RICHEY MAY | Alternative Investments

Report of Independent Auditors & Financial Statements

XYZ HEDGE FUND
for the year ended December 31, 2026

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	December 31, 2026
ASSETS	
Investment in securities, at fair value (cost $XXXXX)	$ -
Reverse repurchase agreements, at fair value (cost $XXXXX)	-
Derivative contracts, at fair value	-
Due from broker(s)	-
Receivable for pending investment transactions[1]	-
Cash and cash equivalents	-
Cash denominated in foreign currencies (cost $XXXXX)	-
Interest receivable	-
Dividends receivable	-
Receivables from related parties	-
Collateral for derivative contracts	-
Other assets	-
TOTAL ASSETS	**$ -**
LIABILITIES AND PARTNERS' CAPITAL	
Investment in securities sold short, at fair value (proceeds $XXXXX)	$ -
Repurchase agreements, at fair value (proceeds $XXXXX)	-
Derivative contracts, at fair value	-
Due to broker(s)	-
Payable for pending investment transactions[1]	-
Dividends payable on securities sold short	-
Interest payable	-
Due to related parties	-
Accrued expenses	-
Management fees payable	-
Notes payable	-
Capital contributions received in advance	-
Capital withdrawals payable	-
Other liabilities	-
TOTAL LIABILITIES	**-**
PARTNERS' CAPITAL	**-**
TOTAL LIABILITIES AND PARTNERS' CAPITAL	**$ -**

[1] Receivable and payables for pending investment transactions can be grouped with Due from(to) broker balances. They are NOT required to be broken out as a separate line item.

December 31, 2026

SHARES/ PRINCIPAL/ CONTRACTS HELD		PERCENTAGE OF PARTNERS' CAPITAL		FAIR VALUE
	INVESTMENT IN SECURITIES, AT FAIR VALUE			
	Common stock			
	United States of America		%	$
	Technology			
XX,XXX	ABC Tech Inc.	-		-
XX,XXX	XYZ Tech Inc.	-		-
	Health care	-		-
	Retail	-		-
	Energy	-		-
	Financials	-		-
	Total United States of America (cost $XX,XXX)	-		-
	Japan			
	Healthcare			
XX,XXX	XYZ Medical Inc.	-		-
	Other	-		-
	Total Japan (cost $XX,XXX)	-		-
	Total common stock (cost $XX,XXX)	-		-
	Preferred stock			
	United States of America			
	Technology	-		-
	Healthcare	-		-
	Total preferred stock (cost $XX,XXX)	-		-
	Corporate bonds			
	United States of America			
	Technology			
XX,XXX	ABC Tech Inc. (x%, xx/xx/xx)	-		-
	Other	-		-
	Total corporate bonds (cost $XX,XXX)	-		-
	Total Investment in securities, at fair value (cost $XX,XXX)	-	**%**	**$** -

December 31, 2026

SHARES/ PRINCIPAL/ CONTRACTS HELD		PERCENTAGE OF PARTNERS' CAPITAL	FAIR VALUE
	DERIVATIVE CONTRACTS, AT FAIR VALUE - ASSETS		
	Options		
	United States of America	%	$
	Put options (xx/xx/xx - xx/xx/xx)	-	-
	Market indices (cost $XX,XXX)	-	-
	Total derivative contracts, at fair value (cost $XXXXX)	- %	**$** -
	INVESTMENT IN SECURITIES SOLD SHORT, AT FAIR VALUE		
	Common stock		
	United States of America		
	Mining	-	-
	Transportation	-	-
	Total United States of America (proceeds $XX,XXX)	-	-
	United Kingdom		
	Services (proceeds $XX,XXX)	-	-
	Total common stock (cost $XX,XXX)	-	-
	Total investment in securities sold short, at fair value (proceeds $XX,XXX)	- %	**$** -
	DERIVATIVE CONTRACTS, AT FAIR VALUE - LIABILITIES		
	Futures		
	United States of America		
	Euro dollars (XX/XX/XX)	-	-
	Total derivative contracts, at fair value	- %	**$** -

	Year Ended December 31, 2026
INVESTMENT INCOME	
Interest income	$ -
Dividend income (net of U.S. and foreign tax withholdings of $XXX)	-
Other income	-
Total investment income	-
EXPENSES	
Interest expense	-
Dividend expense	-
Management fee	-
Professional fees	-
Administration fees	-
Other expenses	-
Total expenses	-
NET INVESTMENT INCOME/(LOSS)	**-**
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS	
Net realized gain/(loss) on investments and foreign currency transactions	-
Net change in unrealized appreciation or depreciation on investments and foreign currency transactions	-
Net realized gain/(loss) on derivatives	-
Net change in unrealized appreciation or depreciation on derivatives	-
NET REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS	**-**
NET INCOME/(LOSS)	**$ -**

Year Ended December 31, 2026

	LIMITED PARTNERS	GENERAL PARTNER	TOTAL
Balance, December 31, 2024	$ -	$ -	$ -
Capital contributions	-	-	-
Capital withdrawals	-	-	-
Capital transfers	-	-	-
Allocation of net income/(loss):			
Pro-rata allocation	-	-	-
Incentive allocation	-	-	-
Balance, December 31, 2025	**$ -**	**$ -**	**$ -**

Year Ended December 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income/(loss)	$ -
Adjustments to reconcile net income/(loss) to net cash provided by (used in) operating activities:	
Net realized gain/(loss) on investments and foreign currency transactions	-
Net change in unrealized appreciation or depreciation on investments and foreign currency transactions	-
Net change in unrealized gain/(loss) on derivative contracts	-
Amortization of premium and accretion of discount on debt securities	-
Purchases of investments	-
Proceeds from sales of investments	-
Proceeds from securities sold short	-
Purchases to cover securities sold short	-
Purchases of derivative contracts (assets) (i)	-
Proceeds from written derivative contracts (liabilities) (i)	-
Net realized gain/(loss) on derivative contracts (i)	-
Changes in assets and liabilities:	
Due from broker(s)	-
Interest receivable	-
Dividends receivable	-
Receivables for pending investment transactions	-
Receivables from related parties	-
Collateral for derivative contracts	-
Other assets	-
Due to broker(s)	-
Dividends payable on securities sold short	-
Interest payable	-
Due to related parties	-
Accrued expenses	-
Management fees payable	-
Other liabilities	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	-
CASH FROM FINANCING ACTIVITIES:	
Proceeds from capital contributions, net of change in capital contributions received in advance	-
Payments for capital withdrawals, net of change in capital withdrawals payable	-
Proceeds from notes payable	-
Payments for notes payable	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ -**
SUPPLEMENTAL INFORMATION	
Cash paid for interest	$ -
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES	
Securities contributed at fair value (cost $XX,XXX)	**$** -
Securities distributed at fair value (cost $XX,XXX)	**$** -

(i) Include only for derivative contracts with a cost basis, such as options. Purchases and proceeds on notional derivatives with no cost basis should NOT be included because realized gain(loss) on these investments are equivalent to amount of payments and/or proceeds.

A. ORGANIZATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

XYZ Hedge Fund (the Fund) a Delaware limited partnership, was formed on May 1, 20XX and commenced operations on June 1, 20XX. Pursuant to a limited partnership agreement dated June 1, 20XX (the LPA), the Fund is managed by XYZ General Partner (the General Partner) and XYZ Investment Manager (the Investment Manager). The Fund shall continue indefinitely, provided however, the Fund shall be dissolved upon the occurrence of any events set forth in the LPA.

The Fund was formed for the purpose of **INSERT STRATEGY FROM PPM/LPA.**

[IF APPLICABLE] The Investment Manager is registered with the United States Securities and Exchange Commission as a registered investment adviser. Refer to the Fund's offering memorandum for more information.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and are stated in U.S. dollars.

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946, *Financial Services – Investment Companies* (ASC 946), the Fund has determined that it is an investment company and has applied the guidance in accordance with ASC 946.

[IF APPLICABLE] In accordance with the LPA, management has formalized a plan of liquidation to close the Fund in an orderly manner.

[IF APPLICABLE] Basis of Consolidation

The accompanying consolidated financial statement include the accounts of the Fund and its wholly owned subsidiary, 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.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management of the Fund to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

[Condensed] Schedule of Investments

The industry classifications included in the (condensed) schedule of investments represent management's belief as to the most meaningful presentation of the classification of the Fund's investments.

Cash and Cash Equivalents

The Fund considers cash equivalents to be short-term, highly liquid investments, such as money market funds that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value due to changes in interest rates, which generally includes only investments with original maturities of three months or less.

Restricted Cash

The Fund maintains cash balances that are restricted under various agreements.

Due From/To Broker(s)

Due from broker consists primarily of cash and cash equivalents **[IF APPLICABLE]** (which include foreign cash balances), cash collateral with the Fund's clearing broker and counterparties, and the amounts receivable or payable for securities that have not yet settled at December 31, 20XX. Cash at broker which is related to securities sold, not yet purchased, and deposits on transactions are restricted until these securities are purchased or until the transactions are settled or terminated. Cash balances held at the broker, as well as securities owned by the Fund serve as collateral for margin account debit balances existing at the broker.

[IF APPLICABLE] At December 31, 20XX, due from broker(s) includes pledged collateral to counterparties related to OTC derivative contracts of $X,XXX,XXX and received collateral from counterparties related to OTC derivative contracts of $XXX,XXX. **[IF APPLICABLE]** Also at December 31, 20XX, due from broker(s) includes $XXX,XXX of initial and variation margin related to its futures trading activities.

[Use if Fund is subject to tri-party collateral agreement] The Fund entered into collateral account control agreements with [INSERT DERIVATIVE COUNTERPARTY] (the Secured Party) and [INSERT PRIME BROKER] (the Securities Intermediary) to mitigate the risk associated with its derivative counterparties. Upon entering into a derivative contract, the Fund posts collateral to the Secured Party, which is held in custody by the Securities Intermediary. The Fund does not have the ability to transfer collateral unless certain contingent events occur. As of December 31, 20XX, approximately $XX,XXX,XXX of collateral receivable posted to the Secured Party is held by the Securities Intermediary, which is included in due from brokers on the statement of financial condition.

Investment Transactions, Income and Expenses

Investment transactions are accounted for on the date the investments are purchased or sold (trade date basis). Net realized gains and losses from investment transactions are reported based on the [INSERT COST BASIS METHOD [i.e. average cost method, specific identification method]. Interest income and expenses are accrued and recorded as earned and incurred. **[IF APPLICABLE:]** Interest income is no longer accrued and interest receivable is written off when deemed uncollectible. Dividend income and expenses are recognized on the ex-dividend date. **[IF APPLICABLE]** Dividend income on foreign investments is recorded net of any applicable withholding tax. Distributions that represent returns of capital in excess of cumulative profits and losses are credited to investment cost rather than investment income.

[IF APPLICABLE] Premiums are amortized and discounts are accreted to interest income over the lives of the debt investments.

[IF APPLICABLE] Discounts for debt securities are not amortized to the extent that interest income is not expected to be realized.

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

Current Expected Credit Losses

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

The books and records of the Fund are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the valuation date. Purchases and sales of investments and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The portion of realized and unrealized gains or losses on investments due to fluctuations in foreign currency exchange rates is not separately accounted for and is therefore included in net realized and unrealized gains or losses on investments in the statement of operations.

Income Taxes

[CHOOSE ONE]

[For LP and LLC Structures]

The Fund is taxed as a partnership under the Internal Revenue Code. Accordingly, no federal or state income tax provision has been included in the financial statements, as all items of income and expense generated by the Fund are reported on the partners' personal income tax returns. **[IF APPLICABLE]** However, certain U.S. dividend income and interest income may be subject to a maximum 30% withholding tax for those limited partners that are foreign entities or foreign individuals. **[IF APPLICABLE]** Further, certain non-U.S. dividend income may be subject to a tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction. The Fund files U.S. federal and state partnership tax returns, of which, the open tax years subject to examination by taxing authorities include the years ended December 31, 20XX, 20XX, and 20XX. The Fund has no federal or state tax examinations in process as of December 31, 20XX.

[IF APPLICABLE] For the year ended December 31, 20XX, the Fund paid income taxes, net of refunds received, of approximately $XXX,XXX related to[state and local / foreign] jurisdictions.

[IF APPLICABLE] – jurisdiction represents 5% or more of total income taxes paid, net of refunds] Of the total income taxes paid, net of refunds received, approximately $XXX,XXX was paid to[jurisdiction].

In accordance with ASC 740, Income Taxes, the Fund is required to evaluate whether its tax positions taken or expected to be taken are more likely than not to be sustained upon examination by the applicable taxing authority. Tax positions not deemed to meet a more likely than not threshold would be recorded as a tax expense in the current year. **[Include the following only if the Fund has not recognized a liability for unrecognized tax benefits.]** As of December 31, 20XX, the Fund has determined that no provision for income taxes is required and no liability for unrecognized tax benefits has been recorded. The Fund does not expect that its assessment regarding 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, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with U.S. federal, U.S. state and foreign tax laws in which the Fund operates, and changes in the administrative practices and precedents of the relevant taxing authorities.

[For Offshore Fund Structures]

Under the laws of the Cayman Islands, the Fund is generally not subject to income taxes. Further, certain non-U.S. dividend 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 is subject to income tax examinations by major taxing authorities from inception

In accordance with ASC 740, Income Taxes, the Fund is required to evaluate whether its tax positions taken or expected to be taken 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. **[Include the following only if the Fund has not recognized a liability for unrecognized tax benefits.]** As of December 31, 20XX, the Fund has determined that no provision for income taxes is required and no liability for unrecognized tax benefits has been recorded. The Fund does not expect that its assessment regarding 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 the Cayman Islands, U.S. federal, U.S. state and foreign tax laws of jurisdictions in which the Fund operates, and changes in the administrative practices and precedents of the relevant taxing authorities.

Offsetting of Amounts Related to Certain Contracts

[Choose one of the following paragraphs based on the election of the Fund.]

