SATURN PARTNERS II

2011 Annual Report

Saturn Partners Limited Partnership II

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
Years Ended December 31, 2011 and 2010

C O N T E N T S

McGladrey

INDEPENDENT AUDITOR'S REPORT

To the Partners of
Saturn Partners Limited Partnership II
Boston, Massachusetts

We have audited the accompanying balance sheets of Saturn Partners Limited Partnership II (the "Partnership") as of December 31, 2011 and 2010, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's General Partner. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saturn Partners Limited Partnership II as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary statement of cumulative portfolio company activity for the period December 7, 2005 (inception date) through December 31, 2011 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

May 18, 2012
Boston, Massachusetts

Saturn Partners Limited Partnership II

Balance Sheets

December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments in portfolio companies, at fair value		
(Cost: 2011 - $23,274,499, 2010 - $23,908,422)	**$ 69,677,143**	$ 74,063,900
Cash and cash equivalents	**12,436**	203,095
Other receivable	**16,060**	-
Prepaid expenses, net	**155,239**	300,000
Total assets	**$ 69,860,878**	$ 74,566,995
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Accrued expenses and other liabilities	**$ 47,665**	$ 78,221
Due to General Partner	**-**	57,000
General Partner advances	**225,000**	-
Total liabilities	**272,665**	135,221
Partners' capital:		
Contributed capital	**33,030,300**	31,535,300
Cumulative net investment loss	**(3,461,944)**	(2,738,828)
Cumulative net realized investment (loss) gain on investments	**(6,467)**	1,622,057
Net unrealized appreciation of investments	**46,402,644**	50,155,478
Cumulative partnership distributions	**(6,376,320)**	(6,142,233)
Total partners' capital	**69,588,213**	74,431,774
Total liabilities and partners' capital	**$ 69,860,878**	$ 74,566,995

Saturn Partners Limited Partnership II

Statements of Operations

Years Ended December 31, 2011 and 2010

	2011	2010
Net investment loss:		
Income:		
Interest income	$ 1,754	$ 5,727
Expenses:		
Management fees	660,764	825,000
Professional fees	44,845	43,423
Interest expense	10,127	28,130
General and administrative expenses	9,134	3,373
Total expenses	724,870	899,926
Net investment loss	(723,116)	(894,199)
Net realized investment (loss) gain on investments	(1,628,524)	1,622,057
Net change in unrealized appreciation of investments:		
Beginning of period	50,155,478	25,561,654
End of period	46,402,644	50,155,478
Net change in unrealized appreciation of investments	(3,752,834)	24,593,824
(Decrease) increase in partners' capital from operations	$ (6,104,474)	$ 25,321,682

Saturn Partners Limited Partnership II

Statements of Changes in Partners' Capital

Years Ended December 31, 2011 and 2010

	General Partner	Limited Partners	Total
Partners' capital at December 31, 2009	$ 5,073,705	$ 48,318,620	$ 53,392,325
Capital contributions	-	1,860,000	1,860,000
Partnership distributions	(57,000)	(6,085,233)	(6,142,233)
Net investment loss	(9,717)	(884,482)	(894,199)
Net realized investment gain on investments	17,628	1,604,429	1,622,057
Net change in unrealized appreciation of investments	5,056,425	19,537,399	24,593,824
Partners' capital at December 31, 2010	10,081,041	64,350,733	74,431,774
Capital contributions	-	1,495,000	1,495,000
Partnership distributions	(2,544)	(231,543)	(234,087)
Net investment loss	(7,534)	(715,582)	(723,116)
Net realized investment loss on investments	(16,967)	(1,611,557)	(1,628,524)
Net change in unrealized appreciation of investments	(1,503,178)	(2,249,656)	(3,752,834)
Partners' capital at December 31, 2011	$ 8,550,818	$ 61,037,395	$ 69,588,213

Saturn Partners Limited Partnership II

Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Decrease (increase) in partners' capital from operations	**$ (6,104,474)**	$ 25,321,682
Adjustments to reconcile decrease (increase) in partners' capital from operations to net cash provided by (used in) operating activities:		
Net change in unrealized appreciation of investments	**3,752,834**	(24,593,824)
Proceeds from portfolio company	**255,476**	7,797,272
Net realized loss (gain) on investments	**1,628,524**	(1,622,057)
Investments in portfolio companies	**(1,250,077)**	(1,284,000)
Changes in operating assets and liabilities:		
Other receivable	**(16,060)**	-
Prepaid expenses, net	**144,761**	(300,000)
Accrued expenses and other liabilities	**(30,556)**	(120,025)
Due to General Partner	**(57,000)**	57,000
Net cash provided by (used in) operating activities	**(1,676,572)**	5,256,048
Cash flows from financing activities:		
Proceeds from General Partner advances, net of repayments	**400,000**	(775,000)
Partnership distributions	**(234,087)**	(6,142,233)
Capital contributions	**1,320,000**	1,760,000
Net cash provided by (used in) financing activities	**1,485,913**	(5,157,233)
Net increase (decrease) in cash and cash equivalents	**(190,659)**	98,815
Cash and cash equivalents, beginning of the year	**203,095**	104,280
Cash and cash equivalents, end of the year	**$ 12,436**	$ 203,095
Supplemental disclosures of non-cash financing activities:		
Conversion of promissory notes into Preferred Stock	**$ 1,950,000**	$ 700,000
Conversion of General Partner advances and accrued interest to Limited Partner interests	**$ 175,000**	$ 100,000

Saturn Partners Limited Partnership II

Notes to Financial Statements
Years Ended December 31, 2011 and 2010

1. ORGANIZATION

Saturn Partners Limited Partnership II ("Saturn" or the "Partnership") was organized pursuant to the laws of the State of Delaware on December 7, 2005. Saturn is a venture capital fund formed primarily for the purpose of making debt and equity investments in seed-stage, early-stage and other companies focusing strategically on disruptive technologies and special opportunities. The Partnership is scheduled to terminate January 7, 2018, unless otherwise extended or terminated pursuant to the terms of the Second Amended and Restated Limited Partnership Agreement of Saturn Partners Limited Partnership II (the "Partnership Agreement").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the General Partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Partnership considers all highly liquid investments with an original maturity, at time of purchase, of three months or less to be cash equivalents. Cash and cash equivalents held in financial institutions may, at times, exceed federally insured limits.

