



THE
GREEN
CITIES
COMPANY

2020 Environmental and Community Impact Report



Table of Contents

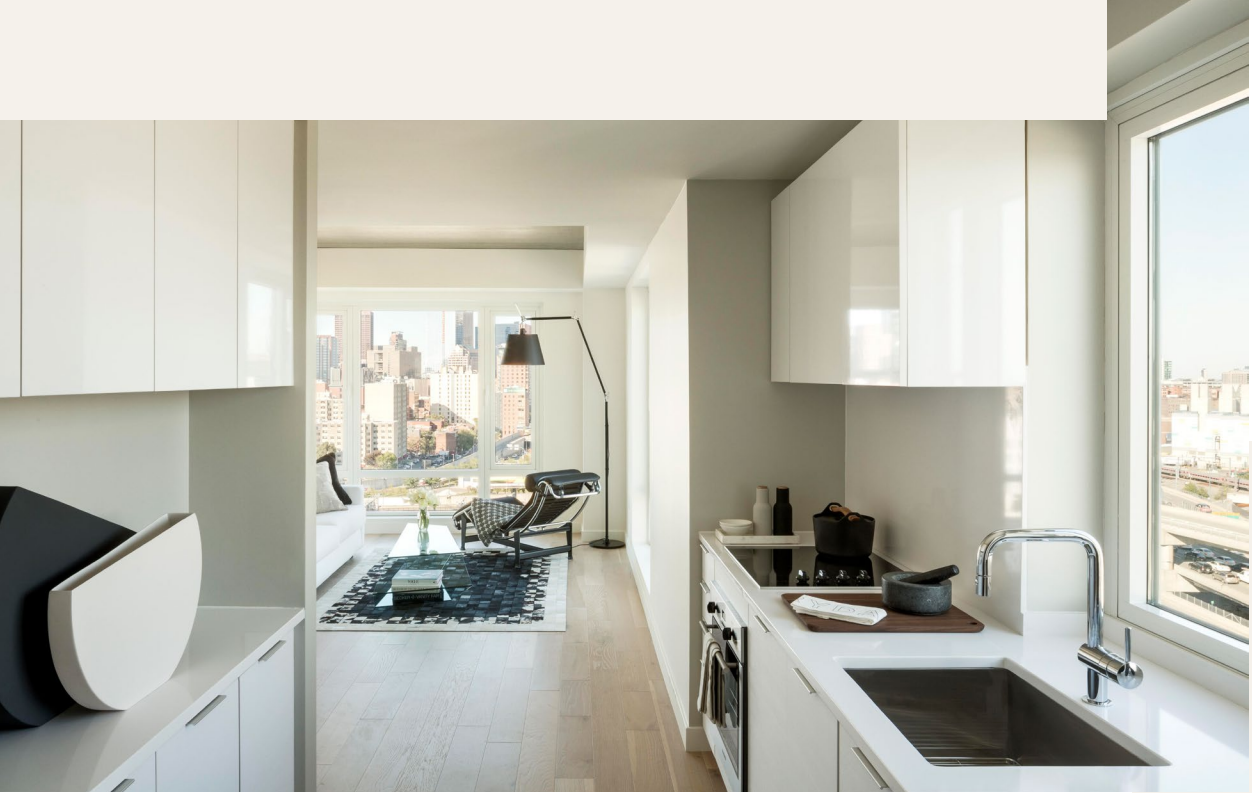
GREEN INVESTING, *REDEFINED.* / 06

THE GREEN CITIES INDEX / 16

2020 PORTFOLIO IMPACT / 20

LOOKING FORWARD / 37

FUND REPORTING / ADDENDUM



Troy Boston, Boston.



The Eddy, Boston.

A Message from the Partners

Dear Investment Partner,

In 2020, the Managing Partners of The Green Cities Company completed the buyout of Gerding Edlen Investment Management. During this time, we rebranded our firm as The Green Cities Company, further solidifying alignment with our investors while celebrating our innovative history of driving environmentalism and community enhancement along with returns. The culmination of this process is a broader and more inclusive platform to environmental, social and governance (ESG) goals within our firm including a more transparent measurement system to report our ESG successes throughout our portfolio.

Our Annual Environmental and Community Impact Report highlights these innovations, connecting our investment strategy with our ethos as a firm and as a values-driven investor. We continue to be signatories to the United Nations Principles for Responsible Investment (PRI), report under GRESB, and be certified as a B Corporation. In tandem with our rebrand, we engaged in a robust ESG materiality assessment, guided by our team, international frameworks, best practices in the industry and our LP needs.

As a result, we created our proprietary Green Cities Index – a unique, in-depth approach to measuring material ESG factors throughout our portfolio – to more accurately reflect and measure the expansion of our ESG practices. The baseline measurements of this Index are included in this report, and we are proud to present a

thorough and transparent view of our assets to our investors. You will note the presence of the same environmental impact information we have provided in previous reporting, as well as significantly expanded data and narratives surrounding resilience, climate change mitigation, health and wellbeing, and equitable communities.

Our approach to ESG is embedded throughout our organization and is integrated in our investment practice, from evaluation of a new acquisition through asset management to ultimate exit. In 2020, this firmwide focus allowed The Green Cities Company to support our properties, our tenants and our communities through challenges related to global health events brought on by the pandemic as well as the important dialogue to address social justice and systemic racism. Never before has the need for a human-based approach been so clear, and we were proud to mobilize the entire Green Cities organization with efficiency and humanity.

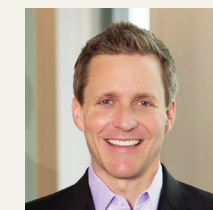
The senior leadership of The Green Cities Company is providing ESG-related information as a general overview of our responsible investment approach and with the stewardship guidelines of PRI. It is our hope that our readers take the detailed review we have provided as a signal to our deep commitment to ESG innovation. Guided by our Green Cities Index and with the support of the full firm, The Green Cities Company looks forward to continuing to engage with you and with our tenants and communities to yield financial value and returns for our investors and more beneficial outcomes for the communities in which we invest. We look forward to your ongoing feedback and encourage your involvement in these important advancements.