The Fund has elected to offset fair value amounts recognized for cash collateral receivables and payables against fair value amounts recognized for derivative positions executed with the same counterparty under the same master netting arrangement. At December 31, 20XX, the Fund offset cash collateral receivables and payables of $X,XXX,XXX and $X,XXX,XXX respectively, against its derivative positions. At December 31, 20XX, the Fund had cash collateral receivables and payables of $XX,XXX and $XX,XXX, respectively, with derivative counterparties under the same master netting arrangement that were not eligible to be offset against its derivative positions.

OR

The Fund has elected not to offset fair value amounts recognized for cash collateral receivables and payables against fair value amounts recognized for derivative positions executed with the same counterparty under the same master netting arrangement. At December 31, 20XX, the Fund had cash collateral receivables and payables of $XX,XXX and $XX,XXX, respectively, with derivative counterparties under the same master netting arrangement.

B. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not assumptions specific to the entity.

ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon the market data obtained from independent sources (observable inputs). In accordance with ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Fund has the ability to access.

Level 2 Inputs – Inputs other than the quoted market prices in active markets that are both observable either directly or indirectly. These inputs may include quoted prices for an identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield-curves, default rates, and similar data.

Level 3 Inputs – Unobservable inputs that to the extent relevant observable inputs are not available, represent the Fund's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

While the Fund believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methods or assumptions to estimate the fair value of certain financial statement items could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such items existed, or had such items been liquidated, and those differences could be material to the financial statements.

VALUATION TECHNIQUES

The following is a description of the valuation techniques used by the Fund to its assets and liabilities measured at fair value on a recurring basis.

[ONLY INCLUDE WHAT IS APPLICABLE TO THE FUND]

Equity Securities

In general, the Fund values exchange traded investments in securities and securities sold short at their last quoted price as of the valuation date. Investments which are not listed on a national exchange are valued at their last closing bid price if owned by the Fund and their last closing ask price if sold short by the Fund. To the extent these securities are actively traded and valuation adjustments are not applied, securities are categorized in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

Fixed Income Securities

Fixed income securities, such as government, municipal and corporate bonds are valued using quoted prices from active markets, if available, recently executed transactions, or at prices provided by a third-party pricing service. The prices provided by third-party pricing services take into account various factors such as, broker-dealer market price quotations, credit default swap spreads, maturity, interest rates and other characteristics of the fixed income security. To the extent these securities are valued using market quotations, are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Securities valued using market quotations traded in inactive markets or valued based on prices provided by a third-party pricing service are generally categorized in Level 2 of the fair value hierarchy.

Debt Securities

The fair value of debt securities, such as convertible notes, are generally valued using recently executed transactions and observable market price quotations and are categorized in Level 2 of the fair value hierarchy. When market price quotations used are unobservable, proprietary valuation models and default recovery analysis methods are employed and debt securities are categorized in Level 3 of the fair value hierarchy.

Asset Backed Securities

Asset backed securities (ABS) are pass-through debt securities created by pooling various assets such as, mortgage loans, auto loans, student loans and credit card receivables. In some instances, the loan originator will continue to service the underlying loan, or the servicing may be sold to a subsidiary or another institution. Loan originators will usually pool the loans and sell interests in the pools created. By selling an ABS, the originator can obtain funds to issue new loans while retaining the servicing rights on the pooled loans. Most ABS are guaranteed either by federally sponsored agencies or private guarantors. The Fund values ABS based on market quotations received from third-party pricing sources, such as broker-dealers, when available. If third-party pricing is unavailable, the Fund uses cash flow models, which take into account various factors from the ABS, such as, conditional prepayment rates, default rates, loss severity, expected yields-to-maturity, and other inputs specific to each security.

To the extent that the inputs are observable and timely, the values would be categorized in Level 2 of the fair value hierarchy, otherwise, they would be categorized as Level 3.

Collateralized Loan Obligations

Investments in Collateralized Loan Obligations (CLO) represent direct ownership in the equity tranche of a CLO. CLOs are a form of securitization where payments from multiple small, middle and large business loans are pooled together and passed on to different classes of owners in various tranches, generally referred to as senior, mezzanine and equity tranches. Generally, these securities provide periodic payments to the senior and mezzanine tranches, which consist of interest and principal, and once the contractual obligations regarding the periodic payments are met, all remaining flow-through cash is paid to the equity tranche investors in the form of a dividend. CLO's may be valued based on prices of comparable securities or cash flow models that consider inputs including default rates, conditional prepayment rates, loss severity, expected yield to maturity, and other inputs specific to each security. To the extent that the inputs are observable and timely, the values would be categorized in Level 2 of the fair value hierarchy, otherwise, they would be categorized as Level 3.

Repurchase Agreements

The Fund records repurchase agreements at their contracted resell amounts, which approximate fair value. Interest on repurchase agreements is included in interest receivable in the statement of financial condition. Repurchase agreements 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 private operating companies. The transaction price, excluding transaction costs, is typically the Fund's best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. Ongoing reviews by Fund management is based on an assessment of trends in the performance of each underlying investment from the inception date through the most recent valuation date. These assessments typically incorporate valuation techniques that consider the evaluation of arm's-length financing and sale transactions with third parties, an income approach based on a discounted cash flow analysis, and/or a market approach based on a comparative analysis of acquisition multiples and pricing multiples generated by market participants. In certain instances, the Fund may use multiple valuation techniques for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results.

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.

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 financial leverage ratios as of the measurement date and include 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.

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.

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.

The option pricing model treats a private operating company's common stock and preferred stock as call options on the enterprise or equity value of the private operating company, with exercise or strike prices based on the characteristics of each series or class of equity in the private operating 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.

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

Restricted Securities on Public Companies

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

During 2026, the Fund early adopted ASU 2026-03, Fair Value Measurement (Topic 820): Investment Companies with Equity Securities Subject to Contractual Sale Restrictions. The Fund applied the amendments prospectively. At December 31, 2026, equity securities with an unrestricted quoted value of $XX,XXX were subject to contractual sale restrictions with remaining terms ranging from X to X months. The Fund applied aggregate discounts of $X,XXX based on market-participant assumptions regarding the remaining restriction periods, expected volatility, transferability, and available hedging alternatives.

Private Investment Companies

Investments in private investment companies are valued at their net asset value, as a practical expedient, as reported by the underlying private investment company, without adjustment, when the net asset value of the investments are calculated in a manner consistent with U.S. GAAP for investment companies. The Fund applies the practical expedient to its investments in private investment companies on an investment-by-investment basis, and consistently with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the net asset valuation.

If it is probable that the Fund will sell an investment at an amount different from the net asset value or in other situations where the practical expedient is not available, the Fund considers other factors in addition to the net asset value, such as features of the investment including subscription and redemption rights, expected discounted cash flows, transactions in the secondary market, bids received from potential buyers, and overall market conditions in its determination of fair value. Investments in private investment companies that are not valued using the practical expedient are typically categorized in Level 3 of the fair value hierarchy.

