



ARBORETUM
SILVERLEAF INCOME FUND, L.P.

Portfolio Overview
Third Quarter 2021

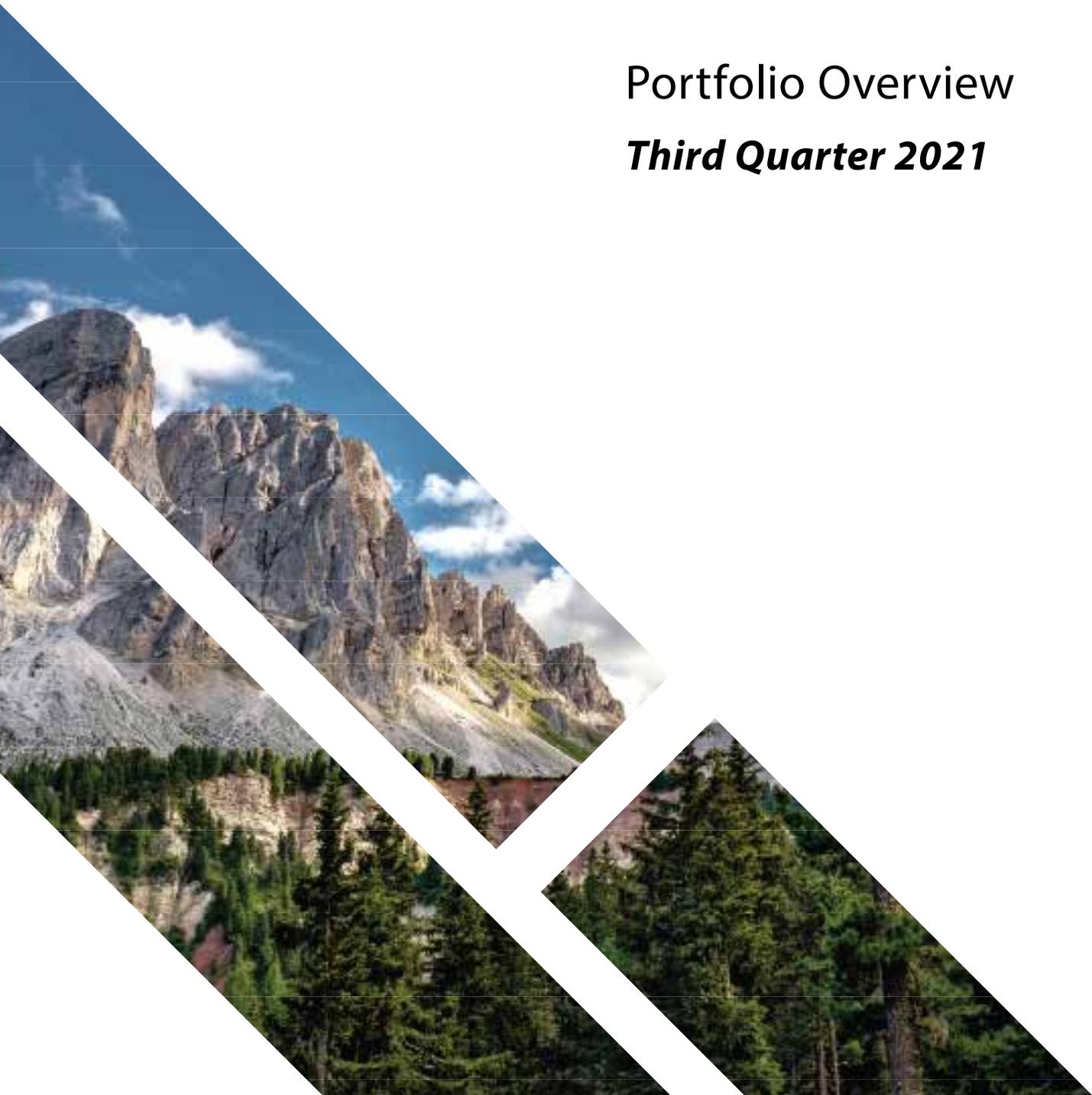




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Company Overview

Company:

Arboretum Silverleaf Income Fund, L.P.

