



**Tandem Fund III, L.P.**  
**Portfolio Company Review**  
**October 2017**

Greetings,

We're glad to have the opportunity to update you on the various developments across the portfolio of Tandem Fund III, L.P. and Tandem Parallel Fund III L.P. (collectively, the "Fund"). As you'll read below, our focus on later stage seed investing continues to bear fruit, and we're seeing the Fund's net asset value steadily elevate (more on this below). Meanwhile, we continue to make new investments in high quality startup teams that have begun to disrupt their respective industries with innovative technology and business models.

We are using a new format for this update in an effort to make it easier for you to digest information about the Fund's portfolio companies as well as its overall performance. Namely, you will find attached a Slide Deck that summarizes the status of select portfolio companies and details the costs and carrying values of all the Fund's investments. We are also including the Fund's unaudited Q3 2017 financials. We would welcome your feedback on this approach, as we're always trying to improve our communications.

General Update:

Tandem continues its adjusted focus on later stage seed deals in which companies are raising \$1 to 4 million, typically driving a large portion of these rounds alongside other investors. Many of the companies we've backed over the last two years under this model are now in the process of scaling revenue, building partnerships, filling out their teams and raising new rounds of funding.

We are also optimistic about our strong pipeline of deals and anticipate further new investments through early 2018. After this time, we will reserve the Fund's remaining investable funds primarily for follow on rounds. In addition, the Fund's expenditure on "muscle" resources will cease entirely by the end of this calendar year as the last step in our migration to the later stage seed strategy.

You will see in the attached slide deck that many of the Fund's portfolio companies continue to thrive and grow. To name just a few examples, 1) Outdoorsy has over \$50M in booked Gross Market Value over the last 12 months and is anticipating this figure to surpass \$200M in 2018, 2) NomNomNow hit an annual revenue run rate of \$1.2M last month, and 3) Yo Amo Media (formerly Shoe Lovers) became cash flow positive while growing its direct audience to over 20M unique monthly visitors. Each of these companies plans to conduct its next round of financing around the end of the year, with the latter two already signing Series A term sheets. Please review the entire deck for a more complete view of the portfolio.

#### Fund Overview:

We continue to push up the trough of the venture capital "J-curve," moving from 0.83 of paid-in capital as of May 31 to 0.88 as of Sep 30. This increase in value reflects step-ups in valuation from closed financings and signed terms sheets by May Mobility (at a \$48M pre-money valuation), NomNomNow (at a \$30M pre-money valuation) and Yo Amo Media, formerly Shoe Lovers, at a \$12M pre-money valuation. It does not include any valuation increase in Outdoorsy, which plans to do a large round at a substantially elevated valuation in the coming months. Outdoorsy's planned raise alone will likely boost the Fund into positive Net Asset Value relative to Paid-In Capital.

At this point, we have called 50% of the Fund's committed capital. We are now calling another 15% of committed capital to cover both new investments and

follow-on rounds. The next capital call should fall in Q2 of 2018 for another 10-15% of Fund commitments.

Since our last update, we closed one new \$1.5M investment in a “edutech” startup and signed a term sheet to invest another \$1.5M in an “insurtech” business, both of which are covered in the New Investment Activity section immediately below. We also wrote down one of the Fund’s pre-seed investments, Bernooli, \$330k to zero. Bernooli was unable to achieve product-market fit with its connecting cocktail system, and we agreed with the founders that it did not warrant further investment by Tandem or others. Since the Fund’s inception, we have written off or down investments resulting in a net realization on investments of \$2.9M (2.9% of committed capital and 5.8% of net contributed capital). At this point, all these write-downs and write-offs were early stage deals from the original hands-on “Muscle” model, and none of the Fund’s later stage seed deals have been marked down.