Special Purpose Vehicles

Investments in special purpose vehicles (SPVs) are either offshore private investment companies, United States limited liability companies, or United States corporations that invest directly or indirectly through joint ventures in private equity or debt securities, real estate or intangible property.

If a SPV is accounted for as an investment company under GAAP, the Fund generally values the investment as a practical expedient, using the net asset values provided by the SPV when the net asset value 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 net asset value of the investment.

If a 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 the Private Operating Companies section for examples of valuation techniques and inputs to insert here]**. In certain instances, a SPV may be valued based on the 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 the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information, including comparable transactions and performance multiples, among other factors.

SPVs that are not valued using the practical expedient are typically categorized in Level 3 of the fair value hierarchy.

Derivative Instruments

The Fund records its derivative activities at fair value. Gains and losses from derivative contracts are included in net realized gain (loss) from derivative contracts and net change in unrealized appreciation (depreciation) from derivative contracts in the statement of operations.

Option Contracts

Call and put options listed on national security exchanges are valued at their last recorded sales price on the exchange where they are principally traded, or the mid-point between the current "bid" and "ask" prices at the close of business on the valuation date. Upfront premiums paid for the purchase of options which expire unexercised are treated by the Fund on the expiration date as realized losses. Options are generally categorized in Level 1 of the fair value hierarchy.

Swaptions

Swaption contracts are traded on the OTC market. The fair value of swaption contracts is derived using a pricing model that is widely accepted by marketplace participants. The pricing model takes into account the contract terms (including maturity, notional amount, and strike price) as well as multiple inputs, including interest rates, currency exchange rates and implied volatility. The Fund also considers counterparty credit risk in its valuation of swaptions. Swaptions are generally categorized in Level 2 or 3 of the fair value hierarchy.

Futures Contracts

Futures contracts that are listed on an exchange are valued at their last reported sales price as of the valuation date. Listed futures contracts are generally categorized in Level 1 of the fair value hierarchy.

Warrant Contracts

Warrants which are traded over-the-counter (OTC) are valued using the Black-Scholes option pricing model, which takes into account various inputs such as volatility, time to expiration, exercise price, and current underlying stock price. Warrants which are traded on an exchange are valued at their last quoted price as of the valuation date. Warrants are generally categorized in Level 2 or 3 of the fair value hierarchy.

Forward Contracts

Forward contracts are traded on the OTC market. The fair value of a forward contract is based upon the difference between the contractually agreed upon forward rate and the current market rate of the underlying commodity or currency, applied to notional amounts specified in the contract as of the valuation date. Forward contracts are generally categorized in Level 2 of the fair value hierarchy.

Swap Contracts

Interest Rate Swaps. Interest rate swaps are traded on the OTC market. The fair value of interest rate swap contracts is derived using a pricing model that is widely accepted by marketplace participants. The pricing model takes into consideration inputs such as time to maturity, interest rates, prepayment speeds, and currency rates. Many of these inputs do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is heavily determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is generally variable based on a market interest rate. Interest rate swaps are therefore generally categorized in Level 2 of the fair value hierarchy.

Total Return Swaps. Total return swaps are traded on the OTC market. The fair value of total return swap contracts is calculated based on the difference between the notional fair value(s) of the underlying securities to the contract. Notional fair value(s) of the underlying securities are based on their last quoted price as of the valuation date. Total return swaps are generally categorized in Level 2 of the fair value hierarchy.

Credit Default Swaps. Credit default swaps are traded on the OTC market. The fair value of credit default swap contracts is derived using a pricing model that is widely accepted by marketplace participants. The pricing model takes into account various inputs such as maturity dates, default rates, recovery rates, interest rates, interest rate yield curves, credit curves, and current credit spreads obtained from swap counterparties and other market participants. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is heavily determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. If the underlying debt is liquid and the OTC market for the current spreads is active, credit default swaps are categorized in Level 2 of the fair value hierarchy. If the underlying debt is illiquid and the OTC market for the current spread is not active, credit default swaps are categorized in Level 3 of the fair value hierarchy.

Contracts for Differences

Contracts for differences are traded on the OTC market. The fair value of contracts for differences is derived by taking the difference between the quoted price of the underlying security and the contract price. Contracts for differences are generally categorized in Level 2 of the fair value hierarchy.

Digital Assets

[See Crypto Fund Illustrative Financial Statement for additional disclosures for investments in digital assets]

Contingent Consideration

The Fund recognizes contingent consideration, such as escrow receivable and earn-out payments, from the sale of liquidated investments as a financial asset measured at fair value. 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 agreements of the liquidated investment. The amount of the actual milestone payments ultimately received by the Fund may vary depending on whether future milestone events occur. The fair value reflects Fund management's best estimate of the amounts that will ultimately be collected by the Fund. Due to the uncertainty surrounding the collection of these balances, Fund management may apply a discount to estimate the fair value of the escrow receivable and earn-out payment balances. Contingent considerations are generally categorized in Level 2 or 3 of the fair value hierarchy.

(a) Additional information regarding the industry classification and/or geographical location of these investments is disclosed in the condensed schedule of investments.

The following table presents information about the Fund's assets and liabilities measured at fair value as of December 31, 20XX categorized in accordance with the fair value hierarchy:

	Assets at Fair Value				
Description	Level 1	Level 2	Level 3	Investments measured at net asset value	Total
Cash equivalents:					
Money market fund	$ -	$ -	$ -	$ -	$ -
Investment in securities (a):	-	-	-	-	-
Common stock	-	-	-	-	-
Preferred stock	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Government bonds	-	-	-	-	-
Asset-backed securities	-	-	-	-	-
Total investment in securities	-	-	-	-	-
Derivative contracts (a):					
Credit default swaps	-	-	-	-	-
Equity swaps	-	-	-	-	-
Interest rate swaps	-	-	-	-	-
Call options	-	-	-	-	-
Put options	-	-	-	-	-
Forward contracts	-	-	-	-	-
Futures contracts	-	-	-	-	-
Total derivative contracts	-	-	-	-	-
Investments in private investment companies	-	-	-	-	-
Contingent Consideration:					
Escrow receivable	-	-	-	-	-
Earn-out payments	-	-	-	-	-
Total contingent considerations	-	-	-	-	-
Total assets at fair value	$ -	$ -	$ -	$ -	$ -

	Liabilities at Fair Value			
Description	Level 1	Level 2	Level 3	Total
Securities sold short: (a)				
Common stock	$ -	$ -	$ -	$ -
Preferred stock	-	-	-	-
Total securities sold short	-	-	-	-
Derivative contracts: (a)				
Credit default swaps	-	-	-	-
Equity swaps	-	-	-	-
Interest rate swaps	-	-	-	-
Call options	-	-	-	-
Put options	-	-	-	-
Forward contracts	-	-	-	-
Futures contracts	-	-	-	-
Total derivative contracts	-	-	-	-
Total liabilities at fair value	$ -	$ -	$ -	$ -

(a) Additional information regarding the industry classification and/or geographical location of these investments is disclosed in the condensed schedule of investments.

