



NEOTENY 3

Quarterly Report

June 30, 2015

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LETTER FROM THE GENERAL PARTNER

August 13, 2015

Dear Partners,

June 30, 2015 marked the first quarter end for Neoteny 3, LP (the "Fund"). After the initial close on March 31, 2015, the Fund made a capital call on April 2, 2015 equal to 100% of partners' capital commitments (subject to certain foreign regulatory limitations). During the quarter, the Fund continued to receive interest from potential investors, and a number of these investors have now been accepted as partners. As of June 30, 2015, the Fund has received total capital commitments of \$7,800,000, of which \$6,250,000 has been called and paid-in. The remaining capital will be called prior to the quarter ended September 30, 2015 as the Fund has now received the required foreign regulatory approvals. The Fund will continue to welcome inquiries from potential investors through the earlier of its first distribution to partners or December 31, 2015 (final closing date), but intends to cap the Fund at \$10,000,000.

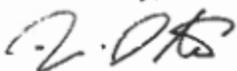
Upon the initial close, the Fund began acquiring investments in portfolio companies. As of June 30, 2015, the Fund has invested \$1,008,066 in seven portfolio companies. Please see the next section for a summary of the Fund's investment portfolio as of June 30, 2015. The Fund will continue to seek out additional investment opportunities in the coming months and work strategically with others to build out its investment portfolio. To this end, the Fund recognizes that many of its partners are professional investors, business executives, innovators, industry leaders and the like. The Fund encourages these individuals to share any potential investment opportunities they may have with the Fund. In turn, to the extent possible, the Fund will do the same for its partners.

One of the reasons many people have invested in the Fund is to be exposed to the portfolio companies. Many of the portfolio companies are interested in the Fund's partners as well. In this way, it is quite different from a traditional fund. The Fund would like to make a list of partners available to the portfolio companies when talking to them. Please let the Fund know if you are interested or willing to be disclosed in this way, and if so, how you would like to be listed, as many of you are using investment vehicles. In addition, a number of partners have expressed interest in meeting each other and potentially some of the portfolio companies. The Fund is considering the feasibility of a meeting, so please also indicate whether you would be interested in such a gathering. Please e-mail Danielle Prague with your preferences (Danielle@praguecpalaw.com).

As you know, the Fund maintains an online secure sharing platform through Intralinks (www.intralinks.com). You may use this platform to view Schedule K-1s, annual and quarterly reports, and information about the Fund's portfolio companies. Of note, the "Investment Information and News" folder contains an "Investment Tracker" that reflects the Fund's investments to date.

If you have any questions or comments, please feel free to contact the Fund. Thank you for your support.

Sincerely,



Joichi Ito,
as manager of Neoteny 3 Management, LLC,
the General Partner of Neoteny 3, LP

NEOTENY 3, LP INVESTMENT PORTFOLIO

Cash and Cash Equivalents Balance

(All amounts in United States Dollars(\$))

Cash and Cash Equivalents	Amount (\$)
Beginning of the Quarter - April 1, 2015 (Inception)	\$0
Funds Raised	\$6,250,000
Capital Invested	\$(1,008,066)
Expenses / Organizational Costs	\$(116,123)
Other Items	\$30
End of the Quarter - June 30, 2015	\$5,125,841

Portfolio Companies

(All amounts in United States Dollars(\$))

Company Name	Investment Date	Amount (\$) ¹	Investment Type	Website
Crowd Supply, Inc.	Apr. 22, 2015	\$101,341	492,805 shares of Series Seed II Preferred Stock	www.crowdsupply.com
Emerald Therapeutics, Inc.	Jun. 19, 2015	\$100,064	25,916 shares of Series C Preferred Stock	www.emeraldcloudlab.com
Kemoko, Inc. (a/k/a Panoply)	Feb. 20, 2015	\$100,000	128,568 shares of Series Seed Preferred Stock	www.itskoko.com
OH2 Laboratories, LLC	Apr. 7, 2015	\$175,533 \$75,532	Convertible promissory note 50,000 Funding Units	www.oh2laboratories.com
Top Flight Technologies, Inc.	Jun. 8, 2015	\$250,035	Convertible promissory note	www.tflighttech.com
Udu, Inc.	Mar. 31, 2015	\$104,059 \$0	Convertible promissory note Warrant for 20,000 shares of Common Stock	twitter.com/uduinc
Wearality Corporation	Apr. 27, 2015	\$101,502	Convertible promissory note	www.wearality.com
	TOTAL	\$1,008,066		

¹ Amount means the original purchase price of each investment plus associated capital expenditures.

