



2013 Positive Impacts Report

SJF Ventures is a growth equity fund focused on delivering superior financial returns through investments in high-growth, positive impact companies.

36

Company investments²

\$668MM

Total revenues of current portfolio companies

8,310

Workers employed by portfolio companies²

6,624

Jobs created²

\$17

Average hourly wage

100%

Companies offer at least 50% employer-paid health insurance

SJF Ventures: Fourteen Years of Investing for Impact

After a successful year of fundraising, SJF Ventures celebrated in April 2013 the final closing on its third fund, SJF Ventures III, LP. This milestone marks fourteen years of leadership in investing for impact in high growth companies. As the first nationally-focused SBIC impact investment fund, the third fund builds on the strong track record and history of successful exits of SJF Ventures' first two funds, which are outperforming their peers in financial and environmental results.¹ SJF is in a unique position to deploy capital in support of its impact sectors, including the environment, education, health and well-being, and underserved areas.

As part of its concerted effort to measure and track the impact of investments, SJF conducted its twelfth annual survey and is pleased to present the 2013 SJF Positive Impacts Report highlighting the many positive results generated by SJF portfolio companies. This report presents data on the 15 active companies

from the three fund portfolios, including new data collected as part of SJF's participation in the Global Impact Investing Rating System (GIIRS) as a Pioneer Fund. The survey was conducted in January 2013 and analyzed 2012 year-end data to evaluate impact across the following three dimensions: environment, workforce development, and community. Three companies are excluded from this year's survey due to exits (Brightside Academy, Sun & Earth, Truist) and a new company added in 2012 (BioSurplus) is included for the first time.

Investors' Circle (IC), SJF Ventures' nonprofit ally, also had a very successful 2012 after the merger with SJF Institute in 2011. IC celebrated its 20th anniversary and was recognized as the most active early-stage investing network in the country. In addition to growing its impact through facilitating capital into impact enterprises, IC is partnering with nonprofit leaders to support the domestic impact investing marketplace.

Portfolio Impact Highlight: eRecyclingCorps

SJF portfolio company eRecyclingCorps (eRC) is pioneering a sustainable business model to help global wireless operators to profitably manage e-waste while accelerating access to affordable wireless devices. eRC empowers global operators and retailers to reward consumers with instant, in-store credit for used mobile devices, which are then repaired to 'like new' quality and resold in both the United States and emerging markets. The company has completed 10 million wireless device trade-ins since its 2009 inception.

A 2012 Deloitte study found that a 10 percent increase in cell phone penetration adds an average of 4 percent to total economic productivity. Even in

developed markets, low-income families need access to low-cost wireless technology to connect with family, jobs and emergency services. As a significant phone supplier to the FCC's Lifeline program, which offers discounted telephone services to low-income households, eRC is providing affordable, quality devices to those most in need.

Learn more at www.erecyclingcorps.com.



¹ Financial performance and environmental impact industry averages provided by Cambridge Associates and GIIRS, respectively

² Based on 2012 data for current investments and data at time of exit for exited investments

SJF Ventures Portfolio Results



Positive Community and Social Impacts

Social and environmental values are at the core of SJF's portfolio businesses. In addition to driving economic growth and empowering employees, portfolio companies provide a number of beneficial products and services that are promoting social and environmental benefits in local communities.



Solutions provider for the entire laboratory equipment life cycle, BioSurplus, provides affordable, high quality equipment to researchers making positive impacts in health and sciences.



Organic waste recycler and provider of landscaping material, Living Earth, has been operating in Texas for over 20 years. As the largest recycler of green material in the state, Living Earth is helping preserve the environment and keep communities beautiful.



Provider of comprehensive asset recovery solutions for returned or damaged products, Optoro, is keeping products out of landfills by reselling them and improving efficiencies in logistics.



Utility scale solar developer and renewable energy marketer, Community Energy, Inc., is promoting adoption of green energy as a standard for residences and commercial businesses.



Re-processor of wireless devices for reuse and recycling, eRecyclingCorps, is creating social and economic benefits to families with limited means by increasing access to high quality refurbished phones at affordable prices in the U.S. and emerging markets.



Provider of software to monitor energy consumption, FieldView, is promoting reduction in energy consumption leading to environmental benefits and significant cost savings for customers.



