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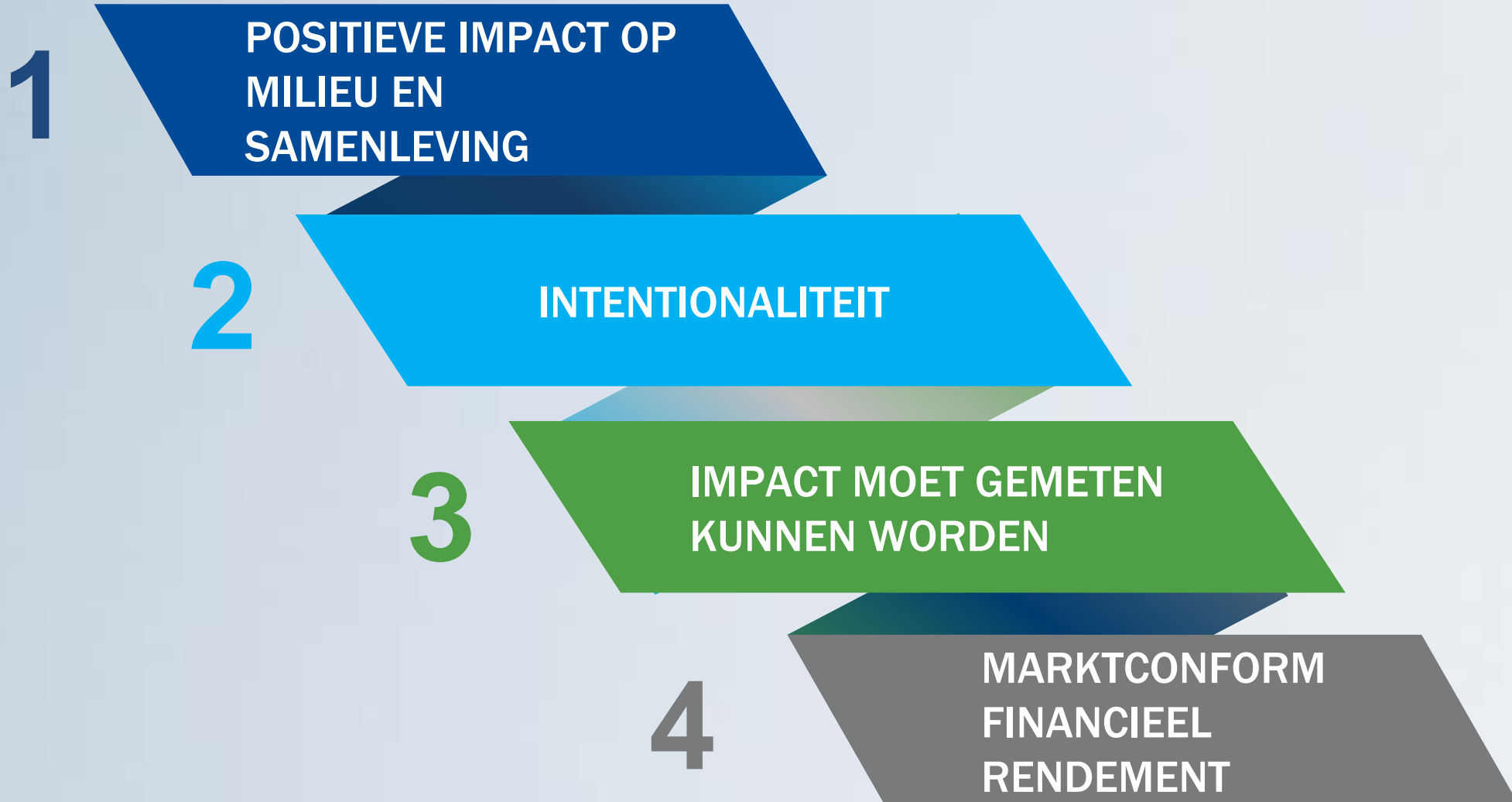
IMPACT BELEGGEN IN NIET BEURS- GENOTEERDE MARKTEN

Remco van Dijk

IVP, 9 December 2021

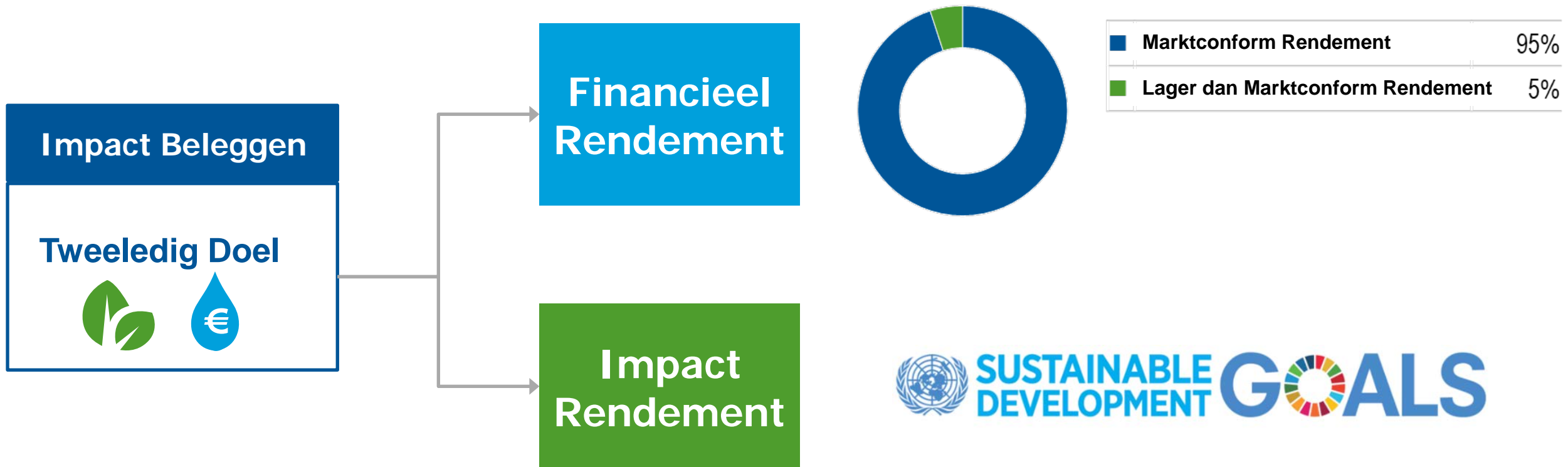
Wat is Impact Beleggen?

