TOWNSEND® GROUP

DUE DILIGENCE MEMORANDUM

# CLOUD CAPITAL FUND II

## An Edge Data Center Build-to-Suit Fund

December 2024

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# EXECUTIVE SUMMARY

## OVERVIEW

| Review Date | Rating | Prior Fund Rating |
|---|---|---|
| December 2024 | **Buy** | N/A |

Cloud Capital Fund II (the "Fund") is being established by Cloud Capital Advisors, LLC ("Cloud" or the "Sponsor"), a privately held data center investment management specialist, to capitalize a proprietary single tenant edge data center build-to-suit program. The $325 million Fund will target net returns in excess of 20% net IRR and the Sponsor's base case return scenario is 26.6% net IRR and 2.7x net equity multiple.

*Strategy:* The Fund will execute a de-risked build-to-suit development program (internally referred to as "Project Empire") for a single identified hyperscale data center user (the "Tenant"). The Sponsor, along with its development partner, will source land sites based on a Tenant-defined geographic area in 10+ identified edge data center markets, which the tenant has deemed crucial to expansion of its owned network capabilities and AI inferencing needs. The Tenant will sign a long-term lease concurrent with closing the approved sites, paying rent based on a contractual yield-on-cost to the Fund's development cost. The Fund will construct a powered shell sized for long term potential for 5-10MW total power capacity and an initial turnkey build-out of 1MW. The Sponsor's intent is to sell the assets as a portfolio with a remaining expansion opportunity for the next buyer.

*Sponsor:*

| | | | |
|---|---|---|---|
| **HQ Location** | Tampa, FL | **Parent** | N/A |
| **Ownership** | Private | **Founded** | 2020 |
| **Staff Members** | 28 | **AUM (Sep 30, 2024)** | $4.4B Gross / $1.9B Net |

**Organization:** Cloud Capital is the investment management affiliate of CloudHQ, a global developer and operator of hyperscale data centers founded by former DuPont Fabros CEO Hossein Fateh in 2016. In this Fund, Cloud Capital's investment team (the "Manager") will partner with Oppidan Investment Company, a Minnesota-based nationwide developer, for execution of the strategy.

***Track Record (as of 6/30/2024)***

| Vehicle | Vintage | Equity Commitments (M) | Equity Invested (M)* | Number of Assets | Target Net Return | Fair Market Value | | Net TWR | ODCE Net TWR (1Q23-2Q24) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Net IRR | Net EM | | |
| Cloud Capital Partners | 2022 | $1,419 | $1,281 | 8 | 10%+ | 21.6% | 1.33x | 23.9% | -10.6% |

*At 9/30/24, GAV is $4,428m and NAV is $1,861m with $9m unfunded commitments.

*Portfolio Characteristics:*

| | | | |
|---|---|---|---|
| **Vehicle Structure** | Closed-end Fund | **Risk Category** | Opportunistic |
| **Expected Fund Size** | $324 million | **Sponsor Commitment** | 2% of capital commitments |
| **Investment Period** | 3 years | **Fund Term** | 6 years from end of Inv Period |
| **Avg. Investment Size** | $72 million total cost | **Typical Business Plan** | 4-5 years |
| **Management Fee** | 1.5% on Committed<br>1.0% on Invested<br>*Subject to discounts* | **Incentive Fee Waterfall** | 8% preferred return<br>50% LP / 50% GP catch-up to 20% of profit<br>80% LP / 20% GP to a 15% pref<br>70% LP / 30% GP thereafter |

*Status:* The Manager is targeting a First Close on or before January 10th to facilitate closing of land sites currently in diligence. A final close must occur within 18 months of the First Close per the LPA, though Cloud expects to raise its target capital during the first half of 2025. Capacity is expected to be limited and Cloud may tie future subscriptions beyond the First Close to commitments to its flagship core plus OECF.

## COMPARATIVE ADVANTAGES

1. Risk/Return Profile

The data center sector is at a unique point in time where tenant expansion needs driven by long term growth trends in data creation, transmission, and processing needs are driving landlord-friendly dynamics in the market for data center capacity. This has translated to outsized development spreads for market participants with strong operational reputation, access to equity capital, construction financing, and visibility to powered sites. In the near term, sponsors meeting these criteria can command attractive development spreads while executing in a de-risked build-to-suit and/or fully pre-leased development process. In Townsend's view, this strategy broadly offers one of the most compelling risk-adjusted return prospects in non-core real estate. The Fund's base case return profile is 34.0% gross IRR and 26.6% net IRR. De-risking factors relevant to this Fund include:

- Leasing: De-risked by way of tenant-led program in which Cloud Capital will source land sites within a defined geographic region around a target MSA and the tenant will sign a long-term NNN lease for the entirety of the built MW capacity in conjunction with closing of the approved site. In addition to eliminating speculative leasing risk, the lease structure insulates the Fund from risks related to both opex changes and major capital expenditures over the life of the lease. The lease is subject to a parent guarantee from a AA-credit tenant with a 15-20 year initial term, 2% annual rent escalations, and extension to the original lease term upon exercise of expansion rights.
- Rental Rate/Yields: The tenant's lease rate will be based on an open-book yield-on-cost calculation providing a 9.0% YoC on the initial shell and 1MW data hall buildout, insulating the Fund's returns from cost overrun risk. Future expansion opportunities are based on an a 9.5% yield-on-cost following the same cost-based methodology. The initial build is attractive and viable as a standalone project and expansion provides an upside opportunity, executed over the course of the Fund term or by the next buyer.
- Construction: Cloud has partnered with Oppidan Investment Company for this program, an experienced national developer with a track record of corporate build-to-suits including data centers for hyperscale tenants and with institutional capital partners. The development partner will fund all predevelopment costs and required deposits (land or utility), provide completion guarantees, cover certain controllable cost overruns outside of the cost-plus model, and assume responsibility for lease penalties related to delivery delays. The Fund is expected to have no capital outlays prior to site closing and signing of tenant lease.

2. Identified Pipeline

The Fund's investments are fully identified, with the Tenant providing handshake exclusivity[1] on 12 markets where Cloud Capital and their development partner will acquire sites subject to a geographic area around the relevant metros as defined by the tenant. Of the 12 metros, 3 are in PSA and expected to close in 1Q 2025, another 3 in PSA expected to close through 2Q 2025, and the remaining in various LOI or identification stages expected to close through 2025. This compares favorably to peer fund alternatives, which predominantly have some combination of blind-pool dry powder and identified pipeline sites that must either be (i) optioned while seeking power, pre-leasing, or entitlement, or (ii) in more site-constrained markets, acquired without visibility to those milestones. The ability to access the current landlord-friendly development dynamic with visibility to near-term deployment is a key driver of selecting this opportunity in lieu of other commingled fund offerings available to Townsend clients. **Exhibit A**

[1] While there is no formal agreement in place until land closing, the Tenant generally provides Cloud with an minimum informal 6-month exclusivity period to source sites in awarded markets, potentially longer depending on changes in Tenant location requirements.

includes an overview of underwriting and capital assumptions for the identified pipeline. **Exhibit B** includes consolidated portfolio metrics and scenario analysis related to expansion potential at the identified sites.

3. Thematic Investment

The data center market is experiencing robust growth driven by increasing demand for digital services, cloud computing, and data storage. This growth is being largely driven by the rise of AI, the cloud, and other modern technologies such as streaming, gaming and self-driving cars. Due to the extreme demand and very limited supply of powered land, hyperscale customers are inking deals with further lead times than ever before and landlords are seeing strong rent growth after a prolonged period of a tenant favorable leasing environment. With a global shortage of available power, customers are looking into secondary markets with power availability in the near-to-medium term to fulfill their data storage and processing needs. Despite the increased competition and heavy development that has occurred over the last few years, vacancy rates are declining due to strong demand and the supply shortage is leading to price increases. Green Street is projecting M-RevPAF to grow ~10% on average through 2028 and rental rates to grow ~12% in 2024. Additionally, the overall vacancy rate for primary markets within the US is at a record low of 3.3%, with NoVA the lowest among all US markets at 0.94%. While this strategy locks in long term leases at fixed escalations based on a defined yield, this growth story is a relevant consideration for the next buyer and serves to increase the likelihood that accretive tenant expansion options are exercised. An overview of the strategic importance to the Tenant is included in **Exhibit C.** These factors contribute to long term investor demand for the Fund's developed product as institutions look to gain more meaningful exposure to the property sector.

4. Senior Experience

The Firm's founder and CEO Hossein Fateh has spent over 25 years developing and investing in data centers through two predecessor companies, including a private real estate development company and a public REIT that pioneered the U.S. wholesale data centers real estate business. Prior to formation of Cloud Capital, Mr. Fateh had delivered 1,100 megawatts of critical IT load through 29 data center facilities acquired or developed, including roughly 35% of the entire inventory in Northern Virginia at the time (the largest market in the world). Other key management personnel from the sponsoring organization average of 27+ years of industry experience including:

- Shariar Mohajer, Cloud Capital CIO, former head of RBC's communications infrastructure investment banking group, having executed $100+ billion of data center related transactions.
- John Comerford, COO, has co-founded & launched three different fund management businesses over the past 20 years.
- Christof Hammerli, Senior Managing Director, will continue to lead the Project Empire development program through his expected departure in April (discussed below) and prior experience leading Landmark Dividend's Digital Infrastructure Division, Acquisitions at Carter Validus, and as Director of Corporate Development for Equinix.

5. Platform Advantages

- Tenant Relationships: Cloud has established relationships and existing leases across its portfolio with the largest hyperscale data center users including Amazon, Meta, and Microsoft in addition to enterprise and government tenant relationships. It is the Project Empire Tenant's largest U.S. landlord.
- Development Perspective: Cloud Capital's affiliate development and operating company, CloudHQ, is one of the most active developers in the space. Founded in 2016, it has over 225 professionals and 335MW of

in-service capacity across 12 campuses. While this strategy is executed through a JV development partner relationship, the in-house/affiliated expertise of CloudHQ is valuable in this context for providing experienced oversight of the Empire development program and an informed perspective on site acquisition, vertical construction, and tenant demands that is unique to this sponsor versus traditional allocators.