NEOTENY 3, LP UNAUDITED FINANCIAL STATEMENTS
Balance Sheet
Unaudited, U.S. Tax Basis
As of June 30, 2015
(All amounts in United States Dollars(\$))

<u>YEAR TO DATE</u>	<u>JUNE 30, 2015</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$5,125,841
TOTAL CURRENT ASSETS	<u>\$5,125,841</u>
OTHER ASSETS	
Investments in Portfolio Companies	\$1,008,066
Organizational Costs	\$86,692
Accumulated Amortization	<u>\$(1,445)</u>
Net Organizational Costs	\$85,247
TOTAL OTHER ASSETS	<u>\$1,093,313</u>
TOTAL ASSETS	<u>\$6,219,154</u>
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Due To Partners	\$30
TOTAL CURRENT LIABILITIES	<u>\$30</u>
TOTAL LIABILITIES	<u>\$30</u>
EQUITY	
Partners' Capital Accounts	\$6,250,000
Net Income/(Loss)	\$(30,876)
TOTAL EQUITY	<u>\$6,219,124</u>
TOTAL LIABILITIES AND EQUITY	<u>\$6,219,154</u>

Profit and Loss Statement

Unaudited, U.S. Tax Basis

Through Quarter Ended June 30, 2015

(All amounts in United States Dollars (\$))

<u>YEAR TO DATE</u>	<u>JUNE 30, 2015</u>
EXPENSES	
Fund Expenses	\$29,431
Amortization Expense - Organizational Costs	\$1,445
TOTAL EXPENSES	<u>\$30,876</u>
NET INCOME / (LOSS)	<u>\$(30,876)</u>

APPENDIX I - PORTFOLIO COMPANY DESCRIPTIONS

- **Crowd Supply, Inc.** is a crowdfunding platform focused on new product development projects. The platform supports campaigns, pre-orders (once a campaign has been successfully funded) and e-commerce sales of completed, fully manufactured products.
- **Emerald Therapeutics, Inc.** is a venture-backed biotechnology company based in San Francisco, California. One of the projects it has launched is the Emerald Cloud Lab, a web-based life sciences lab, developed by scientists for scientists. ECL conducts lab experiments designed by customers, collects the data and organizes it into a database its customers can access remotely.
- **Kemoko, Inc. (a/k/a Panoply)** is the company behind the mobile app Koko. Koko was designed to provide peer-to-peer mental health support through a social network that actually helps you feel better. Koko has yet to be launched for public use.
- **OH2 Laboratories, LLC** is a synthetic materials lab. The company mainly focuses on developing variant water-soluble G-protein-coupled receptors (GPCRs) that maintain the functionality of the original. It also provides consulting services to pharma and other research entities. It continues to seek ways to monetize its technologies in drug and related arenas.
- **Top Flight Technologies, Inc.** is dedicated to application-specific, cost effective commercial solutions of unmanned aircraft vehicles (UAVs) using the latest advanced technologies driving automation and safety. A key innovation is a very small gasoline-based hybrid engine that has very high energy densities compared to batteries.
- **Udu, Inc.** is a scheduling and communication platform built on a web services abstraction framework; chat, exchange media, and share with your favorite social networks, while the udu app does the work of planning the event.
- **Wearality Corporation** develops field of view (FOV) head wearable display technology that is comfortable and gives a natural visual experience. It is the creative force behind Wearality Sky, lightweight, fold-able, opensource 3D glasses that put a movie theater in your pocket.