Investment Transactions, Interest and Dividends

Investment income from portfolio companies is recognized when its value is determinable, the Partnership's right to the income is fixed, and it is deemed collectable by the General Partner. Any difference between the cost and the fair value of open investments is reflected as unrealized appreciation (depreciation) of investments, and any change in that amount is reflected on the accompanying statement of operations. Interest income is accrued and recognized on the debt of those issuers who are currently paying in full or expect to pay in full. For those issuers who are not paying in full or do not expect to pay in full, interest is not accrued and is only recognized to the extent received. Dividend income is recognized on the ex-dividend date.

Realized Gains and Losses on Investments

Realized gains and losses on the sale of investments are calculated based on the difference between the total sales proceeds and the cost basis, as determined using the specific identification method. Write-offs of investments are recorded when it is determined that little or no value remains in the Partnership's holdings in a particular portfolio company.

Concentrations of Market and Credit Risk

Concentrations of market and credit risk exist with respect to debt and equity investments in emerging growth and special situation companies, which are subject to significant risk typical to companies in various stages of start-up. Generally, there is no ready market for the Partnership's investments, as they are closely held, generally not publicly traded, or, in circumstances where an investment is publicly traded, the Partnership may be subject to certain trading restrictions for a specified period of time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Income Taxes

The Partnership is not subject to federal income tax, but may be subject to certain state taxes. Each partner is individually liable for taxes on their share of the Partnership's income or loss. The Partnership files U.S. federal and various state income tax returns. In the course of preparing the Partnership's tax returns, the General Partner has reviewed the Partnership's tax positions as of December 31, 2011 and there were no material uncertain tax positions for which the General Partner determined an expense and liability should be recorded. The years ended December 31, 2011, 2010, 2009, and 2008 remain subject to examination by the Internal Revenue Service.

Valuation of Investments

The Partnership accounts for the fair value of investments in accordance with FASB Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosure* ("ASC 820"). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a hierarchal framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Partnership. Unobservable inputs are inputs that reflect the General Partner's assumptions about how market participants would value the asset or liability based on the best information available in the circumstances. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are publicly traded equity securities. The Partnership does not adjust the quoted price for these investments even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category are publicly traded equity securities with restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Valuation of Investments…continued

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Fair value for these investments are determined using valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the significant management judgment. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed. Investments that are included in this category generally are privately held debt and equity securities.

All transfers between fair value hierarchy levels are recognized by the Partnership on the actual date of the event or change in circumstances that caused the transfer. There were no such transfers during the years ended December 31, 2011 and 2010.

The Partnership uses various approaches to value its portfolio companies which are classified in Level 3 of the fair value hierarchy. In some cases, a recent round of financing is used for the valuation. Valuations using this approach assess such factors as: the participants in the round; the motivation of the buyers and sellers (i.e., has the purchase or sale occurred at “fire sale” prices) and whether the most advantageous market for the transaction was that in which the sale occurred. Portfolio company performance since the latest round is also considered in the final determination.

A comparable company approach may be used in certain circumstances where there are a significant number of related companies and performance of the portfolio company aligns reasonably to those. At times, adjustments to multiples derived from a comparable analysis are appropriate to adjust for company performance.

The income approach to valuation may also be used under certain circumstances. These include companies for which the current and projected earnings, revenue or EBITDA stream are indicative of fair value. In such cases, the Partnership evaluates comparable discount factors, cost of capital and potential exit dates to determine the appropriate valuation of the portfolio company.

For investments in companies engaged in the development of new products and technologies, the Partnership may incorporate into its valuation a probability weighted assessment of future operating results assuming successful development and commercialization.

As of December 31, 2011, the Partnership’s continuing investment in Knopp Biosciences, LLC was valued at approximately $29 million. The General Partner considers multiple methods in establishing fair value, with the most significantly weighted methodology being based on discounted projections from royalties earned from the licensing of KNS-760704, a compound which is currently in Phase III clinical development for Amyotrophic lateral sclerosis (ALS), with other indications under investigation. In determining the fair value, the General Partner also considered the probability of success of KNS-760704. Significant delays in the completion of the clinical trials and the approval of KNS-760704, or failure of the compound, may adversely affect the fair value of the Partnership’s investment in Knopp Biosciences, LLC.

Saturn Partners Limited Partnership II

Notes to Financial Statements
Years Ended December 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Valuation of Investments…continued

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investments.

The following tables summarize the Partnership's investments by fair value hierarchy levels as of December 31, 2011 and 2010:

	2011			
	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock	$ -	$ -	$ -	$ -
Preferred Stock	-	-	26,547,408	26,547,408
Preferred units in LLCs	-	-	38,149,594	38,149,594
Warrants	-	-	226,935	226,935
Promissory Notes	-	-	4,753,206	4,753,206
Total value of investments	$ -	$ -	$ 69,677,143	$ 69,677,143

	2010			
	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock	$ -	$ -	$ 158,900	$ 158,900
Preferred Stock	-	-	28,036,000	28,036,000
Preferred units in LLCs	-	-	38,876,000	38,876,000
Warrants	-	-	399,000	399,000
Promissory Notes	-	-	6,594,000	6,594,000
Total value of investments	$ -	$ -	$ 74,063,900	$ 74,063,900