- Staffing and Resources: Cloud Capital is fully staffed with a team of 28 professionals in investment management, finance and operations, IR, and capital markets. Its level of resources is more than sufficient given the management demands of its flagship core-plus vehicle plus the expected raise of this Fund.
- Reporting and Transparency: Background in the public REIT space has contributed to best-in-class communication, reporting, and transparency among private sponsors, particularly at this relatively early stage in the Sponsor's lifecycle. Townsend has seen this firsthand as an LPAC participant and founding investor in its flagship OECF vehicle. Cloud is experienced in responding to the demands and requirements of sophisticated institutional investors.

6. Performance To-Date

Although it is early in the fund life and returns are influenced by accretive seed asset contributions, Cloud's flagship core-plus OECF has produced attractive performance. Townsend clients participating in the foundational closings have since inception returns of 26.1% IRR and 1.37x EM net to-date (20.3% SI time-weighted return). The Fund's overall since inception returns are 21.6% net IRR and 1.33x EM. The OECF funded the initial investments in the Project Empire program and has successfully delivered four projects and closed four more sites. Further detail is provided in the *Performance* section of this report.

## POTENTIAL ISSUES AND CONCERNS

1. Secondary / Tertiary Market Locations

The assets will be located outside of primary data center hubs such as Northern Virginia, Dallas, or Phoenix. This has the potential to affect exit liquidity and pricing and influence the next buyer's long-term view of pricing power at the end of the lease term. In general, data center transaction volume is lower and more concentrated than traditional property sectors. Coupled with a multi-year period of lower volume and price discovery in real estate broadly, it has been difficult to confidently pinpoint the spot cap rate for major market hyperscale data centers, and incrementally difficult to predict exit caps on assets in tertiary locations.

**Discussion:** The Manager's base case assumes an expanded exit cap rate (6.00%) relative to its view of primary market cap rates. Appraisals have marked the highest quality assets with comparable tenancy, lease quality, and duration in the range of 5.25%-5.50% cap rate with most sponsors underwriting exit caps in the range of 5.25% to 6.00%. Townsend finds it reasonable to assume the next buyer may require a greater premium to move outside of primary markets. A sensitivity analysis of the exit cap rate assumption shows the strategy still generates a very attractive return profile with materially expanded exit cap assumptions between current hyperscale data center cap rates and that of other NNN assets backed by IG credit. Holding other variables constant, the exit cap rate required to achieve the Fund's 20% stated net return target is approximately 7.1%. The long-term nature of the leases, potential for additional expansion upside, tenant credit, and a diversified portfolio of locations assuming an aggregated exit, justify potential for cap rates approaching those of larger assets in primary locations. At a 6.0% cap rate, Cloud's base case expansion schedule has the next buyer stabilizing the portfolio at 6.5% YoC after exercise of the remaining expansion options. The smaller individual value of the assets and 3rd party facilities management by Tenant-selected operator T5, makes traditional NNN buyers an option for the portfolio as well. The facilities management contract is terminable, allowing consideration by strategic buyers. While not contemplated in the fund model, the development margin and positive cash flow at completion provide potential for cash-out refinancings to return some equity before sale and lower the dependence on residual value.

In terms of establishing an appropriate yield premium for these developments, the growth of purpose-built edge data centers by hyperscalers is a relatively new trend and Townsend is not aware of any directly comparable programs being executed by market participants at material scale. Larger hyperscale turnkey builds in established markets can achieve similar yield profiles but generally require a greater speculative element to land acquisition and/or leasing. Colocation platforms (backed primarily by infrastructure funds) in more secondary/tertiary locations have achieved low double-digit yields but have generally done so with a percentage of capacity pre-leased to an anchor tenant and the remainder requiring speculative leasing. With the material de-risking elements present in this strategy, Townsend's view is that the yield/return profile offered by this tenant-led program is competitive on a risk-adjusted basis.

*Exit Cap Rate Sensitivity (Portfolio Level Gross IRR)*

| Exit Cap Assumption | 6.00% | 6.50% | 7.00% | 7.50% | 8.00% |
|---|---|---|---|---|---|
| Partial Expansion Scenario (Gross IRR) | 35.4% | 31.4% | 27.6% | 23.8% | 20.1% |
| No Expansion Scenario (Gross IRR) | 30.6% | 27.1% | 23.7% | 20.4% | 17.1% |

2. Development Risk

The Fund strategy is entirely development, generally viewed as higher risk execution and typically limited in closed-end funds. Development of data centers carries certain unique risks including:

- Procurement risks for long-lead critical items such as generators and switchgear.
- Costly lease penalties associated with late delivery.
- Unique site risks including power procurement and fiber connection.
- In certain instances, unique zoning/entitlement considerations.

**Discussion:** The Sponsor's development partner alleviates several of these risks. Oppidan has historically been willing to pre-order some components on spec to ensure pricing and availability. CloudHQ also provides additional sourcing channels for equipment sourcing, and facilities manager T5 may be used to execute later phase buildouts. Oppidan provides construction and completion guarantees (in addition to standard general contractor GMP) and cover an amount of lease penalties. Oppidan also provides hard deposits for the land acquisition, funds any pre-closing diligence expense, and funds deposits to the utility company if required, then is reimbursed for the Fund's pro-rata share at land closing. There are some risk trade-offs associated with sitework in tertiary markets relative to more competitive primary data center hubs that make this strategy a compliment to most available alternatives. Procurement of 1MW initial power for these sites is generally a less competitive and uncertain process than that of hyperscale data centers in markets like Northern Virginia, where new projects are facing estimated potential wait times of 3-7 years. Assets don't require the construction of a dedicated or shared substation, which introduces additional procurement risk of items such as transformers and requires greater coordination, planning, and lead time with local utilities. Assets are generally similar to large industrial use from the perspective of the power company and tap into existing distribution lines rather than higher voltage transmission lines requiring a dedicated substation. The Tenant is responsible for fiber connection, reducing potential for delays related to items such as fiber easements.

3. Single Tenant Exposure

The Fund is executing a build-to-suit strategy for a single tenant. This is an unusual amount of tenant concentration for a commingled fund vehicle. Deployment of capital relies on the continued expansion of the Tenant's edge data center network. Roughly $90 million of the projected fundraise is earmarked for expansion options beyond the initial equity deployed through the shell/phase 1 builds. Continued leasing under the currently understood terms is expected to continue but is not guaranteed. The agreed upon yield profile has tracked upwards since Cloud was awarded the first four sites in early 2022 (executed through the OECF) and could be subject to change.

**Discussion:** From a credit perspective, the tenant is a large global technology company with a AA3/AA- rating by Moody's/S&P. Credit exposure to a single tenant should be viewed in the context of an LP's overall real estate portfolio. It should also be noted that the hyperscale data center segment is concentrated by nature; Colliers estimates that 60% of current demand is driven by just three tenants. Regarding deployment, the Tenant has expressed the need for up to 25 additional markets that could be potential replacements if any location falls out of their strategic plan or the Sponsor is unable to identify an agreeable site[2]. Given most of the awarded sites are identified and expected to close, we have comfort that the Fund can fully deploy its target raise prior to material changes in the tenant's growth plans or any renegotiation of pricing/yield as understood in the current rate environment. While deployment delays could lead to j-curve related to fund expenses, a slowing of the investment pace does not contribute to heightened risk of loss at the asset level. Cloud also retains certain rights related to take-back of vacant shell space, preserving a degree of upside potential if the tenant does not exercise expansions. While the initial build is expensive relative to hyperscale (roughly $63 million per MW basis and rent level of $448 per kw in Phase 1) the expected costs for expansion phases are in line with more standard hyperscale turnkey deployments once the shell is completed. Expansion cost is modeled around $14 million per MW with the 9.5% yield achieved at ~$98/kw. Per CBRE, comparable secondary market colocation rents around this MW sizing range from $110-150/kw.

4. Expense Load

- Fund fees in the initial offering are high. 1.5% on committed capital is standard but potentially more impactful on a fund that is dependent on the expansion plans of a single tenant to deploy capital and will have delayed/staged capital calls associated with development. The fee structure includes a standard but full 8% preferred return, 50% catch-up, and 20% carry, but an off-market 30% enhanced carry over a 15% second preferred return.
- There is incentive leakage associated with the JV development partner. Oppidan's interest is bought out at a fixed 2.35x multiple on their equity, paid in cash within 12 months of rent commencement and generally assumed to be funded with refi proceeds. There is no hurdle rate or crossing of promote across investments.

**Discussion:** The Manager has offered attractive First Close economics for Townsend as the Fund's lead investor. The terms laid out below remove the enhanced carry tier and reduce/eliminate fees on committed capital, which alleviates additional risk related to the reliance on the Tenant's deployment schedule. The partner buyout only occurs once a development has been successfully delivered, so although there is no hurdle, any payment for underperformance would have to see an asset ultimately sell at a cap rate substantially above underwriting. Given the base case assumptions the buyout multiple actually reflects a discounted purchase of the developer's 20% stake

[2] It is also noteworthy that the Tenant typically requires two deployments in each market for redundancy purposes, and although they require separate developer/operator for each, it effectively doubles their total deployment need.

at a 6.9% cap rate. The IRR dilution of the buyout on modeled returns is only 138 basis points, far below typical waterfall-based JV promotes that can stretch into the 500+ bps range at returns of this level. This expense should also be considered in the context of the risk reduction items provided by the development partner described above. At 20% of required equity, Oppidan's share of the equity is atypically high for JV operator structures and serves to improve alignment.

| | Management Fee During Investment Period | Management Fee Thereafter | Preferred Return | GP Catch-up | Carried Interest |
|---|---|---|---|---|---|
| TTG First Close* | 1.25% on Invested Capital | 1.00% on Invested | 8% | 50% | 20% |
| TTG Later Closings | 1.25% on Committed Year 1<br>1.25% on Invested for Remaining IP | 1.00% on Invested | 8% | 50% | 20% |
| Standard Rate | 1.5% on Committed Capital | 1.00% on Invested | 8% | 50% | 20%<br>30% after 15% pref |

*Based on $100M aggregate commitments.

5. Senior Departure

Cloud has notified Townsend that Christof Hammerli, Senior Managing Director and de-facto head of the Empire Program in his capacity as Head of Third-Party Investments, will be departing the firm in April 2025. Mr. Hammerli led the formation of the program, was intended to be an identified Key Person in the Fund docs, and is considered a meaningful departure. His hiring was the primary reason for the establishment of Cloud's Tampa, FL office where four other employees are officed including two additional investment team members focused on third-party investments.

