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LETTER FROM OUR CO-FOUNDERS

Second Horizon Capital's principal focus is investing in the revitalization of community hubs. We work closely with local stakeholders and municipalities to create a long-term vision that builds resiliency and dynamism, drives local economic activity, and contributes to a more sustainable future. As we look back at 2022, our first full year as a company, we are pleased to share that our long-term objectives are being reaffirmed by our early results.

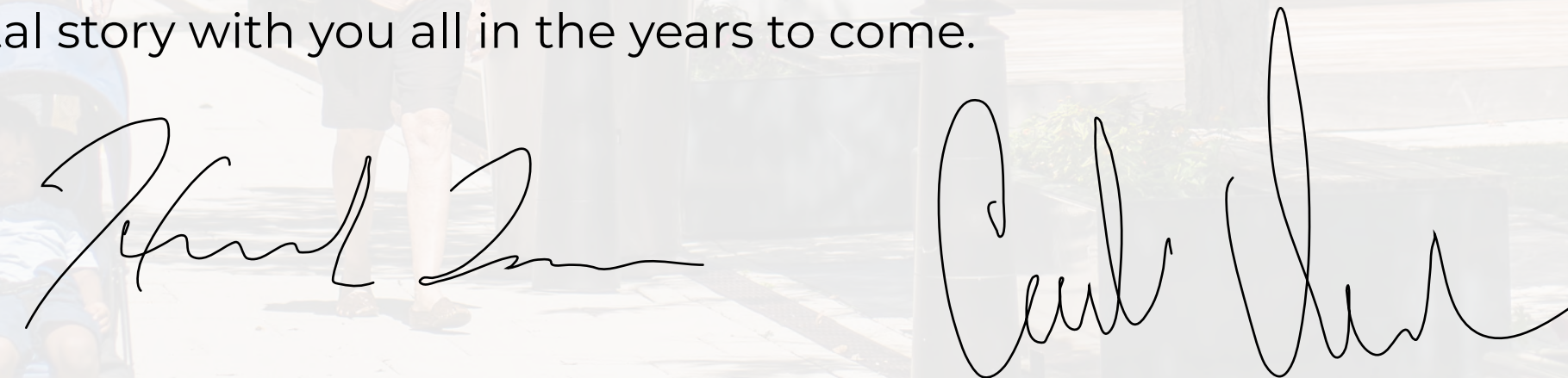
Second Horizon Capital seeks to bring a fresh approach to the challenges surrounding large-format challenged real estate properties – particularly shopping malls, lifestyle centers, and suburban office parks – across the United States. These centers have historically played pivotal roles in their communities, serving as central places where people shop, work, and socialize.

At their best, these properties strengthen the social fabric, provide jobs and wealth-creation opportunities, and contribute meaningfully to local communities. Today, many such properties have faced significant underinvestment, creating an increasingly present need for new capital to transform and revitalize local ecosystems and support community resilience.

Our differentiated approach for these centers, tailored to the specific needs of each community, has shown progress. We continue to see expansive opportunity to drive meaningful social and environmental impact alongside strong financial returns.

Driving incremental and measurable change is critical to our ability to successfully transform our centers for long-term growth and community impact. We remain focused on creating hubs that are adaptable to changing economic trends, intentionally engaging surrounding constituencies, and re-conceptualizing relevant public spaces.

In this inaugural report, you will find more about our philosophy in building a culture of impact. We thank each of our partners in this endeavor and are grateful for their support in driving impact across our portfolio and in our communities. We look forward to continuing to share more of the Second Horizon Capital story with you all in the years to come.



Howard Levine
Managing Partner



Camilo Varela
Managing Partner

ABOUT US

Second Horizon Capital is an impact real estate investment company grounded in the firm belief that investor returns and community impact go hand-in-hand.

We partner with communities to reimagine large-scale, underutilized commercial properties as vibrant destinations and local economic engines.

