

Enhanced Capital

Form ADV – Part 2A

March 2019

ITEM 1 - COVER LETTER

Part 2A of Form ADV Brochure

March 2019

This Part 2A of Form ADV Brochure, dated as of March 2019 (this “Brochure”) provides information about the qualifications and business practices of Enhanced Capital Partners, LLC (the “Registrant”, together with its Relying Advisers (as defined in *Item 4 Advisory Business* of this Brochure), “ECP”). If you have any questions about the contents of this Brochure, please contact Nicole Fiorenza Antoon, Chief Compliance Officer, at (504) 569-7903. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

ECP is an investment adviser registered with the SEC under the Investment Advisers Act of 1940 (“the Act”). Registration of an investment adviser does not imply any level of skill or training. Additional information about ECP is also available on the SEC’s website at: www.adviserinfo.sec.gov.

This Brochure is not intended for distribution to, or use by, any party other than its investment advisory clients.

ITEM 2 – MATERIAL CHANGES

The purpose of this section is to provide details of material changes since the last Part 2A of Form ADV Brochure, dated March 2018, (the “2018 Brochure”). If you are receiving this Brochure for the first time however, these changes may not be relevant to you. This Brochure should be read in its entirety.

Material changes made since the 2018 Brochure include the sale of Hark Capital I, LP, Hark Capital I Parallel, LP, Hark Capital II, L.P., and Hark Capital II Parallel, L.P. and the removal of the general partners Hark Capital I GP, LLC, Hark Capital I Management, LLC, Hark Capital II GP, LLC, Hark Capital II Management, LLC, as relying advisers.

Additionally, while ECP continues to pursue its securities-related investment advisory business and provide investment advice to clients, its primary business activities are currently focused on its proprietary activities described at *Item 10 – Other Financial Industry Activities and Affiliations* of this Brochure.

This Brochure may be requested by contacting Nicole Fiorenza Antoon, Chief Compliance Officer, at 504.569.7903 or nantoon@enhancedcapital.com. Additional information about ECP, including a copy of this Brochure, is also available via the SEC’s website www.adviserinfo.sec.gov.

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ITEM 4 – ADVISORY BUSINESS

Nature of Advisory Business

ECP is a direct lender focused on small business financing in U.S. markets that have been underserved by traditional sources of capital and participates in state and federal investment programs which, in some cases, are enhanced by state and federal tax credits or other incentives. ECP has built a small business investment platform by raising funds through state- and federally-sponsored investment programs, including, the federal Small Business Investment Company (“SBIC”) program, the federal State Small Business Credit Initiative, and state investment programs seeking to channel capital to small businesses for job creation and positive economic impact and by customizing solutions for investors with CRA requirements.

ECP is a Delaware limited liability company that was organized in 2013 and was succeeded by reorganization to the business of Enhanced Capital Partners, Inc. (“Predecessor”) following a change in control of the Predecessor (the “Reorganization”). The Predecessor was a Delaware corporation that was organized in 2008 and was succeeded by merger to the business of Enhanced Capital Partners, LLC, a former Delaware limited liability company, organized in 1999. The Predecessor registered with the SEC as an investment adviser for the first time in 2012. ECP registered with the SEC as an investment adviser for the first time in 2014, through succession by application to the investment advisory business of the Predecessor.

As detailed in Schedule R of ECP’s ADV Part 1, ECP has relying advisers, including, Enhanced Capital Group, LLC (“ECG”), Enhanced Capital SBIC Management, LLC (the “SBIC Manager”), Enhanced Puerto Rico, LLC (“PR Manager”) and Council & Enhanced Tennessee Manager, LLC (the “Tennessee Manager”, collectively with the foregoing, the “Relying Advisers”). ECP, together with its Relying Advisers, conducts a single advisory business subject to a unified compliance program. References to “ECP” throughout this Brochure refer to ECP together with its Relying Advisers, unless the context otherwise requires. The Texas Fund, the Tennessee Fund, the SBIC Fund, and the PR Account (all defined in this Brochure) constitute the only third-party clients for whom ECP provides securities-related investment advisory services (the “Clients”).

ECP’s primary business activities are currently focused on its proprietary activities involving certain of the State Investment Funds and other business described at **Item 10 – Other Financial Industry Activities and Affiliations** in this Brochure. ECP nevertheless continues to pursue its securities-related investment advisory business and provide investment advice to clients, including the Clients, with full capacity.

