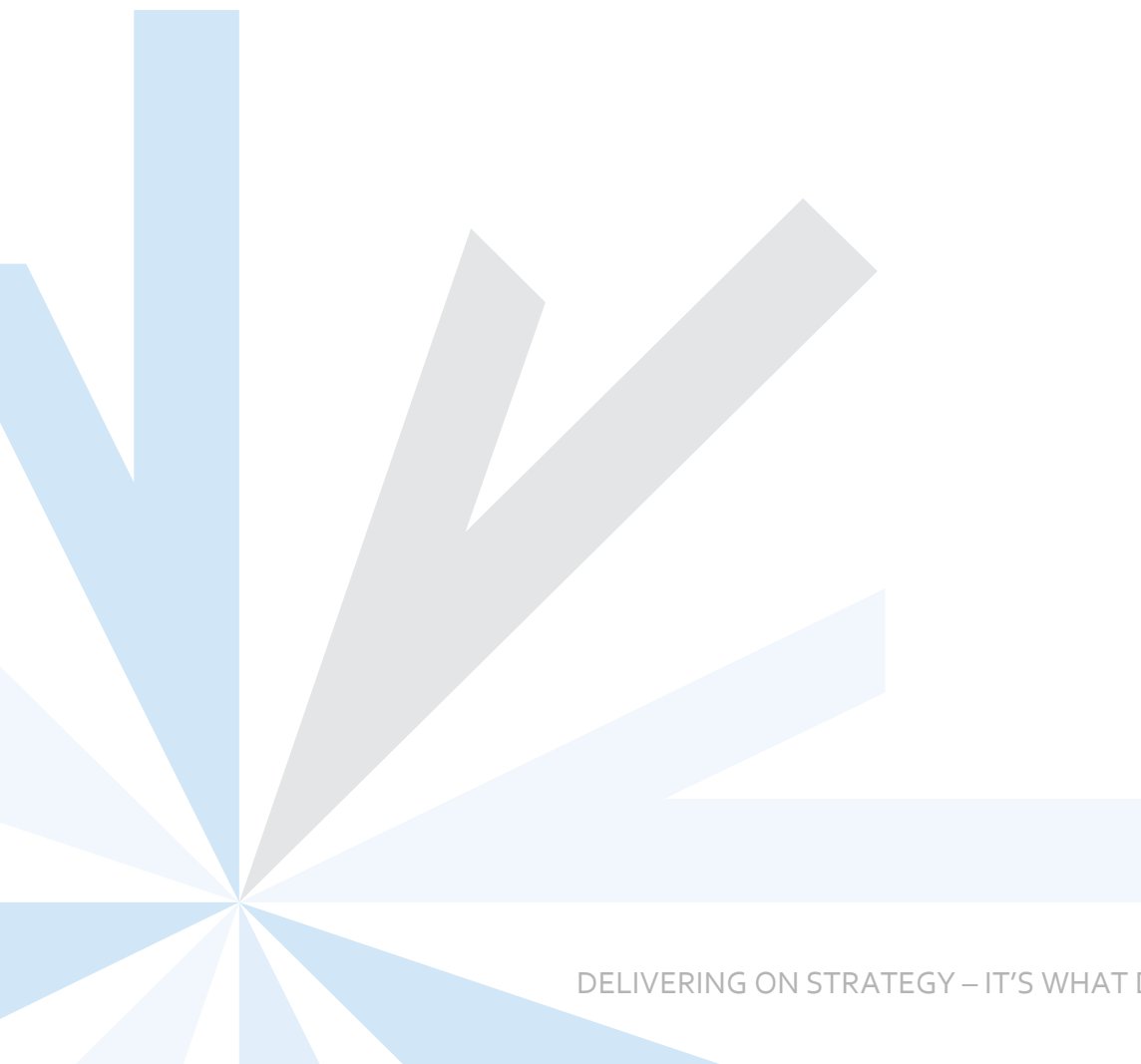


FORTIUS FUNDS MANAGEMENT

STATEMENT ON RESPONSIBLE INVESTEMENT

May 2019



Document Title:	Statement on Responsible Investment
Date:	May 2019

1 Introduction

As a responsible investor, Fortius Funds Management (FFM) is passionate about adopting sustainable practices to preserve the interests of our stakeholders and communities for future generations.