Formed in Delaware on January 14, 2016

New Hampshire Registered Investment Adviser:

Arboretum Investment Advisors, LLC

Formed in Delaware on March 3, 2016

Company Overview

Our Business:

The Arboretum Silverleaf Income Fund L.P. (“Fund”) concluded its Operating Period at end of Q3 2021 and will begin entering the Liquidation Period in Q4 2021. Once Liquidation Period commences, no investments in new transactions will take place, the Fund however can make follow on investments in any pre-existing commitments. During the Liquidation Period, proceeds received by the Fund, after expenses and debt service will be periodically distributed to Limited Partners.

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.

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

STATEMENT REGARDING THE EFFECTS OF COVID-19 ON OUR BUSINESS:

The disruptive nature of the coronavirus pandemic has been felt across all businesses in every industry both around the country and the world. In an effort to mitigate potential long term losses, Arboretum Silverleaf Income Fund, L.P. (the "Fund") provided short term payment relief to nearly all of its obligors throughout 2020 in order to provide an opportunity for obligors to remain in business during these most challenging of times. Although most obligors have resumed making their pre-pandemic contracted payments, unfortunately, some of these companies have not survived the crisis thereby requiring the Fund to take action to mitigate and minimize the negative impact that arose from these situations. In certain instances, the Fund has had to repossess the equipment from these failed companies in order to remarket or enter into settlement agreements to limit the exposure for the Fund. These companies are outlined in the 'Other Assets' section of the report.

As of September 30, 2021, our portfolio consisted of:



Borrower: Etiwanda Logistics, inc. **Investment Amount:** \$1,101,900

Term: 48 months **Asset Collateral:** First priority lien on manufacturing equipment

Deal Overview:

Etiwanda Logistics, Inc., ("Etiwanda"), founded in 2016 and headquartered in Fontana, CA, is a 3rd party logistics company that specializes in inventory management, delivery, warehousing, pick and packing, route planning, and value-added services. The company operates out of 155K + 45K sqft warehousing facility and is moving to a new 277K sqft nearby facility in San Bernardino, CA, east of Los Angeles. Etiwanda's operating performance was stable in FY2020, and is projecting a 72% growth in revenue, totaling \$10.7MM for FY2021. Proceeds from this transaction were used to acquire a new business-critical Pallet Racking System, teardrop style, including upright frames-roll form steel, load beams-roll form steel, wire mesh deck and related items for the new facility. The Equipment is expected to be more efficient as it will allow for the vertical expansion of its warehousing space as well as allow for the products to be more evenly and efficiently pulled and shipped. The Equipment is expected to have a useful life of 10+ years.

Borrower: Ascentium Capital portfolio **Investment Amount:** \$4,051,979

Term: 23-58 months **Asset Collateral:** First priority lien on underlying equipment of each lease

Deal Overview:

Ascentium Capital ("Ascentium"), founded in 2004 specializes in providing a broad range of business equipment financing, leasing, and loans across the United States. Currently with a portfolio of \$2.1 billion they regularly syndicate transactions as part of portfolio management and rebalancing. This portfolio was selected to alleviate internal concentration limits for asset type, geographic location and/or industry. Ascentium utilizes proprietary and nonproprietary scoring models based on key parameters to assess credit worthiness of every obligor submitted regardless of amount requested. From there the lessee's in the portfolio were selected by Arboretum based on the criteria of: Minimum term of 24 months, at least 12 months in business, minimum FICO of 600, minimum SBSS of 150, and no late payments since transaction commencement date. Transactions that did not meet this criteria were eliminated for consideration.





Borrower: HMI Cardinal (dba Cardinal Shower) **Investment Amount:** \$2,218,258

Term: 36 months **Asset Collateral:** First priority lien on glass manufacturing equipment

Deal Overview:

Hoskin & Muir, Inc., dba Cardinal Shower Enclosures (“Company” or “Cardinal Shower”), founded in 1948 and based in Louisville, KY, is a glass enclosure manufacturer whose products reach a national network of glaziers. The Company demonstrated strong growth and established a national presence, and in 2017, private equity firm Riverside purchased the Company for \$115MM. Cardinal Shower has three manufacturing facilities in KY, MA and NV, and 5 distribution centers in CA, TX, WA, and HI. The newest location in NV is their largest, most technologically advanced manufacturing and distribution center, and serves to consolidate three locations for significant cost savings. Proceeds from this transaction were used to finance business-critical glass manufacturing equipment for the new facility, projected to increase revenue through quicker product turnaround and reduce costs through automation. The useful life of the Equipment is projected at 10+ years, far exceeding that of the transaction, with a strong and active secondary market.



