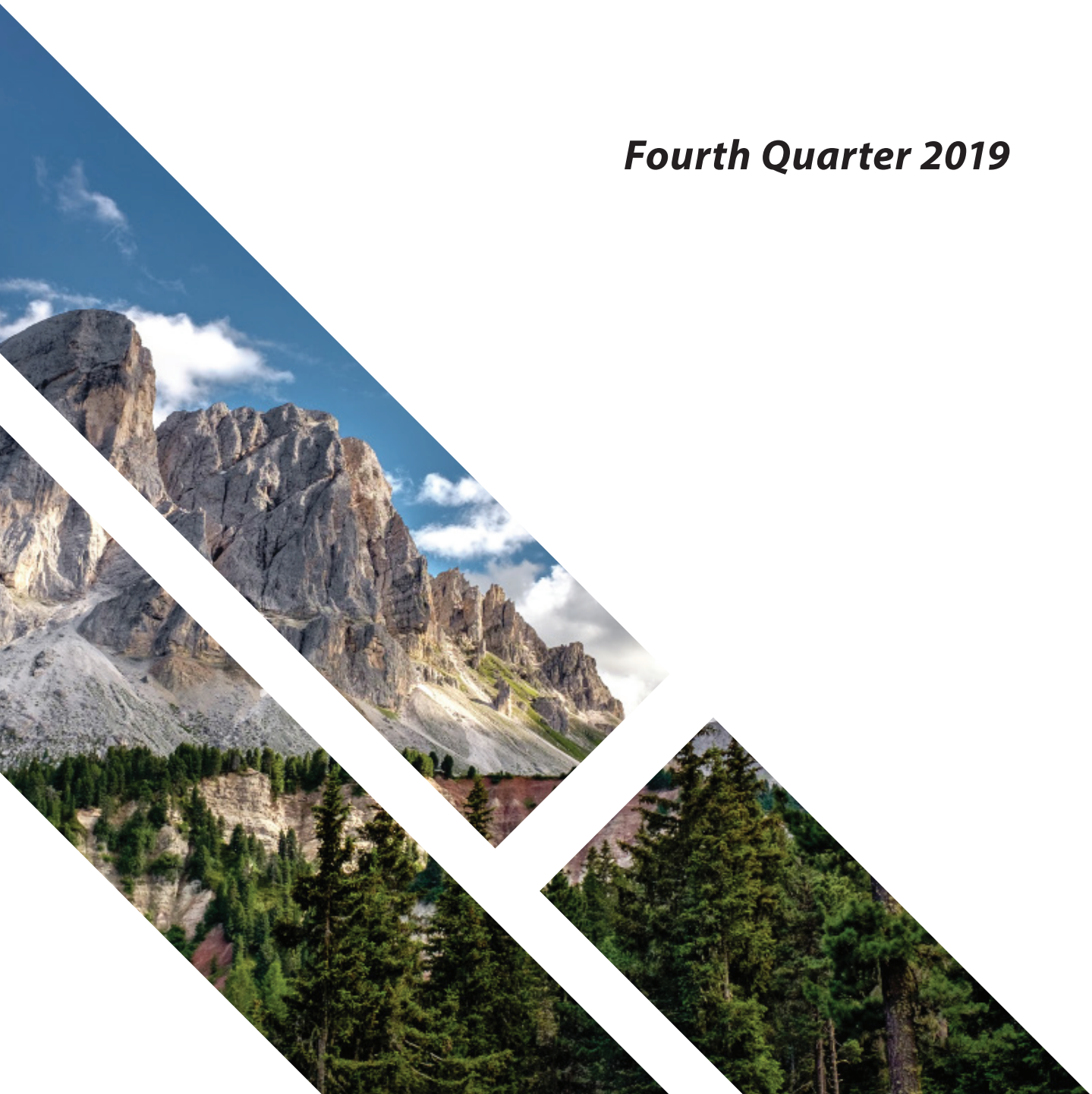
ARBORETUM
SILVERLEAF INCOME FUND, L.P.

Arboretum Silverleaf Income Fund, L.P.
Portfolio Overview

Fourth Quarter 2019



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Company Overview

Company:

Arboretum Silverleaf Income Fund, L.P.
Formed in Delaware on January 14, 2016

SEC Registered Investment Manager:

Arboretum Investment Advisors, LLC
Formed in Delaware on March 3, 2016

Company Overview

Our Business:

Our principal investment strategy is to invest in business-essential, revenue-producing (or cost-saving) equipment and other physical assets with high in-place value and long, relative to the investment term, economic life and project financings. We expect to achieve our investment strategy by making investments in equipment already subject to lease or originating equipment leases in such equipment, which will include: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset financing; (iii) acquiring equipment subject to lease and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. From time to time, we may also purchase equipment and sell it directly to our leasing customers.

The life cycle of our fund is divided into three distinct stages: (i) the Offering Period, (ii) the Operating Period and (iii) the Liquidation Period. Our Offering Period commenced on August 11, 2016 and concluded on March 31, 2019.

During the Offering Period, the majority of our cash inflows were derived from financing activities and the direct result of capital contributions from Limited Partners.

