



STONEHENGE  
— CAPITAL —

## **ANNUAL IMPACT REPORT**

**2020**





## WELCOME TO OUR 2020 ANNUAL IMPACT REPORT

There are plenty of ways to describe 2020, but in summation we can all agree that it was challenging. The challenges extended beyond what we have encountered in the past as we adapted to work from home, managed remote learning and dealt with a variety of social challenges over the course of the year. We are proud of our team as they seamlessly managed the personal disruptions caused by COVID-19 to provide guidance and relief to our portfolio investments while continuing in their daily capital deployment and formation pursuits. Our team's resilience comes as no surprise. For the past 20+ years Stonehenge's 50+ team members have exemplified perseverance while expanding and adapting to changes necessary to honor our core mission of investing capital that transforms communities and stimulates economic growth.

The challenges of 2020 have accelerated the financial industry's focus on impact investing using environmental, social and corporate governance ("ESG") metrics. Since our founding in 1999, Stonehenge has employed an ESG-focused investment strategy that has been the driving force behind everything we do. From investing in distressed communities in need of revitalization, to partnering with small businesses seeking funding to continue their growth trajectory, to providing tax equity that is critical to support affordable housing, renewable energy and historic rehabilitation, at Stonehenge, we walk the walk every day.

Stonehenge is pleased to have joined the United Nations Global Compact, the world's largest global corporate sustainability initiative. The U.N. Global Compact's multi-year strategy aims to drive business awareness and action in support of achieving 17 Sustainable Development Goals by 2030. Our pledge to support these goals is a natural extension of our 20+ year track record of pursuing investment opportunities focused on community development and delivering meaningful environmental and social impacts. This year, we highlight our commitment to investing with purpose using the U.N. Sustainable Development Goals icons to illustrate our impacts in a universal language.

At Stonehenge Capital, we are steadfast in our pursuit of a brighter tomorrow, dedicated to our mission of investing transformational capital in underserved communities, creating jobs, and fueling economic development. Thank you for your continued support of Stonehenge. We are committed to exceeding your expectations, building upon the strength of our partnerships to transform communities nationwide.



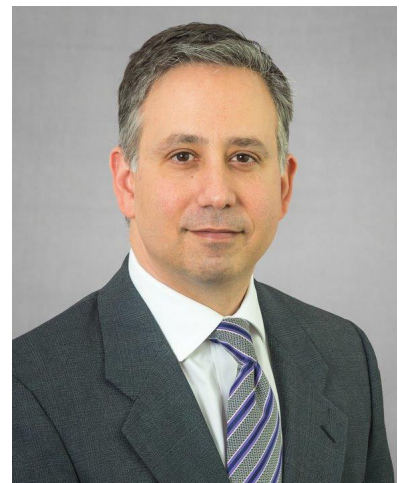
**L'QUENTUS THOMAS**

SENIOR MANAGING DIRECTOR  
COMMUNITY DEVELOPMENT



**WHITNEY LANASA**

SENIOR MANAGING DIRECTOR  
TAX CREDIT SERVICES



**STEPHEN BENNETT**

SENIOR MANAGING DIRECTOR  
GROWTH CAPITAL

# OUR BUSINESS LINES

Stonehenge Capital is a nationally recognized leader in community development and specialty finance, producing strong financial returns for investors and impactful social returns for communities. Our three business lines provide innovative financing solutions where they are most needed, delivering a variety of debt and equity financings to spur development and economic growth across the country.

Since 1999, Stonehenge Capital and each of its business lines have developed and deployed capital solutions that were tailored to satisfy the needs of over 600 operating companies, historic & affordable real estate developments, film productions and renewable energy projects across the country. A majority of these investments have helped investors satisfy their Community Reinvestment Act ("CRA") ratings and supported the pursuit of Environmental, Social and Corporate Governance ("ESG") standards.

