:] The Fund adopted the amendments in ASU 2022-03 as of ***[Month, Day]***, 20XX. As of December 31, 20XX, the Fund held equity securities subject to contractual sale restrictions resulting from ***[management should disclose the nature of the restriction]*** with a fair value of $XX,XXX. The contractual sale restriction is set to expire on June 30, 20XX. ***[Management should also disclose the circumstances, if any, that could cause a lapse in the restriction(s). Additionally, If a fund has multiple investments in equity securities subject to contractual sale restrictions, the entity shall consider the guidance in paragraph 820-10-50-1D when making its disclosures.]***

[For investment companies, adoption of ASU 2022-03 should only be applied prospectively. If a fund's previous accounting policy prior to this ASU's adoption was to apply a discount for contractual sale restrictions, that previous accounting policy should be applied until the restriction expires or is modified. In cases where a discount continues to be applied, those funds should also disclose the following:]

ASC 820-10-50-6B

As of December 31, 20XX, the Fund held equity securities subject to contractual sale restrictions resulting from ***[management should disclose the nature and remaining duration of the restriction]*** with a fair value of $XX,XXX for which the Fund continues to apply a discount. The contractual sale restriction is set to expire on June 30, 20XX. ***[Management should also disclose the circumstances, if any, that could cause a lapse in the restriction(s).]***

ASC 820-10-50-2B
ASC 820-10-50-2(a) and (b)
ASC 820-10-50-8

3. Fair value measurements

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. The following table presents information about the Fund's assets measured at fair value as of December 31, 20XX:

(in thousands)	Level 1	Level 2	Level 3[1]	Total
Investments, at fair value				
Common stock	$270,500	$—	$85,500	$356,000
Preferred stock	—	—	389,090	389,090
Notes	—	—	20,000	20,000
Warrants	—	—	4,250	4,250
Contingent consideration	—	—	100	100
Total investments, at fair value	**$270,500**	**$—**	**$498,940**	**$769,440**
Digital assets, at fair value Cryptocurrencies	**$11,200**	**—**	**—**	**$11,200**

[1] The number of classes may need to be greater for fair value measurements categorized within Level 3 of the fair value hierarchy, because those measurements have a greater degree of uncertainty and subjectivity. Determining appropriate classes of assets and liabilities for which disclosures about fair value measurements should be provided requires judgment. See Appendix A for sample disclosures if the Fund had investments in private investment companies.

3. Fair value measurements (continued)

ASC 820-10-50-2G

Changes in Level 3 measurements

The following table presents changes in assets classified in Level 3 of the fair value hierarchy during the year ended December 31, 20XX attributable to the following:

(in thousands)	Common stock	Preferred stock	Notes	Warrants
Purchases	$1,200	$12,000	$15,000	$1,100
Transfers into Level 3	—	—	—	—
Transfers out of Level 3	—	—	—	—

Transfers between Levels 3 and ***[1][2] [relate to when an investment becomes quoted in an active market, which the Fund has the ability to access] [relate to when the liquidity restrictions are reduced or eliminated].***

Significant unobservable inputs

820-10-50-2(bbb)

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)*
Assets				
Investments, at fair value				
Equity securities (common stock and preferred stock)	$213,290	Discounted cash flow model	Terminal value growth rate	X%-X%(X%)
			Discount rate/ weighted average cost of capital	X%-X%(X%)
	120,000	Market comparable companies	EBITDA valuation multiples	X-X(X)
			Last 12 months revenue multiples	X-X(X)
			Discounts for lack of marketability	X%-X%(X%)
Contingent consideration	100	Discounted cash flow model	Probability	X%-X%(X%)
Notes	12,000	Discounted cash flow model	Remaining maturities Discount rates	X-X Months (X months) X%-X%(X%)
	8,000	Market comparable companies	Discount margin Market yield/yield to maturity	X%-X%(X%) X%-X%(X%)

3. Fair value measurements (continued)

(In thousands)	Fair Value at December 31, 20XX	Valuation Technique	Unobservable inputs	Range of Inputs (weighted average)*
			Discounts for lack of marketability	X%-X%(X%)
Warrants	4,250	Option pricing model	Industry volatility	X%-X%(X%)
			Estimated time to exit	X-X months (X months)

*[*Note: To satisfy the requirement to provide quantitative information about significant unobservable inputs used for Level 3 fair value measurements, a fund may disclose the range of significant unobservable inputs by class or disclose the significant unobservable inputs for each individual Level 3 fair value measurement.]*

[If a portion of Level 3 investments was 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 quotations. As a result, fair value assets of approximately $141,300,000 have been excluded from the preceding table.