Best Regards,



Molly Bordonaro

MANAGING PARTNER



Brent Gaulke

MANAGING PARTNER



Patrick Wilde

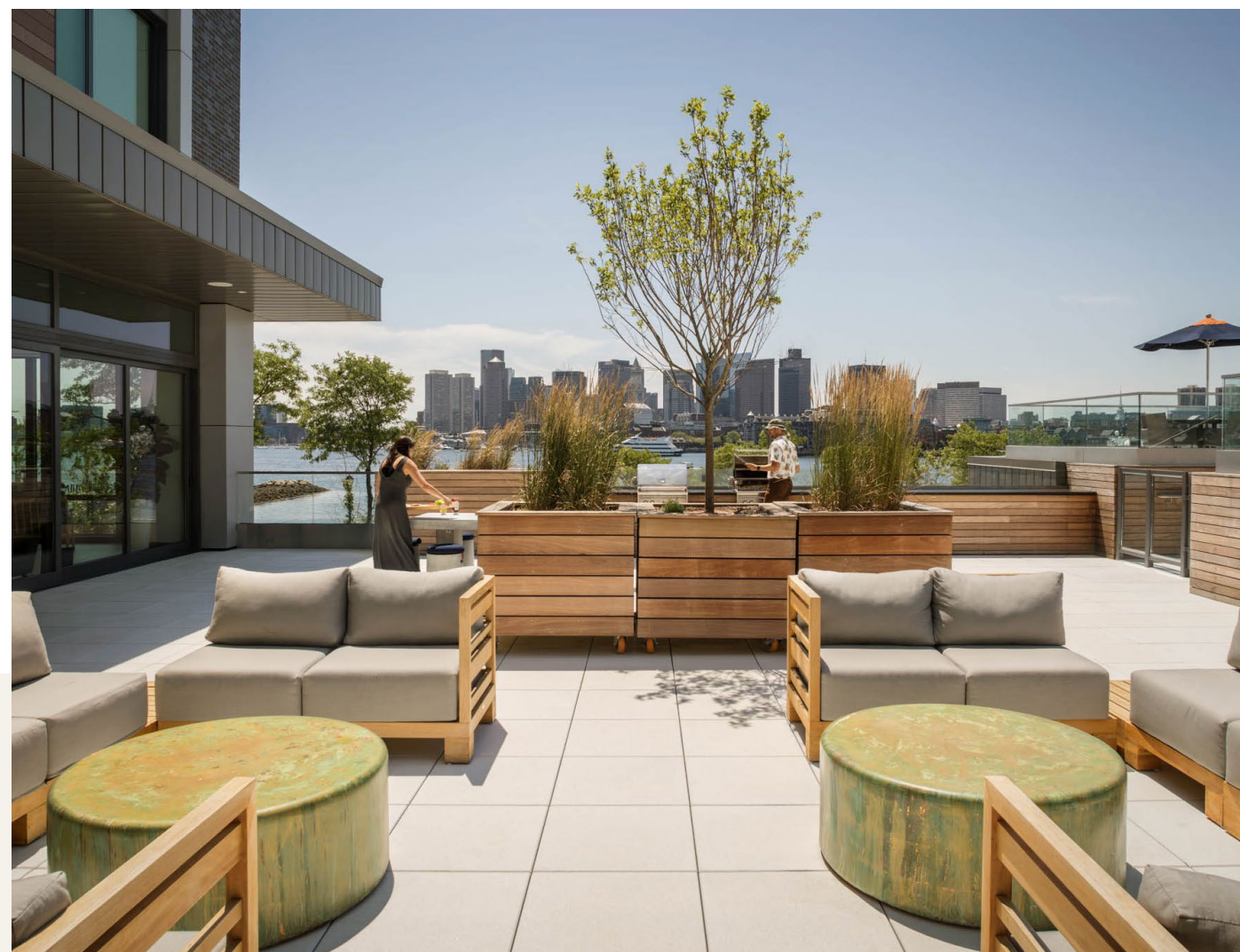
MANAGING PARTNER



Kelly Saito

MANAGING PARTNER

Green Investing, *Redefined.*



The Eddy, Boston.

The Green Cities Company

Driving innovation in real estate investment management through the confluence of environmental, social, and investment value.

Our mission is to cultivate competitive returns by acquiring, managing, and developing multifamily, commercial, and mixed-use assets with meaningful attention to ESG considerations. This differentiated approach encompasses the environmental footprint of our properties, the diversity and inclusivity of their communities, and the wellbeing and fulfillment of their occupants and neighbors.

We manage a broad portfolio of real estate investment strategies including Value-Add, Core Plus, Core, and Build-to-Core investments. And, we are dedicated to constructing a resilient investment portfolio that yields results for our investors, employees, tenants, and communities.



Bower, Boston.

The Impact of Our Portfolio

\$1.2B

EQUITY RAISED

\$2.7B

IN GROSS ASSETS⁽¹⁾

4

DISCRETIONARY FUNDS /
2 SEPARATE ACCOUNTS

4.5M TOTAL SQUARE FOOTAGE &
2,698 UNITS UNDER MANAGEMENT

72

LEED CERTIFIED PROPERTIES⁽²⁾

3

FITWEL CERTIFIED PROPERTIES

(1) Gross Assets includes current unrealized gross assets as well as realized gross assets since Green Cities Investment Management was formed. Realized gross asset values are based on the sale price at disposition. Current Regulatory Assets Under Management are \$1.7 billion as described in our most recent Form ADV filed with the U.S. Securities and Exchange Commission.

The past performance of portfolios managed by Green Cities Investment Management is not necessarily indicative of future performance.

This material does not constitute an offer of securities which will only be made by prospectus or offering memorandum.

(2) This includes 52 LEED certified properties executed by Gerding Edlen Development prior to the founding of the investment management firm.

Certifications and Standards

The Green Cities Company publicly reports and certifies measurable results across the ESG spectrum in our properties and corporate operations.

We are proud to report under several, internationally recognized standards of responsible investment relevant to the real estate investment industry. In addition, The Green Cities Company collaborates with and seeks certifications through organizations working to advance environmental and social considerations throughout our industry.



The Global Real Estate Sustainability Benchmark (GRESB) is the most prominent organization integrating ESG into commercial real estate.

- Reporting since 2015
- Earned Real Estate Sector Leader status in 2020 (Fund III)
- Earned top score among 44 peers for Standing Assets (Fund III)
- 5-star rating for two years in a row



The Principles for Responsible Investment, supported by the United Nations, sets forth global standards for responsible investment and governance through annual reporting and transparency.

- Signatory since 2017
- Earned an A rating in both “Strategy and Governance” and “Property” in the 2019 reporting year



Certified B Corps are for-profit entities in a variety of sectors seeking to responsibly evolve the business paradigm through deep ESG evaluation and accountability.

- B Corp Certified since 2015
- One of only 6 real estate investment managers in the US with this certification



5 MLK, Portland.



Greenprint, an effort of the Urban Land Institute’s Center for Building Performance, brings together leading investment managers, property managers, and developers committed to reducing the real estate industry’s Greenhouse Gas emissions by 50% by 2030.

- Reporting member since 2019



Leadership in Energy and Environmental Design (LEED) is the most widely used green building rating system in the world.

- 72 LEED Certified properties, including 18 LEED Platinum and 48 LEED Gold properties*

**This includes 52 LEED certified properties executed by Gerding Edlen Development prior to the founding of the investment management firm*



Backed by expert academic research studies, Fitwel is the world’s leading certification system committed to buildings that strengthen health and wellbeing.

- 3 Fitwel certified properties
- 2019 Fitwel Champions
- Submitted for Fitwel’s Viral Response Certification in April 2021 (pending)

ESG Integration

We bring a cross-functional approach and a broad perspective to each of our properties with extensive internal collaboration bringing together in-house operational, design, construction management, underwriting and ESG expertise.

For every investment, and with active executive-level oversight, our team deeply considers the unique attributes of the specific asset - including location, historical context, access to green spaces and transportation, emergency preparedness, and community-based benefit assessments -to develop holistic, property-specific ESG plans that add value to every investment.

Our commitment to ESG is recognized through an all-team approach that maximizes our fully integrated expertise. With thorough detailed investigation early in the underwriting process of each investment, the result is tailored capital improvements, innovative development and operational ESG strategies, and a holistic approach to building optimization which strengthens the property’s overall position in the marketplace and value proposition as an investment.

DEVELOPMENT & DESIGN

Nationally recognized developer providing in-house design, project management and construction oversight with deep experience in creating vibrant, sustainable office, residential and mixed-use projects.

ACQUISITIONS & DISPOSITIONS

Deep market knowledge and an experienced team with extensive direct market coverage to acquire, manage, and exit accretive investment opportunities.

ASSET MANAGEMENT

Broad experience in maximizing asset performance with expertise in property budgeting, management, leasing, marketing, capital improvements and debt financing to drive asset performance and value.

PROPERTY MANAGEMENT

In-house Property Management combines best-in-class operating practices, budget discipline, contracting, tenant programming and high touch tenant relations/communications to drive asset performance.

ESG Monitoring and Management

From this detailed and deliberate foundation, The Green Cities Company focuses on ongoing ESG-related performance throughout the life of an investment.

By consistently benchmarking against multiple data sets and tracking annual performance targets, we go beyond utility data to track each asset’s performance and give meaningful care to tenant and community wellbeing.



5 MLK, Portland.

PROPERTY-LEVEL ENGAGEMENT

- Robust property-level ESG business plans
- Annual ESG kick-off meetings
- ESG onboarding for property managers
- Monthly operational check-ins
- Quarterly energy syncs
- ESG quarterly bonus (where applicable)
- Frequent check-ins with asset management

Fully Integrated Team Driving ESG Strategies

Every member of our team understands our ESG strategies and possesses unique expertise to successfully execute them. With a dedicated ESG team, as well as a company-wide focus on sustainability, we collaborate to deliver innovative ESG approaches.

ESG TEAM



Renee Loveland

DIRECTOR OF ESG

- Renee establishes and executes the firm’s ESG vision and strategy with a focus on value creation and innovation.
- Maintains the firm’s proprietary impact metric, The Green Cities Index, and leads the production of the firm’s annual ESG report.
- Manages all third-party ESG reporting, including GRESB, PRI, and B Corp.



Hannah Francis

ESG PROJECT MANAGER

- Hannah oversees the application of The Green Cities’ ESG approach across its portfolio with a focus on measurable outcomes at the property and portfolio levels.
- Works with internal and external stakeholders to develop and implement strategic ESG plans and budgets for each investment under the framework of The Green Cities Index.
- Secures green building certifications, monitors ESG performance, and implements innovative tenant programming.

