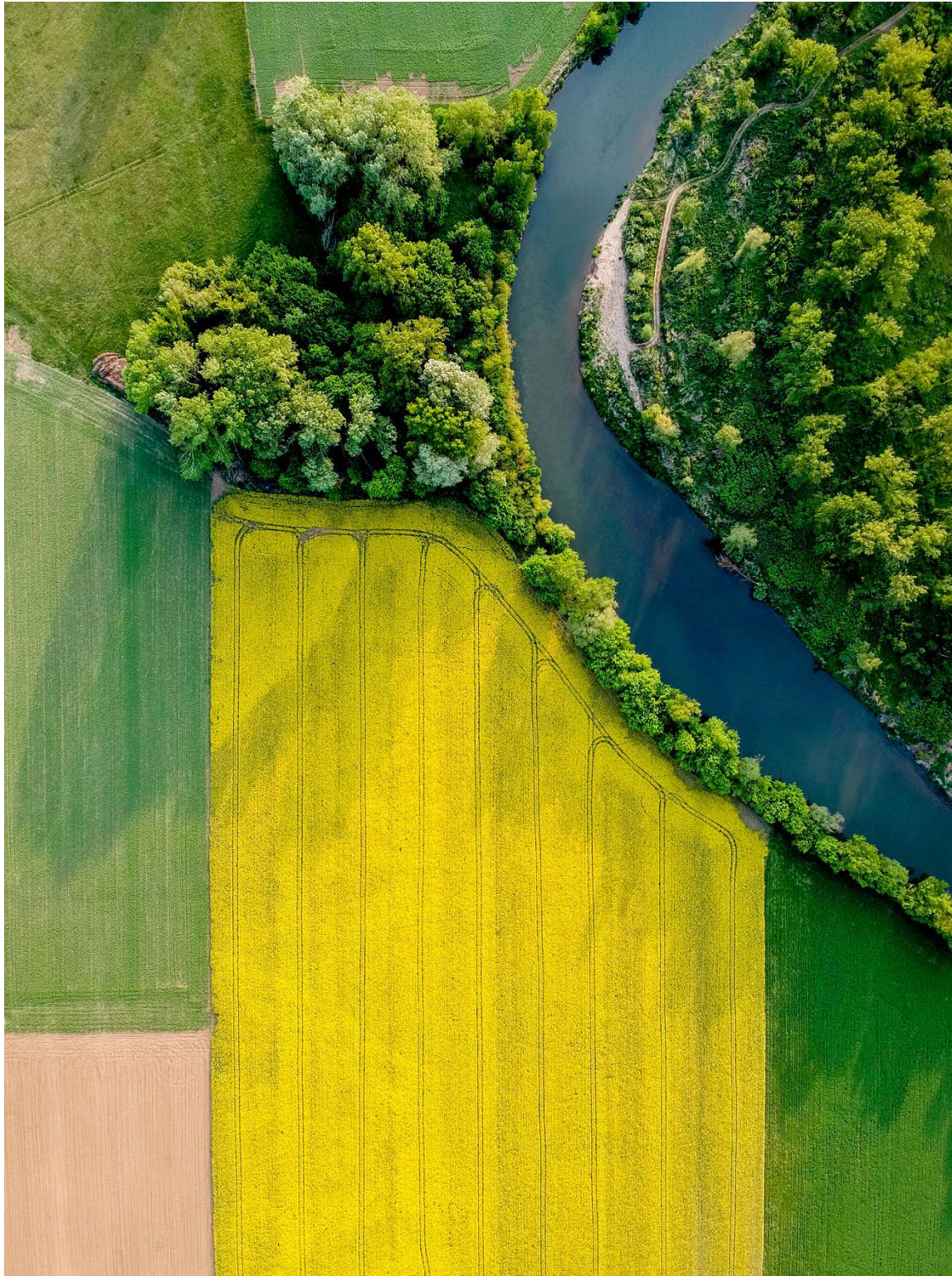


Enhanced Capital

2021 Community Impact Report

Building Stronger & Sustainable Communities





Enhanced Capital

As a pioneer in the impact investing space for over 21 years, Enhanced Capital remains committed to achieving quantifiable impact across the US lower middle market while meeting investors' goals through investments in Small Business Lending, Impact Real Estate, and Climate Finance strategies.