[Alternatively, investments valued based on practical expedient can be omitted from the table above, and the following disclosure could be included:]

At December 31, 20XX, the Fund had investments in private investment companies aggregating $X,XXX,XXX which were measured using their net asset value as a practical expedient, which are not included in the fair value hierarchy shown above.

[IF APPLICABLE]There were no transfers between levels during the year ended December 31, 20XX.

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:

	Private preferred stock	Private common stock
Purchases	$ -	$ -
Transfers into Level 3	$ -	$ -
Transfers out of Level 3	$ -	$ -

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 input	Range of inputs (weighted average)
Assets				
Securities, at fair value				
Private preferred stocks	$XX,XXX	Market comparable companies	Adjusted valuation multiples (EBITDA)	X-X (X)
			Discounts for lack of marketability	X% – X% (X%)
			Control premiums	X% – X% (X%)
Asset-backed securities	$XX,XXX	Discounted cash flow model	Loss severities Probabilities of default Payment rates	X% – X% (X%) X% – X% (X%) X% – X% (X%)
Derivative contracts, at fair value				
Call warrants	$XX,XXX	Black-Scholes model	Historical volatility	X% – X% (X%)

[IF APPLICABLE] Certain of the Fund's Level 3 investments have been valued using unadjusted inputs that have not been internally developed by the Fund, including third-party transactions and indicative broker quotations. As a result, fair value assets of approximately $X,XXX,XXX and fair value liabilities of approximately $X,XXX,XXX have been excluded from the preceding table.

IF APPLICABLE: Changes in valuation techniques

[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 for the change in valuation approach or valuation technique, which may result from vents such as development of new markets, new information becoming available, information previously used is no longer available, improvement of valuation techniques, or changes in market conditions].

C. Derivative Instruments

(THESE NOTES TO BE UPDATED AS APPLICABLE TO FUND AND BE BASED ON FUND SPECIFICS)

Derivative Instruments

In the normal course of business, the Fund uses derivative contracts in connection with its proprietary trading activities. Derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Fund's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: interest rate, credit, foreign exchange, commodity price, and equity price. In addition to its primary underlying risks, the Fund is also subject to additional counterparty risk due to the potential inability of its counterparties to meet the terms of their contracts. The Fund records its derivative activities at fair value. Derivative contracts utilized by the Fund include forward, future, swap, warrant and option contracts.

The types of derivatives, their risk exposure, and the methods in which they were used by the Fund are as follows:

[ONLY INCLUDE WHAT IS APPLICABLE TO THE FUND]

Option Contracts

The Fund may enter into options to speculate on the price movements of the financial instrument underlying the option, or for use as an economic hedge against certain equity positions held in the Fund's portfolio holdings. Options contracts give its owner the right, but not the obligation, to buy (call) or sell (put) a specified financial instrument at a specified price either during a specified period of time or on a specified date.

[IF APPLICABLE] A swaption is an option contract that provides its owner the right, but not the obligation, to enter into a previously agreed-upon interest rate swap on a future date or to cancel an existing interest rate swap in the future.

Options which are traded over the counter may expose the Fund to counterparty risk should the counterparty be unable to meet the terms of the contract. The maximum risk of loss from counterparty risk to the Fund is the fair value of the contracts and the premiums paid to purchase its open options. In these instances, the Fund considers the credit risk of the intermediary counterparty to its option transactions in evaluating potential credit risk. Options written by the Fund may expose the Fund to market risk to the extent that an unfavorable change in the financial instrument underlying the written option could lead to unlimited losses.

Futures Contracts

The Fund may enter into futures contracts to gain exposure to, or to hedge against, changes in commodity prices, equity prices or interest rates. Futures contracts are traded on various exchanges and represent a commitment for a future purchase or sale of an asset at a specified price on a specified date. Upon entering into a futures contract, the Fund is required to pledge to the broker, a futures commission merchant registered under Commodity Exchange Act, an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Subsequent payments, known as "variation margin", are made or received by the Partnership each day, depending on the daily fluctuations in the fair value of the underlying security. The Fund is exposed to commodity risk, equity risk and interest rate risk due to trading in futures contracts. Futures have minimal counterparty risk because futures contracts are exchange- traded and the exchange's clearing house, as the counterparty to all exchange-traded futures, guarantees the futures against default.

Warrant Contracts

The Fund may enter into warrants as part of its investment strategy, or may receive warrants from a portfolio company upon entering into an investment in debt or equity with that portfolio company. A warrant is a security giving the Fund the right, but not the obligation, to purchase shares in a company at a set price, and within a specified time period. Warrants provide the Fund with exposure and potential gains upon equity appreciation of the portfolio company's share price.

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 warrants.

Forward Contracts

The Fund may enter into forward contracts to hedge against changes in foreign exchange rate risk for its foreign currency denominated assets and liabilities and to manage the price risk associated with commodity positions held. A forward contract is an agreement in which a seller agrees to deliver a specified quantity of a foreign currency or commodity at a price specified now, with delivery and settlement at a specified future date. Forward contracts are not exchange traded which exposes the Fund to counterparty risk should the counterparty be unable to meet the terms of the forward contract. In addition, the Fund is exposed to commodity price and foreign exchange risk due to trading in forward contracts.

Swap Contracts

The Fund enters into various swap contracts, including interest rate swaps, total return swaps, and credit default swaps as part of its investment strategy, or to hedge against unfavorable changes in the value of investments and to protect against adverse movements in interest rates or credit performance with counterparties. Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified notional amount of an underlying assets. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the aggregate fair value of a swap contract in an unrealized gain position and collateral posted with the counterparty. The risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the counterparty posting collateral to the Fund to cover the Fund's exposure to the counterparty. The Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in the fair value of the underlying investments.

Interest Rate Swaps

The Fund may enter into interest rate swap contracts to protect against adverse movements in the interest rates. Interest rate swaps are contracts in which counterparties exchange different rates of interest on a specified notional amount for a specified period of time. The Fund is exposed to interest rate risk if there are adverse movements in market interest rates.

Total Return Swaps

The Fund may enter into total return swaps either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equities to which it is otherwise not exposed. Total return swap contracts involve the exchange by the Fund and a counterparty of their respective commitments to pay or receive a net amount based on the change in the fair value of a particular security or index, specified interest rates for fixed-rate payments, and the notional amount of the swap contract.

The Fund is exposed to equity risk if there are adverse movements in the market related to the underlying equity connected to the contract.

Credit Default Swaps

The Fund may enter into credit default swap contracts as part of its investment strategy, or to hedge against the risk of default of a specific company or sovereign debt. Credit default swap contracts involve an arrangement between the Fund and a counterparty, which allows one party to protect against losses incurred as a result of default by a specified reference entity (protection purchased) and obligates the other to assume the credit risk of the specified reference entity (protection written). Generally, one party pays a premium up front and continues to pay periodic interest payments, while the other party agrees to make a payment to compensate for losses if a specified credit event occurs. Credit events may include bankruptcy, failure to pay, restructuring, obligation acceleration, obligation default, or repudiation/moratorium.