REPRESENTATIVE MEMBERS OF OUR FULLY INTEGRATED TEAM



Jennie Kalberer

DIRECTOR OF DESIGN AND BRAND

Jennie considers ESG elements in every project she works on and has been an internal champion for Biophilic Design (see page 33). In her role, Jennie elevates Green Cities’ focus on exceptional design to deliver not only beautiful properties, but also a differentiated approach to ESG.

“
I don’t see any difference between good design and our ESG initiatives. We design with intent and meaning, thinking about the lifecycle of a project. All of our projects are human-centered, and we are constantly learning and understanding what that means from both an environmental and health and wellness perspective.



Beatrice Thevenot

DIRECTOR OF ASSET MANAGEMENT

Beatrice works closely with the ESG team to incorporate The Green Cities Index into asset management. In 2020, the power of the firm’s specialized focus shined through in the response to the COVID-19 pandemic at each of our properties (see pages 14 and 15).

“
It was great working together to make sure we had healthy, safe environments for our residents and our on-site teams. We pushed more air into the residential units, changed out filters more frequently than required, and thought about the mental wellbeing of our residents early on, finding virtual solutions for tenant engagement.



Kurtis Fusaro

DIRECTOR OF ACQUISITIONS & DEVELOPMENT

Kurtis seeks out investment opportunities where ESG strategies can be deployed to benefit investors and our society, considering the project’s impact across stakeholders. He leads the development of business plans for each asset within his region, aligning with The Green Cities Index.

“
I enjoyed working on 5 MLK (see page 29) because we were able to align technology, architecture, and design to create a stronger asset. The project’s abundant access to the outdoors, direct outside air ventilation, and biophilic design elements all contributed to a healthy and comfortable environment for office and residential tenants.



John Raske

CORPORATE FACILITIES MANAGER

John is responsible for leading and empowering onsite Maintenance Teams for Green Cities Property Management. Notably, John works with the ESG team to cultivate vendors who are willing to evolve and adapt to Green Cities’ innovative ESG focus.

“
I am proud that The Green Cities Company maintained its human focus through the pandemic. Together with the ESG team, we studied, tailored, and implemented safety protocols at each of our properties that bettered health and wellness for our communities and staff.

Positioned for Pandemic Response

The Green Cities Company approach has always been one of partnership, respect, an orientation to detail, and proactive outreach and management. Through the historic and staggering events of 2020, we are proud of how these commitments served our portfolio and our constituents.

Our deep involvement with every aspect of property sustainability and our focus on building health and wellbeing allowed us to react quickly at the onset of the COVID-19 pandemic. Working efficiently throughout the portfolio and across three different property management companies, we executed a number of complex and intricately planned initiatives to address COVID-19 impacts.

With a holistic and human-centric mindset, our whole team — from leadership through the entire organization — continues to find new ways to ensure healthy, secure environments.

INDOOR AIR QUALITY AND VENTILATION

- MERV-rated, high-efficiency filters were placed on all central air handler units (MERV-13) in order to effectively minimize the spread of viral particles and other bacteria, vapors, and dust
- Increased outdoor air ventilation where possible in order to prevent aerosol transmission
- Conducted indoor air quality testing at most fully occupied assets to ensure high quality HVAC systems
- Used a sustainable disinfectant to maintain air quality amidst increased disinfecting

VIRAL SPREAD SAFETY

- Promoted physical-distancing requirements via signage and frequent tenant communication
- Required face masks in alignment with local public health guidance
- Implemented virtual and self-guided tour options for prospective tenants
- Reduced elevator and common area occupancy and made some amenities available on a reservation basis to provide for adequate physical distancing

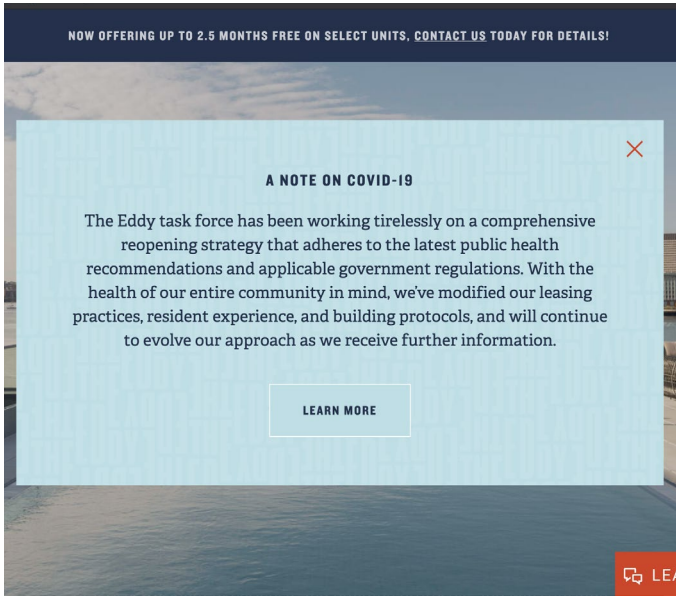
ENHANCED CLEANING AND DISINFECTING

- Sourced a non-toxic and cost-effective disinfectant from Clean Republic for use at all properties. Clean Republic’s disinfectant is effective at killing 99.99% of bacteria and viruses (including SARS-CoV-2) without compromising indoor air quality for our tenants
- Dedicated disinfecting teams were equipped with electrostatic disinfectant sprayers to increase frequency and efficiency of cleaning
- Hands-free hand sanitizing stations were placed in frequently trafficked spaces throughout all properties
- Increased cleaning of high touchpoint surfaces such as elevator buttons, package lockers, and door handles

SIGNAGE AND COMMUNICATION

- Dedicated COVID-19 website pages for each property with updated protocols and procedures
- Frequent safety updates and reminders sent to tenants about COVID-19 protocols
- Designed inclusive, gender neutral property signage packages including postings for safety and distancing guidelines, elevator decals, hand-washing graphics, and shared amenity protocols

EXAMPLES OF SIGNAGE FROM PROPERTIES



TENANT WELLBEING

- Distributed virtual lifestyle resources and opportunities to maintain social connections through stay-at-home orders
- Provided virtual fitness programs to tenants at many properties
- All properties equipped with ample outdoor amenity spaces for tenants to use during prolonged stay-at-home orders
- Reservable conference rooms/ work pods at 70% of our multi-family assets provided alternative spaces for residents who shifted to working from home
- Created dedicated food delivery drop-off areas at each property to limit visitor traffic
- Maintained a high level of communication about COVID-19 and safety updates for all of our tenants

STAFF SUPPORT

- Provided masks for all property staff
- Provided additional PPE for staff entering residential units or tenant spaces such as KN95 masks, disposable gloves, and foot coverings in alignment with OSHA
- Created remote work options for staff
- Installed physical acrylic barriers at desks
- Promoted daily self-administered temperature checks before coming to work and provided thermometers when needed

RETAIL TENANT SUPPORT

- Partnered with our retail, small business tenants across every property, proactively working with them to successfully re-open and become current with their lease obligations without overburdening their businesses
- Promoted local businesses to our tenants and prioritized the outdoor space at our properties for retail tenant use

The Green Cities Index



Bower, Boston.

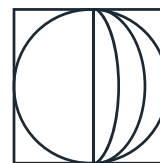
The Green Cities Index

Essential to our ESG approach is our own Green Cities Index, a proprietary metric which measures the ESG performance of our asset, funds, portfolio and firm. Designed in 2020, this rigorous reporting framework evaluates an important spectrum of environmental and social considerations, and is built on five key pillars.



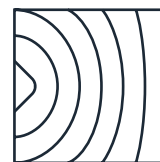
ENVIRONMENTAL IMPACT

Focus on optimizing the energy, emissions, water, waste, and materials and furnishings used by our properties.



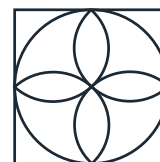
CLIMATE CHANGE MITIGATION

Action-oriented look to the future, taking bold steps to reduce fossil fuel usage and reduce emissions of greenhouse gases.



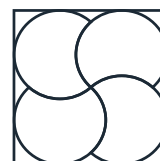
RESILIENCE

Enhancing the preparedness of our properties and tenants to withstand and recover from challenges like climate risks, social unrest, and large-scale health threats.



HEALTH & WELLBEING

Commitment to safety, comfort, and physical and emotional wellness to improve the quality of life for our tenants.



EQUITABLE COMMUNITIES

Engagement to create a positive, inclusive impact within our properties and on the neighborhoods where they reside, driving opportunity, justice, and anti-discrimination.