[Consider using this language when there is no disclosure of any unobservable inputs (and no table):] The Fund's Level 3 investments of approximately $XXX as of December 31, 20XX have been valued using unadjusted inputs that have not been internally developed by the Fund, including third-party transactions and quotations. As a result, the Fund has excluded disclosure of the significant unobservable inputs to these prices because they were not internally developed by the Fund.

ASC 820-10-50-2(bbb)

Change in valuation technique

[Example disclosure of a change in either or both a valuation approach and a valuation technique for measurements categorized in Level 2 and 3 of the fair value hierarchy:] During the year ended December 31, 20XX, the Fund changed the valuation technique used to value ***[Describe the class to which the change in valuation approach or valuation technique applies]*** from ***[Describe the previous valuation approach and/or valuation technique]*** to ***[Describe the change in valuation approach and/or valuation technique, including the use of an additional valuation technique].***

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 of the change in valuation approach or valuation technique, which may result from events such as development of new markets; new information becomes available; information previously used is no longer available; valuation techniques improve; or changes in market conditions]. [If the change in valuation approach or technique affects only a portion of a class, consider presenting the amount, as of the reporting date, of the portion affected by the change.]***

4. [If applicable] Due from cryptocurrency exchanges

The Fund custodies digital asset with ***[include custodian of the investment company such as:]*** (the Custodian) for which qualified custody is available. ***[If a Fund has self-custody of private keys for its digital asset wallets, the disclosure should be tailored to address ASC 275 risks and uncertainties disclosures particular to self-custody of digital assets.]*** The Fund is subject to counterparty risk with cryptocurrency exchanges and custodians with whom it enters into cryptocurrency transactions. A significant concentration of the Fund's cryptocurrency assets may be held by a single custodian or in a single location, making them vulnerable to losses due to hacking, password loss, compromised access credentials, malware, or cyberattacks. While the Custodian maintains insurance policies related to loss and theft of digital assets, the Fund is subject to risk to the extent that losses exceed the coverage amounts. As of December 31, 20XX, all of the Fund's investments in digital assets are held by the Custodian.

ASC 825-10-50-20

[If applicable] Due from cryptocurrency exchanges includes funds held at digital asset exchanges which amounts to $92,000 as of December 31, 20XX. Amounts held in custody of digital asset exchanges are not insured.

ASC 825-10-50-21

5. 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

6. Warrants

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. See Note 2 for additional information about warrant contracts, including information about realized and unrealized gains and losses. ***[Entities should consider the need for disclosure of the volume of warrant activity in accordance with ASC Section 815-10-50.]***

7. Escrow proceeds receivable

During 20XX, the Fund completed the sale of its investment in ***[insert company name(s)].*** 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 on investments. As of December 31, 20XX, the carrying amount of escrow proceeds receivable is $XX,000.

8. Contingent consideration

Contingent consideration refers to additional amounts from 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 occur. ***[If milestones are significant, consider disclosing key provisions, including amounts and dates expected as well as probability of receipt.]***

9. Notes payable

[If applicable:] On December XX, 20XX, the Fund entered into a $XX million promissory note and 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 accrues 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 December XX, 20XX, 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.

ASC 450-20-50-4

10. Commitments and contingencies

[The following disclosures are examples of long-term commitments and contingencies, 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:]

[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 and 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.

[If applicable:] As of December 31, 20XX, the Fund is subject to the following commitments:

ASC 946-20-50-15
ASC 440-10-50-1(f)

* Investment 1: Per the (Investment 1 name) Series B Preferred Stock Purchase Agreement, the Fund may be obligated to fund an additional $XX,XXX,000 contingent on the company achieving certain milestones.

