

SFDR DISCLOSURES

The Fund does not have sustainable investment as its objective and does not promote environmental or social characteristics. Environmental, social and governance (“ESG”) related aspects in this Memorandum, in particular around the investment decision making process of the Partnership, are intended for reference only and are not binding on the Fund.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

No Consideration of Principal Adverse Impacts

This disclosure is being published to comply with the obligation of the Fund under Article 7(2) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”) relating to principal adverse impacts of investment decisions on sustainability factors.

The Fund does not currently consider the principal adverse impacts of its investment decisions on sustainability factors within the meaning of the SFDR. Although the Fund may consider sustainability as part of its investment process in the future, the uncertainty about the level of information required to be gathered and the level of assessment required to carry out the exercise mean that this is subject to ongoing review as we further develop our processes in this respect.

Integration of sustainability risks into investment decision-making process

A sustainability risk means an ESG event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment. To the extent that ESG factors (including the six environmental objectives prescribed by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (“**Taxonomy Regulation**”) climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems) represent material risks and/or opportunities to maximising long-term risk-adjusted returns, they will be considered as part of the Investment Manager’s and the Investment Advisor’s investment decision making.

The Investment Manager and the Investment Advisor recognise the importance of identifying, assessing and managing material sustainability risks as an integral part of conducting business, and it is part of the real estate investment decision-making process to take sustainability risks into account – please see Section “RISK FACTORS” for sustainability risks.

Initial Identification of Sustainability Risks

During the asset acquisition process, the due diligence review identifies and assesses relevant sustainability risks through a dedicated “ESG Evaluation” that will be taken into consideration during the investment decision. The evaluation is available upon request and includes an assessment of building safety, energy and water efficiency, and waste management processes. During due diligence, the team also evaluates physical risks due to potential contamination, flooding, heat stress, water stress, hurricanes, earthquakes and other natural disasters that may occur. During due diligence, the team also analyses community impact, as well as socio-economic data such as affordability, safety, education, and mobility. This evaluation will enable the Investment Advisor to identify any ESG-related ‘red flags’ prior to completing the investment and was implemented in Q4 2020.

If relevant sustainability risks are identified, the risk must be included in the due diligence findings and may lead to the abortion of the investment should it be concluded that risks cannot be adequately managed or mitigated through appropriate measures.

Monitoring of Sustainability Risks

Once an asset has been acquired, the Investment Advisor monitors sustainability risks on a regular basis. In addition, the Investment Advisor regularly communicates with building management on ESG issues and collects Key Performance Indicators, such as energy, water, waste and greenhouse gas emission data for regular analysis. Finally, regular feasibility analysis is done on renewable energy and available federal and state incentives as they become available.

Selling process

During the sales process the Investment Advisor will continue to monitor any sustainability risks as mentioned above.