Borrower: Equipmentsshare.com, Inc. **Investment Amount:** \$3,906,913

Term: 36 months **Asset Collateral:** First priority lien on small construction tools

Deal Overview:

Equipment Share (“Company” or “Equipment Share”), founded in 2014 and based out of Columbia, MO, is an integrated equipment services company that offers a full suite of rental and purchase equipment options to clients alongside numerous value add technology solutions. Additionally, the rental platform enables third parties to rent idle equipment resulting in ancillary revenue share for Company with minimal associated marginal costs. End users primarily operate in the construction, civil, and infrastructure and sectors. Supporting operations are 58 full service sites across 25 states and 1,538 employees. The Fund financed a second schedule in conjunction with the Company’s \$250MM equity raise. Proceeds from this facility were used to acquire various small construction tools and equipment that are rented to clients, which are business critical and directly support revenue generation. The financing term of 36 months matches the low end of the equipment’s useful life range, estimated at 3-5 years. This transaction represents an opportunity to provide financing to a cutting edge, technologically integrated equipment rental firm producing significant organic growth.



Borrower: LeoTerra Development Inc. **Investment Amount:** \$954,498

Term: 60 months **Asset Collateral:** First priority lien on two (2) Bell B45E Articulated Trucks

Deal Overview:

LeoTerra Development (“Company” or “LeoTerra”), founded in 2017 and based out of Kernersville, NC, provides land development services for raw land plots in addition to the acquisition and management of the lots. The Company’s capabilities attracted the attention of a publically traded construction firm (“Partner”) with a market capitalization measuring in the billions. The firms maintain a uniquely beneficial relationship in which LeoTerra will purchase land, with part of the capital provided by the Partner, and sell the finished land lots (now ready for construction) back to the Partner. The two financed trucks will be utilized to service active projects that are part of a long list of awarded contracts that should support the Company’s revenue for years to come.



Borrower: Sunvair Aerospace Group, Inc. **Investment Amount:** \$160,156

Term: 60 months **Asset Collateral:** First priority lien on MetFin surface treatment machine

Deal Overview:

Founded in 1957, Sunvair, Inc. ("Sunvair") and sister company Aviation Avionics & Instruments Inc. ("AAII") are certified FAA repair stations performing aircraft repair and overhaul services. The companies were acquired by Blue Sea Capital in 2014 and 2015, respectively, and rolled under the Sunvair Aerospace Group Inc. parent umbrella. Both companies perform maintenance, repair and overhaul services for commercial, regional and military aircraft components, including avionics, instruments, pressure sensors, landing gear, mechanical components, and other accessories and components. Sunvair's repair and overhaul facilities are located in Valencia, CA and AAII's in Freeport, NY. Investment is in a business-essential Shot Peening Machine (MetFin Series II, Model 600 Table Blast System), which allows Sunvair to bring resurfacing work in-house rather than outsourcing, as well as expand their business by providing another high-demand service. The machine's useful life is well in excess of the 60 month lease term, it can be used across multiple industries and has an active secondary market.



Borrower: We Do Dough, Inc. for Crumbl Cookies franchise **Investment Amount:** \$450,000

Term: 52 months **Asset Collateral:** First priority lien on franchise furniture, fixtures & equipment

Deal Overview:

Founded in 2018 in Logan, UT, Crumbl is a fast-growing specialty provider of freshly made cookies with pickup and delivery options. All cookies are freshly made from scratch ingredients on the day of purchase, maintain delivery options, and can be baked to accommodate large catering options. The franchise model company grew from 35 to 48 locations between 2018-2019 and is expected to reach 100 stores in 2020. Investment is in business essential restaurant equipment to open a Crumbl storefront in California in addition to the two Colorado stores already opened. Equipment includes ovens/microwaves, freezers, electronics and related assets. The lessee, We Do Dough, was established to own and operate three franchise stores, with the experienced franchise owner/operator providing personal and corporate guarantees of seven existing Little Caesars franchises.