## COMMUNITY DEVELOPMENT



Our Community Development business line invests in businesses located in economically distressed communities through federal and state incentive programs, with the overarching goals of creating quality jobs and driving significant minority impact across our portfolio. That mission has guided our actions from our first federal New Markets Tax Credit allocation to the formation of our new Stonehenge Community Impact Fund LP, an SBIC credit fund focused on low-to-moderate income communities. We remain steadfast in our commitment to reducing inequality by supporting job creation and economic growth, transforming underserved areas into vibrant, resilient, sustainable communities.

## GROWTH CAPITAL



Our Growth Capital business line provides mezzanine debt and equity to high-growth small businesses in markets often lacking non-bank financing options, providing patient capital and flexible financing solutions customized to a company's unique strategic and financial plan. Our portfolio companies trust our expert guidance to help them realize true business growth. Our team of 10 investment professionals works hand-in-hand with each portfolio company to reinforce its position as a market leader and collaborates with management on key decision-making.

## TAX CREDIT SERVICES



Our Tax Credit Services team participates in a variety of federal and state incentive programs designed to stimulate private capital investment in targeted industries and generate economic growth. The investments provide developers and producers with the tax equity needed to support the completion of affordable housing, renewable energy, historic rehabilitations and film productions. Stonehenge manages these investments on behalf of Fortune 500 companies, banks, insurance companies and individual taxpayers. These investments provide our investor clients with a tax planning tool that generates economic and social returns that assist with satisfying CRA ratings and ESG metrics. Stonehenge has continuously evolved to offer our investor clients an array of federal and state tax credit products and investment opportunities that provide diversification amongst tax credit type, geography and risk adjusted returns.





## IMPACT INVESTING & ESG

Impact and ESG investments have become a part of the national dialogue, but at Stonehenge Capital, we have simply referred to it as the right way to do business since 1999. Operating at the nexus of community development and finance since our founding, Stonehenge has invested with purpose, going where other firms won't, doing what other firms should. Our investments create affordable housing, restore blighted buildings and contribute to the adaptive reuse of historic landmarks, protecting the cultural history of Main Street communities across the country. Our financing solutions support small business growth and job creation for rural manufacturers, minority- and women-owned companies, and businesses located in economically distressed urban areas. We fund Federally Qualified Health Centers targeting underserved and at-risk populations, bringing quality, affordable healthcare to low-income communities. We provide capital to support the development of renewable energy to create an affordable alternative that paves the way for a more sustainable future. We finance the development of safe, accessible and affordable housing for low-income families, helping alleviate the nationwide housing crisis.

We are pleased to have joined the United Nations Global Compact, the world's largest global corporate sustainability initiative. Our commitment to the UN Global Compact and its Sustainable Development Goals help communicate and provide transparency to our clients and investors and communicate the Stonehenge story to a global audience.

The UN Global Compact's multi-year strategy aims to drive business awareness and action in support of achieving seventeen (17) Sustainable Development Goals by 2030. Our pledge to support these goals is a natural extension of our 20+ year track record of pursuing investment opportunities focused on community development and delivering meaningful environmental and social impacts.

We have included the U.N. sustainable development icons alongside each of our featured investments to illustrate our alignment with these global goals. **Our featured investments satisfy 11 of the 17 goals which are achieved by operating within Stonehenge Capital's mission of investing capital that transforms communities and stimulates economic growth to transform our nation's communities.**



End poverty in all its forms everywhere



End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Ensure healthy lives and promote well-being for all at all ages



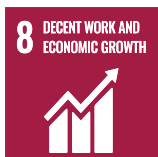
Achieve gender equality and empower all women and girls



Ensure availability and sustainable management of water and sanitation for all



Ensure access to affordable, reliable, sustainable and modern energy for all



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Reduce inequality within and among countries



Make cities and human settlements inclusive, safe, resilient and sustainable



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts

## 2020 IN REVIEW

Stonehenge Capital maintains a diverse portfolio of investments which span a wide variety of industries and asset classes, all of which were impacted in different ways by COVID-19. Stonehenge and its employees worked closely with portfolio investments to provide applicable relief and assisted management teams to secure funding through the Paycheck Protection Program ("PPP"). Our asset management and business development teams worked diligently with owners and management teams to address the individual needs of each investment.

