



2023

RESPONSIBLE INVESTMENT POLICY

About

Since 1965, L&B Realty Advisors (L&B) has provided real estate management services to institutional investors and family offices. L&B has a proven track record of successfully acquiring, managing, and disposing real estate on behalf of its clients.

L&B clients were high net worth European investors seeking to diversify their assets into North American core real estate. L&B opened its United States office in Chicago in 1970, and a few years later, relocated to Dallas. In 1978, L&B made its first real estate investment on behalf of a public pension plan.

In 1983, L&B entered a partnership with David L. Babson & Company, a Boston-based investment firm, to gain access to the institutional market. L&B registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 in March 1984. In 1995, having gained significant U.S. tax-exempt institutional experience through the relationship with Babson, L&B ended its partnership by acquiring Babson's interest. In 1992, L&B was acquired by United Asset Management (UAM); and in 2000, Old Mutual, plc acquired all UAM's assets, including L&B. In 2005, L&B's principal partners, G. Andrews Smith, and Daniel L. Plumlee, acquired ownership of L&B from Old Mutual, plc. L&B offers in-house property management through L&B's affiliate, Institutional Property Managers, LLC (IPM), on a limited basis.

Our Purpose

Our client's investment objectives are our foremost priority, and L&B has a fiduciary duty to optimize the economic return on client investments and reduce risk. Responsible investing is an approach to investing that incorporates Environmental, Social, Governance, and Resilience (ESG+R), Climate Change and Diversity, Equity, and Inclusion (DEI) factors into investment decisions across all asset classes, to better manage risk and generate sustainable, long-term returns. The purpose of this policy is to combine our drive to deliver for our clients in the most responsible way possible while also achieving these results at their discretion.

Climate change, CO² emissions, natural resource conservation, waste and pollution, and deforestation are examples of environmental factors that are most often cited and may affect the long-term risk profiles of property investments. Addressing social factors such as workplace diversity and inclusion, working conditions, and community involvement generates lower costs and reduces reputation impairment risk. Issues of bribery and corruption, political lobbying, independent board governance, and diversity issues create Governance factor risk, or reputation and sustainable business risk. L&B aims to mitigate risks we can control to help benefit the local community, the environment, our employees, and our clients.

Leadership

Responsible Investment Committee (RIC)

L&B's RIC participants include senior investment professionals with an array of diverse skill sets. Several of these participants also sit on the firm's Management and Investment Committees. The RIC meets at least quarterly to review ESG+R, Climate Change and DEI factors. Discussions include in what ways these factors are being considered in the investment decision-making process as well as evolving technologies and methods with the end goal being to identify areas - within the limitations of our given client discretion - that hold potential for improving our responsible investment performance.

RIC Members	Title	Other L&B Committees
Kelsey Richey	Project Manager, Construction Management (Chairman)	Business Continuity Committee
Christe Cavaness	VP, Asset Management	-
Merrill Curtis	VP, Asset Management	-
Scott Cronister	EVP, Asset Management	Investment Committee
Michael Formanek	VP, Portfolio Management	Culture Committee, Engagement Committee
Julie Griffith	Risk Management	Business Continuity
Jan Johnson	Director, RFP Department	-
Vicki Matthews	VP, Human Resources	Compensation Committee
Chris Neufeld	VP, Construction Management	Business Continuity
Paul Noland	EVP, Head of Acquisitions	Investment Committee, Leadership Committee, Engagement Committee
Dan Plumlee	Chief Investment Officer	Management Committee, Investment Committee, Compensation Committee
Rodman Ricketts	Project Manager, Construction Management	-
Rui Shi	VP, Portfolio Management	-
Andy Smith	Chief Executive Officer	Management Committee, Investment Committees, Compensation Committee

Environmental, Social, Governance and Resilience (ESG+R), Climate Change, and Diversity, Equity, and Inclusion (DEI)

The L&B team acknowledges that our business activities influence the communities in which our clients choose to invest.

Incorporating ESG+R, Climate Change and DEI factors into investment decisions has gained traction throughout the global institutional investment community. The trend is being driven by increased consumer expectations of businesses to conserve natural resources, behave ethically, and broaden the definition of stakeholders. L&B investment professionals are aware of these changes and stay abreast of their impact.

Scope

L&B makes a concerted effort to be transparent throughout all its business endeavors. As a result, this policy will highlight aspects of ESG+R, Climate Change and DEI factors related initiatives. This policy is intended to demonstrate the executive management team's shared commitment to these principles and, consistent with the discretion given by each client, guide the implementation, execution, benchmarking, and reporting of sustainability practices.