#### New Investment Activity:

Since our last update, we invested in the following two new companies:

#### **Lambda School**

Lambda School is a disruptive startup in the online education space with a new approach to sourcing and preparing high performing individuals for the workforce. Lambda offers a set of full-time, 6-month programs in different engineering disciplines to people who make it through an initial qualification process. The company charges students only a portion of their future income (17% currently) for their first two years of work following graduation under terms of an “Income Sharing Agreement.” The financing model enables the company to expand its pool of qualified applicants substantially, and the team has proven very adept at attracting high potential candidates to the full-time program. It has lined up many employers interested in hiring graduates and has secured a contract to sell Income Sharing Agreements for up front cash to a financial partner. The

company's goal is to graduate over 1,000 students worth up to \$20M combined in advance of a Series A round by late next year. We met the team as part of the YCombinator program, and Tandem led the seed round with a \$1.5M investment along with Gelt Ventures, Liquid2 Ventures, YCombinator and a number of other investors.

### **SafeSite**

This "insurtech" company was introduced to us by our Holobuilder co-investor Brick and Mortar Ventures. SafeSite has built a safety management platform used by over 3,000 construction firms and other companies involved in high risk activities to help them comply with OSHA requirements and make their worksites safer in general. The company has shown its system can lower losses from injury claims and lost productivity by up to 20%, and the team is starting to work with insurance company partners to package its platform with worker compensation policies. SafeSite allows insurance providers to offer competitive rates while earning more profits, and the company itself plans to obtain licenses to offer workers comp packages directly to employers in certain states. The company's first insurance partner is anticipated to generate over \$1.5M in annual revenue to SafeSite within just a single state. SafeSite is signing up additional partners and plans to expand into more states quite aggressively with their support. Tandem has signed a term sheet to lead a \$3M seed round in the company with a \$1.5M investment due to close later this month. SafeSite plans for a Series A round of funding late in 2018 once it reaches over \$200k in monthly recurring revenue.

Tandem continues to explore seed investments in many other startups but has not made any additional commitments at this time. We plan to make just a small number of new investments from the Fund and are keeping the bar very high.

Thanks as always for your support, and let us know if you have any questions.

Regards,  
Doug and Sunil



# **Tandem Fund III, L.P.**

**Quarterly Financial Statements  
(Unaudited)  
September 30, 2017**

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**Tandem Fund III, L.P.**  
**Statement of Net Assets**  
**September 30, 2017**  
**(Unaudited)**

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**Assets**

Investments at fair value (cost \$25,334,614)	\$ 35,589,123
Cash and cash equivalents	69,226
Due from related parties	55,144
Contributions receivable	1,254,307
Other receivable	71,558
Prepaid expenses	37,277

**Total Assets** 37,076,635

**Liabilities**

Accounts payable and accrued expenses	171
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**Net Assets** \$ 37,076,464

**Net Assets Represented by Partners' Capital**

Contributions from partners	\$ 43,160,334
Management fee savings adjustment	(97,169)
Syndication costs	(191,300)
Net investment loss	(14,613,752)
Net realized loss on investments	(1,436,158)
Net unrealized appreciation on investments	10,254,509