Saturn Partners Limited Partnership II

Notes to Financial Statements
Years Ended December 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Valuation of Investments…continued

The following tables summarize the Partnership's investments by fair value hierarchy levels by industry as December 31, 2011 and 2010:

2011	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock				
Application software	$ -	$ -	$ -	$ -
Food and beverage	-	-	-	-
Preferred Stock				
Application software	-	-	1,250,000	1,250,000
Business software	-	-	10,117,388	10,117,388
Networking and communications software	-	-	9,739,822	9,739,822
Outsourced services	-	-	4,477,735	4,477,735
Renewable energy	-	-	598,610	598,610
Travel and entertainment	-	-	363,853	363,853
Preferred units in LLCs				
Pharmaceuticals	-	-	29,346,500	29,346,500
Specialty materials	-	-	8,803,094	8,803,094
Warrants				
Business software	-	-	-	-
Specialty materials	-	-	58,414	58,414
Travel and entertainment	-	-	168,521	168,521
Promissory Notes				
Application software	-	-	2,679,000	2,679,000
Business software	-	-	-	-
Outsourced services	-	-	2,023,173	2,023,173
Renewable energy	-	-	51,033	51,033
Total value of investments	$ -	$ -	$ 69,677,143	$ 69,677,143

2010	Level 1	Level 2	Level 3	Total
Investments:				
Common Stock				
Food and beverage	$ -	$ -	$ 158,900	$ 158,900
Preferred Stock				
Application software	-	-	1,250,000	1,250,000
Business software	-	-	10,732,000	10,732,000
Networking and communications software	-	-	6,968,000	6,968,000
Outsourced services	-	-	6,886,000	6,886,000
Renewable energy	-	-	2,200,000	2,200,000
Preferred units in LLCs				
Pharmaceuticals	-	-	27,886,000	27,886,000
Specialty materials	-	-	10,990,000	10,990,000
Warrants				
Business software	-	-	318,000	318,000
Specialty materials	-	-	81,000	81,000
Promissory Notes				
Application software	-	-	2,679,000	2,679,000
Outsourced services	-	-	1,965,000	1,965,000
Travel and entertainment	-	-	1,950,000	1,950,000
Total value of investments	$ -	$ -	$ 74,063,900	$ 74,063,900

Saturn Partners Limited Partnership II

Notes to Financial Statements
Years Ended December 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Valuation of Investments…continued

The changes in investments measured at fair value for which the Partnership has used Level 3 inputs to determine fair value are as follows as of December 31, 2011:

	Common Stock	Preferred Stock	Preferred units in LLCs	Warrants	Promissory Notes	Total
Balance, December 31, 2010	$ 158,900	$ 28,036,000	$ 38,876,000	$ 399,000	$ 6,594,000	$ 74,063,900
Investments in portfolio companies	77	750,000	-	-	500,000	1,250,077
Write-off of investment	-	(1,884,000)	-	-	-	(1,884,000)
Conversion of convertible Promissory Notes to Preferred Stock	-	1,950,000	-	-	(1,950,000)	-
Net change in unrealized appreciation	(158,977)	(2,304,592)	(726,406)	(172,065)	(390,794)	(3,752,834)
Balance, December 31, 2011	$ -	$ 26,547,408	$ 38,149,594	$ 226,935	$ 4,753,206	$ 69,677,143

The changes in investments measured at fair value for which the Partnership has used Level 3 inputs to determine fair value are as follows as of December 31, 2010:

	Common Stock	Preferred Stock	Preferred units in LLCs	Warrants	Promissory Notes	Total
Balance, December 31, 2009	$ 458,250	$ 38,599,750	$ 8,000,000	$ 123,291	$ 7,180,000	$ 54,361,291
Investments in portfolio companies	-	1,284,000	-	-	-	1,284,000
Return of capital	-	(6,175,215)	-	-	-	(6,175,215)
Conversion of convertible Promissory Notes to Preferred Stock	-	700,000	-	-	(700,000)	-
Net change in unrealized appreciation	(299,350)	(6,372,535)	30,876,000	275,709	114,000	24,593,824
Balance, December 31, 2010	$ 158,900	$ 28,036,000	$ 38,876,000	$ 399,000	$ 6,594,000	$ 74,063,900

Saturn Partners Limited Partnership II

Notes to Financial Statements
Years Ended December 31, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES…continued

Valuation of Investments…continued

The changes in unrealized appreciation attributable to Level 3 investments held at December 31, 2011 and 2010 are as follows:

	Common Stock	Preferred Stock	Preferred units in LLCs	Warrants	Promissory Notes	Total
December 31, 2011	$ (158,977)	$ (1,489,592)	$ (726,406)	$ (390,794)	$ (490,065)	$ (3,255,834)
December 31, 2010	$ (299,350)	$ 5,369,250	$ 30,876,000	$ 275,709	$ 114,000	$ 36,335,609

The Partnership may have risk associated with its concentration of investments. The detail of each investment is included in Note 5 of the financial statements.

Total realized and unrealized gains and losses recorded for Level 3 investments have been included in the accompanying Statements of Operations.

3. THE PARTNERSHIP AGREEMENT

In accordance with the terms of the Partnership Agreement, the General Partner serves as the Partnership's investment manager and is responsible for managing its business and affairs. The Partnership and the General Partner have entered into a Management Agreement with Saturn Management LLC (the "Manager"), a Delaware limited liability company, which manages the day-to-day business affairs of the Partnership. The officers and managers of the General Partner are also the officers and managers of the Manager.

