



CAPITAL PARTNERS LLC

BOSTON | NEW YORK

DAVID KWAN

SENIOR VICE PRESIDENT OF ACCOUNTING

November 24, 2021

Dear Charlesbank Investor:

Attached please find the financial statements for Charlesbank Technology Opportunities Fund, Limited Partnership (the "Partnership"), for the quarter ending September 30, 2021. During the quarter, the Partnership and its affiliated investment funds (the "TOF Partnerships") invested an additional \$6.0 million in WolfePak, net of a \$1.1 million transfer to an existing co-investor that occurred shortly after quarter-end, to facilitate an acquisition by the company. There has been no significant portfolio activity to report since the quarter-end.

Please feel free to contact Elizabeth Starr, our Controller (estarr@charlesbank.com, or 212-903-1883), or me (dkwan@charlesbank.com, or 617-619-5445), if you have any questions about the Partnership or these financial statements.

Sincerely,

A handwritten signature in blue ink that reads "David Kwan".

**Charlesbank
Technology Opportunities Fund,
Limited Partnership**
Financial Report
September 30, 2021

(Unaudited)

Confidential

Charlesbank Technology Opportunities Fund, Limited Partnership
Financial Report
September 30, 2021
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Charlesbank Technology Opportunities Fund, Limited Partnership
Statement of Assets, Liabilities and Partners' Capital
September 30, 2021

Assets

Investments at fair value (cost of \$270,676,495)	\$ 539,485,120
Cash and cash equivalents	1,331,883
Receivable from affiliates	<u>15,000</u>
Total assets	<u>\$ 540,832,003</u>

Liabilities and partners' capital

Liabilities:

Credit line	\$ 111,128,022
Payable to affiliates	452,558
Interest payable	<u>178,129</u>
Total liabilities	111,758,709

Partners' capital:

Aggregate capital contributions	233,360,580
Aggregate distributions	(57,106,658)
Net unrealized gain/(loss) on investments	268,808,625
Cumulative net investment income/(loss)	(31,916,462)
Cumulative net realized gain/(loss) on investments	<u>15,927,209</u>
Total partners' capital	<u>429,073,294</u>
Total liabilities and partners' capital	<u>\$ 540,832,003</u>

The accompanying notes are an integral part of these financial statements.

Charlesbank Technology Opportunities Fund, Limited Partnership
Statement of Operations
For the Nine Months Ended September 30, 2021

Investment income:	
Dividend	\$ 2,914,418
Interest	<u>75,697</u>
Total investment income	2,990,115
Investment expenses:	
Management fees	8,397,000
Interest expense	2,199,054
Consulting fees	1,450,624
Legal fees	472,144
Audit and tax fees	160,970
Bank fees	161,348
Software and subscription expense	10,511
Tax expense	<u>5,507</u>
Total investment expenses	<u>12,857,158</u>
Net investment income/(loss)	(9,867,043)
Change in unrealized and realized gain and loss on investments:	
Net realized gain/(loss) on investments	15,927,209
Net unrealized gain/(loss) on investments	<u>160,726,921</u>
Net gain/(loss) on investments	<u>176,654,130</u>
Net increase/(decrease) in partners' capital resulting from operations	<u>\$ 166,787,087</u>

The accompanying notes are an integral part of these financial statements.

Charlesbank Technology Opportunities Fund, Limited Partnership
Statement of Changes in Partners' Capital
For the Nine Months Ended September 30, 2021

	Limited Partners	General Partner	Total
Partners' capital at December 31, 2020	\$ 178,787,111	\$ 42,821,258	\$ 221,608,369
Partners' capital contributions	84,854,349	12,348,370	97,202,719
Partners' distributions	(49,344,116)	(7,180,765)	(56,524,881)
Net increase/(decrease) in partners' capital resulting from operations	144,532,182	22,254,905	166,787,087
Net increase/(decrease) in partners' capital resulting from carried interest	<u>(28,669,749)</u>	<u>28,669,749</u>	<u>-</u>
Partners' capital at September 30, 2021	<u>\$ 330,159,777</u>	<u>\$ 98,913,517</u>	<u>\$ 429,073,294</u>

The accompanying notes are an integral part of these financial statements.

Charlesbank Technology Opportunities Fund, Limited Partnership
Statement of Cash Flows
For the Nine Months Ended September 30, 2021

Cash flows from operating activities:

Net increase/(decrease) in partners' capital resulting from operations	\$ 166,787,087
Adjustments to reconcile to net cash provided by/(used in) operating activities:	
Proceeds from investments	53,610,463
Return of bridge capital	22,734,276
Funding of investments	(62,241,027)
Net realized (gain)/loss on investments	(15,927,209)
Net unrealized (gain)/loss on investments	(160,726,921)
Change in assets and liabilities related to operations:	
Payable to affiliates	173,692
Interest payable	146,691
Receivable from affiliates	(15,000)
Net cash provided by/(used in) operating activities	4,542,052

Cash flows from financing activities:

Partners' capital contributions ¹	97,202,719
Partners' distributions ¹	(56,524,881)
Borrowings from credit line	73,174,735
Repayments of credit line	(123,240,605)
Net cash provided by/(used in) financing activities	(9,388,032)
Net increase/(decrease) in cash and cash equivalents	(4,845,980)
Cash and cash equivalents, beginning of period	6,177,863
Cash and cash equivalents, end of period	\$ 1,331,883

Supplemental disclosure of cash flow information:

Cash paid during the period for interest	\$ 2,052,363
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¹Capital contributions and distributions are gross of \$37,683,254 of recallable capital.

