UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2017

OR

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION FROM __________ TO __________

COMMISSION FILE NUMBER: 333-184550

SQN AIF IV, L.P.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	36-4740732 (I.R.S. Employer ID No.)
100 Wall Street, 28th Floor New York, NY (Address of principal executive offices)	10005 (Zip code)

Issuer's telephone number: (212) 422-2166

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [ ] Smaller Reporting Company [X]

Emerging growth company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

At May 15, 2017, there were 74,965.07 units of the Registrant's limited partnership interests issued and outstanding.

SQN AIF IV, L.P. and Subsidiaries

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

SQN AIF IV, L.P. and Subsidiaries
(A Delaware Limited Partnership)
Condensed Consolidated Balance Sheets

	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	$ 4,974,042	$ 2,042,423
Investments in finance leases, net	8,265,930	7,746,800
Investments in equipment subject to operating leases, net	9,639,261	356,703
Equipment notes receivable, including accrued interest of $49,602 and $73,381	18,891,139	31,181,356
Residual value investment in equipment on lease	2,775,060	2,860,153
Initial direct costs, net of accumulated amortization of $326,950 and $205,765	281,561	371,144
Collaterized loans receivable, including accrued interest of $1,512,671 and $1,092,823	33,738,337	29,357,856
Investment in Informage SQN Technologies LLC	538,219	544,189
Investment in SQN Helo LLC	-	317,610
Equipment investment through SPV	38,762,219	39,491,553
Other assets	2,654,335	2,487,667
Total Assets	$ 120,520,103	$ 116,757,454
Liabilities and Partners' Equity		
Liabilities:		
Loans payable	$ 66,906,987	$ 60,589,483
Equipment notes payable, non-recourse	317,059	-
Accounts payable and accrued liabilities	3,046,109	1,661,361
Deferred revenue	135,652	534,567
Distributions payable to Limited Partners	-	1,504,296
Distributions payable to General Partner	99,827	85,116
Security deposits payable	74,581	74,581
Total Liabilities	70,580,215	64,449,404
Commitments and Contingencies	-	-
Partners' Equity (Deficit):		
Limited Partners	45,489,131	47,801,079
General Partner	(199,708)	(176,729)
Total Partners' Equity attributable to the Partnership	45,289,423	47,624,350
Non-controlling interest in consolidated entities	4,650,465	4,683,700
Total Equity	49,939,888	52,308,050
Total Liabilities and Partners' Equity	$ 120,520,103	$ 116,757,454

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

SQN AIF IV, L.P. and Subsidiaries
(A Delaware Limited Partnership)
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended March 31 2017	2016
Revenue:		
Rental income	$ 511,467	$ 81,116
Finance income	557,661	155,842
Interest income	1,514,464	598,046
Income from equipment investment through SPV	3,364,649	4,306,825
Investment loss from equity method investments	(5,970)	(64,534)
Gain on sale of assets	247,637	-
Other income	13,418	55,897
Total Revenue	6,203,326	5,133,192
Expenses:		
Management fees - Investment Manager	375,000	375,000
Depreciation and amortization	711,365	120,693
Professional fees	178,967	58,750
Administration expense	14,425	16,911
Interest expense	1,295,655	556,962
Other expenses	16,493	216,367
Expenses from equipment investment through SPV (including depreciation expense of approximately $725,000 for the three months ending March 31, 2017)	4,775,829	4,480,909
Total Expenses	7,367,734	5,825,592
Foreign currency transaction (gains) losses	(109,918)	132,577
Net loss	(1,054,490)	(824,977)
Net loss attributable to non-controlling interest in consolidated entities	(227,724)	(16,913)
Net loss attributable to the Partnership	$ (826,766)	$ (808,064)
Net loss attributable to the Partnership		
Limited Partners	$ (818,498)	$ (799,983)
General Partner	(8,268)	(8,081)
Net loss attributable to the Partnership	$ (826,766)	$ (808,064)
Weighted average number of limited partnership interests outstanding	74,965.07	61,574.57
Net loss attributable to Limited Partners per weighted average number of limited partnership interests outstanding	$ (10.92)	$ (12.99)

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

SQN AIF IV, L.P. and Subsidiaries
(A Delaware Limited Partnership)
Condensed Consolidated Statements of Changes in Partners' Equity (Unaudited)
Three Months Ended March 31, 2017

	Limited Partnership Interests	Total Equity	General Partner	Limited Partners	Non-controlling Interest
Balance, January 1, 2017	74,966.07	52,308,050	(176,729)	47,801,079	4,683,700
Non-controlling interest contribution to consolidated entities	-	2,007,203	-	-	2,007,203
Net loss	-	(1,054,490)	(8,268)	(818,498)	(227,724)
Distributions to partners	-	(1,485,796)	(14,711)	(1,471,085)	-
Retained loss of non-controlling interest to consolidated entities	-	(1,812,714)	-	-	(1,812,714)
Redemption of initial Limited Partners' contributions	-	(22,365)	-	(22,365)	-
Balance, March 31, 2017	74,966.07	$ 49,939,888	$ (199,708)	$ 45,489,131	$ 4,650,465

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

SQN AIF IV, L.P. and Subsidiaries
(A Delaware Limited Partnership)
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31,	
	2017	**2016**
Cash flows from operating activities:		
Net loss	$ (1,054,490)	$ (824,977)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Finance income	(557,661)	(155,842)
Accrued interest income	(1,228,151)	(429,845)
Investment loss from equity method investments	5,970	64,534
Depreciation and amortization	711,365	120,693
Gain on sale of assets	(247,637)	-
Foreign currency transaction (gains) losses	(109,446)	132,879
Change in operating assets and liabilities:		
Minimum rents receivable	1,630,348	420,732
Accrued interest income	645,971	339,244
Other assets	(166,668)	2,272,071
Accounts payable and accrued liabilities	870,119	(57,236)
Deferred revenue	(172,546)	152,033
Due to SQN Securities, LLC	-	133,637
Security deposits payable	-	(20,361)
Accrued interest on note payable	47,238	426,430
Net cash (used in) provided by operating activities	374,412	2,573,992
Cash flows from investing activities:		
Purchase of finance leases	-	(1,797,725)
Cash received from residual value investments of equipment subject to lease	85,093	1,939
Cash paid for initial direct costs	(32,602)	-
Cash reimbursement received for initial direct costs	-	70,250
Cash paid for collateralized loans receivable	(4,094,945)	-
Cash received from collateralized loans receivable	134,313	149,226
Proceeds from sale of leased assets and equipment notes	13,955,820	-
Proceeds from Informage SQN Technologies	-	80,000
Equipment investment through SPV	729,334	887,719
Cash paid for equipment notes receivable	-	(5,857,142)
Repayment of equipment notes receivable	911,225	619,665
Net cash provided by (used in) investing activities	11,688,238	(5,846,068)
Cash flows from financing activities:		
Cash received from loan payable	134,720	-
Repayments of loan payable	(3,110,032)	(1,472,353)
Cash paid to financial institutions for equipment notes payable	(3,352,462)	-
Cash received from non-controlling interest contribution	2,007,203	-
Cash received from Limited Partner capital contributions	-	14,898,624
Cash paid for Limited Partner distributions	(2,975,381)	(2,240,553)
Cash paid for Initial Limited Partners contribution redemption	(22,365)	-
Retained loss of non-controlling interest to consolidated entities	(1,812,714)	-
Cash paid for underwriting fees	-	(1,446,569)
Cash paid for offering costs	-	(102,330)
Net cash (used in) provided by financing activities	(9,131,031)	9,636,819
Net increase in cash and cash equivalents	2,931,619	6,364,743
Cash and cash equivalents, beginning of period	2,042,423	4,782,256

Cash and cash equivalents, end of period	$ 4,974,042	$ 11,146,999

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

SQN AIF IV, L.P. and Subsidiaries
(A Delaware Limited Partnership)
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31,	
	2017	**2016**
Supplemental disclosure of other cash flow information:		
Cash paid for interest	$ 1,018,320	$ 58,079
Supplemental disclosure of non-cash investing and financing activities:		
Units issued as underwriting fee discount	$ -	$ 503,338
Distributions payable to General Partner	$ 14,711	$ 12,262
Reclassification of equipment notes receivable to investment in finance leases	$ -	$ 2,861,620
Reclassification of initial direct cost to collateralized loans receivable	$ -	$ 10,000
Increase in operating and finance leases due to consolidation	$ (13,232,709)	$ -
Increase in equipment notes and loans payable due to consolidation	$ 12,915,099	$ -

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

1. Organization and Nature of Operations

Organization – SQN AIF IV, L.P. (the "Partnership") was formed on August 10, 2012, as a Delaware limited partnership and is engaged in a single business segment, the ownership and investment in leased equipment and related financings which includes: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset financing; (iii) acquiring equipment subject to lease and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. The Partnership will terminate no later than December 31, 2036.

Nature of Operations – The principal investment strategy of the Partnership is to invest in business-essential, revenue-producing (or cost-savings) equipment or other physical assets with high in-place value and long, relative to the investment term, economic life and project financings. The Partnership executes its investment strategy by making investments in equipment already subject to lease or originating equipment leases in such equipment, which will include: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset and project financings; (iii) acquiring equipment subject to lease and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. From time to time, the Partnership may also purchase equipment and sell it directly to its leasing customers. The Partnership may use other investment structures that SQN Capital Management, LLC (the "Investment Manager") believes will provide the Partnership with an appropriate level of security, collateralization, and flexibility to optimize its return on its investment while protecting against downside risk. In many cases, the structure will include the Partnership holding title to or a priority or controlling position in the equipment or other asset.

The General Partner of the Partnership is SQN AIF IV GP, LLC (the "General Partner"), a wholly-owned subsidiary of the Partnership's Investment Manager. Both the Partnership's General Partner and its Investment Manager are Delaware limited liability companies. The General Partner manages and controls the day to day activities and operations of the Partnership, pursuant to the terms of the Limited Partnership Agreement. The General Partner paid an aggregate capital contribution of $100 for a 1% interest in the Partnership's income, losses and distributions. The Investment Manager makes all investment decisions and manages the investment portfolio of the Partnership.

On June 3, 2015, SQN Alpha, LLC ("Alpha"), a special purpose entity which is 32.5% owned by the Partnership and 67.5% owned by SQN Portfolio Acquisition Company, LLC ("SQN PAC"), acquired a promissory note with a principal amount equal to $2,650,000. The promissory note accrues interest at the rate of 11.1% per annum, payable quarterly in arrears, and matures on June 30, 2020. The promissory note is secured by a pledge of shares in an investment portfolio of insurance companies under common control of the third party which include equipment leases, direct hard assets and infrastructure investments, and other securities. On June 3, 2015, a participation agreement was entered into between SQN PAC ("Participation A"), the Partnership ("Participation B"), Alpha and SQN Capital Management, LLC. Under the agreement, Alpha created two collateralized participation interests for the collateral ("Promissory Note"); Participation A's principal contribution is $1,788,750 and accrues interest at 9% per annum and Participation B's principal contribution is $861,250 and accrues interest at 15.05% per annum. SQN Capital Management, LLC was appointed as a servicer for the Promissory Note. Participation A's interest is senior to Participation B's interest. Since the Partnership bears the primary risks and rewards of Alpha, the Partnership consolidates Alpha into the condensed consolidated financial statements. SQN PAC's 67.5% investment in Alpha is presented as non-controlling interest on the condensed consolidated financial statements.