**Discussion:** Mr. Hammerli will remain employed with Cloud through April 2025 and has agreed to remain on retainer as a senior advisor focused on the Empire program for a two-year period after his departure. His reason for departure is to focus on a more entrepreneurial venture in the data center space, initially expected to be in a consulting/advisory/brokerage capacity with potential for investment/development activity in the medium-to-longer term. Cloud states that it made a very competitive counteroffer, but Mr. Hammerli's primary focus is on entrepreneurship rather than specific employment terms. It is an amicable departure and both sides have expressed potential to work together in the future. Mr. Hammerli will have a two-year non-compete and non-solicitation (encompassing employee, tenant, and client relationships) and is expected to retain a percentage of the Fund's carried interest to promote continued engagement and alignment. Cloud expects to make a senior hire focused on third-party investment outside of the Empire program in the near term.

Though this departure is impactful from a leadership perspective, operationally the impact may be less than it appears. Mr. Hammerli's role was primarily in structuring new investments with third-party operating partners. 7 of 12 awarded sites are expected to close within the April time frame and 11 of 12 have identified land parcels. His departure does not trigger any key person issues within the Tenant program or leases and Cloud remains the Tenant's largest third-party landlord between Cloud Capital and CloudHQ, with a growing amount of in-process leasing activity elsewhere. Cloud's development partner, Oppidan Investment Company, does the majority of direct work around site selection and has the most frequent day-to-day interface with the Tenant. Within Cloud Capital, Lisa Collado, (VP, Transaction Management and Closing) has most of the day-to-day interface with Oppidan as the land closing process occurs and through the life of the development process. Cloud has no plans to close the Tampa office, though additional U.S. hires going forward were already expected to office in Washington, DC, where Cloud's development affiliate CloudHQ is headquartered.

# STRATEGY

## OVERVIEW

The Fund will execute a single tenant build-to-suit development program for a large publicly traded technology company with IG credit, looking to expand its edge data center footprint in markets throughout the United States.

- The tenant has engaged Cloud Capital for site acquisition and vertical development for an identified pipeline of 10+ edge markets. The tenant use for these sites is (i) AI inferencing (this is the process of using new data to draw conclusions and create new content or useful information from a "trained" machine learning model, the "training" of which takes place at larger campuses that are less latency sensitive and somewhat less location sensitive) as well as (ii) network locations intended primarily to reduce latency for the company's applications via proximity to metro areas.
- The Tenant has awarded Cloud 12 markets including Richmond (VA), Augusta (GA), Montgomery (AL), Austin (TX), Las Vegas (NV), Reno (NV), Boise (ID), Bowling Green (OH), Omaha (NE), Minneapolis (MN), Portland (OR), and Louisville (KY).
    - Identified sites would require initial equity capitalization of roughly $275 million assuming 75% construction financing and typical project cost of $63 million ($21 million equity).
    - Additional underwritten phase expansion moves capital need to upwards of $380 million equity. Expected recycling of Phase 1 cash flow reduces the fund level capital need to the targeted $325m.
- Assets are leased to an open-book yield-on-cost initially representing 9.0% on the total cost basis (land acquisition, initial data hall build-out, and vacant shell). Base case exit cap rates are 6.0%. Expansion phases are built to 9.5% return on cost.
- Assets are 70-100k sqft shells, typically with 1MW initial built turn-key capacity and expansion potential for a total of 5 or 10 MW per deployment. Expansion represents additional upside pushing the YoC incrementally higher; base case assumes partial expansion to 3MW built capacity by exit on the 5MW sites.
- Project timeline includes an 18-month development phase and multiple phased expansions before sale. The Fund model assumes a six-year total fund life and exit as a portfolio.
    - Assumes 4 months of site identification and preconstruction, 14-month vertical construction period on Phase 1 and shell. Expansions are assumed to be 6-month buildouts.
    - Assumes expansion phases occur in one MW increments beginning 12 months after commissioning of initial capacity. 3MW built of total 5MW site capacity at sale.
- Leases are 15-20 years with 2% annual escalators. Lease provision generally requires extension of the lease out to the original term at exercise of each expansion phase. Base case at exit in year six assumes a ~17-year WALT for the next buyer at exit.
- Lease provisions provide full opex passthrough including power/utilities, property taxes, insurance, and full capex recapture over the term of the lease. Cloud remains responsible for shell/structure maintenance and any relevant capex.

## PIPELINE

The tenant has given Cloud exclusivity on twelve identified future sites (in addition to the 8 sites already awarded to Cloud under the program which are capitalized by the OECF). The Fund is currently being sized based on the expected capital need to develop and build additional underwritten phases at these locations. Cloud has warehoused the first site in Louisville, which was acquired in December, at no expense to the Fund. 11 of the 12 markets have identified sites in various stages of DD with LOIs or a PSA in negotiation with landholders. 5 of 12 have an agreed upon ramp schedule with the relevant local power utility. Cloud expects to close on all sites during 2025 and has the ability to add sites to Fund under the defined Tenant program under the LPA. Additional details on the sourcing/closing process are included in the *Investment Process* section.

| Site | Market | Expected Close | Closing Process | Power Status | Zoning/Entitlement/Permitting Status |
|---|---|---|---|---|---|
| 1 | Louisville, KY | 12/20/2024 | Hard Deposit, Closing | Confirmed | Zoning and Entitlement- approved. Permitting- permit set submitted |
| 2 | Bowling Green, OH | 1/29/2025 | Site Identified, in DD | Confirmed | Zoning and Entitlement- approved. Permitting- permit set submitted |
| 3 | Redmond, OR | 2/10/2025 | Site Identified, in DD | Confirmed | Zoning and Entitlement- approved. Permitting- permit set submitted |
| 4 | Austin, TX | 3/12/2025 | Site Identified, in DD | Confirmed | Zoning and Entitlement- approved. Permitting- permit set to be submitted 12/31 |
| 5 | Augusta, GA | Q2 2025 | Site Identified, in DD | Confirmed | Review Pending |
| 6 | Omaha, NE | Q2 2025 | Site Identified, in DD | Design Stage | Review Pending |
| 7 | Las Vegas, NV | Q2 2025 | Site Identified, in DD | Design Stage | Review Pending |
| 8 | Minneapolis, MN | Q3 2025 | Site Identified, in DD | Design Stage | Review Pending |
| 9 | Montgomery, AL | Q3 2025 | Site Identified, in DD | Design Stage | Review Pending |
| 10 | Reno, NV | Q3 2025 | Site Identified, in DD | Design Stage | Review Pending |
| 11 | Richmond, VA | Q4 2025 | Site Identified, in DD | Design Stage | Review Pending |
| 12 | Boise, ID | Q4 2025 | Identifying Site | - | - |

## DEVELOPMENT PARTNER

- *Oppidan Investment Company*: Founded by Joe Ryan in 1991 as a merchant developer which has grown into a full-service development, construction management, asset management, property management, and capital markets firm. Mr. Ryan previously directed operations of the Richard Ellis, Inc Minneapolis office and was a shareholding partner of REI, Limited.
    - The firm and its balance sheet remain privately owned and funded primarily by the Ryan family office. Joe Ryan remains CEO and has an active role in the business.
    - Active and previous developments in 42 states and Canada, with over 590 developed projects representing 30.4 million square feet and over $4.9 billion in value. **Exhibit E** shows Oppidan's national development footprint.
    - Corporate offices in Excelsior, MN, Apex, NC, and San Jose, CA.
    - Experience in retail, industrial, data center, senior living, mixed-use, multifamily and storage.
    - Corporate build-to-suit projects for Duluth Trading, Target, Watermark, General Electric, Caliber Collision, Cub Foods, Northern Tool + Equipment, Coborn's, Goodwill, Camping World, Sprouts, and Gander Outdoors.
- *Oppidan Connect*: Entered the data center business in 2016, initially acting in a consulting capacity for AWS corporate real estate program through a relationship with a former CBRE broker. Oppidan initially assisted in predevelopment planning and underwriting for AWS' self-build program.
    - Team of 20 full time data center focused professionals plus five professionals focused on finance and legal, led by Drew Johnson (SVP of Development) who joined the firm in 2014.
    - The firm's current market footprint includes hyperscale campuses in Northern Virginia and Santa Clara, in addition to the existing Project Empire sites.
    - Oppidan has delivered more than 520MW of powered shell data centers across the U.S. and delivered $490 million of critical infrastructure capex (i.e. turnkey builds).
    - Institutional capital partners have included Harrison Street and IPI.
- JV Structure: Oppidan provides day-to-day management of the site selection and pre-development process and funds all required pre-development costs prior to reimbursement at closing, limiting the fund's dead deal cost exposure in the event a land site is not ultimately closed. Oppidan takes on construction and completion guarantees.
    - Oppidan co-invests 20% of the required equity for each initial phase. Oppidan is entitled to a contractual buyout at 2.35x its equity investment at stabilization, modeled/contracted to occur 12 months from Phase 1 completion.
    - Oppidan receives a 5% development management fee based on total project cost which is capitalized into the cost basis for rental rate calculation.

  - Oppidan receives a $250k acquisition fee (paid at land close, not capitalized under the tenant rental rate calculation).
  - Oppidan does not receive any additional fees and third-party services such as environmental surveys, design, and other consulting requirements will be outsourced at market rates.

### LEVERAGE

The Fund model assumes non-recourse property-level debt financing at 75% LTC during construction and 50% LTV at stabilization. Rates are modeled at S+225-275. The model assumes cash neutral refi to longer term financing after construction and an expansion capex facility funded at 60% LTC.

- The Fund's formal leverage limitation is 75% loan-to-value. Debt is generally available on a non-recourse basis and Cloud is amenable to formal limitations on the amount of recourse debt used.
- Cross collateralization is not limited. The Sponsor's preference would be to utilize a single pooled financing facility with an accordion feature to size up as construction draws are required and pay down as assets are refinanced post-construction. The Sponsor feels this would allow optimal financing flexibility, provide certainty of terms and pricing, reduce transaction and legal costs, and provide for a more competitive pool of non-recourse lenders.
  - Cloud has been in discussions for a construction facility backed by four Project Empire assets in the OECF and has agreed to terms for a fully committed $270 million senior secured construction revolver with a $225 million accordion feature to support the ongoing development pipeline. The facility will be priced at SOFR plus 250 bps with an initial three-year term and two 1-year extension options.
  - Cloud is amenable to placing a limit on the amount of assets/value on individual pooled facilities.