Charlesbank Technology Opportunities Fund, Limited Partnership

Schedule of Investments

September 30, 2021 (In Millions)

<u>Investment</u>	<u>Industry</u>	<u>Date of Initial Investment</u>	<u>Amount Invested</u>	<u>Cost¹</u>	<u>Amount Realized²</u>	<u>Fair Value</u>	<u>% of Partners' Capital</u>
WolfePak ³	Leading provider of accounting and ERP software to the oil and gas industry 37,817,428 Class A-1 Preferred Units ⁶ 5,404,394 16% Class C Preferred Units	10/19	\$ 43.2	\$ 43.2	\$ 0.3	\$ 31.5	7%
DoiT ³	Leading provider of proprietary public cloud management software and high-end advisory services 233,146 Common Units	10/19	39.4	39.4	-	228.3	53%
HelpSystems	Leading provider of back-end infrastructure management software to IT departments 92,911,569 Class A Common Units	11/19	37.7	-	56.8	39.6	9%
Cyberbit ³	Leading provider of cybersecurity professional training software 3,334,955 Junior Preferred Units ⁴ 1,375,669 Series B Preferred Units ⁵	5/20	47.4	47.4	0.2	69.4	16%
Aptean	Leading global provider of enterprise resource planning software 290,521 Class A Preferred Units	8/20	49.4	49.4	-	69.0	16%
Healthcare Fraud Shield	Leading provider of fraud, waste and abuse detection software to health insurers 347,015 Series A Preferred Units	12/20	34.5	34.5	0.1	42.4	10%
Ivanti	Leading global provider of enterprise IT software 3,726,930 Class A-3 Shares	5/21	56.8	56.8	-	59.3	14%
Total			\$ 308.4	\$ 270.7	\$ 57.4	\$ 539.5	126%

Note: The above Schedule of Investments represents interests of Charlesbank Technology Opportunities Fund only; interests of affiliates are not included. The General Partner believes that the Partnership's maximum exposure to loss is limited to the aggregate carrying value of the investments and the guarantees in Note 7. All investments are located in the United States, with the exception of DoiT and Cyberbit, which are located in Israel. Total amounts may not equal the sum of the amounts presented above due to rounding.

¹ Cost represents remaining invested capital.

² Amount realized represents cumulative total of proceeds received since inception of investments.

³ The legal names of these investments are WolfePak Software, LLC, DoiT International Ltd. and Cyberbit Ltd., respectively.

⁴ Fair value of \$47.6.

⁵ Fair value of \$21.8.

⁶ Fair value of \$26.8.

The accompanying notes are an integral part of these financial statements.

Charlesbank Technology Opportunities Fund, Limited Partnership

Notes to Financial Statements

September 30, 2021

1. Description of the Partnership

Charlesbank Technology Opportunities Fund, Limited Partnership (the "Partnership" or the "Fund") is a Massachusetts limited partnership formed on July 3, 2019, and commenced operations on October 11, 2019. Charlesbank Technology Opportunities Fund GP, Limited Partnership, a Massachusetts limited partnership, is the general partner (the "General Partner") and an affiliate of Charlesbank Capital Partners, LLC (the "Investment Adviser" or "Charlesbank"). The purposes of the Partnership are to make investments in equity, debt, convertible securities and other interests in business organizations, expected to be primarily lower middle-market technology-focused companies ("Portfolio Investments"), to provide capital for the acquisition and expansion of growing companies, and to carry on any other activity which may be lawfully carried on by a limited partnership organized under the Partnership Act. Total committed capital for the Partnership as of September 30, 2021 was \$642,410,000. The Limited Partners and the General Partner (together, the "Partners") committed \$560,800,000 and \$81,610,000, respectively, of which \$172,552,197 and \$23,125,129 (net of callable capital), respectively, were contributed to the Partnership through September 30, 2021. At September 30, 2021, the ratio of contributed capital to the Partnership to total committed capital was 30.8% for the Limited Partners and 28.3% for the General Partner. Aggregate capital contributions and aggregate distributions reflected in the Statement of Assets, Liabilities and Partners' Capital are gross of callable capital of \$37,683,254. The Partnership shall continue until October 11, 2029, unless sooner dissolved or extended as specified in the Partnership Agreement.

The General Partner is also the general partner of Charlesbank Executives Technology Opportunities Fund, Limited Partnership (the "Executives Fund") and CB Offshore Technology Opportunities Fund, Limited Partnership (the "Offshore Fund"). The Offshore Fund is an affiliated investment fund primarily comprising limited partners whose principal places of business are located outside the United States. The limited partners of the Executives Fund include certain portfolio company executives of funds affiliated with the Investment Adviser and other friends of Charlesbank. The Partnership, the Offshore Fund and the Executives Fund (collectively, the "Partnerships") make commitments to the same investments, on substantially the same terms and conditions, based on the proportion of their respective Partners' capital commitments to the total capital commitments of the Partnerships.

2. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States of America ("GAAP") that require management to make estimates and assumptions that affect the reported amounts and disclosure in the financial statements. Actual results could differ from those estimates. All amounts are expressed in U.S. dollars.