State Investment Funds

ECP manages funds raised through state focused investment programs (“State Investment Funds”) which have been created by state legislatures, state pension funds and the federal government. These programs are intended to channel investment capital into targeted businesses

and thereby create jobs, increase tax revenues and establish a local investment community infrastructure by attracting qualified managers to invest in businesses in such state. Each legislatively enacted State Investment Fund has strict statutory investment mandates/restrictions with respect to the types of businesses in which a State Investment Fund may invest. All of the State Investment Funds are classified as proprietary accounts, with the exception of the Enhanced Jobs for Texas Fund, LLC (the “Texas Fund”) and Council & Enhanced Tennessee Fund LLC (the “Tennessee Fund”), which are the only State Investment Funds that are non-proprietary clients.

The Texas Fund received an allocation of capital to invest pursuant to the Texas Small Business Venture Capital Program administered by the Texas Department of Agriculture (the “Department”) pursuant to a Performance Agreement between the Texas Fund and the Department (the “Performance Agreement”). The Texas Small Business Venture Capital Program, which is no longer active, was administered by the Department pursuant to the State Small Business Credit Initiative Act of 2010 (the “SSBCI Act”) implemented by the United States Department of Treasury. While the Texas Fund is no longer making investments, the Texas Fund primarily made debt investments and a limited number of direct equity investments into companies located in or with a substantial nexus to Texas. The investments made by the Texas Fund followed investment parameters and restrictions of the SSBCI Act and the Performance Agreement.

The Tennessee Fund received an allocation of capital to invest pursuant to Tennessee’s Small Business Investment Company Credit Act (“TNInvestco Act”) administered by Tennessee’s Department of Economic & Community Development. While the Tennessee Fund is no longer making investments, the Tennessee Fund primarily made equity investments in businesses (with an emphasis on early stage businesses) located in Tennessee. The investments made by the Tennessee Fund followed investment parameters and restrictions of the TNInvestco Act. The Tennessee Fund is co-managed by Council Capital, a non-related company that invests in growth and early stage growth companies and is based in Tennessee. All investment decisions were made jointly by the Tennessee Manager and Council Capital. The Tennessee Manager is co-owned by ECP and Council Capital.

SBIC Fund

Enhanced Small Business Investment Company, LP (the “SBIC Fund”) is a participant in the SBIC program, as administered by the U.S. Small Business Administration (the “SBA”). The SBIC Fund primary makes debt investments in businesses that meet the investment parameters and restrictions as set forth in Title 13, Chapter I, Part 107 of the Code of the Federal Regulations and Title 13, Chapter I, Part 121 of the Code of Federal Regulations (the “SBIC Regulations”). It is noted that while the SBIC Fund may still make follow on investments in existing portfolio companies, it is no longer making investments in new portfolio companies.

PR Account

The PR Manager provides securities-related investment advisory services to an account for a bank located in Puerto Rico (the “PR Account”) that provides debt investments to privately held

businesses located in Puerto Rico and that meet the requirements of the Community Reinvestment Act. Investments made by the PR Account must be made in a business that satisfies the requirements of Section 208.22(b) (1) of Regulation H of the Federal Reserve System. The PR Manager co-manages the PR Account with Popular Securities, LLC, a third-party entity that is not affiliated with the PR Manager or ECP. The PR Manager does not have custody or discretion over the assets of the PR Account.

Ownership/Management

Enhanced Capital Holdings, Inc., a Delaware corporation that is owned 100% by Enhanced Capital Partners Employee Stock Ownership Trust, owns 51% of ECP. Trident ECP Holdings, Inc. and Trident ECG Holdings, Inc. (the “Trident Enhanced Funds”) own, respectively, 49% of ECP and 48% of ECG. The Trident Enhanced Funds are indirectly owned by Trident V, L.P. and Trident V Parallel Fund, L.P. (the “Trident V Funds”), which are managed by Stone Point Capital, LLC (“Stone Point”), an SEC-registered investment adviser. Together with certain other officers and employees of ECP, Mr. Andrew M. Paul and Mr. Michael A.G. Korengold beneficially own 48% of ECG. The remaining 4% of ECG is owned by VCPE III, LLC (“VCPEIII”) and is a related entity of Vulcan Capital.

The members of the Boards of Managers of both ECP and ECG are: Mr. Paul, the beneficial owner of approximately 25% of ECP’s Employee Stock Ownership Trust; Mr. Korengold, President and Chief Executive Officer of ECP and ECG; Mr. James R. Matthews, Principal of Stone Point; and Scott J. Bronner, Principal of Stone Point.

