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Small Business Community Capital II, L.P.

\$120,000,000 Aggregate Capital Commitment

The COIN Program invites proposals for safe, sound and solvent investments that offer an acceptable financial return and that also provide tangible social and/or environmental benefits to underserved low-income and/or rural communities.

TYPE OF INVESTMENT - (Reportable in NAIC Schedule BA; Schedule D – Bonds)

Small Business Community Capital II, L.P. (the “Fund” or “Partnership”) is an Impact SBIC Debt Fund being formed to provide capital to small businesses primarily in urban areas and inner cities. The Fund will, on a best efforts basis, look to invest at least 50% of its invested capital into impact investments defined as Small Business Concerns (“SBCs”) located in or employing residents of, or with at least 35% of its full-time employees at the time of initial investment residing in, Low-To-Moderate Income (“LMI”) areas. The Fund will invest in senior secured debt, subordinated debt and to a lesser extent equity. Small to mid-sized companies face a lack of capital availability, tight lending standards from traditional banks and challenges in accessing the market. Investors have migrated to larger markets, leaving the small to mid-size market underserved, creating a discount in underlying enterprise valuations. The Principals (Monika Mantilla, Jay Garcia, Pablo Mariño and Aurelio Almonte) bring deep expertise in investing in LMI areas and women and minority owned-businesses. More than 90% of the US-based investments of Fund I have been in LMI-eligible companies.

USE OF PROCEEDS

The Fund will primarily be targeting companies with total enterprise values under of \$100 million and with annual Earnings Before Interest Depreciation and Amortization (EBITDA) between \$1 million and \$10 million. The Fund will invest in a wide range of companies varying considerably by industry and geography. The Principals will seek to invest in quality companies with strong cash flow and management teams. The Fund will target investments in a variety of situations including refinancing, acquisitions, recapitalizations, growth capital and ownership shifts. The Principals will focus on those industries in which they have knowledge and expertise, including the Business Services, Consumer Products, Food & Beverage, Health Care, Manufacturing and Telecommunications industries. The Fund anticipates investing in approximately 15 to 20 companies over a three to five year period, with investments generally ranging from \$1 million and \$10 million

GEOGRAPHIC FOCUS/SOCIAL IMPACT

The Fund will consider investments across a range of markets with particular interest in underserved markets consisting of businesses located in LMI areas, women and minority owned, and/or employee workforces. It will seek to continue to build upon the track record of the predecessor fund and will continue to focus on the United States with a special emphasis on Californiaⁱ. The simple premise of a business-driven approach to community development is that addressing poverty and Women and Minority Business Enterprise (WMBE) business growth requires creating wealth. Wealth is created in these communities the same way it is created in traditional markets: through a twofold process of identifying and investing in assets. For LMI neighborhoods and WMBE entrepreneurs, this means shifting from a focus on community deficiencies to market opportunities, and changing the language of corporate engagement from one of subsidies to one of investment.

PRINCIPAL PROTECTED ALTERNATIVE (Rated)

For an investor that wants to protect its principal, SBCC has created an investment vehicle where 100% of the principal is protected by working with a major Financial Institution that will create a 10 year bond, which will be offered to the prospective investor. The bond will be rated by a major agency. For more details, please contact us.

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ⁱ COIN will only qualify the percentage of investments made directly into California.