The General Partner has determined that the Partnership is an investment company in conformity with Accounting Standard Codification 946 and continues to follow the accounting and reporting guidance for investment companies.

Valuation

The Partnership's investments consist primarily of common stock, preferred stock and subordinated debt. All Portfolio Investments of the Partnership, in the absence of readily available market values, are valued at fair value as estimated in good faith by the General Partner. Because of the inherent uncertainty of valuation, these estimated values may differ from the

Charlesbank Technology Opportunities Fund, Limited Partnership

Notes to Financial Statements

September 30, 2021

values that would have been used had a ready market for the investments existed, and the differences could be material. Portfolio Investments are valued in accordance with the following guidelines:

Direct Private Equity Investments

In determining fair value, the General Partner considers factors such as earnings forecasts, recent transactions in the same or similar securities, and other indications of fair value that are available. The value assigned to these investments is based on available information and does not necessarily represent the amount that ultimately might be realized upon sale.

Direct Public Equity Investments

Marketable securities are valued using the unadjusted closing public prices on the valuation date. Discounts will be applied to the public market valuation if federal securities law or other contractual obligations on the security restrict the Partnership's ability to sell the underlying securities in the public market at the public market price. The Partnership generally provides for a 15% discount on securities restricted for more than 12 months, a 10% discount on securities restricted for six to 12 months and 5% for securities restricted for less than six months.

Untraded Debt

The General Partner expects the valuations of non-traded debt or debt for which there is no public or ready market to be based either on a price within the range between bid and asked prices from independent broker quotes that is considered to best represent fair value in the circumstances, or on a market approach using an enterprise value waterfall calculation in which the enterprise value is based on a set of public comparables.

Bridge Capital

To facilitate the closing of a Portfolio Investment, the Partnership funded bridge capital on behalf of co-investors which was subsequently sold back with interest, which is included in Interest in the Statement of Operations.

Income and Operating Expense Recognition

Interest income is accrued as earned. Dividend income includes dividends and other operating distributions received from portfolio companies and is determined by the General Partner to be dividends, in conformity with generally accepted accounting principles, and is recognized on ex-date. Operating expenses are accrued as incurred. The Partnership examines estimated portfolio company profits to characterize distributions received as return of capital, dividend income or realized gains.

Investment Gains and Losses

Amounts reported as realized investment gains and losses are measured by the difference between proceeds of sales and the cost basis of the investments on a specific identification basis. Non-dividend distributions to the Partnership in excess of the basis are also recorded as realized gains. The difference between fair value and cost of investments is reflected as unrealized appreciation or depreciation.

Alternate Investment Vehicles

The Partnership may invest in portfolio companies either directly or indirectly through one or more holding companies or other entities in which other parties affiliated with the Partnership and/or the Investment Adviser may also be investors. In cases where the Partnership invests indirectly through such entities, the Schedule of Investments reflects the Partnership's proportionate share of the underlying investments.

Charlesbank Technology Opportunities Fund, Limited Partnership

Notes to Financial Statements

September 30, 2021

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid assets with original maturities of three months or less from the date of purchase, as defined in the Amended and Restated Agreement of Limited Partnership (the “Partnership Agreement”). At times, cash and cash equivalent balances at a limited number of financial institutions may exceed federally insured amounts. Included in cash and cash equivalents at September 30, 2021 is an overnight money market fund with a commercial bank in the amount of \$1,331,883 which is classified within level 1 of the fair value hierarchy.

Income Taxes

In accordance with Financial Accounting Standards Board Accounting Standards Codification 740, the authoritative guidance on accounting for and disclosure of uncertainty in tax positions, the General Partner is required to determine whether a tax position of the Partnership is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the “more likely than not” threshold, the tax amount recognized in the financial statements is reduced by the largest benefit with more than 50 percent likelihood of being realized upon ultimate settlement with the relevant taxing authority.

The Partnership files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Partnership is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of September 30, 2021, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2019 forward (with limited exceptions).

Income taxes are not payable by the Partnership; the Partnership Agreement does, however, provide for tax distributions. The Partnership purchases and sells stocks and securities for its own account and, as such, is generally not subject to U.S. tax on such earnings, other than certain withholding taxes. Dividends, as well as certain interest and other income received by the Fund from sources within the United States, may be subject to U.S. withholding tax. Interest, dividend and other income realized by the Fund from non-U.S. sources, and capital gains realized on the sale of securities of non-U.S. issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. The General Partner is authorized to take any action it deems appropriate to comply with any foreign or United States federal, state or local withholding requirement with respect to any allocation, payment or distribution by the Partnership to any Partner.

The Partnership may be required to withhold estimated federal and state taxes from certain partners from U.S. distributions and to pay such estimates on behalf of Limited Partners of the Fund. These estimates are generally not finalized until the tax return has been completed. During 2021, the Fund withheld \$23,244 from distributions and paid \$23,244 in net withholding taxes based on the projected obligation.