Borrower: NavaDerm Partners, LLC **Investment Amount:** \$827,956

Term: 36 months **Asset Collateral:** First priority lien on medical equipment

Deal Overview:

Founded in 2018 and headquartered in New York City, NY, NavaDerm Partners, LLC ("NavaDerm" or the "Company") is a management services dermatology platform providing contractual, non-clinical services to five physician practices consisting of 41 physicians across seven clinics in New York and New Jersey, each with an established customer base and average 20+ year operating history. NavaDerm performs all back-office operations, allowing the physicians to focus on treating patients with medical, surgical and cosmetic procedures. Investment in business essential medical equipment includes a hair removal laser system, a vascular pigmentation removal laser system, body sculpting machine (cellulite treatment), and a fractional micro-needling machine, all of which will be located and used to complete procedures at a new NYC medical office. Useful life of the Equipment is expected to exceed the three year term of the facility.



Borrower: Quality Metalcraft, Inc.

Investment Amount: \$1,532,873

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 needed 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.

Borrower: St. Clair Inn

Investment Amount: \$1,144,933

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. This was a part of a larger financing to do major refurbishment of the hotel, in which the two owners personally invested \$10MM of equity towards the refurbishment. The hotel was heavily impacted by Covid, and continues to be impacted as Michigan has some of the strictest Covid-related restitutions. The hotel has commenced partial operations, however, has not been able to completely finish the renovation as they are having difficulty sourcing qualified contractors. They need to finish the renovation in order to receive the final Marriott affiliation, which will allow them to have reservations booked through Marriott. The transaction was amended several times and the lessee has missed the last two payments. We are aware that the lessee is looking to refinance its senior debt facility and the Fund. We have engaged counsel to ensure the Fund's position is protected. In addition to recourse to the lessee, the Fund has two individual guarantors. No impairment has been taken against this investment at this time.



Borrower: ZVRS, CSDVRS & Purple Communications

Investment Amount: \$3,348,711

Term: 30 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: \$1,137,339

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: \$865,084

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:** \$101,828

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:** \$3,975,000

Term: 60 months **Asset Collateral:** First priority lien on Friction Stir Universal Welding System and production line equipment

Deal Overview:

Investment in a business essential welding machine to Vivace Universal. Founded in 2006, Vivace is a subcontractor providing manufacturing and tooling services for flight hardware and related equipment along with testing and engineering services relating to commercial space programs. Equipment is used to service contracts for a long-term Dynetics program and other large companies. 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. More recently the Fund has provided \$975,000 additional financing for a flexible and robust manufacturing production line.



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: 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: 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.

Other Assets



Borrower: DBI Services, LLC

Investment Amount: \$3,000,000

Term: 60 months

Asset Collateral: First priority lien on construction vehicles & ancillary equipment

Deal Overview:

Founded in 1978, DBI Parent, LLC ("DBI" or "Company"), through its subsidiaries, provides maintenance and operational services for infrastructure related projects in the U.S. and Canada. The company abruptly shut down in October 2021 citing impact from Covid and other factors. The Fund is in the process of repossessing and remarketing the equipment collateral, which primarily consists of vehicles, yellow iron, and related equipment that has an active secondary market. No impairment has been taken against this investment at this time.



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:

Investment in a business essential Marel fish processing machine ("Equipment") intended to reduce labor needs and increase automation, and forecasted to produce higher margins and increase capacity output. The Lessee encountered financial difficulties after it was forced to close due to the COVID-19 pandemic. The Lessee was located on a remote island in Alaska that had to be evacuated due to the absence of critical medical equipment. In October 2020 the Fund repossessed the Equipment and commenced remarketing efforts shortly thereafter. The Fund is in negotiations for a potential sale of the equipment with a new operator who is looking to take over the operations of the plant in Alaska. The Fund is also pursuing several other avenues to maximize recovery, however, in line with the audited financials, the Fund took a \$430,836 impairment on these assets in Q4 2020 and another \$400,000 impairment in Q3 2021.



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 has repossessed the Equipment and commenced remarketing efforts. The Equipment also has application in other industries. Due to the size of the Equipment and current environment, the remarketing process commenced in earnest in Q4 2020. There is interest from several parties in the equipment that the Fund is evaluating, and the fund is targeting a significant recovery of its investment. We are pursuing multiple avenues to maximize recovery, however, in line with the audited financials, the Fund took a \$751,685 impairment on these assets.