**Total Partners' Capital** \$ 37,076,464

**Tandem Fund III, L.P.**  
**Schedule of Portfolio Investments**  
**September 30, 2017**  
**(unaudited)**

<b>Company</b>	<b>Initial Purchase Date</b>	<b># Shares</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
<b>7Shifts, Inc.</b>					
Series Seed II Preferred Stock	6/30/2017	442,599	\$ 1,326,824	\$ 1,326,824	\$ -
<b>afkVR, Inc.</b>					
Series Seed Preferred Stock	9/1/2016	758,879	\$ 656,278	\$ 656,278	\$ -
<b>Backbone Labs, Inc.</b>					
Common Stock	8/22/2016	273,196	\$ 273	\$ 273	\$ -
Convertible Promissory Note	8/22/2016		256,805	256,805	-
Interest accrued (5%)			14,212	14,212	-
			<b>\$ 271,290</b>	<b>\$ 271,290</b>	<b>\$ -</b>
<b>Bellwether Coffee Co.</b>					
Series Seed Stock	5/12/2016	1,002,165	\$ 856,015	\$ 856,015	\$ -
Series Seed Stock	8/17/2017	267,244	228,271	228,271	-
			<b>\$ 1,084,286</b>	<b>\$ 1,084,286</b>	<b>-</b>
<b>CloudLeaf, Inc.</b>					
Common Stock	7/25/2014	319	\$ 642	\$ -	\$ (642)
Series A Preferred Stock	7/25/2014	84,990	96,366	120,457	24,091
Series A Preferred Stock	6/13/2016	623,664	662,943	883,918	220,975
Series A Preferred Stock	1/27/2017	60,397	85,602	85,602	-
Series A Preferred Stock	3/15/2017	392,585	556,411	556,411	-
Series A Preferred Stock	8/6/2017	452,983	642,013	642,013	-
			<b>\$ 2,043,977</b>	<b>\$ 2,288,401</b>	<b>\$ 244,424</b>
<b>ConnectedYard (fka Pool Tech Systems)</b>					
Common Stock	1/27/2015	481,509	\$ 5	\$ 452,618	\$ 452,613
Series Seed Stock	8/28/2015	842,037	428,008	791,515	363,507
Series Seed Stock	8/28/2015	432,884	176,011	406,911	230,900
Series A Preferred Stock	5/4/2016	396,143	297,900	372,376	74,476
Series A Preferred Stock	8/31/2016	194,326	146,133	182,666	36,533
Series A Preferred Stock	10/27/2016	191,525	144,026	180,033	36,007
Series A Preferred Stock	12/7/2016	91,065	85,601	85,601	-
Series A Preferred Stock	9/6/2017	250,430	235,404	235,404	-
			<b>\$ 1,513,088</b>	<b>\$ 2,707,124</b>	<b>\$ 1,194,036</b>
<b>Deako, Inc.</b>					
Series Seed Stock	6/13/2016	1,452,289	\$ 1,141,353	\$ 1,141,353	\$ -
Convertible Promissory Note	8/28/2017		856,015	856,015	-
Interest Accrued (3%)			2,814	2,814	-
			<b>\$ 2,000,182</b>	<b>\$ 2,000,182</b>	<b>\$ -</b>
<b>Everyday Olympian Inc.</b>					
Convertible Promissory Note	8/16/2016		\$ 256,805	\$ -	\$ (256,805)
			<b>\$ 256,805</b>	<b>\$ -</b>	<b>\$ (256,805)</b>



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<b>Fairket, Inc.</b>					
Common Stock	6/22/2015	987,710	\$ 10	\$ 10	\$ -
Convertible Promissory Note	6/22/2015		256,805	256,805	-
Interest Accrued (5%)			29,233	29,233	-
			<b>\$ 286,048</b>	<b>\$ 286,048</b>	<b>\$ -</b>
<b>Fish Nature, Inc.</b>					
Common Stock	12/3/2015	1,540,827	\$ 1,541	\$ 1,541	\$ -
Convertible Promissory Note	12/3/2015		256,805	256,805	-
Interest Accrued (5%)			23,464	23,464	-
			<b>\$ 281,810</b>	<b>\$ 281,810</b>	<b>\$ -</b>
<b>Gamaya Inc.</b>					
Common Stock Warrants	11/10/2014	856,015	\$ 43	\$ 43	\$ -
Convertible Promissory Note	5/6/2015		214,004	214,004	-
Convertible Promissory Note	11/10/2014		256,805	256,805	-
Convertible Promissory Note	12/7/2015		214,004	214,004	-
Interest Accrued (5%)			82,289	82,289	-
			<b>\$ 767,145</b>	<b>\$ 767,145</b>	<b>\$ -</b>
<b>GrowX, Inc.</b>					
Common Stock	2/11/2016	570,676	<b>\$ 570</b>	<b>\$ 570</b>	<b>\$ -</b>
<b>HoloBuilder, Inc.</b>					
Series Seed Preferred Stock	1/11/2017	441,467	\$ 350,966	\$ 445,882	\$ 94,916
Series Seed II Preferred Stock	1/10/2017	372,918	376,647	376,647	-
Series Seed II Preferred Stock	9/18/2017	127,130	128,401	128,401	-
			<b>\$ 856,014</b>	<b>\$ 950,930</b>	<b>\$ 94,916</b>
<b>KeyNexus, Inc.</b>					
Series Seed Preferred Stock	8/29/2016	449,273	<b>\$ 770,413</b>	<b>\$ 770,413</b>	<b>\$ -</b>
<b>Limit, Inc. (Doublie) (Me.me)</b>					
Common Stock	9/16/2014	475,564	\$ 713	\$ 221,613	\$ 220,900
Series Seed Preferred Stock	9/19/2014	471,125	175,636	219,544	43,908
SAFE	8/25/2016		256,805	256,805	-
			<b>\$ 433,154</b>	<b>\$ 697,962</b>	<b>\$ 264,808</b>
<b>May Mobility, Inc.</b>					
SAFE	5/26/2017		<b>\$ 770,414</b>	<b>\$ 1,639,670</b>	<b>\$ 869,256</b>
<b>Mellow, Inc.</b>					
Common Stock Warrant	1/26/2015	131,028	\$ 43	\$ 92,689	\$ 92,646
Series Seed Preferred Stock	1/26/2015	143,804	185,723	101,727	(83,996)
Series Seed-2 Preferred Stock	2/6/2017	18,527	13,106	13,106	-
Series Seed-2 Preferred Stock	3/6/2017	290,246	205,320	205,320	-
Series Seed-2 Preferred Stock	8/3/2017	302,521	214,003	214,003	-
			<b>\$ 618,195</b>	<b>\$ 626,845</b>	<b>\$ 8,650</b>