* Investment 2: Per the (Investment 2 name) Series Seed Preferred Stock Purchase Agreement, the Fund may be obligated to fund an additional $XX,XXX,000, subject to certain closing conditions.

ASC 946-20-50-15

[If applicable:] The Fund provides financial support to its investees ***[Note: Examples of financial support to investees may include loans, capital commitments, and guarantees. This can also include situations in which the Fund assisted an investee in obtaining financial support.]*** 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.

10. Commitments and contingencies (continued)

ASC 946-20-50-15

Financial support the Fund was contractually required to provide is as follows:

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

ASC 946-20-50-15

Financial support the Fund was not contractually required to provide is as follows:

Type	Amount (in thousands)	Reasons for providing support
[Describe the type of financial support]	*$—*	*[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 subsequent to December 31, 20XX:

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

ASC 505-10-50-3

11. Partners' capital

[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:]

ASC 946-205-50-25

Committed capital

At December 31, 20XX, the Fund has total commitments of $XXX,XXX,XXX of which $XXX,XXX,XXX is committed by the 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%.

Capital contributions

Capital contributions are due from the partners within 10 business days of advance notice from the General Partner and are subject to certain limitations. Capital contributions receivable represents capital calls that were past due as of December 31, 20XX, but for which the Fund ***[received payment in Month Year OR believes there is substantial evidence of ability and intent to pay within a reasonably short period of time after the reporting date]***. The Fund has certain remedies available for defaulting partners.

[If applicable:] Limited partners have committed capital to the Fund. If capital calls are not timely funded, the Fund may be unable to successfully carry out its investment operations.

ASC 946-20-50-5

11. Partners' capital (continued)

[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.

[If applicable:] The Fund may, in its sole discretion, accept securities, digital assets and other non-monetary assets as an "in-kind contribution" in lieu of, or in addition to, cash, to satisfy capital commitments. Both the asset received and the contribution of equity are recorded at fair value ***[Describe if in-kind contributions are recorded based on the fair value as of the date of the contribution or at a different amount as permitted by the Limited Partnership Agreement and agreed upon between the limited partner and the Fund, and if applicable, describe the accounting for any differences between the fair value of the in-kind distribution and the amount recorded as the capital contribution from the limited partner]***.

[If applicable:] For the year ended December 31, 20XX, the Fund accepted in-kind contributions of $X,XXX,000 in the form of ***[Describe type of in-kind consideration received, such as securities or digital assets].***

ASC 946-20-25-7

Allocation of partnership profits and losses

Net investment income or loss, net realized gain or loss, and unrealized gain or loss on investments 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 as follows:

I. 100% to all partners until all the partners have received an amount equal to the capital contributed

II. 100% to limited partners until the limited partners have received an aggregate amount equal to an 8% cumulative internal rate of return, compounded annually, on the outstanding balance of the limited partners' capital contributions

III. 100% to the General Partner until the General Partner has received 20% of the aggregate amount allocated to the limited partners pursuant to clause (II) above

IV. Thereafter, 80% to the limited partners and 20% to the General Partner.

ASC 946-20-50-5

The allocation of profits and losses in clauses III and IV represents carried interest to the General Partner.

[If applicable:] If the balance of the General Partner's capital account has been reduced to less than 1% of the total partners' capital, an amount (the contingent loss) necessary to bring the General Partner's capital account balance to 1% of the total partners' capital will be reallocated from the capital accounts of the limited partners to the General Partner's capital account.

[If applicable:] As of December 31, 20XX, there was no contingent loss allocation.
Or:
[If applicable:] As of December 31, 20XX, a cumulative contingent loss of $XXX,XXX has been allocated to the limited partners.

Capital distributions

[If applicable:] The Fund is required to make an annual mandatory distribution to each partner within 90 days after the end of each fiscal year 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.

ASC 946-20-50-5

11. Partners' capital (continued)

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.

ATQA 6910.29

Carried interest

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 the reporting date consistent with the provisions of the partnership's governing documents. The carried interest to the General Partner will remain provisional until final liquidation of the Fund.