In accordance with the terms of the Second Amended and Restated Limited Partnership Agreement, the Partnership pays the Manager an annual Management Fee equal to 2.5% of the aggregate Capital Commitments of the Limited Partners from the Principal Closing Date through the end of the Investment Period, which occurred on February 11, 2011. After the Investment Period, the Partnership pays the Manager an annual Management Fee equal to 2.5% of the Capital Contributions of the Limited Partners not returned to the Limited Partners prior to the date of calculation. Management fees are reduced by any cash commissions and other compensation received by Saturn Capital, Inc., an affiliated company and a registered broker-dealer, for the placement of securities to the Partnership. The Management Fee is paid in advance in quarterly installments. For the years ended December 31, 2011 and 2010, the Partnership incurred management fees in the amount of $660,764 and $825,000, respectively, which are included in the accompanying Statements of Operations. The Partnership had prepaid expenses consisting of management fees of $155,239 and $300,000, respectively, as of December 31, 2011 and 2010.

Saturn Partners Limited Partnership II

Notes to Financial Statements
Years Ended December 31, 2011 and 2010

3. THE PARTNERSHIP AGREEMENT…continued

In accordance with the terms of the Partnership Agreement, distributions are made at such times and in such amounts as determined by the General Partner. Distributable Cash and Distributable Securities are distributed to the Partners such that, on a cumulative basis, the Partners receive distributions in an amount equal to an 8% per annum cumulative non-compounded priority return on their Invested Capital (the "Priority Return") plus their aggregate capital contribution. After the Partners' Priority Return and aggregate capital contributions have been distributed, the General Partner receives distributions until it has received an amount equal to 20% of the cumulative aggregate distributions made to all Partners (the "Incentive Distribution"). After the Partners' Priority Return and aggregate capital contributions and the General Partner's Incentive Distribution has been distributed, distributions are made 80% to all Partners and 20% to the General Partner.

Distributions to Limited Partners are made in proportion to the number of Units held by each Limited Partner. Allocation of items of income, loss and expense are made in accordance with the procedures described above for the distribution of proceeds related to such items.

A total of $33,030,300 of capital ($32,700,000 from the Limited Partners and $330,300 from the General Partner) was committed to the Partnership as of December 31, 2011. In accordance with the terms of the Partnership Agreement, during the year ended December 31, 2011, the General Partner called for the final capital installment from each Limited Partner who was not fully committed. As of December 31, 2011, 100% of the total committed capital has been contributed to the Partnership.

4. YEAR-TO-DATE INVESTMENT ACTIVITY

During the year ended December 31, 2011, the Partnership invested $450,000 in bridge notes in Alphacet, Inc.

In November 2011, The Ride, Inc. was recapitalized and the Partnership's Convertible Promissory Notes were converted into 57,475,682 shares of Series C Preferred Stock. In connection with the recapitalization, the Partnership received warrants to purchase 12,187,500 shares of Series C Preferred Stock.

In October 2011, the Partnership invested $750,000 in Panopto, Inc. for the purchase of 74,034 shares of Series B Preferred Stock.

In May 2011, the Partnership purchased 77,286 shares of common stock of Apangea Learning, Inc. for a cost of $77.

In March 2011, the Partnership invested $50,000 in a bridge note to Applied Clean Tech, Inc.

5. SCHEDULE OF INVESTMENTS IN PORTFOLIO COMPANIES

At December 31, 2011 and 2010, the Partnership held investments in thirteen portfolio companies, all of which are United States domiciled entities. The original costs and costs as a percentage of partners' capital are set forth on the following pages.

Saturn Partners Limited Partnership II

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

December 31, 2011

Portfolio Company Name	Industry	Date Acquired	Cost	General Partner's Valuation	Percentage of Partners' Capital
Alphacet, Inc.	Business software				
(Stamford, CT)					
Convertible Promissory Notes, 8%, 12/31/2011 [a]		4/11	$ 40,000	$ -	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		5/11	60,000	-	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		5/11	50,000	-	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		5/11	40,000	-	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		6/11	55,000	-	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		7/11	50,000	-	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		8/11	50,000	-	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		9/11	50,000	-	
Convertible Promissory Notes, 8%, 12/31/2011 [a]		9/11	55,000	-	
Total Alphacet, Inc.			450,000	-	0.0%
American Made, LLC	Specialty materials				
(Pittsburgh, PA)					
15 Preferred units		Various dates 9/06 to 12/07	3,000,000	8,803,094	
Warrants to purchase 0.15 Preferred units at $200,000 per unit		12/08	-	58,414	
Total American Made, LLC			3,000,000	8,861,508	12.7%
Apangea Learning, Inc.	Application software				
(Pittsburgh, PA)					
271,680 Series A-2 Preferred Stock		Various Dates 1/08 to 4/08	1,250,000	1,250,000	
77,286 Common Stock		5/11	77	-	
Total Apangea Learning, Inc.			1,250,077	1,250,000	1.8%
Applied CleanTech, Inc.	Renewable energy				
(Newton, MA)					
733,333 Series A Preferred Stock		Various Dates 1/08 to 10/08	2,200,000	598,610	
Warrants to purchase 91,667 Series A Preferred Stock at $3.00 per share		10/08	-	-	
Convertible Promissory Note, 8%		3/11	50,000	51,033	
Total Applied CleanTech, Inc.			2,250,000	649,643	0.9%
Axioma, Inc.	Business software				
(New York, NY)					
606,802 Series A-1 Preferred Stock		5/06	800,978	3,540,000	
606,803 Series A-2 Preferred Stock		8/06	800,979	3,580,000	
139,466 Series A-3 Preferred Stock		5/06	184,096	1,260,000	
139,466 Series A-4 Preferred Stock		8/06	184,096	1,260,000	
Total Axioma, Inc.			1,970,149	9,640,000	13.8%
Express KCS, Inc.	Outsourced services				
(Pittsburgh, PA)					
800,000 Series A Preferred Stock		Various dates 7/07 to 10/07	1,000,000	4,477,735	
Convertible Promissory Note, 3.2%, 6/20/2011 [b]		6/08	1,000,000	2,023,173	
Total Express KCS, Inc.			2,000,000	6,500,908	9.3%

[a] On December 31, 2011, the Partnership's convertible promissory note receivable due from Alphacet, Inc. matured. As of the date on which the financial statements were available to be issued, the Company's management was in negotiations for a sale of the Company's technology. See Footnote 9.

