

Enhanced Capital

Form ADV – Part 2A

March 30, 2023

ITEM 1 - COVER LETTER

Part 2A of Form ADV Brochure

March 30, 2023

This Part 2A of Form ADV Brochure, dated as of March 30, 2023 (this “Brochure”) provides information about the qualifications and business practices of Enhanced Capital Partners, LLC (the “Registrant,” together with all of its subsidiaries and affiliates, including Enhanced Capital Group, LLC and its Relying Advisers (as defined in *Item 4 – Advisory Business* of this Brochure), “Enhanced”). If you have any questions about the contents of this Brochure, please contact David Huston, Chief Compliance Officer, at dhuston@enhancedcapital.com. 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.

Enhanced is an investment adviser registered with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration of an investment adviser does not imply any level of skill or training. Additional information about Enhanced 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 to this Form ADV Part 2A 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.

- Enhanced has made only routine updates and no material changes to its last Brochure dated March 25, 2022.

This Brochure may be requested by contacting David Huston, Chief Compliance Officer, at dhuston@enhancedcapital.com. Additional information about Enhanced, 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

Enhanced provides securities-related investment advisory services to its Clients (defined below) with its principal business activities focused on participation in renewable energy, historic real estate rehabilitation and affordable housing projects through federal and state incentive programs and other public policy investment strategies as detailed more in *Item 10 – Other Financial Industry Activities and Affiliations*.

Enhanced 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 (“Enhanced Capital”), 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. Enhanced 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 Enhanced’s ADV Part 1, Enhanced has relying advisers, including, Enhanced Capital Group, LLC (“ECG”), Enhanced Capital SBIC Management, LLC (the “SBIC Manager”), Enhanced Puerto Rico LLC (“PR Manager”), Council & Enhanced Tennessee Manager, LLC (the “Tennessee Manager”) and Enhanced Capital Impact Lending, LLC (the “Impact Manager”), and collectively with the foregoing, the “Relying Advisers”). Enhanced, together with its Relying Advisers, conducts a single advisory business subject to a unified compliance program. References to “Enhanced” throughout this Brochure refer to Enhanced together with its Relying Advisers, unless the context otherwise requires.

The Texas Fund, the Tennessee Fund, the SBIC Fund, the PR Account, the CRSS Account and the Sub-Advised Fund (all defined in this Brochure) constitute the only third-party clients for whom Enhanced provides securities-related investment advisory services (the “Clients”). Enhanced also participates in certain State Investment Funds (defined below) that are proprietary in nature and are included on Part 1A of Enhanced’s Form ADV as proprietary accounts.

Investment advice to each of the Clients is tailored to the Client’s individual needs and investment objectives and other 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. Enhanced seeks out economically viable investments with dedicated and competent management and a high degree of market potential. Enhanced also applies a thematic framework in its investing, on behalf of its Client and other accounts, to generate positive, measurable economic, environmental, and social (“EES”) impact alongside financial return. Enhanced may accept clearly defined Client directives for responsible investing that do not conflict with the Enhanced’s EES policy of acting as a responsible investor by aligning private

sector resources with public policy goals to transform local economies for the benefit of investors and community stakeholders. Enhanced manages all Clients in compliance with applicable mandates and directives. For more detail, see in *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*.

As of December 31, 2022, Enhanced, including its Relying Advisers, had \$329,443,554 of discretionary regulatory assets under management and \$392,660,161 of non-discretionary regulatory assets under management.

State Investment Funds

Enhanced 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/regulatory 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

Enhanced and Council Capital. The Tennessee Manager has discretion over, but not custody of, the assets of the Tennessee Fund.

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 primarily 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 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 investment advisory services to a separate account for a bank located in Puerto Rico (the “PR Account”) that provides debt investments to privately held businesses located in Puerto Rico 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 Act. 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 Enhanced. The PR Manager does not have custody of or discretion over the assets of the PR Account.