Borrower: Anova Technologies, LLC and FE Telecoms, LLC **Investment Amount:** \$3,720,970

Term: 42 months **Asset Collateral:** First priority lien on all assets

Deal Overview:

Investment proceeds were utilized to refinance Anova's current long-term debt, of which the majority was issued by PNC to acquire an Asian wireless network. The financing is secured by all of the Company's assets including the business critical network equipment and infrastructure. The Company has been severely impacted by COVID-19, with many of its customers closing down as well as some of the company's vendors threatening to cut off services due to non-payment which would effectively force Anova to close down. Following lengthy negotiations, Anova and the Fund agreed to a bulk settlement that provides for a large upfront cash payment to the Fund in the amount of \$2,000,000 on March 31, 2021, and a remaining amount of \$645,000 to be paid over time. Assuming all future payments are collected, this will result in a book value loss of \$366,991.

Portfolio Updates



Borrower: Manus Bio, LLC **Investment Amount:** \$2,506,580 (part of investor syndicate)

Contract Status: Early Buyout **Cash Received:** \$3,623,919

Term: 36 months **Asset Collateral:** First priority lien on all assets

Deal Overview:

On August 20th 2021, the Fund received cash proceeds of \$2,107,517.69 as a buyout of the equipment on the asset backed equipment finance lease. This resulted in a cash gain of \$1,117,339. The investment was in a business essential manufacturing plant and its equipment located in Augusta, Georgia. The technology creates ingredients that are more economically and environmentally sustainable compared to current alternatives.



Borrower: Hydroprime Equipment, LLC **Investment Amount:** \$196,393

Contract Status: Early Buyout **Cash Received:** \$272,092

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

Deal Overview:

On July 9th 2021, the Fund received cash proceeds of \$113,272.50 as a buyout of the equipment on the asset backed equipment finance lease. This resulted in a cash gain of \$75,699. The investment was in Generac water pumps, which allowed the company to replace the equipment that it was previously being rented in order to improve operating margins.



Borrower: Franklin Equipment, LLC **Investment Amount:** \$1,535,424

Contract Status: Early Buyout **Cash Received:** \$2,009,041

Term: 36 months **Asset Collateral:** First priority lien on compressors, forklifts & concrete buggies

Deal Overview:

On April 16th 2021, the Fund received cash proceeds of \$1,357,343.23 as a buyout of the equipment on the asset backed equipment finance lease. This resulted in a cash gain of \$473,617. The investment was in various types of rental equipment including compressors, forklifts, and concrete buggies that were rented to Franklin customers, located at various Franklin locations.



Borrower: Medversant Technologies, LLC **Investment Amount:** \$390,573

Contract Status: Matured **Cash Received:** \$483,981

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

Deal Overview:

On March 1 2021, the Fund received the final payment on the company's asset backed equipment finance lease. This resulted in a cash gain of \$93,408. The investment was in business-essential servers, switches, and support components replacing previous five year old equipment, required to support Medversant's strong growth since servers are critical to management of client data.



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

Contract Status: Terminated **Cash Received:** \$140,659

Term: 48 months **Asset Collateral:** All asset lien, including FF&E, personal & corporate guarantees

Deal Overview:

In the first quarter of 2021 Shri Shri filed for bankruptcy as it encountered significant financial troubles due to a decrease in demand from state-mandated COVID lockdowns in the NYC metro area. This resulted in a cash loss of \$9,341. The investment was in business essential equipment, fittings and furnishings for a Subway franchise in Port Washington, New York. The Fund is pursuing further collection on a personal guarantee.



Borrower: Evolution Completions, Inc. & Evolution Management, Inc. **Investment Amount:** \$1,430,488 (part of investor syndicate)

Contract Status: Early Buyout **Cash Received:** \$1,781,928

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

Deal Overview:

On January 28 2021, the Fund received cash proceeds of \$625,853.71 as a buyout of the equipment on the asset backed equipment finance loan. This resulted in a cash gain of \$351,440. The investment was in business-essential oilfield tools and services in Bakken, a major U.S. oil basin. The new equipment allowed the borrower to offer new services in current and new markets, paving the way for increased market share and growth.



