

ARCTARIS

IMPACT INVESTORS

Arctaris Impact Investors, LP
1330 Boylston St., Suite 600, Chestnut Hill, MA 02467

March 27, 2020

A Message from Arctaris on Current Events

Dear Arctaris Investors and Friends,

Given the rapid evolution of the COVID-19 pandemic, the world has experienced change at an astonishing pace, commingled with a growing apprehension of what comes next. First and foremost, Arctaris hopes that you and your families remain safe and healthy during this unprecedented time. Further, Arctaris is maintaining regular business operations to ensure we continue to serve our investors, portfolio companies, and communities.

During times of crisis, it is important to reflect on the essence that makes us who we are as individuals, as organizations, and as a community. Eleven years ago, Arctaris was born with a mission of supporting low-income communities during a very different type of crisis, the Great Recession. Over time, we have been fortunate to develop a team of like-minded investors, investment professionals, and stakeholders who have partnered to channel our financial skills, capital, and problem-solving capabilities to support positive economic development. We thrive on tackling such challenges, especially the difficult ones.

At Arctaris, we are 100% focused on helping businesses, supporting entrepreneurs, and driving financial innovation toward community benefit. The importance of the Arctaris mission has increased exponentially over the course of this crisis, given our roles in creating opportunity -- quality jobs, affordable housing, accessible health -- in underserved communities and in expanding broadband access to address the digital divide in low-income communities. Once this crisis passes, it is our strong sense that Arctaris will serve an important leadership role in helping to restore communities and employment for those displaced by COVID-19.

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Today, our goal is to ensure the safety and well-being of our employees, while maintaining high levels of service to our investors, our portfolio companies and our communities. The Arctaris Michigan fund realized a large portfolio company exit earlier this year and has ample liquidity and principal protection from our government partner, the Arctaris Impact Fund holds significant uncalled commitments of first loss principal-protection, and the Arctaris Opportunity Zone Fund was in the fortunate position of holding primarily cash deposits going into March.

While our entire team is operating remotely, Arctaris will continue to issue quarterly distributions, file timely K-1s, and forge ahead on our pipeline of investment opportunities. It's business as usual (though perhaps without the frequent flyer points).

Arctaris is especially proud of how our portfolio companies have adapted their businesses in the current environment, while also maintaining the safety of their employees and customers, with some taking extra measures to support their employees and communities in these times of need. Additionally, with Congress' approval of the CARES Act today, unprecedented levels of program capital and new liquidity will be available to support the continued growth of these businesses.

If you have any questions, please let us know. You can continue to reach any member of our investment team via email, phone or video conference during regular business hours. Additionally, many of us can be available evenings and weekends.

This COVID-19 situation reminds us of how, during other challenging times this nation has faced, we have witnessed the strength of America and people uniting to help one another. When this episode passes, our country will be stronger.

Please stay safe.

Best regards,

The Arctaris Team