In addition to serving on the Board of Managers of ECP and ECG, Mr. Paul is a member of the board of managers or directors, as applicable, and a member of the investment committee for each State Investment Fund. Mr. Paul also serves as special advisor to the investment committee of the SBIC Fund and as a managing member of the SBIC Manager. He has been actively involved in private equity and venture capital investing for over 30 years.

In addition to serving on the Board of Managers of ECP and ECG and as the President and Chief Executive Officer of ECP and ECG, Mr. Korengold serves as a member of the investment committee of each State Investment Fund and the SBIC Fund. He also serves as a managing member of the general partner of the SBIC Fund and as a managing member of the SBIC Manager. Mr. Korengold has over 18 years’ experience investing in portfolio companies and has been with ECP since 2001.

Mr. Paul Kasper is a Managing Director of ECP and ECG, and has been with ECP since 2008. Mr. Kasper serves as a member of the investment committee for the SBIC Fund, many of the State Investment Funds and the PR Account. Mr. Kasper also serves as a managing member of the general partner of the SBIC Fund and as a managing member of the SBIC Manager.

The general partner of the SBIC Fund delegates responsibility for the management of the SBIC Fund to the SBIC Manager. ECG owns approximately 50% of the SBIC Manager. The remaining

ownership is as follows (approximate and rounded): Mr. Korengold, 12.5%; Mr. Paul, 12.5%; and Mr. Barry Osherow, 25%.

With respect to all of ECP's business operations, ECP's firm-wide team consists of approximately 34 full- and part-time investment and corporate support professionals. ECP's headquarters are in New York, with additional offices in Louisiana, Connecticut, and Wyoming. All of ECP's books and records, together with its accounting, compliance and fund administration are located in New Orleans, Louisiana.

Investment advice to each of the Clients is tailored to its individual needs and investment criteria, as set forth in each Client's limited partnership agreement, performance agreement, private placement memorandum and/or investment management agreements and if applicable, in accordance with a Client's statutory mandates or regulatory restrictions for a particular program. As of December 31, 2018, ECP, along with its Relying Advisers, had \$319,999,283 of discretionary regulatory assets under management and \$50,000,000 of non-discretionary regulatory assets under management.

Additional Information about VCPEIII and Vulcan Capital

VCPEIII is a related entity of Vulcan Capital and is the largest investor in the SBIC Fund. Through ECP's State Investment Fund located in Wyoming ("WY State Investment Fund"), ECP also has a relationship with a related entity of Vulcan Capital, Vulcan Enhancement, LLC ("VE"), pursuant to which ECP directs a portion of the loan proceeds from notes issued by the WY State Investment Fund (which is not a third-party client to whom ECP provides securities-related investment advisory services) to VE in exchange for assurances that the WY State Investment Fund will meet its investment objectives and that the tax credits provided to note holders will not be recaptured by the State of Wyoming. Additionally, VCPEIII has provided a loan to one of ECG's New Markets entities (which is not a client to whom ECP provides securities-related investment advisory services). Finally, Vulcan Capital has board observation rights with respect to both ECP and ECG. As a result of these relationships and possible additional relationships in the future, Vulcan Capital may receive information regarding the financial position of ECP or ECG that other Clients or Client investors do not receive.

ITEM 5 – FEES AND COMPENSATION**General Information Regarding Fees**

In addition to the distributions ECP may receive as a direct or indirect owner, general partner or manager of the Clients, ECP receives management fees and compensates its employees in connection with the investment management services it provides to the Clients, and may also receive carried interest allocations and other performance-based fees, as detailed in ***Item 6 Performance-Based Fees and Side-by-Side Management***.

Management Fees***Texas Fund***

Due to the stage of the life cycle of the Texas Fund, it is no longer obligated to pay ECG management fees, however, certain management fees have accrued and are still due and owing, which may be paid when cash is available. Management fees are deducted from the Texas Fund's operating account. The amount of the management fee was negotiated prior to the time that the Performance Agreement was executed. Management fees do not include custodial fees or certain accounting or legal fees associated with the maintenance of the Texas Fund. There are no brokerage or mutual fund fees associated with the Texas Fund.

