

Website Disclosure Questionnaire for Article 8

Identification of the financial product and its objective (art. 23 SFDR RTS ¹)	Beaufort Capital Real Estate Debt Fund III LP SCSp (the 'Fund')
Summary (art.25 SFDR RTS)	The investment objective of the Fund is to generate secure income, through participation in senior, stretched senior and mezzanine secured UK real estate development loans. The Fund will also participate in a limited amount of non-debt investments. The Fund promotes environmental and social characteristics but does not have as its objective sustainable investment. The Fund will promote the following positive environmental and social characteristics, as per Article 8 of the Sustainable Finance Disclosure Regulation (SFDR): 1. Work with development partners to promote environmentally conscious developments 2. Help to address the structural undersupply of good quality, environmentally conscious and, affordable residential property in the UK 3. Help to meet the demands of an ageing UK population by financing care and senior living projects 4. Help to meet the demands of the UK student population by financing affordable, high-quality housing projects in the student accommodation sector The specific Environmental, Social and Governance ('ESG') characteristics of each development project are assessed by the Investment Advisor during the pre-investment due diligence process. The specific ESG characteristics of each project are presented in the Investment Advisors investment recommendation paper presented to the Manager of the Fund and continues to be monitored on an annual basis and in line with regulatory requirements during the life of the project. The primary source of the ESG information collected is from the borrowers and developers that the Fund partners with. Where necessary, the Fund Manager may use data available from external sources, which can be accessed independently by the Investment Advisor.

¹ Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022

Version	Date of publication	Date of update (if any)	Explanation (if any)
1.0	30 June 2023		Initial upload

No sustainable investment objective (art. 26 SFDR RTS)	The Fund promotes environmental and social characteristics but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product (art. 27 SFDR RTS)	Although the Fund does not have sustainable investment as its objective it recognises the impact real estate construction has on the environment and society and the importance of seeking to enhance ESG performance on the investments it selects/makes. The Fund will promote the following positive environmental and social characteristics: 1. Work with development partners to promote environmentally conscious developments Working with its development partners, where possible the Fund will seek to ensure that from the design stage onwards, there is a commitment to building high quality environmentally conscious and efficient developments that have a low impact on their surroundings. 2. Help to address the structural undersupply of good quality, environmentally conscious and, affordable residential property in the UK The Fund will finance the construction of residential property developments within the UK. This activity will assist in addressing the under supply in this area of the market. In addition, where relevant, these developments will have affordable housing provision included within the development or, provision will be made for this offsite or by way of a financial contribution to the local authority. 3. Help to meet the demands of an ageing UK population by financing care and senior living projects. Working in line with its investment restrictions the Fund will aim to have an allocation to development projects within the retirement living and care sectors. These projects will provide much needed facilities to an under supplied market within the UK and create further employment opportunities within local economies. Help to meet the demands of the UK student population by financing affordable high-quality housing projects in the student accomodation sector The Fund defines high-quality student housing by the use of good quality materials during construction and the overall internal and external finish of the building as well as its close proximity to local amenities and the university, and the provision of on-site amenitites such as gyms and study spaces.

	The Fund will have exposure to the Student Accommodation (PBSA) market by funding projects that meet this criteria. These investments will also create further employment opportunities within local economies.
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Investment strategy (art. 28 SFDR RTS)	The investment objective of the Fund is to generate secure income, through participation in senior, stretched senior and mezzanine secured UK real estate development loans. The Fund will also participate in a limited amount of non-debt investments. The Fund will advance short term loans (typically with a term of 2 years) to developers across a diversified set of target asset classes including residential, mixed use, commercial, care homes and senior living, student accommodation, affordable housing, hotels and the private rented sector ('PRS'). The Fund will seek to construct an investment portfolio consisting of loans and non-debt investments in accordance with its investment restrictions. These restrictions provide maximum exposures to senior, stretched senior, mezzanine and non-debt investments along with geographical, sector, developer, and loan size exposure to ensure that portfolio risk is managed. The Fund integrates ESG into its investment strategy to attain the promoted environmental and social characteristics. In the pre-investment phase, the Investment Advisor conducts due diligence on each developer and development project. This due diligence includes direct information requests being made to the developer and external investigation being conducted. This due diligence includes, but is not limited to, an analysis of the ESG characteristics disclosed within the 'Environmental or Social characteristics of the financial product' section of this disclosure. ESG factors are presented by the Investment Advisor to the Fund Manager within the ESG section of the investment recommendation paper. The report will also provide links to a developers own ESG policy where relevant. Where relevant, other factors, such as affordable housing information and an analysis of the corporate ownership structure, management experience and board composition are presented in separate sections of the investment recommendation paper. During the investment phase, the Investment Advisor and Fund Manager monitor the promoted characteristics on an annual basis throughout the life of the investment. The Investment Advisor distributes an ESG questionnaire to evaluate the ESG credentials of the borrower and development. The collected data is used to assess the portfolio against the promoted environmental and social characteristics. The Fund engages with the developers on the projects that it finances to ensure that from the design phase onwards there is a commitment to
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	building environmentally conscious and efficient buildings. It should be noted however, that the Fund does not have the ability to directly control the developer's decisions. The ultimate decision making for the project's Environmental and Social impact sits with the developer and the legislation in place at the time
Proportion of investments (art. 29 SFDR RTS)	The Fund will seek to make a minimum of 75% of investments (consisting of non-debt investments and loans committed) to development projects that are aligned with one or more of the promoted characteristics. The structure of the Fund's investment portfolio and investment restrictions limits the possibility for investments to align with all four promoted characteristics. The remaining 25% of investments are not expected to align to one or more of the promoted characteristics. For example, Loans Committed to finance refurbishment and regeneration projects can be subject to development limitations as a consequence of building or planning regulations (for instance, the repurposing of listed heritage buildings, which may struggle to meet today's EPC standards, but still attain a substantial improvement). The Fund can therefore not commit that all investments will be aligned to at least one of the promoted characteristics.