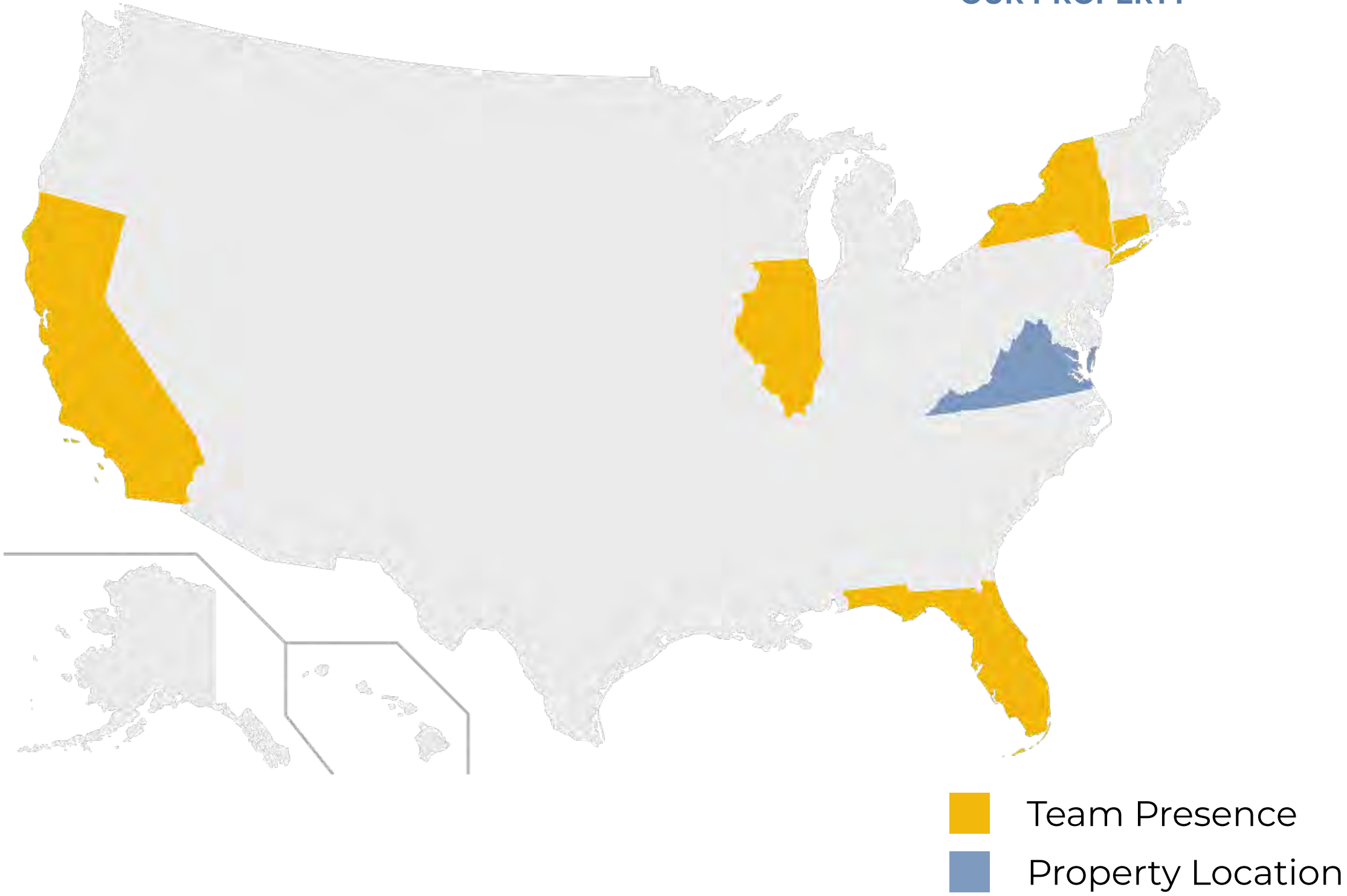
We invest in, support, and steward each community that we join, working in collaboration with municipalities, business owners, community groups, tenants, and consumers.

By driving long-term value enhancement, seeking more equitable outcomes, and partnering with local stakeholders, we work to enhance our properties with a strong focus on serving each of our communities, driving positive change in our markets.

Our team comprises a tailored cross-section of in-house expertise, along with a broad network of real estate, impact, and capital relationships, to navigate the complexities of reinvigorating challenged commercial centers.

