

Environmental, Social Responsibility and Corporate Governance Policy

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INTRODUCTION

LaSalle Investment Management (LaSalle) is a global investment advisor and a network of subsidiaries of Jones Lang LaSalle Incorporated that invests on behalf of its clients in private real estate, private real estate related assets and publicly traded real estate companies. LaSalle acts as a fiduciary in its role as an investment adviser and in this regard its primary responsibility is to maximize the investment returns for its clients, within the constraints imposed upon LaSalle via client management agreements. LaSalle believes that environmental, social responsibility and corporate governance (ESG) factors can have an impact on investment performance to varying degrees across companies, sectors, regions, asset classes and timeframes and should be considered when evaluating real estate securities, real estate related investments and managing real estate assets. LaSalle will measure its success in this endeavor as follows: success in incorporating ESG factors in its investment decision-making processes, success in engaging third parties on ESG issues and success in implementing ESG initiatives at investment properties.

PURPOSE

The purpose of this policy is to (i) define LaSalle's position regarding ESG and (ii) provide our employees with guidelines related to ESG for our decision-making processes. The policy will also be used as a tool to communicate to clients and stakeholders how LaSalle integrates ESG considerations into investment decision-making processes across all asset classes and which factors LaSalle may consider when making such decisions, while also remaining focused on maximizing investment performance and LaSalle's fiduciary obligations to its clients.

APPLICABILITY

This policy applies to all LaSalle entities and employees around the globe.

DEFINING 'E' 'S' AND 'G' AND OUR APPROACH TO DECISION-MAKING

LaSalle has adopted the definitions below for ESG and identified the factors under those definitions that we believe are relevant to our direct real estate and public equity real estate advisory businesses. While LaSalle's regional businesses implementing ESG initiatives may establish different methodologies and priorities in achieving LaSalle's ESG goals, the policy is designed to facilitate the sharing of ideas and approaches across the global business, and stimulate uniformity in how the global business benchmarks its ESG progress. This section also provides a general overview of how LaSalle intends to integrate ESG within its investment decision-making processes.

LaSalle's sustainability initiatives in the private real estate asset business are driven primarily through its Global Sustainability Committee (GSC), which is an internal committee consisting of select LaSalle real estate professionals from around the globe and across LaSalle's business lines. The GSC is charged with identifying near and long-term strategic ESG initiatives aimed at encouraging continuous, incremental improvements in the performance of LaSalle's assets under management around the globe.

Environmental Considerations and Sustainability

Within the context of its global operations, LaSalle defines environmental sustainability as its efforts to reduce energy consumption, water usage, waste disposal, and carbon emissions, and the promotion of strategies that progress towards encouraging these reductions. LaSalle believes that taking financially responsible steps towards improving environmental sustainable operational practices at our managed properties represents good and responsible corporate citizenship and serves in the best interests of our clients through the potential to increase the values of client portfolios.

The GSC has determined that any environmental sustainability initiatives implemented by the business must be practical and cost-effective, preferably with relatively short paybacks for any capital invested. Clients should expect such initiatives to have the potential for adding value to real estate assets through a variety of means, including reduced operating expenses, sustainable performance certifications to help distinguish assets within their respective markets, and reduced risk of functional obsolescence which could adversely impact disposition valuations.

LaSalle is committed to the following Global Sustainability Goals developed by the GSC across its global business:

- Reduce the environmental impact of our business
- Reduce the environmental impact of our clients' real estate holdings
- Exceed local environmental regulations where appropriate
- Drive thought leadership and innovation on sustainable property investments
- Collaborate with clients, tenants, property managers, and other service providers to provide sustainable management of properties

Social Responsibility

LaSalle defines “social responsibility” generally as the obligation of a company to make decisions and take actions that will enhance the welfare of its own employees and to act in the interests of society as a whole. Socially responsible initiatives that relate to human rights, workplace, community and societal issues are embodied in the Jones Lang LaSalle Corporate Social Responsibility annual reports and reflect what LaSalle believes to be sound social standards for a global business.

As an organization, LaSalle is committed to being a responsible member of the community and supports a range of programs and activities that enhance local, regional and global communities. We will continue to pursue actions that support this commitment across the business.

As an investment advisor, LaSalle will be mindful of how third-party service providers, joint venture partners and companies in which it invests on behalf of its investors address “social responsibility” and will take appropriate steps if it becomes aware of any cases where it believes satisfactory standards of “social responsibility” are not maintained.

Governance

LaSalle generally defines “governance” as the set of processes, customs, policies, laws, and institutions affecting the way an organization (i) is directed, administered or controlled and (ii) relates to third parties.

