

RESPONSIBLE INVESTMENT POLICY

AUGUST 2020

This document outlines the key elements of Calmwater Asset Management, LLC's ("Calmwater") Responsible Investment Policy (the "Policy"). It sets out Calmwater's approach to responsible investment including Environmental, Social, and Governance ("ESG") information in its investment process.

PURPOSE AND OBJECTIVE

Responsible investment is a fundamental investment approach Calmwater uses to help identify ESG risk for its clients. The portfolio management team is directed to adequately consider material ESG risks as part of the investment process in accordance with this Policy. Calmwater aims to apply best practice approaches for its responsible investment Policy.

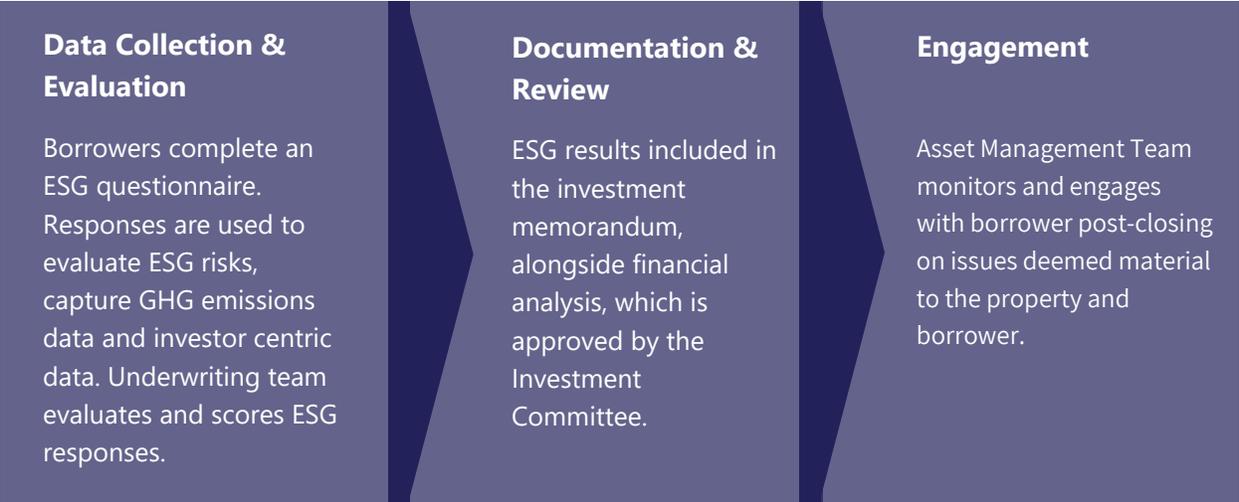
Calmwater became a signatory to the United Nations Principles for Responsible Investment ("UNPRI") on August 5, 2020. As a signatory, Calmwater recognizes that applying UNPRI's six principles to its investment philosophy may better align its investors with the broader objectives of society as articulated by the UN sustainable development goals.

OUR PRINCIPLES

The following principles guide Calmwater's approach to ESG integration:

- 1. Engage Borrowers.** Work closely with our borrowers, both during the underwriting process and over the duration of the loan to evaluate ESG risk factors and incorporate these factors into our investment approach.
- 2. Focus on Materiality.** Focus attention on material ESG factors, as defined by a) their importance to a given investment's circumstance; and b) the likelihood and magnitude of material ESG factors having a business, environmental or social impact.
- 3. Implement Systematically.** Implement evaluation of ESG factors systematically throughout the investment life cycle.
- 4. Avoid Harm.** Seek to avoid investments whose practices or products cause significant environmental or social harm.
- 5. Integrity of Management.** Have strict policies that prohibit bribery, improper political contributions, money laundering, equal opportunity and labor law violations, fair compensation, worker health and safety and human rights abuses.
- 6. Transparency.** Disclose ESG integration practices to promote transparency and encourage wider adoption of ESG practices across the economy.

ESG INTEGRATION



General

ESG integration is an essential part of the Calmwater investment process. It is incorporated by having due diligence and investment processes account for the additional sources of risk and return that may be explained by ESG information. ESG integration is relevant for Calmwater’s entire commercial real estate bridge lending portfolio and is part of our risk mitigation process. Calmwater generally considers ESG information when conducting research and due diligence on new investments, when monitoring investments and when engaging with borrowers. ESG information is not the sole consideration for the investment decisions; instead, the investment teams assess a variety of economic and financial indicators, which can include material ESG information, to make investment decisions that achieve clients’ objectives.

Calmwater’s approach to ESG is to have a flexible policy designed to increase the total amount of information considered by the portfolio management teams to supplement their investment analysis. This policy allows for a flexible, cohesive firm-wide approach, while permitting a diversity of processes across the different investment teams and borrowers.