OUR FOOTPRINT

930,000
PEOPLE SERVED BY
OUR PROPERTY



Legal Name: 2HC Mgmt Co LLC
(DBA Second Horizon Capital)

Country of Operation:
United States

Legal Form: Privately-owned
Delaware limited liability company

Headquarters:
Boca Raton, FL

IMPACT APPROACH

At Second Horizon Capital, we believe that business should positively impact communities, and that decisions and operations should support all of our stakeholders. We also recognize that the built environment of each neighborhood shapes how families work, live, and play.

These fundamentals ground our theory of change and impact mission: To create revitalized, resilient, and dynamic community hubs that drive inclusive economic activity, improved sustainability, and enhanced local wellbeing.

To deliver on our purpose, Second Horizon Capital develops unique strategies for each property we acquire, supported by robust impact measurement and management systems, to achieve targeted outcomes.

We monitor, measure, and optimize asset repositioning opportunities based on specific impact opportunities and risks. Our proprietary methodology leverages public and proprietary data sources to analyze factors ranging from environmental risk to community resilience.

Throughout this work, we honor our role as stewards of significant assets in the communities we join, and partner closely with local stakeholders, including municipalities, business owners, community groups, tenants, and end-users.

We also strive to advance sustainable development practices by introducing, improving, and incentivizing behaviors that balance economic growth, social progress, and environmental sustainability.

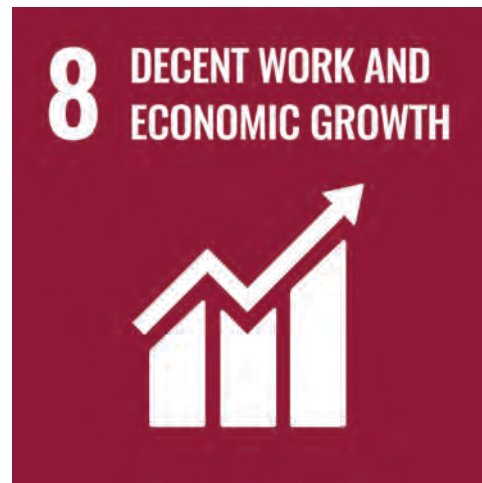


COMMITMENTS & FRAMEWORKS

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

As an impact investor, Second Horizon Capital recognizes our responsibility to help achieve a better and more sustainable future for all. As such, we have aligned our efforts with the UN SDGs.

The SDGs we have prioritized to help advance include:



UNITED NATIONS GLOBAL COMPACT

Second Horizon Capital joined the United Nations Global Compact, a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. As a Signatory, we join over 15,000 businesses and organizations in more than 160 countries in aligning our operations and strategies with the United Nations Global Compact's Ten Principles and taking action to advance the UN SDGs.

WE SUPPORT



IMPACT MEASUREMENT & METRICS

To manage our impact, we recognize the need for accurate benchmarking, ongoing measurement, and performance optimization. As such, we have selected more than 100 primary and secondary metrics, spanning custom metrics designed with our theory of change, as well as those derived from well-known standards and frameworks. Our 2022 Impact Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards and SASB.

COMMUNITY VOLUNTEERISM

In April 2022, Second Horizon Capital joined Pledge 1%. Pledge 1% is a global movement that inspires, educates, and empowers every entrepreneur, company, and employee to leverage their assets to be a force for good. Our Pledge includes the donation of 1% of our product, profit, and time. During 2022, our team volunteered more than 100 hours with nonprofit organizations.



ENVIRONMENTAL FOOTPRINT

As one of our first steps to address Second Horizon Capital's environmental footprint, we committed to offset carbon emissions generated by our company operations through a partnership with Native, A Public Benefit Corporation.



PARTNERSHIPS & MEMBERSHIPS

Throughout 2022, Second Horizon Capital partnered with a selection of networks and organizations for continued learning, access to rapidly evolving industry best practices, and collective impact. To date, these include:



An invitation-only network of private capital fund managers investing for superior returns and meaningful impact. As a member of this network, which includes 100+ funds collectively deploying more than \$80B in impact-focused capital, we are committed to core practices of impact management and measurement across our investment lifecycle.