Kenmerken van impactbeleggen:



Een Tweeledige Doelstelling

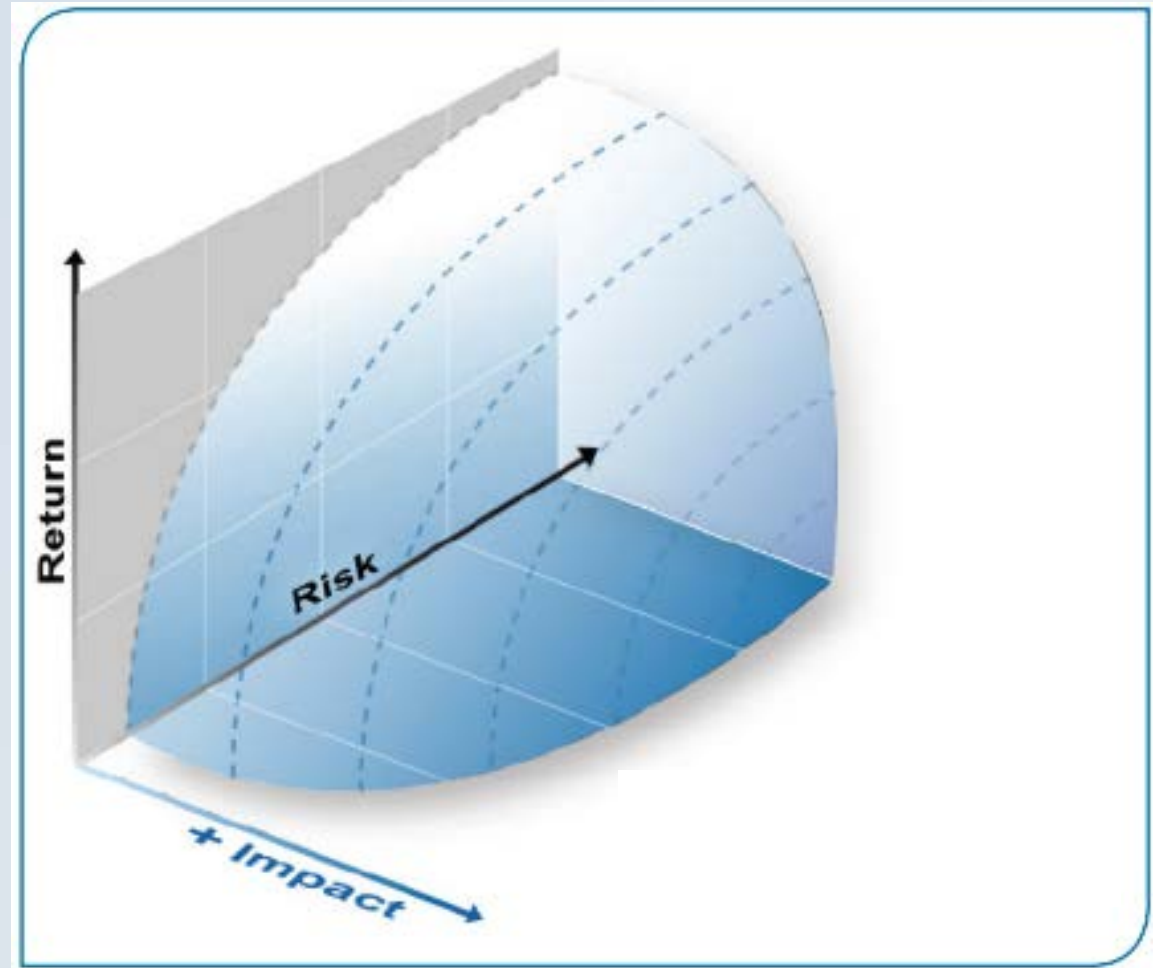
Op zoek naar "win-win"-beleggingssmogelijkheden waarbij een impact doelstelling wordt behaald samen met een markttrendement.



De nieuwe efficiënte grens:

“De wereld is geëvolueerd van de 19e eeuw waarin alleen financieel rendement werd gemeten, naar de 20ste eeuw, waarin risico en rendement werd gemeten, en nu is de wereld begonnen te bewegen naar risico, rendement en impact.”