CRSS Account

In keeping with the Client’s impact objectives, ECG provides investment advisory and related services to a separately managed account (the “CRSS Account”) owned by Crossroads Systems, Inc., a public company focused on investing in businesses that promote economic vitality and community development (“Crossroads”). ECG does not have custody of or discretion over the assets of the CRSS Account. For more information about Crossroads, see ***Item 10 – Other Financial Industry Activities and Affiliations***.

Sub-Advised Fund

The Impact Manager provides investment advisory services to a private fund advised by a third-party investment manager, which is the “master fund” in a master-feeder arrangement (the “Sub-Advised Fund”), as detailed in Item 7.B.2 of Part 1A of Enhanced’s Form ADV. Enhanced identifies, structures, and negotiates potential investment opportunities for the Sub-Advised Fund and makes investment recommendations to its investment manager. The Impact Manager does not have custody of or discretion over the assets of the Sub-Advised Fund.

Ownership/Management

Enhanced Capital Holdings, Inc., a Delaware corporation that is owned 100% by Enhanced Capital Employee Stock Ownership Trust, owns 51% of the voting securities of Enhanced Capital. Trident ECP Holdings LLC, a limited liability company that is owned 100% by P10 Intermediate Holdings LLC, a Delaware limited liability company (“P10 LLC”), owns 49% of the voting securities of Enhanced Capital. P10 LLC owns 100% of ECG, 82% of which it holds directly and 18% of which it holds through Trident ECG Holdings LLC. P10 LLC is owned by P10 Holdings, Inc., a Delaware corporation (“P10 Holdings”), which is owned by P10, Inc., a public company (“P10Co.”). Mr. Michael A.G. Korengold, President and Chief Executive Officer of Enhanced and ECG, and certain other officers and employees of Enhanced are shareholders of P10Co.

The members of the Board of Managers of Enhanced Capital are: F. Barrett Davis, an independent director; Chris Florczak, an independent director; and William F. Souder, a Member of the Board and Chief Operations Officer of P10Co. and a Managing Partner and co-founder of RCP Advisors, LLC, RCP Advisors 2, LLC and RCP 3 Advisors, LLC, each an SEC-registered investment adviser.

The members of the Board of Managers of ECG are: Mr. Korengold; Mr. Souder; and C. Clark Webb, Director and Co-Chief Executive Officer of P10Co. and a director of Crossroads. For more details on the subsidiaries of P10Co. and Messrs. Souder and Webb, see ***Item 10 – Other Financial Industry Activities and Affiliations***

In addition to serving on the Board of Managers of Enhanced and ECG and as the President and Chief Executive Officer of Enhanced 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, Enhanced Small Business Investment Company GP, LLC (the “SBIC GP”), and as a managing member of the SBIC Manager. Mr. Korengold has over 20 years’ experience investing in portfolio companies and has been with Enhanced since 2001.

The SBIC GP 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. Andrew Paul, 12.5%; and Mr. Barry Osherow, 25%.

As discussed in ***Item 10 – Other Financial Industry Activities and Affiliations***, as an independent contractor, Mr. Paul Kasper, Chief Executive Officer of Enhanced PK Services, LLC, an SEC-registered investment adviser (“EPKS”), provides investment advisory and consulting services to and is a supervised person of Enhanced. Mr. Kasper serves as a member of the investment committee for the SBIC Fund, many of the State Investment Funds and the PR Account. He also serves as a managing member of the SBIC GP and as a managing member of the SBIC Manager.

With respect to all of Enhanced's business operations, Enhanced's firm-wide team consists of approximately 35 full- and part-time investment and corporate support professionals.

Enhanced's headquarters are in New Orleans, Louisiana, with additional investment advisory offices in New York. All of Enhanced's books and records, together with its accounting, compliance and fund administration are located in New Orleans, Louisiana.

