

## ESG Policy

### Introduction

Unison Investment Management (“we,” “us,” or “the Firm”) is a mission-driven investor. We are building a virtuous machine that transforms the way people buy and own homes and renders the world’s largest asset class - residential real estate - truly investable at scale.

The global financial crisis of 2007-2008 demonstrated the peril to the U.S. economy caused by over-reliance on debt. By pioneering the availability of equity financing for residential housing markets, where previously debt was the only option, we are blazing a new trail in the discipline of responsible investing.

Our strategy strives to make a positive impact for homebuyers, homeowners, investors, and society at large. Our products enhance home affordability and allow families and households to optimize their personal financial lives. At the same time, we make the largest component of inflation - housing - efficient for our investors to access in a diversified way. We enable pension plan sponsors to hedge the cost of housing, which is the largest component of their beneficiaries’ cost of living. For endowments and foundations, we offer one of the most effective strategies to preserve real portfolio value over the long term, enabling them to support their missions in perpetuity.

The Firm has a long-term orientation with objectives that are structurally aligned with the tenets of responsible investing. We firmly believe that the integration of environmental, social and corporate governance (ESG) considerations into the Firm’s investment management processes and ownership practices will contribute positively to the financial performance of our investments.

### About this policy

The ESG Subcommittee of the Firm’s Investment Strategy Committee has developed and adopted the following ESG Policy (the “Policy”). The purpose of the Policy is to guide the Firm’s approach to integrating ESG considerations into its investment analysis, asset ownership and stakeholder reporting processes. Implementation of the Policy is the responsibility of the Firm’s Portfolio Management, Research, Compliance, and Investment Analysis teams, with the supervision and executive sponsorship of the Firm’s Chief Investment Officer.

As responsible investing and sustainability are rapidly evolving fields, this policy will be reviewed and, if necessary, updated on an annual basis by the ESG Subcommittee.

The ESG Subcommittee is comprised of team members with expertise across Fiduciary, Governance, and Sustainability best practices (including a USGBC-designated LEED Green Associate).

### ESG Principles

We pursue an integrated approach where ESG best practices are applied to both strategic and asset-level decisions. We are guided by the following five Principles:

#### Principle 1

We will consider and evaluate ESG factors alongside other risk factors in our investment processes because we believe they can materially impact the value of our investments.

Robust risk analysis takes place throughout our investment selection, evaluation and approval processes. We believe that the integration of ESG findings represents a fundamental pillar of a complete investment analysis; therefore, the due diligence we conduct on every investment takes ESG implications into account. Additionally, we seek to identify efficiencies throughout our investment processes that enhance value and sustainability.

We put this principle into practice by:

- Incorporating the presence of renewable energy features into our evaluation of properties;
- Integrating access to public transportation and proximity to public amenities into investment decisions;
- Encouraging sustainable development - our location-based property decision engine supports urban living and discourages suburban sprawl;
- Seeking to evaluate properties' climate change risks, including the consideration of flood zones.

## **Principle 2**

*We will be active owners, supporting our homeowner customers to achieve superior ESG outcomes.*

In the context of equity or debt investments in organizations, active ownership means ensuring these organizations implement sound ESG practices. By contrast, the Firm invests equity in residential properties alongside individual homeowners. We take the role of active owners by encouraging our homeowner customers to lead healthy financial lives. We use outreach and engagement tools to influence positive homeowner behavior, which in turn positively impacts both the performance of our investments and the lives of our customers. Going forward, we plan to implement additional capabilities that help our customers be more effective environmental and community stewards.

Our active ownership practices include managing investments during homeowners' times of financial hardship. At such times, the Firm has the unique ability to act to avoid foreclosure and seek win-win outcomes that preserve value for both homeowners and our investors.

Additionally, we contribute to the health and safety of our homeowner customers by providing a physical home inspection at the inception of each investment. As a condition prior to investment, we often require potential homeowner customers to repair or remediate any defective and potentially hazardous conditions that are identified by the home inspection.

## **Principle 3**

*We incorporate ESG best practices into our asset management approach and corporate decisions, as well as our investment processes.*

### **I. Governance**

As an investment adviser to several pooled investment vehicles that is registered with, and regulated by, the United States Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 ("Advisers Act"), the Firm is required by law to implement a compliance program under Rule 206(4)-7 of the Act that is reasonably designed to prevent, detect, and remediate conflicts of interest between the Firm and its investors, among other violations of securities laws. Consequently, the Firm has implemented a number of strong governance practices including: 1) engaging independent third parties to produce valuations of investments and to provide accounting and administration services to the investment vehicles; 2) implementing a comprehensive compliance manual, with policies and procedures that are tailored to the specific risks and conflicts applicable to the Firm and its investment strategy; and 3) making publicly-available disclosure filings as required by the SEC and other regulators, as applicable.

## **II. Sustainable Corporate Practices**

We limit our carbon footprint by relying on technology to streamline investment selection and management, and by utilizing local property appraisers and inspectors. This substantially reduces the travel and resources expended for due diligence and active management.

## **III. Social Responsibility**

The Firm is committed to fostering an environment of collaboration and diversity that is free from discrimination and harassment. The Firm is also dedicated to providing a healthy and sustainable workplace. Additionally, the Firm encourages employees to contribute to their environment and community by offering two paid “personal volunteer days” every calendar year.

## **Principle 4**

We are committed to delivering unparalleled transparency to both investors and our homeowner customers.

The education we provide to potential homeowner customers ensures they understand their current and future rights and responsibilities should they decide to enter into an agreement with the Firm. Ensuring the suitability of the product for our customer is a key step in the process of approving each investment. After we have invested alongside a homeowner, we provide ongoing detailed reporting with a transparent view of how the estimated price of the property has changed, along with the corresponding value of our investment.

For our investors, we provide regular reporting with detailed analysis of performance and market conditions. In addition, we deliver industry-leading transparency through our interactive “investor dashboard.” This provides real-time in-depth information on individual assets and portfolio-level analysis. The tool offers a level of visibility within our real estate portfolios that is new to the institutional investor community.

The Firm will report on the progress of this Policy through the following mediums:

- The Firm is a signatory to the United Nations-supported Principles of Responsible Investing (UN PRI) and has made a commitment to adopt its six principles. The annual Public Reporting and Assessment feature of the program enables our investors, homeowner customers, and other stakeholders to review and assess our progress in achieving compliance with UN PRI. More information about the UN PRI can be found at <https://www.unpri.org/>.
- The Firm’s Annual ESG Report will highlight our efforts to make and manage environmentally conscious investments while operating our business in a sustainable manner. This report will be produced and offered to our investors on an annual basis.

## **Principle 5**

We continue to expand our knowledge and evolve our practices to foster a culture of thought leadership and collaboration.

We seek to engage with ESG thought leaders across industry and academia to continue to improve our portfolio’s environmental footprint and social impact.

The Firm’s evolution of its ESG practices will benefit from our portfolio management and research structure. The close integration of research and portfolio management teams means our day-to-day investment analysis creates data and insights that inform research to enhance our investment decisions.

Going forward, this will provide invaluable guidance as we seek to further the effectiveness of our ESG implementation.

Our corporate stewardship goes beyond our investments, our management, and our employees – the Firm also seeks investors who are aligned with our mission and our philosophy of responsible investing.

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