

Greystone Mortgage Fund Sustainability Policy

Policy effective as of May 1, 2018

Introduction

The Greystone Mortgage Fund (the “Fund”) aspires to integrate best-in-class sustainability practices in all investment and portfolio management processes. We believe that our sustainability strategy is fully aligned with our culture that focuses on risk management, disciplined processes, sustainable returns and creating mutually beneficial solutions for our clients and the borrowers with whom we partner.

The purpose of our sustainability policy is to outline how the Fund integrates sustainability in our investment processes and what our commitments are.

Sustainability includes how we consider environmental and social impacts and performance in decision-making, and how we govern and manage ourselves to fulfill our commitments.

Our Commitments

THE ENVIRONMENT

The Fund is committed to promoting and encouraging the minimization of the environmental impact of our mortgage investments by:

- Incorporating sustainability factors into loan origination, asset underwriting and borrower due diligence
- Considering energy ratings and building certifications when assigning values to underlying properties
- Identifying and monitoring sustainability-related risk factors of the underlying properties by engaging borrowers throughout the loan term

In committing to the above initiatives, the Fund encourages borrowers to:

- Improve the operational efficiency of underlying properties by:
 - Reducing energy use
 - Reducing greenhouse gas emissions
 - Reducing water use
 - Minimizing waste output and maximizing waste diversion
- Attain third party certification standards relating to sustainable practices wherever possible
- Increase the use of materials, equipment and suppliers that are selected based on environmental and social considerations
- Increase the generation and procurement of renewable energy
- Manage climate-related risks, including physical climate, regulatory changes and market demands

OUR STAKEHOLDERS

The Fund seeks to improve the health and welfare of tenants, residents, suppliers and the communities in which we invest by encouraging borrowers to:

- Ensure properties meet or exceed all health and safety, and workplace violence and harassment regulation
- Improve indoor air quality
- Require sustainable and responsible contracting principles to be used by property management and their suppliers
- Foster community involvement and support

To support continuous improvement of sustainability best practices and our values of integrity and accountability, the Fund is committed to:

- Promoting and explaining our sustainability policy to all relevant stakeholders
- Embedding sustainability considerations into our disciplined investment processes and policies so that they are understood and applied by the entire team
- Working with borrowers to measure, target and monitor our sustainability integration performance and portfolio environmental footprint
- Reporting on progress in implementing our policy commitments to create greater transparency
- Encouraging employees and borrowers who partner with Greystone to develop sustainability competencies and share lessons learned
- Participating in sustainability related industry groups and activities

This policy applies to all members of the Greystone Mortgage Investments Team, the borrowers who partner with Greystone and related external service providers.

Greystone Managed Investments Inc.

With over \$34 billion in assets under management¹, we proudly serve universities, pension funds, multi-employer groups, endowments & foundations, insurance companies, and non-profit organizations.

We are a private company, majority-owned by our employees – over 90% of eligible employees are shareholders.²

Greystone has in-house expertise in the following areas:

MULTI-ASSET

- Balanced
- Balanced Plus
- Target Date Plus
- Alternative Suite

REAL ASSETS

- Real Estate
- Infrastructure

PRIVATE DEBT

- Mortgages

FIXED INCOME

- Short-Term, Universe, Long-Term
- Corporate, High Yield
- Bond Plus
- Liability-driven Investing

PUBLIC EQUITIES

- Income & Growth
- Canadian, U.S., Global, International, China
- Canadian Small Cap

FOR FURTHER INFORMATION PLEASE CONTACT:

Toll Free: 1.800.213.4286

Email: inquiries@greystone.ca

Greystone.ca

¹As at Mar 31, 2018.

²An eligible employee is defined as contributing one or more years of service to Greystone.

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