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Dear Limited Partner:

Mountain Guides learn to play their own game. Achieving competence in alpine climbing, backcountry skiing, and rock climbing allows for a lot of variation. Whichever game we play as Guides, there are only two rules:

1. Have fun playing in the mountains.
2. Don't get killed.

*Kishen gets his game on for a late season powder tour on the East Portal of the Indian Peaks, May 1, 2025. Photo by Topher Donahue.*

Venture Capitalists also invent their own game - there are as many variations as there are funds that play. Just like in guiding, there are only two rules for VCs:

1. Have fun investing in startups.
2. Don't get killed.

The first rule of guiding and venture investing is important: if you're not having fun, it's hard to do it for a long time, and it takes a long time to get good at your game. The second rule is even more important: if you don't learn effective risk management, you won't get to play for very long. At Boulder Ventures, we've been playing our game for more than 30 years, and we're good at it.

One of the things we notice in our game is when an emerging tech category gets hot and a top tier firm anoints one of the participants as the category winner with a large, early round of capital. In doing so, VC backers hope to distance their portfolio company from its competition and win the game.

It's not a bad strategy when it works, because the difference between the winning player and second place in a new tech market is often 10X or more. In our BV history, Rally Software was a great outcome for BV IV and BV V when we sold it to CA for $500 million. But our competitor and the category winner, Atlassian, now has a market capitalization of $200 billion.


*On May 6, 2025, Peter celebrates a late season powder day at Loveland with one of our favorite biotech CEOs, Natalie Holles of Third Harmonic. Natalie was fine, but this did not end well for Peter. Photo by Kyle.*

Peter has been playing the software supply chain game his whole career, with Rally as one of his big winners. He noticed in Q1 when Kleiner Perkins led a giant round for Chainguard, whose product provides security for software containers, an important part of the supply chain for most enterprise software companies.

Our old friend and BV LP, George Manuelian, spent his long career at Cisco playing the same game, and was instrumental in the acquisition of Peter's BV VI investment in BroadHop (Kishen called him "St. George"). George recently left Cisco to join a startup called RapidFort that also provides container security for enterprise software. Peter did a lot of work with George this quarter to establish that not only is RapidFort's container security competitive with Chainguard, it's better.

Kleiner Perkins funded Chainguard, which has about $40 million of annual revenues, with a $350 million round at a $3 billion valuation. Peter led a $4 million SAFE round for RapidFort, which has about $7 million in revenues, at a capped $100 million valuation. BV VIII invested $2.0 million in this round, which closed on June 30. We'll see whose game is better, but at a 30X valuation differential, we like to play.


*Despite a bum hip, Kyle got his game going in Greece in early June on a Lefkoff family climbing tour of the new seaside cliffs along the Peloponnese. Photo by AMGA Rock Guide, Brette Harrington. Kyle got a new hip on June 23 – Game On!*

The best game going in Silicon Valley is a bubble, and the AI Bubble of 2025 is one of the biggest we've ever seen. There's no doubt that LLMs are an important industry transformation – we called out AI Enablement of the Enterprise as one of our three key themes at the BV Annual Meeting in May. But the amount of venture capital pointed at the big model vendors and the valuations these startups have commanded are unprecedented.

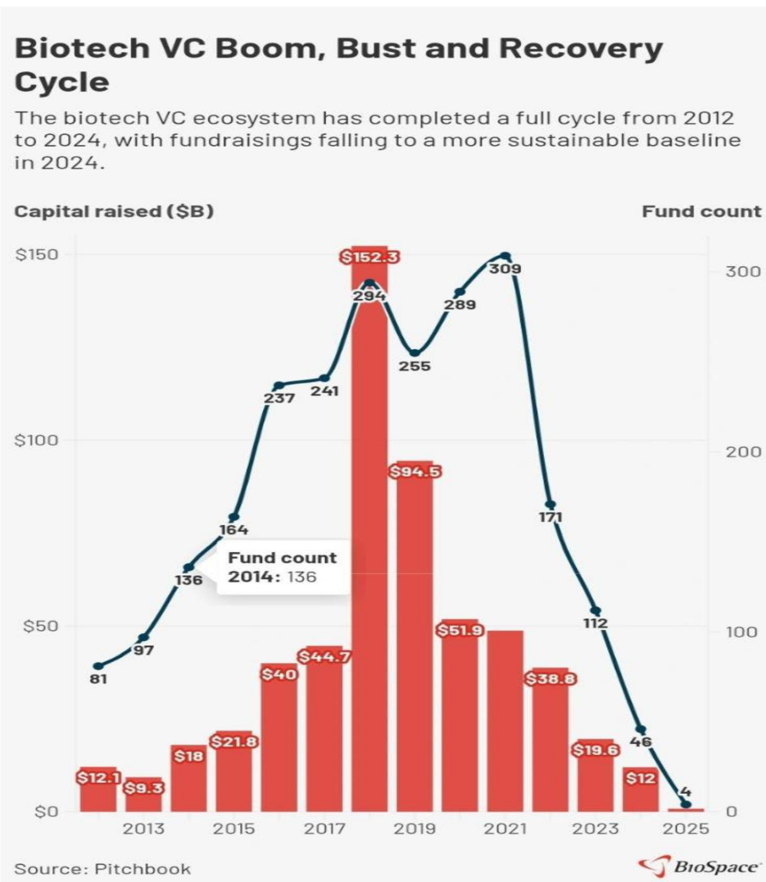
Here's a ranking of the top five:

## LLM Vendor Rankings - Q2 2025

| Rank | Company | Capital Raised | Post-Money | Q2 Run Rate |
|---|---|---|---|---|
| 1 | OpenAI | $60B+ | $300B | $10B+ |
| 2 | Anthropic | $14B | $61.5B | $3–4B |
| 3 | Perplexity | $500M+ | $18B | $150M |
| 4 | Cohere | $740M | $5.5B | $22M |
| 5 | Mistral AI | $1.07B | $6.2B | Not disclosed |

While their revenue rates are astonishing, these AI startups are capital intensive, unprofitable projects and have collectively soaked up most of the venture capital in the world this year. It's hard to know where we are today on the Hype Cycle for AI, and it could go on for a while until the music stops and the tourists go home. But make no mistake: this is a bubble and a lot of this capital will eventually disappear.

In stark contrast to the AI Bubble of 2025, there has never been a worse time for investors in the biotech markets. Look how many biotech funds have been formed and the capital they've raised so far in 2025 – it's carnage out there:

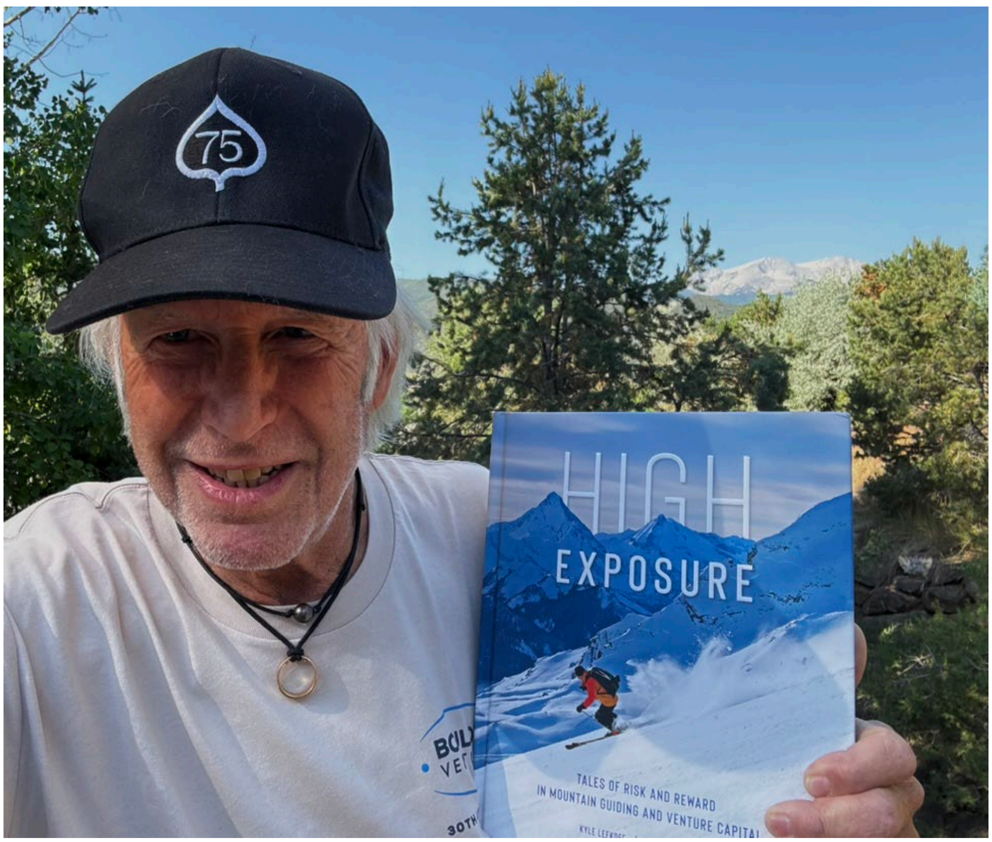


So which game are we playing at Boulder Ventures? Do we chase after overpriced AI deals knowing that this unprecedented bubble will come to an end, or do we load up on private biotech companies starved for cash at the bottom of the worst cycle in a decade?