ITEM 5 – FEES AND COMPENSATION

General Information Regarding Fees

In addition to the distributions Enhanced may receive as a direct or indirect owner, general partner or manager of the Clients, Enhanced receives management fees and compensates its employees in connection with the investment management services that 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

The Texas Fund currently pays management fees as its asset levels have increased in connection with a portfolio exit transaction. During prior periods, the Texas Fund was not obligated to pay management fees due to its life cycle stage, and certain management fees were accrued to be paid when cash became available. If in the future cash is not available to pay management fees when due, the fees will again accrue until such time as 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

Due to its life cycle state, the Tennessee Fund is not currently obligated to management fees. During prior periods, the Tennessee Fund paid an annual management fee based on the cost basis of the outstanding investments. 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 SBIC Fund's 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. In 2022, 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 arrears, based on committed capital. The PR Manager invoices the PR Account for management fees due, which are wired into an account in Enhanced's or PR Manager's name. Enhanced and the PR Manager do 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 account. There are no brokerage or mutual fund fees associated with the PR Account.

CRSS Account

The CRSS Account pays ECG an annual management fee, which such amount was negotiated prior to the time that the Advisory Agreement was executed. It is payable quarterly, in arrears, based on deployed capital. ECG invoices the CRSS Account for management fees due, which are wired into an account in Enhanced's or ECG's name. Enhanced and ECG do not have access or authority to the CRSS Account's operating account. The management fee does not include custodial fees or certain accounting, or legal fees associated with the maintenance of the account. There are no brokerage or mutual fund fees associated with the CRSS Account. For more information about Crossroads, see ***Item 10 – Other Financial Industry Activities and Affiliations***.

Sub-Advised Fund

The Impact Manager receives fees for documenting and administering the debt investments made by the Sub-Advised Fund. The Impact Manager invoices the borrowers directly for its documentation fees and may deduct its administration fees, up to a pre-determined cap, from any principal or interest payments made by borrowers to the Sub-Advised Fund at the time such

payments are made. There are no brokerage or mutual fund fees associated with the Sub-Advised Fund.

Other Compensation

Enhanced employees may serve on the board of directors of the portfolio companies and may receive board of director fees. Enhanced 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 Enhanced 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 be paid by such Client.

Please refer 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.

Enhanced pays all normal operating expenses such as compensation and benefits of Enhanced officers, directors and employees, rent, utilities, insurance (other than premiums for insurance covering indemnified parties), office supplies, office equipment, travel, entertainment and other 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, the PR Manager and the Impact Manager are entitled to receive a profits interest from the Texas Fund, Tennessee Fund, PR Account and the CRSS Account, respectively. Such performance-related compensation is subject to hurdles and claw-backs. Each Client's limited partnership agreement, performance agreement, private placement memorandum and/or

investment management agreements and, if applicable, relevant statutes and regulations set forth the method by which the Client's performance-related compensation is calculated and when it is paid. The profits interest fee arrangements may create an incentive for ECG, Tennessee Manager, the PR Manager and/or the Impact Manager to invest in riskier or more speculative instruments. However, all investments made by the foregoing Client must be approved by the governmental entity or investor prior to making such investment, which reduces this risk.

SBIC Fund

The 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-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 performance-related compensation is calculated. While the SBIC Manager does not receive performance-related compensation, only a management fee as detailed in ***Item 5 – Fees and Compensation***, 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.

CRSS Account

ECG is entitled to receive a percentage of the annualized return of the CRSS Account. Such performance-related compensation is tied to the performance of the CRSS Account and is subject to hurdles. This profits interest fee arrangement may create an incentive for ECG to invest in riskier or more speculative instruments; however all investments made by the CRSS Account must be in keeping with its Advisory Agreement and approved by Crossroads in advance, which reduces this risk. For more information about Crossroads, see ***Item 10 – Other Financial Industry Activities and Affiliations***.

Sub-Advised Fund

The Impact Manager is entitled to receive a percentage of the annualized return of the portion of the Sub-Advised Fund managed by the Impact Manager. Such performance-related compensation is tied to the performance of the Sub-Advised Fund's feeder funds and is subject to hurdles and claw-backs. This profits interest fee arrangement may create an incentive for the Impact Manager to invest in riskier or more speculative instruments; however all investments made by the Sub-

Advised Fund must be in keeping with its investment guidelines and must be approved by its investment manager prior to making such investment, which reduces this risk.