Tennessee Fund

The Tennessee Fund pays an annual management fee based on the cost basis of the outstanding investments. The management fee is payable quarterly, in advance. The management fee is deducted from the Tennessee Fund's operating account. The management fee is paid to ECP and Council Capital. If cash is not available to pay such management fee at the time it is due, the management fee will accrue until such time as cash is available. The amount of the management fee is set forth in the statute governing the program for the Tennessee Fund and is therefore not negotiable and, to the best of our knowledge and belief, other participants in the TNInvestco Program receive the same compensation. The management fee does not include custodial fees or certain accounting or legal fees associated with the maintenance of the fund. There are no brokerage or mutual fund fees associated with the Tennessee Fund.

SBIC Fund

The SBIC Fund pays the SBIC Manager an annual management fee that is deducted directly from the SBIC's operating account. The amount of the management fee was negotiated with the investors prior to the execution of the limited partnership agreement. The management fee is payable in quarterly installments in advance, based on the cost basis of the SBIC Fund's investments. The management fees paid by the SBIC Fund do not include custodial fees or certain

accounting or legal fees associated with the maintenance of the SBIC Fund. There are no brokerage or mutual fund fees associated with the SBIC Fund.

The SBIC Fund can be leveraged up to 2:1 under the SBIC Regulations, and pays financing fees in connection with incurring leverage through the SBA. The SBA financing fees include a nonrefundable “commitment reservation fee,” equal to 1% of the face amount of leverage commitment reserved by the SBA for issuance by the SBIC. The SBA financing fees also include draw fees calculated as 2.425% of the face amount of each leverage takedown request. In 2018, the SBIC Fund paid a commitment reservation fee of \$0 and draw fees of approximately \$0.

PR Account

The PR Account pays the PR Manager an annual management fee, which such amount was negotiated prior to the time that the Co-Asset Management Agreement was executed. It is payable quarterly, in advanced, based on the committed capital. The PR Manager invoices the PR Account for management fees due, which are wired into an account in ECP’s or PR Manager’s name. The PR Manager does not have access or authority to the PR Account’s operating account. The management fee does not include custodial fees or certain accounting or legal fees associated with the maintenance of the fund. There are no brokerage or mutual fund fees associated with the PR Account.

Other Compensation

ECP employees may serve on the board of directors of the portfolio companies and may receive board of director fees. ECP employees may also, as part of their compensation structure, participate directly in the gains achieved by the State Focused Fund investments that they source and/or manage. This may create an incentive for ECP employees to recommend riskier or more speculative investments for the State Focused Funds in order to further their own economic interests. This compensation structure is not available for the SBIC Fund or the PR Account.

Expenses

Certain expenses are paid by the respective Clients as stipulated in each Client’s limited partnership agreement, performance agreement, limited liability company agreement and/or private placement memorandum, or as determined in accordance with applicable statute or regulations. Such expenses may include, but not be limited to, legal, accounting, tax, consulting, research, due diligence, expenses incurred with respect to investment transactions not consummated (to the extent that such expenses are not reimbursed by entities in which a Client invests or proposes to invest), custody, and expenses of an advisory committee. Expenses borne by a Client are allocated to pay by such Client.

Investors and/or clients of the Clients are referred to the applicable Client's limited partnership agreement, performance agreement, limited liability company agreement, private placement memorandum, applicable statute or regulations or other relevant closing documentation for a complete description of all expenses that are to be paid by such Client.

ECP pays all normal operating expenses such as compensation and benefits of ECP officers, directors and employees, rent, utilities, insurance (other than premiums for insurance covering indemnified parties), office supplies, office equipment, travel, entertainment and other normal operating expenses that relate to the services provided to the Clients.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance-Related Compensation

Texas, Tennessee and PR Accounts

ECG, Tennessee Manager and the PR Manager are entitled to receive a profits interest from the Texas Fund, Tennessee Fund and PR Account respectively. Such performance-related compensation is subject to hurdles and claw-backs. Each fund's transaction documents or applicable statute contain the method by which the performance-related compensation is calculated and when it is paid. The profits interest fee arrangements may create an incentive for ECG, Tennessee Manager or the PR Manager to invest in riskier or more speculative instruments, however all investments made by the foregoing funds must be approved by the governmental entity or investor prior to making such investment, which reduces this risk.