Sir Ronald Cohen

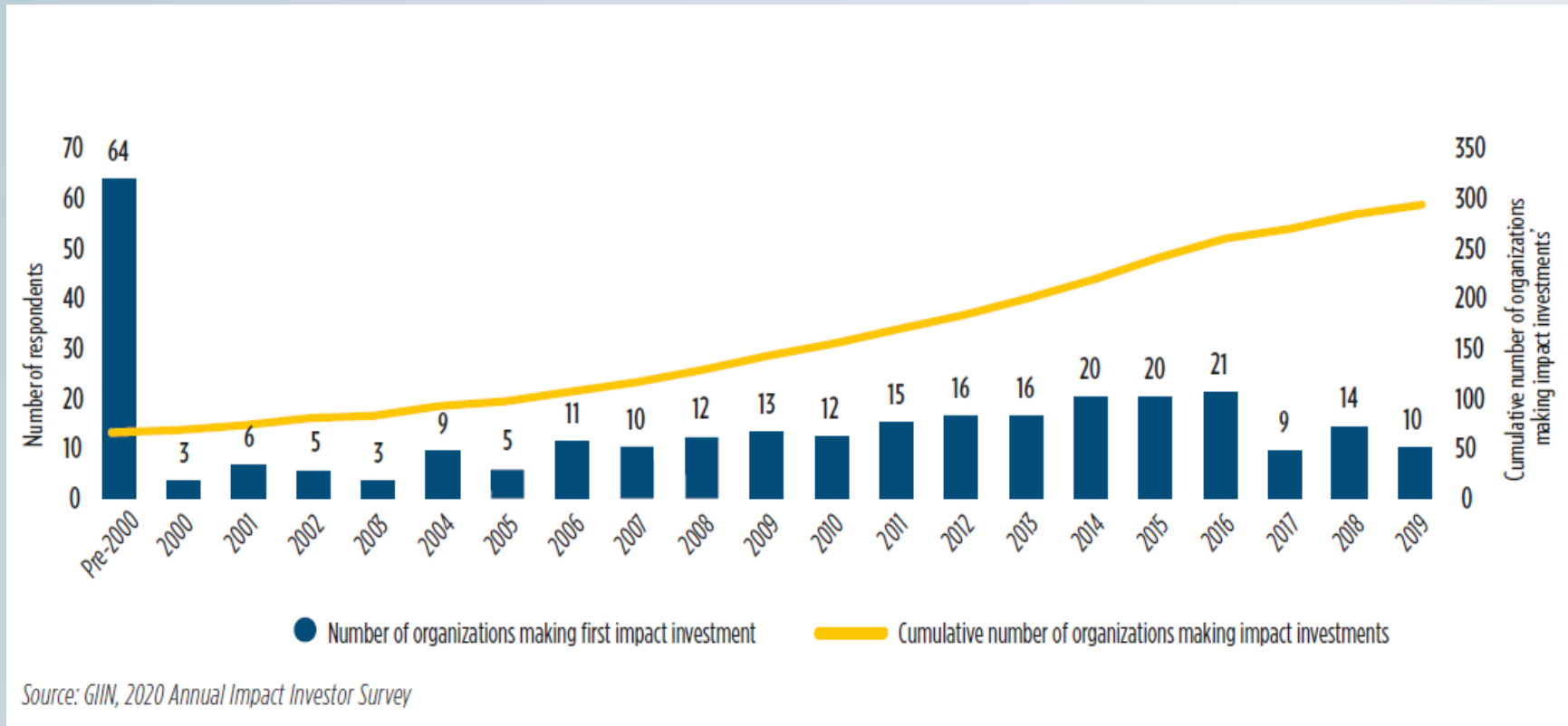


Bron: ImpactAssets Issue Brief #2: Risk, Return and Impact: Understanding Diversification and Performance Within an Impact Investing Portfolio.

Bron: Responsible Investor: Social Investment Pioneer Sir Ronald Cohen: Risk, Return...and Impact," March 1, 2008.

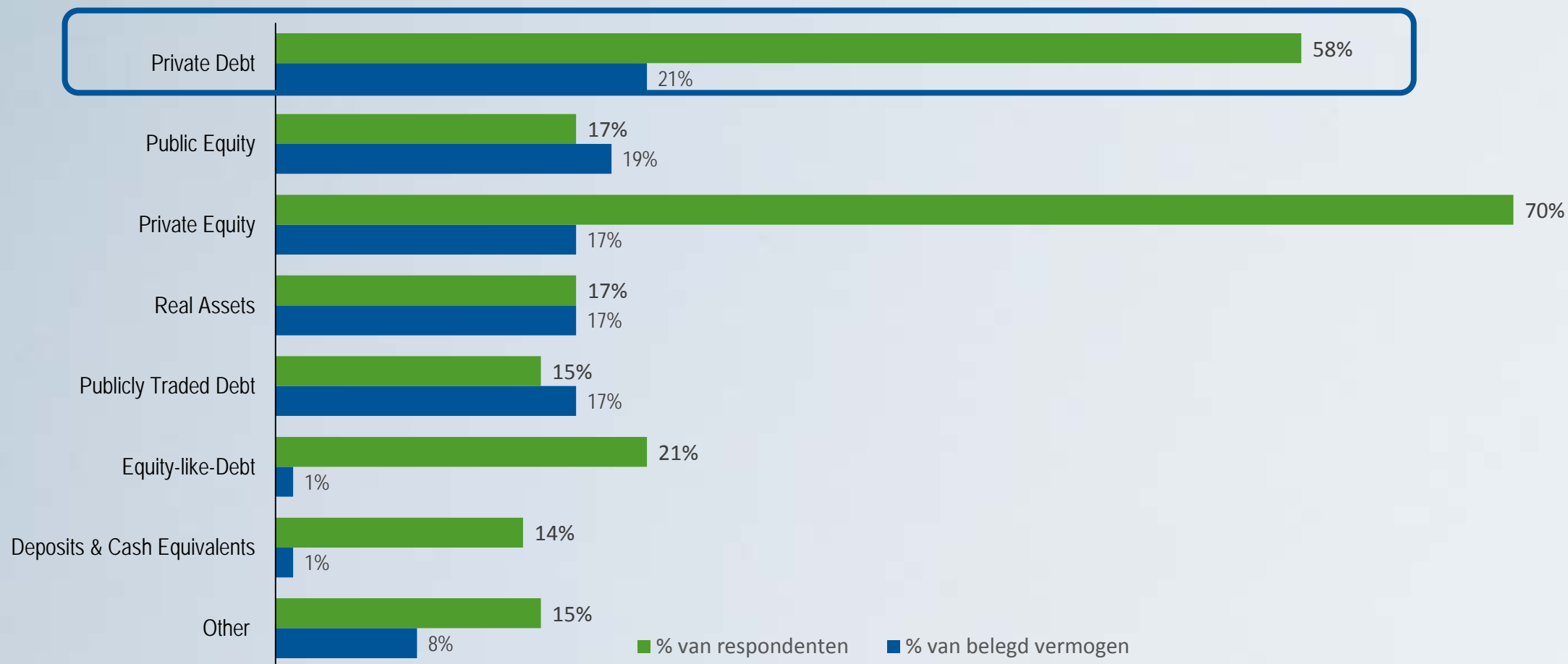
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Hoe groot is het wereldwijd belegde vermogen in impact-beleggingen?