Investments by Employees and/or Related Parties

Certain members, partners, employees, and affiliates of Enhanced may have an existing investment in a company that Enhanced identifies as a prospective investment for a Client. Clients will only be permitted to invest in such companies if approved by the Client's advisory board (or equivalent) or governmental regulator (if applicable). Additionally, any such investment must be approved by Enhanced's risk oversight committee.

Additionally, certain members, partners, employees, and affiliates of Enhanced 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 Enhanced's risk oversight committee.

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

ITEM 7 – TYPES OF CLIENTS

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

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.

The CRSS Account is a separately managed account owned by Crossroads, a public company focused on investing in businesses that promote economic vitality and community development.

For more information about Crossroads, see *Item 10 – Other Financial Industry Activities and Affiliations*.

The Sub-Advised Fund is the “master fund” in a master-feeder arrangement. Enhanced is not involved in the offering of the Sub-Advised Fund or its feeder funds.

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

Investment Strategies

Enhanced seeks to leverage its established network to source proprietary deal flow and avoid competitive transactions for its Clients. The Clients invest across various industries. Each of the Clients also has specific investment criteria and restrictions that must be followed, in addition to any statutory mandate or regulatory restriction applicable for a Client.

Generally, Enhanced will seek the following favorable financial 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 Enhanced’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 Enhanced’s desired rate of return through a combination of current income and/or capital appreciation.

In addition, Enhanced applies a thematic framework in its investing to generate positive, measurable EES impact alongside financial return. EES considerations are integrated throughout the investment process, including baseline screening against the International Finance Corporation’s Exclusion List to avoid investments that do not meet Enhanced’s impact standards. Enhanced’s investments generally must meet:

- At least one of the United Nations Sustainable Development Goals; and

- At least one of Enhanced’s EES Impact Themes
 - Economic Growth: job creation and retention
 - Underserved Communities: low-income communities* and rural areas
 - Underrepresented Populations: people or persons of color, women, veterans and other underserved groups
 - Environmental Sustainability: reduction of carbon emissions, generation of renewable energy

Enhanced measures the impact of each investment at the time of investment and annually thereafter. Enhanced is a signatory to the United Nations Principles for Responsible Investment and a member of Global Impact Investing Network. Enhanced is committed to active engagement with the greater impact investing community, which informs and guides Enhanced’s impact measurement and management system.

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

* Enhanced uses the CDFI Fund’s definition for “low income community” based on the New Markets Tax Credit program to determine if an investment meets low income community requirements.

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
- Good visibility into the financial and operating performance of the company post-closing, including detailed private financial reporting and board observation rights

CRSS Account

The CRSS Account seeks to invest in lending projects that satisfy its impact objectives. The CRSS Account is owned by Crossroads.

Sub-Advised Fund

The Sub-Advised Fund seeks to invest in senior subordinated loans, or participations in senior or subordinated loans to, small or medium size enterprises, or other debt instruments, whose principal place of business is in the United States and that have stated impact objectives and track the economic, social and/or environmental impact of their businesses.

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.

EES, Impact and Responsible Investing Risks

Enhanced's consideration of impact, responsibility and other EES factors alongside financial factors, as discussed above could cause a Client to make, forego or exit an investment, which could negatively affect the Client's performance, including relative to similar funds and/or strategies managed by other firms that do not consider any impact, responsibility or other EES factors or, that do consider such factors but make different investment decisions than Enhanced with respect thereto.

Business Disruption; Uncertainty of Valuations

The business of each Client is vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes and telecommunication failures.

