

ANNUAL REPORT OF CAPCO (FUNDS I AND II) INVESTMENTS

Amount of certified capital the certified capital company (Programs I & II) invested in qualified technology businesses as of December 31, 2008

PROGRAM I	<i>Allocation</i>	<i>2004-2007 Investments</i>	<i>2008 Investments</i>	<i>Total Investments</i>	<i>Percent Invested</i>
Advantage Capital Alabama Partners I, LP	\$16,569,200.79	\$11,709,916	\$3,586,667	\$15,296,583	92.3%
Enhanced Alabama Issuer, LLC	\$18,713,450.30	\$9,399,916	\$2,843,000	\$12,242,916	65.4%
Stonehenge Capital Fund Alabama, LLC	\$19,493,177.35	\$9,760,000	\$424,667	\$10,184,667	52.2%
Waveland NCP Alabama Ventures	\$19,493,177.40	\$10,459,603	\$0	\$10,459,603	53.7%
Whitecap Alabama Growth Fund Management Company, LLC	\$14,619,883.05	\$9,352,982	\$3,522,000	\$12,874,982	88.1%
Wilshire Alabama Partners, LLC	\$11,111,111.11	\$6,856,000	\$90,000	\$6,946,000	62.5%
	\$100,000,000.00	\$57,538,416.90	\$10,466,333.69	\$68,004,751	68.0%

All CAPCOs in Fund I achieved the investment milestones established by legislation.

PROGRAM II	<i>Allocation</i>		<i>2008 Investments</i>	<i>Total Investments</i>	<i>Percent Invested</i>
Advantage Capital Alabama Partners I, LP	\$22,091,893.43		\$3,150,000	\$3,150,000	14.3%
Aegis Alabama Venture Fund, LP	\$5,256,857.15		\$0	\$0	0.0%
Enhanced Capital Partners, LLC	\$22,277,857.84		\$1,075,000	\$1,075,000	4.8%
Stonehenge Capital Fund Alabama, LLC	\$19,330,406.76		\$683,333	\$683,333	3.5%
Waveland NCP Alabama Ventures	\$9,137,055.84		\$75,000	\$75,000	0.8%
Whitecap Alabama Growth Fund Management Company, LLC	\$21,905,928.98		\$1,860,000	\$1,860,000	8.5%
	\$100,000,000.00	\$0.00	\$6,843,333.00	\$6,843,333	6.8%

RESULTS: Investments in Qualified Technology Businesses:

	Investment	Original Jobs Retained	Average Wage	Jobs Created	Annual Payroll of New Jobs
PROGRAM I	\$68,004,751	1,219	\$40,628	781	\$31,710,002
PROGRAM II	\$6,843,333	121	\$64,750	8	\$518,000
TOTAL (PROGRAMS I & II)	\$74,848,084	1,340	\$40,873	789	\$32,228,002

CERTIFIED INVESTORS IN CAPCO - PROGRAM I**ADVANTAGE CAPITAL ALABAMA PARTNERS I, LP**

Allianz Global Risks US Insurance Company
 Fireman's Fund Insurance Company
 John Hancock Life Insurance Company
 John Hancock Variable Life Insurance Company
 Metropolitan Life Insurance Company
 New York Life Insurance & Annuity Corporation
 New York Life Insurance Company
 The Guardian Life Insurance Company of America
 The Northwestern Mutual Life Insurance Company

ENHANCED ALABAMA ISSUER, LLC

American Family Life Assurance Company of Columbus
 American States Insurance Company
 Government Employees Insurance Company
 Lincoln National Life Insurance Company
 Phoenix Life Insurance Company
 SAFECO Insurance Company of America
 St. Paul Fire & Marine Insurance Company
 The Lincoln National Life Insurance Co.
 Union Life Insurance Company of America
 United of Omaha Life Insurance Company

