

Disclosures

Sustainable investment objective of the financial product (Article 9)

The Fund has a dual return investment objective. In addition to a financial return, the Fund's sustainable investment objective is to seek to improve the quality of social infrastructure assets while reducing the carbon footprint of the built environment. These goals were created in direct response to research citing the lack of quality social services across Europe, as well as the need to reduce carbon emissions and address climate change. The Fund's impact strategy has two vectors: community, and environment.

Environmental and/or social characteristics of the financial product

The Fund's impact strategy has two vectors, community (social) and environment to express the Manager's theory of change:

Community rationale: High-quality social infrastructure provides benefits to individuals and communities and improves social cohesion. By investing in social infrastructure, institutional investors can add much-needed private capital to boost and protect the social services being provided to communities.

Environment rationale: To avert irreversible changes to the planet's climate, the 2015 Paris Agreement aims to keep global warming to below 2°C. The real estate industry has an important role to play in the fight against climate change. On many measures, buildings use more energy than either industry or transportation and will emit more CO₂ between now and 2030. The Manager seeks to reduce carbon emissions produced and associated with buildings in the Fund's investment portfolio.

Investment strategy

The investment strategy is to create a diversified portfolio of stabilized social infrastructure real estate assets with good fundamentals located in or around large communities in the EEA, Switzerland, and United Kingdom. The Fund fully integrates impact analyses at each stage of the investment process.

Methodology

The following aspects of the investment process reflect how environmental and social vectors are binding:

- **Sourcing** – All potential investments must not only meet all of the requirements of the investment process, but also meet the impact objectives of the Fund. This means the social impact objectives must be met.
- **Due diligence** – A full impact assessment is completed prior to an investment. The assessment includes: Information on the community value and environmental performance of the asset; a rating system that reflects the current performance of the asset; and our projection for how the asset should perform after our contributions are made. In this way, social and environmental indicators are identified and must be met prior to investment.
- **Portfolio Construction** – The Fund seeks to prioritize its impact objectives by investing across asset types and balancing opportunities to create impact across the six targeted Sustainable Development Goals (SDGs) depending on the type of asset as each will exhibit unique characteristics.
- **Monitoring & Reporting** – The Fund reports annually on impact performance, and will seek guidance from the Fund's Advisory Committee on ways to enhance its approach to impact management and measurement.
- **Sustainability Risks** - The Portfolio Manager integrates sustainability risks (meaning an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a material negative impact on the value of a Fund's investment) and opportunities into their research, analysis and investment decision-making processes with respect to the Fund. Sustainability risks are important elements to consider in order to enhance long-term risk adjusted returns for investors and determine specific Fund's strategy risks and opportunities. The AIFM and the Portfolio Manager make use of specific methodologies into which environmental, social, and governance ("ESG") data are incorporated. The AIFM and the Portfolio Manager consider all pertinent physical risks of each asset and consider them as a part of the Fund's investment process.

Data source(s) and processing (sustainability indicators)

A combination of internal and external sources is deployed:

- Proprietary Impact Management and Measurement score and indicators
- Contributions to Sustainable Development Goals (SDGs)
- Community and environmental scoring system
- External data metrics

Designated reference benchmark

As no benchmarks exist to measure impact in private real estate, the Manager uses a proprietary, complex Impact Management and Measurement (IMM) system to measure sustainable impacts. It includes 1) a Theory of Change; 2) an Integrated Process; 3) a focus on Contributions to Sustainable Development Goals; and 4) a Community and Environmental Scoring System.