- The global pandemic caused by the novel coronavirus 19 and its variants ("COVID-19") created significant economic and social disruption, including supply chain and labor disruptions, the extent of which remains to be seen. The potential impacts of the COVID-19 pandemic, including global, regional or other economic recession, remain uncertain and difficult to assess. Each Client's investments could be adversely affected by a slowdown in economic activity, as portfolio companies may face liquidity issues and an inability to service the obligations under their indebtedness. The extent to which the pandemic impacts any Client's results will depend on future developments, which are highly uncertain and cannot be predicted. Each Client's financial condition and results of operations could be adversely affected, including the Client's ability to collect debt service payments when due from portfolio company borrowers and to make distributions to investors.
- Sanctions imposed by, the United States, the European Union and its member states, and other countries and corporations following Russia's invasion of Ukraine in February 2022 remain in effect. Russia could be subject to wider sanctions and could take other actions as the conflict in Ukraine continues. The long-term impact of war in Ukraine, sanctions, and any retaliatory measures by Russia, are impossible to know and could cause significant turmoil in global economies and the global markets, including U.S. and global credit markets, and could cause market illiquidity, further disrupt supply chains, increase the risk of inflation, limit the ability of a Client to invest in certain companies, and/or otherwise negatively impact the operations of portfolio companies, which could in turn have a material adverse impact on a Client's performance.
- In response to concerns regarding market inflation, the United States Federal Reserve has implemented restrictive monetary policy measures, including, without limitation, raising the Federal Funds rate numerous times. While the Federal Reserve notes that it will

continue to revisit its policy on an ongoing basis, there is a possibility that the Federal Reserve will maintain a restrictive policy for an extended period of time. Higher interest rates create a risk of more expensive borrowing costs, which may negatively impact the operations and business strategies of portfolio companies, which could in turn have a material adverse impact on a Client's performance.

Custody Risk

Under the Advisers Act, Enhanced is required to maintain certain Client assets at a qualified custodian. Because of a qualified custodian's or sub-custodian's insolvency, negligence, fraud, poor administration or inadequate recordkeeping, a Client could incur a loss on securities and funds held in custody. Enhanced's operations also could be impacted by a bank's insolvency in that there may be a delay in trade settlement, delivery of securities, etc.

Bank-Related Risk

Deposits maintained at an FDIC-insured bank are covered up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Clients using a single bank could potentially lose any deposits over \$250,000 in cash in the event the bank fails.

Uncertainty in the U.S. and Global Financial Markets

The recent banking crisis in the United States has the possibility of extraordinary and unprecedented uncertainty and instability in the global financial markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of a Client's portfolio companies or other investments. In addition, valuation of companies may experience significant price declines, volatility, and liquidity concerns as a result of short- and long-term financing to continue operations at normal levels.

Counterparty Risk

Enhanced and/or its Clients may be subject to credit risk with respect to the counterparties to instruments entered into directly by Enhanced or held by Clients' portfolio investments. Enhanced will also be subject to the risk that a counterparty may become unwilling or unable to meet its obligations prior to settlement. Enhanced may also be exposed to the credit risk of counterparties through a wide range of activities that occur in the normal course of its activities, including through service providers, banks, brokers, insurance providers, trading counterparties, co-investors, portfolio companies, prospective portfolio companies, or other entities that Enhanced and/or its Clients may have financial exposure to. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a contract due to financial difficulties, a Client may experience significant delays in obtaining any recovery under the contract in a bankruptcy or other reorganization proceeding. Enhanced may obtain only a limited recovery or may obtain no recovery in such circumstances.

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 Enhanced or the integrity of Enhanced's management. None of Enhanced, 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

Enhanced's principal business activities focus on participation in renewable energy, historic real estate rehabilitation and affordable housing tax credit projects through federal and state incentive programs and other public policy investment strategies as detailed below. Notwithstanding the foregoing, Enhanced continues to provide investment advice to the Clients, with full capacity.

Enhanced participates 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. New Market Funds are not considered advisory clients pursuant to the Advisers Act, as Enhanced does not manage 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 New Markets Funds does not receive performance-based fees.