STONEHENGE CAPITAL FUND ALABAMA, LLC

American Security Insurance Company
 Auto-Owners Insurance Company
 Monumental Life Insurance Company
 Nationwide Mutual Fire Insurance Company
 Owners Insurance Company
 The Standard Fire Insurance Company
 The Travelers Indemnity Company of Connecticut
 The Travelers Indemnity Company of Connecticut (1)
 Time Insurance Company (f/k/a Fortis Insurance Company)
 Transamerica Life Insurance Company (2)
 Transamerica Occidental Life Insurance Company (2)
 Union Security Insurance Co. (f/k/a Fortis Benefits Insurance Co)
 United HealthCare Insurance Company
 United Services Automobile Association
 Voyager Property & Casualty Insurance Company

WAVELAND NCP ALABAMA VENTURES, LLC

Alabama Automobile Public Insurance Agency, Inc.
 ALFA Life Insurance
 ALFA Mutual General
 Insurance Co. McGriff, Seibels & Williams, Inc.
 Mortgage Guarantee Insurance Company
 National Security Fire & Casualty, Inc.
 Northwestern Mutual Life Insurance Company
 The Medical Assurance Co., Inc.

WHITECAP ALABAMA GROWTH FUND I, LLC

American National Insurance Company
 Continental Casualty Company
 Prudential Insurance Company of America
 United States Automobile Association

WILSHIRE ALABAMA PARTNERS, LLC

ACE American Insurance Company
 Federal Insurance Company
 First Penn-Pacific Life Insurance Company
 Massachusetts Mutual Life Insurance Company
 National Union Fire Insurance Company of Pittsburgh, PA

CERTIFIED INVESTORS IN CAPCO - PROGRAM II**ADVANTAGE CAPITAL ALABAMA PARTNERS II, LP**

CUMIS Insurance Society, Inc.
 CUNA Mutual Insurance Society
 ING USA Annuity and Life Insurance Company
 Metropolitan Life Insurance Company
 New York Life Insurance and Annuity Corporation
 New York Life Insurance Company
 ReliaStar Life Insurance Company
 ReliaStar Life Insurance Company of New York
 Security Life of Denver Insurance Company
 The Guardian Life Insurance Company of America
 The Northwestern Mutual Life Insurance Company
 Transamerica Life Insurance Company

AEGIS ALABAMA VENTURE FUND, LP

Arch Insurance Company
 Life Insurance Company of Alabama
 North Carolina Mutual Life Insurance Company

ENHANCED CAPITAL ALABAMA FUND II, LLC

American Family Life Assurance Company of Columbus (AFLAC)
 Aviva Life and Annuity Company
 Federal Insurance Company
 General Insurance Company of America
 Government Employees Insurance Company
 Indianapolis Life Insurance Company
 Minnesota Life Insurance Company
 Mortgage Guarantee Insurance Corporation
 Phoenix Life Insurance Company
 SAFECO Insurance Company of America
 SAFECO Insurance Company of Illinois
 The Automobile Insurance Company of Hartford, Connecticut
 The Lincoln National Life Insurance Company
 The Phoenix Insurance Company
 The Travelers Indemnity Company
 Unum Life Insurance Company of America

STONEHENGE CAPITAL FUND ALABAMA II, LLC

Auto-Owners Insurance Company
 Employers Mutual Casualty Company
 Owners Insurance Company
 United HealthCare Insurance Company
 United Services Automobile Association
 USAA Casualty Insurance Company
 USAA Life Insurance Company

WAVELAND NCP ALABAMA VENTURES II, LLC

National Security Fire & Casualty Company
 The Medical Assurance Company, Inc.
 The Medical Assurance Company, Inc.

WHITECAP ALABAMA GROWTH FUND II, LLC

American National Insurance Company
 Continental Casualty Company (CNA)
 Protective Life Insurance Company
 The Prudential Insurance Company of America
 United Services Automobile Association
 USAA Casualty Insurance Company
 USAA Life Insurance Company

Pacific Life Insurance Company
The Equitable Life Assurance Society of the United States
The Lincoln National Life Insurance Company
Westchester Fire Insurance Company

Respectfully submitted by:
Linda P. Swann, CEcD
CAPCO Administrator
Alabama Development Office