



ARBORETUM
SILVERLEAF INCOME FUND, L.P.

Portfolio Overview
Second Quarter 2023

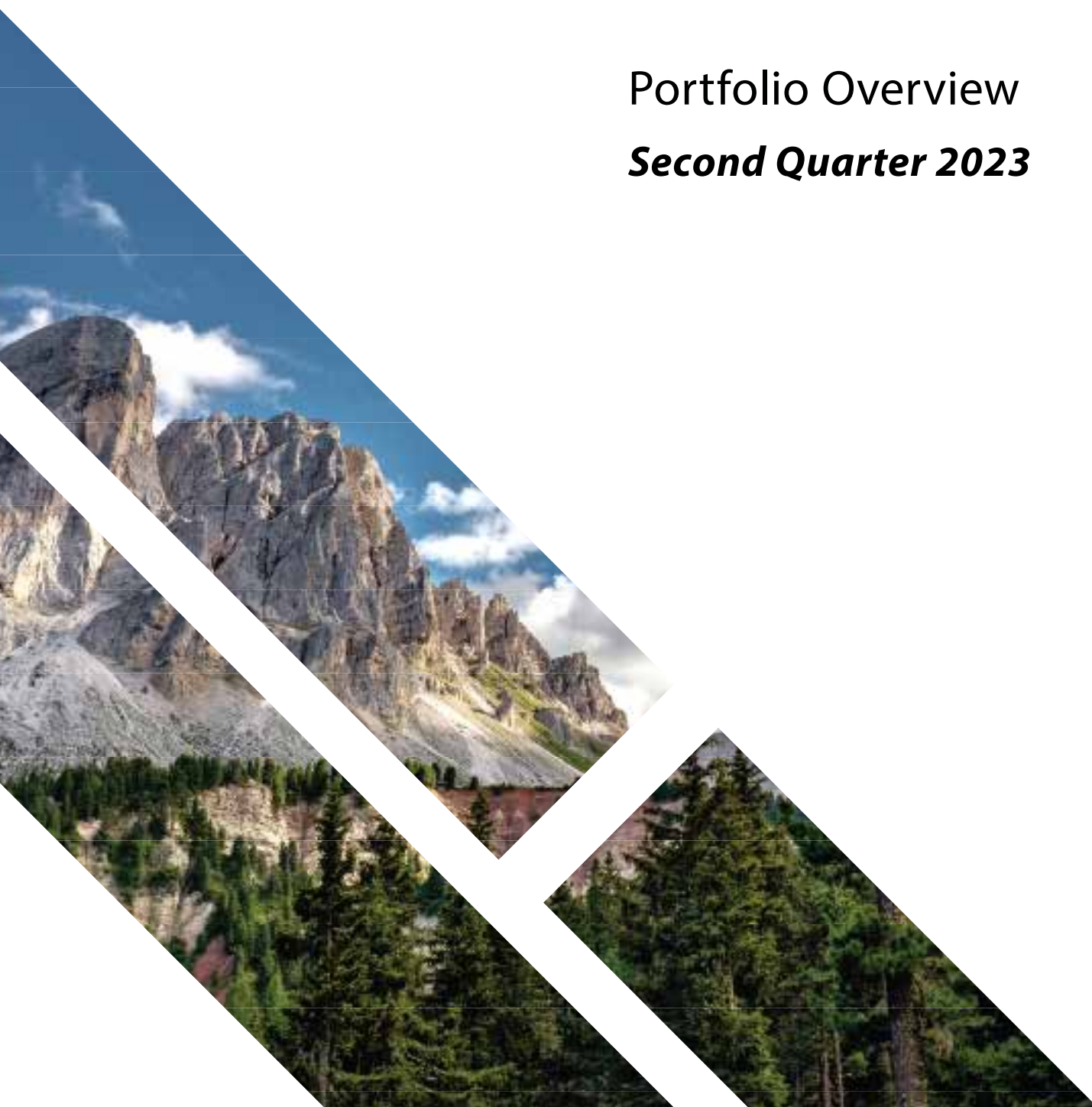




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Company Overview

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 the end of Q3 2021 and entered the Liquidation Period in Q4 2021. During the Liquidation Period, no investments in new transactions will take place and 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

As of June 30, 2023, our portfolio consisted of:



Borrower: DeAngelo Contracting Services, LLC **Investment Amount:** \$196,000

Term: 24 months **Asset Collateral:** First priority lien on construction vehicles & ancillary equipment

Deal Overview:

In February 2022, the Fund entered into a 24 month finance lease agreement with DeAngelo Contracting Services, LLC (“DCS”) for three vehicles recovered from DBI Services. In February 2023, the Fund entered into a second finance lease agreement with DCS, for 12 months for a 4th vehicle. DCS is a growing company focused on providing quality and safe highway, railroad, commercial, and residential maintenance services. DCS owner originally founded DBI, prior to selling it to a PE firm. Post DBI closure, DCS has been actively buying up DBI assets and taking over contracts. The Fund agreed to provide seller financing by way of this short term lease to maximize the sales proceeds for these three vehicles.