RealWinWin is assisting owners and operators of commercial real estate in finding solutions for energy efficiency and conservation.



Producer of all-natural and organic pizza products, Rustic Crust, sources local ingredients and provides high quality jobs in a rural area of New Hampshire. Additionally, RusticCrust regularly donates food to local food banks.



Provider of maintenance and construction services for wireless towers, Telkore, is recognized nationally for its quality training and safety records in the telecommunications industry.



National solar installer and distributor for businesses and utilities, groSolar, is helping increase renewable energy production. Additionally, installation of solar systems is helping new employees with basic construction skills advance by learning sophisticated energy systems.



Provider of water- and resource-efficient irrigation and fertigation systems, BB Hobbs, is contributing to rural employment and higher crop yields for farmers in addition to significant environmental benefits.



Provider of curriculum design and fulfillment services for post-secondary education, ED MAP, is providing jobs in rural Appalachia, supporting educational institutions and making educational content more affordable.



Provider of online tools that empower contractors to work more effectively with facilities managers, ServiceChannel, is connecting minority-owned and other disadvantaged contracting businesses with new clients.



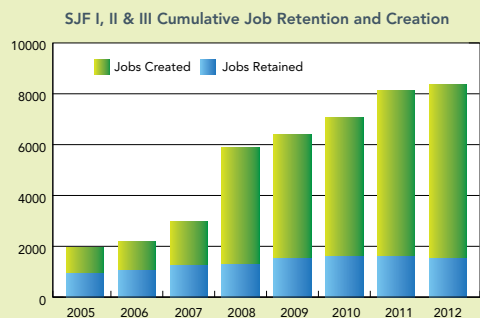
Manufacturer of flooring solutions with up to 70% recycled content, SelecTech, is creating high-quality products from scrap plastics at lower costs for consumers.



Provider of printing and marketing solutions for large corporations and retail chains, Foxfire, recycles paper scrap and utilizes environmentally-friendly printing inks and cleaners.

Employees

SJF portfolio companies employ over 8,310 individuals with 80% of these jobs created after SJF investment. Over 81% of SJF II and III portfolio company jobs are characterized as green jobs. The 15 active portfolio companies surveyed employed 980 individuals in 2012. Of these, 29% of them were women and 25% were minorities. In addition to creating jobs, SJF investments are generating indirect employment for contractors and suppliers.



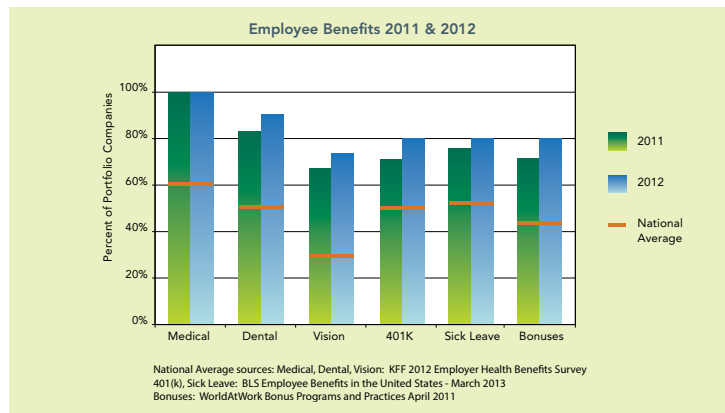
Note: 'Jobs Retained' are the cumulative employees retained at the company since the time of investment and 'Jobs Created' are the cumulative new jobs created after SJF investment, including jobs created up until the time of SJF exit for exited companies

Additionally, SJF investments are helping reach a target population of entry-level employees and provide them with quality jobs and opportunities to build assets and move up the economic ladder. Similar to last year, 75% of employees from the companies surveyed were low-to-moderate income, characterized as those earning at or below 80% of median area income. During 2012, the average portfolio company entry-level wage was \$17. For permanent non-management employees, median average hourly wages of full-time and part-time employees were \$34 and \$18, respectively.

SJF portfolio companies continued their commitment to building workplaces where employees can thrive. During 2012 SJF companies maintained or increased benefits offered to employees. Of the 15 companies surveyed, all of them provided employer-sponsored health insurance, including 3 offering 100% employer-paid coverage and 12 providing at least 50% coverage. More importantly, close to 70% of all non-management employees are eligible for enrollment in these employer-sponsored plans and more than 60% of these employees are actually enrolled. Considering that only 61% of small firms in the nation offered health benefits to their workers in 2012, these types of benefits demonstrate the commitment of SJF's portfolio companies to their employees in the face of rising health care costs. Additionally, 13 of the 15 portfolio companies surveyed offered dental insurance and 10 offered vision insurance.