Our Growth Capital and Community Development teams were successful in assisting 41 portfolio companies access \$32 million of PPP assistance that ranged from \$17,000 to \$3 million. The Tax Credit Services team worked closely with development teams across the country in a variety of asset classes to understand the needs and provide modifications necessary to keep each investment in compliance and operational.

Our investment portfolio welcomed the collaborative approach that consisted of payment deferral, flexible restructuring options, business model pivots, downside scenario modeling and shared best practices across the portfolio. We believe that the time and effort spent through this process strengthened our portfolio relationships and was critical to the success of each business and the communities where they reside.

## AN EYE TO THE FUTURE

Despite the economic uncertainties associated with COVID-19, Stonehenge was steadfast in its approach to capital deployment, investment management and capital formation. Each business line was able to satisfy internal and external deployment goals while also demonstrating success in securing additional investment commitments. Capital formation and fundraising are necessary to fuel Stonehenge Capital's growth, its ability to make investments that support the growth of small businesses in low income and rural communities and to provide the financing necessary to develop affordable housing, renewable energy and complete historic rehabilitations nationwide.

In 2020, Stonehenge Capital was successful in closing a number of new investment funds that will support a variety of purposes, as outlined below. We are committed to identifying, structuring and closing investments that appropriately manage risk, satisfy program or policy goals and are consistent with Community Reinvestment Act ("CRA") and ESG metrics.

BUSINESS LINE	INVESTMENT TYPE	PURPOSE
Tax Credit Services	Tax Equity	Tax Credit Services was successful in capitalizing federal and state tax equity investment funds that will support the development of affordable housing, renewable energy and completion of historic rehabilitations nationwide.
Community Development	Debt & Equity	Community Development closed an impact fund that will focus on investment in low-to-moderate income communities and will prioritize investment opportunities that reduce inequalities by supporting job creation and economic growth. Additional funds were closed through state New Market Tax Credit Programs in Kentucky, Louisiana and Nevada to support small businesses in low-income communities.
Growth Capital	Debt & Equity	Growth Capital closed an investment fund through the Pennsylvania Rural Business Investment Company program and will focus on investments in small businesses in rural PA.

**We appreciate the commitment and trust afforded by our investor partners and look forward to deploying capital in 2021 and beyond!**



## PROJECT PROFILES: COMMUNITY DEVELOPMENT



### Three Square Food Bank

Three Square, Southern Nevada's only food bank, provides fresh produce and balanced meals to nearly 450,000 food-insecure residents in its service area, including approximately 171,510 children. Stonehenge Capital's \$2.9 million investment through the Nevada New Markets Tax Credit Program will allow Three Square to continue its mission of "providing wholesome food to hungry people while passionately pursuing a hunger-free community."



**"Stonehenge Capital's investment in Three Square not only fulfills our mission of investing capital and providing opportunity in low-income communities and communities of color, but also supports our hope that every child in Southern Nevada is safe, secure and healthy."**

**– L'Quentus Thomas, Senior Managing Director**

### Old Souls Farms



Old Souls Farms, located in the rural village of St. Paris, Ohio, partners with national brands to process and package food products, reducing waste and increasing efficiency through custom engineering solutions. Old Souls also grows specialty greens, herbs and lettuces in hydroponic greenhouses and packages and sells the fresh produce to local grocery stores and restaurants, with the goal of harvest-to-plate in one day. The technologically advanced greenhouses use four times less water than an average household, and the produce is grown without the use of pesticides or herbicides. Old Souls Farms will use the \$5.0 million investment from Stonehenge Capital to expand operations and expects to create 12 new jobs, bringing its total workforce to 53 employees.



**Significant Minority Impact:** In alliance with the National Urban League, Stonehenge Community Development invests in projects and communities that deliver significant minority impacts. The success of this strategic alliance has surpassed our expectations in terms of creating jobs for minorities, growing minority-owned businesses, empowering underserved communities, and changing lives through deliberate, thoughtful, and mission-oriented investments. We are proud of the positive impact our long-standing relationship has achieved and look forward to continuing to work closely with the NUL to drive quality job creation, support entrepreneurship and training, and expand access to capital while prioritizing minority impact.