3. Partnership Capital Accounts, Profits and Losses, and Distributions

The Partnership's maintenance of capital accounts, allocation of net income or net loss to the Partners, and remittance of cash, securities or other assets constituting distributions are determined and made in accordance with the provisions contained in Article III and Article V of the Partnership Agreement, without the opportunity for redemptions or withdrawals by Partners

Charlesbank Technology Opportunities Fund, Limited Partnership

Notes to Financial Statements

September 30, 2021

except as provided in Articles IX and X. Such provisions, qualified in their entirety by reference to Articles III and V, are summarized herein as follows:

Capital Contributions

Capital calls are made at the discretion of the General Partner by written notice not less than 10 business days prior to the date of the call. Installments (cash contributions) shall be due from the Partners in proportion to their unfunded capital subscriptions to fund capital commitments, follow-on investments, and fees and expenses.

Distributions

Distributions of proceeds from the disposition of Portfolio Investments and other income received with respect to Portfolio Investments will be apportioned among the Partners that participated in the Portfolio Investment in proportion to their relative capital contributions with respect to such Portfolio Investment, in the following amounts and order of priority:

- (i) first, 100% to the Partners until the cumulative distributions received by the Partners equal the sum of (a) the Partners' capital contributions with respect to that Portfolio Investment and each other Portfolio Investment that the Partnership has sold or permanently written off, or that has been subject to a decline in fair market value; and (b) their share of the expenses of the Partnership, including the management fee, allocable to such Portfolio Investments;
- (ii) second, 100% to the Partners until the cumulative distributions received by the Limited Partners equal a preferred return of 8% per annum, compounded annually, on the sum of their capital contributions (as calculated in (i) above) to the Partnership with respect to (a) that Portfolio Investment and each other Portfolio Investment that the Partnership has sold or permanently written off, and (b) expenses of the Partnership allocated to such Portfolio Investments;
- (iii) third, 100% to the General Partner until the cumulative distributions to the General Partner equal 20% of the total cumulative distributions pursuant to clause (ii) and this clause (iii) ("Carried Interest"); and
- (iv) thereafter, (a) 80% to the Limited Partners, and (b) 20% to the General Partner.

Allocations

Partnership income, gains, losses, deductions and credits are allocated among the Partners so as to conform as nearly as practicable with the related or expected distributions. Allocations are based on a hypothetical liquidation of the investment values.

4. Related Party Transactions

Compensation of the Investment Adviser

The Partnership has entered into an Investment and Advisory Agreement (the "Advisory Agreement") with the Investment Adviser pursuant to which the Investment Adviser has agreed to provide the Partnership with certain investment management, advisory, administrative and related services. Pursuant to the Advisory Agreement, prior to the management fee Step-Down Date (as defined in the Partnership Agreement), management fees are payable quarterly in advance to the Investment Adviser based on an annual 2.0% rate of each Limited Partner's committed capital. During the period ended September 30, 2021, the Limited Partners incurred net management fees of \$8,397,000. The management fees are paid by the fund to the Investment Adviser, and therefore are an expense of the Limited Partners and are recorded as such on Statement of Operations. Any management fees payable by a Limited Partner for a particular

Charlesbank Technology Opportunities Fund, Limited Partnership

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period shall be reduced by such Limited Partner's pro rata share of 100% of all ancillary fees received by the Investment Adviser or its affiliates in the immediately preceding period with respect to any Portfolio Investment or other investments or activities of the Partnership. Management fees were reduced by \$0 for ancillary fees received by the Investment Adviser for the period ended September 30, 2021.

Reimbursement of Partnership Expenses

Pursuant to the Partnership Agreement, the Partnership shall pay, or if paid by the Investment Adviser reimburse such Investment Adviser for, all expenditures made on behalf of the Partnership that are not paid by portfolio companies and are not included in the services to be provided by the Investment Adviser pursuant to the Advisory Agreement. The Partnership had \$452,558 in net payables outstanding to the Investment Adviser at September 30, 2021.

5. Risks

The Partnership's investment activities expose it to various types of risk that are associated with certain of the financial instruments and markets in which it invests. The significant types of financial risks to which the Partnership is exposed include, but are not limited to, market, liquidity and credit risks. Certain aspects of those risks are addressed below:

Credit Risk

Credit risk is the risk that counterparties to a Portfolio Investment or financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Partnership and the portfolio companies may acquire debt securities. Investment portfolios with debt securities are subject to credit risk. Credit risk refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument.

Diversification

Since the Partnership may focus its investments on a limited number of securities, the Partnership may be subject to greater risk than a fund that is more diversified. Poor performance by a few of the Portfolio Investments could severely impact the total return to the Partners. The Partnership may also have risks associated with the concentration of investments in one geographical region, currency or industry.

Illiquid Securities

The Partnership's Portfolio Investments will primarily be in privately issued and illiquid publicly traded securities. The Partnership and its affiliates also may own significant percentages of the outstanding shares of the companies in which they invest. These circumstances could prevent or delay the sale of the Portfolio Investments or reduce the proceeds received on a sale.

Price Risk / Nature of Investment

The Partnership's Portfolio Investments are long-term and highly illiquid and there is no assurance that the Partnership will achieve its investment objectives, including targeted returns. The valuations of securities held by the Partnership may decline in response to certain events, including (i) those events directly involving the companies whose securities are owned by the Partnership, (ii) conditions affecting the general economy, (iii) overall market changes, (iv) local, regional or global political, social, public health or economic instability, and (v) currency, interest-rate and commodity-price fluctuations. Due to the illiquidity of the Portfolio Investments, valuation of the assets may be difficult, as there generally will be no established markets for these assets. The Partnership may not be able to vary the portfolio in response to changes in economic

Charlesbank Technology Opportunities Fund, Limited Partnership

Notes to Financial Statements

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and other conditions. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect the valuation of assets of the Funds and thus Fund performance. In addition, if the Partnership is required to liquidate all or a portion of its portfolio quickly, the Partnership may realize significantly less than the value at which it previously recorded those investments. As the Partnership's financial instruments are carried at fair value and fair value changes are recognized in the Statement of Operations, all changes in market conditions will directly affect the net asset value of the Partnership.