Bringing Innovation to Sustainability

The Green Cities Index is rooted in a deeply held set of values that guides our firm to take a differentiated approach to the traditional concepts of “green” and “sustainable.”

This value system remains true to our commitment to our investors, while emphasizing a robust view of ESG, encompassing the environmental footprint of our properties, the diversity and inclusivity of their communities, and the wellbeing and fulfillment of their occupants and neighbors.

COMMUNITY ENGAGEMENT

A desire to positively impact our neighborhoods, foster social justice, and promote diversity, equity, and inclusivity.

INSTITUTIONAL RIGOR

An orientation towards evaluating and executing real estate private equity investments with discipline, precision, and accountability on behalf of our investors.

CONTINUOUS INNOVATION

A pursuit of trailblazing approaches and superior execution that make our organization both best in class and an exciting place to work.

COMMITMENT TO OUR INVESTORS

An acknowledgment that we are stewards of capital for our investors, with a responsibility to act in their interests and be transparent with them about our actions.

SUSTAINABILITY FOCUS

A mindfulness that what we do impacts our planet and a desire to create a resilient and positive environmental footprint.

SUCCESS TO BE PROUD OF

A relentless pursuit of excellence that simultaneously celebrates diverse perspectives, transparency, partnership, integrity, and authenticity.

HUMAN FOCUS

A deep respect and responsibility for elevating and enriching lives through a robust focus on health and wellness, experiences with nature, and connections to the surrounding environment.

Assessing Materiality For Our Constituents

With a values-driven base, we also conducted an extensive Materiality Assessment in creating The Green Cities Index to identify and define these core areas of commitment to ESG considerations. This process involved the five key steps below.

- >

TOPIC GATHERING

Defined universe of potentially material topics.
- >

TOPIC ORGANIZATION

Categorized and clustered these topics for ease of analysis and defining relevance (e.g., is Walk Score an environmental consideration or a social consideration?).
- >

INITIAL TOPIC PRIORITIZATION

Sought to prioritize how each topic uplifts the business as well as its properties/tenants/communities by considering value creation, risk potential, positive impact, and measurability.
- >

EXTENSIVE CROSS-ORGANIZATION ENGAGEMENT

Engaged across firm specialists to assess and validate assumptions, identify potential gaps, and enhance transparency and proliferation of ESG ideals.
- >

MATERIAL TOPIC SELECTION

Evaluated and incorporated constituent feedback in an organized process.



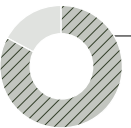
Neponset Landing, Boston.

2020 Portfolio Impact

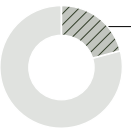
ENVIRONMENTAL IMPACT



100% of certified properties achieved a minimum LEED Gold certification.

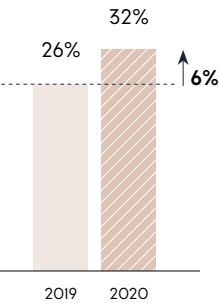


83% of all new construction waste was diverted from the landfill.



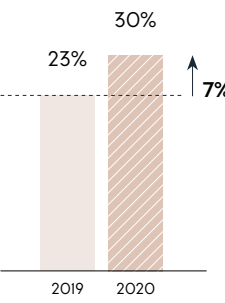
21% of waste generated during operations in 2020 was diverted from the landfill (where data available).

ENERGY USE



32% reduction over the EPA baseline in 2020 which is an improvement of **6%** over 2019.

WATER USE



30% reduction in water use over the EPA baseline in 2020 which is an improvement of **7%** over 2019.

ENERGY FOOTPRINT

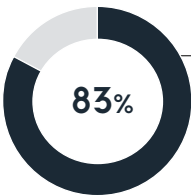
48,936,145 kWh
With an average Energy Usage Intensity of 48.

WATER FOOTPRINT

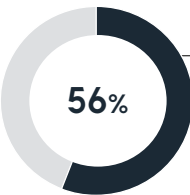
74,714,744 GALLONS

CLIMATE CHANGE MITIGATION

Over half of all stabilized properties have had retrocommissioning performed within the past three years.

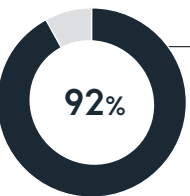


83% of all properties had energy, water and/or waste audits performed within the past three years.

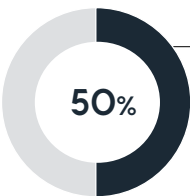


56% of energy is electric.

RESILIENCE



92% of properties feature operable windows to allow for fresh air if sheltering in place.



50% of properties manage stormwater on site either through planters or infiltration, which improves local ecological health.

HEALTH & WELLBEING



91% of properties featured near HEPA-level MERV-13 filtration on central ventilation systems which results in improved indoor air quality.



50% of properties had air quality testing for TVOC, CO₂, ETC in 2020.



83% of properties feature on-site gyms or free fitness classes to promote physical fitness.



70% of properties feature a dog wash station and a relief area on site.



92% of properties feature indoor and outdoor planters.



58% go beyond that to include natural fire and water elements in amenity spaces.

78 community events were held across the portfolio in 2020, amidst virtual mediums and COVID safety precautions.

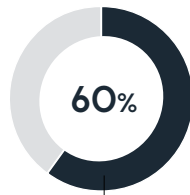
EQUITABLE COMMUNITIES

Cumulative fiscal impacts associated with the construction or renovation of properties in the portfolio total over

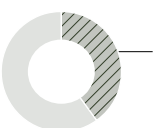
\$1.6B

Cumulative union jobs created through construction or renovation of properties in the portfolio total

3,948



60% of all contracted vendors and service providers are locally-owned businesses.



40% of all artists hired are women.



38% are BIPOC.

A total of **33** local partnerships in four different markets were established in 2020.

Environmental Impact



| Index Metric | KPI | Portfolio Total |
|--|--|-----------------|
| Building Certifications | | |
| LEED Certified | Y/N - % LEED certified properties | 75% |
| LEED Level | LEED Gold or Platinum | n/a |
| ENERGY STAR Score | Energy Star score, reporting yr | 82 |
| ENERGY STAR Certification | Y/N - % stabilized properties certified in reporting yr | 67% |
| Energy ⁽¹⁾ | | |
| Electricity Use: Reporting Yr | kWh used, reporting yr | 27,294,821 |
| Gas Use: Reporting Yr | therms used, reporting yr | 738,403 |
| Aggregate Energy Use: Reporting Yr | total energy in reporting yr, expressed in kWh | 48,936,145 |
| Energy Use Intensity | EUI (kBtu/sf), reporting yr | 48 |
| Energy Savings | | |
| Energy Use: +/- change: EPA Benchmark | % reduction relative to EPA baseline, reporting yr | 32% |
| Energy Use: +/- change: Prior Yr (2019) | % absolute reduction in energy use over prior yr | 6% |
| GHG Emissions ⁽²⁾ | | |
| GHG Emissions | | |
| GHG Emissions: Reporting Yr - Scope 1 | metric tons CO2e from natural gas used at the property, reporting yr | 4,429 |
| GHG Emissions: Reporting Yr - Scope 2 | metric tons CO2e from electricity purchased and used at the property, reporting yr | 11,437 |
| GHG Emissions: Reporting Yr. - Total Scope 1 + 2 | total metric tons CO2e, reporting yr | 15,868 |
| GHG Emissions Reductions | | |
| GHG Emissions: % change: EPA Benchmark | % reduction relative to EPA baseline | 34% |
| GHG Emissions: +/- change: Prior Yr (2019) | % absolute reduction over prior yr | 15% |

| Index Metric | KPI | Portfolio Total |
|---|--|-----------------|
| Water | | |
| Water Use | | |
| Water Use: Reporting Yr | gallons used, reporting yr | 74,714,744 |
| Water Savings | | |
| Water Use: % change: EPA Benchmark | % reduction relative to EPA baseline, reporting yr | 30% |
| Water Use: +/- change: Prior Yr | % absolute reduction over prior yr | 7% |
| Waste | | |
| Construction | | |
| Waste: Baseline: Construction/ Renovation | total tons of construction waste during construction/ renovation | 39,515 |
| Waste Diversion: Construction/ Renovation | % construction waste diverted during construction/ renovation | 83% |
| Operations ⁽³⁾ | | |
| Waste: Baseline: Operations | tons waste in operations, reporting yr | 1,196 |
| Waste Diversion: Operations | % waste diverted in operations, reporting yr | 21% |



Bower Boston.