ATQA 6910.29

Clawback

[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

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 and receive a fee for their services. A portion [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 to 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.

ASC 850-10-50-1 to 3

13. Related-party transactions

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 boards 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.

[If applicable:] Certain expenses of the Fund may initially be invoiced to the Investment Manager [specifically professional fees]. Subsequently, those amounts are charged to the Fund in accordance with the Agreement.

[If applicable:] The General Partner generally allocates investments between the Fund and other entities for which it serves as the General Partner on a pro rata basis based on capital commitments. To maintain pro rata allocations, the Fund may sell securities to, or purchase securities from, these other entities. These transactions are generally executed at the closing price on the trade date, or for illiquid securities, at fair value as determined by the General Partner.

[If applicable:] During 20XX, the Fund entered into purchase and sale transactions with [Entity Name], an affiliated entity that is also managed by the General Partner. Total purchases and sales at fair value of approximately $XXX,XXX and $XXX,XXX, respectively, were made with this related party. Transactions with related parties resulted in net gains (losses) of $XXX,XXX, which are included in net realized gain (loss) on investments in the statement of operations. The value of these transactions was determined using the Fund's normal investment valuation policies.

14. Significant risks and uncertainties

[Consider whether significant risks and uncertainties resulting from certain significant estimates or vulnerability from certain concentrations exist as of the date of the financial statements that are subject to the disclosure requirements under ASC Topic 275 if not already disclosed elsewhere in the financial statements. The appropriate disclosure should be tailored based on the facts and circumstances of the Fund.]

ASC 946-205-45-2

15. Financial highlights

Financial highlights for the year ended December 31, 20XX are as follows:

Internal rate of return, since inception:	
Beginning of year	**23.0%**
End of year	**18.6%**

ASC 946-205-50-10 and 12 through 14

Ratios to average limited partners' capital:	
Expenses before carried interest to General Partner	2.6%
Offset expenses	(1.2%)
Carried interest to General Partner	1.1%
Expenses, including carried interest to General Partner	**2.5%**
Net investment loss	**0.5%**

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 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

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.

[Consider if disclosure of subsequent events would be necessary to keep the financial statements from being misleading. Management should consider all events that have occurred subsequent to year end and if they are material or of importance to users of the financial statements.

Appendices

Appendix A

Investments in private investment companies

Condensed schedule of investments

December 31, 20XX

ASC 820-10-50-6A(c)

	Percentage of [partners' capital] [net assets]	Fair value	Unfunded commitments
Investments in private investment companies, at fair value			
United States domiciled Private equity – Buyout			
ABC Fund, L.P.[(1)(4)]	16.7%	$72,424,000	$30,000,000
Private equity – Technology sector			
JKL Partners, L.P.[(2)(5)]	12.4	53,909,000	20,000,000
Other	0.3	1,191,000	—
Private equity – Distressed investing			
DEF Partners, LLC[(3)(6)]	5.4	23,339,000	—
Other	0.4	1,460,000	—
Total United States domiciled (cost $142,172,000)	**35.2**	**152,323,000**	**50,000,000**
Cayman Islands domiciled			
Private equity – Technology sector	8.3	35,920,000	5,000,000
MNO Fund Ltd., Class A, 30,000 shares owned [(3)(5)]			
Other	0.5	2,303,000	9,000,000
Total Cayman Islands domiciled (cost $42,319,000)	**8.8**	**38,223,000**	**14,000,000**
Total investments in private investment companies, at fair value (cost $184,491,000)	**44.0%**	**$190,546,000**	**$64,000,000**

ATQA 2220.26

(1) See the following page for disclosure of the Fund's proportionate interest in underlying investments that exceed 5% of the Fund's **[partners' capital] [net assets]** at December 31, 20XX.

ASC 946-210-50-9

(2) ***[The following is an alternative presentation of Fund's proportionate interest in underlying investments that exceeded 5% of the Fund's [partners' capital] [net assets] at December 31, 20XX:]*** JKL Partners, L.P. holds an investment in XYZ Corporation common stock with a fair value of $XX,XXX,000. XYZ is a U.S. company in the banking industry. The Fund's proportionate share of this investment is valued at $XX,XXX,000 as of December 31, 20XX.