A membership organization that promotes and elevates the marketplaces and spaces where people shop, dine, work, play, and gather as foundational and vital ingredients of communities and economies.



WHERE
THE FUTURE
IS BUILT

The largest network of global cross-disciplinary real estate and land use experts with the mission to shape the future of the built environment for transformative impact in communities worldwide. Through its members' dedication to the mission and their shared expertise, Urban Land Institute has been able to set standards of excellence in development practice.



Smart Growth America's LOCUS coalition advocates for sustainable, equitable, and walkable development that strengthens community, prosperity, and environmental health.



A leading provider of services focused on transforming sustainability in commercial real estate applications.

2022 PRIORITIES

A primary focus of 2022 was the development of our social and environmental impact strategies as well as the build-out of our impact measurement and management systems.

Our team conducted a theory of change to outline the long-term impact we are looking to drive through our centers, as well as the outcomes, outputs, activities, and inputs that will position Second Horizon Capital and our communities for success.

Second Horizon Capital has begun incorporating and proactively improving sustainable processes and practices throughout our business operations and that of our first investment.

*Following the acquisition of our first center, Stony Point Fashion Park (Richmond, VA), in April 2022, we initiated the first phase of our **community revitalization efforts** by increasing community engagement programming and providing resources to support the success of local businesses on-site.*



COMMUNITY INVESTMENT

ON-SITE COMMUNITY ENGAGEMENT

During 2022, Second Horizon Capital developed and activated our community engagement framework to support placemaking and community-building.

Key Community Engagement Pillars:

Health & Wellness

Inclusive Culture

Community Education

Since our acquisition of Stony Point Fashion Park, we reactivated on-site community events and dedicated resources for the reinvigoration of local partnerships. As part of these efforts, we partnered with The American Red Cross to host blood drives and with VCU Health/Massey Cancer Center Integrative Health Program to host walks and educational talks on-site.

LOCAL BUSINESS SUPPORT

As part of our broader efforts to drive inclusive growth, we developed and began implementing focused strategies to provide and leverage resources for small businesses, support our entrepreneurial community, and promote and champion our local tenants.

At Stony Point Fashion Park (Richmond, VA), over half of our tenants are locally-driven businesses.



SUSTAINABILITY

Following the acquisition of our first property, we initiated measurement and management of energy, water, waste, and recycling, as well as greenhouse gas (GHG) emissions. Measurement processes utilize ENERGY STAR Portfolio Manager®, an energy management and tracking tool for commercial buildings.

In our first year, we gathered data to develop GHG emission baselines and proactively initiated sustainable operations management processes.

Climate Change Risk Management

Second Horizon Capital applies climate change risk management as part of our property-level due diligence process, leveraging public and proprietary tools and datasets to identify and assess environmental factors for properties of interest. This data informs our decisions on which sustainability initiatives to pursue and prioritize as mitigation, adaptation, and resilience measures vary based on specific geography.

Stony Point Fashion Park (Richmond, VA) sources renewable energy for the majority of its operations. This prevents 2,156 metric tons of carbon dioxide equivalent (MTCO₂-e) in emissions arising from 7,391,829 kWh of the electricity consumed.

Natural Resource Use & GHG Emissions

The following outlines energy, water, GHG emissions, and waste for Second Horizon Capital's first full year of operations at the corporate level, as well as for the first nine months of ownership of our first property, Stony Point Fashion Park (Richmond, VA)⁽¹⁾:

Impact Topic	Metric	Measurement
Energy ⁽²⁾	Energy Consumption	7,742,548 kWh
	Energy Intensity	20 kWh / sq ft
Water ⁽³⁾	Water Withdrawal	0 megaliters
	Water Consumption	39 megaliters
Emissions ⁽⁴⁾	Scope 1 Emissions (direct)	3 metric tons CO ₂ -e
	Scope 2 Emissions (energy indirect)	85 metric tons CO ₂ -e
	Scope 3 Emissions (other indirect)	257 metric tons CO ₂ -e
	GHG Intensity ⁽⁵⁾	0.000796 metric tons CO ₂ -e / sq ft
Waste ⁽⁶⁾	Waste Generated	498 metric tons
	Recycled	135 metric tons (27%)
	Landfilled	363 metric tons (73%)

(1) Second Horizon Capital acquired Stony Point Fashion Park effective April 1, 2022.