SJF portfolio companies are also providing their employees with wealth-building opportunities and a pathway to self-sufficiency. Of

the companies surveyed, 40% provide broad-based stock options and 80% provide other stock option plans, retirement plans, and bonuses to employees. A few companies provided additional types of benefits, such as Employee Assistance Plans, life insurance, and auto reimbursement.



In addition, virtually all of the companies surveyed offered training to their employees, thus boosting the employees' skills and income potential. The most frequent forms of training offered were job-related technical skills, followed by customer services, computer and soft skills. On average, training expenditures by companies in 2012 were \$18,782 (up from \$11,342 in 2011) with some companies spending as much as \$112,000.



SJF investment supports BioSurplus expansion

In July 2012, SJF made its first investment of Fund III in BioSurplus, a company that designs and implements solutions for every stage of the laboratory equipment life cycle, including buying and selling used laboratory equipment, equipment refurbishing, online auctions, inventory management software, and service & repair of existing assets.

In December 2012, BioSurplus announced the opening of a new 20,000-square-foot showroom and warehouse located in Watertown, Massachusetts. SJF's investment helped to fund this growth and expansion, which also led to additions in key personnel. BioSurplus offers its employees an excellent benefits package, including health insurance, dental insurance and a stock ownership plan, and covers 100% of insurance premiums.

Learn more at www.biosurplus.com.

SJF Ventures Portfolio Results

(continued)



Environment

Most SJF portfolio companies saw significant improvements in environmental metrics from the previous year. Company-specific impacts from 2012 include:

- **50,000 acres** of farmland converted to efficient drip irrigation and liquid fertilizer systems (BB Hobbs)
- **4.5 million pounds** of e-waste diverted from landfills via collection of 7 million used cellphones, a 270% year-over-year increase (eRecyclingCorps.) 90% of phones were reused in North America and around the world and 10% were responsibly recycled.
- **11 megawatts** of solar electric and solar thermal systems distributed and installed (groSolar)
- **Over 750,000 tons** of organic material composted (Living Earth)
- **Over a hundred thousand** used items diverted from landfills and resold directly to consumers (Optoro)
- **Over 1.48 million megawatt hours** of renewable energy certificates (RECs), amounting to 886,000 metric tons of carbon mitigated (Community Energy)
- **Thousands of used and pre-owned laboratory equipment** diverted from landfills (Biosurplus)
- **1,125,000 pounds** of paper recycled with 95% of ink used soy-based (Foxfire Printing and Packaging)
- **More than 20 million square feet** of commercial real estate consulted for energy efficiency (RealWinWin)
- **430 tons** of materials recycled, 355 tons of which would not have been recycled otherwise (SelecTech)

Additionally, the majority of portfolio companies follow energy and water efficiency practices in their facilities.



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Keystone Solar Project

Community Energy built Pennsylvania's largest solar farm

In October 2012, SJF Ventures' portfolio company Community Energy Inc. (CEI), a renewable energy developer and marketer, inaugurated its five megawatt Keystone Solar Project in Lancaster County, PA—the first utility-scale solar project in the state. The project was developed by CEI and constructed by groSolar, another SJF portfolio company. It brought together regional partners committed to clean energy and local job creation, including the Philadelphia Phillies, area universities, Exelon Generation, Lancaster Township, and the Clean Air Council. Six area universities were among the first partners to purchase renewable energy certificates and incorporate CEI's PRAXIS Green Power teaching modules in their curricula. Producing six megawatts of power, the farm will generate enough energy to power the equivalent of 950 homes and circumvent 5,516 tons of carbon dioxide per year. In line with its broader mission of sustainability, CEI uniquely designed the project to avoid soil disturbance and support farmland preservation by installing panels on driven posts without concrete and maintaining the land with selected cover vegetation.

Learn more at www.communityenergyinc.com.

SJF Ventures Limited Partners

Building impactful companies requires strong collaboration. SJF is proud to count the following organizations as supporters:

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