Investment Strategies



Impact Real Estate



Small Business Lending



Climate Finance

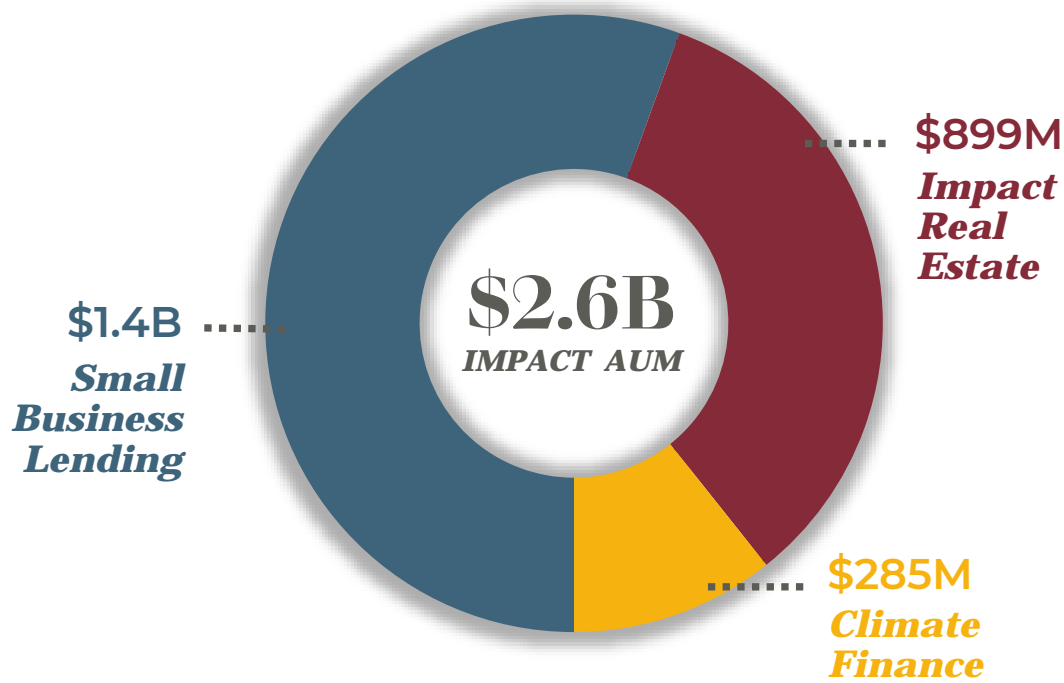
Enhanced Capital supports economic growth, job creation, disadvantaged and underserved communities, underrepresented populations, and environmental sustainability through credit and equity investments. To ensure impact and growth in communities nationwide, Enhanced Capital systematically tracks metrics for each investment, using the United Nation's Sustainable Development Goals (UN SDGs) Framework to complement the Firm's impact measurement structure and further enhance its disciplined Impact Measurement and Management (IMM) policy.

We are proud of our accomplishments and are grateful for our wide network of partners and stakeholders. We look forward with excitement and gratitude as we continue to build on the firm's legacy to support communities, businesses, and projects throughout the country.



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Investment Strategies & Figures



Small Business Lending

Total Invested **\$1.2 Billion**
Small Businesses Financed **450+**

Impact Real Estate

Total Invested **\$840 Million**
Projects Financed **232**

Climate Finance

Total Invested **\$280 Million**
Transactions Executed **43**

Impact Investing

Intention

Enhanced Capital uses the Global Impact Investing Network's (GIIN) formal definition of impact investing to guide the Firm's investment principles and processes:

Impact investments are investments made with the intention to **generate positive, measurable social and environmental impact alongside a financial return.**

Commitment

Enhanced Capital's investment process is deeply rooted in achieving impact through investments that benefit communities and investors alike. The Firm is committed to utilizing best practices to assess and report on investment activity to **provide transparency to all stakeholders.**

Impact Themes













As a thematic impact investor, Enhanced Capital targets investments that contribute to four critical themes: **Economic Growth and Job Creation; Underserved Communities; Underrepresented Populations; and Environmental Sustainability.**

Enhanced Capital's Impact Measurement & Management (IMM) process is integrated with traditional diligence to ensure Impact goals are met. This starts at the screening level through to annual reporting. The IMM is reviewed annually to improve and strengthen the rigor of the process.