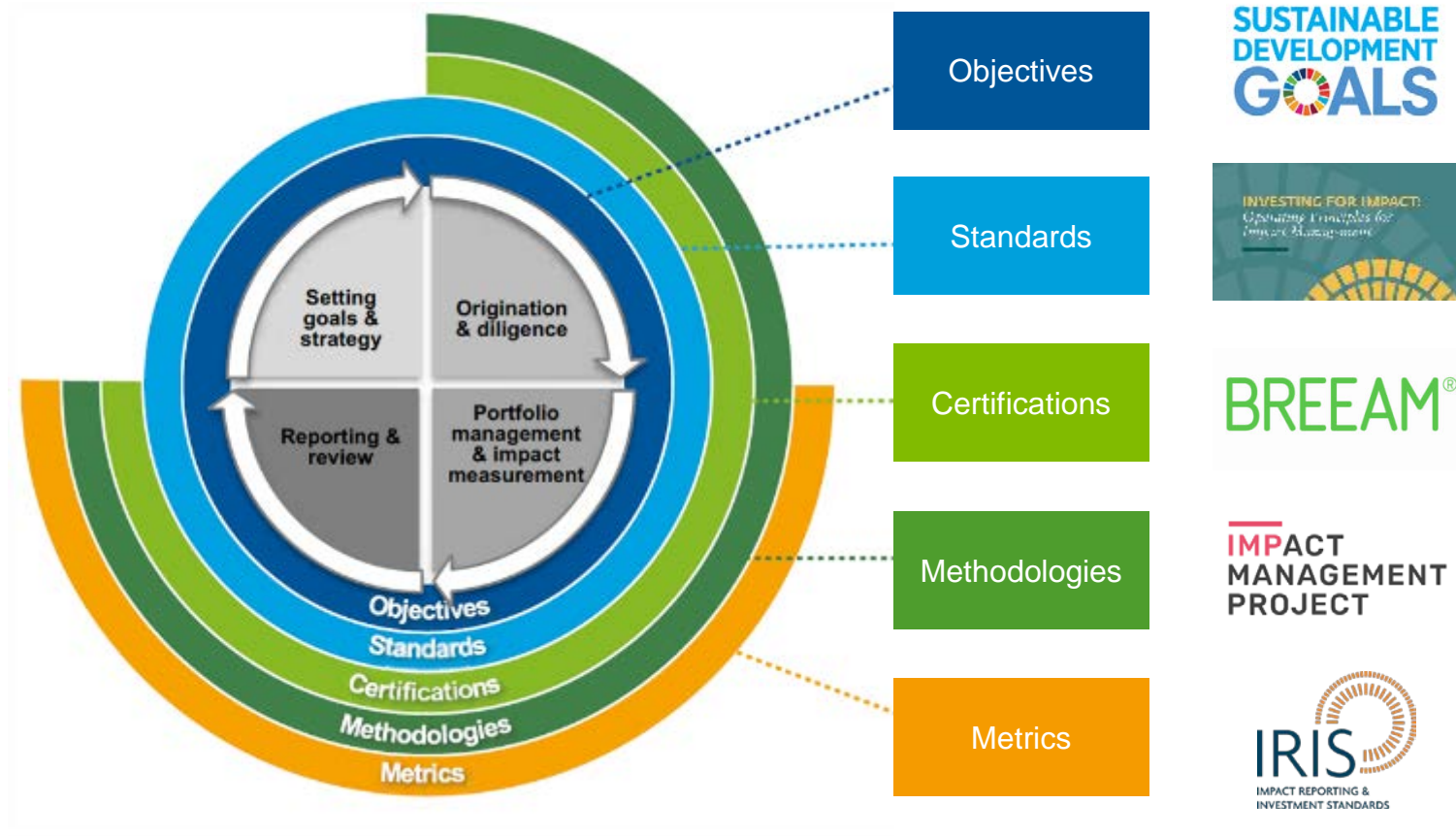
- Wereldwijd Belegd Vermogen: 715 Miljard USD
- 1720 verschillende organisaties

Wat is volgens de GIIN de grootste impactbeleggingscategorie?



Impactmeting en -beheer

De vijf bouwstenen voor impactmanagement





Wat is de top 3 van meest nagestreefde duurzame ontwikkelingsdoelen door impactinvesteerders volgens de GIIN?

	Decent work and economic growth
	No poverty
	Good health and well-being
	Reduced inequalities
	Affordable and clean energy
	Gender equality
	Sustainable cities and communities
	Climate action
	Quality education
	Industry, innovation, and infrastructure
	Responsible consumption and production
	Clean water and sanitation
	Zero hunger
	Partnerships for sustainable development
	Life on land
	Life below water
	Peace, justice, and strong institutions
	Other

Hoe werkt Impact Beleggen?

**Praktijkvoorbeeld:
Sociale Infrastructuur**

Theorie van de verandering: Voorbeeld: Sociale Infrastructuur

1. UITDAGINGEN

EC onderzoek:
Tekort aan private investeringen in sociale infrastructuur in Europa van €150mld per jaar