Portfolio Overview

As of December 31, 2019, our portfolio consisted of:

Borrower: Quality Metalcraft, Inc. **Investment Amount:** $2,372,000

Term: 36 months **Asset Collateral:** First priority lien on hydraulic pressers & chiller system

Deal Overview:

Quality Metalcraft ("QMC"), founded in 1959 and headquartered in Livonia, Michigan, provides production and prototyping capabilities along with other machine tooling services for the automotive and aerospace industries. QMC is owned by a prominent private equity firm that has provided the need support since day one. Investment in four business essential hydraulic pressers and a supporting chiller system that is targeted to expand aerospace manufacturing capabilities. Aerospace represents a high margin business line as well as a diversified source of revenue from the core auto sector base. The asset maintains a high in place value as it will be integrated within the manufacturing facility and can ensure a long useful life, with a top estimate of two decades. Furthermore, the asset is estimated to maintain an active secondary market due to its longevity and capabilities. Arboretum provided financing to the company to support a critical inflection period to increase capabilities for the aerospace sector, which is projected to provide operational margins and growth opportunities.

THE ST.CLAIR INN

Borrower: St. Clair Inn **Investment Amount:** $1,200,000

Term: 42 months **Asset Collateral:** First priority lien on hotel furnishings & vehicles

Deal Overview:

Investment in business essential hotel furnishing and transportation vehicles. The furnishing and associated assets are funded at a 50% advance in order to ensure a sufficient financing to asset value ratio. The equipment will support the opening of St. Clair Inn, a brand new 106 room inn located in St. Clair, MI along the St. Clair River. Originally built in 1926, the Inn is scheduled to reopen after going through an extensive $40MM restoration. The St, Clair Inn is being operated as a Marriott franchisee under the Tribute by Marriott brand. Tribute by Marriott is a portfolio of independent boutique hotels (24 hotels in North America). The Inn has also hired Real Hospitality Group ("Real") to assist in the management of the hotel. Real manages approximately 125 hotels and is one of the few management companies approved by Marriott. The Inn ownership group is experienced as they operate other hospitality locations throughout the country, which includes another location in Michigan.

Borrower: Golden Harvest Alaska Seafood **Investment Amount:** $1,230,754

Term: 56 months **Asset Collateral:** First priority lien on Marel fish processing machine

Deal Overview:

Golden Harvest Alaska Seafood, LLC, ("Golden Harvest") founded in 2017, operates a uniquely located 144,000 square foot seafood processing facility in Adak, Alaska. Investment in a business essential Marel fish processing machine ("Equipment"). The purpose of the Equipment is to reduce labor needs and increase automation, both of which are forecasted to produce higher margins and increase capacity output. Additionally, the precision of the Equipment, which is utilized to separate or "debone" fish, will enable the expansion of new product lines that will sell at higher price points than current product offerings. The asset is installed in the main facility offering a high in place value and maintains a useful life of ~ten years. The location is in close proximity to rich fishing grounds and is the only fish processing infrastructure within the area. Golden Harvest products reach consumer markets throughout the world and are sold by name brand wholesale and grocery locations.

Borrower: ZVRS, CSDVRS & Purple Communications **Investment Amount:** $4,000,000

Term: 36 months **Asset Collateral:** First priority lien on business essential Macbooks and iPads

Deal Overview:

Founded in 2015 and based out of Rocklin, CA, ZVRS Holding Company ("ZVRS" or "Company"), through its subsidiaries, provides interpreting services for hearing impaired individuals. The collective subsidiaries were founded in 2000 and 1982. Investment in business essential Apple products (Macbooks and iPads), collectively the "Equipment", supports the Video Relay Services business unit responsible for 80% of total revenue. ZVRS' subsidiaries CSDVRS and Purple Communications, provides real time communication to Deaf and Hard of Hearing Individuals ("D&HI") by transmitting American Sign Language translations utilizing the devices. The Equipment provide a 2-10 month payback period, depending on usage, and are exchanged every 3-4 years. The program is governed by the Federal Communication Commission and funded by telecommunication companies via the TRS Fund, resulting in a quasi-governmental revenue source for the company.

Borrower: MCPc, Inc. **Investment Amount:** $1,000,000

Term: 60 months **Asset Collateral:** First priority lien on office furniture, fixtures & equipment

Deal Overview:

Founded in 2002 and headquartered in Cleveland, OH, MCPc, Inc. ("MCPC") distinguishes itself from competitors through its many service offerings, which includes the discussed cybersecurity division. Investment in business essential office infrastructure for a new headquarters intended to support the needs of a core business unit, a cybersecurity product offering for various devices, and to allow for growth of business. This service is linked with a 24x7x365 managed service unit which collectively "watch over" a client's infrastructure. Much of a client's hardware is also supplied through another division line as the Company, MCPC is a value-add reseller of computer and information technology equipment and supporting services. Furthermore, the various service offerings provide the highest operating margins. Clients include notable hospitals and name brands with offices located near MCPC.