**Tandem Fund III, L.P.**  
**Schedule of Portfolio Investments**  
**September 30, 2017**  
**(unaudited)**

<b>Company</b>	<b>Initial Purchase Date</b>	<b># Shares</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
<b>Naya Health, Inc.</b>					
Warrant	8/18/2015		\$ 43	\$ 43	\$ -
Convertible Promissory Note	8/18/2015		171,203	171,203	-
Convertible Promissory Note	12/14/2015		256,805	256,805	-
Interest Accrued (5%)			41,253	41,253	-
			<b>\$ 469,304</b>	<b>\$ 469,304</b>	<b>\$ -</b>
<b>Next Door Learning Solutions Private Ltd</b>					
CCPS	9/30/2015	100	<b>\$ 21,379</b>	<b>\$ 21,038</b>	<b>\$ (341)</b>
<b>NomNomNow, Inc.</b>					
Series Seed Stock	8/1/2016	1,204,888	<b>\$ 663,412</b>	<b>\$ 1,843,480</b>	<b>\$ 1,180,068</b>
<b>North American Robotics Corporation (aka Replenish)</b>					
Common Stock Warrant	2/6/2017	123,657	\$ 86	\$ 86	\$ -
Series Seed-1 Preferred Stock	2/6/2017	466,757	1,070,019	1,070,019	-
			<b>\$ 1,070,105</b>	<b>\$ 1,070,105</b>	<b>\$ -</b>
<b>One Earth Holdings</b>					
Convertible Promissory Note	11/14/2016		\$ 85,602	\$ 85,602	\$ -
Interest accrued (3%)			2,251	2,251	-
			<b>\$ 87,853</b>	<b>\$ 87,853</b>	<b>\$ -</b>
<b>Ontario Inc.</b>					
SAFE	10/19/2015		<b>\$ 21,400</b>	<b>\$ 21,400</b>	<b>\$ -</b>
<b>Outdoorsy, Inc.</b>					
Series A-1 Preferred Stock	5/9/2016	547,858	\$ 1,141,354	\$ 4,753,651	\$ 3,612,297
Series A Preferred Stock	5/25/2017	39,462	342,406	342,406	-
			<b>\$ 1,483,760</b>	<b>\$ 5,096,057</b>	<b>\$ 3,612,297</b>
<b>Packetzoom, Inc.</b>					
Common Stock	8/26/2013	856,015	\$ 9	\$ 595,615	\$ 595,606
Series Seed Preferred Stock	6/19/2014	1,144,592	610,010	796,407	186,397
Series Seed II Preferred Stock	12/7/2015	458,965	285,338	319,348	34,010
Series Seed II Preferred Stock	6/17/2016	917,929	570,676	638,695	68,019
Series Seed II Preferred Stock	7/13/2016	415,685	258,432	289,234	30,802
Series A Preferred Stock	7/26/2017	953,839	663,681	663,681	-
			<b>\$ 2,388,146</b>	<b>\$ 3,302,980</b>	<b>\$ 914,834</b>
<b>Pochi Mobile Intl Pte. Ltd.</b>					
ODRPS	12/18/2015	14	<b>\$ 21,914</b>	<b>\$ 21,914</b>	<b>\$ -</b>
<b>Popslate Media, Inc. (popSLATE)</b>					
Common Stock	6/9/2014	264,202	\$ 26	\$ -	\$ (26)
Convertible Promissory Note	6/9/2014		214,004	-	(214,004)
Convertible Promissory Note	3/25/2016		85,602	-	(85,602)
			<b>\$ 299,632</b>	<b>\$ -</b>	<b>\$ (299,632)</b>

