

Responsible Investment Policy

About Us

PfP Capital is a wholly-owned subsidiary of Places for People, one of the largest property and leisure management, development and regeneration companies in the UK.

Operating a responsible asset management business is at the heart of what we do at PfP Capital and this policy sets out our ethos, aims and approach to the integrated management of Environmental, Social and Governance (ESG) issues in the investment process and all of our core business activities.

Purpose and Vision

PfP Capital strives to be the most socially responsible asset management company in the housing sector with this philosophy taken through to the private investment funds we manage on behalf of our clients. The ethos of Places for People lives in our brand, corporate culture and the fund vehicles which we manage.

Our aim is to manage the environmental and social impacts within our portfolios just as well as we manage financial returns. The acquisition and continued investment in residential property assets is a fundamental part of what we do, which is why we term the integration of ESG issues as “Responsible Investment” (RI).

We believe that by investing our clients' capital responsibly we can help to protect and enhance asset value and improve long term investment performance. We also believe that our strong focus on investment in, and careful management of, each fund's portfolio leads to the generation of value for our fund's residents, places and neighbourhoods, which ultimately helps us to foster sustainable communities.

In developing our RI policy, we have given consideration to a range of codes and standards, including but not limited to the United Nations supported 6 Principles for Responsible Investment (PRI) – see appendix 1, the United Nations Global Compact, our regulatory requirements and our compliance monitoring programme.

In helping to create sustainable communities we acknowledge the long term UN Global Sustainable Development Goals (SDGs) - Sustainable Development Goal 11. This seeks to “make cities and human settlements inclusive, safe, resilient and sustainable”. We commit to ensure our RI policy is aligned with this particular goal. This enables us to view our strategy from a global perspective and to feel part of a common goal.

Our RI policy and strategy aims to meet the needs of our investors and to protect and enhance asset value. We also engage our own people on RI, to attract and retain motivated people who work as ambassadors for our brand and engage with those who supply us with services e.g managing agents. To demonstrate transparency we also make our policy available to the residents living in our homes during our ownership.

As we act as stewards for the people, communities and the environment in which we operate we understand that our fiduciary duty extends to balancing the management of environmental and social issues whilst delivering returns for our investors. We feel our approach positions us as a partner of choice in delivering resilient places for people.

Guiding Principles of Responsible Investment

Our core purpose is to create a sustainable real estate investment management business that treats our clients fairly, investing on their behalf across a range of residential tenures to deliver attractive returns and social value. To achieve this we focus on 3 areas in our business strategy:

- 1) Create and manage successful places
- 2) Deliver social and commercial value
- 3) Operate a responsible business

At PfP Capital our approach to Responsible Investment (RI) is integrated into these strategic business objectives and values. Our Responsible Investment strategy (available separately) also explains how Environmental, Social and Governance (ESG) concerns are managed and communicated at PfP Capital.

Our strategy to achieve these is set against four guiding principles, applicable to all of the funds we manage. These guiding principles frame our management of the most material ESG issues we have identified. Our four guiding principles seek to:

- 1) Help develop and maintain sustainable communities
- 2) Support the health and wellbeing of our residents and communities
- 3) Protect the environment and natural capital
- 4) Create social value

We continue to work with communities and our clients to invest in places that help people prosper. To achieve this we can't act alone and seek to work with industry partners, establish or monitor best practice and influence the rest of the sector. We encourage our investors, our residents and the industry to join us in creating sustainable communities and sharing in the rewards this brings.

Governance

This policy applies to all of the funds and assets we manage as well as to the business operations of PfP Capital.

Chris Jones, Managing Director, takes overall responsibility for the implementation of the Responsible Investment strategy and measurement of progress against the roadmap objectives. Implementation of the policy and strategy at fund/asset level is the responsibility of each Fund Director.

Our RI approach is adopted and sponsored by the PfP Capital board of directors who collectively encourage a culture where responsible and sustainable investment and accountability is at all times a central theme. Our Risk & Compliance Committee is responsible for ensuring compliance with prevailing laws, statutory requirements, guidelines, regulations and applicable best practice codes. Our Investment Committee oversees the investment strategy, assesses risks to asset value and reviews asset management opportunities relating to environmental and social issues.

We undertake regular reviews and updates to risk management processes as the market evolves and we respond to emerging trends. It is for this reason we commit to make periodic updates to this policy to meet the evolving needs of all our stakeholders.

Our RI Policy has been approved and endorsed by all PfP Capital Board Members.

Signed on behalf of PfP Capital Ltd

Chris Jones (Managing Director)

July 2017

Appendix 1: 6 Principles for Responsible Investment (PRI)

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the principles.

Principle 6: We will each report on our activities and progress towards implementing the principles.