### INVESTMENT GUIDELINES

- Investment guidelines are less relevant in this Fund given the defined list of awarded markets. The program is U.S. focused and the LPA limits Cloud to investments in the defined Tenant program, both in the identified expected portfolio and future awarded markets if applicable.
- The Fund may not have a concentration of greater than 20% of GAV in any single asset.

## SPONSOR

### BACKGROUND

The Sponsor's history dates to 1997 where Hossein Fateh and Lammot J. du Pont co-founded DuPont Fabros Developments, LLC ("DFD"), a partnership originally formed to acquire and renovate D.C. office buildings. Mr. du Pont's prior background was in political/think-tank functions, while Mr. Fateh served as a VP for a DC-based real estate developer. In the aftermath of the dotcom bubble, the pair focused on acquiring real estate assets from distressed technology companies. With these assets, DFD became a first mover in the data center market by focusing on wholesale facilities, which catered to tenants, as opposed to customers, who could realize cost-savings by signing long-term leases rather than short- term license agreements, in a single facility that is significantly larger, more energy efficient and able to provide more power that the multi-tenant product that was available[3]. After selling off some smaller multi-tenant assets and a successful private ruling from the SEC, DFD's co-founders formed a new REIT in 2007 called DuPont Fabros Technologies, Inc. ("DFT"), and seeded its IPO with a $900 million portfolio[4], certain land options and DFD's 50-person development and property management team. In 2013, DFT

[3] Colocation facilities were typically managed service providers, with facilities dominated by telecommunications operators that bundled power, cooling and other networking services with the physical space in which to store a customer's computer servers.
[4] Included 5 data centers, leased to some of the original hyperscalers including Microsoft, Google, Amazon, Yahoo!, FB and Sanofi-Aventis.

began searching for a new President to expand its senior management team. Mr. Fateh resigned in 2015 and subsequently formed CloudHQ. (DFT merged with Digital Realty in 2017 in an all-stock transaction that valued DFT at the time at $7.6 billion).

## CLOUD OVERVIEW

The Fund's Sponsor, Cloud Capital, was founded in 2020 as a global investment manager dedicated solely to data center real estate and is housed within the broader Cloud platform that includes CloudHQ (founded 2016), the Sponsor's specialist operator that generates revenues from development, construction and leasing fees similar to other hyperscale operators, as well as other cost-plus technical services provided to tenants of managed facilities. With the exception of Hossein Fateh, who serves on the management teams of both CloudHQ and Cloud Capital, CloudHQ is a separately managed organization that does not participate in or influence the investment decisions of Cloud Capital. All investment management services are provided exclusively and independently by Cloud Capital's dedicated team of investment professionals.

- *Organization:* The combined Cloud Platform includes two limited liability companies constituting Cloud Capital and Cloud HQ. Both have distinct staffing, compensation, and operational professionals, with the commonality of Hossein Fateh as Founder and CEO of both companies. **Exhibit D** depicts the organizational structure of the combined organization. **Exhibit F** includes biographies of senior leadership and investment team professionals.
    - *Cloud HQ:* Cloud's development and operational business with 12 data center campuses across North America, Europe, Asia, and South America representing over 355 MW of IT load in service and over 3 GW of planned global IT load.
        - Headquartered in Washington, DC.
        - 225 professionals led by Mr. Fateh, COO Keith Harney, and CFO Karen Donahoe
    - *Cloud Capital:* Described further below.
- *Ownership:* Both companies are owned and controlled by Hossein Fateh, with all CloudHQ data center assets in discrete SPVs capitalized by Hossein Fateh (73%) his friends & family (8%), and Lammot du Pont (effectively 19% at the firm level with varying interests at the level of individual assets, all minority percentages). Mr. Fateh controls the day-to-day business and maintains majority voting power of all the SPVs. Cloud Capital is 100% owned and controlled by Mr. Fateh.
    - The Fateh family office also owns affiliates WindHQ (an owner/operator of wind farms) and Dalian Development (multifamily development company active in Philadelphia, San Antonio, Raleigh, Richmond, and Pittsburgh).

## CLOUD CAPITAL

The entity Sponsoring this Fund is Cloud Capital, Cloud's specialist data center investment management business, founded in 2020 with the launch of its flagship core plus OECF, Cloud Capital Partners.

- *Leadership:* Cloud Capital's leadership team consists of five professionals averaging 28 years of industry experience, including Hossein Fateh (Founder & CEO), Shariar Mohajer (CIO), Christof Hammerli (SMD and head of third-party investments), John Comerford (COO &CCO), and Clayton Mynard (General Counsel).
- *Offices:* The Sponsor operates out of three offices globally including London (13 employees), Washington DC (7 employees), and Tampa Bay, FL (5 employees).
- *Personnel:* 5-person leadership group with professionals dedicated to investments and asset management (9) finance and operations (8), investor relations (3), and capital markets (1). The firm retains two senior advisors including former CFO and IC member Jeff Foster and senior tax advisor Neal Diplock. Cloud Capital has planned additional hires in legal and finance and will continue to evaluate investment management hires as the firm continues to scale.

- *AUM:* The firm's current AUM consists entirely of Cloud Capital Partners, its flagship OECF launched in 2020.
  - $4.4 billion of gross AUM as of 9/30/24
  - $1.9 billion net AUM
  - $9M of unfunded commitments
  - The fund's global investment footprint includes Northern Virginia, Minneapolis, Frankfurt, Paris, and Project Empire markets including Columbus, Memphis, El Paso, Kansas City, St. Louis, Des Moines, and Chicago to-date.

### TURNOVER/COMPENSATION/RETENTION

- Turnover: There has been minimal senior turnover since the firm's inception in addition to the imminent departure and advisory role of Christof Hammerli as previously discussed. Prior to that, the lone senior departure is the retirement of Jeff Foster who served as CFO initially and also remains a senior advisor. The role has primarily been assumed by Jason Weaver, EVP and Head of Capital Markets.
- Compensation: Standard industry compensation practices consisting of salary/benefits, discretionary annual bonus, and participation in fund carried interest for certain senior professionals. A roughly 50/50 split between Hossein Fateh and employees is expected. Carried interest is allocated to investment team members down to senior associate and certain key professionals on the leadership and operations teams. Cloud expects to allocate on a points system with certain amounts of the employee pool held back for future hires and retention efforts.
- Retention: Final vesting schedules are yet to be determined. Cloud anticipates roughly 25-35% to vest at the end of the Investment Period and the remainder to vest over the course of the remaining term, with full vesting occurring at final liquidation.

### INVESTOR BASE

The firm's current investor base is primarily institutional. It includes pension funds (12%), SWFs (69%), asset management capital (8%), corporate pensions (9%) and insurance co (2%).

### COMPLIANCE / LITIGATION DISCLOSURES

- Cloud represents that (i) no member of the firm has been reported to or investigated by a regulatory authority within the past ten years, (ii) neither the firm nor key individuals of the firm have filed for bankruptcy or had judgements entered against them, and (iii) no Cloud investment professional has been disqualified as a portfolio company director within the last ten years.
- Cloud represents that there has been no pending or threatened legal activity against the firm or any senior investment professionals and no other known litigation items that could potentially have a material adverse effect on Cloud, its investments, or its investors.
- Cloud Capital Advisors, LLC is a Registered Investment Adviser with the SEC in the U.S. Cloud Capital LLP is classified as a relying advisor and is also authorized and regulated by the UK Financial Conduct Authority. Cloud's SEC registration occurred in 2023 and the firm has yet to undergo a routine exam.

## ENVIRONMENTAL AND SOCIAL AND GOVERNANCE POLICIES AND PRACTICES

### SUMMARY

The Manager is completing Townsend's ESG questionnaire and the firm level ESG assessment is in process. At the time of the Cloud Capital Partners review in 2021, Cloud was in the beginning stages of implementing ESG policy, including working with an external consultant to draft a formal ESG policy. The Sponsor was considered "Limited" at that time, reflecting Cloud's early stage as a Sponsor.

Data centers are one of the most energy-intensive building types, consuming 10 to 50 times the energy per floor space of a typical commercial office building[5]. In its flagship OECF, the Manager is buying and building larger and higher density facilities that happen to provide more ESG-related benefits compared to more dated facilities, attributable to the Firm's proprietary state-of-the-art designs that are more efficient at utilizing power and cooling resources and are built to LEED certifications often exceeding the local building requirements. With that said, the Firm's assets are let under NNN terms to tenants who purchase power directly, and thus, the Manger has limited control over each tenants' operational use, including the choice of sustainable energy sources. While this segment of data centers implicitly requires environmental compliance[6], the Sponsor's formal commitment to ESG initiatives more broadly falls short relative to more established PERE managers and public data center REITs given the early stage of its formation.

Specific to this program, Cloud reviews local and state programs for accretive tax incentives. Assets are often built to LEED certifications and have solar-ready rooftops and load factors at the request of the Tenant. The Manager implements typical operational efficiency features such as motion lighting, low flow fixtures, LED lighting, and solar reflective paint. In assets at this energy level, tenants are typically less sensitive to sourcing of sustainable energy or PPAs seen in larger hyperscale deployments.

## OPERATIONAL DUE DILIGENCE

### SUMMARY

Independent of investment due diligence, Independent of investment due diligence, the Aon Operational Risk Solutions and Analytics ("Aon ORSA") group reviewed the Sponsor's policies, procedures, and capabilities across a range of operations, middle and back office, and control functions looking for established controls and operating procedures that align with best practice. Areas covered during AON ORSA's reviews include: (i) corporate governance, (ii) transaction execution, (iii) cash controls, (iv) valuations, (v) compliance, regulatory, and legal controls, (vi) counterparty risk oversight, (vii) business continuity/disaster recovery, (viii) cyber security, and (ix) service provider selection and monitoring.