**Tandem Fund III, L.P.**  
**Schedule of Portfolio Investments**  
**September 30, 2017**  
**(unaudited)**

<b>Company</b>	<b>Initial Purchase Date</b>	<b># Shares</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
<b>Realine Technology, Inc.</b>					
Common Stock	7/20/2015	428,008	\$ 428	\$ 428	\$ -
Common Stock	5/9/2016	85,602	86	86	-
Convertible Promissory Note	7/20/2015		171,203	171,203	-
Convertible Promissory Note	5/9/2016		85,602	85,602	-
Convertible Promissory Note	6/23/2016		171,203	171,203	-
Interest Accrued (5%)			35,777	35,777	-
			<b>\$ 464,299</b>	<b>\$ 464,299</b>	<b>\$ -</b>
<b>RockYou, Inc. (acquired Fanbread, Inc)</b>					
Series 3 Preferred	10/16/2015	29,246	<b>\$ 42,801</b>	<b>\$ 48,080</b>	<b>\$ 5,279</b>
<b>Shoptimize, Inc.</b>					
Common Stock	2/22/2013	749,013	\$ 7	\$ 262,155	\$ 262,148
Convertible Promissory Note	12/21/2012		42,801	42,801	-
Convertible Promissory Note	3/6/2013		85,602	85,602	-
Convertible Promissory Note	8/5/2013		21,400	21,400	-
Convertible Promissory Note	10/21/2013		64,201	64,201	-
Convertible Promissory Note	4/10/2014		128,402	128,402	-
Convertible Promissory Note	9/29/2015		42,801	42,801	-
Interest Accrued (5%)			73,521	73,521	-
			<b>\$ 458,735</b>	<b>\$ 720,883</b>	<b>\$ 262,148</b>
<b>Sixa, Inc.</b>					
SAFE	9/29/2016		<b>\$ 1,284,023</b>	<b>\$ 1,284,023</b>	<b>\$ -</b>
<b>Smart Lunches, Inc.</b>					
Convertible Promissory Note	12/24/2015		\$ 42,801	\$ 42,801	\$ -
Interest Accrued (5%)			6,060	6,060	-
			<b>\$ 48,861</b>	<b>\$ 48,861</b>	<b>\$ -</b>
<b>Smartivity Labs Private Limited</b>					
Equity Shares	4/22/2016	1	\$ 146	\$ 136	\$ (10)
Seed Series B CCCPS	4/22/2016	133	22,670	21,013	(1,657)
			<b>\$ 22,816</b>	<b>\$ 21,149</b>	<b>\$ (1,667)</b>
<b>SmartLivez, Inc.</b>					
Common Stock	7/16/2015	1,284,023	\$ 13	\$ -	\$ (13)
Convertible Promissory Note	7/16/2015		256,805	64,202	(192,603)
Interest Accrued (5%)			6,431	6,431	-
			<b>\$ 263,249</b>	<b>\$ 70,633</b>	<b>\$ (192,616)</b>
<b>Tandem Incubation I</b>					
Common Stock	3/31/2017	856,015	\$ 86	\$ 86	-
Convertible Promissory Note	4/10/2017		299,605	299,605	-
Interest accrued (5%)			7,100	7,100	-
			<b>\$ 306,791</b>	<b>\$ 306,791</b>	<b>\$ -</b>