[b] On June 20, 2011, the Partnership's convertible promissory note receivable due from Express KCS, Inc. matured. As of the date on which the financial statements were available to be issued, the General Partner was in negotiations with the portfolio company to determine the settlement terms of the convertible promissory note receivable.

Saturn Partners Limited Partnership II

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

December 31, 2011

Portfolio Company Name	Industry	Date Acquired	Cost	General Partner's Valuation	Percentage of Partners' Capital
Knopp Biosciences, LLC	Pharmaceuticals				
(Pittsburgh, PA)					
2,100,215 Series A Preferred units		9/10	-	12,138,159	
2,276,430 Series B Preferred units		9/10	-	17,208,341	
Total Knopp Biosciences, LLC			-	29,346,500	42.2%
Mismi, Inc.	Business software				
(New York, NY)					
497,512 Common Stock		3/07	29,850	-	
996,652 Series A Preferred Stock		Various dates 1/08 to 12/09	1,000,382	-	
95,841 Series B Preferred Stock		7/09	100,000	77,388	
Warrants to purchase 14,376 Series B Preferred Stock at $1.04 per share		7/09	-	-	
242,405 Series C Preferred Stock		3/10	150,000	150,000	
404,008 Series D Preferred Stock		11/10	250,000	250,000	
Total Mismi, Inc.			1,530,232	477,388	0.7%
MooBella, Inc.	Food and beverage				
(Taunton, MA)					
56,910 Common Stock		Various dates 2/06 to 5/06	2,200,000	-	0.0%
NorthStar Systems International, Inc.	Business software				
(New York, NY)					
675,675 Series D Preferred Stock		10/06	250,000	-	
293,918 Series E Preferred Stock		7/07	108,750	-	
Warrants to purchase 290,878 Series E Preferred Stock at $0.37 per share		7/07	291	-	
Total NorthStar Systems International, Inc.			359,041	-	0.0%
Panopto, Inc.	Networking and communications software				
(Pittsburgh, PA)					
400,028 Series A Preferred Stock		Various dates 8/07 to 5/08	1,500,000	5,255,730	
229,731 Series B Preferred Stock		Various dates 10/08 to 10/11	1,950,000	4,484,092	
Total Panopto, Inc.			3,450,000	9,739,822	14.0%
The Ride, Inc.	Travel and entertainment				
(New York, NY)					
57,475,682 Series C Preferred Stock		11/11	1,950,000	363,853	
Warrants to purchase 12,187,500 Series C Preferred Stock at $0.04 per share		11/11	-	168,521	
Total The Ride, Inc.			1,950,000	532,374	0.8%

Saturn Partners Limited Partnership II

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

December 31, 2011

Portfolio Company Name	Industry	Date Acquired	Cost	General Partner's Valuation	Percentage of Partners' Capital
SureLogic, Inc.	Application software				
(Pittsburgh, PA)					
Convertible Promissory Note, 5.26%, 8/09		8/06	500,000	467,539	
Convertible Promissory Note, 13.48%, 3/10		3/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 6/10		6/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 8/10		8/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 10/10		10/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 12/10		12/07	75,000	70,132	
Convertible Promissory Note, 8.00%, 12/10		12/07	50,000	46,753	
Convertible Promissory Note, 8.00%, 12/10		12/07	15,000	14,026	
Convertible Promissory Note, 8.00%, 1/11		1/08	100,000	93,508	
Convertible Promissory Note, 8.00%, 2/11		2/08	227,000	212,263	
Convertible Promissory Note, 8.00%, 3/11		3/08	33,000	30,858	
Convertible Promissory Note, 8.00%, 3/11		3/08	40,000	37,403	
Convertible Promissory Note, 8.00%, 4/11		4/08	20,000	18,702	
Convertible Promissory Note, 8.00%, 4/11		4/08	440,000	411,435	
Convertible Promissory Note, 8.00%, 9/11		9/08	150,000	140,262	
Convertible Promissory Note, 8.00%, 12/11		12/08	65,000	60,780	
Convertible Promissory Note, 8.00%, 1/12		1/09	50,000	46,753	
Convertible Promissory Note, 8.00%, 3/12		3/09	50,000	46,753	
Convertible Promissory Note, 8.00%, 5/12		5/09	50,000	46,753	
Total SureLogic, Inc.			2,865,000	2,679,000	3.8%
Total investments in portfolio companies			$ 23,274,499	$ 69,677,143	100.0%

Type of Investment as a Percentage of Partners' Capital

	Cost	General Partner's Valuation	Percentage of Partners' Capital
Common Stock	$ 2,229,927	$ -	0.0%
Preferred Stock	13,679,281	26,547,408	38.1%
Preferred units in LLCs	3,000,000	38,149,594	54.8%
Promissory Notes	4,365,000	4,753,206	6.8%
Warrants	291	226,935	0.3%
Total investments in portfolio companies	$ 23,274,499	$ 69,677,143	100.0%

Type of Investment as a Percentage of Partners' Capital

	Cost	General Partner's Valuation	Percentage of Partners' Capital
Application software	$ 4,115,077	$ 3,929,000	5.6%
Pharmaceuticals	-	29,346,500	42.2%
Business software	4,309,422	10,117,388	14.5%
Food and beverage	2,200,000	-	0.0%
Networking and communications software	3,450,000	9,739,822	14.0%
Outsourced services	2,000,000	6,500,908	9.3%
Renewable energy	2,250,000	649,643	0.9%
Specialty materials	3,000,000	8,861,508	12.7%
Travel and entertainment	1,950,000	532,374	0.8%
Total investments in portfolio companies	$ 23,274,499	$ 69,677,143	100.0%