## PROJECT PROFILES: GROWTH CAPITAL

### LilyAna Naturals



LilyAna Naturals, a digitally native skincare company based in Collinsville, Mississippi, started as a home-based business in 2014. Today its leading products are some of the highest-rated on Amazon.com. A \$6.45 million investment from Stonehenge Capital will allow this female-founded, minority-owned company to develop new products, expand its Collinsville facility to support increasing e-commerce sales, and create new jobs in this rural town of approximately 1,600 residents.

All LilyAna Naturals products are cruelty-free, and paraben- and phthalate-free. The investment was made through the Mississippi Small Business Investment Company program, which seeks to provide access to growth capital for small businesses throughout the state.

“Our investment in LilyAna Naturals is one of our largest investments in Mississippi to date and our first in the e-commerce space in the state,” said Matt Malone, Director at Stonehenge Capital. “We look forward to working alongside the owner to help this small business reach new heights by achieving its strategic goals.”

### Retreat at Southern Connecticut



Retreat at Southern Connecticut, a drug and alcohol rehabilitation center located in New Haven, provides innovative drug and alcohol addiction programs and mental health treatment in a supportive, medically monitored environment.

Connecticut has some of the highest rates of alcohol and illicit drug dependence in the country. Less than 12% of those needing substance abuse treatment receive such treatment. A \$6 million investment from Stonehenge Capital helped Retreat meet a substantial need for residential drug and alcohol treatment in Connecticut. Retreat is the only inpatient treatment center approved to treat VA patients from hospitals and clinics in CT, MA, RI, and NY. The investment has already created 126 jobs in New Haven and is expected to create 39 more new jobs.



### FCP Euro

For the seventh year, FCP Euro appears on the Inc. 5000 Fastest-Growing Companies in America, ranking no. 2239 with three-year revenue growth of 187%. Since its inception online in 2001, the company is projected to surpass \$500 million in revenue by 2024.





## PROJECT PROFILES: TAX CREDIT SERVICES | HISTORIC REHABILITATION

### Academy Lofts Adair Park



Stonehenge Capital is pleased to have been a participant in the \$8.1 million historic rehabilitation and adaptive reuse of the former George W. Adair Elementary School, in Atlanta, Georgia. The Academy Lofts feature 35 affordable units, office space, an art gallery, a community events space and a coffee shop and café.

Stonehenge Capital's \$1.6 million investment in the state historic tax credits supported the federal HTC and New Markets Tax Credit investments that were essential to bringing this project to fruition and preserving a historic piece of the Adair Park neighborhood.

### Easley Mills



Built in 1901, the Easley Cotton Mill produced convertible and export cotton sheeting during South Carolina's textile manufacturing boom. The Easley Mill, shuttered in 1990, sat vacant for 30 years - and even had an Oak tree growing through the roof of the former icehouse building - before the right development team came together to transform the 230,899 sq. ft. mill.

The Development team, led by Multi-Family Select's Dottie Troxler, worked diligently to assemble a rehabilitation loan through the U.S. Department of Housing and Urban Development's 221(d)(4) program, successfully coordinating a multi-faceted closing that included South Carolina Historic and Textile Mill Tax Credits and federal Historic Tax Credits.

Stonehenge Capital supported the \$39.4 million rehabilitation by providing a tax credit bridge loan and an investment in the \$11 million state tax credits. The project features 128 residential units with amenities that include a fitness center and pool. The project offers residents direct access to a local bike trail system and is a short walk to downtown Easley.

**"On behalf of the Clayton family and Multi-Family Select, we are proud to restore this beautiful building to commerce and provide an attractive housing alternative to residents or transplants looking to relocate to Easley,"**

**- Dottie Troxler, Multi-Family Select**



## AFFORDABLE HOUSING



Stonehenge Capital renewed its commitment to supporting quality affordable housing by investing in state Low Income Housing Tax Credits that will be generated by three projects in Georgia. Stonehenge's investments supported approximately \$60 million of development activity, resulting in nearly 300 new affordable housing units.

