

Inland Institutional Capital, LLC

Responsible Property Investment Report

December 2020

As an advisor to institutional clients and an open end institutional fund, Inland Institutional Capital, LLC, (“ICAP” or the “Company”) applies environmental, social, and governance (“ESG”) strategies to enhance the performance of our clients’ assets.¹ The following report provides a summary of ICAP’s ESG efforts in 2020. The past year has been challenging due to COVID, as ICAP re-evaluated some of its original plans in order to address the pandemic. The health and safety of all of our stakeholders, including employees, tenants, community members, and investors, is an important part of the Company’s ESG objectives and became an even more urgent concern as the pandemic impacted medical and business concerns. Moving forward into the new year, ICAP will continue to pursue its ESG goals and help its stakeholders through this difficulty period.

Environmental

ICAP believes that conserving energy, water, and waste is both good for the environment and the Company’s stakeholders. Reducing electricity and natural gas decreases the Company’s carbon footprint through lower greenhouse gas emissions. Water efficiency efforts help to preserve a critical resource, an especially important goal in drought prone areas such as California. Diverting trash from landfills and promoting recycling reduces waste and the amount of land needed for storage. ICAP’s stakeholders benefit in the long run from the Company’s environmental efforts since resource efficient properties generally have lower operating costs.

This past year, a number of energy and water efficiency projects were postponed due to COVID, as resources were required to be reallocated to address issues caused by the pandemic. However, a rain sensor was installed to the irrigation system at Rusty Leaf Plaza (Orange, CA) to help water efficiency. Furthermore, a number of energy efficient LED light fixtures were added to the CityPlace shopping center parking lot (Woodbury, MN). Other initiatives scheduled for 2020, such as lighting retrofits, lighting controls, and water efficiency devices, have been re-budgeted for 2021.

In March of 2020, ICAP learned that one of its properties, Northpark Village (Valencia, CA), earned the Institute of Real Estate Management’s (“IREM”) Certified Sustainable Property (“CSP”) certification. The designation is effective for three years and validates ICAP’s efforts to manage Northpark Village, an 87,103 square foot, grocery-anchored shopping center, in an energy efficient and environmentally sustainable manner. The certification is also recognized by the Global Real Estate Sustainable Benchmark, a real estate industry trade organization that is considered a leader in evaluating sustainability practices

¹ Any references to a property or portfolio are meant to relate to any assets owned by funds or accounts managed by ICAP.

ICAP monitors energy, water, and waste at its properties. The Company's 2020 GRESB report detailed resource consumption data from calendar year 2019, and included the following statistics on ICAP's same store retail real estate portfolio for 2019 compared to 2018:²

Energy Consumption: reduced 14%, equal to the energy to power 170 homes³

GHG Emissions: reduced 17%, equal to the emissions from 145 automobiles⁴

Water Use: reduced 12%, equal to the amount of water to fill 3 Olympic swimming pools⁵

Waste: 31% diverted from landfill, equal to the amount of 64 truck-loads of trash⁶

Social: Tenant and Community Engagement

ICAP spent a good portion of the year working to help many of the tenants at its portfolio properties adapt their businesses to the pandemic's health and safety requirements. From allowing tenants to setup special virtual drive-thru parking zones for meal pickups, (example: Café Zupas at CityPlace shopping center, Woodbury, MN) to adding outdoor seating (example: Wolf Creek at Northpark Village, Valencia, CA), to expanding click-and-collect parking spaces (example: Ralph's at Northpark Village, Valencia, CA), to hosting outdoor workout classes (example: Orange Theory at Northville Park Place, Northville, MI), ICAP has tried to help tenants remain safe while serving their communities through this difficult time.

ICAP is a member of the Chamber of Commerce in all of the trade areas that Inland⁷ manages its property (Baederwood Shoppes on the Fairway, Jenkintown, PA, is managed by a joint venture partner). ICAP uses its ties to chambers to remain connected to local communities and to increase awareness of the centers' tenants and shopping centers. For example, in October, ICAP reached out to the Santa Clarita Valley Chamber of Commerce (ICAP is a member due to its ownership of Northpark Village, Valencia, CA) to donate some children's educational materials that were no longer needed by a former tenant.

Though nearly all of the community events that were planned for 2020 had to be canceled due to COVID, in October, ICAP did allow an Owings Mills, MD non-profit residential association to host an outdoor movie night in the parking lot of New Town Village. Twenty-six cars were able to park and enjoy a drive-up movie experience. ICAP hopes to be able to host public events next year at its portfolio properties, including those that offer public safety fairs, sustainability education, child bike safety demonstrations, and meet and greet opportunities with local fire departments.

² Results based on ICAP's 2020 Global Real Estate Benchmark Report ("GRESB Real Estate Benchmark Report for 2020") measuring the "like-for-like" portfolio performance from 2018 to 2019. Like-for-like performance only includes properties that were owned for the entire calendar years of 2018 and 2019.

³ GRESB Real Estate Benchmark Report for 2020

⁴ GRESB Real Estate Benchmark Report for 2020

⁵ GRESB Real Estate Benchmark Report for 2020

⁶ GRESB Real Estate Benchmark Report for 2020

⁷"Inland" refers to The Inland Real Estate Group of Companies, Inc. which is comprised of a group of independent legal entities including ICAP, some of which may be affiliates, share some common ownership or have been sponsored and managed by such entities or subsidiaries thereof.

Governance

ICAP believes that it can make a difference in promoting sustainability and reducing the environmental impact of its portfolio. In 2018, ICAP set a goal to reduce its portfolio's average energy intensity by 20% by 2030. In 2020, ICAP established the additional environmental goals including the following:

- 10% reduction in average water use between 2017 and 2030.
- 20% reduction in average energy intensity between 2017 to 2030.
- 20% increase in the average landfill diversion rate between 2018 to 2030.

ICAP participated in the 2020 Global Real Estate Benchmark Report (“GRESB”). The GRESB assessment measured sustainability related polices and performance in place during calendar year 2019. ICAP, in combination with other entities that are part of The Inland Real Estate Group of Companies, Inc. (“Inland”), earned a composite score of 66, a 7 point improvement over its 2019 score of 59, and was awarded two GRESB stars. Within its 11 member peer group of U.S. core, non-listed retail owners, ICAP ranked 5th in 2020, an improvement from its 9th place ranking in 2019. ICAP has been a member of GRESB since 2017.

ICAP continues to refine its responsible property investment and management practices and looks forward to improvement in 2021 and beyond.

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