Saturn Partners Limited Partnership II

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

December 31, 2010

Portfolio Company Name	Industry	Date Acquired	Cost	General Partner's Valuation	Percentage of Partners' Capital
Alphacet, Inc.	Business software				
(Stamford, CT)					
862,406 Series A Preferred Stock		Various dates 12/07 to 12/08	$ 1,500,000	$ -	
936,585 Series A-1 Preferred Stock		Various dates 3/10 to 4/10	384,000	1,069,000	
Warrants to purchase 71,744 Series A Preferred Stock at $1.74 per share		12/08	-	-	
Warrants to purchase 499,293 Series A-1 Preferred Stock at $0.41 per share		4/10	-	318,000	
Total Alphacet, Inc.			1,884,000	1,387,000	1.9%
American Made, LLC	Specialty materials				
(Pittsburgh, PA)					
15 Preferred units		Various dates 9/06 to 12/07	3,000,000	10,990,000	
Warrants to purchase 0.15 Preferred units at $200,000 per unit		12/08	-	81,000	
Total American Made LLC			3,000,000	11,071,000	14.8%
Apangea Learning, Inc.	Application software				
(Pittsburgh, PA)					
271,680 Series A-2 Preferred Stock		Various Dates 1/08 to 4/08	1,250,000	1,250,000	1.7%
Applied CleanTech, Inc.	Renewable energy				
(Newton, MA)					
733,333 Series A Preferred Stock		Various Dates 1/08 to 10/08	2,200,000	2,200,000	
Warrants to purchase 91,667 Series A Preferred Stock at $3.00 per share		10/08	-	-	
Total Applied CleanTech, Inc.			2,200,000	2,200,000	3.0%
Axioma, Inc.	Business software				
(New York, NY)					
606,802 Series A-1 Preferred Stock		5/06	800,978	2,929,000	
606,803 Series A-2 Preferred Stock		8/06	800,979	2,965,000	
139,466 Series A-3 Preferred Stock		5/06	184,096	1,119,000	
139,466 Series A-4 Preferred Stock		8/06	184,096	1,119,000	
Total Axioma, Inc.			1,970,149	8,132,000	10.9%
Express KCS, Inc.	Outsourced services				
(Pittsburgh, PA)					
800,000 Series A Preferred Stock		Various dates 7/07 to 10/07	1,000,000	6,886,000	
Convertible Promissory Note, 3.2%, 6/20/2011		6/08	1,000,000	1,965,000	
Total Express KCS, Inc.			2,000,000	8,851,000	11.9%
Knopp Biosciences, LLC	Pharmaceuticals				
(Pittsburgh, PA)					
2,100,215 Series A Preferred units		9/10	-	11,437,000	
2,276,430 Series B Preferred units		9/10	-	16,449,000	
Total Knopp Biosciences, LLC			-	27,886,000	37.4%

Saturn Partners Limited Partnership II

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

December 31, 2010

Portfolio Company Name	Industry	Date Acquired	Cost	General Partner's Valuation	Percentage of Partners' Capital
Mismi, Inc.	Business software				
(New York, NY)					
497,512 Common Stock		3/07	29,850	-	
996,652 Series A Preferred Stock		Various dates 1/08 to 12/09	1,000,382	1,000,382	
95,841 Series B Preferred Stock		7/09	100,000	130,618	
Warrants to purchase 14,376 Series B Preferred Stock at $1.04 per share		7/09	-	-	
242,405 Series C Preferred Stock		3/10	150,000	150,000	
404,008 Series D Preferred Stock		11/10	250,000	250,000	
Total Mismi, Inc.			1,530,232	1,531,000	2.1%
MooBella, Inc.	Food and beverage				
(Taunton, MA)					
56,910 Common Stock		Various dates 2/06 to 5/06	2,200,000	158,900	0.2%
NorthStar Systems International, Inc.	Business software				
(New York, NY)					
675,675 Series D Preferred Stock		10/06	250,000	-	
293,918 Series E Preferred Stock		7/07	108,750	-	
Warrants to purchase 290,878 Series E Preferred Stock at $0.37 per share		7/07	291	-	
Total NorthStar Systems International, Inc.			359,041	-	0.0%
Panopto, Inc.	Networking and communications software				
(Pittsburgh, PA)					
400,028 Series A Preferred Stock		Various dates 8/07 to 5/08	1,500,000	4,300,000	
155,697 Series B Preferred Stock		Various dates 10/08 to 12/10	1,200,000	2,668,000	
Total Panopto, Inc.			2,700,000	6,968,000	9.4%
The Ride, Inc. (f/k/a Counts Media, Inc.)	Travel and entertainment				
(New York, NY)					
Convertible Demand Promissory Note, 6%		8/08	1,000,000	1,000,000	
Convertible Demand Promissory Note, 6%		10/08	500,000	500,000	
Convertible Demand Promissory Note, 6%		2/09	150,000	150,000	
Convertible Demand Promissory Note, 6%		7/09	100,000	100,000	
Convertible Demand Promissory Note, 6%		11/09	200,000	200,000	
Total The Ride, Inc.			1,950,000	1,950,000	2.6%

