



Annual Impact Report

2023-2024

Advantage
Capital Growth
Ready.

Advantage Capital stands at the forefront of the impact investing industry ... at an important and pivotal time when the appetite to pursue and participate in a double-bottom line investment strategy is growing.

As trailblazers within this industry, we have consistently expanded the scope of our impact to ensure we are meeting the moment and our Mission. What began as one fund in one state—focused exclusively on small businesses—has grown to dozens of states and programs that include affordable housing and renewable energy initiatives.

However, our journey is far from complete. Recognizing the challenges ahead, we remain resolute in our determination to effect positive change. The core of our investment ethos centers on funneling capital to growth-ready entrepreneurs and industries in underserved areas.

In 2023, we made significant strides. In 2024, we are poised for even more progress.



Steven Stull
President



Sandra M. Moore
Managing Director & Chief Impact Officer

Our Overarching Impact

We are building lasting impact by investing strategically in job-generating small businesses, affordable housing, and renewable energy. We lift people up, grow local economies, and revitalize those communities in need with measurable results and positive returns.

To date, we and our partners have:

Invested

\$4.1 Billion

in portfolio companies to support quality jobs.

Invested

\$400 Million

in affordable housing units to support stability.

Completed

\$1.6 Billion

in renewables transactions to provide clean energy solutions.

Supporting Small Businesses

Investment capital is not always readily available in the areas where we concentrate. Businesses in rural towns and distressed urban census tracts do not usually have the same access to investment as companies and communities on the coasts.

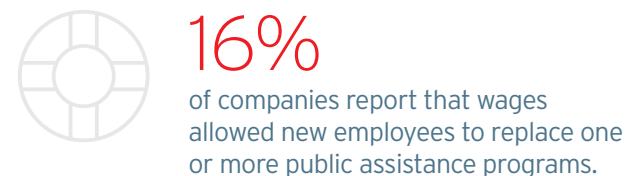
Entrepreneurs and operators in overlooked areas of America often face investment obstacles when managing growth. Partnering with policymakers and investors that share our impact investing interests, we funnel capital to the people and places that need it and are ready to seize it.

In 2023, we invested more than **\$176 million** in **67 businesses** across **25 states** supporting more than **3,300 quality jobs**.

SMALL BUSINESS IMPACT BY THE NUMBERS

We advocate for and ensure meticulous measurement of outcomes within impact investing. We have a function dedicated to tracking and reporting the tangible results of our work.

Our latest survey of more than 150 of our active portfolio companies uncovered:



Providing Robust Opportunities for Las Vegas' Hospitality Workers

GOODWRX

Based in Las Vegas, Goodwrx is providing a tech-enabled platform that offers a solution to a problem rooted in a historically inefficient hospitality labor market. The company's product allows employers to staff shifts that might otherwise go unfilled, while providing hospitality workers more opportunity to reach full employment. Our investment, made in connection with both the federal and Nevada New Markets Tax Credit (NMTC) programs, provided the company with working capital to expand its marketing efforts and develop new product features.

"Our work is made possible by proven public policy that turns incentives into investment into impact. We are honored to work alongside legislators that understand the importance of these efforts and serve as champions of small business in their states."



