



Responsible Investment & Stewardship Policy - FPA Multifamily, LLC & Its Affiliated Companies

As a real estate investment company and asset manager, FPA Multifamily's goal is to provide unparalleled investment opportunities and industry leading asset management for our valued partners. However, the heart of our work is firmly rooted in creating value in the communities we touch. As the world focuses on sustainability and social impact more than ever, we are continuing to develop new ways to meet the evolving needs of our communities.

We believe that integrating Environmental, Social and Governance issues into our investment management processes and ownership practices will positively impact financial performance. And when we invest in opportunities that serve both the interests of investors and society at large, mitigate risks, and promote the long-term success of our assets, we are even more effective stewards of our investors' capital because everyone prospers.

Responsible investment is a central element of FPA's organization-wide approach to responsible business. As a signatory of the Principles of Responsible Investment, supported by the United Nations, we commit to the 6 principles of responsible investment:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

FPA takes its fiduciary responsibility as both a real estate investor and steward of assets seriously and is committed to operating its business in a responsible, ethical and transparent manner. Not only do we integrate these principles into our core business, but we also engage with our employees at the asset-level to fully integrate our efforts. This Responsible Investment & Stewardship policy, applicable to all our assets, serves as a foundation upon which our assets are to be managed in alignment with our responsible business objectives.

Investment Process:

FPA has long incorporated ESG factors into its investment process and supports a more robust ESG integration into our investment analysis and portfolio construction. Investment decisions are based on the overall risk and returns of investments and ESG analysis is an important contributing factor in this investment process.



Engagement, Voting, and Implementation:

FPA has an investment committee that consists of 7 individuals who vote on potential acquisitions. For each asset under purchase consideration, each member of the investment committee casts a vote on whether to move forward with an acquisition following constructive dialogue. Through this process, we evaluate and mitigate investment risk and identify areas and opportunities of long-term value creation for our investors and all our stakeholders. Thoughtful analysis of ESG factors and its impact on overall investment returns is a part of this process as we focus on ESG issues and opportunities that might impact future financial performance.

The ESG committee is integral to the implementation of this policy and overall engagement. The committee meets quarterly and connects proactively to continually improve both ESG risk management and sustainable business practices. The director of ESG spearheads the ESG committee which consists of C-suite level staff, Investment Committee members, portfolio managers, asset managers, investment analysts, and the director of investor relations. As needed, FPA engages employees down to the asset-level to ensure alignment with our responsible business objectives.

Reporting:

FPA understands and appreciates the value of transparency in reporting our responsible investment activities. In this effort, we continually monitor progress towards targets and we regularly report on issues of ESG relevance through our website, annual sustainability report, GRESB, the UNPRI reporting framework, and the UN Global Compact communication on progress statement.