[IF APPLICABLE] In the event that certain specified credit events occur, the maximum potential future undiscounted payments that the Fund would be required to pay under protection written would be approximately $XX,XXX,XXX. However, if the Fund was required to make payments under protection written, it would be entitled to certain assets owned by the entities that collateralize the reference obligations.

Contracts for Differences

The Fund enters into contracts for differences to **[Insert Fund's reason for entering or holding this position]**. Contracts for differences involve an agreement by the Fund and a counterparty to exchange the difference between the opening and closing price of the position underlying the contract, which is generally an equity security. Therefore, amounts required for the future satisfaction of the contracts for differences may be greater or less than the amount recorded.

Risks may arise as a result of the failure of the counterparty to a contract for differences to comply with the terms of the contract for differences.

Credit-risk-related contingent features

The Fund enters into agreements with counterparties with which it trades derivatives instruments that contain credit-risk-related contingent features, such as covenants and other provisions, which may be trigged should the Fund be in a net liability position with its counterparties. As of December 31, 20XX, the Fund's aggregate fair value of derivative positions with credit-risk-related contingent features that are in a net liability position are $X,XXX,XXX, for which the Fund has posted collateral of $X,XXX,XXX in the normal course of business. **[IF APPLICABLE]** If such credit-risk-related contingent features were triggered as of December 31, 20XX, the Fund would have been required to post additional collateral with the counterparties of $X,XXX,XXX. **[IF APPLICABLE]** For the year ended December 31, 20XX, no such credit-risk-related contingent features were triggered.

Additionally, counterparties may immediately terminate these agreements and the related derivative contracts if the Fund fails to maintain sufficient asset coverage for its contracts, or its net assets decline by stated percentages or amounts. As of December 31, 20XX, no such termination events have occurred.

The following table illustrates the Fund's volume of derivative instruments based on the number of contracts held and the notional amounts by exposure as of December 31, 20XX, classified by the primary underlying risks:

	NUMBER OF CONTRACTS HELD		NOTIONAL AMOUNTS	
Primary underlying risk	**Long exposure**	**Short exposure**	**Long exposure**	**Short exposure**
Interest rate				
Interest rate swaps	-	-	$ -	$ -
Swaptions	-	-	-	-
	-	-	-	-
Foreign exchange rate				
Forward contracts	-	-	-	-
	-	-	-	-
Equity price				
Total return swaps	-	-	-	-
Futures contracts [2]	-	-	-	-
Options [1]	-	-	-	-
Warrants [1]	-	-	-	-
Contracts for differences	-	-	-	-
	-	-	-	-
Commodity price				
Futures contracts [2]	-	-	-	-
	-	-	-	-
Credit				
Protection written:	-	-	-	-
Credit default swap	-	-	-	-
	-	-	-	-
Totals:	**-**	**-**	**$ -**	**$ -**

[Note: Basis for calculation of notional amount for each type of derivative included in this table should be specified. For example:]

(1) Notional amounts presented for options and warrants are based on the fair value of the underlying shares as if the options and warrants were exercised at the applicable period end.

(2) Notional amounts presented for futures are based on the fair value of the underlying asset, multiplied by the number of contracts, time the multiplier at the applicable period end.

[Consider calculating and disclosing notional amounts and number of contracts based on average monthly/quartlerly holdings when year-end amounts are not indicative of the overall volume throughout the year and/or there are no derivatives held as of year-end but there are material net gains (losses) from derivatives for the year.]

[IF APPLICABLE – for derivative types who's year-end holdings are indicative of the overall volume throughout the year] The Fund considers the number of contracts and notional amounts held at December 31, 20XX to be an accurate representation of the volume of derivative activities during the year ended December 31, 20XX.

[IF APPLICABLE] for derivative types 1) who's year-end holdings are NOT indicative of the overall volume throughout the year OR 2) that were traded during the year and generated material amounts of gains/losses, but are NOT held at year end] The Fund calculated the number of contracts and notional amounts included in the table above based on the Fund's average monthly/quarterly holdings, which the Fund considers to be an accurate representation of the volume of derivative activities during the year ended December 31, 20XX.

[IF APPLICABLE - for derivative types that were traded during the year and generated immaterial amounts of gains/losses, and are NOT held at year end] The Fund may utilize [Insert Type of Derivative] from time to time to create, or hedge exposures, relative to unique circumstances in the market. As such, the Fund has excluded these derivative types from the above table, as they are not representative of the Fund's regular trading activity throughout the year.

[IF APPLICABLE - for Funds that traded immaterial amounts of derivatives during the year and are not holding any at year end] At December 31, 20XX, the Fund did not hold any derivative contracts. The Fund's volume of derivative trading during the year was de minimus. As a result, no quantitative volume disclosure has been added to the financial statements.

The following table presents the gross amount of the Fund's derivatives as reported in the statement of financial condition as of December 31, 20XX and the net gain and loss amounts as reported in the statement of operations for the year ended December 31, 20XX, classified by the primary underlying risks:

Primary underlying risk	Fair Value [1]		Realized gains (losses) (2)	Change in unrealized gains (losses) (2)
	Derivative assets	Derivative liabilities		
Interest rate				
Interest rate swaps	$ -	$ -	$ -	$ -
Swaptions	-	-	-	-
	-	-	-	-
Foreign exchange rate				
Forward contracts	-		-	-
	-		-	-
Equity price				
Total return swaps	-	-	-	-
Futures contracts	-	-	-	-
Options	-	-	-	-
Warrants	-	-	-	-
Contracts for difference	-	-	-	-
	-	-	-	-
Commodity price				
Futures contracts	-	-	-	-
	-	-	-	-
Credit				
Protection written:				
Credit default swaps	-	-	-	-
	-	-	-	-
Gross derivative totals:				
Less: cash collateral payables/ receivables	-	-	-	-
Less: master netting arrangements	-	-	-	-
Totals	**$ -**	**$ -**	**$ -**	**$ -**

(1) Derivative assets and derivative liabilities are included on the statement of financial condition as derivative contracts.

(2) Realized gains(losses) are included on the statement of operations as net realized gains(losses) on derivatives. Change in unrealized gains(losses) are included on the statement of operations as net change in unrealized appreciation(depreciation) on derivatives.

D. COLLATERALIZED FINANCING ARRANGEMENTS

[ONLY INCLUDE IF APPLICABLE TO THE FUND AND LENDING AMOUNTS ARE SIGNIFICANT]

Securities Lending Agreement

The Fund may lend securities to various financial institutions, principally to broker-dealers. Those transactions are secured by collateral such as cash, securities, or standby letters of credit, the fair value of which, at all times, is required to be at least [specify the percentage of required collateral value to the amount of securities loaned, including accrued interest and dividends] of the fair value of the securities loaned, plus accrued interest and dividends.

If the collateral is cash, the Fund normally earns a return by investing that cash typically in short-term, high-quality debt instruments. Investments of cash collateral are subject to the Fund's investment restrictions. If the collateral is other than cash, the Fund typically receives a fee as compensation for the securities loaned. The Fund also continues to receive dividends and interest on the securities loaned.