On December 2, 2015, the Partnership formed a special purpose entity SQN Juliet, LLC ("Juliet"), a limited liability company registered in the state of Delaware which is wholly owned by the Partnership. On December 29, 2015, Juliet entered into a loan agreement with a third party to borrow $3,071,000 for the funding of two loan facilities. The loan accrues interest at the rate of 8.5% per annum and matures on December 29, 2016. On April 22, 2016, this loan was amended and extended as part of the amended participation agreement. On December 31, 2015, Juliet extended two separate loan facilities to two borrowers. The borrowers are both subsidiaries of a UK based parent company that provides small and medium sized secured business loans ("Just Loans"). Each facility provides financing up to a maximum borrowing of £5,037,500 or together a total of £10,075,000 and accrues interest at a rate of 10% per annum. The funds can be drawn down in increments of up to £1,000,000 per month per facility with the exception of the first draws which were each in the amount of £1,037,500 in order to fund a certain third party fee of £37,500. The funds can be drawn up to the one year anniversary of the loan facilities or December 31, 2016 ("Availability Date"). The loan is repayable in monthly interest only payments due on the last day of each month. Principal is due nine months after the Availability Date or September 30, 2017 ("Termination Date"). The loans are secured by share pledges of the borrowers, a guaranty from the UK based parent company, and the underlying loan portfolio that Just Loans generates. In February 2016, the loan facilities were amended to include an annual fee, payable within 15 days of end of calendar year, equal to 30% of the interest paid or payable in the immediately preceding calendar year. On December 29, 2015, a participation agreement was entered into between a third party ("Juliet Participation A"), the Partnership ("Juliet Participation B"), and Juliet. In connection with the participation agreement, the Partnership assigned to Juliet various finance leases and equipment notes receivables with a total value equal to $4,866,750. Under the agreement, Juliet created two collateralized participation interests for the underlying loans ("Underlying Loans"); Juliet Participation A's principal balance is $3,071,000 and accrues interest at 8.5% per annum and Juliet Participation B's principal balance is the value of their assigned finance leases and equipment notes receivable of $4,866,750. Juliet Participation A's interest is senior to Juliet Participation B's interest. On April 22, 2016, the participation agreement dated December 29, 2015 between Juliet Participation A, Juliet Participation B, and Juliet was amended and restated. In connection with the amended participation agreement, Juliet Participation A funded Juliet cash of approximately $8,511,000 and assigned their interests of approximately $3,986,000 in a loan facility for a wood pellet business in Texas, which along with the outstanding principal payable balance of approximately $2,124,000 on the Just Loans transaction resulted in a Juliet Participation A balance of approximately $14,621,000. Under the amended agreement, Juliet Participation A's principal balance accrues interest at 6% per annum and Juliet Participation B's principal balance accrues interest at 12% per annum. Juliet Participation A's interest is senior to Juliet Participation B's interest.

On December 16, 2015, SQN Marine, LLC ("Marine"), a special purpose vehicle which is wholly owned by the Partnership, entered into a sale and assignment of partnership interest agreement with the Partnership and a third party. Under the terms of the agreement, Marine acquired an 88.20% (90% of 98%) economic interest in a portfolio of container feeder vessels, for an aggregate investment of $28,266,789. Marine contributed cash of $12,135,718 and entered into two loans payable with separate third parties of $7,500,000 and $9,604,091. Marine acquired their economic interest in the vessels through a limited partnership interest in CONT Feeder Portfolio GmbH & Co. KG, a Germany based limited partnership ("CONT Feeder"), which acquired and operates the container feeder vessels, and entered into a separate note payable with an unrelated third party of $14,375,654. Marine bears the risks and rewards of ownership of CONT Feeder and therefore Marine consolidates the financial statements of CONT Feeder. Since the Partnership bears the primary risks and rewards of Marine, the Partnership consolidates Marine into the condensed consolidated financial statements. A third party contributed $3,140,754 to purchase a 10% share of CONT Feeder which is presented as non-controlling interest on the condensed consolidated financial statements.

On January 7, 2015, the Partnership acquired a junior participation interest in a portfolio of eight helicopters for $1,500,000. The Partnership, SQN PAC, SQN Asset Finance Income Fund Limited ("SQN AFIF"), a Guernsey incorporated closed ended investment company, a fund managed by the Partnership's Investment Manager and a third party formed a special purpose entity SQN Helo, LLC ("SQN Helo") whose sole purpose is to acquire the helicopter portfolio. SQN Helo is the sole owner of eight special purpose entities each of which own a helicopter. The purchase price of the helicopter portfolio was approximately $23,201,000 comprised of approximately $11,925,000 of cash payments and the assumption of approximately $11,276,000 of nonrecourse indebtedness. SQN PAC also acquired a junior participation interest in SQN Helo for $1,500,000. The senior participation interests in SQN Helo were acquired by SQN AFIF and the third party. The Partnership and SQN PAC each own 50% of SQN Helo. The Partnership accounted for its investment in SQN Helo using the equity method. In November 2016, a lessee of five helicopters filed for bankruptcy protection under Chapter 11 and is in the process of restructuring the leases. As of December 31, 2016, the Partnership had advanced a total of $1,465,000. On January 19, 2017, the Partnership made an additional equity investment in SQN Helo for $3,325,506, which increased the Partnership's equity interest in SQN Helo to 76%. As a result of the increase in the Partnership's equity interest and since the Partnership bears the primary risks and rewards of SQN Helo, the Partnership consolidates SQN Helo into the condensed consolidated financial statements. SQN PAC owns a 24% share of SQN Helo which is presented as non-controlling interest on the condensed consolidated financial statements.

The Partnership's income, losses and distributions are allocated 99% to the Limited Partners and 1% to the General Partner until the Limited Partners have received total distributions equal to their capital contributions plus an 8% per year, compounded annually, cumulative return on their capital contributions. After such time, all income, losses and distributable cash will be allocated 80% to the Limited Partners and 20% to the General Partner. The Partnership is currently in the Operating Period. The Offering Period concluded on April 2, 2016, which was three years from the date the Partnership was declared effective by the Securities and Exchange Commission ("SEC"). During the Operating Period, the Partnership will invest most of the net proceeds from its offering in business-essential, revenue-producing (or cost-saving) equipment, other physical assets with substantial economic lives and, in many cases, associated revenue streams and project financings. The Operating Period began on the date of the Partnership's initial closing, which occurred on May 29, 2013 and will last for three years unless extended at the sole discretion of the General Partner. The General Partner has extended the Operating Period for an additional one year. The Liquidation Period, which follows the conclusion of the Operating Period, is the period in which the Partnership will sell its assets in the ordinary course of business and will last two years, unless it is extended, at the sole discretion of the General Partner.

SQN Securities, LLC ("Securities"), is a Delaware limited liability company and a majority-owned subsidiary of the Investment Manager. Securities, in its capacity as the Partnership's selling agent, receives an underwriting fee of 3% of the gross proceeds from Limited Partners' capital contributions (excluding proceeds, if any, the Partnership receives from the sale of its Units to the General Partner or its affiliates). While Securities is currently acting as the Partnership's exclusive selling agent, the Partnership may engage additional selling agents in the future. In addition, the Partnership will pay a 7% sales commission to broker-dealers unaffiliated with the General Partner who will be selling the Partnership's Units, on a best efforts basis. When the 7% sales commission is not required to be paid, the Partnership applies the proceeds that would otherwise be payable as sales commission toward the purchase of additional fractional Units at $1,000 per Unit.

During the Operating Period, the Partnership plans to make quarterly distributions of cash to the Limited Partners, if, in the opinion of the Partnership's Investment Manager, such distributions are in the Partnership's best interests. Therefore, the amount and rate of cash distributions could vary and are not guaranteed. The targeted distribution rate is 6.5% annually, paid quarterly as 1.625%, of each Limited Partners' capital contribution (pro-rated to the date of admission for each Limited Partner). During the three months ended March 31, 2017, the Partnership declared and made quarterly cash distributions to its Limited Partners totaling $1,471,085. As of March 31, 2017, the Partnership has accrued $99,827 for distributions payable to the General Partner.

From May 29, 2013 through March 31, 2017, the Partnership has admitted 1,508 Limited Partners with total capital contributions of $74,965,064 resulting in the sale of 74,965.07 Units. The Partnership received cash contributions of $72,504,327 and applied $2,460,737 which would have otherwise been paid as sales commission to the purchase of 2,460.74 additional Units.

2. Summary of Significant Accounting Policies

Basis of Presentation — The condensed consolidated financial statements of SQN AIF IV, L.P. and Subsidiaries at March 31, 2017 and for the three months ended March 31, 2017 and 2016 are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to the rules and regulations of the SEC with respect to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. The unaudited interim condensed consolidated financial statements furnished reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The results reported in these condensed consolidated financial statements should not necessarily be taken as indicative of results that may be expected for the entire year. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Partnership for the year ended December 31, 2016 and notes thereto contained in the Partnership's annual report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on March 31, 2017.

Principles of Consolidation — The condensed consolidated financial statements include the accounts of the Partnership and its entities, where the Partnership has the primary economic benefits of ownership. The Partnership's consolidation policy requires the consolidation of entities where a controlling financial interest is held as well as the consolidation of variable interest entities in which the Partnership has the primary economic benefits. All material intercompany balances and transactions are eliminated in consolidation.

Non-controlling interest represents the minority equity holders' investment in Alpha, CONT Feeder and Helo plus the minority's share of the net operating results and other components of equity relating to the non-controlling interest.

Variable interests are investments or other interests that absorb portions of a variable interest entity's ("VIE") expected losses or receive portions of the Partnership's expected residual returns and are contractual, ownership, or other pecuniary interests in a VIE that change with changes in the fair value of the VIE. An entity is considered to be a VIE if any of the following conditions exist. (1) The total equity investment at risk is insufficient to permit the legal entity to finance its activities without additional subordinated financial support; or (2) As a group, the holders of equity investments at risk lack any of the three characteristics of a controlling financial interest: (a) The direct or indirect ability through voting or similar rights to make decisions that have a significant effect on the success of the legal entity. The equity holders at risk are deemed to lack this characteristic if: i. the voting rights of some investors are not proportional to their obligation to absorb the expected losses of the legal entity or rights to receive expected residual returns; and ii. substantially all of the legal entity's activities are either involved with or are conducted on behalf of an investor that has disproportionately few voting rights (b) The obligation to absorb the expected losses of the legal entity or (c) The right to receive the expected residual returns of the legal entity. An entity that is determined to be a VIE is required to be consolidated by its primary beneficiary. The primary beneficiary of a VIE is determined to be the party that has both the power to direct the activities that most significantly affect the VIE's economic performance ("Power") and the obligation to absorb losses of, or the right to receive benefits from the VIE, that could potentially be significant to the VIE ("Benefits"). The determination of whether a reporting entity is the primary beneficiary involves complex and subjective analyses.

Use of estimates — The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires the General Partner and Investment Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates primarily include the determination of allowances for doubtful lease, notes and loan accounts, depreciation and amortization, impairment losses, estimated useful lives, and residual values. Actual results could differ from those estimates.

Cash and Cash Equivalents — The Partnership considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of funds maintained in checking and money market accounts maintained at financial institutions.

The Partnership's cash and cash equivalents are held principally at one financial institution and at times may exceed federally insured limits. The Partnership has placed these funds in an international financial institution in order to minimize risk relating to exceeding insured limits. The Partnership, through Summit Asset Management Limited, maintains an unrestricted bank account at a major financial institution in the United Kingdom for purposes of receiving payments and funding transactions in Pound Sterling.

Credit Risk — In the normal course of business, the Partnership is exposed to credit risk. Credit risk is the risk that the Partnerships' counterparty to an agreement either has an inability or unwillingness to make contractually required payments. The Partnership expects concentrations of credit risk with respect to lessees to be dispersed across different industry segments and different regions of the world.

Asset Impairments — Assets in the Partnership's investment portfolio, which are considered long-lived assets, are periodically reviewed, no less frequently than annually or when indicators of impairment exist, to determine whether events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. An impairment loss is recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. If there is an indication of impairment, the Partnership estimates the future cash flows (undiscounted and without interest charges) expected from the use of the asset and its eventual disposition. Future cash flows are the future cash inflows expected to be generated by an asset less the future outflows expected to be necessary to obtain those inflows. If an impairment is determined to exist, the impairment loss is measured as the amount by which the carrying value of a long-lived asset exceeds its fair value and is recorded in the statement of operations in the period the determination is made. The events or changes in circumstances that generally indicate that an asset may be impaired are, (i) the estimated fair value of the underlying equipment is less than its carrying value, (ii) the lessee is experiencing financial difficulties and (iii) it does not appear likely that the estimated proceeds from the disposition of the asset will be sufficient to recover the carrying value of the asset. The preparation of the undiscounted cash flows requires the use of assumptions and estimates, including the level of future rents or receipts from the sale of the investment, estimated downtime between re-leasing events, and the amount of re-leasing costs. The Investment Manager's review for impairment includes a consideration of the existence of impairment indicators, including third party appraisals, published values for similar assets, recent transactions for similar assets, adverse changes in market conditions for specific asset types, and the occurrence of significant adverse changes in general industry and market conditions that could affect the fair value of the asset.

Lease Classification and Revenue Recognition — The Partnership records revenue based upon the lease classification determined at the inception of the transaction and based upon the terms of the lease or when there are significant changes to the lease terms.