We understand that sustainability means effective management of environmental, social and corporate governance (ESG) issues as a foundation for ‘best-practice’ business operation within Australia.

We recognise that all commercial properties have an impact upon our communities and the environment. By embracing innovation and striving to continuously improve building efficiency and effectiveness, FFM intends to make a positive difference.

Sustainability can be a pathway to profitability not just at an asset level, but also for investors in commercial property funds. To help guide us on this path, we have adopted the United Nations Principles of Responsible Investment (PRI) Charter on responsible investing.

ESG is a key component of our analysis and due diligence for all assets acquired. In particular, prior to acquisition we undertake climate change resilience studies and sustainability assessments.

In addition, we are committed to conducting our business in an ethical, honest and fair manner. We support the communities in which we operate, and we encourage employees, suppliers and tenants to become involved.

To reinforce FFM’s resolve, we have committed to transparent reporting of our activities with the adoption of the Global Reporting Initiative (GRI) guideline as the framework for reporting on the Group’s ESG performance.

2 The Asset

- a) If a development asset, it is an Ecologically Sustainable Development and registered for Green Star Certification and we will target a minimum 5 Star Green Star Design and As Built v1.2 rating.
- b) If a completed asset, energy, water and waste performance rating tools and labels (such as NABERS and Green Star Performance) are used, where they exist, to benchmark and disclose the ESG performance of the asset.
- c) If the asset upon acquisition, has an NABERS Energy rating of less than 5 Stars, we will endeavour to improve and maintain the rating to a minimum of 5 Stars.
- d) If the asset upon acquisition, has an NABERS Water rating of less than 4 Stars, we will endeavour to improve and maintain the rating to a minimum of 4 Stars.
- e) Upon acquisition should the waste of the asset not be monitored, we will endeavour to implement management strategies to measure and benchmark waste disposal. Key environmental indicators such as energy, water and waste consumption are to be monitored and assessed annually, by FFM Property Services Pty Ltd (as the property manager)
- f) Environmental, Social and Governance (ESG) principles will be adopted throughout the investment management process and benchmarked through the GRESB Rating system where appropriate.
- g) As part of the Technical Due Diligence of any acquisition, the following reports will be commissioned:
 - i. Climate Change Adaptation and Resilience Study will be conducted to determine the current and future climate risks and the potential for adaption to the predicted effects of climate change to alleviate these risks.
 - ii. Sustainability Review of existing building credentials such as the BEEC, NABERS and Green Star ratings to determine where improvements could be made in terms of energy and water efficiency, material use, ecology, transport options, site management, health and happiness, and emissions to reduce the site environmental impact and increase the existing ratings.

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3 Supply Chain

- a) As a means of ensuring our contractors and suppliers adopt best practice ESG policies we will monitor how these groups address the following:
 - i. Human Rights
 - ii. Local suppliers – to support local businesses and reduce transport costs and emissions
 - iii. Anti-competitive behaviour
 - iv. Supplier engagement and knowledge sharing in order to improve asset performance

4 Tenants

- a) Lease terms support and/or facilitate ESG initiatives
- b) Tenant(s) are, or are reasonably believed to be, supportive of ESG initiatives
- c) FFM will ensure that the investment vehicle will derive less than 2% of its total income from tenants, who in FFM’s opinion, derive more than 25% of their income from:
 - i. The sale of tobacco or pornography;
 - ii. The operation of gaming facilities or the manufacture of gaming equipment; and
 - iii. The manufacture of weapons or armaments.
- d) FFM will not accept tenants exclusively involved in:
 - i. The production of tobacco or pornography;
 - ii. The operation of gaming facilities or the manufacture of gaming equipment; and
 - iii. The manufacture of weapons or armaments.

5 Investment Vehicle

- a) The chosen investment vehicle should have clear delineation between the roles and responsibilities of the Board and senior management.
- b) Should have a Governing body that is an effective composition, size and commitment to ensure adherence to FFM’s policies.
- c) Should ensure that all relevant employees are subject to, and aware of, the FFM Compliance manual and relevant policies in place.
- d) Should be committed to providing timely and balanced disclosure of material information to investors, including building efficiency and performance.
- e) Should have a sound system of risk oversight and management.
- f) Should have a robust compliance system.