LaSalle considers “governance” in the following three aspects of its operations: (i) how LaSalle itself is governed, (ii) how the funds that it sponsors and manages are governed and (iii) how the publicly traded or private companies in which LaSalle invests in on behalf of investors are governed.

As an operating group of a publicly traded NYSE listed company, LaSalle itself is governed by a series of policies, procedures, best practices and guidelines, rooted in sound ethics, that render LaSalle in a position to confirm to stakeholders that LaSalle itself maintains good corporate governance.

In addition, LaSalle operates its funds in accordance with their organizational documents, as well in accordance with applicable laws, rules, regulations, policies and procedures. LaSalle also relies on committee structures to ensure its most senior and experienced professionals focus on core business objectives and oversee key transactions made on behalf of clients. LaSalle aims to benchmark the governance aspects of our funds (i.e., reporting, advisory council, valuations and others), against other funds, as well as guidelines established by trade associations or non-governmental organizations focused on fund management to ensure LaSalle keeps abreast of best practice governance trends in the fund industry. This approach reaffirms LaSalle’s commitment to creating private real estate funds that reflect good corporate governance and that operate consistent with their terms.

LaSalle will address governance factors differently in the context of the public equity business as we have no direct control over the governance of the real estate companies in which we invest. LaSalle aims to assess the corporate governance of publicly-traded companies by relying on third-party corporate governance research providers and voting affirmatively on proxy issues that reflect sound corporate governance practices and which LaSalle believes in the best interests of its clients. The public equity group’s proxy voting procedures are contained in its proxy voting policy, which is revised from time to time.

FIDUCIARY OBLIGATIONS

LaSalle's fiduciary obligations remain paramount and LaSalle will strive to obtain the highest level of performance while acting within the boundaries of the client's investment guidelines. ESG matters initiated by LaSalle should be designed to be transparent and improve the short, medium, or long-term performance of the property. LaSalle also believes that public awareness of ESG issues may influence over time whether certain properties are deemed more attractive than others thereby incentivizing owners to ensure assets are positioned to capitalize on this sentiment.

ENGAGEMENT

It is LaSalle's policy to work with its peers in the investment community to encourage the consideration of ESG factors in the investment decision making process. These discussions may occur in associations of which LaSalle is a member and in forums where LaSalle is asked to participate. LaSalle will also aim to encourage third-party service providers and joint venture partners to implement and support the consideration of ESG principles within their business practices.

Going forward a key element of LaSalle's engagement strategy in the public equity business will be to elicit information from parties related to our investment targets to understand how these companies address ESG factors in their business model and practices. LaSalle's private equity business will pursue dialogue with its partners to understand how these companies address ESG factors as relevant to their businesses and as needed will work with them on developing appropriate ESG information reports. These approaches reflect the different levels of control that LaSalle's public and private equity businesses can exert over its investments. LaSalle expects to receive a two-fold benefit from this process: first, as an opportunity to communicate the importance of ESG principles to third parties; and second, to learn from others that may have achieved best-in-class ESG program implementation.

Reporting on ESG Implementation Progress

Stakeholders and clients can monitor the progress of LaSalle's implementation of ESG initiatives through two publicly-available documents. The first is the Jones Lang LaSalle Corporate Social Responsibility Report, which is an annual report describing the organization's sustainability, governance and social responsibility achievements over the prior year. LaSalle's achievements in these, and other areas, are included in this report and it will include LaSalle's ESG initiatives going forward.

Commencing the first quarter of 2011, information relating to the development of LaSalle's ESG program may also be found in the annual report that LaSalle files with the United Nations Secretariat for Responsible Investing. In July 2009, LaSalle became a signatory to the United Nations Principles for Responsible Investment (Principles), which are a series of investment-related statements designed for institutional investment managers. Signatories are committed to integrating ESG criteria into the signatory's investment analysis and ownership practices. The Principles consist of the following six objectives:

- Incorporate ESG issues into investment analysis and decision-making processes.
- Be active owners and incorporate ESG into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which the firm invests.
- Promote acceptance and implementation of the Principles within the investment industry.
- Work together to enhance the effectiveness in implementing the Principles.
- Report on the activities and progress toward implementing the Principles.

Signatories to the Principles are required to report on an annual basis the progress made during the year in meeting the objectives. LaSalle's first report is due in Q1 2011 and will be found on the UNPRI website at www.UNPRI.org.

ADMINISTRATION OF POLICY

LaSalle's Global Sustainability Officer is the owner of this Policy. It shall be subject to periodic review and revision by the GSO as necessary or appropriate. The GSO, in consultation with General Counsel and the Global Sustainability Committee, as appropriate, shall have the authority to make any interpretations regarding the operation of this Policy.



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