Borrower: Brass Centerview 2012 Partners, LLC

Investment Amount: $1,200,000

Term: 60 months

Asset Collateral: First priority lien on LED lighting and second lien on all other assets

Deal Overview:

Brass Centerview 2012 Partners LLC, founded in 2012, serves as an owner-operator to the facility and most of the Company's revenue is derived from rent collected from the facilities' tenants. Investment in cost saving LED lighting for the Brass Professional Center ("Pro Center"), a 16 building "campus like" office park that provides 760K square feet of primarily Class B leasable space located in San Antonio, Texas. The facility possesses estimated fair market value of $86MM ("as is" valuation) and $90MM ("stabilized" valuation). The resulting loan-to-value ("LTV") is approximately 65%-62% when factoring in the $58MM of long-term debt. Overall, the properties have an estimated $28MM-$31MM of equity. The monthly energy savings from the LED lighting is projected to exceed the financing payment. The equipment provider specializes in LED lighting and will cover any difference if the savings do not exceed the financing payment.

Borrower: CAD Embroidery & Screen Printing

Investment Amount: $96,157

Term: 48 months

Asset Collateral: First priority lien on screen printer and dryer

Deal Overview:

CAD Embroidery & Screen Printing, Inc ("Company"), founded in 2001, is a full service contract embroidery and screening printing shop. The Company makes hats, flats, jackets and related items. Screen printing capabilities include the logos, names, and numbers in numerous colors. Investment in a new screen printer and dryer to replace existing equipment that is over 20 years in age and obsolete. The new equipment will increase capacity, provide more accurate printing, and a reduce expenses (less labor costs and reduction in utility expenses). The equipment is business essential and has a useful life well in excess of the term of the proposed facility.

Borrower: Vivace Universal Corporation

Investment Amount: $3,000,000

Term: 60 months

Asset Collateral: First priority lien on Friction Stir Universal Welding System

Deal Overview:

Investment in a business essential welding machine to Vivace Universal. A company founded in 2006, providing manufacturing and tooling services for flight hardware and related equipment along with testing and engineering services relating for commercial space programs. Equipment will be used to service a recently awarded Northrop Grumman's Omega contract which is expected to generate over $15MM in revenue in first two years. The financing of $3MM against an original equipment cost of $3.995MM, results in a Loan to Value of ~75%. Specifically, the financed equipment is a Friction Stir Welding System and is utilized to combine metals which require a high welding strength, as in the case of rocketry. The useful life of the asset is estimated at over seven years and is located at the NASA Michoud Assembly Facility.

Borrower: GenCanna Global USA, Inc. **Investment Amount:** $3,600,000

Term: 48 months **Asset Collateral:** Three Louisville Steam Tube Dryers and one Chiller

Deal Overview:

Investment in business essential industrial drying equipment ("Equipment") used in hemp processing. The Fund advanced approximately 70% of the Equipment cost, with the balance paid by GenCanna. The Equipment was to be located in a new expansion facility that was never completed. The lessee filed for Chapter 11 protection in February 2020. The Fund expects the Equipment will be returned and has started remarketing efforts. The Equipment also has application in other industries. Due to the size of the Equipment and current environment, the remarketing period is expected to last six to twelve months, however the Fund is targeting full recovery of its investment.

Borrower: Nacogdoches Memorial Hospital **Investment Amount:** $493,906

Term: 36 months **Asset Collateral:** Phillips Diamond Select FD20 X-ray machine

Deal Overview:

Nacogdoches Memorial Hospital (The "Hospital"), founded in 1928, provides inpatient, outpatient and emergency care services to patients in Nacogdoches County (the County) and surrounding areas. Investment in an X-Ray machine which is utilized to diagnose and treat cardiovascular disease. The equipment will be operated in the Hospital's Cardiac Catheterization Lab, a designated room where physicians perform minimally invasive tests and procedures. As the population continues to age and more patients have access to health insurance, the Hospital anticipates the X-ray machine will support an increase in patient volume. The equipment has an economic life over over seven years, significantly in excess of the term of the financing.

Borrower: Evolution Completions, Inc. & Evolution Management, Inc. **Investment Amount:** $1,700,000 (part of investor syndicate)

Term: 36 months **Asset Collateral:** All asset lien: oilfield equipment, A/R & Inventory, owner guaranty

Deal Overview:

Purchase of assets and master service agreements of a dissolving firm (non-market related closure) that offers services in a market where Evolution Completions and Evolution Management (together the "Borrowers"), respectively founded in 2011 and 2016, previously had no presence. The Borrowers provide oilfield tools and services in two major U.S. oil basins (Bakken & Nibora) and will be expanding to another (Andarko). The new equipment will allow the Borrowers to offer new services in current and new markets, paving the way for increases in market share and growth potential. The transaction is collateralized by a first position lien on all the Borrowers' assets, including equipment (current and acquired), accounts receivables (from strong credits within the Oil & Gas sector), and all inventory. The transaction is estimated to have a strong loan-to-value ratio of 50%, calculated by conservatively discounting the equipment to liquidation value, accounts receivable to 75% of eligible receivables and inventory to 25% of book value.

Borrower: Hydroprime Equipment LLC **Investment Amount:** $500,000

Term: 36 months **Asset Collateral:** Water Pumps

Deal Overview:

Founded in 2016, Hydroprime provides equipment sales, service, rentals, and custom fabrication for a wide range of industries in Texas and the Gulf of Mexico states, with their largest customers in the oil and gas industry. Investment in Generac water pumps, which are business essential, revenue generating assets for the Company. Hydroprime is currently renting water pumps to meet strong customer demand driven by strong regional economic conditions. Equipment acquired under the proposed lease shall replace the equipment that it is currently renting. Rentals are Hydroprime's primary source of revenue and water pumps have the largest equipment demand at the moment. Other rental equipment includes light towers, filter pods, generators, trailers, fuel tanks and utility carts. The acquired equipment will be immediately sent to job sites and replace equipment that it is currently renting. The Company will be able to improve operating margins as it will be less expensive to acquire the equipment under the proposed terms than it is to rent.