Saturn Partners Limited Partnership II

Notes to Financial Statements

Years Ended December 31, 2011 and 2010

December 31, 2010

Portfolio Company Name	Industry	Date Acquired	Cost	General Partner's Valuation	Percentage of Partners' Capital
SureLogic, Inc.	Application software				
(Pittsburgh, PA)					
Convertible Promissory Note, 5.26%, 8/09		8/06	500,000	467,539	
Convertible Promissory Note, 13.48%, 3/10		3/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 6/10		6/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 8/10		8/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 10/10		10/07	250,000	233,770	
Convertible Promissory Note, 8.00%, 12/10		12/07	75,000	70,132	
Convertible Promissory Note, 8.00%, 12/10		12/07	50,000	46,753	
Convertible Promissory Note, 8.00%, 12/10		12/07	15,000	14,026	
Convertible Promissory Note, 8.00%, 1/11		1/08	100,000	93,508	
Convertible Promissory Note, 8.00%, 2/11		2/08	227,000	212,263	
Convertible Promissory Note, 8.00%, 3/11		3/08	33,000	30,858	
Convertible Promissory Note, 8.00%, 3/11		3/08	40,000	37,403	
Convertible Promissory Note, 8.00%, 4/11		4/08	20,000	18,702	
Convertible Promissory Note, 8.00%, 4/11		4/08	440,000	411,435	
Convertible Promissory Note, 8.00%, 9/11		9/08	150,000	140,262	
Convertible Promissory Note, 8.00%, 12/11		12/08	65,000	60,780	
Convertible Promissory Note, 8.00%, 1/12		1/09	50,000	46,753	
Convertible Promissory Note, 8.00%, 3/12		3/09	50,000	46,753	
Convertible Promissory Note, 8.00%, 5/12		5/09	50,000	46,753	
Total SureLogic, Inc.			2,865,000	2,679,000	3.6%
Total investments in portfolio companies			$ 23,908,422	$ 74,063,900	99.5%

Type of Investment as a Percentage of Partners' Capital

	Cost	General Partner's Valuation	Percentage of Partners' Capital
Common Stock	$ 2,229,850	$ 158,900	0.2%
Preferred Stock	12,863,281	28,036,000	37.7%
Preferred units in LLCs	3,000,000	38,876,000	52.2%
Promissory Notes	5,815,000	6,594,000	8.9%
Warrants	291	399,000	0.5%
Total investments in portfolio companies	$ 23,908,422	$ 74,063,900	99.5%

Type of Investment as a Percentage of Partners' Capital

	Cost	General Partner's Valuation	Percentage of Partners' Capital
Application software	$ 4,115,000	$ 3,929,000	5.3%
Pharmaceuticals	-	27,886,000	37.4%
Business software	5,743,422	11,050,000	14.8%
Food and beverage	2,200,000	158,900	0.2%
Networking and communications software	2,700,000	6,968,000	9.4%
Outsourced services	2,000,000	8,851,000	11.9%
Renewable energy	2,200,000	2,200,000	3.0%
Specialty materials	3,000,000	11,071,000	14.9%
Travel and entertainment	1,950,000	1,950,000	2.6%
Total investments in portfolio companies	$ 23,908,422	$ 74,063,900	99.5%

Saturn Partners Limited Partnership II

Notes to Financial Statements
Years Ended December 31, 2011 and 2010

6. GENERAL PARTNER ADVANCES

During the year ended December 31, 2011, the Partnership received proceeds of $400,000 from a member of the General Partner which was used to bridge investments in portfolio companies. During 2011, $175,000 was converted to Limited Partner interests. As of December 31, 2011, $232,291 of these advances was outstanding, including accrued interest. The advances are unsecured and accrue interest at a rate of 5%.

7. GUARANTEE

Accounting Standards Codification Topic 460 *Guarantees* requires that upon issuance of a guarantee, the guarantor must disclose and recognize a liability for the fair value of the obligation it assumed under that guarantee.

On September 25, 2008, the Partnership received a warrant to purchase 0.15 of a preferred unit of American Made LLC ("Lessee") for the guarantee of a portion of its equipment lease with Vision Financial Group ("Lessor"). In accordance with the terms of the Guarantee Agreement, the Partnership guarantees that the Lessee will perform its obligations under its Master Lease Agreement with the Lessor. The Partnership's guarantee is for 30% of the estimated cost of the leased equipment up to a maximum of $300,000. The General Partner has determined that the likelihood of the Lessee defaulting on its obligation is negligible and that the fair value of the liability is immaterial. Effective February 8, 2012, American Made LLC paid off and terminated its credit facility with Vision Financial Group, and a result, the Partnership's guarantee was lifted.

8. FINANCIAL HIGHLIGHTS

The Partnership is required to disclose financial highlights which include expense ratio and net investment income ratio for the years ended December 31, 2011 and 2010 and the internal rate of return since inception ("IRR") for Limited Partners, net of all fees and profit allocations to the General Partner, through December 31, 2011 and 2010. The following summarizes the Limited Partners' financial highlights:

	2011	2010
Expense ratio	1.13 %	1.62 %
Incentive allocation to the General Partner (carried interest)	0.53 %	0.64 %
	1.66 %	2.26 %
Net investment income ratio	(1.13)%	(1.61)%
Cumulative internal rate of return, beginning of year	28.44%	23.28 %
Cumulative internal rate of return, end of year	19.91%	28.44 %

The expense ratio is calculated for the Limited Partners, as a group. The computation of such ratios is based on the amount of expenses and incentive fee or incentive allocation assessed to an individual Limited Partner's capital and may vary from these ratios based on different management fee and incentive arrangements (as applicable) and the timing of capital transactions.

8. FINANCIAL HIGHLIGHTS…continued

The IRR was computed based on the actual dates of the cash inflows (capital contributions), outflows (cash and stock distributions) and the ending partners' capital at the end of the period (residual value) of the Limited Partners' capital account as of the year-end. These financial highlights may not be indicative of any single Limited Partner because they were calculated based on the Limited Partners' capital accounts as a whole. These financial highlights may not be indicative of the future performance of the Partnership. An individual partner's return may vary from this calculated return based on the timing of capital transactions.