Ryan Brennan
Managing Director

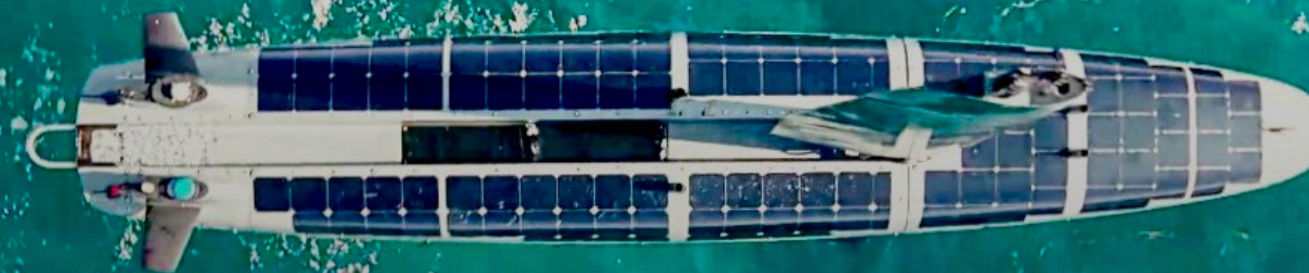
Supporting Business Expansion in Utah

FARMSTEAD MANUFACTURING

Farmstead Manufacturing, a rural Utah-based baked goods manufacturer, required capital to expand its facility. In 2023, Advantage Capital provided the company with a \$1.75 million investment in connection with the Utah Rural Jobs Act to help expand its commercial bakery from 1000-square-feet to 5000-square-feet. With the expansion of its facility, Farmstead will become a major employer in Leeds, Utah—a town of just 877 people—with plans to hire 25-30 new employees. These positions will offer competitive starting wages of \$21 per hour with comprehensive health, dental, and vision benefits.

Enabling Business Innovation in Gulfport, Mississippi

OCEAN AERO



Ocean Aero manufactures autonomous ocean drones utilized by the U.S. Navy and the Department of Defense. By securing financing through the Mississippi Small Business Investment Company Act and the federal NMTC programs, the company successfully relocated its headquarters to Gulfport, Miss. This forward-thinking enterprise is now generating numerous high-quality employment opportunities for the local community.

Financing Affordable Homes

There is a shortage of more than 7 million affordable housing units for low-income renters across the country—disrupting family stability and creating a negative economic ripple effect within often already vulnerable communities.

We leverage federal and state tax credit programs to help finance housing developments and increase access to safe, high-quality, and affordable homes for low-income families, veterans, public service workers, and other vulnerable populations in America.

Since 2015, we have invested more than **\$400 million** in **137 affordable housing developments**, supporting the housing needs of more than **10,000 families**.



Supporting Homeless & Nearly Homeless Populations in Boulder, Colorado

BLUEBIRD APARTMENTS

The Bluebird Apartments provide supportive housing to address the needs of homeless residents in Boulder, Colo. The new development provides 40 units with amenities grounded in trauma-informed design. Additionally, the nearby Boulder Shelter for the Homeless helps to coordinate a full suite of services for tenants. This new development has state, county, and local support including a \$3 million investment from the city to help see the project through. Bluebird is located in central Boulder, giving tenants easy access to transportation, retail, jobs, and services, which will be crucial to helping residents transition out of homelessness.

“Affordable housing is the epitome of investing for impact. From health and wellness implications to socioeconomic outcomes and countless community benefits, it is one of the largest, most diverse avenues for investors to positively impact people’s lives.”



Cindy Colvin
Managing Director



Actively Working to Close the Affordable Housing Gap in Wisconsin

THE EDISON SCHOOL APARTMENTS

In Wisconsin, there is a shortage of more than 120,000 rental units—impacting communities across the state. Advantage Capital Affordable Housing’s \$3.9 million investment to convert an old school building into affordable housing units is helping to offset that reality. The Edison School Apartments will be a 75-unit, mixed-income development that includes the construction of new townhomes. The target population is both families and seniors, with 15 of the units being reserved for people who have permanent developmental, physical, sensory, medical or mental health disabilities, and an additional nine will be set aside for veterans.

Offering Our Nation’s Capital Increased Access to Affordable Housing

CYCLE HOUSE

In Washington, D.C., where there is a shortage of more than 30,000 rental homes affordable and available for low-income renters, Advantage Capital Affordable Housing is financing the new construction of a development that will create a transit-oriented, affordable apartment building to area residents. The project will include a high-performance sustainable design that exceeds D.C.’s Green Code requirements and will achieve a net-zero energy footprint.

Expanding Renewable Energy Access

Renewables provide low-cost, sustainable energy solutions to people, households, and communities able to access them. Solar projects in particular are creating lasting economic impact, as they are often the largest-ever investment in the areas where they are located.