Borrower: Manus Bio, LLC **Investment Amount:** $1,917,676 (part of investor syndicate)

Term: 36 months **Asset Collateral:** All asset lien

Deal Overview:

Investment in a business essential manufacturing plant and its equipment located in Augusta, Georgia. The plant was originally built by Monsanto at a cost of over $100MM, is highly specialized and geared towards the processes Manus will be performing. Some of the equipment was the biggest ever designed in the United States (fermentation tanks). Manus Bio utilizes patented microbe procedures and technology to produce fragrances, food ingredients, cosmetics, pharmaceuticals, and related products. The technology creates ingredients that are more economically and environmentally sustainable compared to current alternatives. Manus Bio's patent portfolio has protection through 2030. The Fund has a first lien position in the purchased plant, the land, and Manus Bio's IP portfolio.

Borrower: MBI Energy Services, Inc. **Investment Amount:** $3,066,385

Term: 36-48 months **Asset Collateral:** Water Pumps and Generators

Deal Overview:

Founded in 1979, MBI Energy Services, Inc. ("MBI") is a leading provider of water management logistics and well-intervention services, as well as the largest fluid-hauling service company in the Williston Basin. Investment in Apex pumps and generators, which are used to move water from local sources to job sites. The pumps typically have a useful life of 7-10 years depending on overall usage. This equipment is essential to operations for MBI and was being rented prior to the Fund's financing. MBI's logistics services include water trucking, oil hauling, waste management, winch, flatbed, and rentals. In April 2018 MBI was purchased by Cerberus Capital Management, a global leader in alternative investing which specializes in providing both financial resources and operating expertise to help companies grow and become even more successful. This acquisition shows Cerberus continues to see value in MBI's business model and has made a commitment to MBI's future growth.

Borrower: OmniGuide Holdings, Inc. **Investment Amount:** $673,710

Term: 42 months **Asset Collateral:** Surgical Tools Manufacturing Equipment

Deal Overview:

OmniGuide Holdings, Inc. ("OmniGuide"), founded in 2000, provides surgical tools relating to minimally invasive surgeries, robotic surgeries, and specific tissues operations such as cutting, coagulating, and sealing tissue. Investment in two pieces of equipment, a Draw Tower and a Thermal Evaporation System, that are directly responsible for the production of OmniGuide's core product, a specialized instrument used in electro-surgeries called "fibers", which were responsible for 75% of OmniGuide's revenue in 2017. With OmniGuide's fiber solution comprising so much of company revenue these assets are deemed business critical. In addition, both assets have a longer useful life than the Fund's financing. In an environment of growing healthcare needs OmniGuide offers cutting edge solutions allowing medical treatments to reach new heights.

Borrower: Medversant Technologies, LLC **Investment Amount:** $609,427

Term: 36 months **Asset Collateral:** Information Technology Equipment

Deal Overview:

Founded in 1999 and headquartered in Los Angeles, CA, Medversant Technology LLC ("Medversant" or the "Company") is a healthcare information technology company that provides information management solutions for healthcare administration, serving health plans, hospitals, government agencies, and other healthcare organizations. Investment in new servers, switches, and support components replacing previous five year old equipment. The equipment is required to support Medversant's strong growth as the servers are critical to the management of client's documents and data. Medversant's solutions cut costs and improve data quality while increasing provider collaboration, promoting decreased liability exposure and improving patient care. The services are provided through a Web-based platform, which creates greater transparency and seamless service delivery. Due to the business essential nature of the equipment, the Fund's risk is mitigated in the event that the Company encounters cash flow problems. In order to remain operational, Medversant will have to pay the Fund over non-core and/or non-revenue generating assets.

Borrower: Acoustiguide, Inc. **Investment Amount:** $1,175,720

Term: 36 months **Asset Collateral:** Multimedia Equipment, contract pledge

Deal Overview:

Investment in multimedia equipment (Opus+ units and other related equipment) utilized to fulfill a five year contract with the Statue of Liberty Ellis Island Foundation (SOLEIF). The equipment is business-essential and is utilized by the visitors to the landmark sites on a daily basis, with over 50,000 Opus+ devices in use throughout the world. Acoustiguide has over 25 years of experience providing multimedia content and applications for visitors to notable museums and venues that garner a large number of visitors and sightseers. In addition to recent contracts with SOLEIF and Alcatraz, Acoustiguide provides multimedia services to the 9-11 Memorial, The Art Institute of Chicago, The Metropolitan Art Museum, The Guggenheim and the Asian Art Museum of San Francisco. The facility is supported by the guaranty of Acoustiguide's parent, Espro Information Technologies and a pledge of the SOLEIF contract.