The answer is neither. Our game is the same one we've always played: invest in the most experienced entrepreneurs in our network at reasonable prices to build the most important companies in their markets. Use every trick in the book to help them in their journey and celebrate our success together when we win.

Thanks for playing along with us!

Kyle Lefkoff | Peter Roshko | Jonathan Perl | Kishen Mangat



*Topher and Kyle's new book, High Exposure, has been well received by our LPs, Entrepreneurs and fellow Mountain Guides. Here's Dick Jackson, Colorado's greatest living Mountain Guide (Chapter 5) enjoying his copy this summer in Aspen. We should have a signed copy out to everyone by now but let us know if you didn't get yours!*

## Boulder Ventures V, L.P.
## Portfolio Summary
## As of June 30, 2025

| Portfolio Summary | Cost | Realized / Unrealized Valuation | Realized / Unrealized Gain/(Loss) |
|---|---|---|---|
| **Realized Return** | $ 54,560,278 | $ 115,508,292 | $ 60,948,014 |
| **Active Portfolio** | 15,553 | 1,033,948 | 1,018,395 |
| **Total Return** | $ 54,575,831 | $ 116,542,240 | $ 61,966,409 |
| **Investment Multiple** | | **2.14** | |
| **Fund Multiple*** | | **1.76** | |
| **Fund IRR** | | **14.4%** | |

* Fund multiple and Fund IRR based on carry value and have not been adjusted for potential GP carry beyond the allocation methodology prescribed by the LPA.

**Boulder Ventures VI, L.P.**
**Portfolio Summary**
**As of June 30, 2025**

| Portfolio Summary | Cost | Realized / Unrealized Valuation | Realized / Unrealized Gain/(Loss) |
|---|---|---|---|
| **Realized Return** | $ 42,065,994 | $ 100,165,376 | $ 58,099,382 |
| **Active Portfolio** | 12,178,835 | 7,795,914 | (4,382,921) |
| **Total Return** | $ 54,244,829 | $ 107,961,290 | $ 53,716,461 |
| **Investment Multiple** | | **1.99** | |
| **Fund Multiple*** | | **1.64** | |
| **Fund IRR** | | **10.1%** | |

* Fund multiple and Fund IRR based on carry value and have not been adjusted for potential GP carry beyond the allocation methodology prescribed by the LPA.

## Boulder Ventures VII, L.P.
## Portfolio Summary
## As of June 30, 2025

| Portfolio Summary | Cost | Realized / Unrealized Valuation | Realized / Unrealized Gain/(Loss) |
|---|---|---|---|
| **Realized Return** | $ 12,210,398 | $ 78,154,510 | $ 65,944,112 |
| **Active Portfolio** | 16,532,641 | 15,482,311 | (1,050,330) |
| **Total Return** | $ 28,743,039 | $ 93,636,821 | $ 64,893,782 |
| **Investment Multiple** | | **3.26** | |
| **Fund Multiple*** | | **2.63** | |
| **Fund IRR** | | **169.0%** | |

* Fund multiple and Fund IRR based on carry value and have not been adjusted for potential GP carry beyond the allocation methodology prescribed by the LPA.

## Boulder Ventures VIII and VIII (Annex), L.P.
## Portfolio Summary
## As of June 30, 2025

| Portfolio Summary | Cost | Realized / Unrealized Valuation | Realized / Unrealized Gain/(Loss) |
|---|---|---|---|
| **Realized Return** | $ 6,869,935 | $ 17,522,778 | $ 10,652,843 |
| **Active Portfolio** | 18,012,728 | 21,097,763 | 3,085,035 |
| **Total Return** | $ 24,882,663 | $ 38,620,541 | $ 13,737,878 |
| **Investment Multiple** | | **1.55** | |
| **Fund Multiple*** | | **1.26** | |
| **Fund IRR** | | **26.2%** | |

* Fund multiple and Fund IRR based on carry value and have not been adjusted for potential GP carry beyond the allocation methodology prescribed by the LPA.