9. REALIZED INVESTMENT LOSS/GAIN

In December 2011, Alphacet, Inc.'s (the "Company") management announced that it was negotiating a sale for the Company's technology, the proceeds from which will be used to pay the Company's creditors and the Partnership, the Company's sole note holder. The Board of Directors of the Company determined that there was no value for the Company's shareholders, and therefore Saturn's Series A and A-1 shares, and warrants to purchase Series A and A-1 shares in the Company, were written off. The Partnership recognized a realized loss in the amount of $1,884,000 related to the sale, and is included in net realized investment (loss) gain on the accompanying Statements of Operations.

In September 2011, the Partnership received proceeds of $21,389 from Knopp Biosciences, LLC which represented the Partnership's share of the current year's tax distribution. This amount is included in net realized investment (loss) gain on the accompanying Statements of Operations.

In April 2011, the Partnership received proceeds of $234,087 from Knopp Biosciences, LLC which was a distribution to reimburse the Partnership's Limited and General Partners for taxes owed on taxable income related to Knopp Biosciences, LLC. The Partnership distributed the entire amount to its Limited and General Partners. This amount is included in net realized investment (loss) gain on the accompanying Statements of Operations.

In August 2010, Knopp Neurosciences, Inc. participated in a merger transaction with Knopp Biosciences, LLC. This transaction also involved a significant equity investment and licensing transaction made by Biogen Idec, Inc. in Knopp Neurosciences, Inc. to develop, market, and commercialize the portfolio company's lead compound, KNS-760704, which was designed to treat Amyotrophic Lateral Sclerosis ("ALS"). As part of the merger transaction, the Partnership realized proceeds of $7,797,272 related to the redemption of its investment in Knopp Neurosciences, Inc., of which $1,622,057 was recorded as a realized gain and $6,175,215 as a return of capital for the year ended December 31, 2010. Also, as part of the merger transaction, the Partnership was awarded 2,100,215 and 2,276,460 units of Series A and Series B Preferred units, respectively, in Knopp Biosciences, LLC.

10. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events through May 18, 2012, the date on which the financial statements were available to be issued.

On February 16, 2012, SEI (NASDAQ:SEIC) acquired assets of NorthStar Systems International, Inc. The Partnership did not receive any proceeds related to this acquisition and as such, effective February 16, 2012, the Partnership recognized a realized loss of $359,041.

On March 30, 2012, senior secured notes in The Ride, Inc. converted into Series D Preferred Stock. In connection with the conversion, on March 30, 2012, The Ride, Inc. announced a ten-to-one reverse stock split on Series C and D Preferred Stock. Therefore, as of March 30, 2012, the Partnership held 5,747,568 shares of Shares of Series C Preferred Stock and 1,281,750 warrants to purchase Series C Preferred Stock.

In April 2012, Apangea Learning, Inc. changed its name to Think Through Learning, Inc.

SUPPLEMENTARY INFORMATION

Saturn Partners Limited Partnership II

Statement of Cumulative Portfolio Company Activity

For the Period December 7, 2005 (Date of Inception) through December 31, 2011

		Realized Investments			Continuing Investments			Total		Changes in Total Value of Investments for the Year Ended December 31, 2011		
Continuing Investments	Date of Initial Investment	Cost Basis of Realized Investments	Realized Investment Gain/(Loss)	Total Proceeds from Realized Investments	Cost Basis of Continuing Investments	Unrealized Investment Gain/(Loss)	Total Value of Continuing Investments	Cost Basis	Total Value of Investments	Cost Basis	Unrealized	Realized
Alphacet, Inc.	12/07	$ 1,884,000	$ (1,884,000)	$ -	$ 450,000	$ (450,000)	$ -	$ 2,334,000	$ -	$ (1,434,000)	$ 47,000	$ (1,884,000)
American Made, LLC	9/06	-	-	-	3,000,000	5,861,508	8,861,508	3,000,000	8,861,508	-	(2,209,492)	-
Apangea Learning, Inc.	1/08	-	-	-	1,250,077	(77)	1,250,000	1,250,077	1,250,000	77	(77)	-
Applied CleanTech, Inc.	1/08	-	-	-	2,250,000	(1,600,357)	649,643	2,250,000	649,643	50,000	(1,600,357)	-
Axioma, Inc.	5/06	-	-	-	1,970,149	7,669,851	9,640,000	1,970,149	9,640,000	-	1,508,000	-
Express KCS, Inc.	7/07	-	-	-	2,000,000	4,500,908	6,500,908	2,000,000	6,500,908	-	(2,350,092)	-
Knopp Biosciences, LLC	9/10	-	255,476	255,476	-	29,346,500	29,346,500	-	29,601,976	-	1,460,500	255,476
Knopp Neurosciences, Inc.	11/06	6,175,215	1,622,057	7,797,272	-	-	-	6,175,215	7,797,272	-	-	-
Mismi, Inc.	3/07	-	-	-	1,530,232	(1,052,844)	477,388	1,530,232	477,388	-	(1,053,612)	-
MooBella, Inc.	2/06	-	-	-	2,200,000	(2,200,000)	-	2,200,000	-	-	(158,900)	-
NorthStar Systems International, Inc.	10/06	-	-	-	359,041	(359,041)	-	359,041	-	-	-	-
Panopto, Inc.	8/07	-	-	-	3,450,000	6,289,822	9,739,822	3,450,000	9,739,822	750,000	2,021,822	-
The Ride, Inc. (f/k/a Counts Media, Inc.)	8/08	-	-	-	1,950,000	(1,417,626)	532,374	1,950,000	532,374	-	(1,417,626)	-
SureLogic, Inc.	8/06	-	-	-	2,865,000	(186,000)	2,679,000	2,865,000	2,679,000	-	-	-
Total investments in portfolio companies		$ 8,059,215	$ (6,467)	$ 8,052,748	$ 23,274,499	$ 46,402,644	$ 69,677,143	$ 31,333,714	$ 77,729,891	$ (633,923)	$ (3,752,834)	$ (1,628,524)