Borrower: Opus Virtual Offices, LLC **Investment Amount:** $245,000

Term: 24 months **Asset Collateral:** Information Technology, Furniture Fixtures & Equipment

Deal Overview:

Investment in business essential hardware and software that allows Opus to expand product offerings and continue to scale the business as they onboard new customers. Additional collateral includes second lien on all assets of the company consisting of IT, Furniture, Fixtures & Equipment, and Telecommunications equipment. The new equipment and software will allow Opus to handle a customer increase of 300%. In addition, the expanded product offering will create new areas of revenue as Opus can offer more features to their clients. For a competitive price, Opus Virtual Offices provides virtual receptionist and physical address services for small businesses in almost all major cities throughout the US, allowing its clients to operate their business while maintaining a professional presence.

Borrower: Waples Precision Services, LLC **Investment Amount:** $2,076,000

Term: 42 months **Asset Collateral:** Fabrication & Robotics Equipment

Deal Overview:

Waples Precision Services, LLC ("Waples") was originally formed in 1964 and has grown over the decades by combining a number of diverse, successful manufacturers, resulting in a full service facility with a wide variety of manufacturing capabilities including machining, laser cutting, welding, shearing, breaking, and assembly services. Investment in metal fabrication equipment, lathe, robotics and precision inspection equipment. The new equipment is an upgrade from existing machinery, which has been in place for approximately ten years. New equipment significantly improves operating efficiencies and profitability margins. Arboretum has a first priority lien on financed equipment. The collateral has a long useful life in excess of 15 years, and an active secondary market. Waples provides custom metal fabrication for commercial and machining markets in the North Central Texas region primarily for the energy mining, and aerospace industries. The company experienced an internal turnaround in late 2018 resulting in the Fund amending and restructuring the lease.

Borrower: Shale Energy Support, LLC **Investment Amount:** $940,000

Term: 60 months **Asset Collateral:** Nordco Rail Car Movers

Deal Overview:

Founded in 2015, Shale Energy Support LLC operates a wet mine and associated drying facilities in Mississippi as well as a railyard. Investment in two Nordco rail car movers that are business essential. The two movers are an upgrade from the Company's existing single smaller mover and will allow it move heavier loads (more rail cars per load), thus creating operating efficiencies and improving profitability. The need for the movers is driven directly by signing of new long term contracts. The equipment has an economic life of 10-15 years, providing the Fund with significant and improving collateralization as lease payments are received. The equipment has a strong secondary market and can be utilized by any rail operating business. The Company restructured its debt in 2019, during the Chapter 11 process, all lease payments due to the Fund were made. The Company assumed the lease without modification on exiting Chapter 11, affirming the business essential nature of the equipment.

Borrower: Dae Sung, LLC **Investment Amount:** $499,690

Term: 36 months **Asset Collateral:** Agricultural Equipment, personal guaranty of CEO

Deal Overview:

Borrower is a diversified business generating consistent EBITDA positive cash flow from operations and the company does not have any other existing long term debt. Dae Sung provides a variety of contracting services to federal & commercial clients, including facility support & maintenance, bulk fuel storage, aircraft refueling, flight simulator training & maintenance, construction management, mail distribution and administration support. Dae Sung is a member of the Mandaree Enterprises LLC family of companies, wholly owned by the Three Affiliated Tribes located on the Fort Berthold Indian Reservation in North Dakota. Investment in business essential agricultural equipment to expand an agricultural initiative located in California. In addition to the equipment collateral, the facility is supported by an unlimited personal guarantee from the CEO.

Borrower: Shri Shri Corp, a Subway Franchisee **Investment Amount:** $150,000

Term: 48 months **Asset Collateral:** All asset lien, including Furniture Fixtures & Equipment, personal & corporate guarantees

Deal Overview:

Investment in business essential equipment, fittings and furnishings for a Subway franchise located in Port Washington, New York. With over 26,000 locations, Subway is the largest restaurant chain in the United States and is known for their range of affordable sandwiches. Located within Soundview Marketplace, this established mall location is anchored by well-known tenants including Rite Aid and a new Target. The borrower of the Company has successfully managed multiple Subway locations on Long Island, NY for a decade. Collateral for the loan comprises a blanket asset lien on the Port Washington restaurant along with a corporate guarantee and unlimited personal guarantees by the owners of the Subway franchises.

Borrower: ADF Restaurant Group, LLC, a Pizza Hut Franchisee **Investment Amount:** $318,880

Term: 36 months **Asset Collateral:** Pizza Ovens

Deal Overview:

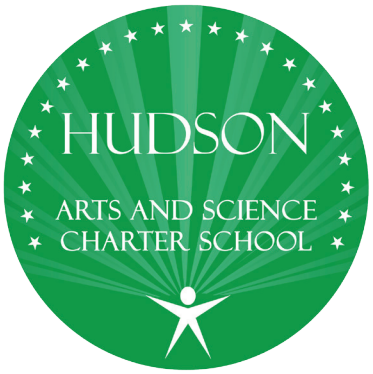
Investment in business essential equipment for one of the nation's largest retail food franchise operations that currently owns and operates 205 Pizza Hut and Kentucky Fried Chicken restaurants in the Northeast and Mid-Atlantic regions of the United States. The investment consists of 17 double gas 40" pizza ovens with good in-place value and a useful life far in excess of the 36 month term. The company has a strong track record and the operational backing of its franchisor. In the event of a liquidation, the Fund has a first priority security interest in the 17 ovens collateralizing this transaction.