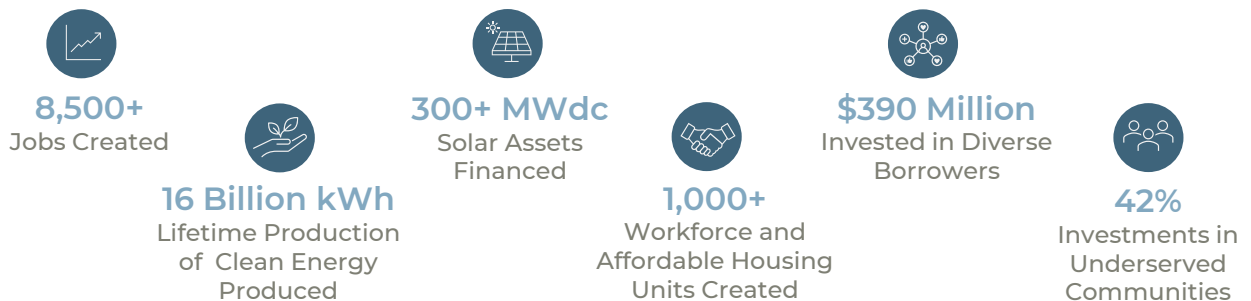


Our Impact

To achieve our Impact goals, Enhanced Capital aligns each investment to the United Nations SDGs. Enhanced Capital's strategies prioritize Goals 8 (Decent Work & Economic Growth), 10 (Reduced Inequality), 11 (Sustainable Cities & Communities), and 13 (Climate Action).

Portfolio Percentages that Contribute to Each Goal			
Economic Growth and Jobs	Underserved Communities	Underrepresented Populations	Environmental Sustainability
 Decent Work & Economic Growth 75%	 No Poverty 2%	 Gender Equality 12%	 Affordable & Clean Energy 9%
 Industry, Innovation & Infrastructure 6%	 Zero Hunger 3%	 Reduced Inequality 50%	 Responsible Consumption & Production 8%
 Sustainable Cities & Communities 21%	 Good Health & Well-being 11%		 Climate Action 10%
	 Quality Education 4%		

In addition to prioritized goals, our investments support and bolster additional goals that benefit communities and people.



Signatory of:



Since inception to 12/31/2021

Small Business Lending

Enhanced Capital finances small businesses that inspire economic growth, support environmental sustainability, and champion diverse business owners. Each investment backs innovation, ingenuity, and US job growth.

The Small Business Lending strategy focuses on senior and subordinated debt transactions for small businesses with a successful operating history to generate economic returns while meeting the Firm's impact objectives. Our team works closely with each borrower and offers additional development services that help borrowers achieve operating goals.

Small Business Lending is critical to the Firm's overall Impact goals. Enhanced Capital believes small businesses offer unique benefits to our society and are the backbone of our communities. Since inception, Enhanced Capital's investments in small businesses **supported over 21,000 jobs** across the US.

In 2021

Transactions Executed 42

Small Business Investments \$89 Million

Jobs Supported or Retained 12,000+



The background of the entire page is a photograph of a school hallway. On the left, a young man in a dark sweater and trousers stands leaning against a wooden door frame, looking down at a book. A grey and black backpack sits on the floor next to him. On the right, another young man in a dark sweater and grey trousers walks towards the camera, smiling and holding two books. The hallway has a tiled floor, wooden doors, and fluorescent lighting on the ceiling.

Project Spotlight

St. Augustine High School



New Orleans, LA



Underrepresented Populations
Job Creation & Retention
Underserved Communities

Enhanced Capital partnered with St. Augustine High School to upgrade its aging campus and transform the existing facilities into best-in-class learning environments. St. Augustine is a nonprofit college preparatory school located in an area of New Orleans with a poverty rate of 42%. The school offers a well-rounded education to young men in eighth to twelfth grade, regardless of the student's background. Enhanced Capital's investment allowed for the necessary renovations and upgrades for classrooms, state-of-the-art STEM laboratories, and additional energy efficiency solutions. In 2021, 98% of St. Augustine's 114 graduates entered a four-year college or university, with 1% enrolling at a community college and the remaining 1% joining the military ranks. The students accepted to four-year colleges or universities earned \$8.6 million in scholarships and financial aid. Enhanced Capital is proud to support St. Augustine and the values it instills in each student.