(1) All energy, carbon and water savings calculations are performed and/or verified by an independent specialist in energy engineering.

(2) Carbon emission calculations are based on the emission values associated with electricity generation in the property's utility market (as published by the Environmental Protection Agency (EPA)).

(3) For properties that receive diversion reports, waste data is provided by the waste hauler. Properties that do not receive diversion reports are noted as "O" and non-stabilized properties in lease-up are noted as "n/a".

Note: The Green Cities Company is in the process of creating a uniform methodology for reporting the environmental attributes of materials used in construction and renovation for inclusion in future reporting.

Environmental Impact in Action

The Green Cities Company has a long history of minimizing the environmental footprint of its properties. Our focus includes energy use and energy use intensity, greenhouse gas emissions, water usage, waste, and materials and furnishings, and we constantly seek ways to innovate in these areas.



5 MLK, Portland.

LEADING WITH LEED v4

The US Green Building Council's LEED rating system provides a comprehensive framework to assess building resource use during construction and operations and is a cornerstone of The Green Cities Company's environmental approach. The newest version of the LEED rating system, LEED v4, raises the bar for new construction and provides a platform for existing properties to earn certification based on actual building performance.

We are committed to LEED v4, which is performance-based, by re-certifying our developments once operational, certifying acquired properties not originally built to green building standards, and applying this version of the standard to new construction projects.

Two of our newly developed properties, ZO (Fund III) and 5 MLK (Fund III) earned LEED v4 Gold certification in 2020. LEED v4's more stringent requirements apply to most categories, including materials, which is difficult for new construction given the lack of detailed product information from manufacturers. With that in mind, the 5 MLK design team made it a priority to earn the Environmental Product Declaration and Material Ingredient Disclosure credits. At 5 MLK, 29 environmentally and socially preferable products as well as 26 cleaner label products were used.

Additional properties in our portfolio achieved LEED Gold re-certification under LEED v4.1 O&M including Xavier (Fund II), The Eddy (Fund II), and 200 W Adams (Fund III). Two acquired properties, Neponset Landing (Fund III) and 420 E Ohio (Fund III) also earned LEED Gold certification for the first time under LEED v4.1 O&M.

ENERGY PARTNERSHIP

At each of our assets, The Green Cities Company develops a unique set of opportunities for our tenants to positively impact the environment. An exemplary representation of this commitment is the "Eco-Concierge" program held at Xavier (Fund II), a 240-unit multi-family building located in the South Clayborn neighborhood of Chicago, IL.

Like a hotel concierge, the Eco-Concierge served as an on-site resource for tenants, where they could get information or answers to questions about sustainable best practices. Highlights from the program include:

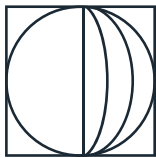
- Monthly information sessions on topics such as utility incentive programs, waste management and Nest Learning Thermostats.
- Regular office hours at an information desk located in the lobby.
- An online sustainability game where residents earned points by logging sustainable actions. Nearly one-third of the property's tenants participated.
 - As a result, nearly 4,500 sustainable actions were taken, which equated to \$6,320 in total annualized energy savings.
 - The program offset 60,210 lbs. of CO₂, saved 8,027 gallons of water, conserved 975 gallons of gas, and saved 16,102 kWh of electricity.
 - Residents shared more than 100 ideas for making their building even more sustainable.

Given the success at Xavier, Green Cities launched this gamification component at six other portfolio properties.

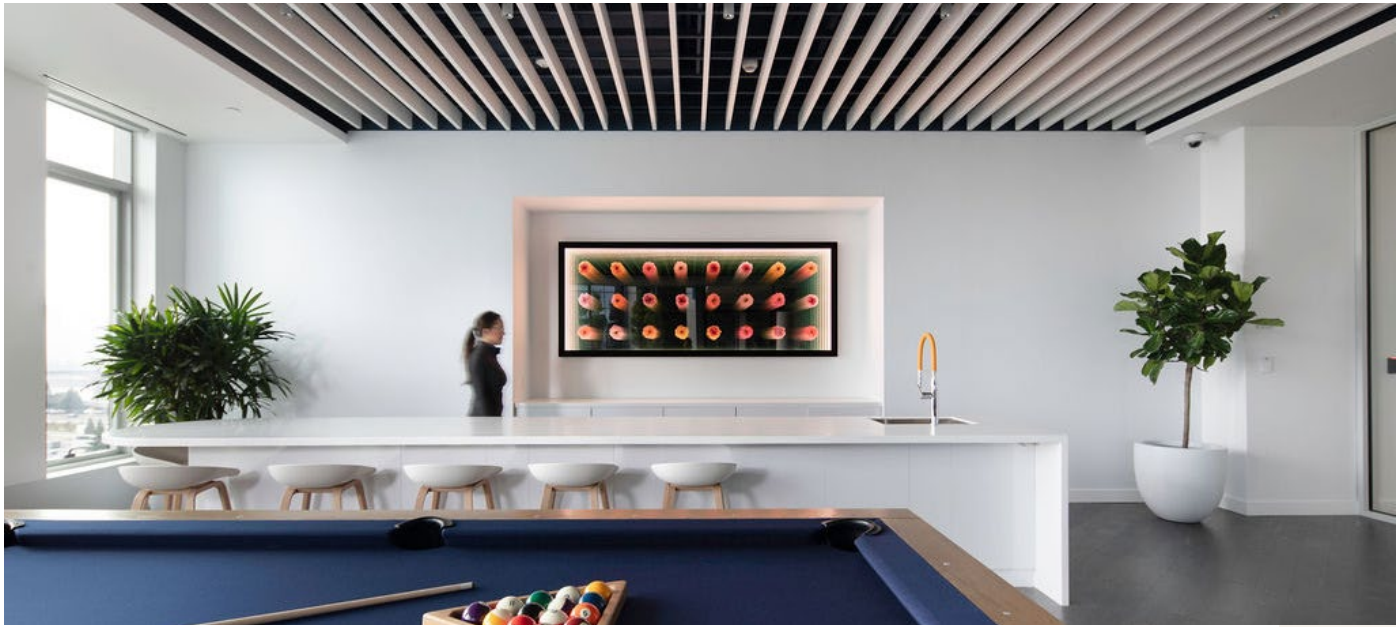


Xavier, Chicago.

Climate Change Mitigation



| Index Metric | KPI | Portfolio Total |
|--|--|-----------------|
| Climate Risk Planning ⁽¹⁾ | | |
| Performance vs. Target, Reporting Yr - electricity | % reduction in electricity use relative to 2020 target | -4% |
| Performance vs. Target, Reporting Yr - gas | % reduction in gas use relative to 2020 target | 0% |
| Performance vs. Target: Total Energy Use | % reduction total energy use relative to 2020 target | -1% |
| Building Optimization Strategies | | |
| Commissioning | Y/N - commissioning completed within the past three years | 67% |
| Technical Assessments/ Audits | Y/N - energy, water and/ or waste audit performed within the past three years | 83% |
| GHG Reduction Strategies | | |
| Electrification | electricity vs. gas expressed as a % of total energy use | 56% |
| EV Charging Stations | Y/N - property features EV charging stations available for tenant and/ or public use | 70% |
| Renewable Energy | kWh generated on site from renewable sources, reporting yr | 0 |
| Renewable Energy | kWh generated on site expressed as a % of total building electricity use, reporting yr | 0% |



5 MLK, Portland.

(1) 2020 targets represent performance improvement over the EPA benchmark compared with the prior year.

Climate Change Mitigation in Action

The Green Cities Company seeks to mitigate the advance of climate change and its impact on the planet, employing bold steps to reduce fossil fuel usage and reduce emissions of greenhouse gases.

RETRO-COMMISSIONING

Utility tracking and benchmarking provides valuable insights into building performance while also uncovering opportunities to improve performance and reduce operating costs. Retro-commissioning – a process involving technical experts who examine and recalibrate building equipment setpoints to ensure optimal energy performance - is a key efficiency and climate mitigation strategy. Retro-commissioning projects are currently underway at The Eddy (Fund II) and EMME (Fund III), and several other Green Cities properties have previously documented energy and cost reductions from retro-commissioning efforts.



200 W. ADAMS

200 W. Adams (Fund III), a highly efficient and all-electric commercial office property, realized notable annual energy savings largely through equipment programming changes. With a \$15k investment in retro-commissioning, the property achieved \$32k in verified annual energy savings, the equivalent of a 7% reduction in total house energy use.