(3) Information about the investee fund's portfolio is not available.

ASC 946-210-50-10
ASC 946-210-50-6(g)(1)

(4) The investment objective is to invest in late-stage private companies with the objective to maximize potential returns by increasing the operational efficiencies of the acquired companies or selling components of the acquired companies.

(5) The investment objective is to obtain capital appreciation by investing in early- to mid-stage private companies in the technology sector.

(6) The investment objective is to obtain returns by investing primarily in distressed companies undergoing restructurings, reorganizations, or other unusual circumstances.

See accompanying notes to the financial statements.

Appendix A

Investments in private investment companies (continued)

Condensed schedule of investments (continued)

December 31, 20XX

ASC 946-210-50-9

The following discloses the Fund's proportionate interest in the underlying investments of ABC Fund, L.P. that exceed 5% of the Fund's December 31, 20XX ***[partners' capital] [net assets].***

	ABC Fund, L.P. fair value	Fund's proportionate share
Investments in securities, at fair value		
Common stocks		
United States		
Healthcare		
Health Group, Inc. 3,490,910 shares	$195,491,000	$30,106,000
XYZ Corporation, 4,484,523 shares	178,484,000	27,487,000

ASC 946-235-50-5(a)

Organization

[This note may be used to describe the structure of a fund of funds:] Fund of Funds, L.P. (the Fund), a Delaware investment limited partnership, commenced operations on ***[Month, Date, Year].*** The Fund was organized with the objective of obtaining capital appreciation solely through investments in private equity funds. The Fund is managed by General Partner, LLC (the General Partner) and 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.

[Include the following paragraph to the Private investment companies section of Fair value – Valuation techniques and inputs in note 2 if the Fund has investments that were not valued using the practical expedient:]

ASC 820-10-50-2(bbb), ASC 946-235-50-5(b)

The Fund values investments in private investment companies that do not qualify for the practical expedient based on the Fund's estimates of secondary market transactions for those investments. Those estimates are typically based on adjustments to the net asset value per share (or its equivalent) using inputs such as transactions in principal-to-principal or brokered markets; benchmarks, indexes, expected returns and historical returns of comparable funds; features of the investment; expected discounted future cash flows; and overall market conditions. Investments in private investment companies that are not valued using the practical expedient are typically classified in Level 3 of the fair value hierarchy.

[Include the following paragraph as part of related-party disclosures if the Fund is invested in another investment company that is affiliated through common management and/or control.]

ASC 850-10-50-1

The Fund had an investment in Related Fund, L.P., an affiliated investment company, of approximately $X,XXX,000, as of December 31, 20XX. ***[Include a description of any liquidity provisions of the related-party fund, such as the following example:]*** The Fund may redeem its investment in Related Fund, L.P. on a quarterly basis following a 30-day notice period.

The management agreement of the affiliated investment company provides for compensation to the manager in the form of fees of X.X% annually of net assets and incentive allocation or fees of XX% of net profits earned (subject to a loss carryforward). For the year ended December 31, 20XX, the Fund was charged management and incentive fees of $XXX,000 and $XXX,000, respectively.

[Include the following paragraph to the Fair value measurements section in Note 3 if the Fund has investments that were valued using the practical expedient:]

Appendix A

Investments in private investment companies (continued)

Condensed schedule of investments (continued)

December 31, 20XX

ASC 820-10-50-2(a) and (b)
ASC 820-10-50-6A(a)
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. The following table presents information about the Fund's assets measured at fair value as of December 31, 20XX:

(In thousands)	Level 1	Level 2	Level 3	Investments measured at net asset value	Total
Investments, at fair value					
Private investment companies					
Buyout	$—	$—	$—	72,424,000	72,424,000
Technology sector	—	—	—	93,323,000	93,323,000
Distressed investing	—	—	—	24,799,000	24,799,000
Total investments, at fair value	**$—**	**$—**	**$—**	**$190,546,000**	**$190,546,000**

ASC 946-210-50-9

The following table summarizes the Fund's investments in other private investment companies as of December 31, 20XX. Other private investment companies in which the Fund invested 5% or more of its net assets, as disclosed in the condensed schedule of investments, are individually identified, while smaller investments are aggregated. The Fund's investments in private investment companies are not redeemable.