The Partnership leases equipment to third parties and each such lease may be classified as either a finance lease or an operating lease. Initial direct costs are capitalized and amortized over the term of the related lease for a finance lease. For an operating lease, initial direct costs are included as a component of the cost of the equipment and depreciated.

For finance leases, the Partnership records, at lease inception, the total minimum lease payments receivable from the lessee, the estimated unguaranteed residual value of the equipment upon lease termination, the initial direct costs, if any, related to the lease and the related unearned income. Unearned income represents the difference between the sum of the minimum lease payments receivable plus the estimated unguaranteed residual value, minus the cost of the leased equipment. Unearned income is recognized as finance income over the term of the lease using the effective interest rate method.

For operating leases, rental income is recognized on the straight line basis over the lease term. Billed and uncollected operating lease receivables will be included in accounts receivable. Accounts receivable are stated at their estimated net realizable value. Rental income received in advance is the difference between the timing of the cash payments and the income recognized on the straight line basis.

The investment committee of the Investment Manager approves each new equipment lease, financing transaction, and lease acquisition. As part of this process it determines the unguaranteed residual value, if any, to be used once the acquisition has been approved. The factors considered in determining the unguaranteed residual value include, but are not limited to, the creditworthiness of the potential lessee, the type of equipment being considered, how the equipment is integrated into the potential lessees' business, the length of the lease and the industry in which the potential lessee operates. Unguaranteed residual values are reviewed for impairment in accordance with the Partnership's policy relating to impairment review.

The residual value assumes, among other things, that the asset will be utilized normally in an open, unrestricted and stable market. Short-term fluctuations in the marketplace are disregarded and it is assumed that there is no necessity either to dispose of a significant number of the assets, if held in quantity, simultaneously or to dispose of the asset quickly. The residual value is calculated using information from various external sources, such as trade publications, auction data, equipment dealers, wholesalers and industry experts, as well as inspection of the physical asset and other economic indicators.

Finance Lease Receivables and Allowance for Doubtful Lease, Notes and Loan Accounts — In the normal course of business, the Partnership provides credit or financing to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses. These credit or financing transactions are normally collateralized by the equipment being financed. In determining the amount of allowance for doubtful lease, notes and loan accounts, the Investment Manager considers historical credit losses, the past due status of receivables, payment history, and other customer-specific information, including the value of the collateral. The past due status of a receivable is based on its contractual terms. Expected credit losses are recorded as an allowance for doubtful lease, notes and loan accounts. Receivables are written off when the Investment Manager determines they are uncollectible. At March 31, 2017, an allowance for doubtful lease, notes and loan accounts is not currently provided since, in the opinion of the Investment Manager, all accounts recorded on the books are deemed collectible.

Equipment Notes and Loans Receivable — Equipment notes and loans receivable are reported in the condensed consolidated financial statements as the outstanding principal balance net of any unamortized deferred fees, and premiums or discounts on purchased loans. Costs to originate loans, if any, are reported as other assets in the condensed consolidated financial statements and amortized to expense over the estimated life of the loan. Income is recognized over the life of the note agreement. On certain equipment notes and loans receivable, specific payment terms were reached requiring prepayments which resulted in the recognition of unearned interest income. Unearned income, discounts and premiums, if any, are amortized to interest income in the condensed consolidated statements of operations using the effective interest rate method. Equipment notes and loans receivable are generally placed in a non-accrual status when payments are more than 90 days past due and all unpaid accrued interest is reversed. Additionally, the Investment Manager periodically reviews the creditworthiness of companies with payments outstanding less than 90 days. Based upon the Investment Manager's judgment, accounts may be placed in a non-accrual status. Accounts on a non-accrual status are only returned to an accrual status when the account has been brought current and the Partnership believes recovery of the remaining unpaid receivable is probable. Revenue on non-accrual accounts is recognized only when cash has been received.

Initial Direct Costs — The Partnership capitalizes initial direct costs associated with the origination and funding of lease assets. These costs are amortized on a lease by lease basis over the actual contract term of each lease using the effective interest rate method for finance leases and the straight-line method for operating leases. Upon disposal of the underlying lease assets, both the initial direct costs and the associated accumulated amortization are relieved. Costs related to leases that are not consummated are not eligible for capitalization as initial direct costs and are expensed as incurred as acquisition expense.

***Equity Method* —** The Partnership records its 24.5% investment in Informage SQN Technologies LLC using the equity method of accounting. According to U.S. GAAP, a company that holds 20% or greater investment in another company could potentially exercise significant influence over the investee company's operating and financing activities and should therefore utilize the equity method of accounting. The Partnership's portion of earnings in the investee are recorded as an increase in its investment and recognized in the condensed consolidated statements of operations, and any distributions received from the investee are recorded as a reduction in its investment.

Acquisition Expense — Acquisition expense represents costs which include, but are not limited to, legal fees and expenses, travel and communication expenses, cost of appraisals, accounting fees and expenses, and miscellaneous expenses related to the selection and acquisition of leased equipment which are incurred by the Partnership under the terms of the Partnership Agreement, as amended. As these costs are not eligible for capitalization as initial direct costs, such amounts are expensed as incurred.

Income Taxes — As a partnership, no provision for income taxes is recorded since the liability for such taxes is the responsibility of each of the Partners rather than the Partnership. The Partnership's income tax returns are subject to examination by the federal and state taxing authorities, and changes, if any, could adjust the individual income tax of the Partners.

The Partnership has adopted the provisions of FASB Topic 740, *Accounting for Uncertainty in Income Taxes.* This accounting guidance prescribes recognition thresholds that must be met before a tax position is recognized in the financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Additionally, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Partnership has evaluated its entity level tax positions for the years ended December 31, 2016 and 2015, and does not expect any material adjustments to be made. The tax years 2016, 2015 and 2014 remain open to examination by the major taxing jurisdictions to which the Partnership is subject.

Per Share Data — Net income or loss attributable to Limited Partners per weighted average number of limited partnership interests outstanding is calculated as follows; the net income or loss allocable to the Limited Partners divided by the weighted average number of limited partnership interests outstanding during the period.

Foreign Currency Transactions — The Partnership has designated the United States of America dollar as the functional currency for the Partnership's investments denominated in foreign currencies. Accordingly, certain assets and liabilities are translated at either the reporting period exchange rates or the historical exchange rates, revenues and expenses are translated at the average rate of exchange for the period, and all transaction gains or losses are reflected in the condensed consolidated statements of operations.

Depreciation — The Partnership, and all consolidated entities, records depreciation expense on equipment when the lease is classified as an operating lease. In order to calculate depreciation, the Partnership first determines the depreciable equipment cost, which is the cost less the estimated residual value. The estimated residual value is the Partnership's estimate of the value of the equipment at lease termination. Depreciation expense is recorded by applying the straight-line method of depreciation to the depreciable equipment cost over the lease term.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* (*"ASU 2016-15"*), which provides guidance on how certain cash receipts and cash payments are to be presented and classified in the statement of cash flows. The adoption of ASU 2016-15 becomes effective for fiscal years beginning on January 1, 2018, including interim periods within that reporting period. Early adoption is permitted. An entity will apply the amendments within ASU 2016-15 using a retrospective transition method to each period presented. The Partnership is currently in the process of evaluating the impact of the adoption of ASU 2016-15 on its condensed consolidated financial statements.

In February 2016, the FASB issued new guidance to improve consolidation guidance for legal entities (Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842): Amendments to Leases Analysis), effective for fiscal years beginning after December 15, 2018 and interim periods within those years and early adoption is permitted. The standard amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The new leases standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Partnership is currently evaluating the impact of this guidance on its condensed consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the condensed consolidated financial statements.

3. Related Party Transactions

The General Partner is responsible for the operations of the Partnership and the Investment Manager makes all investment decisions and manages the investment portfolio of the Partnership. The Partnership pays the General Partner a fee for organizational and offering costs not to exceed 2% of all capital contributions received by the Partnership. Because organizational and offering expenses will be paid, as and to the extent they are incurred, organizational and offering expenses may be drawn disproportionately to the gross proceeds of each closing. The General Partner also has a promotional interest in the Partnership equal to 20% of all distributed distributable cash, after the Partnership has provided an 8% cumulative return, compounded annually, to the Limited Partners on their capital contributions. The General Partner has a 1% interest in the profits, losses and distributions of the Partnership. The General Partner will initially receive 1% of all distributed distributable cash, which was accrued at March 31, 2017 and December 31, 2016.

The Partnership pays the Investment Manager during the Offering Period, Operating Period and the Liquidation Period a management fee equal to or the greater of, (i) 2.5% per annum of the aggregate offering proceeds, or (ii) $125,000 monthly, until such time as an amount equal to at least 15% of the Partnership's Limited Partners' capital contributions have been returned to the Limited Partners, after which the monthly management fee will equal 100% of the management fee as initially calculated above, less 1% for each additional 1% of the Partnership's Limited Partners' capital contributions returned to them. Such amounts are measured on the last day of each month. The management fee is paid regardless of the performance of the Partnership and will be adjusted in the future to reflect the total equity raised. For the three months ended March 31, 2017 and 2016, the Partnership paid $375,000 in management fee expense to the Investment Manager.

Securities is a Delaware limited liability company and is majority-owned subsidiary of the Partnership's Investment Manager. Securities in its capacity as the Partnership's selling agent receives an underwriting fee of 3% of the gross proceeds from Limited Partners' capital contributions (excluding proceeds, if any, the Partnership receives from the sale of the Partnership's Units to the General Partner or its affiliates). While Securities is initially acting as the Partnership's exclusive selling agent, the Partnership may engage additional selling agents in the future.

For the three months ended March 31, 2017 and year ended December 31, 2016, the Partnership incurred the following transactions with Securities:

	March 31, 2017 (unaudited)	December 31, 2016
Balance - beginning of period	$ —	$ —
Underwriting fees earned by Securities	—	574,402
Payments by the Partnership to Securities	—	(574,402)
Balance - end of period	$ —	$ —

For the three months ended March 31, 2017 and 2016, the Partnership incurred the following underwriting fee transactions:

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
	(unaudited)	(unaudited)
Underwriting discount incurred by the Partnership	$ —	$ 503,338
Underwriting fees earned by Securities	—	574,402
Fees paid to outside brokers	—	872,167
Total underwriting fees	$ —	$ 1,949,907

4. Investments in Finance Leases

At March 31, 2017 and December 31, 2016, net investment in finance leases consisted of the following:

	March 31, 2017	**December 31, 2016**
	(unaudited)	
Minimum rents receivable	$ 8,890,355	$ 9,408,605
Estimated unguaranteed residual value	2,003,757	652,689
Unearned income	(2,628,182)	(2,314,494)
Total	$ 8,265,930	$ 7,746,800

Aircraft

In connection with the consolidation of SQN Helo, the Partnership holds two helicopter finance leases with two different third parties. As of December 31, 2016, these finance leases has a net book value of $3,378,129. One finance lease requires 18 monthly payments of $79,167 which commenced in August 2016. The other finance lease requires 48 monthly payments of $32,500 commencing in April 2017.

Aircraft Parts Equipment

In December 2016, the Lease Agreement for aircraft rotable parts equipment for approximately $775,000 was amended and extended for an additional 18 months. The finance leases require 18 monthly payments in aggregate of $90,116 commencing on December 16, 2016. At March 31, 2017, there were no significant changes to this lease.

Computer Networking Equipment

On February 29, 2016, the Partnership entered into a finance lease transaction for computer networking equipment for $1,541,461. The finance lease requires 36 monthly payments of $48,171 commencing on March 1, 2016. On March 30, 2017, the Partnership sold this finance lease to a third party for cash proceeds of $999,321. The finance lease had a net book value of $984,693 resulting in a gain of $14,628.

On May 25, 2016, the Partnership entered into a second finance lease transaction for computer networking equipment for $656,772. The finance lease requires 36 monthly payments of $20,524 commencing on June 1, 2016. On March 30, 2017, the Partnership sold this finance lease to a third party for cash proceeds of $488,029. The finance lease had a net book value of $483,152 resulting in a gain of $4,877.

Furniture and Fixtures and Server Equipment

On January 31, 2016, the Master Equipment Lease for servers, fixtures and furniture for approximately $2,700,000 commenced (as described in Note 6) and the Partnership reclassified the equipment note to investment in finance lease. The finance lease requires 36 monthly payments of $77,727 which commenced on February 1, 2016. On June 24, 2016, Juliet entered into a second finance lease transaction for servers, fixtures and furniture for $337,131. The finance lease requires 31 monthly payments of $12,464 commenced on July 1, 2016. At March 31, 2017, there were no significant changes to these leases.