Portfolio Updates

Borrower:	Imfesa Air Services SRL	**Investment Amount:**	$600,000
Contract Status:	Early Buyout	**Cash Received:**	$681,410
Term:	36 months	**Asset Collateral:**	Eurocopter EC120B & Airbus EC130-B4

Deal Overview:

On February 14th 2019, the Fund received cash proceeds of $577,026 as an early buyout to pay off the company's asset backed equipment finance lease. This resulted in a cash gain of $81,410. The investment was in acquisition of a 7th helicopter, a Eurocopter EC120B, to be deployed under a contract with one of the leading cruise lines, generating immediate revenue for Imfesa.



Borrower:	Hudson Arts & Science Charter School Inc., an iLearn School	**Investment Amount:**	$357,020
Contract Status:	Matured	**Cash Received:**	$411,774
Term:	36 months	**Asset Collateral:**	School Furniture, Fixtures & Equipment

Deal Overview:

On October 2nd 2019, the Fund received the final payment on the company's asset backed equipment finance lease. This resulted in a cash gain of $54,754. The investment was in business essential classroom and school equipment to a New Jersey charter school focused on Science, Technology, Engineering, Arts and Math Programs (STEAM).

Borrower:	Avenues World Holdings, LLC	**Investment Amount:**	$578,017
Contract Status:	Matured	**Cash Received:**	$702,066
Term:	36 months	**Asset Collateral:**	IT Equipment

Deal Overview:

On September 3rd 2019, the Fund received the final payment on the company's asset backed equipment finance lease. This resulted in a cash gain of $124,049. The investment was in business-essential classroom IT equipment for an elite NY preparatory school, where all classes are taught utilizing MacBook Air computers and iPads.

Borrower:	Western Distribution Services, LLC	**Investment Amount:**	$1,184,850
Contract Status:	Early Buyout	**Cash Received:**	$1,288,884
Term:	36 months	**Asset Collateral:**	Warehouse Racking System

Deal Overview:

On May 31st 2019, the Fund received cash proceeds of $222,439 as an early buyout to pay off the company's asset backed equipment finance loans. This resulted in a cash gain of $104,034. The investment was in a warehouse racking system essential to the Company's state of the art cold storage facility.

Borrower:	ADF Restaurant Group, LLC, a Pizza Hut Franchisee	**Investment Amount:**	$130,560
Contract Status:	Matured	**Cash Received:**	$140,573
Term:	13 months	**Asset Collateral:**	Point of Sale Machines

Deal Overview:

On January 2nd 2019, the Fund received the final payment on the company's asset backed equipment finance loans. This resulted in a cash gain of $10,013. The investment was in Point of Sale Machines essential to the restaurant franchise's operations.

Borrower:	Old City Pretzel Co, LLC (d.b.a. Ardiente)	**Investment Amount:**	$88,000
Contract Status:	Early Buyout	**Cash Received:**	$107,170
Term:	36 months	**Asset Collateral:**	Restaurant Equipment

Deal Overview:

On May 14, 2018, the Fund received cash proceeds of $99,162 as an early buyout to pay off the asset backed equipment finance lease. This resulted in a cash gain of $19,170. The investment was in food storage equipment, cooking appliances, business essential restaurant equipment and electronic point-of-sale systems.

Borrower:	EMM Asia Fund I L.P.	**Investment Amount:**	$2,800,000
Contract Status:	Matured	**Cash Received:**	$2,954,000
Term:	Bridge Loan	**Asset Collateral:**	Drilling Rig System, Safe Span, and other equipment

Deal Overview:

On February 6, 2018, the Fund received cash proceeds of $2,828,000 as payment in full of the asset backed equipment loan. This resulted in a cash gain of $154,000. The investment was in a 500HP AC Ideal Walking Rig System & ancillary equipment.

Performance

From August 11, 2016 through December 31, 2019, the Partnership admitted 617 Limited Partners with total capital contributions of $25,371,709 resulting in the sale of 2,537,170.91 Units. The Partnership received cash contributions of $24,718,035 and applied $653,674 which would have otherwise been paid as sales commission to the purchase of 65,367.46 additional Units.

Our revenue for the years ended December 31, 2019 and 2018 is summarized as follows:

	YearEnded December 31, 2019	Year Ended December 31, 2018
REVENUE		
Rental income	$ 419,024	$ 109,024
Finance income	1,403,049	862,809
Interest income	437,120	246,192
Other income	688	10,527
Total Revenue	**2,259,881**	**1,228,552**

For the year ended December 31, 2019, we earned $419,024 in rental income from five operating leases of pizza ovens equipment, and one fabrication equipment operating lease. We received monthly lease payments of approximately $3,931,000 and recognized $1,403,049 in finance income from 22 finance leases during the same period. We also recognized $437,120 in interest income from collateralized loans receivable during the same period. As we acquire finance leases and operating leases, and as we participate in additional financing projects, we believe our revenue will steadily grow during 2020.