Additionally, Enhanced, including through the Impact Manager, manages investments in certain tax credit projects, principally historic rehabilitation and renewable energy (the "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 Advisers Act, as Enhanced does not provide 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. Enhanced is compensated as a percentage of profits generated by the investments in the Tax Credit Projects and can also receive management fees dependent on the type of Tax Credit Project. Enhanced

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

Tree Line Capital Partners, LLC

Enhanced is associated with Tree Line Capital Partners, LLC, an SEC-registered investment adviser, and its relying advisers (collectively, “Tree Line”). Enhanced and Tree Line are associated as follows: (i) ECG, through its subsidiary Enhanced Asset Management, LLC owns minority membership interests in certain of Tree Line’s relying advisers, as detailed in Tree Line’s Form ADV; (ii) Mr. Korengold, in his personal capacity, serves as a managing member of Enhanced Small Business Investment Company II GP, LLC, a relying adviser of Tree Line and the general partner of a private fund managed by Tree Line (the “ESBIC II GP”), as detailed in Tree Line’s Form ADV; and (iii) under a shared services agreement among Mr. Kasper, ECG and certain of its principals, and Tree Line and certain of its principals (the “Shared Services Agreement”) and under a separate consulting agreement with ECG (the “Consulting Agreement”), Mr. Paul Kasper serves on certain investment committees of Tree Line and serves as a managing member of ESBIC II GP while also serving on various investment committees of Enhanced.

Conflicts of Interest

Enhanced believes that Tree Line and Enhanced’s current lines of business are differentiated enough that they will not cause a conflict of interest with Enhanced’s activities on behalf of its Clients as the Clients are no longer making new investments or in the case of the PR Account, the investment parameters do not overlap with Tree Line’s investment parameters of its clients. Any potential conflict of interest is monitored by the CCOs of both Tree Line and Enhanced. Additionally, all Tree Line employees that have information regarding the operations of Enhanced or its Clients are subject to Enhanced’s compliance policies and procedures. Similarly, all Enhanced employees and independent contractors that have information regarding the operations of Tree Line or its advisory clients are subject to Tree Line’s compliance policies and procedures.

EPKS

Mr. Paul Kasper, founder, sole owner, and Chief Executive Officer of EPKS, was an employee of Enhanced from 2008 to 2020, most recently serving as a Managing Director of Enhanced and ECG. As more detailed in EPKS’s Form ADV, under the Shared Services Agreement and the Consulting Agreement, Mr. Kasper as an independent contractor provides investment advisory and consulting services to Enhanced and Tree Line, and Mr. Kasper is subject to the compliance policies and procedures of each of Enhanced and Tree Line. Mr. Kasper serves as: a member of the investment committee for the SBIC Fund, many of the State Investment Funds and the PR Account; a managing member of the SBIC GP and a managing member of the SBIC Manager; a member of the investment committees of certain private funds and accounts managed by Tree Line; and a managing member of ESBIC II GP.

P10 Subsidiaries and Leadership

In addition to Enhanced Capital, P10Co. is the indirect parent company of the following SEC-registered investment advisers: P10 Advisors, LLC (“P10 Advisors”); Five Points Capital, LLC; Truebridge Capital Partners, LLC; RCP 2 Advisors, LLC and (i) its private capital unit, Columbia Partners Private Capital, (ii) its relying advisers, RCP 3 Advisors, LLC and Bonnacord Capital Advisors, LLC and (iii) its separate business unit, Hark Capital Partners, LLC; Westech Investment Advisors LLC (together, the “P10 Subsidiaries”). Notwithstanding that it is under common control with them, Enhanced operates independently and maintains a separate investment program from each of the P10 Subsidiaries. Additional information on the P10 Subsidiaries and other Enhanced financial industry affiliations is provided at Section 7.A of Schedule D of Part 1A of Enhanced’s Form ADV. Generally, each P10 Subsidiary manages private funds and has established separate limited purpose vehicles to function exclusively as the general partner (or in a similar capacity) of each of the private funds that it manages. These private funds and general partners are not disclosed at Section 7.A of Schedule D of Enhanced’s Form ADV, but complete information about them is available at Sections 7.A and 7.B of Schedule D in the Form ADV of each respective P10 Subsidiary.