2. BIJDRAGE



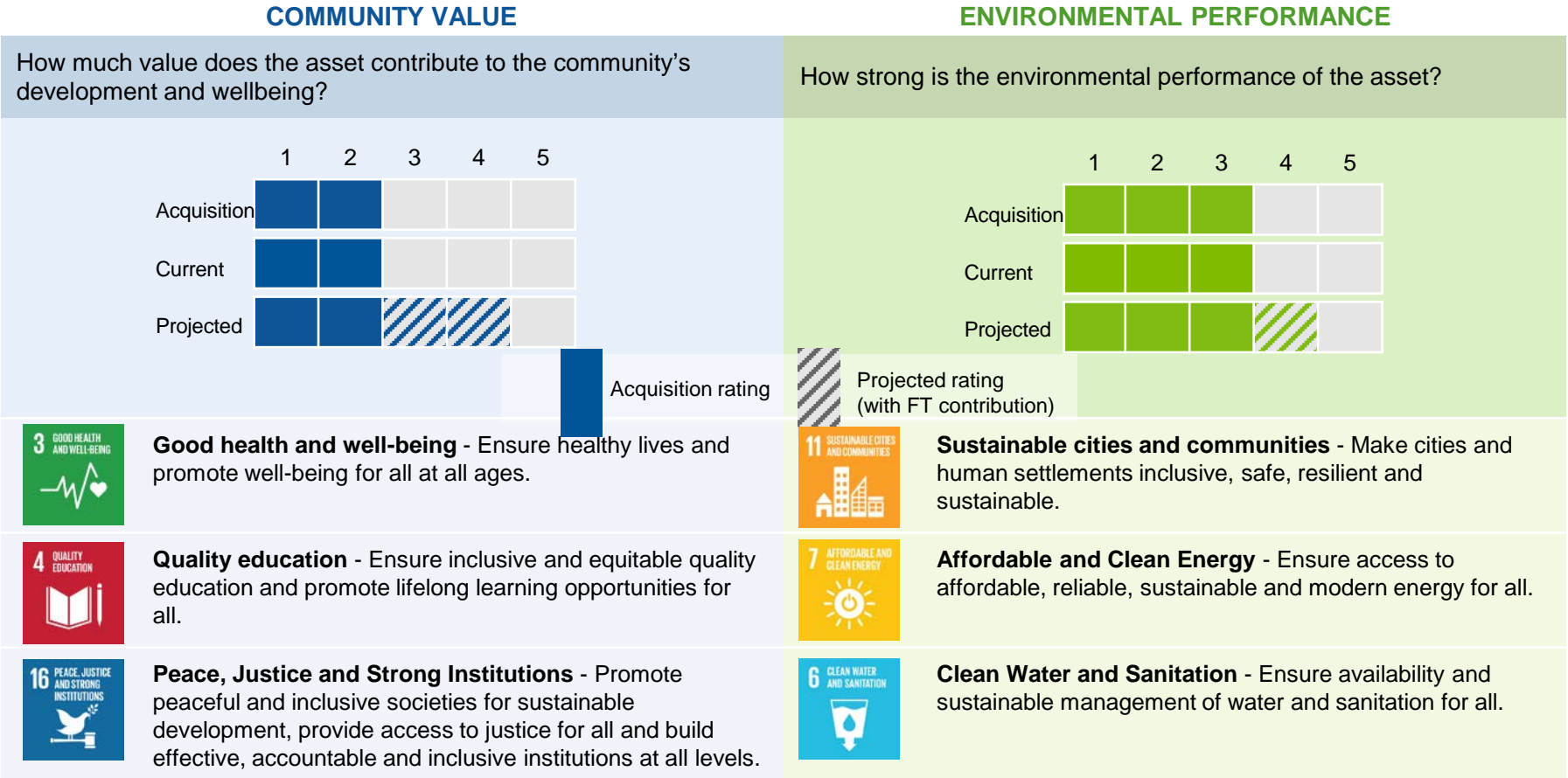
3. UITKOMSTEN

Meer duurzame en
inclusieve
gemeenschappen

Impact Overview: Scoring an Asset....

Defining & Assessing Impact

The Fund’s impact objectives support the six UN Sustainable Development Goals below, and measurement of progress will be aligned with Impact Reporting and Investment Standards (IRIS). By employing a proprietary framework, the initial and potential investment’s impact will be rated at acquisition, and the progress will be reported during the investment lifetime.

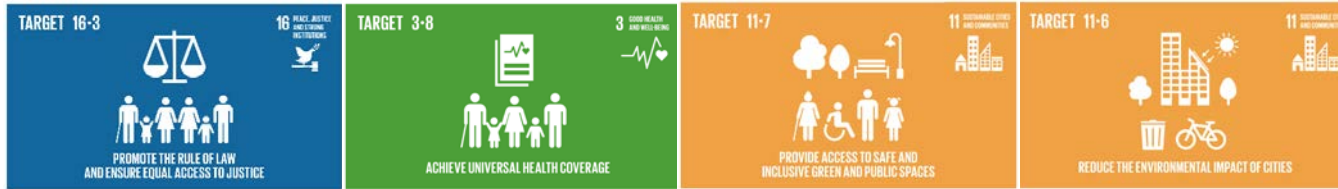


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...Monitoring Progress through Key Performance Indicators...

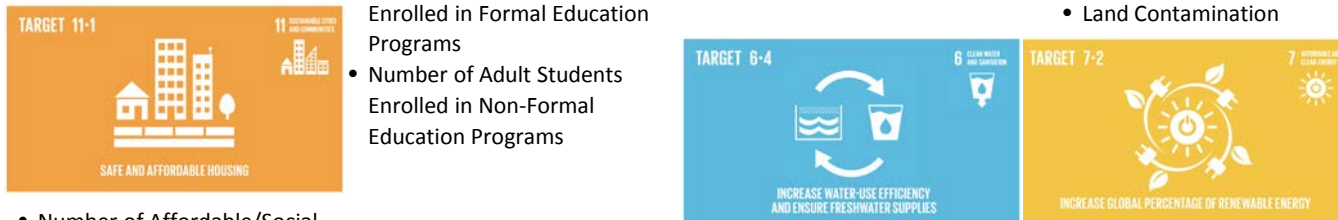
Tracking SDG Contributions



- Number of Court Cases on an Annual Basis
- Number of Convictions
- Number of Patients Served
- Number of “Responders” Employed
- Number of Permanent Employees (Total)
- Area of Greenspace
- Area of Space Preserved/Developed
- Biodiversity Data
- Waste Disposed: Landfill
- Waste Disposed: Composted
- Waste Disposed: Recycled/Reused
- Indoor Air Quality



- Number of Students Enrolled
- Number of Teachers Employed
- Number of Youth Students Enrolled
- Number of Adult Students Enrolled in Formal Education Programs
- Number of Adult Students Enrolled in Non-Formal Education Programs
- Energy Purchased (Non-Renewable)
- Energy Purchased (Total)
- Indoor Air Quality and Ventilation
- Toxic Materials Exposure
- Land Contamination











- Number of Affordable/Social Housing Units
- Average Tenant Savings
- Water Used (Total)
- Energy Purchased (Total)

Additional KPIs

- Number of Beneficiaries
- Number of Similar Services Serving the Same Population
- Essentiality of the Asset
- Number of Caregivers Employed
- Proximity to Public Transportation and Amenities
- Number/Type of Community Programs Offered
- Essentiality of the Asset
- Alternative Uses
- List of Community and Organization Partnerships
- Number/Type of Community Programs Offered or Supported
- Area of Space Preserved/Developed
- Accessibility/Universal Design
- Area of Space Preserved/Developed
- Total Direct GHG Emissions

...Fully Embedded within the UN SDG framework...