The Fund has the right under its securities lending agreement to recover the securities loaned from the counterparty on demand. If the counterparty fails to deliver the securities on a timely basis, the Fund could experience delays or loss on recovery. In addition, the Fund is subject to risk of loss from investments made with cash collateral received. In the event of default, the Fund has the right to use the collateral to offset the net amount owed by the counterparty.

As of December 31, 20XX, the Fund entered into a securities lending agreement with its prime broker and loaned common stocks having a fair value of approximately $XXX, XXX and received $XXX,XXX of cash collateral for the loan. This cash was invested in U.S. Treasury bills with a maturity of April 1, 20XX.

E. OFFSETTING ASSETS AND LIABILITIES

[If applicable, see separate Offsetting Assets and Liabilities Disclosure Template for sample disclosure language]

F. PRINCIPAL RISKS

[ONLY INCLUDE RISKS APPLICABLE TO THE FUND]

Concentration of Credit Risk

The Fund maintains its cash at [INSERT NUMBER] institution/s which is/are insured by the Federal Deposit Insurance Corporation (FDIC) and/or Securities Investor Protection Corporation (SIPC). At December 31, 20XX, the Fund had cash and investment balances held at its bank/broker in excess of the maximum amounts insured. The Fund is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf.

Financial Instruments

In the normal course of business, the Fund has investments and enters into various financial transactions where the risk of potential loss due to changes in the market (market risk), failure of the other party to the transaction to perform (credit risk) or changes in foreign exchange rates (currency risk) exceeds the related amounts recorded. Depending upon the counterparties used, trading strategies employed, and fluctuations in the value of the underlying financial instruments or currencies, the degree of risk can vary.

Market risk represents the potential loss that can be caused by increases or decreases in the fair value of investments. The Fund's exposure to market risk is directly influenced by a number of factors, including volatility and liquidity of the markets in which the financial instruments are traded.

Credit risk represents the risk that the counterparties that the Fund conducts business with will be unable to fulfill their contractual obligations.

Currency risk represents the potential loss that can be caused by increases or decreases in foreign currency exchange rates. The Fund's exposure to currency risk is directly influenced by a number of factors, including volatility and liquidity of the foreign markets in which the financial instruments are traded.

Liquidity Risk

Liquidity risk arises in the general funding of the Fund's trading activities. It includes the risks of not being able to fund trading activities at settlement dates and liquidate positions in a timely manner at a reasonable price. **[If following two sentences are not applicable, add Fund specific language.]** The Fund manages its liquidity risk by investing primarily in marketable investments and financing its trading activities using traditional margin arrangements. Generally, the financial instruments can be closed out at the discretion of the General Partner. An illiquid or closed market, however, could prevent the closeout of positions.

Securities Sold Short

Securities sold short represent the Fund's practice of selling securities that are not currently owned, and subsequently repurchasing them with the expectation that the security will decrease in value. The ultimate liability to the Fund may exceed the amount shown on the statement of financial condition.

Possible losses from short sales differ from losses that could be incurred from purchases of securities because losses from short sales may be unlimited whereas losses from purchases cannot exceed the total amount invested.

G. ESCROW PROCEEDS RECEIVABLE/EARN-OUT PAYMENTS

[ONLY INCLUDE IF APPLICABLE TO THE FUND]

During the year ended December 31, 20XX, the Fund sold its investment in [insert name of investment], for $XX,XXX. Cash in the amount of $XXX,XXX is being held in an escrow account as recourse for indemnity claims that may arise under the respective sale agreements. Assuming no claims, such funds are expected to be fully released to the Fund by [insert date].

The Fund expects to receive earn-out payments based on certain incremental future revenues resulting from the sale of the products of [insert name of investment]. Earn-out payments are considered a contingent consideration, reflected at fair value on the statement of financial condition.

Actual cash receipts from the earn-out payments are uncertain and may differ from estimated payments used to derive fair value, as determined by the General Partner. Review of collectability and fair value of earn-out payments will be performed by the General Partner on an ongoing basis. As of December 31, 20XX, there were no earnout payments recorded on the statement of financial condition.

H. RELATED PARTY TRANSACTIONS

[ONLY INCLUDE WHAT IS APPLICABLE TO THE FUND]

Management Fees

[THIS SECTION SHOULD BE TAILORED TO AGREE TO TERMS OF LPA/OPERATING AGREEMENT]

The Fund pays the Investment Manager a management fee at an annual rate of X.X%, calculated and payable [monthly] [quarterly] in [advance][arrears], based on the capital balances of limited partners as of the beginning of each calendar [month][quarter]. The Investment Manager, in its sole discretion, may reduce or waive all or part of the management fee for any limited partner.

Incentive Allocations

At the end of each year, an incentive allocation equal to XXX,XXX% of the net income allocated to each limited partner will be reallocated to the capital account of the General Partner, subject to any prior year loss carryforwards or high water mark provision as defined in the LPA. The General Partner may reduce or waive the incentive allocation with respect to one or more limited partners for any period of time.

Due to Related Parties

Due to related parties reported in the statement of financial condition represents an amount payable to the General Partner for expenses paid on behalf of the Fund's operations.

Limited Partners

Certain limited partners are affiliated with the General Partner. The aggregate value of the affiliated limited partners' share of partners' capital at December 31, 20XX is approximately $X,XXX,XXX.

Certain limited partners have special management fee arrangements, performance arrangements, or redemption rights as provided for in the LPA.

Transactions with Affiliated Entities

Certain members of the General Partner serve as members of the boards of directors of certain investments, aggregating approximately XX% of total investments held by the Fund as of December 31, 20XX. **[If an investment is >5% of net assets, the name of the investment(s) should be specified]**

During the year ended December 31, 20XX, the Fund entered into purchase and sale transactions with [Insert Name], an affiliated entity which is also managed by the General Partner. Total purchases and sales of approximately $XXX,XXX and $XXX,XXX, respectively, were made with this related party. Transactions with related parties resulted in net realized gains (losses) of $XX,XXX and are included in net realized gains(losses) on investments in the statement of operations. The terms, conditions and execution of each such purchase and sale were on an arm's-length basis.

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 assets under management. In order to maintain pro rata allocations, the Fund may sell securities to, or purchase securities from, these other entities. Such transactions are generally executed at the closing price on the date prior to the trade date, or, in the case of restricted yet tradable securities, at fair value as determined by the General Partner.

Additionally, the Fund may co-invest with other entities with the same General Partner as the Fund. **[CHOOSE ONE]** At December 31, 20XX, the Fund held an investment with a fair value of $X,XXX,XXX that was coinvested with affiliated funds. **[OR]** At December 31, 20XX, the Fund had no investments that were coinvested with affiliated funds.

I. PARTNERS' CAPITAL

[THIS SECTION SHOULD BE TAILORED TO AGREE TO TERMS OF LPA/OPERATING AGREEMENT]

Allocation of Profits and Losses

In accordance with the LPA, at the end of each [month][quarter], profits and losses of the Fund are allocated to the capital account of each partner in proportion to its opening capital balance. **[IF APPLICABLE]** Profits or losses attributable to a side-pocket account are allocated only to those partners participating in the side-pocket account in proportion to the total partners' capital designated as side-pocket accounts at the time the side-pocket accounts were created.