Legal, Tax and Regulatory Risks

During the life of the Partnership, legal, tax and regulatory changes could occur that may adversely affect the Partnership. The Partnership may be subject to a variety of litigation risks, particularly if any of its portfolio companies faces financial or other difficulties during the term of the Partnership. Legal disputes involving the Partnership, any of the portfolio companies, the General Partner, its partners or its affiliates may arise from the foregoing activities (or any other activities relating to the operation of the Partnership or the General Partner) and could have a significant adverse effect on the Partnership.

The Partnership intends to invest in portfolio companies that may be subject to extensive governmental regulations and oversight with respect to their business activities. The failure to comply with applicable regulations, obtain applicable regulatory approvals or maintain those approvals so obtained may subject the applicable portfolio company to (i) civil penalties, (ii) suspension or withdrawal of any regulatory approval obtained, (iii) product recalls and seizures, (iv) injunctions, (v) operating restrictions, and (vi) criminal prosecutions and penalties, which could, individually or in the aggregate, have a material adverse effect on the Partnership's investment in such company.

Interest Rate Risk

The Partnership and the Partnership's portfolio companies may invest in debt. Any change to the interest rates relevant for particular Portfolio Investments may result in the inability to secure similar returns on the expiration of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the Portfolio Investments held. In general, if interest rates rise, the value of the fixed interest Portfolio Investments will decline. A decline in interest rates will in general have the opposite effect.

6. Financial Highlights

The following summarizes the Limited Partners' financial highlights for the period ended September 30, 2021, gross of management fees except where noted:

Internal Rate of Return

The Partnership is required to disclose certain financial information for the Limited Partners' interest in the Partnership through the fiscal year. Accordingly, since inception, the internal rate of return ("IRR") of a Limited Partner, net of all Partnership expenses and Carried Interest allocation to the General Partner, was 124.1% through September 30, 2021.

The IRR, net of all fees and Carried Interest allocation, is computed based on the actual dates of the cash inflows (capital contributions), outflows (distributions) and the Limited Partners' capital account at the end of the year.

Charlesbank Technology Opportunities Fund, Limited Partnership

Notes to Financial Statements

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Expense Ratio

The expense ratio is calculated for the Limited Partners based on their average partners' capital. For the period ended September 30, 2021, this expense ratio before and after the Carried Interest allocation was 5.5% and 18.4%, respectively.

For the period ended September 30, 2021, the expense ratio based on the Limited Partners' committed capital was 2.2% before the Carried Interest allocations.

Net Investment Income Ratio

The net investment income ratio is calculated for the Limited Partners based on their average partners' capital. For the period ended September 30, 2021, this net investment income ratio was (4.3%).

The net investment income ratio includes the Limited Partners' proportionate share of all interest income less their proportionate share of all Partnership expenses as reported in the Statement of Operations and does not include any Carried Interest allocation.

7. Guarantees & Contingencies

In the normal course of business, the Partnership enters into contracts that contain a variety of representations and warranties and provide general indemnifications. The Partnership's maximum exposure under these arrangements is unknown, as this would involve claims that may be made in the future. However, based on experience, the Investment Adviser believes the risk of loss to be remote.

As an investment company, the Partnership is required to disclose financial support provided or contractually required to be provided to its portfolio companies. The Partnership may provide financial support to portfolio companies in accordance with its investment objectives. This financial support may be provided pursuant to contractual agreements or at the discretion of the General Partner. For the period ended September 30, 2021, the Partnership did not provide financial support to its portfolio companies.

8. Line of Credit

The Partnership entered into a line of credit agreement (the "Credit Agreement") with banks, dated September 3, 2019, under which the Partnership can borrow an aggregate principal amount of \$64,495,416 (the Partnership's portion of the "Maximum Credit Amount") for the temporary financing of Portfolio Investments and payment of Partnership expenses under the specified terms. The Credit Agreement was subsequently amended on October 10, 2019, October 25, 2019, November 5, 2019, and August 19, 2020 with an expiration of August 19, 2022. As part of these amendments, the Partnership's portion of the Maximum Credit Amount was increased to \$87,127,600, \$143,949,947, \$174,255,199, and \$212,940,146, respectively. The Credit Agreement also allows for the temporary funding of the Limited Partners' management fee obligations payable to the Investment Adviser. The line of credit and related interest expense are secured by the Partnership's unfunded capital commitments. At September 30, 2021, \$111,128,022 was outstanding, which approximates fair value.

Interest is charged on the outstanding principal amount at a rate per annum equal to LIBOR plus 1.90%, as set forth in the Credit Agreement. During the term of the Credit Agreement, three month LIBOR has ranged from 0.12% to 2.13%. Interest is due and payable in arrears on the last

Charlesbank Technology Opportunities Fund, Limited Partnership

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day of each interest period (or three-month period if interest period exceeds three months), as defined by the Credit Agreement, and on the Maturity Date, and is included in interest expense in the Statement of Operations. At September 30, 2021, the Partnership had \$178,129 of Interest payable. Also included in the Statement of Operations as Bank fees are upfront fees, unused fees, facility increase fees and account analysis fees related to the line of credit.