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

Term: 48 months **Asset Collateral:** First priority lien on warehousing 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 from 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: Equipmentshare.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: 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. ("AAIL") 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 AAIL'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: 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: MCPc, Inc. **Investment Amount:** \$1,137,339

Term: 48 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: 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.

Other Assets



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 business essential Nordco rail car movers. In March 2022, representatives for Shale Support Holdings advised the Fund that the turnaround the company undertook following its 2019 Chapter 11 restructure did not succeed. The company, at its senior lender's direction has sold off all its assets and was ceasing operations. The Fund's collateral consists of two Shuttlewagons. A third party company that purchased the rail yard from Shale Support took over lease payments in return for use of the equipment. Arboretum engaged in a two month negotiation with this party to either buy the equipment or to enter into a new lease. An agreement could not be reached and Arboretum picked up the equipment in July 2022. The equipment has been refurbished and is in the process of being remarketed. Based on discussions with several remarketing firms, no impairment has been taken against the assets.



Borrower: St. Clair Inn **Investment Amount:** \$1,144,933

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

Investment in business essential hotel furnishing and transportation vehicles. The hotel has been severely impacted by Covid related closures and labor shortages. The hotel is operating, however only a third of the planned renovation are completed. The original owner turned over the hotel to the senior lender and a receiver has been appointed. The senior lender plans to complete the renovations and market the hotel as a going concern. The lessee has returned to the Fund the portion of collateral consisting of titled vehicles which are currently being remarketed. The remaining collateral is either in use at the hotel or at a nearby warehouse pending completion of renovations. The Fund has liquidated most of equipment that was returned. The receiver has continued to make monthly lease payments. Further, the Fund is pursuing two personal guarantors who were the owners of the lessee. No impairment has been taken at this time.



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 has taken \$1,080,836 in impairments over the past few years on these assets.



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 has taken \$1,376,685 in impairments over the past few years 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

LeoTerra Development Inc

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

Contract Status: Early Buyout **Cash Received:** \$1,267,409

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

Deal Overview:

On April 11th, 2023, the Fund received cash proceeds of \$600,971.16 as a buyout of the equipment on the asset backed equipment finance leases. This resulted in a cash gain of \$312,911. The investment was in two trucks utilized to service active land development projects that are part of a long list of awarded contracts.



Borrower: Quality Metalcraft, Inc. **Investment Amount:** \$1,532,873

Contract Status: Matured **Cash Received:** \$1,809,223.15

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

Deal Overview:

On November 4th, 2022, the Fund received the final payment on the company's asset backed equipment finance lease. This resulted in a cash gain of \$276,350. The investment was in business essential hydraulic pressers and a supporting chiller system to expand aerospace manufacturing capabilities.



Borrower: ZVRS, CSDVRS & Purple **Investment Amount:** \$3,348,711

Contract Status: Matured **Cash Received:** \$3,814,721

Term: 30 months **Asset Collateral:** First priority lien on business essential Macbooks and iPads

Deal Overview:

On June 6th 2022, the Fund received the final payment on the company's asset backed equipment finance lease. This resulted in a cash gain of \$466,010. The investment was in business essential Apple products (Macbooks and iPads), that supports the Video Relay Services business unit.



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

Contract Status: Matured **Cash Received:** \$876,400

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

Deal Overview:

On May 2nd 2022, the Fund received the final payment on the company’s asset backed equipment finance lease. This resulted in a cash gain of \$ 202,695. The investment was in 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”.



Borrower: Nacogdoches **Investment Amount:** \$493,906

Contract Status: Matured **Cash Received:** \$664,720

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

Deal Overview:

On April 29th 2022, the Fund received cash proceeds of \$22,225.78 as a buyout of the equipment on the asset backed equipment finance lease. This resulted in a cash gain of \$170,814. The investment was 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.



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

Contract Status: Early Buyout **Cash Received:** \$583,613

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

Deal Overview:

On April 26th 2022, the Fund received cash proceeds of \$330,860.80 as a buyout of the equipment on the asset backed equipment finance lease. This resulted in a cash gain of \$133,613. The investment was in business essential restaurant equipment to open a Crumbl storefront in California in addition to the two Colorado stores already opened.