1. IDENTIFY THE PERTINENT SDGs	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	11 SUSTAINABLE CITIES AND COMMUNITIES 		
2. IDENTIFY THE SDG TARGETS	TARGET 6-4  INCREASE WATER-USE EFFICIENCY AND ENSURE FRESHWATER SUPPLIES	TARGET 7-2  INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY	TARGET 7-3  DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY	TARGET 11-1  SAFE AND AFFORDABLE HOUSING	TARGET 11-6  REDUCE THE ENVIRONMENTAL IMPACT OF CITIES
3. DEFINE POTENTIAL CONTRIBUTION	<ul style="list-style-type: none"> Install low-flow toilets, aerators & motion-sensing taps 	<ul style="list-style-type: none"> Install Solar panels 	<ul style="list-style-type: none"> Install smart meters, conduct operator and tenant training 	<ul style="list-style-type: none"> Purchase and maintain affordable housing units 	<ul style="list-style-type: none"> Improve waste management
4. ESTABLISH KPIs FOR OUR CONTRIBUTIONS	<ul style="list-style-type: none"> Volume of water used by residents 	<ul style="list-style-type: none"> Amount of purchased energy consumed from non-renewable sources 	<ul style="list-style-type: none"> Total amount of purchased energy consumed by residents 	<ul style="list-style-type: none"> Number of residents in affordable housing units Average Tenant Rent 	<ul style="list-style-type: none"> Waste Disposed: Landfill Waste Disposed: Compost Waste Disposed: Recycling
5. CONTRIBUTIONS MAPPED AGAINST SDG INDICATORS	<ul style="list-style-type: none"> 6.4.1 – Change in water-use efficiency over time 6.4.2 – Level of water stress 	<ul style="list-style-type: none"> 7.2.1 – Renewable energy share in the total final energy consumption 	<ul style="list-style-type: none"> 7.3.1 – Energy intensity measured in terms of primary energy and GDP 	<ul style="list-style-type: none"> 11.1.1 – Proportion of urban population living in slums, informal settlements or inadequate housing 	<ul style="list-style-type: none"> 11.6.1 – Proportion of urban solid waste regularly collected and with adequate final discharge out of total urban solid waste

Factors Behind the Framework

Asset Overview	Business Plan	What	Who	How Much	Contribution	Risk	Community Factors	Environmental Factors																																				
Primary Sustainable Development Goal Targets																																												
<p>TARGET 4-5 4 QUALITY EDUCATION ELIMINATE ALL DISCRIMINATION IN EDUCATION</p>			<p>TARGET 7-3 7 AFFORDABLE AND CLEAN ENERGY DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY</p>			<p>TARGET 11-1 11 SUSTAINABLE CITIES AND COMMUNITIES SAFE AND AFFORDABLE HOUSING</p>																																						
<p>Units will be priced below standard market rate, helping to create more affordable housing options for lower income students. We believe this will assist in lowering one of the barriers to accessing education for students from a lower income background.</p>			<p>We have identified improvements that can be made to the assets HVAC and building management systems. Additionally, we believe the tenant will be receptive to our efforts to work with them to improve consumption behavior. Both of these initiatives will help to reduce the assets energy intensity in line with indicator 7.3.1.</p>			<p>The portfolio will provide housing options to students at prices below standard market rates. This will help to support access to safe and affordable housing for the student population contributing to SDG target 11.1.</p>																																						
<p>What</p>			<p>Who</p>			<p>How Much</p>																																						
<p>The asset benefits from the ability to adapt to the demand in the area for housing for students, key workers, or elderly. Within the Cambridge area, there is currently a lack of affordable quality housing units, thus the base case for this asset is to have it provide an additional 244 beds for students. Stable and affordable housing can help drive better outcomes for students during their time at university.</p>			<p>In its current state, students living in the Cambridge area will most directly benefit from the asset. The Cambridge City Council identified that if existing shared housing currently occupied by students was to revert back to the open market, students in the area would face a supply gap of approximately 6,000 purpose-built student accommodation rooms.</p>			<p>Community</p> <table border="1"> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>Initial</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> </tr> <tr> <td>Projected</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> </tr> </table> <p>Environmental</p> <table border="1"> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>Initial</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> </tr> <tr> <td>Projected</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> <td>█</td> </tr> </table>				1	2	3	4	5	Initial	█	█	█	█	█	Projected	█	█	█	█	█		1	2	3	4	5	Initial	█	█	█	█	█	Projected	█	█	█	█	█
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Initial	█	█	█	█	█																																							
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<p>Contributions</p> <ul style="list-style-type: none"> Purpose-Driven Development – The Fund will add to the stock of affordable student housing Environmental Upgrades – FT seeks reductions in utility consumption through smart metering engagement and systems upgrades Function Enhancement – Significant CapEx will be spent to recondition the assets to bring the quality of units to a higher standard. 			<p>Risks</p> <ul style="list-style-type: none"> Stakeholder Participation Risk – The timing of university semesters may cause tenant turnover to be high which may limit our ability to have productive engagements with tenants throughout the whole holding period. Drop-Off Risk – Changes in local supply and demand dynamics for student housing could reduce the impact we are having by adding to the stock of student housing. 																																									

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Juvenile Court (Madrid)

Juvenile Courthouse in a growing business district of Eastern Madrid

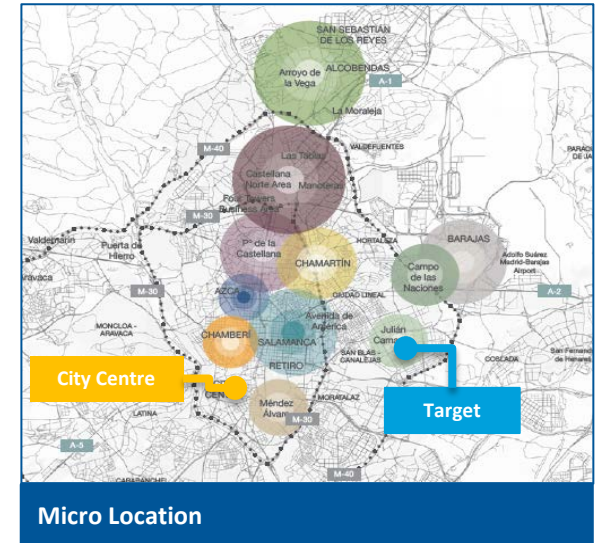


 Justice and Emergency

Location	Spain, Madrid
Area	6,586 sqm
Constructed	2002
Deal Type	Core
Status	Closed
WALB / WALT	- / 9.2 years
Yield	5.9%
Target Return¹	6.5% (Unlevered)



Macro Location



Micro Location

Investment Thesis

- Acquisition of a **juvenile courthouse** in a **growing business district in the eastern part of Madrid**.
- **Excellent transport connectivity**, located adjacent to underground stations and within easy reach of Madrid's international airport.
- **Freehold on a long-term break free double-net lease**, single-let to a government tenant, providing long and sustainable cash flow streams.
- **Rare opportunity to acquire a "Justice" asset**, essential to the community, and build strong relationships with the local government.