Performance

Our expenses for the years ended December 31, 2019 and 2018 are summarized as follows:

	Year Ended December 31, 2019	Year Ended December 31, 2018
EXPENSES		
Management fees – Investment Manager	$ 750,000	$ 750,000
Interest Expense	83,245	-
Depreciation	329,146	95,604
Professional fees	669,570	310,377
Administration expense	244,238	199,964
Other expenses	8,508	11,785
Total Expenses	**2,084,707**	**1,367,730**

For the year ended December 31, 2019, we incurred $2,084,707 in total expenses. We paid $750,000 in management fees to our Investment Manager during the year ended December 31, 2019. We pay our Investment Manager a management fee during the Operating Period and the Liquidation Period equal to the greater of (i) 2.5% per annum of the aggregate offering proceeds, payable monthly in advance or (ii) $62,500 per month. We recognized $329,146 in depreciation expense and $244,238 in administration expense. Administration expense mainly consists of expenses paid to the fund administrator. We also incurred interest expense of $83,245 related to our loan payable. Lastly, we incurred $669,570 in professional fees, which were mostly comprised of fees related to compliance with the rules and regulations of the SEC and consulting services. As the size and complexity of our activities grow, we expect that our professional fees will increase accordingly.

Net Income (Loss)

As a result of the factors discussed above, we reported a net income for the year ended December 31, 2019 of $175,174 as compared to a net loss of $139,178 for the year ended December 31, 2018.

Our General Partner anticipates that during our early years, income taxes on distributions to you and to our other limited partners will be, to an extent, tax-deferred by operating losses and depreciation deductions available from the portion of our equipment leased to third party end users under our operating leases, but not under its full payout leases or other investments.[1]

[1]From Q&A section on page XIII of the Arboretum Silverleaf Income Fund, L.P. Prospectus

Distributions

During our Operating Period, we intend to pay cash distributions on a quarterly basis to our Limited Partners at 1.5% per quarter, the equivalent rate of 6.0% per annum, of each Limited Partners' capital contribution (pro-rated to the date of admission for each Limited Partner). Since June 30, 2017, our distribution rate has been 6.5% annually, paid quarterly at 1.625%, of capital contributions. Beginning as of March 31, 2018, we increased our distribution to 7.0% annually, paid quarterly at 1.75% of capital contributions. Beginning as of June 30, 2018, we increased our distribution to 7.5%, paid quarterly at 1.875% of capital contributions. Beginning as of September 30, 2018 we increased our distribution to 8.0%, paid quarterly at 2.00% of capital contributions.

The amount and rate of cash distributions could vary and are not guaranteed. During the year ended December 31, 2019, we made quarterly cash distributions to our Limited Partners totaling approximately $1,804,000, and we accrued $511,318 for distributions due to Limited Partners which resulted in a distributions payable to Limited Partners of $511,318 at December 31, 2019.

At December 31, 2019 and 2018 we declared and accrued a distribution of $19,430 and $11,481, respectively, for distributions due to our General Partner which resulted in distributions payable to our General Partner of $36,013 and $16,583 at December 31, 2019 and 2018, respectively.

Financial Statements

Consolidated Balance Sheet (audited)	December 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 5,064,943	$ 3,192,541
Investments in finance leases, net	18,764,984	8,058,033
Investments in equipment subject to operating leases, net	1,808,764	127,498
Collateralized loans receivable, including accrued interest of $12,003 and $657	3,131,307	3,318,420
Other assets	575,028	348
Total Assets	$ 29,345,026	$ 14,696,840
LIABILITIES AND PARTNERS' EQUITY		
LIABILITIES:		
Accounts payable and accrued liabilities	$ 238,932	$ 125,419
Loan payable (accrued interest of $37,103 and $0)	9,722,177	-
Funding liability for collateralized loans and leases	-	81,872
Distributions payable to Limited Partners	511,318	370,290
Distributions payable to General Partner	36,013	16,583
Security deposit payable	49,391	-
Deferred revenue	620,061	251,948
Total Liabilities	11,177,892	846,112
PARTNERS' EQUITY (DEFICIT):		
Limited Partners	18,216,951	13,882,867
General Partner	(49,817)	(32,139)
Total Equity	18,167,134	13,850,728
Total Liabilities And Partners' Equity	$ 29,345,026	$ 14,696,840

Financial Statements

Consolidated Statement of Operations (audited)	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
REVENUE		
Rental income	$ 419,024	$ 109,024
Finance income	1,403,049	862,809
Interest income	437,120	246,192
Other income	688	10,527
Total Revenue	**2,259,881**	**1,228,552**
EXPENSES		
Management fees - Investment Manager	$ 750,000	$ 750,000
Interest expense	83,245	-
Depreciation	329,146	95,604
Professional fees	669,570	310,377
Administration expense	244,238	199,964
Other expenses	8,508	11,785
Total Expenses	**2,084,707**	**1,367,730**
Net income (loss)	**$ 175,174**	**$ (139,178)**
Net income (loss) attributable to the Partnership		
Limited Partners	$ 173,422	$ (137,786)
General Partner	1,752	(1,392)
Net income (loss) attributable to the Partnership	**$ 175,174**	**$ (139,178)**
Weighted average number of limited partnership interests outstanding	1,302,315.04	810,989.49
Net income (loss) attributable to Limited Partners per weighted average number of limited partnership interests outstanding	**$ 0.13**	**$ (0.17)**

Financial Statements

Consolidated Statement of Changes in Partners' Equity (Deficit) (audited)