[IF APPLICABLE] Side-pocket Capital Accounts

The General Partner, in its sole discretion, may designate certain investments that lack a readily available market value or are not freely transferable as special investments. At the discretion of the General Partner, a portion of a limited partner's share of a special investment may be transferred to a side-pocket capital account, which is not redeemable until those special investments are sold or deemed to be freely transferable. Only the partners who are invested in the Fund at the time special investments are designated will participate in the special investments. At December 31, 20XX, the Fund had special investments of approximately $XX,XXX,000.

Capital Contributions

Capital contributions of cash and/or marketable investments (at the discretion of the General Partner) may be made on the first day of each [month][quarter] and at any other time at the discretion of the General Partner. The minimum initial investment of a limited partner is $X,XXX,XXX, although, the General Partner, in its sole discretion, may accept lesser amounts. At the sole discretion of the General Partner, the Fund may accept marketable investments contributed in-kind in lieu of cash contributions. In-kind contributions are recorded and contributed to the Fund at fair value at the time of contribution. For the year-ended Dec 20XX, the Fund accepted in-kind contributions of $X,XXX,000 in the form of (describe the security).

Capital Withdrawals

A limited partner is generally permitted to request a capital withdrawal from its capital account as of the last business day of any calendar [month][quarter], or any other date as the General Partner may determine in its sole discretion, provided that at least 30 days' prior written notice of such withdrawal is given, following a [Insert # Months] lock-up period on initial investment. **[IF APPLICABLE]** The Fund charges an early withdrawal fee of X.X% of the withdrawal amount to limited partners withdrawing capital prior to the expiration of the lockup period. Early withdrawal fees collected are allocated on a pro rata basis to the remaining partners in the Fund.

Payments for capital withdrawals are generally made within 30 days of the effective withdrawal date. If a partner withdraws 90% or more of the funds from their capital account, the General Partner may, in its sole discretion, holdback 10% of the capital withdrawal amount pending completion of the annual audit of the Fund's financial statements for the year in which the withdrawal takes place. The Fund will not pay any interest on the remaining balance of the withdrawing partner's capital account and the balance will not be considered to be invested in the Fund.

[IF APPLICABLE] Capital Contributions Received in Advance

Capital contributions received in advance represent an amount due to a partner's capital account, based on the Fund receiving cash prior to the contribution's effective date.

[IF APPLICABLE] Capital Withdrawals Payable

Capital withdrawals payable represents a payment owed to a partner based on a withdrawal requested from their capital account.

[IF APPLICABLE:] The Fund is a guarantor of a loan payable entered into by a related party of approximately $XXX,000, which matures on [Date, Year]. If the related party defaults on its loan payments, the Fund may be required to perform under the guarantee to the extent of any unpaid loan principal and interest amounts outstanding.

[IF APPLICABLE:] In the normal course of operations, the Fund enters into derivative transactions that are cross-collateralized between related funds under common management that enter into similar transactions with the same counterparty. In the event the related funds are unable to fulfill their obligations with the counterparty, the Fund may be required to perform to the extent the related funds have outstanding obligations. At December 31, 20XX, the outstanding obligationof the related funds amounted to approximately $X,XXX,000.

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

- Investment 1: Per the (Investment 1 name) Series [X] 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) subscription agreement, the Fund has commitments of $XX,XXX,000 to (Investment 2 name). The Fund may be obligated to fund an additional $XX,XXX,000, subject to certain closing conditions.

[IF APPLICABLE:] The Fund entered into a line of credit agreement with a financial institution that provides for borrowings up to $X,XXX,000 and expires on [Date, Year]. The line of credit is collateralized by certain assets of the Fund. Any outstanding line of credit balance bears interest at the [interest rate] percent. At December 31, 20XX, outstanding borrowings under the line of credit amounted to approximately $X,XXX,000.

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

J. MANAGEMENT INDEMNIFICATIONS

The Fund provides general indemnifications to the General Partner and its respective affiliates, shareholders, members, partners, managers, directors, officers and employees when acting in good faith and in the best interest of the Fund. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. The General Partner is unable to estimate any potential future payment amounts and expects the risk of any such loss to be remote. Accordingly, no accrual has been made for a liability as of December 31, 20XX.

K. ADMINISTRATIVE SERVICES

[Insert Name of Administrator] serves as the administrator of the Fund and provides certain administrative and accounting services pursuant to an agreement. For the year ended December 31, 20XX, the Fund incurred expenses of approximately $XX,000 for administrative services, which are included in professional fees on the statement of operations.

[IF APPLICABLE] The Administrator is also affiliated with a broker through which the Fund transacts operations. At December 31, 20XX, there is a balance of approximately $X,XXX,XXX due [from][to] this broker. **[IF APPLICABLE]** At December 31, 20XX, cash balances in the amount of $XXX,XXX are held by an affiliate of the Administrator.

L. FINANCIAL HIGHLIGHTS

The financial highlights presented are for the year ended December 31, 20XX:

	LIMITED PARTNERS	
Total Return:		
Total return before incentive allocation to General Partner	-	%
Incentive allocation to General Partner	-	
Total return including incentive allocation to General Partner	-	%
Ratios to average limited partner's capital:		
Expenses (including interest and short dividends)	-	%
Incentive allocation to General Partner	-	
Expenses and incentive allocation to General Partner	-	%
Net Investment income (loss)	-	%

The financial highlights presented are calculated for the Fund's limited partner class as a whole. Due to the timing of capital transactions, and different management fee and/or incentive allocation arrangements, an individual limited partner's returns may vary. The net investment income (loss) ratio excludes realized and unrealized gains (losses) and does not include the effect of the incentive allocation to the General Partner.

[For Funds that invest in private investment companies] The net investment income (loss) ratio does not include the income and expenses earned and incurred by underlying private investment companies held by the Fund during the year.

[For Funds open greater than or less than one year] The ratios, excluding nonrecurring expenses and the incentive allocation to the General Partner, have been annualized.

M. SUBSEQUENT EVENTS

Management of the Fund has evaluated subsequent events through [Insert audit report date], the date on which the financial statements were available to be issued.

[IF APPLICABLE] From January 1, 20XX through [Insert audit report date] no subsequent events occurred that required disclosure.

[IF APPLICABLE] From January 1, 20XX through [Insert audit report date] the Fund had approximately $X,XXX,XXX of capital contributions and $X,XXX,XXX of capital withdrawals, of which, approximately $X,XXX,XXX was requested by the General Partner.

[IF APPLICABLE] From January 1, 20XX through [Insert audit report date], the Fund made additional investments of approximately $XX,XXX,XXX in private investment companies and received distributions from private investment companies of approximately $XX,XXX,XXX.

[Additional disclosures should be added for significant events that occur related to the Fund subsequent to year end (i.e. Significant changes in investment values or significant purchases or sales of investments, significant withdrawal request, liquidation of the Fund, reorganization, litigation, etc.)