The underwriting group is responsible for structuring, underwriting, and executing Calmwater’s investment opportunities. As part of the underwriting process, they are also responsible for the collection and evaluation of ESG information. Post-closing, the asset management group becomes responsible for oversight of a borrower’s business plan execution and risk mitigation strategies which include engaging the borrower on ESG related matters.

Training

Calmwater believes effective implementation depends on a widespread understanding of ESG factors, how they can impact value, and the tools necessary to evaluate them. To support the implementation of this Policy, Calmwater has instituted an educational program to enhance the knowledge of its investment professionals. As part of this program Calmwater provides investment professionals with access to ESG documentation and conducts ongoing educational programs at least annually. ESG is also incorporated in Calmwater's annual compliance training.

Documentation

ESG information identified as material varies by product type, geography, borrower, and market trends. When ESG information is considered a material risk factor, our underwriting group documents material ESG information and incorporates this analysis into their investment memorandum. Materiality of ESG information is determined by the underwriting group using internally developed guidelines alongside established industry practices, such as those published by the United Nations Principles for Responsible Investment (UNPRI) or the Sustainable Accounting Standards Board (SASB).

Exclusions

Calmwater does not typically exclude specific investments. However, there may be circumstances where it is appropriate to consider exclusions from the investment portfolio. These circumstances include but are not limited to 1) the borrower potentially having a material negative impact on Calmwater's reputation, or 2) as specially identified by the Investment Committee.

ENGAGEMENT AND ACTIVE OWNERSHIP

Calmwater understands the value of actively engaging with the borrower post-closing and integrates this engagement into the Policy. The Asset Management team's engagement includes 1) monitoring borrower's activities through periodic communications; 2) having discussions encouraging borrower to improve on ESG matters identified during the investment process; and 3) asserting Calmwater's contractual rights on specific ESG issues.

GOVERNANCE

Calmwater's Executive Committee oversees execution of certain business processes and ensures they are carried out in a manner that places interest of the clients first. Business processes that the Executive

Committee oversees include adherence of the investment process to the firm's Responsible Investment Policy.

The Executive Committee requires the Investment Committee to oversee and be responsible for implementing the Responsible Investment Policy and be held accountable for integrating ESG information into their investment analysis.

This Policy is set by the Executive Committee and is reviewed annually, or more frequently, if appropriate.

REPORTING

Calmwater intends to report annually its responsible investment activities and progress. This reporting will include highlights of ESG information collected from the borrower which includes greenhouse gas ("GHG") emission data collected from the underlying properties. Calmwater also participates in the PRI Reporting Framework which includes the annual PRI Transparency and Assessment Reports. The PRI Assessment Report results will be used as the key performance indicators to measure the outcomes of Calmwater's responsible investment activities.

DEFINITIONS

This Policy supplements and should be read in conjunction with the Prospectus or Confidential Private Placement Memorandum (collectively the PPM). To the extent of any conflict between this Policy and the PPM, the terms of the PPM govern.

Policy Supplement – ESG Standards for Investments

Calmwater believes that the effective evaluation of ESG factors can help identify sources of risk and minimize an investment’s negative impact on its stakeholders. The following represents a summary of ESG factors Calmwater considers in new investment opportunities and across its existing portfolio.

Category	Main Issues Considered	Detailed Approach Includes, but not limited to:
Environmental	<ul style="list-style-type: none"> ▪ Climate change ▪ Energy, water, and waste management and mitigation ▪ Utilization of renewable resources ▪ Commitment to conservation ▪ Energy efficiency ▪ Transportation and infrastructure 	<ul style="list-style-type: none"> ▪ Requesting expanded environmental assessments ▪ Calculate property GHG emissions intensity ▪ Identify water and waste intensive activities ▪ Reviewing existing building systems for energy efficiency (LEED Certification, Energy Star, smart building technologies, etc.)
Social	<ul style="list-style-type: none"> ▪ Rights and well-being of people and communities ▪ Employee relations and diversity ▪ Employee health and safety ▪ Workplace safety 	<ul style="list-style-type: none"> ▪ Screening borrowers for equal opportunity and labor law violations, fair compensation, worker health and safety and human rights abuses. ▪ Identify workplace safety violations ▪ Reviewing the regulatory framework in which a potential borrower conducts business
Governance	<ul style="list-style-type: none"> ▪ Board structure and diversity ▪ Minority ownership ▪ Business ethics ▪ Legal and regulatory compliance ▪ Commitment to strong corporate governance ▪ Overall business strategy 	<ul style="list-style-type: none"> ▪ Reviewing the borrower’s corporate structure ▪ Screening borrowers for bribery, improper political contributions, and money laundering ▪ Performing background checks ▪ Requesting borrower’s CSR policy ▪ Identify minority owned borrowers