ASC 946-210-50-6(g)(2), ASC 820-10-50-6A(e)

(In thousands)		
Investment strategy	Redemptions permitted	Liquidity restrictions
Private equity – Buyout		
ABC Fund, L.P.	N/A	See below[1]
Private equity – Technology sector		
JKL Partners, L.P.	N/A	See below[1]
MNO Fund Ltd.	N/A	See below[1]
Other	N/A	See below[2]
Private equity – Distressed investing		
DEF Partners, LLC	N/A	See below[2]
Other	N/A	See below[2]

ASC 820-10-50-6A(b)

[1] It is estimated that the underlying assets of the funds would be liquidated over five to eight years.
[Note: The disclosure of the period of time over which the underlying assets are expected to be liquidated by investees is required only if the investee has communicated the timing to the Fund or announced the timing publicly. If the timing is unknown, the Fund shall disclose that fact.]

[2] It is estimated that the underlying assets of the funds would be liquidated over three to five years.

December 31, 20XX

Other disclosures

[The following paragraph is an example of valuation processes for investments in private investment companies. This note should be tailored to describe the Fund's specific policies and procedures:]

The Fund is subject to credit risk to the extent that the investment managers of the underlying private investment companies are unable to fulfill their obligations according to their organizational documents.

The Fund, through its investments in private investment companies, is subject to risk inherent when investing in securities and private investments. In connection with its investments, the Fund is subject to the market and credit risk of those investments held or sold short by the private investment companies. Due to the nature of the Fund's investments, the risks described above are limited to the Fund's investment balances and unfunded commitments to private investment companies.

[If applicable:] At December 31, 20XX, certain investments in private investment companies were managed by the same underlying investment manager, representing approximately XX% of the Fund's ***[partners' capital] [net assets].***

ASC 820-10-50-6A(h)

[If applicable, additional disclosure is required if a reporting entity determines that it is probable that it will sell a group of investments, but if the individual investments have not been identified (e.g., if a reporting entity decides to sell 20% of its investments in private equity funds but the individual investments to be sold have not been identified), the reporting entity is required to disclose its plans to sell and any remaining actions required to complete the sale(s).]

Appendix B

Alternative presentation

Statement of assets and liabilities

December 31, 20XX

Assets	
Investments, at fair value (cost $639,386,000)	$769,440,000
Digital assets, at fair value (cost $10,000,000)	11,200,000
Cash and cash equivalents	8,215,000
Interest and dividends receivable	500,000
Due from related parties	57,000
Due from cryptocurrency exchanges	92,000
Escrow proceeds receivable	85,000
Capital contributions receivable[1]	900,000
Other assets	26,000
Total assets	**790,515,000**

Liabilities	
Management fee payable	2,080,000
Capital distributions payable	1,050,000
Notes payable	100,000
Accrued expenses and other liabilities	45,000
Total liabilities	**3,275,000**

Partners' capital	
Capital contributions	600,000,000
Capital distributions	(87,982,000)
Syndication costs	(150,000)
Net investment loss	(15,503,000)
Net realized gain on investments	144,179,000
Realized gain on distribution of investments	200,000
Net unrealized gains on investments	131,244,000
Net realized gain on foreign currency transactions	5,231,000
Net unrealized gains on translation of assets and liabilities denominated in foreign currencies	10,021,000
Total partners' capital	**$787,240,000**

[1] See guidance in ASC paragraph 505-10-45-2 to determine classification of capital contributions receivable as an asset or as a reduction of partners' capital.

See accompanying notes to the financial statements.