Definitions

Environmental: The firm aspires to assess how client's assets stand to reduce waste in line with local environmental guidelines on an ongoing basis.

Social: L&B is committed to creating an inclusive and productive work environment for all individuals in the workplace to succeed and grow professionally. The firm is also focused on positively impacting the communities in which they work and live in. L&B accomplishes this by investing time and resources into the workplace, identifying underserved areas within the urban environment, employee volunteerism, and education.

Governance: L&B seeks to operate and manage its business with the highest level of standards and ethics, transparency, governance, and consideration for the long-term growth and health of the firm and its investments. Having transparency through due diligence and the decision-making processes is a turnkey solution to establishing a work environment where morals and principles are aligned throughout all business practices.

Resilience: L&B maintains a business continuity plan and requires third-party property managers to have business continuity plans for all its assets as applicable. Resilience reflects what we do before, during and after disruptive events, and it is built on a foundation of effective governance practices.

Climate Change: L&B intends to continue its exploration of how strategies for climate change potentially impact risk strictly on a case-by-case, property-by-property basis and will monitor opportunities to implement strategies that provide an adequate payback for the investment.

Policies

Environmental

L&B strives to reduce the environmental impact of our assets by using natural resources more efficiently, specifically with respect to conserving electricity, water and minimizing waste. We have identified and applied emerging technology to optimize efficiency and reduce energy costs for our assets. We continue to look for new technologies, means, and methods to increase energy and water efficiency and the useful life of all the equipment for properties. Through the design, construction, and redevelopment of the assets within our portfolio, L&B aligns the process with our company Responsible Investment standards and the goals of our clients. These initiatives can help to minimize the impact on our ecosystem, reduce water usage, promote better building energy performance, and reduce our carbon footprint through ongoing recycling initiatives. Below are few high-level strategies that L&B seeks to incorporate throughout our investment processes:

- L&B maintains membership and has at least one member in the USGBC (United States Green Building Council) in order stay abreast of current issues, strategies, and opportunities to improve the sustainable nature of our portfolio.
- L&B's RIC meets quarterly and reviews case studies to assess innovations and emerging opportunities to increase energy efficiency or sustainability.

Considerations within Acquisitions, Investments, and Asset Management

- L&B is devoted to increasing its awareness of opportunities that both reduce the carbon footprint while optimizing investment returns. In conjunction with client parameters, we aim to reduce emissions, water consumption and waste while increasing operating expense efficiency, and paying particular attention to the primary components of sustainability.
 - Energy - Use technologies to monitor inbound electricity use to ensure optimal performance and efficiency and assuring electricity is used when and where needed at the time it is required.
 - Water - Use technologies and management practices to ensure water use is the minimum required for a particular use and leak detection and management to prevent waste.
 - Waste - Promulgate recycling programs into cleaning and janitorial services to increase the tenants' adoption rate and encourage recycling of materials in demolition projects.
- L&B analyzes the sustainability of new acquisitions in our investment committee to assess the current baseline for sustainability and opportunities for continuous improvement over the asset's life cycle.
- In addition to the above, the firm will also conduct environmental site assessments to understand the current environmental condition of a property.
- L&B pursues Energy Star, LEED, and other applicable designations for properties, when practical and economically feasible, to communicate a commitment to sustainability to the market.
- L&B incorporates sustainability guidelines into the capital improvement planning process to ensure improvements are replaced with the most environmentally efficient components possible at the time of replacement.

Social

L&B is committed to creating a diverse and inclusive work environment for its employees and the communities that our employees live and work in. Addressing social factors such as workplace diversity and inclusion, workplace environment, and community involvement help us to generate a better brand and in return, assist us in attracting the best talent. Creating an environment where all our employees feel comfortable is essential for our teams to operate at the highest level possible. L&B values our responsibility to clients, business partners, employees, community, and society to demonstrate integrity, honesty, and respect for others. Below are some social initiatives the firm has implemented to improve the workplace and our local communities:

- L&B provides paid time off and health insurance continuation benefits to all employees and associates. This includes providing family care leave for caregivers of a newborn child or a child placed with the employee by adoption or foster care.
- Ensure the recruitment process appeals to a largely diverse, highly qualified pool of candidates to develop career path opportunities, and advance diverse team members.
- Establish an equal compensation policy among all employees to ensure there are no unexplained gaps by non-discriminatory reasons such as length of service, job performance (merit), and geographic location.
- The firm pledges to only engage with service providers that demonstrate the same integrity and respect L&B does for others in their business activities.