Note: "Yield" and "Target Return" based on "General Assumptions" on pg 12.

1. There is no assurance that any projection, estimate or forecast will be realized.

The above information reflects Franklin Real Asset Advisors' analysis and opinions as of March 31, 2019. The views expressed may differ from those expressed by other investment platforms or strategies within Franklin Templeton. The information is not a complete analysis of every aspect of any market, country, industry or security nor is it a recommendation or advice for any particular investment or strategy. Photo reprinted with permission.

Juvenile Court (Madrid)

Juvenile Courthouse in a growing business district of Eastern Madrid



Theory of Change

Through the purchase and active ownership of the juvenile courthouse in Madrid we seek to improve the operation and accessibility of an essential justice asset which helps to promote peaceful and inclusive societies and justice for all.

1. Challenge

The current quality of service provided at the asset is acceptable, but missing out on opportunity to improve the outcomes for the 1.3 million youth it serves.

2. Contributions (Primary)

- Aligned Long-Term Capital** • Supporting the continued use of this court in Madrid and enhancing its quality over time
- Function Enhancement** • Finance construction of Gesell Chamber which can reduce the stress of testifying for victims of violence
- Environmental Upgrades** • Reduce energy and water usage through smart metering and enhanced building management system
• Upgrade HVAC systems
- Stakeholder Partnerships** • Foster partnerships with local law schools, youth-focused community organizations and non-profits focused on training judges, lawyers and psychologists on best use of Gesell chambers.

3. Outcomes

Seek to measurably increase community value through direct improvement of quality of service and creation of community partnerships. Aim to reduce pollution, water use and energy use through operational enhancements and HVAC upgrades.



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Villaggio Amico (Gerenzano)

Elderly Care Facility in Greater Milan



 Healthcare

Location	Italy, Gerenzano
Area	c. 11,451 sqm
Constructed / Refurbished	1867 / 2008
Deal Type	Core
Status	Closed
WALB / WALT	- / 30 years
Yield	6.0%
Target Return ¹	6.5% (Unlevered)



Macro Location



Micro Location

Investment Thesis

- **Elderly care facility in a residential suburb of Greater Milan** whose location benefits from good connectivity to the Milan metropolitan area.
- Sale and leaseback from current operator on a **30-year break-free double net master lease**.
- Property houses a **nursing home and Alzheimer facility** as well as **outpatient care, pool, gym, nursery, and conference center**.
- Expected benefits from **local demographic trends** which should underpin demand for **elderly healthcare services in the area in the future**.

Note: "Yield" and "Target Return" based on "General Assumptions" on pg 12.

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Villaggio Amico (Gerenzano)

Elderly Care Facility in Greater Milan



Theory of Change

Acquisition of the asset through a sale and leaseback structure supports the continued provision of high-quality elderly care at the asset while allowing the operator to pursue expansion throughout the country to further service Italy's aging population.

1. Challenge

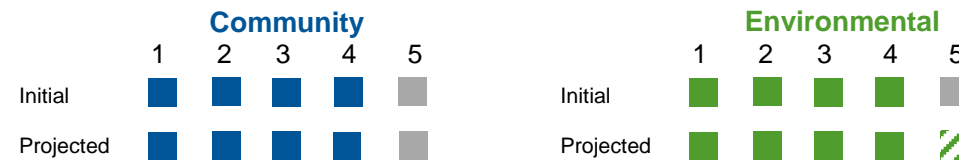
The aging population of Italy potentially creates a large need for elder care facilities throughout the country.

2. Contributions (Primary)

- ALIGNED LONG-TERM CAPITAL**
 - The Fund facilitates the continued use of the building as a high-performing social infrastructure asset and frees up capital for a growing operator
- FUNCTION ENHANCEMENT**
 - Seek to work with the tenant to broaden availability of the facilities to the community
- ENVIRONMENTAL UPGRADES**
 - Work with the tenant to assess installation of PV panels
 - Aim to ensure that current installations are properly maintained and utilized with inputs from smart metering data
- STAKEHOLDER PARTNERSHIPS**
 - Support the operator in their expansion of this multi-purpose social infrastructure asset concept in Italy
 - Promote local transportation options to help increase connectivity

3. Outcomes

Through long-term active ownership, we aim to maintain the high community value of this asset. Environmental improvements from systems installations and resulting operational efficiencies should help support the goal of driving this building to a top level of environmental performance.



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Impact Case Study

Community Impact Case Study – Project Lagoon

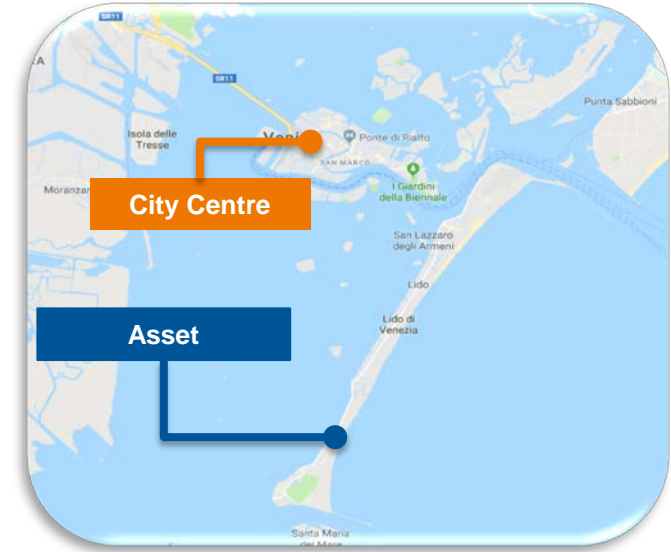
Located in Lido di Venezia, the asset houses both the Stella Maris Nursing Home and the San Camillo Hospital, a rehabilitation hospital specializing in cranial & spinal trauma, neuropathies, Parkinson’s Disease, and other motor-function disorders.



Macro Location



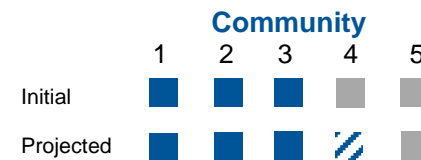
Micro Location



Theory of Change

The region has approximately 4.9 million inhabitants. Within Veneto, approximately 22.6% of the population is above the age of 65, with projections showing this figure rising to 33% by the year 2038. Through our active ownership and aligned long-term capital we aim to maintain the availability of essential healthcare services while increasing their quality throughout the holding period.

