

**Name of Project: Hoku Scientific, Honolulu, Hawaii**

**Name of CDE: Advantage Capital Community Development Fund**

The Advantage Capital Community Development Fund was created to increase the investment capital available to entrepreneurs in Low-Income Communities throughout the nation, particularly those communities within New Orleans, St. Louis and other markets where Advantage Capital manages other, non-New Markets investment funds. The Fund is able to use the incentives offered by the New Markets Tax Credit program to access Advantage Capital's deep and diverse stable of investors both to raise large pools of capital dedicated for investment in these areas and, when appropriate, to provide investment for entrepreneurial businesses that are not adequately served by traditional capital providers.

In December 2003, the Fund invested \$250,000 in Hoku Scientific Inc. as part of an approximately \$5 million round of equity financing. Located in a low-income area of Honolulu, Hawaii, Hoku is a developer of fuel cell membrane technology, primarily for use in Proton Exchange Membrane fuel cells. The company has grown from a dozen or so employees at the time of investment to approximately three dozen today; almost all of these jobs are well-paid professional positions.

Since Advantage's investment, Hoku has continued to make good progress on its technology and in securing business partners. In May the company filed plans for an Initial Public Offering of its stock with the intention of raising more than \$50 million in additional capital.