SBIC Fund

SBIC Fund's general partner, Enhanced Small Business Investment Company GP, LLC ("SBIC GP") (which is owned by ECG and certain past or current employees) is entitled to receive a percentage of realized profits of the SBIC Fund generated from portfolio company investments made by the SBIC Fund. Such performance-based related compensation is subject to hurdles and claw-backs, repayment of fees, expenses and other sums drawn. The limited partnership agreement of the SBIC Fund contains the method by which the performance related compensation is calculated. While the SBIC Manager does not receive performance related compensation, only a management fee as detailed in Item 5, the performance based fee arrangements received by the SBIC GP (which has common ownership with the SBIC Manager) may create an incentive for the SBIC Manager to invest in riskier or more speculative instruments. However, because some of the employees that own part of the SBIC GP and/or the SBIC Manager, also invested in the SBIC Fund and are responsible for the investments made by the SBIC Fund, the interests of the SBIC Fund and the SBIC Manager are aligned, which substantially reduces this incentive.

Investments by Employees and/or Related Parties

With respect to the Clients, certain members, partners, employees, and affiliates of ECP may have a previous investment in a prospective portfolio company of a Client. The Client however will only be allowed to invest in such portfolio company if it is approved by the Client's advisory board (or equivalent) or governmental regulator (if applicable). Additionally, any such investment must be approved by ECP's risk oversight committee.

Additionally, certain members, partners, employees, and affiliates of ECP may invest in Client portfolio companies alongside the Client. If any such co-investment is made, it will be made on the same terms and conditions or at a lesser position than a Client. Such co-investment will only be made however if it is approved by the Client's advisory board (or equivalent) or governmental regulator (if applicable) and must also be approved by ECP's risk oversight committee.

Neither ECP nor its affiliated entities or employees receive any fees as the result of the foregoing.

ITEM 7 – TYPES OF CLIENTS

ECP provides securities-related investment advisory services directly to the Clients, subject to the direction and control of a board of managers, managing member or general partner of a Client, as applicable.

Investors in the Texas Fund and Tennessee Fund consist of governmental subdivisions or agencies. As of the date of this Brochure, these funds are closed to new investor commitments.

Investments in the SBIC Fund are only available to institutional investors and certain high net worth investors that are "accredited investors", "qualified clients", or "qualified purchasers" within the meaning of the U.S. Securities Act of 1933, as amended and the U.S. Investment Company Act of 1940, as amended, respectively. The investors in the SBIC Fund are generally pension funds, funds of funds, banking institutions, corporate investors, high net worth individuals, private equity and venture capital firms, family offices and charitable endowment accounts. As of the date of this Brochure, the SBIC Fund is closed to new investor commitments.

The PR Account is a separately managed account for a banking institution and is not open to any new investor commitments.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategies

ECP seeks to leverage its established network to source proprietary deal flow and avoid competitive transactions for its Clients. The Clients invest across various industries. In addition, each of the Clients has specific investment criteria and restrictions that must be followed, in addition to any statutory mandate applicable for a Client. Generally, ECP will seek the following favorable attributes when evaluating investment opportunities:

- *Business Viability.* Elements of an economically viable business must be evident such as financial stability and a high degree of potential to achieve overall projected results. Industry growth prospects must also be favorable.
- *Dedicated and Competent Management.* The prospect's management must share ECP's objectives for current income and capital appreciation. Additionally, the management team should be experienced and highly motivated.
- *Market Potential.* Each prospect must exhibit a high degree of potential to achieve its forecasted sales volumes due to identifiable competitive advantages, dominant market position, proprietary product or service, technological superiority, history of product quality and service or other similar market advantages.
- *Rate of Return.* The investment must possess a high probability of achieving ECP's desired rate of return through a combination of current income and/or capital appreciation.

Texas Fund

As mentioned in *Item 4 Advisory Business* of this Brochure, the Texas Fund is no longer making investments.

Tennessee Fund

As mentioned in *Item 4 Advisory Business* of this Brochure, the Tennessee Fund is no longer making investments.

SBIC Fund

As mentioned in *Item 4 Advisory Business* of this Brochure, the SBIC Fund no longer makes investments in new portfolio companies, but may still make follow-on investments in current portfolio companies if needed.

PR Account

The PR Account seeks to primarily provide senior term or revolving debt to lower middle market private companies in Puerto Rico that meet the Community Reinvestment Act. Investments will range in size of \$1,000,000 to \$10,000,000, with a maturity between two and five years. The PR Account will concentrate on the following favorable attributes:

- Strong value cushion (i.e. low loan-to-value exposure);
- Interest income, fee income and principal payments on a contractual basis that do not vary with company performance or external market valuations;
- High level of current cash income on the investment;
- Opportunity for thorough due diligence as part of the loan origination process;
- Financial maintenance covenants, and other protective covenants;
- High recovery rates in event of default and strong rights in a bankruptcy; and
- Good visibility into the financial and operating performance of the company post-closing, including detailed private financial reporting and board observation rights.