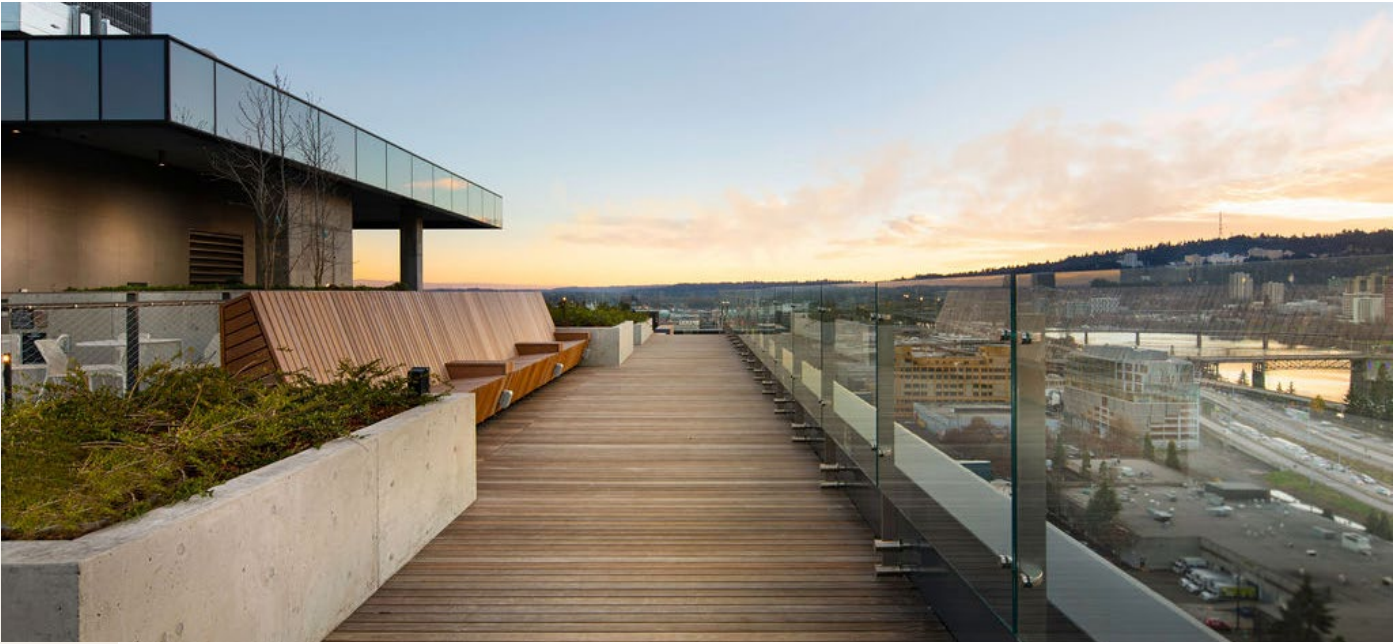
420 E. OHIO

420 E. Ohio (Fund III), a multifamily property built in 1991, also achieved significant energy savings through a rigorous retro-commissioning effort aligned with the property's LEED certification. The property implemented five energy efficiency measures which resulted in verified annual electricity savings of \$20k. With a net investment of \$23k, retro-commissioning resulted in a 1.2 year payback.

Resilience



| Index Metric | KPI | Portfolio Total |
|--|--|-----------------|
| Resilient Strategies | | |
| On Site Energy Generation | | 389,063 |
| On Site Energy Production: Co-generation | kWh generated on site, reporting yr | 41,716 |
| On Site Energy Production: Co-generation | therms offset by on site generation, reporting yr | 7% |
| On Site Energy Production: Co-generation | % of total house energy load offset with on site generation, reporting yr | 92% |
| Local Ecology | | |
| Salmon Safe Certification | Y/N - Salmon Safe certification earned in development or renovation | 8% |
| Biodiversity | Y/N - property features herb garden, rooftop garden or apiary | 42% |
| Stormwater Management | Y/N - stormwater treatment or infiltration on site | 50% |
| Emergency Preparedness | | |
| Emergency Preparedness Rating | Y/N - management company scored 81% or higher in the American Red Cross Ready Assessment | 33% |
| Pandemic Preparedness Rating | Y/N - property is Fitwel Viral Safety certified | 0% |



5 MLK, Portland.

Resilience in Action

The Green Cities Company enhances the preparedness of our properties to withstand and recover from challenges like climate risks, extreme weather events, social crises, and other types of emergencies. This approach also extends to the resilience of the areas and landscapes surrounding our properties, including land, water, and wildlife.

EMERGENCY PREPAREDNESS

In 2018, Green Cities Property Management went through an extensive review of its emergency preparedness policies, aligning with the American Red Cross Ready Rating. This assessment provides a framework and measuring system for best practices on emergency preparedness and action planning.

Green Cities Property Management currently has a Level 3 Rating, the highest rating, on the Ready Rating Assessment, scoring 85/100 possible points.

- Emergency preparedness strategies implemented across assets managed by Green Cities Property Management include:
- Emergency response plan which provides guidelines on how to respond to different types/levels of emergencies, covers the loss of key services, and includes a variety of safety and security considerations
 - Annual safety inspections and facility and equipment checks
 - Evacuation routes leading to safe assembly areas
 - Arrangements in place to accommodate the needs of people with disabilities during an emergency
 - Ongoing emergency response training and exercises for staff

The Green Cities' ESG team plans to launch participation in the American Red Cross Ready Rating across all of its third-party managed assets in 2021.

SALMON-SAFE CERTIFICATION AT 5 MLK

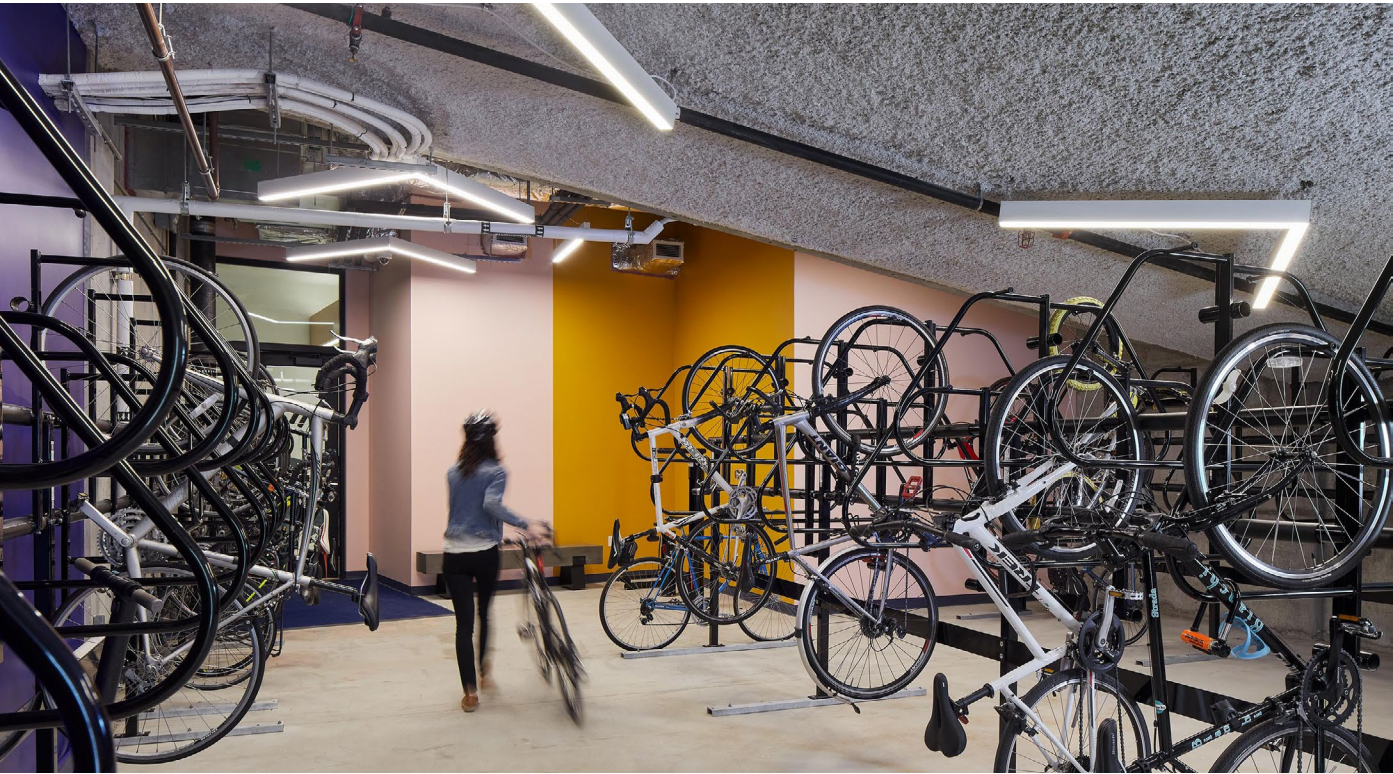
- 5 MLK (Fund III), a 300-unit mixed-use, multifamily, office, and retail property located in Portland, OR, exemplifies our commitment to protecting the local ecology. Located in Portland's Central Eastside near the Willamette River, the project was designed with a focus on stormwater management, water quality, habitat protection, and water use management and received Salmon-Safe Certification in Q2 2019 while under construction.
- Salmon-Safe Certification seeks to preserve urban and agricultural watersheds through responsible site development and land use practices. To earn certification, stormwater management practices and water conservation strategies were evaluated for impacts to water quality and habitat.
- Stormwater management practices at 5 MLK include:
- Over 35% of the total site area is planted (15% better than the LEED credit criteria)
 - Virtually 100% of the stormwater from the site is treated through green stormwater infrastructure on-site, restoring the pre-development hydrology of the property
- Water conservation strategies at 5 MLK include:
- Water-efficient fixtures throughout
 - Drought-tolerant, native landscaping, and an efficient drip irrigation system which collectively reduce irrigation demand by 75%
 - Submeters for irrigation and hot water systems which track water to detect leaks or future water savings opportunities