Furniture, Fixtures and Equipment, as well as Computer Hardware & Software

On December 30, 2015, the Partnership entered into a finance lease transaction for furniture, fixtures and equipment, as well as computer hardware and software for $1,500,000. The finance lease requires 30 monthly payments of $58,950. At March 31, 2017, there were no significant changes to this lease.

Manufacturing Equipment

On October 7, 2015, the Partnership entered into a finance lease transaction for manufacturing equipment for $58,000 (“SCHWRD 1”). The equipment is subject to a 60 month lease with a Connecticut-based engraving, decal and die manufacturing company. The finance lease requires 60 monthly payments of $1,277. On December 29, 2015, the Partnership entered into a second finance lease transaction for manufacturing equipment for $94,300 (“SCHWRD 2”). The finance lease requires 60 monthly payments of $2,077. On December 30, 2015, the Partnership assigned the SCHWRD 1 finance lease to Juliet. On February 13, 2017, the Partnership, through Juliet, received cash proceeds of $52,145 as payment in full of the SCHWRD 1 finance lease.

Computer Networking Equipment

On September 1, 2015, the Partnership entered into a finance lease transaction for computer networking equipment for $446,677 (“Comp Net 1”). The Comp Net 1 finance lease requires 36 monthly payments of $14,195. On October 30, 2015, the Partnership entered into a second finance lease transaction for computer networking equipment for $297,689 (“Comp Net 2”). The Comp Net 2 finance lease requires 36 monthly payments of $9,460. On December 29, 2015, the Partnership entered into a third finance lease transaction for computer networking equipment for $389,266 (“Comp Net 3”). The Comp Net 3 finance lease requires 36 monthly payments of $12,456. On December 30, 2015, the Partnership assigned the Comp Net 1 and Comp Net 2 finance leases to Juliet. On March 30, 2017, the Partnership sold the Comp Net 3 finance lease to a third party for cash proceeds of $250,696. The finance lease had a net book value of $248,240 resulting in a U.S. GAAP gain of $2,456.

Gamma Knife Suite - TRCL

On April 30, 2015, the Partnership acquired from a third party, 20 quarterly lease payments with respect to a gamma knife suite leased to a hospital in the United Kingdom. The Partnership paid £375,000 ($576,750 applying exchange rate of 1.538 at April 30, 2015) for the equipment lease receivables which are payable under the lease from July 2015 through April 2020. The finance lease requires 20 quarterly payments of £25,060. The equipment lease receivables are secured by the gamma knife suite. At March 31, 2017, there were no significant changes to this lease.

Medical Equipment

On March 31, 2014, the Partnership entered into a finance lease transaction for medical equipment for $247,920. The finance lease requires 48 monthly payments of $7,415. On December 30, 2015, the Partnership assigned this finance lease to Juliet. At March 31, 2017, there were no significant changes to this lease.

5. Investments in Equipment Subject to Operating Leases

In connection with the consolidation of SQN Helo, the Partnership holds four helicopter operating leases with two different third parties. As of December 31, 2016, these operating leases had an aggregate net book value of $9,871,737. One operating lease requires monthly payments of $80,160 expiring in August 2017. The other three operating leases require 48 monthly payments of $32,500, $32,500 and $19,000, respectively, commencing in April 2017.

On October 24, 2016, the die board cutting equipment lease commenced. The operating lease requires 60 monthly payments of $6,329 beginning on October 24, 2016.

March 31, 2017:

Description	Cost Basis	Accumulated Depreciation	Net Book Value
Aircraft (Helicopters)	$ 14,474,889	$ 5,178,546	$ 9,296,343
Machine Tools	$ 367,079	$ 24,161	$ 342,918
	$ 14,841,968	$ 5,202,707	$ 9,639,261

December 31, 2016:

Description	Cost Basis	Accumulated Depreciation	Net Book Value
Machine Tools	$ 367,079	$ 10,376	$ 356,703
	$ 367,079	$ 10,376	$ 356,703

Depreciation expense for the three months ended March 31, 2017 was $589,179.

6. Equipment Notes Receivable

Manufacturing / Solar Equipment

On June 29, 2016, SQN Gamma LLC, assigned its commitment interest in a loan facility, under a Credit Agreement dated November 17, 2015, to the Partnership and to Juliet in the amount of $3,893,165 and $2,500,000, respectively. On June 30, 2016, the Partnership and Juliet funded $3,893,165 and $2,500,000, respectively under this loan facility. The loan facility accrues interest at a rate of 11% per annum and matures on March 31, 2021. The borrower is required to make 51 monthly payments of principal and interest beginning on January 31, 2017 and an additional final payment due at maturity date of 8% of the aggregate principal amount of loans made. On August 17, 2016, the Partnership funded $730,170 to the same borrower. The loan facility accrues interest at a rate of 10.5% per annum and matures on August 1, 2019. The borrower is required to make 36 monthly payments of principal and interest beginning on September 1, 2016 and an additional final payment due at maturity date of 5% of the aggregate principal amount of loans made. The loan facilities are secured by solar products manufacturing equipment. On January 18, 2017, the Partnership entered into an assignment agreement to sell the solar products manufacturing equipment note dated June 29, 2016 for cash proceeds of $4,021,250 ($3,893,165 principal and $128,085 accrued interest). On March 29, 2017, the Partnership entered into an assignment agreement to repurchase the solar products manufacturing equipment note dated June 29, 2016 for cash proceeds of $4,107,294 ($3,893,165 principal and $214,129 purchase interest). On April 17, 2017, the borrower voluntarily filed for Chapter 11 bankruptcy protection. The Partnership received all monthly payments from this borrower through February 28, 2017. The March and April 2017 monthly payments are outstanding. As of March 31, 2017, this loan facility is in non-accrual status as a result of the bankruptcy and of non-payment. The Investment Manager is assessing the status of this loan facility. For the three months ended March 31, 2017, the equipment notes earned interest income of $41,648.

Construction Equipment

On April 14, 2016, the Partnership, through Juliet, acquired an interest in loan notes from a third party leasing company for \$1,529,674. The loan notes are secured by a portable wash plant and a fleet of cement mixers and dump trucks which are owned by a Texas-based construction company. Under the terms of the loan agreement, the borrower is required to make 72 monthly payments of principal and interest of \$28,865. The loan is scheduled to mature on March 31, 2022.

On June 3, 2016 and on June 24, 2016, the Partnership, through Juliet, acquired additional interest in two loan notes from the third party leasing company for \$205,000 and \$1,289,163, respectively. Under the terms of the loan agreements, the borrower is required to make 60 and 72 monthly payments of principal and interest of \$4,450 and \$24,326, respectively. The loans are scheduled to mature on June 30, 2021 and June 30, 2022, respectively.

On September 30, 2016 and in December 2016, the Partnership, through Juliet, acquired an additional interest in a loan note from the third party leasing company for \$1,426,732 and \$1,619,283, respectively. Under the terms of the loan agreement, the borrower is required to make 72 monthly payments of principal and interest of \$57,925 and the loan is scheduled to mature on September 30, 2022.

On December 2, 2016 and on December 23, 2016, the Partnership, through Juliet, acquired additional interest in two loan notes from the third party leasing company for \$43,177 and \$2,335,960, respectively. Under the terms of the loan agreements, the borrower is required to make 60 monthly payments of principal and interest of \$950 and \$48,100, respectively. These loans are scheduled to mature on November 30, 2021 and June 30, 2021, respectively. On January 9, 2017, the Partnership, through its investment in Juliet, sold the loan note for construction equipment dated December 23, 2016 to a third party for cash proceeds of \$2,252,389. The loan note had a net book value of \$2,239,760 resulting in a U.S. GAAP gain of \$12,629.

For the three months ended March 31, 2017, the equipment notes earned interest income of \$157,517.

Food Manufacturing Equipment

On April 11, 2016 ("Funding Date"), the Partnership extended a loan facility in the amount of \$2,500,000 to a Minnesota-based manufacturer of a commercial low-sodium salt substitute. The loan is secured by food manufacturing equipment. Under the terms of the loan agreement, the borrower is required to make 36 monthly payments of principal and interest of \$81,657. The loan is scheduled to mature on April 1, 2019. The borrower is required to make the first and last monthly payments on the Funding Date and then make 34 monthly payments of principal and interest of \$81,657 which commenced on June 1, 2016. For the three months ended March 31, 2017, the equipment note earned interest income of \$67,250. On March 30, 2017, the Partnership sold this loan note to a third party for cash proceeds of \$1,802,371. The loan note had a net book value of \$1,790,618 resulting in a U.S. GAAP gain of \$11,753.

Manufacturing and Testing Equipment

On March 8, 2016 ("Funding Date"), the Partnership loaned \$1,992,000 to a California-based LED lighting manufacturer located in California. The loan is secured by manufacturing and testing equipment located at one of the manufacturer's facilities. The promissory note requires 30 monthly payments of approximately \$76,016 and has a final balloon payment of 3% of the aggregate principal amount due on September 1, 2018. The borrower is required to make the first and last monthly payments on the Funding Date and then make 28 monthly payments of principal and interest of \$76,016 which commenced on May 1, 2016. For the three months ended March 31, 2017, the equipment note earned interest income of \$35,293. On March 30, 2017, the Partnership sold this loan note to a third party for cash proceeds of \$1,232,293. The loan note had a net book value of \$1,173,422 resulting in a U.S. GAAP gain of \$58,871.

Transportation Equipment

On January 23, 2016 and on March 4, 2016, the Partnership acquired two loan notes from a third party leasing company for approximately $247,194 and $204,303, respectively. The loans are secured by transportation equipment. Under the terms of the loan agreements, the borrower is required to make 72 monthly payments of principal and interest of $4,697 and $4,045, respectively. The loans are scheduled to mature on January 23, 2022 and March 3, 2022, respectively. For the three months ended March 31, 2017, the equipment notes earned interest income of $11,828.

Secured Business Loans

On December 31, 2015, Juliet extended two separate loan facilities to two borrowers. The borrowers are both subsidiaries of a UK based parent company that provides small and medium sized secured business loans ("Just Loans"). Each facility provides financing up to a maximum borrowing of £5,037,500 or together a total of £10,075,000 and accrues interest at a rate of 10% per annum. The funds can be drawn down in increments of up to £1,000,000 per month per facility with the exception of the first draws which were each in the amount of £1,037,500 in order to fund a certain third party fee of £37,500. The funds can be drawn up to the one year anniversary of the loan facilities or December 31, 2016 ("Availability Date"). The loan is repayable in monthly interest only payments due on the last day of each month. Principal is due nine months after the Availability Date or September 30, 2017 ("Termination Date"). The loans are secured by share pledges of the borrowers, a guaranty from the UK based parent company, and the underlying loan portfolio that Just Loans generates. In February 2016, the loan facilities were amended to include an annual fee, payable within 15 days of end of calendar year, equal to 30% of the interest paid or payable in the immediately preceding calendar year. On December 29, 2015, Juliet advanced a total of $2,974,000 to the borrowers. On February 18, 2016, Juliet advanced a total of $2,878,000 to the borrowers. On April 18, 2016, the Partnership, through its investment in Juliet, advanced a total of $2,140,350 to the borrowers. On December 13, 2016, Juliet advanced a total of $740,160 to the borrowers. For the three months ended March 31, 2017, the equipment note earned interest income of $332,508. On March 29, 2017, Juliet entered into a deed of novation agreement to novate 85% of this loan note to SQN Asset Finance (Ireland) Designated Activity Company ("SQN AFI") and 15% to the Partnership for $7,947,310. On March 31, 2017, Juliet received cash proceeds of $6,416,092 from SQN AFI and a due from the Partnership of $1,531,218. The loan note had a net book value of $7,804,888 resulting in a U.S. GAAP gain of $142,422. On March 31, 2017, the Partnership and SQN AFI advanced a total of $2,497,400 to the borrowers.

Honey Production Equipment

On December 14, 2015, the Partnership acquired a loan note from a third party leasing company for approximately $12,789, and is secured by honey production equipment. Under the terms of the loan agreement, the borrower is required to make 36 monthly payments of principal and interest of $425. The loan is scheduled to mature on November 30, 2018. For the three months ended March 31, 2017, the equipment note earned interest income of $325.