- The ORSA review is in process and expected to be finalized near year-end, around the time of the First Close. Townsend has requested ORSA to provide initial confirmation that addressable and in-process exceptions cited in its initial 2021 report were addressed or otherwise do not prevent a passing rating.
- The 2021 review concluded that Cloud Capital has generally implemented institutional levels of controls across its operating infrastructure, including the engagement of external providers, as well as leveraging the resources of CloudHQ for support and back-office functions. Cloud has since continued to staff out its back office for greater independence from CloudHQ. The review resulted in an A2 Pass (✓) rating.
- Exceptions included (i) need for a succession plan, which has since been addressed by the Sponsor/Manager; (ii) lack of control function representation on the Investment Committee; (iii) lack of SEC and FCA registration, both of which are now addressed. ORSA also noted the following regarding CEO Hossein Fateh.
    - The CEO has made personal donations in the past to a charity which focuses on disaster or humanitarian relief in Iran, which is currently listed as a sanctioned country by the United States government. A portion of a donation made in 2012 was provided to Iran for earthquake relief efforts; however, it complied with U.S. exemptions that were temporarily put in place at the time to allow for humanitarian relief for the environmental disaster. An additional donation was made in 2019 to the same charity; however, the charity, a United Kingdom-based entity, is able to provide

[5] Data centers account for an estimated 2% of U.S. electricity consumption according to the U.S. Department of Energy.
[6] Almost all hyperscalers have net zero emissions targets and require landlords to monitor their carbon footprint and water consumption.

auditable tracking of the CEO's donation to ensure it is not transmitted to Iran, even though the charity itself continues to support a range of efforts, including some Iranian relief causes. The charity's auditor report specifically mentions that U.S.-based donations are placed in a restricted account and are not spent in countries where U.S. trade sanctions apply.

- The CEO is a principal at other entities other than Cloud Capital. He is also the Founder and CEO of WindHQ, an operator of wind farms, and he is the Founder and CEO of Dalian Development, which develops and builds luxury residential apartments. Investors should monitor the CEO's ability to serve as the ultimate leadership function for multiple entities and that this division of time and effort does not negatively impact investments made with Cloud Capital.

## INVESTMENT PROCESS

### SUMMARY

The Fund's investment process involves a collaboration between Cloud's investment team, the Tenant, and the joint venture partner to select sites and execute the investment strategy. Given the size of the firm at this stage, investment professionals will work across both of the of the Sponsor's products. Most directly, Christof Hammerli leads investments executed through third parties (i.e. non-CloudHQ) and has primary responsibility for Project Empire with oversight from CIO Shariar Mohajer. Mr. Hammerli is supported by Kevin Norstrem (Senior Associate) and Octave Bellet (Associate) in the primary U.S. office (Tampa, FL).

- Sourcing: Market selection is based on the Tenant's expansion needs as they build out their edge network to address the next wave of user demand. The Tenant has a long-term expansion plan involving upwards of 40 network locations, 20 of which have been awarded to Cloud on a proprietary basis. The Tenant provides Cloud/Oppidan with a defined geographic zone around the selected MSA based on their location needs, proximity to network dense carrier hotels, and fiber availability and generally provides an informal six-month exclusivity period for the Manager to secure a site. Oppidan leads the sourcing of potential sites and the Tenant gives an initial review and informal approval of the expected land pricing prior to diligence.
- Acquisition/Diligence: Oppidan leads the diligence process with Cloud oversight and approval. The typical diligence process is ~90 days beginning with an LOI to the landowner. The partnership shares the power ramp schedule with the local power utility and typically gets confirmation in writing that they can deliver on the required timeline. Power delivery is generally not contractual/guaranteed until after closing and typically does not require deposits. Oppidan outsources diligence functions related to tax, zoning/entitlement, environmental studies, engineering, and design. They will fund any hard deposits related to land closing. The Tenant receives updates on expected budget throughout the closing process and lease negotiation is finalized prior to closing. The lease is signed concurrent with land closing.
- Asset Management/Construction: Oppidan serves as development manager and hires a third-party general contractor who provides a GMP. Oppidan has a contractual buyout buy out 12 months after Phase 1 commissioning. The Tenant has selected T5 for facilities management for ongoing operations of the properties. The construction of expansion phases may be executed by Oppidan on a contract basis, T5, or another third party as selected by Cloud. Any repairs or maintenance capex are the responsibility of the tenant under the NNN lease terms and expected to be coordinated by T5.
- Disposition: The Manager expects to exit the assets as a portfolio or multiple sub-portfolios. Investors should be aware that portfolio sales may include assets from Cloud Capital Partners (OECF) and in the absence of buyer purchase price allocation may be at the discretion of the Manager. Dispositions require IC approval.

### INVESTMENT COMMITTEE

Cloud's Investment Committee approves all acquisitions, dispositions, new leases and material amendments, capex budgets, and major financing decisions. The Committee acts on a simple majority vote of all voting members, ie 2/3 members. While it is not expected to be relevant to this strategy, Mr. Fateh recuses himself on all decisions related to transactions with CloudHQ, which require LPAB consent. Mr. Hammerli will remain on the Sponsor's Investment Committee through his departure in April 2025, at which point most of the Fund's sites are expected to have closed.

| Committee Member | Title | Years of Experience | Years with Cloud |
|---|---|---|---|
| Hossein Fateh | Founder & CEO | 30 | 4 |
| Shariar Mohajer | Chief Investment Officer | 30 | 4 |
| Christof Hammerli | Senior Managing Director / Advisor | 25 | 4 |
| Jeff Foster (non-voting) | Senior Consultant | 20 | 0 |

### EXCLUSIVITY/ALLOCATIONS

- The Fund will be the exclusive vehicle for execution of the Project Empire program going forward, until the 12 identified/awarded markets have been closed or otherwise until all fund capital has been allocated to sites in the Meta program.
- Cloud Capital Partners OECF has no contractual rights to acquire the Fund's assets.

### LP ADVISORY BOARD

The Sponsor will establish an LP Advisory Board with customary responsibilities (waiver of investment guidelines, and limitations, Investment Period and Term extension, transactions with potential for conflict of interest). Townsend will be offered an LPAB seat, potentially multiple voting seats proportionate to Townsend's large proportion of the Fund. The Cloud Capital Partners LPAB includes Townsend, GIC, and KIC.

### HEDGING

- Currency: N/A, the Fund will invest in the U.S. and be USD denominated.
- Rates: Typically hedged with caps or swaps.

### VALUATIONS

- Assets valuations will be evaluated quarterly and may be held at cost until CO or stabilization unless there is a material revaluation catalyst.
- Cloud's Valuation Committee approves quarterly valuations, which consists of six members from the finance and investments team.
- Cloud's practice within its OECF has been to arrange third party valuation reports for each asset quarterly from expert appraisers, typically engaging CBRE, JLL, and Newmark for third party valuation services. The frequency of third-party appraisals may be updated to reflect the norms of closed-end vehicles in terms of expense efficiency. EY also provides review of appraisal policy and reasonableness in annual audits.

## FUND STRUCTURE

- The Fund: Cloud Capital Fund II, LP
- Investment Manager: Cloud Capital Advisors, LLC
    - A Registered Investment Advisor with the SEC
- General Partner: Cloud Capital Fund II GP, LLC

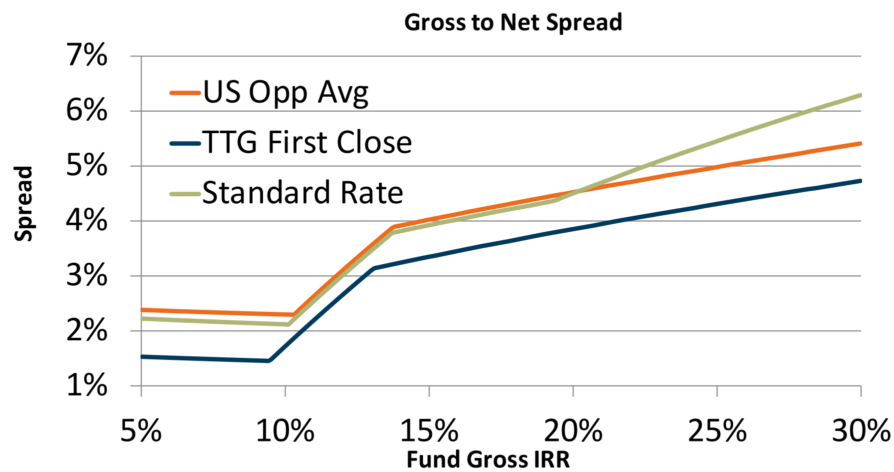
## KEY TERMS

| Key Terms | | Townsend Comment | |
|---|---|---|---|
| **Target Return:** | 20%+ Net IRR | **Positive** | Base case underwriting exceeds target with material de-risking. TTG estimate is a required 24.3% gross IRR to achieve the net 20% target under our First Close economics. |
| **Fund Size:** | $325 million; no cap | **Neutral** | To date we have not pushed for a defined cap. The Sponsor must strike a balance between right-sizing the fund for the identified opportunity and having capital availability to be responsive to the tenant's expansion requirements. We expect to have more information as the fundraise progresses. |
| **Sponsor Commitment:** | 2% of Commitments | **Neutral** | Funded by Hossein Fateh. Additional commitments from key personnel are expected but TBD. |
| **Investment Period:** | Three Years from Final Close<br>1-year Extension at GP<br>1-year Extension at LP | **Neutral** | Expected to be materially shorter than the allowable Investment Period with all investments expected to be committed/identified in 12-18 months |
| **Term:** | Eight Years from Initial Closing | **Neutral** | Standard |
| **Key Person Provision:** | Triggered with a departure or insufficient time commitment of Hossein Fateh or Shariar Mohajer | **Positive** | Appropriately names founder Hossein Fateh individually. |
| **For Cause Removal:** | At 66.6% of LP interests | **Neutral** | Standard Provision |
| **No Fault Provisions:** | Removal at 75% of LP interests | **Neutral** | Standard Provision |

## FEES AND DISTRIBUTIONS

| Fees and Distribution Waterfall | |
|---|---|
| **Expenses:** | Capped at $2.0 million to be borne by the Fund |
| **Management Fee:** | 1.5% on Committed Capital during the Investment Period; 1.00% thereafter<br>*Reduced to 1.25% on Committed phase for commitments over $100M*<br>*Reduced to 1.25% on Invested Capital for TTG First Close of $100M+*<br>*For later Townsend capital reduced to 1.25% on Commitments for year 1 then 1.25% on Invested for remaining Investment Period, 1.00% on Invested thereafter* |
| **Incentive Fee Waterfall:** | 8% preferred return<br>50% LP / 50% GP until GP receives 20% of total profit<br>80% LP / 20% GP until LPs receive 15% net return<br>70% LP / 30% GP thereafter [*removed for Townsend Capital*] |
| **Clawback:** | At liquidation, triggered if LPs receive less than full return of capital and preferred return |

### FEE ANALYSIS




Townsend compared the proposed fee structure to an average of 64 U.S. opportunistic offerings. The chart to the right depicts a range of gross IRR outcomes and the corresponding gross-to-net spread for the opportunistic average, the Fund's standard fee structure, and the Townsend First Close offering. The standard offering is generally in line with market standards with the exception of the 30% second tier GP promote following a 15% net investor return, which is above market and generates higher fees at returns above ~19% gross. The 1.00% post-Investment Period fee is favorably below the market average of 1.50%. Coupled with a faster expected deployment this makes the pre-promote gross-to-net slightly lower than the market average. The First Close discount offered to Townsend removes the off-market enhanced GP carry and removes fees on committed capital, resulting in a materially lower spread at levels below and above the preferred return.