Appendix C

Alternative presentation (continued)
Schedule of investments

December 31, 20XX

	Percentage of partners' capital	Cost	Fair value
Investments, at fair value			
Marketable securities			
United States			
Consumer technology			
Public Company A Common stock, 44,000,000 shares	18.4%	$125,000,000	$145,000,000
Public Company B Common stock, 32,000,000 shares	15.9	112,750,000	125,500,000
Total marketable securities	**34.3**	**237,750,000**	**270,500,000**
Private common stocks			
United States			
Consumer technology			
Private Company A, 10,000,000 shares	4.2	10,000,000	33,000,000
Healthcare			
Private Company C, 2,000,000 shares	2.2	25,000,000	17,500,000
China			
Consumer technology			
Private Company E, 15,000,000 shares	4.4	30,000,000	35,000,000
Total private common stocks	**10.8**	**65,000,000**	**85,500,000**
Private preferred stocks			
United States			
Consumer technology			
Private Company A, 30,000,000 shares	21.5	140,000,000	169,090,000
Private Company B,[(1)] 10,000,000 shares	15.2	100,100,000	120,000,000
Healthcare			
Private Company C,7,500,000 shares	12.2	77,000,000	95,700,000
Blockchain technology			
Company A, 1,000,000 shares	0.5	3,000,000	4,300,000
Total private preferred stocks	**49.4**	**320,100,000**	**389,090,000**

[(1)] Private Company B is held in Subsidiary A, which is wholly owned by Private Equity, L.P.

Note: Presentation is different in that investments are grouped by type of investments instead of by issuer of the investment. See accompanying notes to financial statements

See accompanying notes to the financial statements.

Appendix C

Alternative presentation (continued)

Schedule of investments (continued)

December 31, 20XX

	Percentage of partners' capital	Cost	Fair value
Investments, at fair value (continued)			
Notes			
United States			
Consumer technology			
Private Company A, interest X.X% maturity date 7/15/20XX, principal $10,000,000	1.5%	$10,000,000	$12,000,000
China			
Consumer technology			
Private Company E, interest X.X%, maturity date 8/30/20XX, principal $5,000,000	1.1	5,000,000	8,000,000
Total notes	**2.6**	**15,000,000**	**20,000,000**
Warrants			
United States			
Consumer technology			
Private Company 4, expire 1/31/20XX	0.4	596,000	3,000,000
China			
Consumer technology			
Private Company 5, expire 8/25/20XX	0.1	900,000	1,250,000
Total warrants	**0.6**	**1,496,000**	**4,250,000**
Contingent consideration, [2]	**—**	**50,000**	**100,000**
Total investments, at fair value	**97.7%**	**$639,396,000**	**$769,440,000**

Investments by industry, at fair value	Percentage of partners' capital	Cost	Fair value
Consumer technology	82.8%	$534,346,000	$651,840,000
Healthcare	14.4	102,050,000	113,300,000
Blockchain technology	.5	3,000,000	4,300,000
Total investments, at fair value	**97.7%**	**$639,396,000**	**$769,440,000**

[2] A determination should be made as to whether contractual rights to future payments under contingent consideration arrangements represent a financial asset measured at fair value.

See accompanying notes to the financial statements.

Appendix D

Statement of changes in partners' capital

Year ended December 31, 20XX

	General partner	Limited partners	Total
Partners' capital, beginning of year	$75,884,000	$682,957,000	$758,841,000
Capital contributions	250,000	24,750,000	25,000,000
Capital distributions	(373,000)	(36,888,000)	(37,261,000)
Allocation of net income [1]			
Pro rata allocation	407,000	40,253,000	40,660,000
Carried interest to General Partner	8,051,000	(8,051,000)	—
Net income	**8,458,000**	**32,202,000**	**40,660,000**
Partners' capital, end of year	**$84,219,000**	**$703,021,000**	**$787,240,000**

[1] ASC paragraph 946-205-45-5 permits nonregistered investment partnerships to combine the statement of changes in net assets with the statement of changes in partners' capital if the information in ASC paragraph 946-205-45-3 is presented. AAG-INV, Chapter 7, states that this alternative presentation may be used when the information in ASC paragraph 946-205-45-3 is presented in the financial statements and it is considered more meaningful to users of the financial statements.

See accompanying notes to the financial statements.

Contact us

Learn more about how KPMG Alternative Investments practice can help you navigate the most complex business issues affecting your investment and fund decisions.

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