Towing Equipment

On October 30, 2015, the Partnership acquired a loan note from a third party leasing company for approximately $96,000. The loan is secured by a heavy duty tow truck which is owned by a Connecticut-based towing and repair company. Under the terms of the loan agreement, the borrower is required to make 60 monthly payments of principal and interest of $2,041. The loan is scheduled to mature on October 31, 2020. On December 30, 2015, the Partnership assigned this equipment notes receivable to Juliet. For the three months ended March 31, 2017, the equipment note earned interest income of $1,908.

Tractor and Trailer Equipment

On October 30, 2015 and on November 4, 2015, the Partnership acquired two loan notes from a third party leasing company for approximately $147,919 and $15,000, respectively. The loans are secured by tractor and trailer equipment. Under the terms of the loans agreements, the borrower is required to make 60 monthly payments of principal and interest of $3,255 and $330, respectively. The loans are scheduled to mature on October 31, 2020. On December 30, 2015, the Partnership assigned these equipment notes receivable to Juliet. For the three months ended March 31, 2017, the equipment notes earned interest income of $3,799.

Furniture, Fixtures and Equipment

On October 30, 2015, the Partnership acquired a loan note from a third party leasing company for approximately $817,045. The loan is secured by furniture, fixtures and equipment. Under the terms of the loan agreement, the borrower is required to make 35 monthly payments of approximately $26,145, accrues interest at a rate of 18.84% per annum and has a final balloon payment of approximately $123,000 on November 1, 2018. On December 30, 2015, the Partnership assigned this equipment note receivable to Juliet. For the three months ended March 31, 2017, the equipment notes earned interest income of $24,192.

Mineral Processing Equipment

On September 27, 2013, the Partnership entered into a loan facility to provide financing up to a maximum borrowing of $3,000,000. The borrower is a Florida based company that builds, refurbishes and services mineral refining and mining equipment in the United States, Central and South America. The loan facility was secured by equipment that refines precious metals and other minerals. The Partnership advanced $2,500,000 to the borrower during September 2013. The loan facility required 48 monthly payments of principal and interest of $68,718 (revised from original payment of $69,577 upon second funding discussed below) and a balloon payment of $500,000 in September 2017. The loan facility was scheduled to mature in September 2017. On May 9, 2014, the Partnership made a second funding of $500,000 to the borrower under the above agreement. The loan facility required 41 monthly payments of principal and interest of $15,764 and matures in September 2017. The borrower's obligations under the loan facility were also personally guaranteed by its majority shareholders.

On December 22, 2014, the outstanding principal of $2,537,822 and accrued interest of $204,721 of this note receivable was restructured into a new note receivable of $2,883,347. The new loan facility is secured by equipment that refines precious metals and other minerals and is guaranteed by the majority shareholders of the Florida based company referred to above. The new loan facility requires 48 monthly payments of principal and interest of $79,255 commencing on February 24, 2015 and a balloon payment of $500,000 in January 2019. The loan facility is scheduled to mature in September 2017. In connection with above restructured note, on December 22, 2014, the Partnership entered into a $200,000 promissory note with the same borrower. The promissory note requires five annual payments of $150,000 commencing on January 25, 2019 and matures in January 2023. As of December 31, 2014, the Partnership advanced $100,000. In January 2015, the Partnership advanced the remaining $100,000. In June 2015, the Partnership received a principal payment of $40,000. For the three months ended March 31, 2017 and for the years ended December 31, 2016 and 2015, the mineral processing equipment note is in non-accrual status as a result of non-payment. Based on a third party appraisal of the collateral value of the equipment, the Investment Manager believes that there is sufficient collateral value to cover the outstanding balance of the restructured note receivable and the promissory note.

Medical Equipment

On December 19, 2014, the Partnership entered into a $667,629 promissory note to finance the purchase of medical equipment located in Texas. The promissory note will be paid through 60 monthly installments of principal and interest of $15,300. The promissory note is secured by a first priority security interest in the medical equipment and other personal property located at the borrowers principal place of business. On December 30, 2015, the Partnership assigned this equipment note receivable to Juliet. For the three months ended March 31, 2017, the medical equipment note earned interest income of $14,134.

Brake Manufacturing Equipment

On May 2, 2014, the Partnership purchased a promissory note secured by brake manufacturing equipment with an aggregate principal amount of $432,000. The promissory note requires quarterly payments of $34,786, accrues interest at 12.5% per annum and matures in January 2018. For the three months ended March 31, 2017, the equipment note earned interest income of $7,970.

The future maturities of the Partnership's equipment notes receivable at March 31, 2017 are as follows:

Years ending March 31,		
2018	$	5,892,946
2019		3,833,512
2020		3,657,865
2021		3,464,344
2022		1,608,506
2023		384,364
	$	18,841,537

7. Residual Value Investment in Equipment on Lease

On September 15, 2014, the Partnership entered into a Residual Interest Purchase Agreement with a leasing company to purchase up to $3 million of residual value interests in equipment. The leasing company has entered into a Master Lease Agreement with a third party to lease cash handling machines or smart safes under one or more lease schedules with original equipment cost of $20 million ("OEC") and a term of five years from initiation of each lease schedule. In connection with the Master Lease Agreement, the leasing company has entered into a finance arrangement with another third party to finance 85% of the OEC up to an aggregate facility of $17 million and the Partnership has agreed to finance the remaining 15% of the OEC up to an aggregate facility of $3 million. As of March 31, 2017, the Partnership had advanced a net total of $2,775,060.

8. Collateralized Loan Receivable

On March 31, 2017, the Partnership entered into a Loan Participation Agreement to purchase a 61.8% interest in a 5% Surplus note receivable with principal of $2,225,000 maturing on February 25, 2018. On March 31, 2017, the Partnership funded $1,495,313 for the purchase of this participation. In connection with the Loan Participation Agreement, on that same date, the Partnership entered into a forward purchase agreement to sell this participation interest on July 7, 2017 for the purchase price of the participation plus a 12% rate of return.

On September 23, 2016, the Partnership, through Juliet, provided secured financing in the amount of $1,845,655 after applicable exchange rates for a motion picture production company in the United Kingdom. The loan is secured by all of the assets, including tax credits, of the borrower and all of the borrower's rights to proceeds from the motion picture. The loan accrues interest at a rate of 12% per annum and is scheduled to mature 24 months after the funding date. For the three months ended March 31, 2017, the loan facility earned interest income of $49,573.

On September 12, 2016, the Partnership, through Juliet, provided secured financing in the amount of $2,215,270 after applicable exchange rates for a motion picture production company in the United Kingdom. The loan is secured by all of the assets, including tax credits, of the borrower and all of the borrower's rights to proceeds from the motion picture. The loan accrues interest at a rate of 12% per annum and is scheduled to mature 24 months after the funding date. For the three months ended March 31, 2017, the loan facility earned interest income of $65,548.

On July 21, 2016, September 15, 2016, and September 30, 2016, the Partnership funded $1,817,444, $181,598 and $300,846, respectively under a wholesale financing arrangement with an international leasing company that does business between the United States and Mexico. On October 7, 2016, a third party on behalf of Juliet, funded an additional $1,759,570 under this wholesale financing arrangement. On October 4, 2016, November 23, 2016, November 29, 2016 and December 30, 2016, the Partnership funded an additional $854,390, $291,919, $78,912 and $78,095, respectively under this wholesale financing arrangement. On January 13, 2017 and February 23, 2017, the Partnership, through Juliet, funded an additional $1,463,260 and $814,320, respectively under this wholesale financing arrangement. On March 8, 2017, the Partnership funded an additional $256,987 under this wholesale financing arrangement. The loans accrue interest at rate of 10% per annum and are secured by industrial and manufacturing equipment subject to equipment leases. For the three months ended March 31, 2017, the loans earned interest income of $175,884.

On May 5, 2016, a third party on behalf of Juliet, provided secured financing in the amount of $2,926,342 after applicable exchange rates for a motion picture production company in the United Kingdom. The loan is secured by all of the assets, including tax credits, of the borrower and all of the borrower's rights to proceeds from the motion picture. The loan accrues interest at a rate of 12% per annum and is scheduled to mature 24 months after the funding date. For the three months ended March 31, 2017, the loan facility earned interest income of $71,924.

On April 25, 2016, the Partnership entered into a loan agreement with a borrower to refinance the borrower's loan facility. In connection with the refinancing, the Partnership received a promissory note from the borrower in the amount of $1,763,230. The note accrues interest at a rate of 20% per annum and matures on February 8, 2020. The borrower will make semi-annual payments of principal and interest in February and August. On August 5, 2016, the Partnership received a payment of $452,604. In March 2017, the Partnership received total payments of $335,644. For the three months ended March 31, 2017, the promissory notes earned interest income of $71,571.

On June 3, 2015, Alpha, a special purpose entity which is 32.5% owned by the Partnership and 67.5% owned by SQN PAC, acquired a promissory note issued by a third party with a principal amount equal to $2,650,000. The promissory note accrues interest at the rate of 11.1% per annum, payable quarterly in arrears, and matures on June 30, 2020. The promissory note is secured by a pledge of shares in an investment portfolio of insurance companies under common control of the third party which include equipment leases, direct hard asset and infrastructure investments, and other securities. On June 3, 2015, a participation agreement was entered into between SQN PAC ("Alpha Participation A"), the Partnership ("Alpha Participation B"), Alpha and SQN Capital Management, LLC. Under the agreement, Alpha created two collateralized participation interests for the collateral; Alpha Participation A's principal contribution is $1,788,750 and accrues interest at 9% per annum and Alpha Participation B's principal contribution is $861,250 and accrues interest at 15.05% per annum. SQN Capital Management, LLC was appointed as a servicer for the promissory note. Alpha Participation A's interest is senior to Alpha Participation B's interest. For the three months ended March 31, 2017, the Alpha Participation B earned interest income of $32,245.

On August 13, 2015, the Partnership entered into a Loan Note Instrument to provide €1,640,000 ($1,824,992 applying exchange rate of 1.1128 at August 13, 2015) (the "Facility") of financing to a borrower to acquire shares of a special purpose entity (the "SPE"). The SPE previously acquired, by assignment, the rights to lease a parcel of land in Ireland on which planning permissions have been granted to construct an aerobic digestion plant ("AD Plant"). The Facility accrues interest at the rate of 18% per annum, compounding monthly on the last business day of each month, and matures on May 16, 2016. The maturity date was extended to November 30, 2016. The Facility is secured by the shares of the SPE and also secured by a personal guaranty from the principal owner of the borrower. On May 13, 2016, in connection with an extension of the Facility, the Partnership funded an additional $56,750 after applicable exchange rates. On July 29, 2016, the Partnership funded $1,574,724, after applicable exchange rates, under a Loan Note Instrument to provide additional financing of the Facility. The Loan Note Instrument matures on November 30, 2016. On November 4, 2016, the Partnership funded $700,000, after applicable exchange rates, under a Loan Note Instrument to provide additional financing of the Facility. As of March 31, 2017 and December 31, 2016, the Loan Note Principal balance was $4,148,419. For the three months ended March 31, 2017, the Loan Note Instruments earned interest income of $186,679.

On December 28, 2015, the Partnership entered into a loan agreement and a $2,000,000 promissory note with a borrower. The promissory note accrues interest at the rate of 11% per annum, payable quarterly in arrears, and matures on December 28, 2020. On April 15, 2016, the loan agreement was amended and restated and the maturity date was amended to December 30, 2024. For the three months ended March 31, 2017, the promissory notes earned interest income of $55,000.

On October 2, 2015, the Partnership entered in a syndicated loan agreement. Under the terms of the agreement, the Partnership agreed to contribute $5,000,000 of the $40,000,000 facility which will be secured by all of the equipment of the wood pellet business in Texas. The borrower's parent company also pledged assets located at the parent's company's headquarters in Germany as additional collateral for the loan. In January 2016, the Partnership received cash of $2,610,959 as payment from this facility. On April 22, 2016, the Partnership and a third party assigned their interests in this loan facility of $2,389,041 and $3,985,959, respectively to Juliet. For the three months ended March 31, 2017 and the years ended December 31, 2016 and 2015, this loan is in non-accrual status. Based on an appraisal of the collateral value of the equipment, the Investment Manager believes that there is sufficient collateral value to cover the outstanding balance of this loan.