## PERFORMANCE

### CLOUD CAPITAL PARTNERS (OECF)

Cloud Capital launched its flagship open-end fund in 2020, with a First Closing in 2022 and inception date of 1Q 2023. The fund launched with one seed asset and has since grown to a total of eight investments. Given its recency, asset contributions from CloudHQ at a discount relative to appraisal, and relatively minimal business plan activity as a core plus strategy targeting returns around 10% net, performance is somewhat less meaningful at this stage. However, its initial performance has generally tracked to plan and reflects positively on the Manager's execution ability. The fund's assets are primarily acquired for long term holds and there have been no sales to date.

- The fund now consists of eight total investments (consolidating the four existing assets in Project Empire) including four stabilized investments, one development program, and three assets in the process of delivering contracted buildouts. The fund has an exclusive option to acquire any of CloudHQ's newly built data centers without a formal auction, generally with all land banking, entitlement, and leasing risks borne by SPEs held outside the fund and managed by CloudHQ, at terms subject to LPAC approval. Six of eight investments to date have been acquisitions of CloudHQ assets. **Exhibit G** has an overview of the fund's assets.
- All built IT load is fully leased. The Fund's weighted average remaining lease term is 12+ years with 93% NNN leases and only 10.1 MW of the Fund's 220+ MW contracted IT load expiring before 2032.
- The Fund has exposure to Northern Virginia, Minneapolis, Frankfurt, and Paris, in addition to 8 Project Empire sites (identified and closed/built).
- The fund operates at higher leverage levels than ODCE standards, currently at 59.7% LTV.
- The Fund has operated in a rising interest rate environment which has pushed valuation metrics across the asset class (cap and discount rates) upward and had a disproportionate effect on performance of core vehicles and long-leased stabilized assets. In this fund, contribution of assets at a discount to appraised value and accretive tenant expansion options have insulated the fund's performance from valuation

declines and produced very competitive returns early in its life. At this stage, the fund's IRR returns are a more meaningful representation than its time-weighted returns, but both have provided investors with a significant premium over the U.S. ODCE index, which has seen valuation declines across its constituents.

| Vehicle | Vintage | Equity Commitments (M) | Equity Invested (M)* | Number of Assets | Target Net Return | Fair Market Value | | Net TWR | ODCE Net TWR (1Q23-2Q24) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Net IRR | Net EM | | |
| Cloud Capital Partners | 2022 | $1,419 | $1,281 | 8 | 10%+ | 21.6% | 1.33x | 23.9% | -10.6% |

*At 9/30/24, GAV is $4,428m and NAV is $1,861m with $9m unfunded commitments.

### *Project Empire*

The most relevant prior track record for Cloud II are the initial Project Empire assets housed in Cloud Capital Partners. The program began in 2022 and has been executed in way materially similar to the expectations of the Fund, via the same partner, with the most material changes being to the lease economics.

- The open-book yields on the initial projects have ranged from 7.00% to the current 9.00%, with premiums on the expansion phases of 50-100 bps over the initial MW+shell yields. The first leases were negotiated during the 2022/23 interest rate increases and have moved up to the current 9.0%/9.5% levels as rates have climbed and required returns increased.
- Eight of the awarded 20 markets have been allocated to the OECF. Columbus, Des Moines, Memphis, and Kansas City assets have been successfully constructed and delivered. Columbus, Des Moines, and Kanas City were delivered with material savings relative to budget. Memphis was delivered within its budgeted contingencies.
- The program has closed on land for Chicago, St. Louis, El Paso, and Albuquerque sites. To date, the program has only fallen out on one land closing due to a negative Phase 2 environmental assessment.

## PRE-CLOUD TRACK RECORD

### *Pre-DuPont Fabros IPO*

Pre-IPO results for Messrs Fateh and du Pont's development business are below, comprised of eight acquisitions and three developments that were grouped into eight line item investments. Returns for the eleven properties collectively produced an aggregate 113.2% IRR and 8.8x equity multiple, driven in large part by a unique set of non-repeatable circumstances for opportunistic capital: namely, distress and market dislocation when the dotcom bubble burst in 2000; rapid value recovery over relatively short term holds; and in this case unrealized assets contributed into an IPO and re-valued at public market multiples. **Exhibit H** includes a line-by-line detail of the DFT assets.

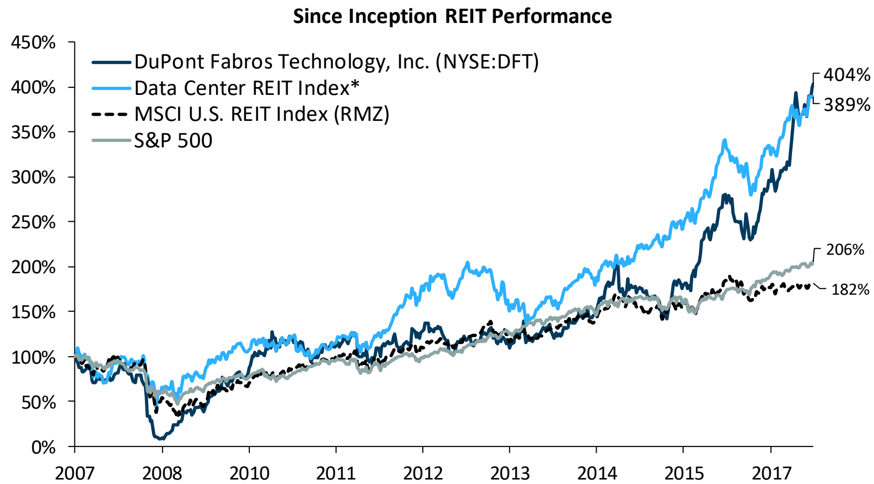
| Dupont Fabros Developments, LLC | Investment Period | Total Invested Equity ($Millions) | Total Capitalization ($Millions) | Data Center Power Supply (Megawatts) | Number of Investments (Properties) | Fair Market Value (Gross of Fees) | |
|---|---|---|---|---|---|---|---|
| | | | | | | IRR | Equity Multiple |
| Assets Sold Prior to IPO | 2000-2002 | $14 | $80 | 52.4 MW | 3 (6) | 79% | 3.6x |
| Assets Contributed to IPO | 2003-2006 | $49 | $568 | 83.3 MW | 5 (5) | 209% | 10.2x |

### ***Public REIT Track Record***

Starting in 2007, Mr Fateh and other senior staff oversaw and managed assets for DFT. Attributing the track record of a public REIT solely to Mr. Fateh is noisy, but his role was meaningful as President and CEO up to 2015. In the aggregate, the public REIT portfolio overseen by Mr. Fateh included 8 new development projects delivered, with an aggregate cost basis of $2.2 billion, providing 236 MW of critical IT load across 2.6 million of leasable sq. ft.

DFT stock performance from its 2007 IPO to the company's merger with Digital Realty in 2017 is highlighted in the chart below.

- Overall, DFT provided an average 4.2% annual dividend yield to investors, and a 15.1% annualized total return adjusted for dividends; translatiing into a 304% shareholder return on pre-IPO capital.
- Relative performance is strong compared to U.S. stocks and equity REITs, and, relative to data center peers*, outperforming by roughly 41 bps on an annualized basis over it's 10-year history.