Mr. Souder, a member of the Boards of Managers of Enhanced Capital and ECG and a Director and Chief Operating Officer of P10Co., is also a Managing Partner and co-Founder of RCP Advisors, LLC (another SEC-registered investment adviser that is wholly-owned by CLIA Management, LLC), RCP 2 Advisors, LLC and RCP 3 Advisors, LLC. Mr. Webb, a member of the Board of Managers of ECG and a Director and Co-Chief Executive Officer of P10Co., is also the Co-Chief Executive Officer of P10 Advisors, a Co-Founder and Principal of 210 Capital, LLC (“210”), the Chairman of the Board of Elah Holdings, Inc. (“Elah”), an investment company focused on acquiring profitable businesses in the commercial, industrial, financial and other markets, and a director of Crossroads, a public company focused on investing in businesses that promote economic vitality and community development. Enhanced operates independently and maintains a separate investment program from each of P10 Advisors, 210 and Elah. As discussed throughout this Brochure, the CRSS Account, which is owned by Crossroads, is a non-discretionary advisory Client of Enhanced.

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

Enhanced is subject to a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Advisers Act. Enhanced has adopted a Code of Ethics, which sets forth appropriate ethical standards of business conduct that Enhanced 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, Enhanced 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 Enhanced and its employees, whose 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 Act, Enhanced has a further obligation to comply with the provisions of the 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 Enhanced'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 portfolio company at the same time, an investment of an employee 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 employee 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, Enhanced 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 Enhanced 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 Enhanced 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 Enhanced are required to disclose all brokerage or securities accounts, unless otherwise exempted from reporting in accordance with the Advisers 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 Enhanced's Code of Ethics is available to our clients upon written request to the Chief Compliance Officer.

ITEM 12 – BROKERAGE PRACTICES

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

ITEM 13 – REVIEW OF ACCOUNTS

Enhanced follows a disciplined investment process. The process consists of six distinct phases: (1) qualification of a Client's applicable 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, Enhanced considers financial and EES factors and 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, Enhanced begins advanced due diligence, with any red flags discussed with the members of the investment committee through the process. Enhanced's diligence focuses on EES, industry, marketplace, unit economics, financial model, management assessment and confirmatory legal diligence factors. Enhanced, 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 that manage a Client, as well as members of Enhanced'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

Enhanced 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

Enhanced and/or its Relying Advisers are deemed to have custody of the assets of the Texas Fund and the SBIC Fund, and the SEC's custody rule sets forth certain requirements for the safekeeping of client assets. Pursuant to the rule, Enhanced 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, the CRSS Account, and the Sub-Advised Account, Enhanced has discretionary authority 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. The terms upon which Enhanced serves as investment manager of a Client are established in and subject to the statutory and/or regulatory regime of a Client or a Client's limited partnership agreement, performance agreement, private placement memorandum and/or investment management agreements.

ITEM 17 – VOTING CLIENT SECURITIES

Generally, Enhanced's investments are in private companies and not publicly traded securities. In certain circumstances, however, if a private security becomes publicly registered, Enhanced may be authorized with proxy voting responsibility. Enhanced's proxy voting policy is to vote proxies in the best interest of the Clients and as proscribed, if applicable, in a Client's limited partnership agreement, performance agreement, private placement memorandum, investment management agreements, statutory mandates and/or regulatory restrictions. Any voting or other action that Enhanced may take with respect to management or other proposals affecting an investment also generally will be consistent with Enhanced's EES policy of acting as a responsible investor by aligning private sector resources with public policy goals to transform local economies for the benefit of investors and community stakeholders. 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 Enhanced's proxy voting policies and procedures and information on how Enhanced voted proxies on behalf of such party on written request to Enhanced'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 Enhanced's financial condition under certain circumstances. Enhanced 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.