Health & Wellbeing



| Index Metric | KPI | Portfolio Total |
|--|--|-----------------|
| Certifications | | |
| Fitwel Certified | % Fitwel certified properties | 25% |
| Fitwel Level | 1-, 2- or 3-Star rated | n/a |
| Indoor Air Quality | | |
| Smoke and Tobacco-free Buildings | Y/N - smoke-free building | 100% |
| Ventilation | | |
| Apartments - Mechanical Ventilation | Y/N - ducted fresh air is primary source of unit ventilation | 10% |
| Apartments - Bathroom Fans | Y/N - fan operation tied to light switch or occupancy sensor | 100% |
| Commercial Properties | Y/N - office spaces are served by 100% outside air | 67% |
| Indoor Air Monitoring | Y/N - testing performed or monitoring in place for TVOC and CO ₂ reporting yr | 50% |
| Filtration | | |
| Air Filtration - Central Units | Y/N - MERV 13 or better filter rating, reporting yr | 91% |
| Air filtration - Apartments or Commercial Spaces | Y/N - MERV 13 or better filter rating, reporting yr | 25% |
| Pollutant Control | Y/N - grates or walk-off mats at all main building entrances, including entrances from parking garages | 92% |
| Green Cleaning Program | Y/N green cleaning program in effect, reporting yr | 100% |
| Mobility & Physical Fitness | | |
| Fitness Opportunities | Y/N - on site gym or free fitness classes | 83% |
| Trails/ Bike Paths | Y/N - accessible walking/ bike trails within a 1/4 mile | 67% |
| Walkable Neighborhoods | score, reporting year | 91 |
| Transit Options | score, reporting year | 81 |
| Bike-Friendly | score, reporting year | 88 |
| Nourishment | | |
| Fresh Produce | Y/N - farmer's market or grocer within 1/4 mile of the property | 100% |
| CSA Program | Y/N - available to tenants, reporting yr | 33% |
| Healthy Vending Machines | Y/N - healthy/ fresh food available on site | 8% |

| Index Metric | KPI | Portfolio Total |
|---------------------------------|--|-----------------|
| Connection to the Natural World | | |
| Greenery | Y/N - interior and exterior plantings | 92% |
| Natural Elements | Y/N - property features fire and/or water elements | 58% |
| Biophilic Design | Y/N - biophilic design principles applied in construction/ renovation | 33% |
| Comfort and Safety | | |
| Thermal Comfort | | |
| Multifamily Properties | Y/N - units feature programmable thermostats | 50% |
| Commercial Properties | Y/N - office tenants have thermal control of their space | 67% |
| Building Condition Assessments | Y/N - physical building condition assessment performed by site staff or third-party vendor, reporting yr | 60% |
| Emotional Wellbeing | | |
| Pet-Friendly Environments | | |
| Pet Amenities | Y/N - property features washing station and/or relief area | 70% |
| Pet Policies | Y/N - no restrictions on dog breeds or size | 40% |
| Cultivating Community | # community events held, reporting year | 78 |



Note: The Green Cities Company is in the process of reviewing measurements and impact-oriented approaches to the use of non-toxic materials in construction and Furniture, Fixtures & Equipment (FF&E) purchases. Our goal is to add reporting on these to the Green Cities Index in a future report.

Health & Wellbeing in Action

The Green Cities Company is committed to enhancing the safety, comfort, and emotional wellbeing of our tenants. We seek not only to provide thoughtfully and sustainably designed properties, but to improve the quality of life for occupants inside through operational and management excellence.



EMME, Chicago.

PROMOTING NOURISHMENT AND EMOTIONAL WELLBEING

Through the COVID-19 pandemic, Green Cities actively supported the health & wellbeing of our tenants during unprecedented challenges. Our properties in Chicago (Xavier (Fund II), 420 E. Ohio (Fund III), and EMME (Fund III)), present examples of how we partnered with local businesses to provide holistic wellbeing resources to tenants, with a mind towards promoting physical as well as mental health.

The Roof Crop is an urban farming company focused on delivering sustainable, nourishing produce to the Chicago area, which provides landscaping services, urban farming, and tenant programs to our multi-family assets in Chicago. Highlights from the 2020 engagement with The Roof Crop include:

- Offered summer CSA (Community Supported Agriculture) boxes to tenants for purchase
- Hosted an outdoor pop-up market at each building during the fall featuring eggs, vegetables, and assorted apothecary items
- Provided move-in gifts to residents featuring local honey, salts, and herbal sprays

Green Cities also partnered with LulaFit, a local and women-owned company offering holistic wellness programs, to bring virtual wellbeing resources to tenants across the Chicago portfolio. With LulaFit, residents had access to an accessible, online wellness platform with daily live-streamed classes, on-demand fitness, virtual events, and other healthy lifestyle resources. 200 W. Adams hosted monthly, complimentary meditation classes.

In addition, EMME Chicago partnered with its retail tenant, Train Moment, to host outdoor fitness classes exclusively for residents, providing an opportunity for physical fitness while also supporting Train Moment’s small business.

CONNECTION TO THE NATURAL WORLD

Growing research indicates that experiencing sights, sounds, smells and certain spatial configurations found in nature can induce subtle physical and psychological responses that offer considerable health benefits. Using nature as inspiration for the design of the built environment to create health and wellness benefits for occupants is referred to as biophilic design.

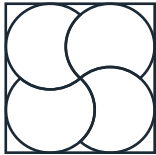


Bower, Boston.

Bower (Fund III) was created with many elements of biophilic design in mind. The building was the first residential property in Boston to incorporate View Smart Glass window technology in every apartment and amenity space. The technology features a light-sensitive coating that automatically adjusts to outside light conditions, reducing glare and eliminating the need for window coverings. View Smart Glass provides residents an extended connection to the outdoors and daylight at more times of the day, which would otherwise be obstructed by closed window shades.

The natural world is a common theme throughout Bower as all of the artwork and design choices for materials and patterns emulate and make reference to those found in nature. Natural wood is used throughout the spaces as well as tiles and colors that feel as though they came from the earth. Large indoor spaces provide welcome relief during short winter days or inclement weather. Bower features several lounges throughout the two buildings, an indoor atrium where residents can relax in an indoor “greenhouse” and an abundance of live plants throughout the common spaces.