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

Contract Status: Terminated **Cash Received:** \$1,738,109

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

Deal Overview:

On December 31st 2020 and February 5th 2021, the Fund received cash proceeds of \$475,831 and \$219,915 as liquidation proceeds of the equipment on the asset backed operating lease. This resulted in a cash loss of \$337,891. The investment was in metal fabrication equipment, lathe, robotics and precision inspection equipment.



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

Contract Status: Early Buyout **Cash Received:** \$1,412,130

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

Deal Overview:

On December 30 2020, the Fund received cash proceeds of \$217,822.30 as a buyout of the equipment on the asset backed equipment finance leases. This resulted in a cash gain of \$236,410. The investment was 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.



Energy Services

Borrower: MBI Energy Services, Inc. **Investment Amount:** \$3,290,539

Contract Status: Matured **Cash Received:** \$3,891,483

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

Deal Overview:

On October 22nd 2020, the Fund received cash proceeds of \$1,040,453 as a buyout of the equipment on 3 of the 4 remaining schedules of the asset backed equipment finance leases. This resulted in a cash gain of \$600,944. The investment was in water pumps and generators essential to the company's operations. 4 of the 5 schedules have now been prepaid, and the Fund has repossessed the equipment for the remaining schedule and is in the process of remarketing it.



Borrower: Dae Sung, LLC **Investment Amount:** \$499,686

Contract Status: Early Buyout **Cash Received:** \$660,405

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

Deal Overview:

On September 30th 2020, the Fund received cash proceeds of \$112,488 as a buyout of the equipment on the asset backed equipment finance lease. This resulted in a cash gain of \$160,719. The investment was in agricultural equipment essential to expanding an agricultural initiative in California.



Borrower: ADF Restaurant Group, LLC, a Pizza Hut Franchisee **Investment Amount:** \$318,882

Contract Status: Matured **Cash Received:** \$468,213

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

Deal Overview:

On February 11th 2020, the Fund received cash proceeds of \$125,047.62 as a buyout of the equipment on the asset backed equipment leases. This resulted in a cash gain of \$149,331. The investment was in 17 double gas 40" pizza ovens essential to the restaurant franchise's operations.

Borrower: Opus Virtual Offices, LLC **Investment Amount:** \$245,219

Contract Status: Matured **Cash Received:** \$281,457

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

Deal Overview:

On January 2nd 2020, the Fund received the final payment on the company's asset backed equipment finance lease. This resulted in a cash gain of \$36,238. The investment was in business essential hardware and software essential to Opus' operations and expansion.

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: 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: 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:** \$88,233

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 September 30, 2021, 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 three months ended September 30, 2021 and 2020 is summarized as follows:

| | Three Months Ended September 30, 2021 (unaudited) | Three Months Ended September 30, 2020 (unaudited) |
|-------------------------------------|--|--|
| REVENUE | | |
| Rental income | \$ - | \$ 93,000 |
| Finance income | 549,605 | 579,436 |
| Interest income | 204,445 | 128,557 |
| Other income | - | - |
| Total Revenue | \$ 754,050 | \$ 800,993 |
| Provision for loan and lease losses | (400,000) | |
| Revenue, net | \$ 354,050 | \$ 800,993 |

For the three months ended September 30, 2021, we received monthly lease payments of approximately \$2,831,000 and recognized \$549,605 in finance income from various finance leases during the same period. We also recognized \$204,445 in interest income from collateralized loans receivable during the same period. We also incurred a provision for loan and lease losses of \$400,000 as a result of an impairment loss on another asset during the three months ended September 30, 2021.

Performance

Our expenses for the three months ended September 30, 2021 and 2020 are summarized as follows:

| | Three Months Ended September 30, 2021 (unaudited) | Three Months Ended September 30, 2020 (unaudited) |
|--------------------------------------|--|--|
| EXPENSES | | |
| Management fees – Investment Manager | \$ 187,500 | \$ 187,500 |
| Interest Expense | 138,925 | 206,722 |
| Depreciation | - | 75,550 |
| Professional fees | 70,596 | 97,609 |
| Administration expense | 71,919 | 84,177 |
| Other expenses | - | 500 |
| Total Expenses | \$ 468,940 | \$ 652,058 |

For the three months ended September 30, 2021, we incurred \$468,940 in total expenses. We paid \$187,500 in management fees to our Investment Manager during the three months ended September 30, 2021. 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 \$71,919 in administration expense. Administration expense mainly consists of expenses paid to the fund administrator. We also incurred interest expense of \$138,925 related to our loan payable that was entered into on October 18, 2019. We also incurred \$70,596 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 loss for the three months ended September 30, 2021 of \$114,890, as compared to net income of \$148,935 for the three months ended September 30, 2020.