For the Years Ended December 31, 2019 and 2018

	LIMITED PARTNERSHIP INTERESTS	TOTAL EQUITY	GENERAL PARTNER	LIMITED PARTNERS
Balance, January 1, 2018	**1,137,300.24**	**$ 7,860,982**	**$ (19,266)**	**$ 7,880,248**
Partners' capital contributions	798,718.54	7,987,185	-	7,987,185
Offering expenses	-	(137,150)	-	(137,150)
Underwriting fees	-	(556,661)	-	(556,661)
Net Loss	**-**	**(139,178)**	**(1,392)**	**(137,786)**
Distributions to partners	-	(1,159,565)	(11,481)	(1,148,084)
Redemptions to partners	(536.84)	(4,885)	-	(4,885)
Balance, December 31, 2018	**1,935,481.94**	**13,850,728**	**(32,139)**	**13,882,867**
Partners' capital contributions	600,190.59	6,001,906	-	6,001,906
Offering expenses	-	545,974	-	545,974
Underwriting fees	-	(418,337)	-	(418,337)
Net Income	**-**	**175,174**	**1,752**	**173,422**
Distributions to partners	-	(1,964,455)	(19,430)	(1,945,025)
Redemptions to partners	(2,900.00)	(23,856)	-	(23,856)
Balance, December 31, 2019	**2,532,772.53**	**$ 18,167,134**	**$ (49,817)**	**$ 18,216,951**

Financial Statements

Consolidated Statement of Cash Flows (audited)	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	**$ 175,174**	**$ (139,178)**
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Finance income	(1,403,049)	(862,809)
Accrued interest income	(437,343)	(246,133)
Depreciation	329,146	95,604
Change In Operating Assets And Liabilities:		
Minimum rents receivable	3,930,849	2,188,320
Accrued interest income	432,190	285,264
Other assets	(574,680)	27,713
Accounts payable and accrued liabilities	113,513	22,261
Accrued interest on loan payable	37,103	-
Security deposit payable	49,391	-
Deferred revenue	368,113	202,329
Funding liability for collateralized loans and leases	1,088	81,872
Net Cash Provided By Operating Activities	**3,021,495**	**1,655,243**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of finance leases	(15,346,019)	(7,351,452)
Cash paid for collateralized loans receivable	(711,377)	(8,797,245)
Cash received from collateralized loans receivable	674,342	3,446,855
Proceeds from sale of collateralized loans receivable	146,341	5,873,170
Proceeds from sale of leased assets	100,856	-
Net Cash Used In Investing Activities	**(15,135,857)**	**(6,828,672)**

(continued on next page)

Financial Statements

Consolidated Statement of Cash Flows (audited) *(continued)*	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from loan payable	10,600,000	-
Repayments of loan payable	(914,926)	-
Cash received from Limited Partner capital contributions	5,916,286	7,892,150
Cash paid for Limited Partner distributions	(1,803,997)	(958,856)
Cash paid for Limited Partner redemptions	(23,856)	(4,885)
Cash paid for underwriting fees	(332,717)	(461,626)
Cash paid for offering costs	545,974	(137,150)
Net Cash Provided By Financing Activities	**13,986,764**	**6,329,633**
Net increase in cash and cash equivalents	1,872,402	1,156,204
Cash and cash equivalents, beginning of year	3,192,541	2,036,337
Cash And Cash Equivalents, End Of Year	**$ 5,064,943**	**$ 3,192,541**
SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING, INVESTING AND FINANCING ACTIVITIES:		
Units issued as underwriting fee discount	$ 85,620	$ 95,035
Distributions payable to General Partner	$ 19,430	$ 11,481
Distributions payable to Limited Partners	$ 511,318	$ 189,228
Reclassification of investment in finance leases to equipment subject to operating leases	$ 2,010,412	$ -
Funding liability for collateralized loans and leases	$ (82,960)	$ -

Forward-Looking Statements

Certain statements within this Annual Report on Form 10-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). These statements are being made pursuant to the PSLRA, with the intention of obtaining the benefits of the "safe harbor" provisions of the PSLRA, and, other than as required by law, we assume no obligation to update or supplement such statements. Forward-looking statements are those that do not relate solely to historical fact.

They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. You can identify these statements by the use of words such as "may," "will," "could," "should," "anticipate," "believe," "estimate," "expect," "intend," "predict," "continue," "further," "seek," "plan," or "project" and variations of these words or comparable words or phrases of similar meaning.

These forward-looking statements reflect our current beliefs and expectations with respect to future events and are based on assumptions and are subject to risks and uncertainties and other factors outside our control that may cause actual results to differ materially from those projected. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Additional Information

A detailed financial report on SEC Form 10-Q or 10-K (whichever is applicable) is available to you. It is typically filed either 45 or 90 days after the end of the quarter or year, respectively. It contains financial statements, detailed sources and uses of cash, and explanatory notes. Please access these reports by:

Visiting: www.thearboretumgroup.com

Or

Visiting: www.sec.gov

Administration:

Registered Office
160 Greentree Drive, Suite 101
Dover, DE 19904

Registered Agent
National Registered Agents, Inc.

Investment Manager
Arboretum Investment Advisors, LLC
100 Arboretum Drive, Suite 105
Portsmouth, NH 03801

Auditor
Baker Tilly Virchow Krause, LLP
One Penn Plaza, Suite 3000
New York, NY 10119