(2) Based on available data tracked with ENERGY STAR Portfolio Manager, energy consumed outside of our corporate organization and onsite at our property is 7,742,548 kWh. Energy produced inside of our corporate organization is negligible.

(3) Based on available data tracked with ENERGY STAR Portfolio Manager. No water was withdrawn from areas with water stress.

(4) Based on available data, the Environmental Protection Agency (EPA)'s Emissions Factors Hub, the EPA eGRID database, and ENERGY STAR Portfolio Manager. Emissions calculated as listed. Gases included in the calculation include CO₂, CH₄, and N₂O. Second Horizon Capital's base year will be 2022 reflecting first full year of operations. GHG scopes are classified based on our own operational control. Global Warming Potential used in calculations is based on IPCC AR4.

(5) GHG intensity calculated based on Second Horizon Capital real estate portfolio emissions, and excludes Second Horizon Capital's corporate emissions (e.g., business travel).

(6) Reflects total amount of total waste generated from our property. Waste produced inside of our corporate organization is negligible. Second Horizon Capital did not generate or dispose of hazardous waste. Data provided by property-level waste management vendors.

VOLUNTEER EFFORTS

As part of our volunteer efforts, Second Horizon Capital team members dedicated more than 100 hours during 2022 to a range of organizations, including:



Resolution Project funds, mentors, and supports young people who have innovative ideas to improve their home communities around the world. Its 600+ Resolution Fellows have together impacted the lives of over 6 million beneficiaries.



Magical Bridge Foundation creates innovative award-winning playgrounds, parks, and programs for more inclusive communities. Their multigenerational spaces are thoughtfully designed to ensure guests of all ages and all abilities experience the magic of play, community connections and belonging.



Turner MIINT provides hands-on impact investing experiences for graduate students in collaboration with Bridges Impact Foundation and the ESG Initiative at The Wharton School of the University of Pennsylvania.



Impact Capital Managers Mosaic Fellowship Program provides first-year graduate students from traditionally underrepresented backgrounds the opportunity to spend a summer at member funds, bringing highly valuable perspectives into the rapidly evolving field of impact investing and expanding more equitable access.

ADDITIONAL DISCLOSURES

Building on our impact investing philosophy, strategies, and performance, the following details additional information on our reporting approach:

This is Second Horizon Capital's inaugural report and reflects our first full year of company operations. This report covers operations during calendar year 2022 and aligns with our financial reporting. There are no restatements of information and this report has not been externally assured.

Material Topics:

To determine our material topics under the Global Reporting Initiative (GRI), Second Horizon Capital reviewed GRI's material topics list and selected the categories most relevant to our current state of property acquisition and ownership. Topics selected included economic performance, anticorruption, anti-competitive behavior, energy, water, waste, and emissions. For energy, water, waste, and emissions on our first center, Second Horizon Capital collected available baseline metrics from utility providers and third-party vendors. Measurements on the impacts of our work on people and the economy require longer time series for appropriate analysis. Metrics on these aspects are therefore generally not included in this report. The views of internal and external stakeholders and experts have informed the process of selecting our most material topics, including the Second Horizon Capital Impact Committee and third-party sustainability consultant, Conservice ESG.

Reporting:

2HC Mgmt Co LLC and Chippenham SP Holdings LLC are included in sustainability reporting. Sustainability report and metrics include all Second Horizon Capital legal entities. 2HC Mgmt Co LLC does not publicly file financial information. Our approach does not include adjustments for minority interests and does not differ across disclosures.

Compliance & Anti-Corruption:

Second Horizon Capital is committed to complying with federal, state, and local laws and regulations. We have no significant instances of non-compliance with laws and regulations during this reporting period and no associated fines. All our operations and that of our first property have been assessed for risks related to corruption. No risks were identified. We do not have any legal actions (pending or completed) regarding anti-competitive behavior or violations of anti-trust and monopoly legislation in which we have been identified as a participant.