Impact Real Estate

Enhanced Capital's Impact Real Estate strategy finances projects across the nation that **stimulate economic and community development and sustainable infrastructure**. Investments include historic preservation, community redevelopment and revitalization, environmental sustainability, and affordable housing.

Enhanced Capital's financial support has helped to **build stronger and more resilient communities** through projects in education, housing, entertainment, manufacturing, and community services. Over the last five years, Enhanced Capital has **closed over 150 transactions** and **deployed over \$660 million** in Impact Real Estate.

In 2021

Total Capital Invested **\$80 Million**

Average Poverty Rate **28%, 2x the national average**

Investment in Energy Efficiency & Remediation **20% of total capital invested**



Project Spotlight

Greeley & Hoffman Lofts



St. Louis, MO



Underrepresented Populations
Underserved Communities
Environmental Sustainability

Enhanced Capital partnered with the Advantes Group to rehabilitate the historic Hoffman and Greeley buildings located in the Laclede's Landing neighborhood of St. Louis, MO, increasing affordable housing in the area. The Hoffman building was originally a produce distribution center and the Greeley building, constructed in 1881, operated one of the first wholesale dry groceries. Financing from Enhanced Capital supported the removal of harmful contaminants found in the soil and groundwater, including lead and asbestos. The investment also financed the redevelopment of both buildings for residential and commercial use. The Hoffman and Greeley buildings will offer 68 affordable apartment units for households earning between 80% and 120% of the Area Median Income (AMI). This investment will significantly contribute to the area's recent historic redevelopment efforts by providing affordable housing to this popular neighborhood.

PARKING
\$7

Climate Finance

Enhanced Capital's Climate Finance strategy **supports carbon mitigation and the transition to a clean energy economy** by investing in sustainable infrastructure projects and small businesses throughout the US.

These investments finance renewable energy asset development, energy efficiency improvements through C-PACE, environmental clean-up through brownfield remediation, corporate sustainability projects, and climate-focused small businesses.

2021 proved to be a significant growth year for the Climate Finance team, having reached a record of financing **over 90 megawatts installed**. This momentum carries us forward to participate in the rapidly evolving opportunity set within environmental sustainability.

In 2021

Total Capital Invested **\$95 Million**

Capacity Installed **94 MWdc**

Projected Lifetime Energy Generation **6,833,000,000 kW-hrs**

Projected Lifetime CO₂ Emissions Avoided **3,996,000 Metric Tons**



Project Spotlight

Sunlight General

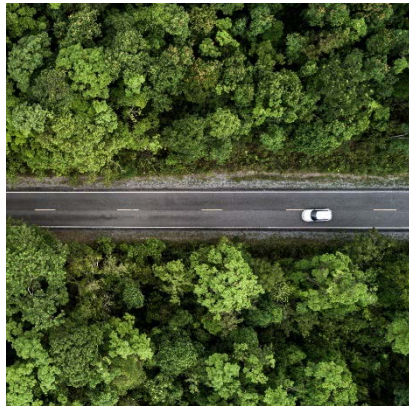


Washington DC



Environmental Sustainability
Underserved Communities

Enhanced Capital collaborated with developer Sunlight General to execute a new solar development project in Washington DC to offer a more affordable energy source to low-income families through the Solar for All (SFA) program. The investment supported a 1,153 kWdc solar project, which is expected to produce over 1,300,000 kilowatt-hours of energy during the first full year of operation and over 32,000,000 kilowatt-hours over the useful life of the solar panels. This energy production offsets over 23,00 metric tons of carbon dioxide, the equivalent to the consumption of 2.6 million gallons of gasoline. The project will provide clean, locally generated power directly to qualifying low-to-moderate income households at no cost to help lower their overall energy bill. SFA is expanding access to solar energy throughout DC and aims to serve over 100,00 participants. Enhanced Capital is proud to support clean energy development and expand access to renewable resources to underserved communities.



EnhancedCapital