**Tandem Fund III, L.P.**  
**Schedule of Portfolio Investments**  
**September 30, 2017**  
**(unaudited)**

<b>Company</b>	<b>Initial Purchase Date</b>	<b># Shares</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
<b>Tandem Incubation II</b>					
Common Stock	4/25/2017	856,015	\$ 86	\$ 86	-
Convertible Promissory Note	5/12/2017		299,605	299,605	-
Interest accrued (5%)			5,787	5,787	-
			<b>\$ 305,478</b>	<b>\$ 305,478</b>	<b>\$ -</b>
<b>UrbnEarth, Inc.</b>					
Common Stock	3/17/2015	1,284,023	\$ 128	\$ -	\$ (128)
Convertible Promissory Note	3/17/2015		256,805	-	(256,805)
			<b>\$ 256,933</b>	<b>\$ -</b>	<b>\$ (256,933)</b>
<b>Vimaan Robotics, Inc</b>					
Convertible Promissory Note	5/9/2017		\$ 214,004	\$ 214,004	\$ -
Interest accrued (5%)			4,221	4,221	-
			<b>\$ 218,225</b>	<b>\$ 218,225</b>	<b>\$ -</b>
<b>XStream Trucking Inc.</b>					
Common Stock	8/3/2016	592,752	\$ 4,387	\$ 182,686	\$ 178,299
Series Seed-2 Preferred Stock	8/3/2016	719,741	177,488	221,824	44,336
Series Seed-1 Preferred Stock	5/4/2017	1,388,733	428,008	428,008	-
			<b>\$ 609,883</b>	<b>\$ 832,518</b>	<b>\$ 222,635</b>
<b>Yo Amo Media, Inc. (fka Shoe Lovers, Inc.)</b>					
Common Stock	5/8/2014	317,042	\$ 32	\$ 269,010	\$ 268,978
Common Stock	2/20/2015	98,055	97	83,200	83,103
Convertible Promissory Note	5/8/2014		171,203	171,203	-
Convertible Promissory Note	5/6/2015		214,004	214,004	-
Convertible Promissory Note	9/29/2015		140,655	140,655	-
Interest Accrued (5%) & (3%)			53,063	53,063	-
			<b>\$ 579,054</b>	<b>\$ 931,135</b>	<b>\$ 352,081</b>
<b>Tandem Muscle Holdings III LLC</b>			<b>\$ 10,068</b>	<b>\$ 2,047,139</b>	<b>\$ 2,037,071</b>
<b>Total Portfolio Investments</b>			<b>\$ 25,334,614</b>	<b>\$ 35,589,123</b>	<b>\$ 10,254,509</b>

**Tandem Fund III, L.P.**  
**Statement of Operations**  
**For the period ended September 30, 2017**  
**(Unaudited)**

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	<u>3rd Quarter</u>	<u>Year to Date</u>
<b>Income</b>		
Interest income - promissory notes	\$ 23,788	\$ 122,521
<b>Total Income</b>	<u>23,788</u>	<u>122,521</u>
<b>Expenses</b>		
Management fees	410,688	1,380,438
Professional fees and Muscle costs	101,363	740,906
Other expenses	19,779	53,490
<b>Total Expenses</b>	<u>531,830</u>	<u>2,174,834</u>
<b>Net Investment Loss</b>	<u>(508,042)</u>	<u>(2,052,313)</u>
<b>Net Realized Loss on Investments</b>		
Cost of investments written-off	(256,817)	(256,817)
<b>Net Realized Loss on Investments</b>	<u>(256,817)</u>	<u>(256,817)</u>
<b>Net Unrealized Appreciation on Investments</b>		
Beginning of Period	7,960,439	7,501,212
End of Period	10,254,509	10,254,509
<b>Change in Net Unrealized Appreciation on Investments</b>	<u>2,294,070</u>	<u>2,753,297</u>
<b>Net Increase in Net Assets from Operations</b>	<u>\$ 1,529,211</u>	<u>\$ 444,167</u>