9. Fair Value Measurement

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered active;

Level 3 - Inputs that are unobservable.

GAAP specifies that the concepts of highest and best use and valuation premise in a fair value measurement are only relevant when measuring the fair value of nonfinancial assets, and not when measuring the fair value of financial assets and liabilities.

In order to establish and maintain the fair market value of the assets held by the Partnerships, the General Partner and an advisory board comprised of representatives of the limited partners of the Partnerships (the "Advisory Board") have adopted a valuation policy that provides for the valuation methodology or methodologies to be applied to each type of Partnership asset. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the General Partner. The General Partner considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based on the pricing transparency of the investment and does not necessarily correspond to the General Partner's perceived risk of that investment.

Substantially all of the Partnership's Portfolio Investments have been classified within Level 3, as they have unobservable inputs and do not trade publicly. Level 3 investments include common and preferred equity securities. When observable prices are not available for these securities, the General Partner uses one or more valuation techniques (e.g., the market approach or the income approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income

Charlesbank Technology Opportunities Fund, Limited Partnership

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approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

The inputs used by the General Partner in estimating the value of Level 3 investments include (a) the original transaction price, (b) recent transactions in the same or similar instruments, (c) completed or pending third-party transactions in the underlying investment or comparable issuers, (d) subsequent rounds of financing, (e) recapitalizations and other transactions across the capital structure, (f) offerings in the equity or debt capital markets, and (g) changes in financial ratios or cash flows. The inputs for (b)-(g) are substantiated, in some cases, by public market information released through SEC filings, portfolio company board of director minutes and/or audited financial statements of the portfolio company. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information. The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Partnership's results of operations.

The General Partner applies comparable transaction multiples and/or comparable trading multiples where such comparable multiples are available and appropriate. Where not available or inappropriate, a discounted cash flow analysis is performed to estimate fair value.

The General Partner determines comparable public companies (peers) based on industry, size, development stage, strategy, etc., and then calculates a trading multiple for each identified company by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortization ("EBITDA"). In certain instances, the inputs used in the calculation of the trading multiples may vary based on the industry.

The trading multiple is then discounted for considerations such as illiquidity and differences between the comparable companies and the Portfolio Investment, based on company-specific facts and circumstances. These discounts generally range between 15% and 30%. The average or median of the calculated multiples is then applied to the underlying company's EBITDA (which may be normalized to adjust for certain non-recurring events) to calculate the enterprise value of the underlying company. The enterprise value may be further adjusted for entity-specific facts and circumstances such as litigation, a recent round of financing, etc. The enterprise value is then allocated across various outstanding instruments based on liquidation preferences and other factors to estimate the fair value of the security.

Investments may be classified as Level 2 when (i) market information is available yet the investment is not traded in an active market and/or the investment is subject to transfer restrictions, or (ii) the valuation is adjusted to reflect illiquidity and/or non-transferability.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, generally include active listed equities. The General Partner does not adjust the quoted price for such instruments, even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price.

Generally, limited comparable public market inputs exist for use in estimating the fair value of the Partnership's debt securities. The General Partner uses, as applicable and appropriate, the debtor's credit profile, the status of payments of interest and principal, the interest rate of the

Charlesbank Technology Opportunities Fund, Limited Partnership
Notes to Financial Statements
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security in relation to current market rates, contractual provisions of applicable legal agreements, compliance or non-compliance with those provisions, and an assessment of the overall enterprise valuation to determine the estimated fair value of the debt security.

The following table presents the investments carried on the Statement of Assets, Liabilities and Partners' Capital by level within the valuation hierarchy as of September 30, 2021:

	Total Cost	Assets at Fair Value as of September 30, 2021				Percentage of Partners' Capital
		Level 1	Level 2	Level 3	Total	
Equity Investments:						
Common stock	\$ 39,369,753	\$ -	\$ -	\$ 267,886,260	\$ 267,886,260	62.4%
Preferred stock	231,306,742	-	-	271,598,860	271,598,860	63.3%
Total Equity Investments	270,676,495	-	-	539,485,120	539,485,120	125.7%
Total Investments	270,676,495	-	-	539,485,120	539,485,120	125.7%
Cash Equivalents:						
US Treasury - money market fund	1,331,883	1,331,883	-	-	1,331,883	0.3%
Total Cash Equivalents	1,331,883	1,331,883	-	-	1,331,883	0.3%
Total	<u>\$ 272,008,378</u>	<u>\$ 1,331,883</u>	<u>\$ -</u>	<u>\$ 539,485,120</u>	<u>\$ 540,817,003</u>	<u>126.0%</u>

Note: Total amounts may not equal the sum of the amounts presented above due to rounding.

The following table presents changes in assets classified in Level 3 of the fair value hierarchy during the period ended September 30, 2021, attributable to the following:

	Equity		Debt	Total
	Common	Preferred		
Purchases/Fundings	\$ -	\$ 62,241,027	\$ -	\$ 62,241,027

There were no transfers into or out of Level 3 during the period.