Financial Statements

Consolidated Balance Sheet

September 30, 2021
(unaudited)

December 31, 2020

| ASSETS | | | |
|--|-----------|-------------------|----------------------|
| Cash and cash equivalents | \$ | 266,231 | \$ 1,838,659 |
| Investments in finance leases, net | | 20,656,078 | 15,767,235 |
| Collateralized loans receivable, including accrued interest of \$6,202 and \$4,667, respectively | | 1,073,481 | 3,986,896 |
| Other assets | | 4,527,584 | 7,294,637 |
| Total Assets | \$ | 26,523,374 | \$ 28,887,427 |
| LIABILITIES AND PARTNERS' EQUITY | | | |
| LIABILITIES: | | | |
| Accounts payable and accrued liabilities | \$ | 213,004 | \$ 247,582 |
| Loan payable, including accrued interest of \$39,400 and \$95,135, respectively | | 9,752,199 | 12,375,581 |
| Distributions payable to Limited Partners | | 63,660 | 255,362 |
| Distributions payable to General Partner | | 49,335 | 48,698 |
| Security deposit payable | | 124,391 | 49,391 |
| Deferred revenue | | 960,300 | 717,814 |
| Total Liabilities | | 11,162,889 | 13,694,428 |
| PARTNERS' EQUITY (DEFICIT): | | | |
| Limited Partners | | 15,437,737 | 15,272,406 |
| General Partner | | (77,252) | (79,407) |
| Total Equity | | 15,360,485 | 15,192,999 |
| Total Liabilities And Partners' Equity | \$ | 26,523,374 | \$ 28,887,427 |

Financial Statements

Consolidated Statement of Operations (unaudited)

Three Months Ended
September 30, 2021

Three Months Ended
September 30, 2020

| REVENUE | | | |
|--|-----------|------------------|-------------------|
| Rental income | \$ | - | \$ 93,000 |
| Finance income | | 549,605 | 579,436 |
| Interest income | | 204,445 | 128,557 |
| Other income | | - | - |
| Total Revenue | | 754,050 | 800,993 |
| Gain on sale of assets | \$ | (400,000) | \$ - |
| Revenue, Net | | 354,050 | 800,993 |
| EXPENSES | | | |
| Management fees - Investment Manager | \$ | 187,500 | \$ 187,500 |
| Interest expense | | 138,925 | 206,722 |
| Depreciation | | - | 75,550 |
| Professional fees | | 70,596 | 97,609 |
| Administration expense | | 71,919 | 84,177 |
| Other expenses | | - | 500 |
| Total Expenses | | 468,940 | 652,058 |
| Net income (loss) | \$ | (114,890) | \$ 148,935 |
| Net income (loss) attributable to the Partnership | | | |
| Limited Partners | \$ | (113,741) | \$ 147,446 |
| General Partner | | (1,149) | 1,489 |
| Net income (loss) attributable to the Partnership | \$ | (114,890) | \$ 148,935 |
| Weighted average number of limited partnership interests outstanding | | 2,527,707.36 | 2,532,772.53 |
| Net income (loss) attributable to Limited Partners per weighted average number of limited partnership interests outstanding | \$ | (0.04) | \$ 0.06 |