Approach to Stakeholder Engagement:

As we work to transform our properties, stakeholder engagement is integral to ensuring our success while maintaining effective and responsible management practices. Our stakeholders include the groups most deeply impacted by our work and include the communities and municipalities in which we operate, our business partners, our investors, and our employees. Given that our long-term strategies are driven by the needs and priorities of our communities, we work with local partners to establish connectivity and collaborate with community organizations and representatives. In addition, we work closely with our on-site partners to ensure a healthy and efficient workflow. We communicate with and provide updates to our investors on a regular basis. We also consider representatives of our value chain as our stakeholders and are building relevant policies and communications channels to help ensure they are reflected in our business decisions and practices.

Legal Disclaimer:

This report is a proprietary document of Second Horizon Capital. All right, title and interest in and to the information contained in this report is the sole and exclusive property of Second Horizon Capital. This report has been prepared by Second Horizon Capital for information purposes only, and Second Horizon Capital makes no representation or warranty of any kind, express or implied, as to the accuracy or completeness of any of the information contained herein. This report is not an offer to subscribe for or purchase any securities of Second Horizon Capital or any of its affiliates. Any offering of Second Horizon Capital securities will take place solely on the basis of the relevant offering documentation prepared by or on behalf of Second Horizon Capital.

Publication & Inquiries:

The publication date of this report is December 13, 2023. For questions, please contact impact@secondhorizon.com.

APPENDIX

Sustainable Accounting Standards Board (SASB) Index

Topic	Category	Unit of Measure	Code	Data
Number of assets, by property subsector	Quantitative	Number	IF-RE-000.A	1 regional mall
Leasable floor area, by property subsector	Quantitative	Square feet (ft ²)	IF-RE-000.B	397,000 ft ²
Percentage of indirectly managed assets, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-000.C	0%
Average occupancy rate, by property subsector	Quantitative	Percentage (%)	IF-RE-000.D	52%

GRI Content Index

Statement of Use: Second Horizon Capital has reported the information cited in this GRI content index for the period January 1, 2022 - December 31, 2022 with reference to the GRI Standards.

GRI used: GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
General disclosures		
GRI 2: General Disclosures 2021	2 - 1 Organizational details	About Us, page 4
	2 - 2 Entities included in the organization's sustainability reporting	Additional Disclosures, page 12
	2 - 3 Reporting period, frequency and contact point	Additional Disclosures, page 12
	2 - 4 Restatements of information	Additional Disclosures, page 12
	2 - 5 External assurance	Additional Disclosures, page 12
	2 - 27 Compliance with laws and regulations	Additional Disclosures, page 12
	2 - 28 Membership associations	Partnerships & Memberships, page 7
	2 - 29 Approach to stakeholder engagement	Additional Disclosures, page 12

GRI Standard	Disclosure	Location
Material topics		
GRI 3: Material Topics 2021	3 - 1 Process to determine material topics	Additional Disclosures, page 12
	3 - 2 List of material topics	Additional Disclosures, page 12
Anti-corruption		
GRI 205: Anti-corruption 2016	205 - 1 Operations assessed for risks related to corruption	Additional Disclosures, page 12
Anti-competitive behavior		
GRI 206: Anti-competitive Behavior 2016	206 - 1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Additional Disclosures, page 12
Energy		
GRI 302: Energy 2016	302 - 2 Energy consumption outside of the organization	Sustainability, page 10
Water and effluents		
GRI 303: Water and Effluents 2018	303 - 3 Water withdrawal	Sustainability, page 10
Emissions		
GRI 305: Emissions 2016	305 - 1 Direct (Scope 1) GHG emissions	Sustainability, page 10
	305 - 2 Energy indirect (Scope 2) GHG emissions	Sustainability, page 10
	305 - 3 Other indirect (Scope 3) GHG emissions	Sustainability, page 10
Waste		
GRI 306: Waste 2020	306 - 3 Waste generated	Sustainability, page 10
	306 - 4 Waste diverted from disposal	Sustainability, page 10
	306 - 5 Waste directed to disposal	Sustainability, page 10