Charlesbank Technology Opportunities Fund, Limited Partnership

Notes to Financial Statements

September 30, 2021

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of September 30, 2021. The disclosure below excludes investments for which fair value is based on unobservable inputs that are not developed by the General Partner, such as investments for which fair value is determined by Partners' capital balances, net asset values, or recent, pending or expected transactions without adjustment.

Investments	Fair Value at September 30, 2021 (in thousands) (a)		Valuation Technique	Unobservable Input (b)	Range (c)	Weighted Average
Common Equity	\$	228,329	Market-comparable companies and transactions	LTM EBITDA multiple Discount for lack of marketability	16.1x 28%	16.1x 28%
Preferred Equity	\$	169,977	Market-comparable companies and transactions	LTM EBITDA multiple Discount for lack of marketability	8.3x - 15.8x 28%	12.5x 28%

(a) Amounts exclude \$141,180 of investments where the determination of fair value is based on the initial acquisition multiples due to the recency of the transactions and recent recapitalization transaction multiple.

(b) In determining certain of these inputs, the General Partner evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies, tax benefits and company-specific developments including exit strategies and realization opportunities.

(c) The multiples reflected above are before the application of any discounts to public companies.

10. Subsequent Events

Management has evaluated the events and transactions that have occurred through November 24, 2021, the date the financial statements were available for issue, and noted no items requiring adjustment of the financial statements.

Charlesbank Technology Opportunities Fund
**Exhibit 1: Supplemental Schedule of Partners' Capital
Year to Date**

Amounts have been calculated as if the Partners have been admitted to the Fund at the beginning of the year.

												Net Income/(Loss)	
Limited Partners' Last 4													
Digits of Tax ID # or Assigned Code #	Committed Capital	Partners' Capital at December 31, 2020	Net Capital Contributions	Distributions (1)	Net Unrealized Gain/(Loss)	Management Fees	Other Net Investment Income/(Loss)	Net Realized Gain/(Loss)	Carried Interest (2)	Partners' Capital at September 30, 2021	Remaining Commitment (3)		
7405	\$ 50,000,000	\$ 15,940,362	\$ 7,565,474	\$ (4,399,440)	\$ 12,509,684	\$ (750,000)	\$ (114,416)	\$ 1,239,645	\$ (2,576,929)	\$ 29,414,379	\$ 34,615,532		
AK85	45,000,000	14,346,328	6,808,927	(3,959,496)	11,258,716	(675,000)	(102,975)	1,115,681	(2,319,236)	26,472,944	31,153,980		
5628	35,000,000	11,158,253	5,295,832	(3,079,608)	8,756,779	(525,000)	(80,091)	867,752	(1,803,850)	20,590,065	24,230,873		
9453	35,000,000	11,158,253	5,295,832	(3,079,608)	8,756,779	(525,000)	(80,091)	867,752	(1,803,850)	20,590,065	24,230,873		
1148	30,000,000	9,564,218	4,539,284	(2,639,664)	7,505,810	(450,000)	(68,650)	743,787	(1,546,157)	17,648,627	20,769,320		
4203	30,000,000	9,564,218	4,539,284	(2,639,664)	7,505,810	(450,000)	(68,650)	743,787	(1,546,157)	17,648,627	20,769,320		
8777	20,000,000	6,376,145	3,026,189	(1,759,776)	5,003,874	(300,000)	(45,766)	495,858	(1,030,772)	11,765,752	13,846,213		
8342	20,000,000	6,376,145	3,026,189	(1,759,776)	5,003,874	(300,000)	(45,766)	495,858	(1,030,772)	11,765,752	13,846,213		
2193	20,000,000	6,376,145	3,026,189	(1,759,776)	5,003,874	(300,000)	(45,766)	495,858	(1,030,772)	11,765,752	13,846,213		
4585	15,000,000	4,782,110	2,269,643	(1,319,832)	3,752,905	(225,000)	(34,325)	371,894	(773,079)	8,824,316	10,384,660		
6427	15,000,000	4,782,110	2,269,643	(1,319,832)	3,752,905	(225,000)	(34,325)	371,894	(773,079)	8,824,316	10,384,660		
AC75	15,000,000	4,782,110	2,269,643	(1,319,832)	3,752,905	(225,000)	(34,325)	371,894	(773,079)	8,824,316	10,384,660		
2857	15,000,000	4,782,110	2,269,643	(1,319,832)	3,752,905	(225,000)	(34,325)	371,894	(773,079)	8,824,316	10,384,660		
7719	15,000,000	4,782,109	2,269,643	(1,319,832)	3,752,905	(225,000)	(34,325)	371,894	(773,079)	8,824,315	10,384,660		
1442	12,000,000	3,825,687	1,815,714	(1,055,865)	3,002,324	(180,000)	(27,460)	297,515	(618,463)	7,059,452	8,307,727		
3636	12,000,000	3,825,687	1,815,714	(1,055,865)	3,002,324	(180,000)	(27,460)	297,515	(618,463)	7,059,452	8,307,727		
0708	11,000,000	3,506,881	1,664,404	(967,877)	2,752,130	(165,000)	(25,172)	272,722	(566,924)	6,471,164	7,615,417		
8031	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
JH46	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
AC45	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
2275	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
6051	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
1581	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
8270	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
9655	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
1894	10,000,000	3,188,073	1,513,095	(879,888)	2,501,937	(150,000)	(22,883)	247,929	(515,386)	5,882,877	6,923,106		
9965	8,700,000	2,773,622	1,316,391	(765,502)	2,176,685	(130,500)	(19,908)	215,698	(448,386)	5,118,100	6,023,103		
6542	7,028,679	2,240,794	1,063,504	(618,445)	1,758,531	(105,430)	(16,084)	174,261	(362,248)	4,134,883	4,866,030		
4893	6,000,000	1,912,844	907,857	(527,932)	1,501,162	(90,000)	(13,730)	148,757	(309,231)	3,529,727	4,153,864		
6590	5,025,000	1,602,006	760,330	(442,143)	1,257,223	(75,375)	(11,499)	124,584	(258,981)	2,956,145	3,478,860		
8063	5,000,000	1,594,037	756,548	(439,944)	1,250,968	(75,000)	(11,442)	123,965	(257,693)	2,941,439	3,461,553		
0519	5,000,000	1,594,038	756,548	(439,944)	1,250,968	(75,000)	(11,442)	123,965	(257,693)	2,941,440	3,461,553		
0485	5,000,000	1,594,038	756,548	(439,944)	1,250,968	(75,000)	(11,442)	123,965	(257,693)	2,941,440	3,461,553		
6798	4,500,000	1,434,633	680,892	(395,949)	1,125,872	(67,500)	(10,297)	111,568	(231,924)	2,647,295	3,115,398		
1537	3,000,000	956,421	453,927	(263,967)	750,581	(30,000)	(6,865)	74,379	78,470	2,012,946	2,076,933		
5388	3,000,000	956,421	453,927	(263,967)	750,581	(45,000)	(6,865)	74,379	(154,616)	1,764,860	2,076,933		
4397	3,000,000	956,420	453,927	(263,967)	750,581	(45,000)	(6,865)	74,379	(154,616)	1,764,859	2,076,933		
8932	3,000,000	956,421	453,927	(263,967)	750,581	(45,000)	(6,865)	74,379	(154,616)	1,764,860	2,076,933		
1055	2,971,321	947,280	449,589	(261,443)	743,406	(44,570)	(6,799)	73,668	(153,138)	1,747,993	2,057,077		
7195	2,475,000	789,049	374,492	(217,772)	619,229	(37,125)	(5,664)	61,362	(127,558)	1,456,014	1,713,470		
0636	2,000,000	637,614	302,618	(175,977)	500,387	(30,000)	(4,577)	49,586	(103,077)	1,176,574	1,384,621		
4021	2,000,000	637,614	302,618	(175,977)	500,387	(30,000)	(4,577)	49,586	(103,077)	1,176,574	1,384,621		