Risk of Loss

An investment in the Clients involves a significant degree of risk, relating both to the types of investments contemplated by the Clients and the Clients' ability to achieve their respective investment objectives. There can be no assurance that the Clients' investment objectives will be achieved or that an investor will receive any return of capital. An investor should have the ability to sustain the loss of its entire investment in the Clients. An investment in the Clients requires a long-term commitment, with no certainty of return. Since the Clients may only make a limited number of investments, and since the Clients' investments generally will involve some degree of risk, poor performance by a few of the investments could affect the total returns to the investors. There can be no assurance that the Clients will be able to generate returns for the investors or that returns will be commensurate with the risks of the investments within the Clients' investment objectives. Current investors are urged to refer to each Client's private placement memorandum or similar documentation for a complete description of risks associated with investing in the Client.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ECP or the integrity of ECP's management. None of ECP, its relying advisers or its collective management has been subject to any legal or disciplinary events required to be discussed in this Brochure.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**Other Business Activities**

In addition to managing the Clients in connection with its securities-related investment advisory activities, ECP also pursues its primary business activities involving certain of the State Investment Funds and ECP's other proprietary business activities described below. The State Investment Funds, as described above in *Item 4 Advisory Business* of this Brochure, are each classified as proprietary accounts except for the Texas Fund and the Tennessee Fund, which are classified as separate accounts. Despite ECP's current primary business focus, ECP and its Relying Advisers continue to devote ample resources to the Clients and believe they have ample capacity to serve the Clients' best interests.

ECG and/or its subsidiaries participate in investments in businesses located in low-income communities pursuant to the mandates and restrictions of the Federal New Markets Tax Credit Program and various state New Markets Tax Credit Programs ("New Markets Funds"). The Federal New Markets Tax Credit Program is administered and regulated by the Community Development Financial Institution Fund with the U.S. Department of the Treasury, while the state New Market Tax Credit Programs are administered and regulated by the applicable state governmental agency or department. The New Market Funds are not considered advisory clients pursuant to the Act, because neither ECP nor ECG manages the assets of these entities (either for third parties or on a proprietary basis). Investors in the New Markets Funds are typically banking institutions or one of their wholly owned subsidiaries and insurance companies. The New Markets Funds typically pay the manager an upfront structuring and transaction fee at closing, based on a certain percentage of the Qualified Equity Investment (as defined in the Federal New Markets Tax Credit Program) amount. In addition, the New Market Funds typically pay the manager an annual asset management fee, based on a percentage of the Qualified Equity Investment amount. Management fees are paid annually in arrears. Accounting and legal fees associated with the maintenance of the New Market Funds are a part of the management fee and are not additional expenses. The manager of the New Markets Funds does not receive performance based fees.

Additionally, ECG and/or its subsidiaries also manage investments in projects, principally historic rehabilitation and renewable energy projects ("Tax Credit Projects"), which produce Federal and State tax credits for investors. The tax credits from the Tax Credit Projects are generated pursuant to tax credit programs that are administered and regulated by Federal and state governmental agencies. The Tax Credit Projects are not considered advisory clients pursuant to the Act, because

neither ECP nor ECG provides securities-related investment advisory services in connection with the Tax Credit Projects. Investors in the Tax Credit Projects include banks, insurance companies, other corporations and high net worth individuals. ECG is compensated as a percentage of profits generated by the investments in the Tax Credit Projects and receives no other fees. Accounting and legal fees associated with the investments in the Tax Credit Projects are generally paid by the project owners and developers.

Financial Affiliations

Stone Point Capital, LLC

As discussed in **Item 4 Advisory Business; Ownership/Management** of this Brochure, the Trident Enhanced Funds own controlling interests in ECP and ECG, and the Trident V Funds, which are managed by Stone Point, own controlling interests in the Trident Enhanced Funds. Stone Point manages private equity funds, including the Trident V Funds that invest in companies operating in the financial services industry. The management of ECP believes that the indirect relationships that ECP and ECG may have with the portfolio companies of the Trident V Funds (or with the portfolio companies of other private equity funds managed by Stone Point) through their indirect relationship with Stone Point (1) are not material to the business of ECP or ECG and (2) will not cause a conflict of interest with ECP's or ECG's activities on behalf of the Clients.

