

Trez Capital Responsible Investing Policy (RIP)

January 2024

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OVERVIEW

Trez Capital (the “Firm”) is a diversified real estate investment manager and preeminent provider of private commercial real estate debt and equity financing and investment solutions across North America. We recognize that our business activities can have wide-ranging Environmental, Social, and Governance (ESG) related impacts. We believe it is important to integrate material ESG risks and opportunities into the consideration and selection of private market investments. ESG integration goes hand-in-hand with good business practices, can help generate attractive risk-adjusted returns for our investors, and contributes to sustainable development and thriving communities.

PURPOSE

This policy defines our approach to integrating ESG risks and value-creation opportunities into our investment process. The United Nations (UN) Principles for Responsible Investment (PRI) programme was formally launched in 2006. Due to factors of size and scope, Trez Capital is not currently a signatory to the PRI; however, the principles put forth by the PRI, along with their Guide to Responsible Investment in Real Estate, help inform our approach to this policy and ultimately our investment integration and decision-making.

We are committed to evaluating material ESG risks and opportunities across our portfolios throughout the investment lifecycle. For this policy, “material” ESG factors are defined as those ESG risks and opportunities that may meaningfully affect performance and investment outcomes, as determined by the Investment, Credit and Risk Committees.

SCOPE

This policy is intended to apply to the investments considered or made by the Manager and affiliated Trez Capital Funds and custom mandates. Trez Capital’s ability to control the integration of ESG considerations will vary across strategies and value-creation opportunities. Some products and activities are outside our core business and incompatible with our view of responsible investing. Therefore, we would look to exclude investments in the following: coal mining, tobacco, alcohol, pornography, gambling, or controversial weapons.

ESG INTEGRATION

We believe ESG integration is not a one-size-fits-all approach. The Firm applies thoughtful and customized strategies to integrate material ESG risks and opportunities across our investment strategies.

Assess

During the initial investment process, investment professionals perform due diligence to identify potential material risks, including ESG risks. This may include the evaluation of financial, regulatory, corporate governance, environmental, human resources, data privacy, workplace safety and legal issues, among others. Relevant findings are generally referenced in investment committee memorandums and reviewed internally by the applicable committee(s). ESG industry frameworks inform the Firm's ESG due diligence approaches and may apply to direct investments, indirect investments, or borrowers and developers.

Document

Trez Capital generally undertakes documentation efforts related to material ESG factors:

A. Due Diligence

Investment professionals document material ESG risks and opportunities arising from initial due diligence as part of the Investment Committee memorandum or other similar document.

B. Specific Areas of Concern

Where relevant and practicable based on the investment strategy for each fund or custom offering, Trez Capital may document material ESG factors that arise during investment as part of its ongoing portfolio management process. Subject to applicable legal restrictions and limitations, Trez Capital may disclose significant ESG updates related to an investment to the appropriate governing body.

Monitor

Trez Capital will monitor ESG developments across fund holdings where relevant and practicable based on the investment strategy. This includes:

- A. requiring ESG reporting for certain projects;
- B. tracking ESG controversies where necessary.

Engage

Investment professionals engage on ESG topics throughout the lifecycle of an investment as part of the investment's engagement strategy. This includes:

- A. encouraging investment professionals to identify and raise material ESG factors to relevant Trez Capital personnel;
- B. addressing, where appropriate, investment-level ESG-related risks with contractors, vendors, borrowers, or other partners.

OVERSIGHT

Trez Capital's Executive Leadership Team (ELT) oversees the Firm's ESG policy, and the ESG Strategy Committee is responsible for properly implementing this policy. The ESG Strategy Committee partners with the Firm's investment professionals to integrate this ESG policy across the Firm's funds. It provides ongoing training related to this policy on an as-needed basis.

ONGOING SUPPORT

The Firm was founded on the principle of “Investing in today to build a better tomorrow” and works hard to maintain a culture driven by our values of Trust, Respect, Excellence, and Zest. Trez Capital is committed to conducting its operations per this ESG policy. Each employee is guided by our Code of Ethics, which sets forth standards for behaviour as required by all Trez Capital representatives. The Code of Ethics emphasizes our commitment to observe all applicable laws, outlines basic legal and ethical behaviour standards, and provides a reporting mechanism for legal and ethical violations. In addition to the Chief Compliance Officer (CCO), Senior Management (Leadership Team) helps promote and maintain these standards. This policy is reviewed annually and will be updated to reflect any changes.

Trez Capital undertakes various activities as a Firm, including environmentally focused initiatives (Environmental Commitments), philanthropic initiatives and employee engagement initiatives (Trez Cares) that further align with our Corporate Responsibility Policy.