Monitoring of environmental or social characteristics (art. 30 SFDR RTS)	The ESG characteristics of each development will be assessed during the pre-investment due diligence phase by the Investment Advisor and continue to be monitored on an annual basis throughout the life of the investment. The Investment Advisor will analyse and monitor developments against the indicators listed below such as: - Development EPC ratings - Provided cycle storage - Provided green spaces - Provided electric car charging points - Total number of houses (units, where relevant) to be built on site - Proportion and amount of affordable housing 'AH' provided - Exposure to the Residential, Care and Senior Living and Purpose Built Student Accommodation sectors The Investment Advisor also analyses and monitors the following good governance practices of the developers: - Total number of direct and indirect (sub-contractor) individuals employed by the developer - Analysis and review of the borrower and developers' ownership structure - Assessing the competence and experience of the developer and borrowers' management - Monitoring the number of Women and minorities/under-represented groups on the Board of Directors of the borrower and developer. - Confirmation and review of the Developers own ESG policy - Confirmation of the Developers compliance with local tax laws and regulations - Conformity to current building regulations - Conformity to current regional environmental planning policies
Methodologies (art. 31 SFDR RTS)	Information on the ESG characteristic listed above are reported on during the pre- investment due diligence phase. The data is gathered from a mixture of external sources, including the borrower. The Investment adviser also gathers its own data using sources independent of the borrower such as local planning portals, EPC portals and companies house filings.

	This information is presented in the Investment Advisors investment recommendation paper presented to the Manager of the Fund. The characteristics continue to be monitored on an annual basis and in line with regulatory requirements during the life of the project by the Investment Advisor
Data sources and processing (art. 32 SFDR RTS)	The primary data source for ESG data is from the borrowers and developers that the Fund partners with and the level of data will vary depending on the party. Where possible data provided by these parties is checked to external sources to ensure the data provided is accurate. These External sources include, for example Energy Performance Certificate 'EPC' ratings and environmental impact studies which may be conducted and provided by external consultants where relevant. The Investment Advisor also conducts its own independent research using publicly available sources, such as companies house filings and local planning portals. The amount of estimated data provided is limited. It is only on projects that are currently awaiting planning approval where only estimated data can be provided. In accordance with the Funds investment restrictions, these types of projects can only account for a maximum of 15% the Funds Gross Asset Value. However, even in this situation, aspects such as conformity with building regulations, number of housing association properties and required EPC ratings would already be known as these are required as part of the planning approval process.
Limitations to methodologies and data (art. 33 SFDR RTS)	The Investment Advisor can conduct high level ESG reviews on potential development partners by using publicly available information however, the Investment Advisor is reliant on its development partners to provide the necessary ESG data for their relevant projects. That being said, a large amount of the key ESG information can also be found on the local authority planning portal for each scheme. This means that the key data provided by the developer, such as project EPC ratings, building regulation conformity and

	affordable housing provision can be checked against publicly available information to ensure the project meets the Environmental and Social characteristics promoted by the Fund even when limited information is provided by the developer. It should be noted that in some instances planning amendments submitted after the initial due diligence process has concluded may mean that the information provided at the due diligence stage is out of date and no longer accurate. It should be noted however, that the Investment Advisor will have sight of these amendments due to their ongoing interactions with the developer and monitoring of the development site and will therefore update the ongoing monitoring as necessary.
Due diligence (art. 34 SFDR RTS)	The Investment Advisor conducts due diligence on each developer and development project at the pre-investment due diligence phase. This due diligence includes direct information requests being made to the developer and external investigation being conducted. This due diligence includes an analysis of the promoted characteristics disclosed within the 'Environmental or Social characteristics of the financial product' section of this disclosure. The ESG analysis is presented by the Investment Advisor to the Fund Manager within the ESG section of the investment recommendation paper. The report will also provide links to a developers own ESG policy where relevant. Other factors, such as affordable housing information and an analysis of the corporate ownership structure, management experience and board composition are presented in separate sections of the investment recommendation paper.
Engagement policies (art. 35 SFDR RTS)	The Fund engages with the developers on the projects that it finances to ensure that from the design phase onwards there is a commitment to building environmentally conscious and efficient buildings. It should be noted however, that the Fund does not have the ability to directly control the developer's decisions. The ultimate decision

	making for the project's Environmental and Social impact sits with the developer and the legislation in place at the time.
Where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark (art. 36 SFDR RTS)	No index has been designated as a reference benchmark for this financial product