**Tandem Fund III, L.P.**  
**Statement of Cash Flows**  
**For the period ended September 30, 2017**  
**(Unaudited)**

	<b>3rd Quarter</b>	<b>Year to Date</b>
<b>Cash Flows from Operating Activities</b>		
Net increase in net assets resulting from operations	\$ 1,529,211	\$ 444,167
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Net realized loss on investments	256,817	256,817
Net change in unrealized appreciation on investments	(2,294,070)	(2,753,297)
Purchase of Investments	(2,969,152)	(9,303,924)
Reallocation of investments to Tandem Parallel Fund III	551	33,474
Interest income on convertible promissory notes	(23,788)	(122,521)
Change in current assets and liabilities:		
Due from related parties	261,135	293,744
Other receivable	17	100,017
Prepaid expenses	(37,277)	(14,022)
Accounts payable and accrued expenses	(289,189)	(236,269)
<b>Net Cash Used in Operating Activities</b>	<b>(3,565,745)</b>	<b>(11,301,814)</b>
<b>Cash Flows from Financing Activities:</b>		
Capital contributions	2,596	8,584,666
Contributions receivable	107,137	(589,850)
GP management fee savings adjustment	(3,265)	(14,149)
<b>Net Cash Provided by Financing Activities</b>	<b>106,468</b>	<b>7,980,667</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(3,459,277)</b>	<b>(3,321,147)</b>
<b>Cash and Cash Equivalents, beginning of period</b>	<b>3,528,503</b>	<b>3,390,373</b>
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 69,226</b>	<b>\$ 69,226</b>

**Tandem Fund III, L.P.**  
**Statement of Changes in Partners' Capital**  
**For the period ended September 30, 2017**  
**(Unaudited)**

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	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
<b>Balances, January 1, 2017</b>	\$ 282,129	\$ 27,779,651	\$ 28,061,780
Capital contributions	89,666	8,495,000	8,584,666
Net investment loss	(2,147)	(2,050,166)	(2,052,313)
Net realized loss on investments	(2,622)	(254,195)	(256,817)
Net change in unrealized appreciation on investments	35,115	2,718,182	2,753,297
Management fee savings	(14,149)	-	(14,149)
<b>Balances, September 30, 2017</b>	<u><u>\$ 387,992</u></u>	<u><u>\$ 36,688,472</u></u>	<u><u>\$ 37,076,464</u></u>

**Tandem Fund III, L.P.  
Partners' Capital Table  
9/30/2017**

	<b>Committed Capital*</b>	<b>Capital Called To Date</b>	<b>Unfunded Commitment</b>	<b>Capital Balance 1/1/2017</b>	<b>Capital Contributed</b>	<b>Net Investment Loss</b>	<b>Realized Gain (Loss)</b>	<b>Change in Unrealized Gain (Loss)</b>	<b>Capital Balance 9/30/2017</b>
\$	100,000	\$ 50,000	\$ 50,000	\$ 32,700	\$ 10,000	\$ (2,413)	\$ (299)	\$ 3,200	\$ 43,188
	150,000	\$ 75,000	75,000	49,052	15,000	(3,621)	(449)	4,800	64,782
	200,000	\$ 100,000	100,000	65,403	20,000	(4,827)	(598)	6,399	86,377
	250,000	\$ 125,000	125,000	81,753	25,000	(6,034)	(748)	7,999	107,970
	300,000	\$ 150,000	150,000	98,104	30,000	(7,240)	(898)	9,599	129,565
	400,000	\$ 200,000	200,000	130,805	40,000	(9,654)	(1,197)	12,799	172,753
	500,000	\$ 250,000	250,000	163,507	50,000	(12,067)	(1,496)	15,999	215,943
	750,000	\$ 375,000	375,000	245,260	75,000	(18,100)	(2,244)	23,998	323,914
	1,000,000	\$ 500,000	500,000	327,012	100,000	(24,134)	(2,992)	31,997	431,883
	1,655,000	\$ 827,500	827,500	541,206	165,500	(39,941)	(4,953)	52,956	714,768
	2,000,000	\$ 1,000,000	1,000,000	654,024	200,000	(48,267)	(5,985)	63,995	863,767
	3,000,000	\$ 1,500,000	1,500,000	981,037	300,000	(72,400)	(8,977)	95,992	1,295,652
	5,000,000	\$ 2,500,000	2,500,000	1,635,061	500,000	(120,668)	(14,962)	159,988	2,159,419
	10,000,000	\$ 5,000,000	5,000,000	3,270,125	1,000,000	(241,337)	(29,925)	319,975	4,318,838
	25,000,000	\$12,500,000	12,500,000	8,175,316	2,500,000	(603,338)	(74,812)	799,942	10,797,108

For Capital Commitments not included above, use a pro-rata calculation

\* The total of "Committed Capital" amounts DO NOT equate to the total fund commitment amount as only distinct amounts are listed here.