Governance

L&B defines foundational ethics and corporate stability through its Code of Conduct. The L&B Compliance Manual sets forth policies, procedures, processes, customs, and best practices applicable to the day-to-day management of the firm. With fiduciary oversight, the firm operates to protect investors' interests and comply with all applicable legal and regulatory requirements. Transparency through the research, due diligence, and asset management processes are essential to ensure that the firm delivers sustainable and long-term growth for investors.

- L&B strives to comply with applicable national, state, and local labor laws in the areas in which the firm invests.

- **Compliance Manual** - The firm updates its Compliance Manual and Code of Ethics annually. The Compliance Manual and Code of Ethics helps the firm adopt an infrastructure consistent with sound business practices and assists the firm's personnel in withholding ourselves to the highest business standards and ethics.
- **Responsible Contractor Policy** - As a fiduciary, L&B seeks to provide the best possible risk adjusted returns to our clients while operating within the investment guidelines of the clients and in a manner which is consistent with our Responsible Investment Policy. In that regard, we strive to obtain high quality services to maintain and enhance the value of our investments, and to construct projects on time or ahead of schedule in accordance with approved plans and specifications consistent with the approved project budget. We believe that the employment, on terms consistent with our Social Responsibility Policy and our fiduciary duties, of experienced, well trained, dependable, and compensated craftsmen and other service providers is of utmost importance in achieving these objectives.

Anti-Bribery & Corruption

L&B is committed to the highest ethical and legal standards. This commitment extends to every action taken while engaging with co-workers, participants, shareholders, clients, institutions, business partners, and contractors. L&B complies and will continue to comply with the US Foreign Corrupt Practices Act and the OECD Anti-Bribery Convention prohibiting bribery and other improper payments to public officials. From a cash management perspective, L&B has established internal controls including the segregation of duties requiring different individuals to be charged with the initiation, authorization, and release of funds.

Diversity, Equity, and Inclusion (DEI)

At L&B, DEI and diversity of thought are vital to our corporate culture, vision, practices, and investment performance. We are deeply committed to building an inclusive environment for our team. Our aspiration is for everyone to feel welcome, valued, respected, heard, and to have equitable access to opportunities known and yet to be discovered. Our DEI policy applies to all employees, contractors, and those that we select to work on our behalf.

Our DEI effort starts with our people. We recognize a significant part of our culture, reputation, and firm's achievements are derived from the collective sum of the individual contributions to a team effort. Our experience shows us that differences in background, life experiences, knowledge, innovation, and self-expression challenge us to make better and more sustainable decisions; decisions that benefit our team, our clients, our community and ultimately performance. For that reason, we welcome differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status to our team.

L&B's work environment is built on the foundation of equity. Treating others with dignity and respect at all times is compulsory. Our established practices and policies, such as our anti-harassment and retaliation, code of conduct, parental and medical leave reflect the evolution of this commitment. From the beginning of the employment process (recruitment and selection) to on-going opportunities for growth and development (training, mentoring, compensation, promotions) to off-boarding (retirement, layoff, termination). We embrace active participation by our individual team members in various industry associations as well as partnering with groups in our community where the missions include furthering DEI (for example, Cristo Rey of Dallas, Momentous Institute among others). Additionally, social and recreational activities are an essential piece of this employment continuum which bring together our people informally so they can know each other better and embrace the similarity and differences with an eye toward collaboration.

Policy Review and Implementation

The L&B team has made sustainable policies a part of the best practice management of the firm and will continue to work to improve company culture and advocate for sustainability and innovation in the space. This includes, subject to the discretion given to us by each client, incorporating ESG+R, Climate Change and DEI factors in the investment decision process, leasing, operations, capital improvement planning, and development of properties within the portfolio. L&B has pledged to identify, implement and monitor emerging sustainable technologies and practices as new opportunities emerge. Regarding improving upon and implementing the policies outlined in this document, L&B will conduct an annual review of this Responsible Investment Policy and implement control measures to determine the effectiveness of new and existing initiatives. To stay abreast of the latest emerging technologies within the ESG+R, Climate Change and DEI spaces, the leadership team will continue to participate in select industry events.

Commitment to Improvement

L&B will continue to administer the Responsible Investment practices stated in this document throughout the lifecycle of all assets under ownership and throughout the lifespan of our business, while continuing to optimize the economic return on client investments and reduce risk. All team members are encouraged to speak up and bring attention to any issues related to ESG+R, Climate Change and DEI, that are relevant to the firm's business. As new upgrades in technology continue to improve, L&B pledges to continue to educate themselves to create a more sustainable future for the firm, investments under our stewardship and our society.