9. Investment in Informage SQN Technologies LLC

On August 1, 2014, the Partnership, SQN PAC, and a third party formed a special purpose entity, Informage SQN Technologies, LLC ("Informage SQN"), a limited liability company registered in the state of Texas. Informage SQN was formed to finance cellular communications field measurement and testing and other related services to telecom clients on a contractual basis. The Partnership and SQN PAC each own 24.5% of Informage SQN, while the third party owns 51%. The Partnership accounts for its investment in Informage SQN using the equity method. The Partnership will make additional contributions up to $3,850,000 of total aggregate outstanding capital contributions. On February 9, 2015, the primary customer of Informage SQN filed for bankruptcy protection under Chapter 11 in order to reorganize the company. Informage SQN is not in default under any of the agreements with the Partnership. As of December 31, 2016, the Partnership has advanced a total of $1,357,622 and received total repayments of $690,936. For the three months ended March 31, 2017, the Partnership recorded investment loss of $5,970, for its proportionate share of Informage SQN's earnings under the equity method pursuant to U.S. GAAP. As of March 31, 2017, the Partnership has an investment balance of $538,219.

10. Equipment Investment through SPV

On December 16, 2015, Marine, a special purpose vehicle which is wholly owned by the Partnership, entered into a sale and assignment of partnership interest agreement with a third party. Under the terms of the agreement, Marine acquired an 88.20% (90% of 98%) economic interest in a portfolio of container feeder vessels. Marine acquired their economic interest in the vessels through a limited partnership interest in CONT Feeder, which acquired and operates the container feeder vessels. CONT Feeder acquired six container feeder vessels for $37,911,665, drydocking fees of $4,158,807 and inventory supplies of $337,923 for an aggregate investment of $42,408,395. As of March 31, 2017, the Partnership has an aggregate investment balance of $38,762,219 consisting of feeder vessels of $35,430,464, drydocking fees of $3,033,807 and inventory supplies of $297,948.

CONT Feeder acquired and operates six container feeder vessels which collect shipping containers from different ports and transport them to central container terminals where they are loaded to bigger vessels. For the three months ended March 31, 2017, CONT Feeder recorded income of approximately $3,365,000 from charter rental fees less total expenses of $4,777,000, consisting of ship operating expenses, of approximately $2,392,000, ship management fees and charter commissions fees of approximately $412,000, general and administrative expenses, of approximately $1,011,000, depreciation expense, of approximately $725,000 and interest expense of approximately $237,000 resulting in a net loss of approximately $1,412,000.

11. Other Assets

Other assets primarily include approximately $1,760,000 related to the Partnership's equipment investment through SPV.

12. Equipment Notes Payable

In connection with the consolidation of SQN Helo, the Partnership had an aggregate equipment notes payable balance of $3,669,521 to a financial institution for four helicopter leases. In January 2017, the Partnership paid $3,325,506 as repayment in full for three helicopter leases. As of March 31, 2017, the equipment notes payable was $317,059.

13. Loans Payable

On April 22, 2016, Juliet, a third party and the third party's affiliate amended and restated the participation agreement dated December 29, 2015. Juliet borrowed a total of approximately $14,621,000 in the form of a senior participation instruments with a third party and the third party's affiliate consisting of the outstanding principal payable balance of approximately $2,124,000 on the Just Loans transaction, the third party also funded Juliet additional cash of approximately $8,511,000 and assigned their interests of approximately $3,986,000 in a loan facility for a wood pellet business in Texas. The senior participation instrument accrues interest at the rate of 6% per annum and also accrues PIK interest at the rate of 1.5% per annum. The senior participants, as collateral, have a first priority security interest in all of the assets acquired by Juliet as well as a senior participation interest in all of the proceeds from the assets, while Juliet has a junior participation interest until the loan is repaid in full. All of the cash proceeds received from these assets are applied as follows (1), to pay accrued and unpaid interest of the senior participant, (2), to pay any cumulative interest shortfall of the senior participant, (3), to pay accrued and unpaid interest of the junior participants, and (4), to reduce the outstanding principal balance of the senior participation with any excess distributed to the junior participants. There was no stated or agreed upon repayment term for the principal. On May 5, 2016, the third party provided additional financing, on behalf of Juliet, in the amount of approximately $2,926,000 after applicable exchange rates.

In connection with the CONT Feeder transaction, Marine borrowed $7,500,000 and $9,604,091 in the form of a senior participation instruments with a third party and the third party's affiliate. The senior participation instrument accrues interest at the rate of 10% per annum and matures on December 16, 2020. The senior participants, as collateral, have a first priority security interest in all of the assets acquired by CONT Feeder as well as a senior participation interest in the proceeds from the assets, while Marine has a junior participation interest until the loan is repaid in full. All of the cash proceeds received from these assets will be applied first against the outstanding principal balance of the senior participation with any excess distributed to the junior participants. There was no stated or agreed upon repayment term for the principal.

In connection with the acquisition of container vessels, CONT Feeder borrowed $14,375,654 from third parties. As of March 31, 2017, the CONT Feeder loan payable was $11,718,038.

In connection with the consolidation of SQN Helo, the Partnership had an aggregate loans payable balance of $9,245,578 to SQN AFIF and to a third party in the form of a senior participation instruments. The senior participation instrument accrues interest at the rate of 7% per annum and PIK interest at the rate of 3.5% per annum and matures on January 6, 2022. The senior participants, as collateral, have a first priority security interest in all of the assets acquired by SQN Helo as well as a senior participation interest in the proceeds from the assets, while the Partnership and SQN PAC have a junior participation interest until the loan is repaid in full. All of the cash proceeds received from these assets will be applied first against the outstanding principal balance of the senior participation with any excess distributed to the junior participants. There was no stated or agreed upon repayment term for the principal.

14. Fair Value of Financial Instruments

The Partnership's carrying value of cash and cash equivalents, accounts payable and accrued liabilities, and other liabilities, approximate fair value due to their short term until maturities.

The Partnership's carrying values and approximate fair values of its financial instruments were as follows:

	March 31, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Equipment notes receivable	$ 18,841,537	$ 18,841,537	$ 31,107,975	$ 31,107,975
Collateralized loans receivable	$ 32,225,666	$ 32,225,666	$ 28,265,033	$ 28,265,033
Liabilities:				
Loans payable	$ 66,906,987	$ 66,906,987	$ 60,589,483	$ 60,589,483

As of March 31, 2017, the Partnership evaluated the carrying values of its financial instruments and they approximate fair values.

15. Business Concentrations

For the three months ended March 31, 2017, the Partnership had two lessees which accounted for approximately 49% and 47% of the Partnership's rental income derived from operating leases. For the three months ended March 31, 2016, the Partnership had one lessee which accounted for approximately 100% of the Partnership's rental income derived from operating leases. For the three months ended March 31, 2017, the Partnership had three leases which accounted for approximately 35%, 31% and 21% of the Partnership's income derived from finance leases. For the three months ended March 31, 2016, the Partnership had five leases which accounted for approximately 28%, 24%, 21%, 11%, and 10% of the Partnership's income derived from finance leases. For the three months ended March 31, 2017, the Partnership had four leases which accounted for approximately 22%, 12%, 12%, and 10% of the Partnership's interest income. For the three months ended March 31, 2016, the Partnership had four leases which accounted for approximately 17%, 16%, 14%, and 12% of the Partnership's interest income.

At March 31, 2017, the Partnership had four lessees which accounted for approximately 22%, 19%, 18% and 10% of the Partnership's investment in finance leases. At March 31, 2016, the Partnership had five lessees which accounted for approximately 28%, 19%, 17%, 13% and 12% of the Partnership's investment in finance leases. At March 31, 2017, the Partnership had two lessees which accounted for approximately 68% and 29% of the Partnership's investment in operating leases. At March 31, 2016, the Partnership had one lessee which accounted for approximately 100% of the Partnership's investment in operating leases. At March 31, 2017, the Partnership had three lessees which accounted for approximately 36%, 30% and 16% of the Partnership's investment in equipment notes receivable. At March 31, 2016, the Partnership had three lessees which accounted for approximately 44%, 23% and 15% of the Partnership's investment in equipment notes receivable. At March 31, 2017, the Partnership had three lessees which accounted for approximately 25%, 19% and 15% of the Partnership's investment in collateralized loans receivable. At March 31, 2016, the Partnership had five lessees which accounted for approximately 26%, 23%, 20%, 19% and 12% of the Partnership's investment in collateralized loans receivable. At March 31, 2017, the Partnership had one lessee which accounted for approximately 100% of the Partnership's investment in residual value leases. At March 31, 2016, the Partnership had one lessee which accounted for approximately 100% of the Partnership's investment in residual value leases.

16. Geographic Information

Geographic information for revenue for the three months ended March 31, 2017 and 2016 was as follows:

	Three Months Ended March 31, 2017			
	United States	Europe	Mexico	Total
Revenue:				
Rental income	$ 511,467	$ —	$ —	$ 511,467
Finance income	$ 523,558	$ 34,103	$ —	$ 557,661
Interest income	$ 1,514,464	$ —	$ —	$ 1,514,464
Investment loss from equity method investments	$ (5,970)	$ —	$ —	$ (5,970)
Gain on sale of assets	$ 105,215	$ 142,422	$ —	$ 247,637
Income from equipment investment through SPV	$ —	$ 3,364,649	$ —	$ 3,364,649

	Three Months Ended March 31, 2016			
	United States	Europe	Mexico	Total
Revenue:				
Rental income	$ 81,116	$ —	$ —	$ 81,116
Finance income	$ 118,819	$ 37,023	$ —	$ 155,842
Interest income	$ 591,314	$ 6,732	$ —	$ 598,046
Investment loss from equity method investments	$ (64,534)	$ —	$ —	$ (64,534)
Income from equipment investment through SPV	$ —	$ 4,306,825	$ —	$ 4,306,825

Geographic information for long-lived assets at March 31, 2017 and December 31, 2016 was as follows:

	March 31, 2017			
	United States	Europe	Mexico	Total
Long-lived assets:				
Investment in finance leases, net	$ 7,933,782	$ 332,148	$ —	$ 8,265,930
Investments in equipment subject to operating leases, net	$ 9,639,261	$ —	$ —	$ 9,639,261
Equipment notes receivable, including accrued interest	$ 14,316,574	$ 1,531,218	$ 3,043,347	$ 18,891,139
Equipment investment through SPV	$ —	$ 38,762,219	$ —	$ 38,762,219
Collateralized loan receivable, including accrued interest	$ 7,418,404	$ 18,020,052	$ 8,299,881	$ 33,738,337

	December 31, 2016			
	United States	Europe	Mexico	Total
Long-lived assets:				
Investment in finance leases, net	$ 7,401,219	$ 345,581	$ —	$ 7,746,800
Investments in equipment subject to operating leases, net	$ 356,703	$ —	$ —	$ 356,703
Equipment notes receivable, including accrued interest	$ 20,613,049	$ 7,524,960	$ 3,043,347	$ 31,181,356
Equipment investment through SPV	$ —	$ 39,491,553	$ —	$ 39,491,553
Collateralized loan receivable, including accrued interest	$ 6,187,165	$ 17,646,328	$ 5,524,364	$ 29,357,856

17. Subsequent Events

On April 4, 2017 and April 5, 2017, the Partnership, through Juliet, funded an additional $1,825,656 and $314,753, respectively under a wholesale financing arrangement with an international leasing company that does business between the United States and Mexico.

On April 17, 2017, the solar products manufacturing equipment borrower voluntarily filed for Chapter 11 bankruptcy protection. The Partnership received all monthly payments from this borrower through February 28, 2017. The March and April 2017 monthly payments are outstanding. The Investment Manager is assessing the status of this equipment note receivable.

On April 28, 2017, the Partnership sold the die board cutting equipment operating lease to a third party for cash proceeds of $344,957. The operating lease had a net book value of $338,629 resulting in a U.S. GAAP gain of $6,328.

On April 28, 2017, the Partnership sold the SCHWRD 2 finance lease to a third party for cash proceeds of $76,474. The finance lease had a net book value of $75,715 resulting in a U.S. GAAP gain of $759.

On April 28, 2017, the Partnership, through Juliet, sold a finance lease to a third party for cash proceeds of $323,515. The finance lease had a net book value of $314,314 resulting in a U.S. GAAP gain of $9,201.

On May 9, 2017, the Partnership funded £285,000 to the Just Loans borrowers.

Item 2. General Partner's Discussion and Analysis of Financial Condition and Results of Operations

As used in this Quarterly Report on Form 10-Q, references to "we," "us," "our" or similar terms include SQN AIF IV, L.P. and its subsidiaries.

The following is a discussion of our current financial position and results of operations. This discussion should be read together with the financial statements and notes in our Form 10-K, filed on March 31, 2017. This discussion should also be read in conjunction with the disclosures below regarding "Forward-Looking Statements" and the "Risk Factors" set forth in Item 1A of Part II of this Quarterly Report on Form 10-Q.

