

## Fund Overview

Dogwood Equity manages the North Carolina Economic Opportunities Fund, a licensed Small Business Investment Company (SBIC) with \$74 million available for investment in high-growth North Carolina businesses (the "Fund"). Dogwood Equity invests exclusively in companies that are located in the rural and smaller metropolitan areas of the state. Specifically, the Fund's target market includes all North Carolina counties except Mecklenburg, Wake, Durham, Orange, Guilford, and Forsyth. Portfolio companies must be located in, or provide jobs and services in, the Fund's target market.

The Fund's core goals of preserving capital and achieving a competitive, risk-adjusted return for its limited partners will guide all investment decisions. In doing so, Dogwood Equity expects their investments will generate additional jobs and wealth in rural North Carolina.

## Typical Transaction

The Fund's primary focus is partnering with management to build companies through internal growth and participating in selective acquisitions. Typical transactions include:

- ❖ Growth capital
- ❖ Industry consolidations
- ❖ Leveraged buyouts and recapitalizations
- ❖ Management-led buyouts
- ❖ Generational sales and corporate divestitures

## Investment Size & Structure

The Fund will make initial investments in the \$1 million to \$3 million range, with a total investment not exceeding \$7 million. The Fund can invest in both equity securities and subordinated debt securities with equity features. Larger investments can be pursued in partnership with other funds or investors.

Dogwood Equity is an active investor, with board participation commensurate with its equity ownership. All members of the firm will be active in assisting management in securing resources necessary to succeed.

## Company Profile

A typical Fund investment will be in developed or seasoned companies, with revenues ranging from \$1 million to \$10 million. Dogwood Equity expects significant investment opportunities in later stage companies and management buyouts, with revenues in the \$5 million to \$20 million range. Start-ups and early stage companies are projected to be a smaller percentage of the portfolio. Specific company characteristics include:

- ❖ Strong management
- ❖ Growing and defensible share
- ❖ Unique product, technology or service
- ❖ Sound business model with realistic revenue projections and preferably high margins

## Industries Considered

Although diversified in terms of industry preference, the Fund will only invest in companies with significant growth potential. The Fund seeks opportunities in:

- ❖ Manufacturing
- ❖ Healthcare technologies and services
- ❖ Information technology and services
- ❖ Distribution
- ❖ Media
- ❖ Business services