Tree Line Capital Partners, LLC

ECP is affiliated with Tree Line Capital Partners, LLC and its relying adviser, Tree Line Direct Lending GP, LLC (collectively, "Tree Line"). Tree Line manages certain private investment funds, detail of which can be found in Schedule D, Section 7.B.1 of Tree Line's ADV Part 1. ECP and Tree Line are affiliated as follows: (i) Tree Line's Chief Compliance Officer is also the Chief Compliance Officer for ECP, (ii) ECP provides certain back office services for Tree Line including accounts payable and some office administration functions, such as payroll and human resources, through an administrative agreement, (iii) ECP and Tree Line are indirectly under common control of Stone Point as disclosed in response to Item 10.A of ADV Part 1, (iv) two employees of ECP, Messrs. Korengold and Paul, serve on the Board of Managers of ECP and ECG (as mentioned in **Item 4 Advisory Business; Ownership/Management** of this Brochure) and also serve on the Board of Managers of Tree Line, (v) Messrs. Korengold and Kasper, who is also an employee of ECP, serve on the Investment Committee of Tree Line, while also serving on various investment committees of ECP as noted in **Item 4 Advisory Business; Ownership/Management** of this Brochure, (vi) seven employees of Tree Line work out of ECP's offices, three in ECP's New Orleans office and four in ECP's New York office and (vii) certain ECG principals own interests in Tree Line (less than 6% combined). Both ECG and Tree Line have adopted policies to manage potential conflicts of interest arising from their overlapping ownership and other relationships, including policies addressing allocation of investment opportunities and co-investment opportunities that seek to ensure that investment opportunities are allocated fairly, as applicable; provided, however, since ECP's primary business activities consist of investing and structuring

state and federal tax credit program transactions, investment opportunities between ECP and Tree Line are not likely to overlap.

Enhanced Management Company

ECP is affiliated with another SEC-registered investment adviser, Enhanced Management Company, LLC (“EMC”) by virtue of being under the common control of Andrew M. Paul. EMC manages certain private investment funds, detail of which can be found in Schedule D, Section 7.B.1 of EMC’s ADV Part 1. ECP and EMC are affiliated as follows: (i) Mr. Paul performs services for both EMC and ECP, and is compensated for the services performed by the entity receiving the services and (ii) Mr. Paul serves on various investment committees of ECP while also serving on investment committees for EMC or its related entities. ECP and EMC may invest in common portfolio companies, however, EMC and its related entities primarily make equity investments in portfolio companies and, therefore, the terms and conditions of EMC’s and/or its related entities’ equity investments would vary from the terms and conditions of debt investments made by ECP. ECP ensures that investment opportunities are allocated fairly.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

ECP is subject to a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Advisers Act. ECP has adopted a Code of Ethics which sets forth appropriate ethical standards of business conduct that ECP requires of its employees, including compliance with its fiduciary duty and applicable federal and state securities laws. The Code sets out standards of business and personal conduct for each employee and addresses conflicts that arise from personal trading by such persons and provides for disciplinary sanctions for Code violations. The Code is reviewed and revised, if needed, on an annual basis.

The policies and procedures set forth in the Code recognize that as an investment adviser, ECP is in a position of trust and confidence with respect to its clients and has a duty to place the interests of its clients before the interests of ECP and its employees, which duty includes an obligation to address or mitigate both conflicts of interest and the appearance of any conflicts of interest. The Code sets out standards of business and personal conduct for each employee and addresses conflicts that arise from personal trading by such persons and provides for disciplinary sanctions for Code violations. The Code also recognizes that as an investment adviser registered under the Advisers Act, ECP has a further obligation to comply with the provisions of the Advisers Act as well as the other U.S. federal securities laws.

The Code requires employees to (1) act with integrity, honesty, competence, and in an ethical manner when dealing with the public, regulators, clients, investors, prospective investors and their fellow employees, (2) adhere to the highest standards with respect to any potential material conflicts of interest with clients, and (3) preserve the confidentiality of information that they

may obtain in the course of ECP's business and use such information properly and not in any way adverse to the interests of clients, subject to the legality of using such information.

As a general practice, if a Client and a related person of the Company is seeking to invest in the same issuer at the same time, an investment of a related person will only be allowed if disclosures concerning any conflict of interest is made, in advance, to the Chief Compliance Officer and the investments of the related person are executed after, or simultaneously with, the Client transactions. Please refer to ***Item 6 Performance-Based Compensation and Side-by-Side Management*** for more information.

Additionally, ECP has adopted inside information barrier policies and procedures to provide for the proper handling of confidential information (i.e., nonpublic information received or created by ECP in connection with its activities) to prevent violations of laws and regulations prohibiting the misuse of such information and to avoid situations that might create an appearance of such misuse.