Forward-Looking Statements

Certain statements within this Quarterly Report on Form 10-Q may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). These statements are being made pursuant to the PSLRA, with the intention of obtaining the benefits of the "safe harbor" provisions of the PSLRA, and, other than as required by law, we assume no obligation to update or supplement such statements. Forward-looking statements are those that do not relate solely to historical fact. They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. You can identify these statements by the use of words such as "may," "will," "could," "anticipate," "believe," "estimate," "expect," "intend," "predict," "continue," "further," "seek," "plan," or "project" and variations of these words or comparable words or phrases of similar meaning. These forward-looking statements reflect our current beliefs and expectations with respect to future events and are based on assumptions and are subject to risks and uncertainties and other factors outside our control that may cause actual results to differ materially from those projected. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Overview

We were organized as a Delaware limited partnership on August 10, 2012 and are engaged in a single business segment, the ownership and investment in leased equipment and related financings which includes: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset financing; (iii) acquiring equipment subject to lease and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. We will terminate no later than December 31, 2036.

The General Partner of the Partnership is SQN AIF IV GP, LLC (the "General Partner"), a wholly-owned subsidiary of the Partnership's Investment Manager, SQN Capital Management, LLC (the "Investment Manager"). Both the Partnership's General Partner and its Investment Manager are Delaware limited liability companies. The General Partner manages and controls the day to day activities and operations of the Partnership, pursuant to the terms of the Partnership Agreement. The General Partner paid an aggregate capital contribution of $100 for a 1% interest in the Partnership's income, losses and distributions. The Investment Manager makes all investment decisions and manages the investment portfolio of the Partnership.

Our Offering period commenced on April 2, 2013 and concluded on April 2, 2016, which is three years from the commencement of our Offering Period.

Our income, losses and distributions are allocated 99% to the Limited Partners and 1% to the General Partner until the Limited Partners have received total distributions equal to their capital contributions plus an 8% per year, compounded annually, cumulative return on their capital contributions. After such time, all distributable cash will be allocated 80% to the Limited Partners and 20% to the General Partner. We are currently in the Operating and Liquidation Period. The Offering Period concluded on April 2, 2016, which is three years from the date we were declared effective by the SEC. During the Operating Period, we will invest most of the net proceeds from our offering in business-essential, revenue-producing (or cost-saving) equipment, other physical assets with substantial economic lives and, in many cases, associated revenue streams and project financings. The Operating Period began on the date of our initial closing, which occurred on May 29, 2013 and will last for three years unless extended at the sole discretion of the General Partner. The General Partner has extended the Operating Period for an additional one year. The Liquidation Period, which follows the conclusion of the Operating Period, is the period in which we will sell our assets in the ordinary course of business and will last two years, unless it is extended, at the sole discretion of the General Partner.

SQN Securities, LLC ("Securities"), a majority-owned subsidiary of the Investment Manager, is currently acting as our exclusive selling agent. We may engage additional selling agents in the future. We pay 3% of the gross proceeds of the offering (excluding proceeds, if any, we receive from the sale of its Units to the General Partner or its affiliates) to its selling agent or selling agents as an underwriting fee. In addition, we will pay a 7% sales commission to broker-dealers unaffiliated with our General Partner who will be selling our Units, on a best efforts basis. When Units are not sold by unaffiliated broker-dealers, the 7% sales commission is not required to be paid. We apply the proceeds that would otherwise be payable as Sales Commission toward the purchase of additional fractional Units at $1,000 per Unit.

During our Operating Period, which began on May 29, 2013, the date of our initial closing, we will use the majority of our net offering proceeds from Limited Partner capital contributions to acquire our initial investments. As our investments mature, we anticipate reinvesting the cash proceeds in additional investments in leased equipment and project financing transactions, to the extent that the cash will not be needed for expenses, reserves and distributions to our limited partners. During this time-frame we expect both rental income and finance income to increase substantially as well as related expenses such as depreciation and amortization. During the Operating Period we believe the majority of our cash outflows will be from investing activities as we acquire additional investments and to a lesser extend from financing activities from our paying quarterly distributions to our limited partners. Our cash flow from operations is expected to increase, primarily from the collection of rental payments.

During the three months ended March 31, 2017, we made distributions to our Limited Partners totaling $1,471,085.

Our principal investment strategy is to invest in business-essential, revenue-producing (or cost-savings) equipment with high in-place value and long, relative to the investment term, economic life and project financings. We expect to achieve our investment strategy by making investments in equipment already subject to lease or originating equipment leases in such equipment, which will include: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset financing; (iii) acquiring equipment subject to lease and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. From time to time, we may also purchase equipment and sell it directly to our leasing customers.

Many of our investments will be structured as full payout or operating leases. Full payout leases generally are leases under which the rent over the initial term of the lease will return our invested capital plus an appropriate return without consideration of the residual value, and where the lessee may acquire the equipment or other assets at the expiration of the lease term. Operating leases generally are leases under which the aggregate non-cancelable rental payments during the original term of the lease, on a net present value basis, are not sufficient to recover the purchase price of the equipment or other assets leased under the lease.

We also intend to invest by way of participation agreements and residual sharing agreements where we would acquire an interest in a pool of equipment or other assets, or rights to the equipment or other assets, at a future date. We may invest in operating companies that use or own equipment and other assets. We also may structure investments as project financings that are secured by, among other things, essential use equipment and/or assets. Finally, we may use other investment structures that our Investment Manager believes will provide us with the appropriate level of security, collateralization, and flexibility to optimize our return on our investment while protecting against downside risk, such as vendor and rental programs. In many cases, the structure will include us holding title to or a priority or controlling position in the equipment or other asset.

Although the final composition of our portfolio cannot be determined at this stage, we expect to invest in equipment and other assets that are considered essential use or core to a business or operation in the agricultural, energy, environmental, medical, manufacturing, technology, and transportation industries. Our Investment Manager may identify other assets or industries that meet our investment objectives. We expect to invest in equipment, other assets and project financings located primarily within the United States of America and the European Union but may also make investments in other parts of the world.

Recent Significant Transactions

Surplus Loan Note

On March 31, 2017, the Partnership entered into a Loan Participation Agreement to purchase a 61.8% interest in a 5% Surplus note receivable with principal of $2,225,000 maturing on February 25, 2018. On March 31, 2017, the Partnership funded $1,495,313 for the purchase of this participation. In connection with the Loan Participation Agreement, on that same date, the Partnership entered into a forward purchase agreement to sell this participation interest on July 7, 2017 for the purchase price of the participation plus a 12% rate of return.

Critical Accounting Policies

An understanding of our critical accounting policies is necessary to understand our financial results. The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires our General Partner and our Investment Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates will primarily include the determination of allowance for doubtful lease, notes and loan accounts, depreciation and amortization, impairment losses and the estimated useful lives and residual values of the leased equipment we acquire. Actual results could differ from those estimates.

Lease Classification and Revenue Recognition

Each equipment lease we enter into is classified as either a finance lease or an operating lease, which is determined at lease inception, based upon the terms of each lease, or when there are significant changes to the lease terms. We capitalize initial direct costs associated with the origination and funding of lease assets. Initial direct costs include both internal costs (e.g., labor and overhead), if any, and external broker fees incurred with the lease origination. Costs related to leases that are not consummated are not eligible for capitalization as initial direct costs and are expensed as incurred as acquisition expense. For a finance lease, initial direct costs are capitalized and amortized over the lease term using the effective interest rate method. For an operating lease, the initial direct costs are included as a component of the cost of the equipment and depreciated over the lease term.

For finance leases, we record, at lease inception, the total minimum lease payments receivable from the lessee, the estimated unguaranteed residual value of the equipment at lease termination, the initial direct costs related to the lease, if any, and the related unearned income. Unearned income represents the difference between the sum of the minimum lease payments receivable, plus the estimated unguaranteed residual value, minus the cost of the leased equipment. Unearned income is recognized as finance income over the term of the lease using the effective interest rate method.

For operating leases, rental income is recognized on the straight-line basis over the lease term. Billed operating lease receivables are included in accounts receivable until collected. Accounts receivable is stated at its estimated net realizable value. Deferred revenue is the difference between the timing of the receivables billed and the income recognized on the straight-line basis.

Our Investment Manager has an investment committee that approves each new equipment lease and other project financing transaction. As part of its process, the investment committee determines the residual value, if any, to be used once the investment has been approved. The factors considered in determining the residual value include, but are not limited to, the creditworthiness of the potential lessee, the type of equipment considered, how the equipment is integrated into the potential lessee's business, the length of the lease and the industry in which the potential lessee operates. Residual values are reviewed for impairment in accordance with our impairment review policy.

The residual value assumes, among other things, that the asset will be utilized normally in an open, unrestricted and stable market. Short-term fluctuations in the marketplace are disregarded and it is assumed that there is no necessity either to dispose of a significant number of the assets, if held in quantity, simultaneously or to dispose of the asset quickly. The residual value is calculated using information from various external sources, such as trade publications, auction data, equipment dealers, wholesalers and industry experts, as well as inspection of the physical asset and other economic indicators.

Asset Impairments

The significant assets in our investment portfolio are periodically reviewed, no less frequently than annually or when indicators of impairment exist, to determine whether events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss will be recognized only if the carrying value of a long-lived asset is not recoverable and exceeds its fair value. If there is an indication of impairment, we will estimate the future cash flows (undiscounted and without interest charges) expected from the use of the asset and its eventual disposition. Future cash flows are the future cash in-flows expected to be generated by an asset less the future out-flows expected to be necessary to obtain those in-flows. If an impairment is determined to exist, the impairment loss will be measured as the amount by which the carrying value of a long-lived asset exceeds its fair value and recorded in the statement of operations in the period the determination is made. The events or changes in circumstances that generally indicate that an asset may be impaired are, (i) the estimated fair value of the underlying equipment is less than its carrying value, (ii) the lessee is experiencing financial difficulties and (iii) it does not appear likely that the estimated proceeds from the disposition of the asset will be sufficient to satisfy the residual position in the asset. The preparation of the undiscounted cash flows requires the use of assumptions and estimates, including the level of future rents, the residual value expected to be realized upon disposition of the asset, estimated downtime between re-leasing events and the amount of re-leasing costs. Our Investment Manager's review for impairment includes a consideration of the existence of impairment indicators including third-party appraisals, published values for similar assets, recent transactions for similar assets, adverse changes in market conditions for specific asset types and the occurrence of significant adverse changes in general industry and market conditions that could affect the fair value of the asset.

Equipment Notes and Loans Receivable

Equipment notes and loans receivable are reported in our unaudited condensed consolidated balance sheets at the outstanding principal balance net of any unamortized deferred fees, premiums or discounts on purchased notes and loans. Costs to originated notes, if any, are reported as other assets in our unaudited condensed consolidated balance sheets. Unearned income, discounts and premiums, if any, are amortized to interest income in the unaudited condensed consolidated statements of operations using the effective interest rate method. Equipment notes and loans receivable are generally placed in a non-accrual status when payments are more than 90 days past due. Additionally, we periodically review the creditworthiness of companies with payments outstanding less than 90 days. Based upon the Investment Manager's judgment, accounts may be placed in a non-accrual status. Accounts on a non-accrual status are only returned to an accrual status when the account has been brought current and we believe recovery of the remaining unpaid receivable is probable. Revenue on non-accrual accounts is recognized only when cash has been received.

Results of Operations for the three months ended March 31, 2017

We are currently in our Operating Period. The Offering Period ended on April 2, 2016. The Operating Period is defined as the period in which we invest the net proceeds from the Offering Period and reinvest cash from operations into business-essential, revenue-producing (or cost-saving) equipment and other physical assets with substantial economic lives and, in many cases, associated revenue streams. During this period we anticipate substantial cash out-flows from investing activities as we acquire leased equipment. We also expect our operating activities to generate cash inflows during this time as we collect rental payments from the leased assets we acquire.