Acquisition Community Score



Acquisition Summary

Location	Italy, Lido di Venezia
Area	c. 32,963 sqm
Constructed / Refurbished	1949 / 2010
Deal Type	Core
WALB / WALT	30 / 30 years
Target Return¹	6.8% (Unlevered)

Impact Case Study

Aligned Long-Term Capital



1. Preserve
2. Improve
3. Expand

1. Challenges

Potential Closure

- Struggling Operator
- Proposed conversion to hotel/residential
- Loss of healthcare access
- Loss of high-skill jobs



2. Contribution Examples

Structured Deal

- New stable operators
- 30yr leases



3. Outcomes

Preservation

- Critical Health Services
- Quality Jobs



Impact Case Study

Purpose-Driven Development



1. Preserve
2. Improve
3. Expand

1. Challenges

Demand for Beds

- Aging Population
- Limited supply

2. Contribution Examples

Plan to construct new end-of-life care facility

- Replacing abandoned building on site

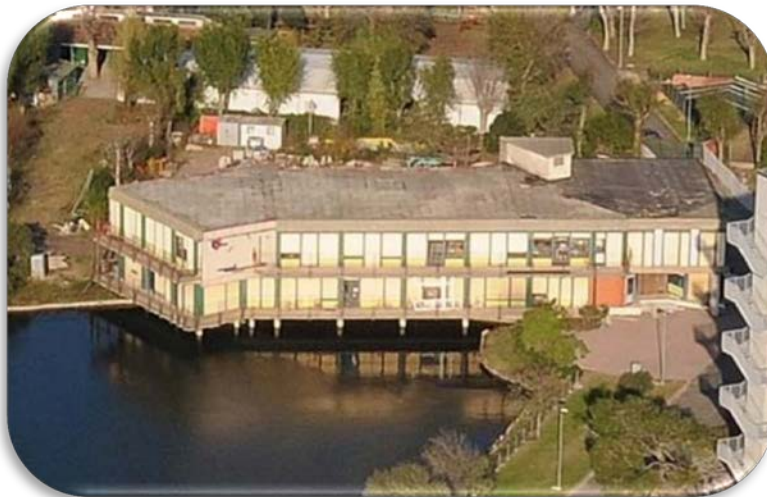
3. Outcomes

Increased Supply

- ~60-100 new hospital beds

New Sensorial Garden

- Development of new occupational therapy protocols





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Important Disclosures

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All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. The risks associated with a social infrastructure strategy include, but are not limited to various risks inherent in the ownership of real estate property, such as fluctuations in lease occupancy rates and operating expenses, variations in rental schedules, which in turn may be adversely affected by general and local economic conditions, the supply and demand for real estate properties or social infrastructure, zoning laws, rent control laws, real property taxes, the availability and costs of financing, environmental laws, and uninsured losses (generally from catastrophic events such as earthquakes, floods and wars). In addition, bond prices are affected by interest rate changes. High-yield, lower-rated (junk) bonds generally have greater price swings and higher default risks. Foreign investing, especially in developing countries, has additional risks such as currency and market volatility and political or social instability.

An investment in the Fund involves a high degree of risk, may be considered speculative and is suitable only for investors who can afford to risk the loss of all or substantially all of such investment. The Fund will employ leverage and will hold illiquid investments. The Fund’s performance may be volatile. The Fund’s fees and expenses may offset its profits. The Fund is not subject to the same regulatory requirements as registered investment companies. Where securities are issued in a currency other than the investors’ currency of reference, changes in exchange rates may have an adverse effect on the value of the investment. The Fund may use a single investment manager or employ a single strategy, which could result in a lack of diversification and higher risk. Please refer to the Memorandum for a more detailed description of the risks of investing in the Fund.

The risks associated with a social infrastructure strategy shall also include risks associated with the general economic climate, geographic or market concentration, government regulations, and fluctuations in interest rates. In addition, changes in global economic conditions, as well as conditions of international financial markets, may adversely affect social infrastructure investments. In particular, because of the long lead-time between the inception of a social infrastructure project and its completion, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic, political or other conditions prior to its completion, become an economically unattractive investment.

Acquisitions of underlying social infrastructure investments entail the risk that such investments will fail to perform in accordance with expectations, including operating and leasing expectations. Redevelopment and new project developments are subject to numerous risks, including construction delays, cost overruns or force majeure events that may increase project costs, new project commencement risks, such as receipt of zoning, occupancy and other required approvals and permits and development costs associated with projects that are not pursued to completion.

The Fund will not be registered in any jurisdiction, there will be no public market for the interests in the Fund. The Fund interests may only be offered for sale in jurisdictions where offers and sales are permitted. Neither the Fund nor the sale of Fund interests will be registered under the laws of any jurisdiction. Interests in the Fund may not be appropriate for all investors and involve important legal and tax consequences and investment risks that should be discussed with your professional financial, legal and tax advisors prior to investing.

Important Disclosures (continued)

The information contained in this document is not a complete description or analysis of every risk or material fact regarding the relevant markets or the Fund. Statements of fact cited by FTI LLC have been obtained from sources considered reliable, but no representation is made as to the completeness or accuracy of information. Because market and economic conditions are subject to rapid change, opinions provided are only valid as of the date of the material and are subject to change without notice.

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Subscriptions to shares of the Fund can only be made on the basis of the current private offering memorandum (the “memorandum”) of the Fund as well as other regulatory/legally required Fund documents, as relevant.

Shares may only be held by “well-informed investors” within the meaning of Luxembourg Law of 23 July 2016 relating to Reserved Alternative Investment Funds, as may be amended from time to time. No shares of the Fund may be directly or indirectly offered or sold to nationals or residents of the United States of America.

The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. Past performance is not an indicator or a guarantee of future performance. Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations.

An investment in the Fund entails risks which are described in the Fund’s memorandum. An investment in the Fund will involve risks due to, among other things, the nature of the Fund’s investments. Investments in derivative instrument entail specific risks more fully described in the Fund’s memorandum.

Any research and analysis contained in this document has been procured by Franklin Templeton for its own purposes and is provided to you only incidentally. References to particular industries, sectors or companies are for general information and are not necessarily indicative of a fund’s holding at any one time.

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