Under the Code and Firm policy, employees are prohibited from trading in securities of any company while in possession of material, non-public information regarding the company. Therefore, employees of ECP are required to disclose all brokerage or securities accounts, unless otherwise exempted from reporting in accordance with the Act, in the individual's name or over which the employee has any direct or indirect beneficial ownership, including accounts over which investment discretion is exercised either directly or indirectly.

The Code restricts employees' ability to conduct activities outside the firm that may conflict with the interests of clients, requires preapproval for gifts and entertainment in excess of certain values that may be received and/or provided by employees, and provides for the imposition of sanctions for Code violations.

A copy of ECP's Code of Ethics is available to our clients upon written request to the Chief Compliance Officer.

ITEM 12 – BROKERAGE PRACTICES

ECP does not currently effect transactions in securities through broker-dealers. ECP does not receive compensation, soft dollars, research or any remuneration from any broker-dealer.

ITEM 13 – REVIEW OF ACCOUNTS

ECP follows a disciplined investment process. The process consists of six distinct phases: (1) qualification of a Client's statutory parameters for deals sourced, (2) initial screen, (3) management presentation, (4) validation of the business, (5) formal due diligence and legal documentation, and (6) final investment committee presentation and approval. Throughout its process, ECP is committed to a disciplined, thorough evaluation of every qualified investment.

The investment professionals meet weekly to review potential transactions and to discuss recent portfolio performance, and after preliminary investment committee approval, ECP begins advanced due diligence, with any red flags discussed with the members of the investment committee through the process. ECP's diligence focuses on five key areas: (1) Industry / Marketplace, (2) Unit Economics, (3) Financial Model, (4) Management Assessment, and (5) Confirmatory Legal Diligence. ECP, when needed, uses third party accounting, environmental, industry consultants, research analyst and background check firms, to help in the due diligence process.

Reports

Portfolio investments are monitored closely by the investment professionals assigned to a Client, as well as members of ECP's fund administration team. The portfolio investments of the Clients are reviewed and monitored with respect to historic and anticipated performance, market developments and compliance with the investment mandate of the relevant Client on an ongoing basis, both informally and formally through scheduled weekly meetings attended by the investment professionals.

The nature and frequency of regular reports to investors in the Clients depend on the terms of the governing documents of the Clients, including applicable statutory and regulatory reporting requirements. Investors in the Clients are requested to refer to the Fund's offering documents or operating agreements, as well as applicable statute or regulations, regarding reports they are to receive.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

ECP engaged placement agents to assist in soliciting investors for the SBIC Fund, however the SBIC fund is closed to new investors and is currently not paying any placement agents.

Placement agents were not used to solicit investors for any other Clients.

Other compensation is discussed in *Item 5 Fees and Compensation*.

ITEM 15 – CUSTODY

ECP and/or its Relying Advisers are deemed to have custody of the assets of the Clients, with the exception of the PR Account, and the SEC's custody rule sets forth certain requirements for the safekeeping of client assets. Pursuant to the rule, ECP has independent accounting firms that are both registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB") that prepare audited financial statements for each Client. The audited financial statements are distributed to each investor in the Client (or their independent representative) within 120 days of the fiscal year end of each Client. Client assets are maintained with a qualified custodian.

ITEM 16 – INVESTMENT DISCRETION

With the exception of the PR Account, ECP has discretionary authority with the Clients to buy and sell securities or other investments on behalf of the Clients and to determine the amount of such investments to be bought and sold, subject to such restrictions as may be specified in the statutory regime of a Client or limited partnership agreement. The terms upon which ECP serves as investment manager of a Client were established at the time each Client was formed.

ITEM 17 – VOTING CLIENT SECURITIES

Generally, ECP's investments are in private companies and not publicly traded securities. In certain circumstances, however, if a private security becomes publicly registered, ECP may be authorized with proxy voting responsibility. Accordingly, ECP has adopted Proxy Voting Policies and Procedures. ECP's proxy voting policy is to vote proxies in the best interest of the Clients and their investors. Consideration is given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. If a conflict arises, the board is required to approve the proxy vote.

An investor in the Client may obtain a copy of ECP's proxy voting policies and procedures and information on how ECP voted proxies on behalf of such party on written request to ECP's Chief Compliance Officer.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ECP's financial condition under certain circumstances. ECP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors, and has not been the subject of a bankruptcy proceeding.