Borrower: CAD Embroidery and Screen Printing **Investment Amount:** \$101,828

Contract Status: Early Buyout **Cash Received:** \$149,277

Term: 48 months **Asset Collateral:** First priority lien on screen printer and dryer

Deal Overview:

On December 22nd, 2021, the Fund received cash proceeds of \$79,185.67 as a buyout of the equipment on the asset backed equipment finance lease. This resulted in a cash gain of \$47,449. The investment was in a new screen printer and dryer to replace existing equipment.



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 1st 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 28th 2021, the Fund received cash proceeds of \$625,853 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 30th 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 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

During the Offering Period, which commenced on August 11, 2016 and concluded on March 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 three months ended June 30, 2023 and 2022 is summarized as follows:

	Three Months Ended June 30, 2023 (unaudited)	Three Months Ended June 30, 2022 (unaudited)
REVENUE		
Finance income	\$ 219,888	\$ 267,166
Interest income	5,711	20,910
Total Revenue	\$ 225,599	\$ 288,076
Impairment and provision for loan and lease losses	(31,372)	-
Revenue, net	\$ 194,227	\$ 288,076

For the three months ended June 30, 2023, we received monthly lease payments of approximately \$1,154,000 and recognized \$219,888 in finance income from various finance leases during the same period. We also recognized \$5,711 in interest income from collateralized loans receivable during the same period.

Performance

Our expenses for the three months ended June 30, 2023 and 2022 are summarized as follows:

	Three Months Ended June 30, 2023 (unaudited)	Three Months Ended June 30, 2022 (unaudited)
EXPENSES		
Management fees – Investment Manager	\$ 150,000	\$ 187,500
Interest Expense	-	79,013
Professional fees	102,179	222,870
Administration expense	33,383	43,132
Other expenses	610	2,184
Total Expenses	\$ 286,172	\$ 534,699

For the three months ended June 30, 2023, we incurred \$286,172 in total expenses. We paid \$150,000 in management fees to our Investment Manager during the three months ended June 30, 2023. We pay our Investment Manager a management fee during the Liquidation Period equal \$50,000 per month payable monthly in advance. We recognized \$33,383 in administration expense. Administration expense mainly consist of expenses paid to the fund administrator. We also incurred \$102,179 in professional fees, which were mostly comprised of fees related to compliance with the rules and regulations of the SEC, consulting services and fees related to storage and remarketing of equipment classified as other assets on our balance sheets.

Net Income (Loss)

As a result of the factors discussed above, we reported a net loss for the three months ended June 30, 2023 of \$91,945, as compared to net income of \$246,623 for the three months ended June 30, 2022.

2nd Quarter 2023 Updates

The Fund has made two Liquidation Period distributions, in April and July of 2023.

Financial Statements

Balance Sheet

June 30, 2023

December 31, 2022

ASSETS			
Cash and cash equivalents	\$	2,078,351	149,490
Investments in finance leases, net of allowance for credit losses of \$229,000 and \$0, respectively		5,934,649	9,804,649
Collateralized loans receivable, including accrued interest of \$1,844 and \$2,625, respectively		186,666	268,643
Other assets		5,270,103	5,085,005
Total Assets	\$	13,469,769	15,307,787
LIABILITIES AND PARTNERS' EQUITY			
LIABILITIES:			
Accounts payable and accrued liabilities	\$	219,654	\$ 310,399
Loan payable, including accrued interest of \$0 and \$5,431, respectively		-	547,875
Distributions payable to Limited Partners		1,512,712	-
Distributions payable to General Partner		70,379	49,335
Security deposit payable		100,000	100,000
Deferred revenue		597,589	596,598
Total Liabilities		2,500,334	1,604,207
PARTNERS' EQUITY (DEFICIT):			
Limited Partners		11,087,485	13,797,023
General Partner		(118,050)	(93,443)
Total Partners' Equity		10,969,435	13,703,580
Total Liabilities And Partners' Equity	\$	13,469,769	\$ 15,307,787