We leverage tax credit programs to finance and develop high-impact projects that actively expand access to clean energy innovation in America. Currently, we have an emphasis on solar solutions, as it is the fastest-growing energy sector in the world at some of the lowest costs for consumers.

In 2023, we raised **\$1.2 billion** in capital commitments to support **63 solar projects** that can power the equivalent of **67,906 homes** with clean energy.



ADVANTAGE CAPITAL



Delivering Solar Solutions to Texas Residents

CUTLASS SOLAR II

In partnership with Sabanci Renewables, Advantage Capital financed Cutlass Solar II—a 272-megawatt utility-scale solar project located outside of Houston, Texas. The project is in the Electric Reliability Council of Texas (ERCOT), one of the largest U.S. markets for renewable energy development. Once complete, the project will provide sustainable electricity to more than 80,000 homes in Texas and create hundreds of jobs for the local economy during construction. The project will also help to mitigate energy supply security concerns, especially in the hot summer months within the growing Houston hub.

ANNUAL IMPACT REPORT

“It is exciting to participate in this innovative, incredibly important industry. We are applying our 30+ years of experience and proven investment approach to provide tax-advantaged financing for high-impact energy projects across the country.”



Scott Murphy
Managing Director & Chief Investment Officer



Providing Clean Energy to Georgia Communities

HEELSTONE RENEWABLE ENERGY

Heelstone Renewable Energy is a leading utility-scale solar developer. Advantage Capital's investment will help fund Heelstone's four Georgia utility-scale solar projects currently under construction: Bird Dog Solar, Blackwater Solar, Hobnail Solar, and Wolfskin Solar. The energy produced by the four projects is enough to power more than 55,000 homes with clean energy annually.



Innovative Financing Fueling Solar Developments

HORNET SOLAR

Advantage Capital's support of the Hornet Solar Project located in Swisher County, Texas will generate 600 megawatts alternating current capacity and will be one of the largest single-phase solar projects in the United States. The project will reach full commercial operation early in 2024 and will generate enough clean energy to power 160,000 homes annually. Hornet Solar is one of the first utility-scale solar projects financed using both the transferability provision and the Production Tax Credit (PTC) election made available under the Inflation Reduction Act passed in 2022—putting Advantage Capital at the forefront of innovative financing structures in the industry.

A Word on Our Civic Giving

As we aim to strengthen communities, it is critical we are active and involved corporate citizens. We are committed to contributing to the causes and organizations we care about.

The mission behind our civic engagement is to help mentor and foster growth in the youth of today and the entrepreneurs and workers of tomorrow.

In 2023, Advantage Capital donated \$100,000 a piece to Son of a Saint in New Orleans and Arch Grants in St. Louis. This special set of donations underlines a long history of supporting growth opportunities in communities.

Arch Grants

Arch Grants provides up to \$100,000 in equity-free grants and access to an ecosystem of resources, helping early-stage startups grow and scale. The organization was founded in 2012 and seeks to be a resource for entrepreneurs developing the next generation of employers, civic leaders, and philanthropists throughout the St. Louis region. Our donation to Arch Grants is helping to further this mission and drive funding to the innovators and entrepreneurs of tomorrow.

A SAINT

Son of a Saint

Founded by the son of a New Orleans Saints football player who lost his father at an early age, Son of a Saint provides lasting mentorship, emotional support and life skills development for young men in the community. Our donation to Son of a Saint helped establish the Advantage Capital Direct Scholarship for deserving elementary and high school boys and girls to support their attendance at tuition-based New Orleans schools.

Thank you to our partners and investors.

Together, alongside our network of partners, policy makers, investors, and other agencies, we are able to expand our reach and invest strategically with purpose and efficacy. It is truly a team effort to drive meaningful impact.

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The investments referenced herein represent a small sample of Advantage Capital’s investments that were selected solely to illustrate their community impact under state and federal tax credit programs. The sample includes companies from different industry sectors with a mix of investment instruments, and the profitability of any single investment was not a factor in the selection process. Nothing in this document should be interpreted or construed as performance data of any kind, nor as any implication or statement that investments previously made by Advantage Capital were or are successful.

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