**"Our team is passionate about addressing critical housing needs across the country and will continue to drive investments into projects that have positive impacts on the communities we serve."**

**- Whitney LaNasa, Senior Managing Director**

## RENEWABLE ENERGY



Stonehenge Capital made eight investments in 2020 supporting the development of photovoltaic electricity generation systems, providing federal Renewable Energy Tax Credit equity for projects totaling over \$65 million in development costs and generation capacity in excess of 50 MWDC.

"These investments support the development of renewable infrastructure to achieve clean energy goals," said Taylor Mayeux, Director at Stonehenge Capital. "Following the extension of this vital tax credit program, we look forward to closing additional investments in this space to create a more sustainable and secure energy future."

The impact of these investments extends beyond the continued growth of utility-scale renewable energy in the U.S. According to the Greenhouse Gas Equivalencies Calculator provided by the U.S. Environmental Protection Agency, these eight projects' first full year of operations will reduce Greenhouse gas emissions equivalent of

- **11,850 passenger vehicles driven for one year; or**
- **136 million miles driven by an average passenger vehicle**  
**and the CO2 emissions equivalent to:**
  - **6+ million gallons of gasoline consumed; or**
  - **60 million pounds of coal burned; or**
  - **9,900 homes' electricity use for one year**





## 2021 AND BEYOND

We are encouraged by the economic recovery seen to date from the peak of the COVID-19 pandemic and optimistic that the economic recovery will continue as states implement reopening plans and procedures. Stonehenge Capital is committed to supporting our investment portfolio, and our business lines are well capitalized to support recovery efforts through the deployment of debt and equity solutions.

Each business line will continue to validate the CRA and / or ESG nature of our investments and look forward to communicating our results to our investor partners, portfolio investments, policy makers and peers.

### Community Development

Community Development will continue to build upon its track record of small business investments in low-income communities. The team is managing recent investments made through the KY, LA and NV and State NMTC Programs, deploying capital from the Impact Fund, and hopes to win an award in the 2020 round of the NMTC program.







In 2020, the Small Business Administration (“SBA”) granted principals of Stonehenge Capital a license to operate a Small Business Investment Company (“SBIC”). In partnership with the SBA and private investors, Stonehenge raised the Stonehenge Community Impact Fund LP (“Impact Fund”), to provide flexible debt capital to small businesses located in low-to-moderate income communities nationally. The Impact Fund will continue the firm’s longstanding work of investing in small businesses to help spur economic growth and job creation in underserved areas, including rural communities. Our investments help management teams realize their goals and, in turn, reinvest in their communities and workforces.



The federal New Markets Tax Credit (“NMTC”) program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities. The federal NMTC has been complemented by State NMTC Programs which are active in 11 states.

## Growth Capital

Growth Capital will continue to provide guidance to portfolio investments and deploy capital through state targeted investment funds in AL, CT, MS and NY. Additional emphasis will be placed on managing investments and deploying capital in state targeted funds in GA, OH and PA, each of which are dedicated to support small businesses located in rural communities. Growth Capital is raising an investment fund that will enable the team to provide debt and equity to middle and lower-middle market companies.

## Tax Credit Services

Tax Credit Services will provide federal and state tax credit equity necessary to develop affordable housing, renewable energy and complete historic rehabilitations nationwide. Additionally, the team will continue to invest in state tax credits generated by production studios and businesses that generate state tax credits.



The federal Historic Tax Credit (“HTC”) Program is one of the nation’s most successful and cost-effective community revitalization programs. The tax credit incentives foster private sector rehabilitation of historic buildings and encourage investment in local economies. The federal HTC is often supported by the state HTC Programs which are active in 35 states.



The federal Renewable Energy Tax Credit (“ITC”) program incentivizes investment in clean energy solutions that help America transition to a greener and more secure energy future. The ITC has been instrumental in the rapid growth of the renewable energy industry over the last decade and continues to fill an important financing gap for projects across the country. In 2020, the ITC Program was extended in order to provide developers and investors with the certainty necessary to pursue these projects.