Financial Statements

Statement of Operations (unaudited)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
REVENUE				
Finance income	\$ 219,888	\$ 267,166	\$ 430,121	\$ 715,046
Interest income	5,711	20,910	12,548	48,165
Total Revenue	225,599	288,076	442,669	763,211
Impairment and provision for loan and lease losses	(31,372)	-	(211,233)	-
Revenue, net	194,227	288,076	231,436	763,211
EXPENSES				
Management fees - Investment Manager	150,000	187,500	300,000	375,000
Interest expense	-	79,013	1,264	196,803
Professional fees	102,179	222,870	208,388	356,238
Administration expense	33,383	43,132	69,835	95,608
Other expenses	610	2,184	8,261	8,644
Total Expenses	286,172	534,699	587,748	1,032,293
Net loss	\$ (91,945)	\$ (246,623)	\$ (356,312)	\$ (269,082)
Net loss attributable to the Partnership				
Limited Partners	\$ (91,026)	\$ (244,157)	\$ (352,749)	\$ (266,391)
General Partner	(919)	(2,466)	(3,563)	(2,691)
Net loss attributable to the Partnership	\$ (91,945)	\$ (246,623)	\$ (356,312)	\$ (269,082)
Weighted average number of limited partnership interests outstanding	2,521,257.97	2,526,916.73	2,521,454.67	2,526,916.73
Net loss attributable to Limited Partners per weighted average number of limited partnership interests outstanding	\$ (0.04)	\$ (0.10)	\$ (0.14)	\$ (0.11)

Financial Statements

Statement of Changes in Partners' Equity Three and Six Months Ended June 30, 2023 and 2022

	LIMITED PARTNERSHIP INTERESTS	TOTAL EQUITY	GENERAL PARTNER	LIMITED PARTNERS
Balance, January 1, 2023	2,521,653.57	\$ 13,703,580	\$ (93,443)	\$ 13,797,023
Adoption of accounting standard	-	(246,000)	-	(246,000)
Net Loss	-	(264,367)	(2,644)	(261,723)
Distributions to partners	-	(597,654)	(5,917)	(591,737)
Balance, March 31, 2023	2,521,653.57	\$ 12,595,559	\$ (102,004)	\$ 12,697,563
Net Loss	-	(91,945)	(919)	(91,026)
Distributions to partners	-	(1,527,839)	(15,127)	(1,512,712)
Redemption	(1,000.00)	(6,340)	-	(6,340)
Balance, June 30, 2023	2,520,653.57	\$ 10,969,435	\$ (118,050)	\$ 11,087,485

	LIMITED PARTNERSHIP INTERESTS	TOTAL EQUITY	GENERAL PARTNER	LIMITED PARTNERS
Balance, January 1, 2022	2,526,916.73	\$ 15,322,084	\$ (77,635)	\$ 15,399,719
Net Loss	-	(22,459)	(225)	(22,234)
Distributions to partners	-	(730)	-	(730)
Balance, March 31, 2022	2,526,916.73	\$ 15,298,895	\$ (77,860)	\$ 15,376,755
Net Loss	-	(246,623)	(2,466)	(244,157)
Balance, June 30, 2022	2,526,916.73	\$ 15,052,272	\$ (80,326)	\$ 15,132,598

Financial Statements

Statement of Cash Flows

Six Months Ended
June 30, 2023

Six Months Ended
June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (356,312)	\$ (269,082)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Impairment and provision for loan and lease losses	211,233	-
Change In Operating Assets and Liabilities:		
Other assets	480,718	1,197,743
Accounts payable and accrued liabilities	(90,745)	(54,147)
Accrued interest on loan payable	(5,431)	(26,581)
Security deposit payable	-	(24,391)
Deferred revenue	991	(193,838)
Net Cash Provided By Operating Activities	240,454	629,704
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in leases, net	2,992,951	3,427,068
Origination and purchases of loans receivable, net of amortization, prepayments and satisfactions	81,977	524,801
Net Cash Provided By Investing Activities	3,074,928	3,951,869

Financial Statements

Statement of Cash Flows (cont'd)	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from loan payable	-	1,200,000
Repayments of loan payable	(542,444)	(5,835,934)
Cash paid for Limited Partner distributions	(591,737)	(730)
Cash paid for Limited Partner redemptions	(6,340)	-
Provision for credit losses	(246,000)	-
Net Cash Used In Financing Activities	(1,386,521)	(4,636,664)
Net Increase (decrease) in cash and cash equivalents	1,928,861	(55,091)
Cash and cash equivalents, beginning of period	149,490	194,680
Cash And Cash Equivalents, End Of Period	\$ 2,078,351	\$ 139,589
SUPPLEMENTAL DISCLOSURE OF OTHER CASH FLOW INFORMATION:		
Cash paid for interest	\$ 6,695	\$ 223,384
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Distributions payable to General Partner	\$ 21,044	\$ -
Distributions payable to Limited Partners	\$ 1,512,712	\$ -
Reclassification of investment in finance lease to other assets	\$ 915,049	\$ 1,781,750
Reclassification of other assets to investment in finance leases	\$ 38,000	\$ -

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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