Our revenue for the three months ended March 31, 2017 as compared to three months ended March 31, 2016 is summarized as follows:

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenue:		
Rental income	$ 511,467	$ 81,116
Finance income	557,661	155,842
Interest income	1,514,464	598,046
Income from equipment investment through SPV	3,364,649	4,306,825
Investment loss from equity method investments	(5,970)	(64,534)
Gain on sale of assets	247,637	—
Other income	13,418	55,897
Total Revenue	$ 6,203,326	$ 5,133,192

For the three months ended March 31, 2017, we earned $511,467 in rental income primarily from various operating leases of helicopters from SQN Helo. We also recognized $1,514,464 in interest income, the majority of which was generated by the equipment notes and collateralized loans receivable. We recognized $557,661 in finance income from various finance leases. We also recognized an investment loss of $5,970 from our equity method investment. We also recognized gain on sale of assets of 247,637 from sales of equipment notes and finance leases. We also recognized income of $3,364,649 from our equipment investment through SPV. The increase in our total revenue in 2017 as compared to 2016 is a result of the increase in our rental and finance income in 2017 compared to 2016 as a result of our consolidation of SQN Helo, an increase in interest income from an increase in equipment notes and collateralized loans receivable and from gains on sales of assets and equipment notes offset by a decrease in income from our equipment investment through SPV from the Marine transaction.

Our expenses for the three months ended March 31, 2017 ("2017 Quarter") as compared to three months ended March 31, 2016 ("2016 Quarter") are summarized as follows:

	Three Months Ended March 31, 2017	**Three Months Ended March 31, 2016**
Expenses:		
Management fees — Investment Manager	$ 375,000	$ 375,000
Depreciation and amortization	711,366	120,693
Professional fees	178,967	58,750
Administration expense	14,425	16,911
Interest expense	1,295,655	556,962
Other expenses	16,493	216,367
Expenses from equipment investment through SPV (including depreciation expense of approx. $725,000)	4,775,829	4,480,909
Total Expenses	$ 7,367,734	$ 5,825,592
Foreign currency transaction (gains) losses	$ (109,918)	$ 132,577

For the three months ended March 31, 2017 and 2016 we incurred $7,367,734 and $5,825,592 in total expenses, respectively. There was no increase in management fees paid to our Investment Manager in 2017 as compared to 2016. We pay our Investment Manager a management fee during the Operating Period and the Liquidation Period equal to the greater of, (i) 2.5% per annum of the aggregate offering proceeds, or (ii) $125,000, payable monthly, until such time as an amount equal to at least 15% of our Limited Partners' capital contributions have been returned to them, after which the monthly management fee will equal 100% of the management fee as initially calculated above, less 1% for each additional 1% of the Partnership's Limited Partners' capital contributions returned to them, such amounts to be measured on the last day of each month. We recognized $711,366 in depreciation and amortization expense. We also incurred $178,967 in professional fees, which is primarily due to consolidation of SQN Helo. In conjunction with the Marine, Juliet and Helo transactions, we assumed approximately $17,104,000, $26,600,000 and $9,300,000, respectively in loans payable with various third parties which resulted in $1,295,655 in interest expense during the three months ended March 31, 2017. We also incurred expenses of $4,775,829 from our equipment investment through SPV. The increase in depreciation and amortization in 2017 as compared to 2016 is a result of the consolidation of SQN Helo during the three months ended March 31, 2017.

Net Income

As a result of the factors discussed above, we reported a net loss for the three months ended March 31, 2017 of $1,054,490, prior to the allocation for non-controlling interest as compared to a net loss of $824,977 for the 2016 Quarter. The non-controlling interest represents the 67.5% and 24% investments by SQN PAC in the Alpha and Helo transactions respectively and the 10% investment by a third party in the CONT Feeder transaction. For the three months ended March 31, 2017, the non-controlling interest recognized net income of $981 due to its interest in Alpha, a net loss of $87,587 due to its interest in Helo and a net loss of $141,118 due to its interest in CONT Feeder.

Liquidity and Capital Resources

Sources and Uses of Cash

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cash provided by (used in):		
Operating activities	$ 374,412	$ 2,573,992
Investing activities	$ 11,688,238	$ (5,846,068)
Financing activities	$ (9,131,031)	$ 9,636,819)

Sources of Liquidity

We are currently in our Operating Period. The Offering Period is the time frame in which we raise capital contributions from investors through the sale of our Units. The Offering Period ended on April 2, 2016. The Operating Period is the time frame in which we acquire equipment under lease or enter into other equipment financing transactions. During this time period we anticipate that a portion of our cash outflows will be for investing activities. We believe that the cash inflows will be sufficient to finance our liquidity requirements for the foreseeable future, including quarterly distributions to our limited partners, general and administrative expenses, fees paid to our Investment Manager and new investment opportunities.

Operating Activities

Cash provided by operating activities for the three months ended March 31, 2017 was $374,412 and was primarily driven by the following factors; (i) an increase of approximately $1,630,000 in minimum rents receivable for finance leases acquired primarily from consolidation of SQN Helo (ii) interest payments received of approximately $646,000 from equipment notes and collateralized loans receivable (iii) an increase in accounts payable and accrued liabilities of approximately $870,000 from the Marine transaction, and (iv) depreciation and amortization expense of approximately $711,000. Offsetting these fluctuations was a net loss for the three months ended March 31, 2017 of approximately $1,054,000, as well as increases in finance accrued interest of approximately $558,000, an increase in accrued interest receivable of approximately $1,228,000 and gains on sale of assets of approximately $248,000. We expect our accounts payable and accrued expenses will fluctuate from period to period primarily due to the timing of payments related to lease and financings transactions we will enter into. We anticipate that as we enter into additional equipment leasing and financing transactions we will generate greater net cash inflows from operations principally from interest payments received from equipment notes receivable and from rental payments received from lessees.

Investing Activities

Cash provided by investing activities was $11,688,238 for the three months ended March 31, 2017. This was related to our equipment investment through SPV of approximately $729,000. We paid approximately $4,095,000 for the acquisition of our collateralized loans receivable and received approximately $134,000 from our collateralized loans receivable. We also received cash proceeds of approximately $13,960,000 from the sale of finance leases and equipment notes receivable. The borrowers of our equipment notes receivable repaid approximately $911,000 during the period.

Financing Activities

Cash used in financing activities for the three months ended March 31, 2017 was $9,131,031 and was primarily due to principal payments of approximately $6,460,000 on loans with unrelated lenders and payments for distributions totaling approximately $3,000,000 and retained loss of non-controlling interest to consolidated entities of approximately $1,800,000. Offsetting this decrease was cash received from non-controlling interest contributions of approximately $2,000,000.

Distributions

During our Operating Period, we intend to pay cash distributions on a quarterly basis to our limited partners at 1.625% per quarter, the equivalent rate of 6.5% per annum, of each limited partners' capital contribution (pro-rated to the date of admission for each limited partner). The amount and rate of cash distributions could vary and are not guaranteed. During the three months ended March 31, 2017, we made quarterly distributions to our limited partners, at a rate of 2% per quarter, the equivalent per annum rate of 8.0% totaling $1,471,085. We did not make a cash distribution to the General Partner during the three months ended March 31, 2017; however, we accrued $14,711 for distributions due to the General Partner which resulted in a Distributions payable to General Partner of $99,827 at March 31, 2017.

Commitments and Contingencies and Off-Balance Sheet Transactions

Commitment and Contingencies

Our income, losses and distributions are allocated 99% to our limited partners and 1% to our General Partner until the limited partners have received total distributions equal to each limited partners' capital contribution plus an 8%, compounded annually, cumulative return on each limited partners' capital contribution. After such time, income, losses and distributions will be allocated 80% to our limited partners and 20% to our General Partner.

We enter into contracts that contain a variety of indemnifications. Our maximum exposure under these arrangements is not known.

In the normal course of business, we enter into contracts of various types, including lease contracts, contracts for the sale or purchase of lease assets, and management contracts. It is prevalent industry practice for most contracts of any significant value to include provisions that each of the contracting parties, in addition to assuming liability for breaches of the representations, warranties, and covenants that are part of the underlying contractual obligations, to also assume an obligation to indemnify and hold the other contractual party harmless for such breaches, and for harm caused by such party's gross negligence and willful misconduct, including, in certain instances, certain costs and expenses arising from the contract. Generally, to the extent these contracts are performed in the ordinary course of business under the reasonable business judgment of our General Partner and our Investment Manager, no liability will arise as a result of these provisions. Should any such indemnification obligation become payable, we would separately record and/or disclose such liability in accordance with accounting principles generally accepted in the United States of America.

Off-Balance Sheet Transactions

None.

Contractual Obligations

During our Operating Period, we pay cash distributions on a quarterly basis to our limited partners at 1.625% per quarter, of each limited partners' capital contribution (pro-rated to the date of admission for each limited partner). The amount and rate of cash distributions could vary and are not guaranteed.

Subsequent Events

On April 4, 2017 and April 5, 2017, the Partnership, through its investment in Juliet, funded an additional $1,825,656 and $314,753, respectively under a wholesale financing arrangement with an international leasing company that does business between the United States and Mexico.

On April 17, 2017, the solar products manufacturing equipment borrower voluntarily filed for Chapter 11 bankruptcy protection. The Partnership received all monthly payments from this borrower through February 28, 2017. The March and April 2017 monthly payments are outstanding. The Investment Manager is assessing the status of this equipment note receivable.

On April 28, 2017, the Partnership sold the die board cutting equipment operating lease to a third party for cash proceeds of $344,957. The operating lease had a net book value of $338,629 resulting in a U.S. GAAP gain of $6,328.

On April 28, 2017, the Partnership sold the SCHWRD 2 finance lease to a third party for cash proceeds of $76,474. The finance lease had a net book value of $75,715 resulting in a U.S. GAAP gain of $759.

On April 28, 2017, the Partnership, through Juliet, sold a finance lease to a third party for cash proceeds of $323,515. The finance lease had a net book value of $314,314 resulting in a U.S. GAAP gain of $9,201.

On May 9, 2017, the Partnership funded £285,000 to the Just Loans borrowers.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not Applicable for Smaller Reporting Companies.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, our General Partner and Investment Manager carried out an evaluation, under the supervision and with the participation of the management of our General Partner and Investment Manager, including its Chief Executive Officer, of the effectiveness of the design and operation of our General Partner's and Investment Manager's disclosure controls and procedures as of the end of the period covered by this Report pursuant to the Securities Exchange Act of 1934. Based on the foregoing evaluation, the Chief Executive Officer concluded that our General Partner's and Investment Manager's disclosure controls and procedures were effective.

In designing and evaluating our General Partner's and Investment Manager's disclosure controls and procedures, our General Partner and Investment Manager recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our General Partner's and Investment Manager's disclosure controls and procedures have been designed to meet reasonable assurance standards. Disclosure controls and procedures cannot detect or prevent all error and fraud. Some inherent limitations in disclosure controls and procedures include costs of implementation, faulty decision-making, simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all anticipated and unanticipated future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with established policies or procedures.

Evaluation of internal control over financial reporting

Our General Partner is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended, as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our General Partner and our Investment Manager have assessed the effectiveness of their internal control over financial reporting as of March 31, 2017. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control—Integrated Framework."

Based on their assessment, our General Partner and our Investment Manager believe that, as of March 31, 2017, its internal control over financial reporting is effective.

Changes in internal control over financial reporting

There were no additional material changes in our General Partner's or our Investment Manager's internal control over financial reporting during the quarter ended March 31, 2017, that materially affected, or are reasonably likely to materially affect, their internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not aware of any material legal proceedings that are currently pending against us or against any of our assets.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our Registration Statement on Form S-1, as amended, was declared effective by the SEC on April 2, 2013. Our Offering Period commenced on April 2, 2013 and ended on April 2, 2016. We had our initial closing for the admission of Limited Partners in the partnership on May 29, 2013. From May 29, 2013 through March 31, 2016, we admitted 1,508 Limited Partners with total capital contributions of $74,965,064 resulting in the sale of 74,965.07 Units. We received cash contributions of $72,504,327 and applied $2,460,737 which would have otherwise been paid as sales commission to the purchase of 2,460.74 additional Units.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

31.1	Certification of President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Accounting Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Accounting Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data Files

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated.

File No. 333-184550
SQN AIF IV GP, LLC
General Partner of the Registrant

May 15, 2017

/s/ Jeremiah Silkowski

Jeremiah Silkowski
President and CEO

EXHIBIT 31.1

CERTIFICATION

I, Jeremiah Silkowski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SQN AIF IV, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2017

/s/ Jeremiah Silkowski

Jeremiah Silkowski
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of SQN AIF IV, L.P. (the “Company”) on Form 10-Q for the period ended March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, the undersigned, Jeremiah Silkowski, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: May 15, 2017

/s/ Jeremiah Silkowski
Jeremiah Silkowski
Chief Executive Officer
(Principal Executive Officer)