The federal Low-Income Housing Tax Credit (“LIHTC”) and 21 state LIHTC programs encourage private investment in the development, acquisition and rehabilitation of affordable rental housing for low-income families.

**Since 1999, Stonehenge Capital has invested in tax credits in 70+ state tax credit programs in 37 states. Stonehenge’s state tax credit investments have supported a number of industries including but not limited to, film production, renewable energy and textile mill rehabilitations.**



## SUPPORTING OUR COMMUNITIES

Our employees make a difference in their communities, volunteering and donating to charitable organizations and causes close to their hearts. Stonehenge encourages employees to give back by matching contributions to qualified 501(c) organizations. As the non-profits featured on this page show, our team members' philanthropic giving reflects Stonehenge Capital's community development efforts and underpins our commitment to supporting the U.N. sustainable development goals.

**"Our ability to provide transformational capital and support small businesses during difficult times is who we are. It's what we do. That starts with a team that delivers results and plays a meaningful role in the communities we serve."**

**- Tom Adamek, President**



### 170,000 meals donated in 2020

When Stonehenge learned that food banks were struggling to meet demand during the COVID-19 crisis, we collaborated across our various locations and pulled together resources for food banks in Columbus, Baton Rouge, New Orleans, New York City, Long Island, Dallas, Atlanta and Hartford, cities that are home to our employees.

## SUPPORTING OUR COMMUNITIES



**Nicole Dillard**

Stonehenge Capital welcomed Nicole Dillard as our first fellow through the Open Access Fellowship 2021 program, an initiative created by advocates in the New Markets Tax Credits industry to increase diverse representation in community development finance with paid training and fellowship placement for professionals. Dillard, a banking and finance professional with more than 13 years of experience, worked primarily with our Community Development team in our Columbus, Ohio, office while also gaining exposure to our TCS and Growth Capital teams and learning about the products offered by each of Stonehenge's business lines.



**Tom Adamek**

Stonehenge Capital President Tom Adamek was elected to the board of the Baton Rouge Area Foundation. BRAF connects philanthropists with capable nonprofits and invests in and manages pivotal projects within Baton Rouge that can change the community. Tom also serves as the vice chairman of the board of directors for the Mary Bird Perkins – Our Lady of the Lake Cancer Center.



**Matt Orr**

Matthew Orr, Director at Stonehenge Capital, was elected to serve on the governing board of SocialVentures, a non-profit that advocates for, develops, and funds businesses in central Ohio that create social impact.



**Anna Kathryn Barber**

Anna Kathryn Barber, Director at Stonehenge Capital, was invited to join the Georgia Production Partnership's Industry Sustainer Council. GPP, a non-profit coalition of companies and individuals active in Georgia's film, video, music, and digital media industries, works to advance all aspects of the state's entertainment industry.



**Whitney LaNasa**

Whitney LaNasa, a Senior Managing Director at Stonehenge Capital was named a 2020 Forty under 40 honoree by the Baton Rouge Business Report.





## BY THE NUMBERS

Since 1999, we have invested in a variety of for-profit and nonprofit operating companies, real estate developments, historic rehabilitation projects, small businesses, renewable energy installations and film and entertainment productions in 37 states across the country. These investments support a variety of financing needs in small towns, rural communities and major urban centers across the country.

**\$4B**

in tax incentives

**\$1.2B**

Historic Tax Credits

**\$200MM**

Renewable Energy  
Tax Credits

**10,921**

minority jobs created/retained

**\$315MM**

invested in rural communities

**\$1.5B**

federal & state  
NMTC invested

**45,000**

jobs created or retained

**35%**

minority owned/managed

Stonehenge Capital is a nationally recognized leader in specialty finance. Headquartered in Baton Rouge, LA, with principal oversight in Columbus, OH and maintain production offices in AZ, CT, GA, MS, New Orleans, NY and TX.



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