**Market Cap weighted composite of COR, CONE, DLR, EQIX, and QTS*

## EXHIBIT A: Identified Pipeline – Fund Model Metrics

| Asset | Louisville, KY | Bowling Green, OH | Redmond, OR | Austin, TX | Augusta, GA | Omaha, NE | Las Vegas, NV | Minneapolis, MN | Montgomery, AL | Reno, NV | Boise, ID | Richmond, VA | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Closing Date | 31-Dec-24 | 31-Jan-25 | 28-Feb-25 | 31-Mar-25 | 31-Mar-25 | 30-Apr-25 | 30-Apr-25 | 31-Jul-25 | 30-Sep-25 | 30-Sep-25 | 31-Dec-25 | 31-Dec-25 | |
| Sale Date | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 | 31-Dec-30 |
| Asset Unlevered Gross IRR | 24.2% | 25.0% | 25.0% | 25.9% | 25.2% | 25.3% | 24.7% | 26.4% | 26.9% | 26.4% | 28.5% | 28.4% | 20.7% |
| Fund Gross IRR[1] | 32.5% | 34.1% | 34.2% | 33.8% | 34.4% | 35.3% | 34.6% | 37.2% | 36.5% | 36.0% | 38.6% | 40.4% | 35.4% |
| Fund Gross EM[1] | 3.14 | 3.15 | 3.24 | 2.96 | 3.15 | 3.26 | 3.37 | 3.18 | 3.02 | 3.10 | 2.98 | 3.12 | 3.14 |
| Total Equity Contributions[2] | $29,357,468 | $29,852,184 | $31,377,949 | $33,236,923 | $30,968,819 | $29,640,874 | $35,331,543 | $33,094,174 | $32,013,964 | $32,495,582 | $31,840,971 | $32,492,708 | $381,703,158 |
| Max IT Load (KW) | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 10,000 | 5,000 | 5,000 | 5,000 | 10,000 | 70,000 |
| IT Load at Exit (KW) | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 6,000 | 3,000 | 3,000 | 3,000 | 6,000 | 42,000 |
| Exit WALT | 18.08 | 18.08 | 18.33 | 18.33 | 18.33 | 18.42 | 18.42 | 13.67 | 18.83 | 18.83 | 19.16 | 14.08 | 17.17 |
| Exit Cap Assumption | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| *Phase 1 Shell* | | | | | | | | | | | | | |
| Phase 1 IT Load (KW) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 2,000 | 1,000 | 1,000 | 1,000 | 2,000 | 14,000 |
| Capitalized Dev Cost (M) | $54,381,612 | $56,713,566 | $64,794,718 | $62,447,055 | $60,977,325 | $60,675,062 | $80,770,829 | $64,572,822 | $63,780,756 | $67,347,746 | $64,794,718 | $64,572,822 | $765,829,030 |
| Phase 1 YoC | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% | 9.00% |
| Per KW Initial Rent ($) | 449.22 | 462.69 | 530.60 | 507.70 | 501.08 | 499.15 | 662.85 | 265.20 | 524.09 | 554.27 | 530.60 | 265.20 | 448.79 |
| *Initial Expansion Phase* | | | | | | | | | | | | | |
| Phase 2 IT Load (KW) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 2,000 | 1,000 | 1,000 | 1,000 | 2,000 | 14,000 |
| Capitalized Cost (M) | $13,916,840 | $13,916,840 | $13,986,212 | $13,917,254 | $13,917,254 | $13,917,392 | $13,917,392 | $17,129,624 | $13,918,118 | $13,918,118 | $13,987,713 | $17,130,573 | $173,573,329 |
| Phase 2 YoC | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% | 9.50% |
| Per KW Initial Rent ($) | 110.17 | 110.17 | 110.72 | 110.18 | 110.18 | 110.18 | 110.18 | 67.80 | 110.19 | 110.19 | 110.74 | 67.81 | 98.15 |
| Phase 2 Rent Start Date | 1/31/2028 | 1/31/2028 | 4/30/2028 | 4/30/2028 | 4/30/2028 | 5/31/2028 | 5/31/2028 | 8/31/2028 | 10/31/2028 | 10/31/2028 | 2/28/2029 | 1/31/2029 | |
| *Phase 3 Expansion* | | | | | | | | | | | | | |
| Phase 3 IT Load (KW) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 2,000 | 1,000 | 1,000 | 1,000 | 2,000 | 14,000 |
| Phase 3 Rent Start Date | 31-Jan-29 | 31-Jan-29 | 30-Apr-29 | 30-Apr-29 | 30-Apr-29 | 31-May-29 | 31-May-29 | 31-Aug-29 | 31-Oct-29 | 31-Oct-29 | 28-Feb-30 | 31-Jan-30 | |
| *Financing Assumptions* | | | | | | | | | | | | | |
| Phase 1 Dev Loan LTC | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% |
| Phase 1 Dev Loan Rate | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% | 8% |
| Phase 1 Refi LTV | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% |
| Phase 1 Refi Avg Interest | 5.81% | 5.81% | 5.81% | 5.82% | 5.82% | 5.83% | 5.82% | 5.85% | 5.86% | 5.84% | 5.87% | 5.87% | 5.83% |
| Capex Facility LTC | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% |
| Capex Facility Avg Interest | 5.81% | 5.81% | 5.83% | 5.83% | 5.83% | 5.83% | 5.83% | 5.85% | 5.87% | 5.87% | 5.90% | 5.89% | 5.84% |

[1]Returns after partner buyout but before Fund cashflow consolidation.

[2]Includes partner capital. Total does not include fund level cashflow management.

# EXHIBIT B: Portfolio Return Scenarios

## Base Case Partial Expansions

### Transaction Metrics and Underwriting Returns

| Base Case Scenario | CCF II One Illustrative Asset | | | CCF II Portfolio 10+ Assets | | |
|---|---|---|---|---|---|---|
| **Overview** | | | | | | |
| Number of Sites | 1 | | | 10 - 12 | | |
| Maximum Capacity per Sites | 5 MW | | | 5 – 10 MWs | | |
| Maximum Portfolio Capacity | 5 MW | | | 70 MW | | |
| Capacity Built at Exit – Base Case | 3 MW | | | 42 MW | | |
| Investment Period | 6 years | | | 6 years | | |
| Target Exit Date | December-2030 | | | December-2030 | | |
| **Equity Requirement(1) *(millions)*** | | | | | | |
| Initial Equity Funding (Phase I development @75% LTC+ Oppidan Buyout) | $21.2 | | | ~$275 | | |
| Potential Expansion Equity Required (@ 75% LTC) | $5.6 | | | $50+ | | |
| Total Potential Equity Requirement | $26.8 | | | $325+ | | |
| **Underwritten Yield Metrics** | | | | | | |
| Phase I – Total Construction Budget (100% Ownership) | $61.7 | | | $837.7 | | |
| Development Yield on Cost | 9.0% - 9.5%(2) | | | 9.0% - 9.5%(2) | | |
| **Underwritten Gross & Net Levered IRR** | | | | | | |
| Exit Cap Rate Assumption (6 Year Hold)(3) | 5.50% | 6.00% | 6.50% | 5.50% | 6.00% | 6.50% |
| Exit GAV | $161.6 | $148.2 | $136.8 | $2,118.1 | $1,941.6 | $1,792.2 |
| Exit NAV | $94.4 | $80.9 | $69.5 | $1,227.9 | $1,051.4 | $902.0 |
| Gross Levered IRR | 36.0% | 32.2% | 28.6% | 38.1% | 34.0% | 30.1% |
| Gross Levered Equity Multiple | 3.9x | 3.4x | 3.0x | 4.1x | 3.5x | 3.1x |
| Net Levered IRR(4) | 28.4% | 25.3% | 22.3% | 30.0% | 26.6% | 23.4% |
| Net Levered Cash-on-Cash Multiple(4) | 2.9x | 2.6x | 2.3x | 3.1x | 2.7x | 2.4x |

(1) Remaining cost may vary depending on the construction budgets of individual sites. Equity required based on 2030 exit.
(2) CCF II sites will use 9.0% yield on cost for Phase I construction and 9.5% yield on cost for expansion phases.
(3) Portfolio returns calculated based on a portfolio of 12 assets with a portfolio exit in 2030.
(4) Assumes a 1.5% AM fee (on committed capital), 20.0% over 8.0% first hurdle and a 30.0% over 15.0% second hurdle.

## Downside Case No Expansion

### Transaction Metrics and Underwriting Returns

| Downside Case | CCF II One Illustrative Asset | | | CCF II Portfolio 10+ Assets | | |
|---|---|---|---|---|---|---|
| **Overview** | | | | | | |
| Number of Sites | 1 | | | 10 - 12 | | |
| Maximum Capacity per Sites | 5 MW | | | 5 – 10 MWs | | |
| Maximum Portfolio Capacity | 5 MW | | | 70 MW | | |
| Capacity Built at Exit – Downside Case | 1 MW | | | 14 MW | | |
| Investment Period | 6 years | | | 6 years | | |
| Target Exit Date | December-2030 | | | December-2030 | | |
| **Equity Requirement(1) *(millions)*** | | | | | | |
| Initial Equity Funding (Phase I development @75% LTC+ Oppidan Buyout) | $21.2 | | | ~$275 | | |
| Potential Expansion Equity Required (@ 75% LTC) | N/A | | | N/A | | |
| Total Potential Equity Requirement | $21.2 | | | ~$275 | | |
| **Underwritten Yield Metrics** | | | | | | |
| Phase I – Total Construction Budget (100% Ownership) | $61.7 | | | $837.7 | | |
| Development Yield on Cost | 9.0% - 9.5%(2) | | | 9.0% - 9.5%(2) | | |
| **Underwritten Gross & Net Levered IRR** | | | | | | |
| Exit Cap Rate Assumption (6 Year Hold)(3) | 5.50% | 6.00% | 6.50% | 5.50% | 6.00% | 6.50% |
| Exit GAV | $110.4 | $101.2 | $93.4 | $1,484.6 | $1,360.9 | $1,256.2 |
| Exit NAV | $64.1 | $54.9 | $47.1 | $856.3 | $732.6 | $627.9 |
| Gross Levered IRR | 30.8% | 27.4% | 24.2% | 32.8% | 29.2% | 25.7% |
| Gross Levered Equity Multiple | 3.5x | 3.0x | 2.7x | 3.5x | 3.1x | 2.7x |
| Net Levered IRR(4) | 24.3% | 21.6% | 19.0% | 25.8% | 22.8% | 20.0% |
| Net Levered Cash-on-Cash Multiple(4) | 2.7x | 2.4x | 2.2x | 2.7x | 2.4x | 2.2x |

# EXHIBIT C: Tenant Use / Edge Market Info

## Strategic Importance to Tenant[1]

**Key Part of Tenant's Global Network Strategy**

- Tenant's network is different from other hyperscalers, who typically focus on regional networks and availability zones. Tenant constructed network has all of their data centers connected and replicated globally in real time via the most robust global network of dark fiber and sub-sea cables of any player. Project Empire is a key part of Tenant's strategy to grow their network to address the next wave of demand

**AI Inferencing Application**

- Predicated substantial growth in network traffic to be mostly AI related. Should the Tenant's Virtual Reality (VR)/Augmented Reality (AR) product experience significant demand, that internet traffic will further increase the Tenant's need for capacity beyond what is considered in their forecast.
- AI learning will take place at Tenant's large data centers (gigawatt campuses). Inference will be delivered through their network/edge presence including the centers in the CCF II portfolio

**Densification of Sites**

- Tenant's rack density will transition from 13 kw to 26 kw. The process of densifying the design has recently commenced with Oppidan and Tenant and will be applied to all projects, including the first eight sites that are under construction or already delivered
- Next generation optics/network gear is being implemented and will be delivered to sites starting with deliveries in 2025

**Leasing in Empire Sites is Already Growing, and is Expected to Grow Further**

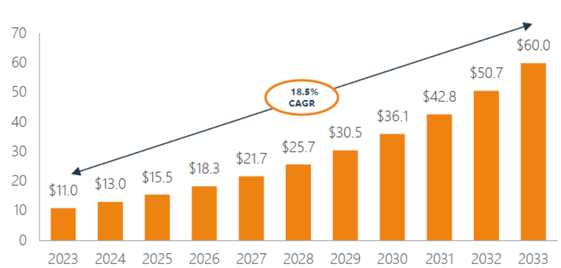
- Tenant has initiated a top-down analysis of the cost and feasibility to grow their current data center and network capacity expansion plans by 2x, 4x or 10x. The results of this project are expected by the end of 2024, with a broad expectation of a new mandate to, at a minimum, double the current capacity planned for data centers and network capacity
- As a result, the Tenant has already asked for the 5 MW Project Empire sites to provide 2 MW for Phase I (double vs original plans)
- Tenant expects that Phase II (with the possibility of additional phases) will need to be ready for service inside of 3 years, likely faster