Equitable Communities



| Index Metric | KPIs | Portfolio Totals |
|--|--|------------------|
| Economic Opportunity ⁽¹⁾ | | |
| Fiscal Impacts | | |
| Fiscal Impacts: Reporting Yr | fiscal impacts based on value of construction/ renovation, reporting yr | 2,940,900 |
| Fiscal Impacts: Cumulative | fiscal impacts over life of asset | \$1,630,366,200 |
| Jobs Created (FTE) | | |
| Jobs Created (FTE): Reporting Yr | jobs created based on value of construction/ renovation work, reporting yr | 20 |
| Jobs Created (FTE): Cumulative | total jobs created based on value of construction/ renovation work over life of asset / fund | 8,941 |
| Union Construction Jobs Created (FTE) | | |
| Union Construction Jobs Created (FTE): Reporting Yr | union construction jobs created based on value of construction/ renovation work, reporting yr | 7 |
| Union Construction Jobs Created (FTE): Cumulative | total union construction jobs created based on value of construction/ renovation work over life of asset /fund | 3,948 |
| Union Construction Labor Hours | | |
| Union Construction Labor Hours: Reporting Yr | union construction labor hours in reporting yr | 14,560 |
| Union Construction Labor Hours: Cumulative | total union construction labor hours over life of asset / fund | 8,211,840 |
| Vendors, Operations | | |
| Minority and Women-owned Vendors, % of Total Spend | % minority and women-owned vendors by spend, reporting yr | 9.8% |
| Locally Owned Vendors, % of Total Spend | % of local vendors by spend, reporting yr | 59.6% |
| Contractors | | |
| Minority-Owned Contractors, % of Total Value, Cumulative | % minority-owned contractors by contract value, cumulative | 1.2% |
| Women-Owned Contractors, % of Total Value, Cumulative | % women-owned contractors by contract value, cumulative | 0.9% |

| Index Metric | KPIs | Portfolio Totals |
|------------------------------------|--|------------------|
| Artists | | |
| Total Artists Commissioned | total # artists commissioned for artwork, cumulative | 50 |
| Women Artists Commissioned | % of women artists commissioned, cumulative | 40% |
| BIPOC Artists Commissioned | % of BIPOC artists commissioned, cumulative | 38% |
| Affordable Housing | | |
| Affordable Units | % of total units maintained as affordable, reporting yr | 5% |
| Community Engagement | | |
| Community Access to Space/Services | Y/N - project provides a space or service for use by the surrounding community | 25% |
| Local Partnerships ⁽²⁾ | # of local partnerships, reporting yr | 33 |



ZO. Oakland.

(1) Fiscal impacts and jobs created are estimated using an economic development program called IMPLAN.

(2) Local partnership is defined as a formal arrangement with local individual, non-profit organization, for-profit organization, or public institution to provide a program, service or resource to residents and/or the local community.

Equitable Communities in Action

While The Green Cities Company has a long history of creating positive economic benefits at its properties through union labor and prioritizing local minority- and women-owned vendors, we have shifted our focus on community engagement to an equity-based approach. We seek to build inclusive environments, create economic opportunity with a focus on removing barriers for marginalized communities, and pursue tenant and community feedback.



The Eddy, Boston.

COMMUNITY ENGAGEMENT

The Eddy (Fund II) is one example of how we interact with our communities to enrich the lives of our tenants and neighbors. A number of programs and partnerships were cultivated with local organizations and building tenants to enhance neighborhood connections and uplift underserved community members.

- The project extended the Harborwalk from neighboring Lo Prestic Park, creating nearly one acre of publicly accessible waterfront space.
- The property was designed with a walk-through space to allow the public to move freely to the harbor.
- Green Cities continues to partner with Harbor Keepers, a local non-profit, to conduct a harbor cleanup every year.
- An East Boston Open Market has been hosted on an ongoing basis in the lobby of the Eddy, featuring local designers and makers displaying and selling their creations.
- During the development of the property an in-lieu fee was paid to support East Boston's Affordable Housing Program.
- The Eddy partnered with Zumix, an East Boston-based nonprofit organization dedicated to building community through music and creative technology, to host a summer music series where residents and the community could gather on the lawn and enjoy the musical talents of the young musicians.
- The Eddy has a designated music room as an amenity space so residents can take lessons, play music with others, and have a designated space for practice.
- The Eddy partnered with Harbor Arts, a non-profit public art institution dedicated to fostering cultural engagement through visual, literary, and performing arts.
- In 2020, 80% of the total value of vendors and services were from locally owned vendors.
- Over 44% of the total value of vendors and services were from minority- and women-owned businesses.

Looking Forward

As The Green Cities Company continues to invest in and manage ESG priorities, we expect to deliver ongoing innovation and stewardship in the field.

The creation of The Green Cities Index was only one of many steps we intend to take as we intensify our ESG commitment. Year-to-year, we expect the Index will expand organically as we identify additional items for inclusion and integrate some of the priorities we already have earmarked for future action. These priorities include:

EVALUATE FURNITURE, FIXTURES, AND EQUIPMENT (FF&E)

A robust evaluation of a more sustainable approach to Furniture, Fixtures & Equipment (FF&E) as part of the Environmental Impact pillar of the Green Cities Index

FURTHER EMBED ESG INTO THE INVESTMENT PROCESS

Deepening the implementation of The Green Cities Index through more embedded integration within our investment process

CREATE A UNIVERSAL DESIGN FRAMEWORK

Internal collaboration to formalize our approach to Universal Design is underway, bringing together the design and ESG strengths of our organization

IMPROVE ESG DATA MANAGEMENT

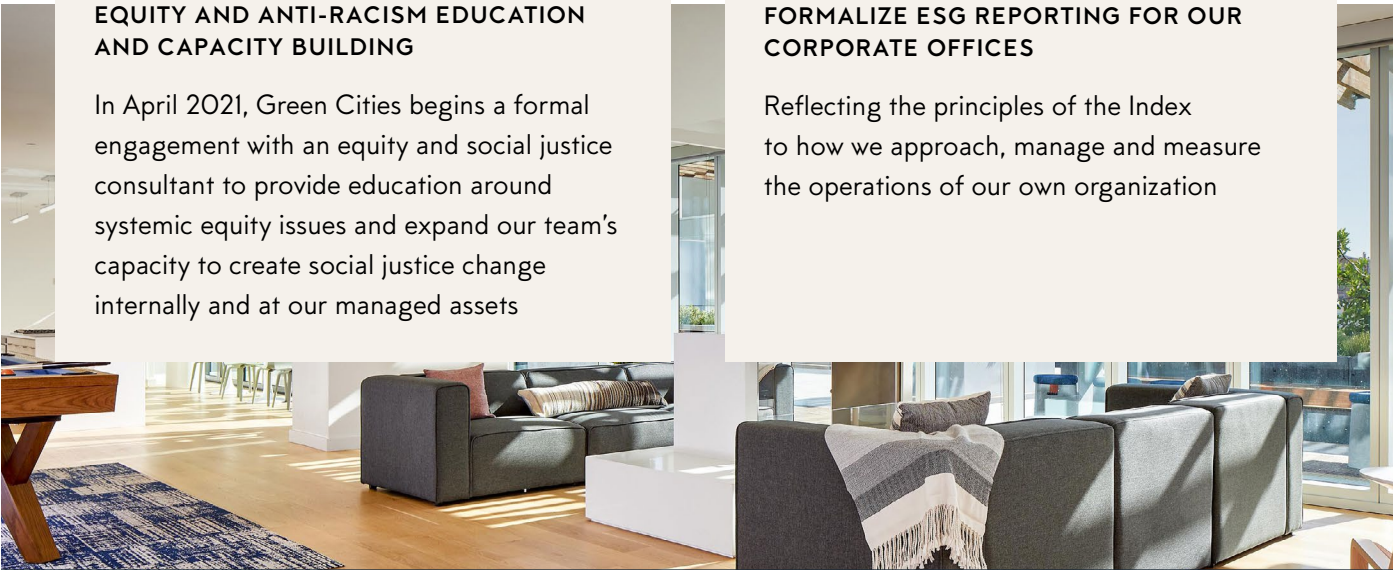
Enhancing our ESG data management and software systems to better manage reporting through the Index and upgrade our ability to target ESG priorities throughout the portfolio

EQUITY AND ANTI-RACISM EDUCATION AND CAPACITY BUILDING

In April 2021, Green Cities begins a formal engagement with an equity and social justice consultant to provide education around systemic equity issues and expand our team's capacity to create social justice change internally and at our managed assets

FORMALIZE ESG REPORTING FOR OUR CORPORATE OFFICES

Reflecting the principles of the Index to how we approach, manage and measure the operations of our own organization



ZO, Oakland.

There can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be inferior than those estimated herein. Past performance is not an indicator of future results.

Green Cities is not responsible for the accuracy of any third party information provided in this report. Information shown herein is valid as of April 2021.



ZO. Oakland.



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