Charlesbank Technology Opportunities Fund
Exhibit 1: Supplemental Schedule of Partners' Capital
Year to Date
Amounts have been calculated as if the Partners have been admitted to the Fund at the beginning of the year.

Net Income/(Loss)											
Limited Partners' Last 4											
Digits of Tax ID # or Assigned Code #	Committed Capital	Partners' Capital at December 31, 2020	Net Capital Contributions	Distributions (1)	Net Unrealized Gain/(Loss)	Management Fees	Other Net Investment Income/(Loss)	Net Realized Gain/(Loss)	Carried Interest (2)	Partners' Capital at September 30, 2021	Remaining Commitment (3)
2547	2,000,000	637,614	302,618	(175,977)	500,387	(30,000)	(4,577)	49,586	(103,077)	1,176,574	1,384,621
4781	1,900,000	605,733	287,487	(167,179)	475,368	(28,500)	(4,348)	47,107	(97,923)	1,117,744	1,315,390
0296	1,200,000	382,569	181,572	(105,586)	300,232	(18,000)	(2,746)	29,751	(61,846)	705,947	830,773
5670	1,000,000	318,807	151,309	(87,989)	250,194	(15,000)	(2,288)	24,793	(51,539)	588,287	692,311
3247	1,000,000	318,807	151,309	(87,989)	250,194	(15,000)	(2,288)	24,793	(51,539)	588,287	692,311
4325	1,000,000	318,807	151,309	(87,989)	250,194	(15,000)	(2,288)	24,793	(51,539)	588,287	692,311
Total Limited Partners	\$ 560,800,000	\$ 178,787,111	\$ 84,854,349	\$ (49,344,116)	\$ 140,308,615	\$ (8,397,000)	\$ (1,283,292)	\$ 13,903,860	\$ (28,669,749)	\$ 330,159,777	\$ 388,247,817
General Partner	81,610,000	42,821,258	12,348,370	(7,180,765)	20,418,306	-	(186,750)	2,023,349	28,669,749	98,913,517	58,484,871
Total All Partners	\$ 642,410,000	\$ 221,608,369	\$ 97,202,719	\$ (56,524,881)	\$ 160,726,921	\$ (8,397,000)	\$ (1,470,043)	\$ 15,927,209	\$ (0)	\$ 429,073,294	\$ 446,732,688

(1) Distributions include cash, stock and taxes paid on behalf of Partners.

(2) Carried interest represents accrued amount to be (paid)/received based on liquidation of the Fund at current market values as of respective quarter-end.

(3) Remaining commitment includes capital activity net of management fees and capital draws, plus callable capital.