

RESPONSIBLE INVESTMENT POLICY

JULY 2024

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 considered in its investment process.

PURPOSE AND OBJECTIVE

Responsible Investment (RI) 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.

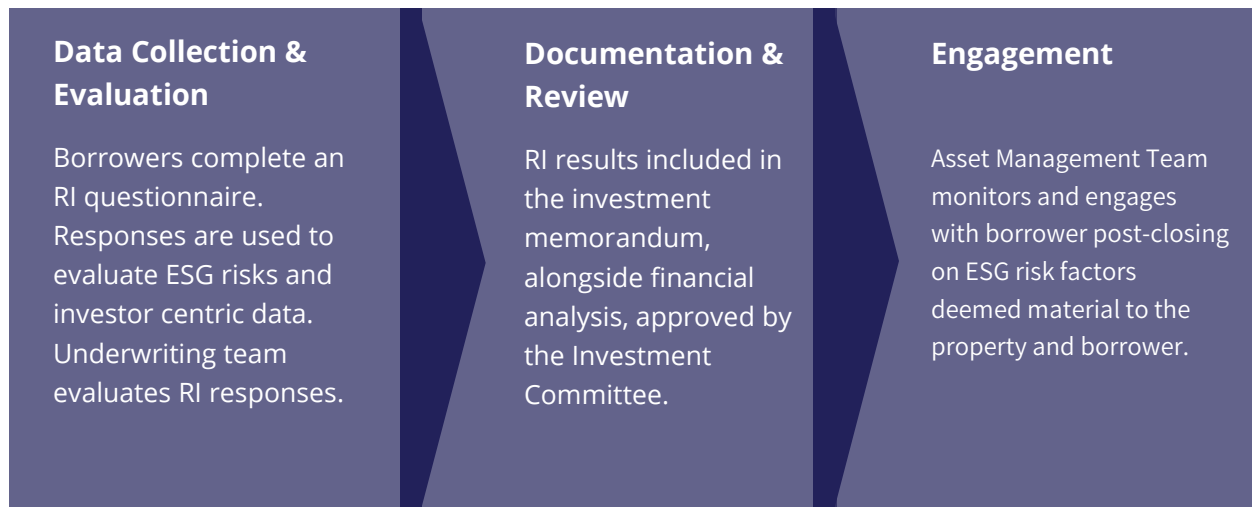
Calmwater became a signatory to the United Nations Principles for Responsible Investment ("UNPRI") on August 1, 2020. As a signatory, Calmwater recognizes that applying UNPRI's six principles to its investment philosophy may better align its investors with the broader objectives of society as articulated 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 risk factors, as defined by a) their importance to a given investment's circumstance and b) the likelihood and magnitude of the material ESG risk factor's impact on a borrower and its operations.
- 3. Implement Systematically.** Implement evaluation of systematic sustainability issues throughout the investment life cycle.
- 4. Embrace Diversity** – Actively support diversity, equity, and inclusion at Calmwater and within the investment community.
- 5. Avoid Harm.** Seek to avoid investments whose practices or products cause significant environmental or social harm.
- 6. 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.

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, monitoring investments, and engaging with borrowers. ESG information is not the sole consideration for investment decisions; instead, the investment teams assess various economic and financial indicators, including material ESG information, to make investment decisions that achieve clients' objectives.

Calmwater's approach to Responsible Investment 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 evaluating ESG information. Post-closing, the asset management group becomes responsible for oversight of a borrower's business plan execution and risk mitigation strategies, including 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 encourages its investment professionals to enhance their knowledge of Responsible Investment best practices. As part of this effort, Calmwater provides investment professionals access to RI documentation and conducts periodic educational programs.

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. The 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 using Sustainable Account Standards Board (SASB) standards and guidelines adapted by the International Sustainability Standards Board (ISSB).

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 the borrower's activities through periodic communications, 2) having discussions encouraging the borrower to reduce ESG risk identified during the investment process, and 3) asserting Calmwater's contractual rights on specific ESG issues.

GOVERNANCE

Calmwater’s Executive Committee oversees the execution of certain business processes and ensures they are carried out in a manner that places the interests 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 established an ESG Committee responsible for overseeing this Policy and integrating ESG considerations into the investment analysis. The Investment Committee is responsible for implementing the Responsible Investment Policy and is held accountable for integrating ESG information into the investment analysis.

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



REPORTING

Calmwater intends to report its responsible investment activities and progress annually. Calmwater also participates in the PRI Reporting Framework, which includes the annual PRI Transparency and Assessment Reports. The PRI Assessment Report results is used as a key performance indicator 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 financial impact on its stakeholders. The following represents a summary of ESG factors Calmwater may consider in new investment opportunities and across its existing portfolio.

Category	Main Issues Considered	Detailed Approach may include, but is 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 ▪ Effects on biodiversity 	<ul style="list-style-type: none"> ▪ Request expanded environmental assessments ▪ Evaluate property GHG emissions ▪ Consider climate risk factors and mitigation strategies ▪ Identify carbon taxes assessed at the local level ▪ Identify waste-intensive activities in water restricted areas ▪ Reviewing existing building systems for energy management strategy ▪ Conformity to environmental laws and regulations
Social	<ul style="list-style-type: none"> ▪ Rights and well-being of people and communities ▪ Diversity ▪ Human Rights ▪ Employee health and safety ▪ Workplace safety 	<ul style="list-style-type: none"> ▪ Screen 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 ▪ Request borrower’s CSR policy ▪ Request borrower's DEI policy ▪ Identify women and minority owned borrowers