Financial Statements

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

For the Three and Nine Months Ended
September 30, 2021 and 2020

| | LIMITED PARTNERSHIP INTERESTS | TOTAL EQUITY | GENERAL PARTNER | LIMITED PARTNERS |
|------------------------------------|-------------------------------------|----------------------|--------------------|----------------------|
| Balance, January 1, 2021 | 2,532,772.53 | \$ 15,192,999 | \$ (79,407) | \$ 15,272,406 |
| Net Income | - | 68,025 | 680 | 67,345 |
| Distributions to partners | - | (3,689) | - | (3,689) |
| Balance, March 31, 2021 | 2,532,772.53 | \$ 15,257,335 | \$ (78,727) | \$ 15,336,062 |
| Net Income | - | 326,092 | 3,261 | 322,831 |
| Balance, June 30, 2021 | 2,532,772.53 | \$ 15,583,427 | \$ (75,466) | \$ 15,658,893 |
| Net Loss | - | (114,890) | (1,149) | (113,741) |
| Distributions to partners | - | (64,297) | (637) | (63,660) |
| Redemption | (5,855.80) | (43,755) | - | (43,755) |
| Balance, September 30, 2021 | 2,526,916.73 | \$ 15,360,485 | \$ (77,252) | \$ 15,437,737 |
| Balance, January 1, 2020 | 2,532,772.53 | \$ 18,167,134 | \$ (49,817) | \$ 18,216,951 |
| Net Income | - | 226,951 | 2,270 | 224,681 |
| Distributions to partners | - | (514,369) | (5,052) | (509,317) |
| Balance, March 31, 2020 | 2,532,772.53 | \$ 17,879,716 | \$ (52,598) | \$ 17,932,314 |
| Net Income | - | 186,447 | 1,863 | 184,584 |
| Distributions to partners | - | (255,146) | (2,525) | (252,621) |
| Balance, June 30, 2020 | 2,532,772.53 | \$ 17,811,017 | \$ (53,260) | \$ 17,864,277 |
| Net Income | - | 148,935 | 1,489 | 147,446 |
| Distributions to partners | - | (257,917) | (2,554) | (255,363) |
| Balance, September 30, 2020 | 2,532,772.53 | \$ 17,702,035 | \$ (54,325) | \$ 17,756,360 |

Financial Statements

Consolidated Statement of Cash Flows (unaudited)

For the Nine
Months Ended
September 30, 2021

For the Nine
Months Ended
September 30, 2020

| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
|--|----|--------------------|----|--------------------|
| Net Income | \$ | 279,227 | \$ | 562,333 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | | |
| Provision for loan and lease losses | | 400,000 | | - |
| Depreciation | | - | | 228,824 |
| Gain on sale of assets | | - | | (70,483) |
| Change In Operating Assets And Liabilities: | | | | |
| Other assets | | 1,722,003 | | (121,678) |
| Accounts payable and accrued liabilities | | (34,578) | | 34,169 |
| Accrued interest on loan payable | | (55,735) | | 32,641 |
| Security deposit payable | | 75,000 | | - |
| Deferred revenue | | 242,486 | | (79,518) |
| Net Cash Provided By Operating Activities | | 2,628,403 | | 586,288 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Change in leases, net | | (4,243,793) | | (6,312,396) |
| Origination and purchases of loans receivable, net of amortization, prepayments and satisfactions | | 2,913,415 | | (882,873) |
| Proceeds from sale of leased assets | | - | | 118,316 |
| Net Cash Used In Investing Activities | | (1,330,378) | | (7,076,953) |

(continued on next page)

Financial Statements

Consolidated Statement of Cash Flows (unaudited) (continued)

For the Nine
Months Ended
September 30, 2021

For the Nine
Months Ended
September 30, 2020

| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
|---|--------------------|-------------------|
| Cash received from loan payable | 11,660,000 | 10,982,000 |
| Repayments of loan payable | (14,227,647) | (7,794,295) |
| Cash paid for Limited Partner distributions | (259,051) | (1,273,256) |
| Cash paid for Limited Partner redemptions | (43,755) | - |
| Net Cash (Used In) Provided By Financing Activities | (2,870,453) | 1,914,449 |
| Net increase (decrease) in cash and cash equivalents | (1,572,428) | (4,576,216) |
| Cash and cash equivalents, beginning of period | 1,838,659 | 5,064,943 |
| Cash And Cash Equivalents, End Of Period | \$ 266,231 | \$ 488,727 |
| SUPPLEMENTAL DISCLOSURE OF OTHER CASH FLOW INFORMATION: | | |
| Cash paid for interest | \$ 533,651 | \$ - |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Distributions payable to General Partner | \$ 637 | \$ 10,131 |
| Distributions payable to Limited Partners | \$ 63,660 | \$ 255,363 |
| Reclassification of other assets to investment in finance leases | \$ 645,050 | \$ - |
| Increase in collateralized loans receivable | \$ - | \$ 251,601 |

Forward-Looking Statements

Certain statements within this Quarterly Report on Form 10-Q 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," "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

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