## Edge Data Center Demand Trends

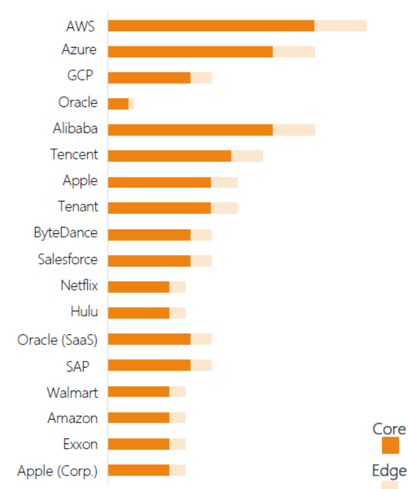
### Edge Demand and Size[1]

- Adoption and utilization of digital applications will continue to drive data center demand due to more data storage, computing and processing requirements
- Demand for edge data centers will be driven by cloud players, CDNs, and large enterprises to meet their evolving data needs
- The increasing use of AI and Internet-of-Things (IoT) technology will fuel further demand for edge data centers due to the necessity for low latency and proximity to end users
- Demand upside can also be found in latency-sensitive use cases like driverless cars and VR/AR
- The global edge data center market is expected to grow to over $60bn by 2033

### Global Edge Data Center Market Size ($bn)[2]




### Illustrative Capacity Requirements (MWs)[1]




(1) Source: PwC Edge Market Assessment, Dec 2023.
(2) Source: Global Edge Data Center- Market Global Industry Analysis, Size, Share, Growth, Trends, Regional Outlook, and Forecast 2024-2033 , Precedence Research, Published Feb 2024.

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## EXHIBIT D: Organizational Charts

### Cloud Capital

# Years of experience
★ Investment Committee Member

*28-person team(1) with decades of experience across investments and fund management*

**Cloud Capital Leadership**

- 30+ Hossein Fateh ★ (1) – *Founder & CEO*

- 30+ Shariar Mohajer ★ – *Chief Investment Officer*
- 25+ Christof Hammerli ★ – *Senior Managing Director*
- 25+ John Comerford – *COO & CCO*
- 30+ Clayton Mynard – *General Counsel*

**Investment & Asset Management**

- 14+ Kyle Lewis – *Principal*
- 20+ Lisa Collado – *VP, Transaction Mgmt. & Closing*
- 8+ Andrew Tupper – *VP, Asset Management*
- 7+ Fred Stocklassa – *Senior Associate*
- 7+ Kevin Norstrem – *Senior Associate*
- 5+ Vivian Kuo – *Senior Associate*
- 5+ Octave Bellet – *Associate*
- 5+ Sidney Chong – *Associate*
- 2+ George Airs – *Associate*

**Finance & Operations**

- 25+ Richard Stubbs – *Fund Controller – Europe*
- 20+ Jim Armstrong – *SVP & Fund Controller - US*
- 11+ Violet Leonard – *Director, Accounting*
- 18+ Lisa Bollard – *Compliance Officer*
- 13+ Dermot Heron – *Director, European Tax*
- 17+ Dawn Yu – *Director, Tax*
- 5+ Olivia Cleary – *Administration Assistant*
- 5+ Vicky Mo – *Accounting Manager*

**Investor Relations**

- 25+ Jerome Combredet – *Head of IR & Capital Formation - EMEA*
- 22+ Vivian Tongalson – *Head of IR & Capital Formation - Americas*
- 3+ Isaac Stewart – *Associate*

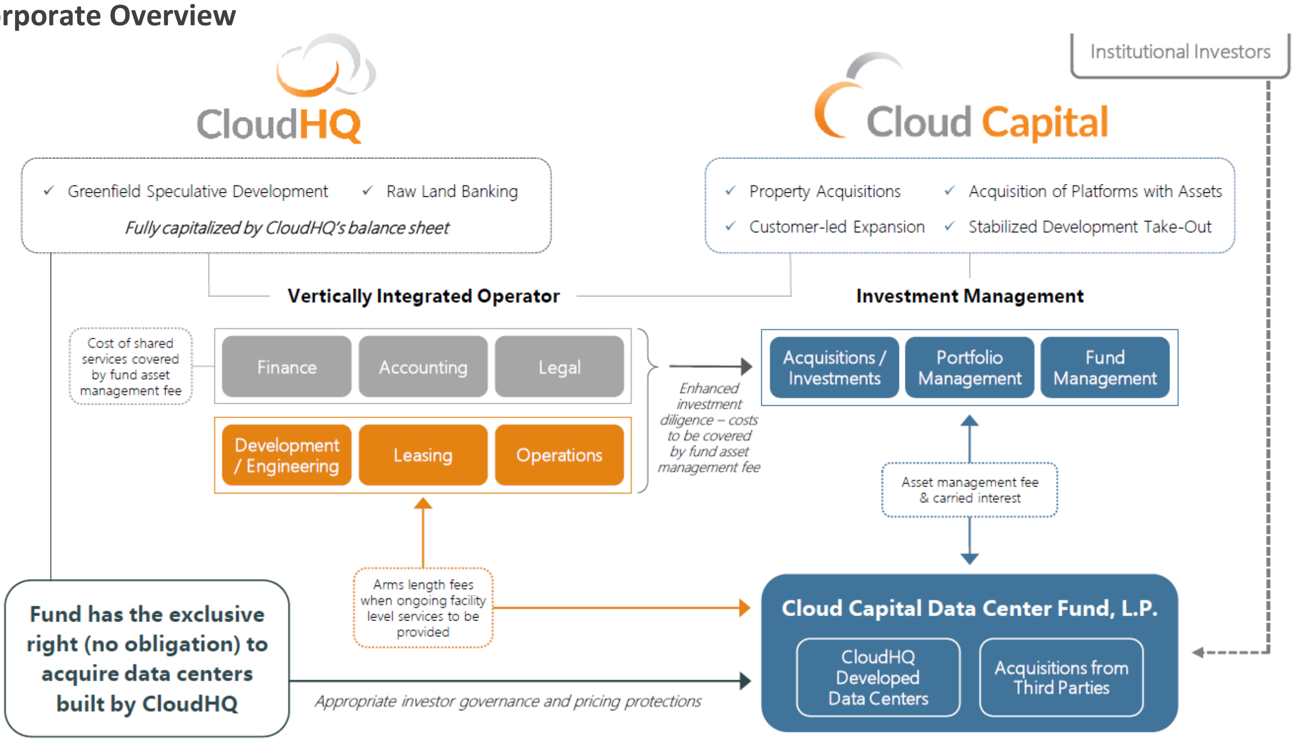
**Capital Markets**

- 30+ Jason Weaver – *EVP, Head of Capital Markets*

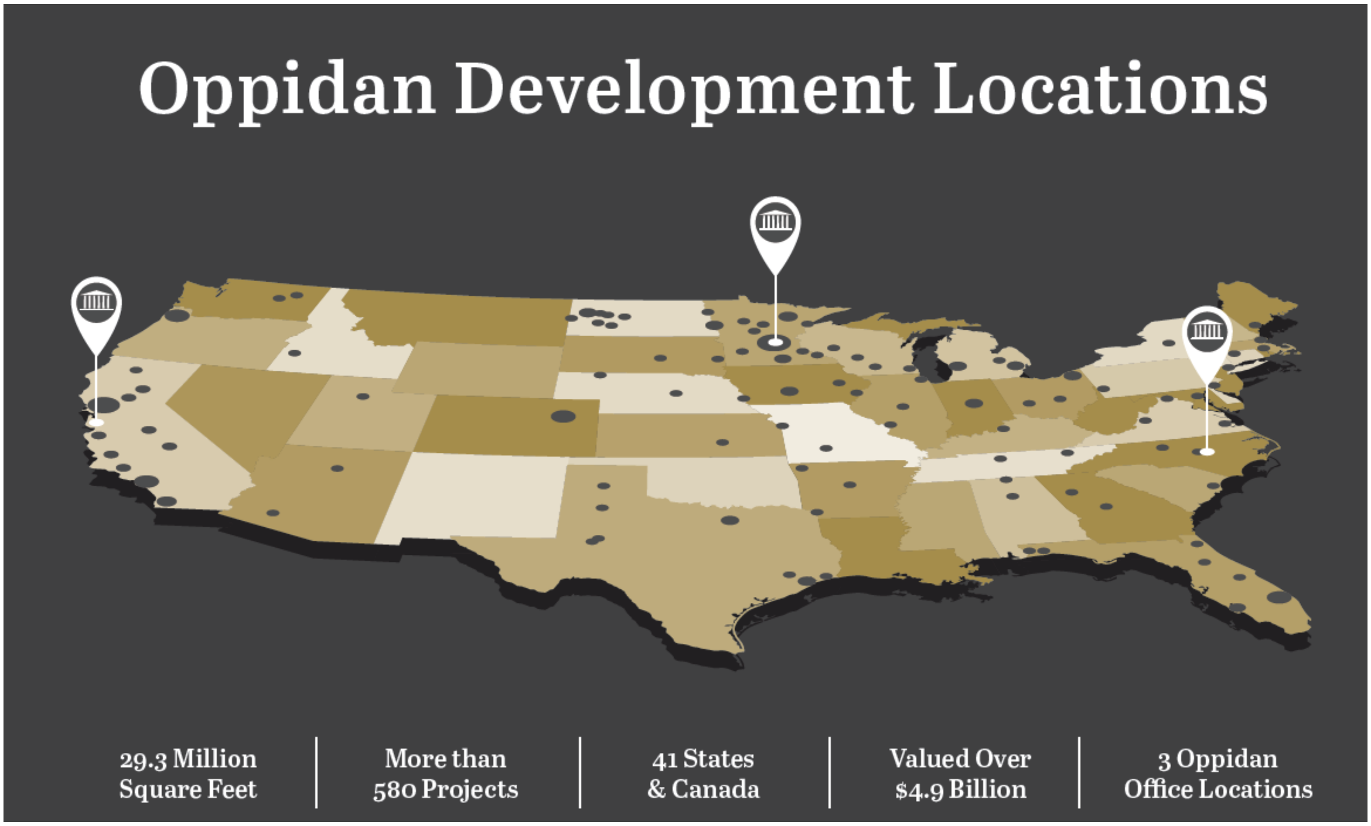
**Senior Advisors**

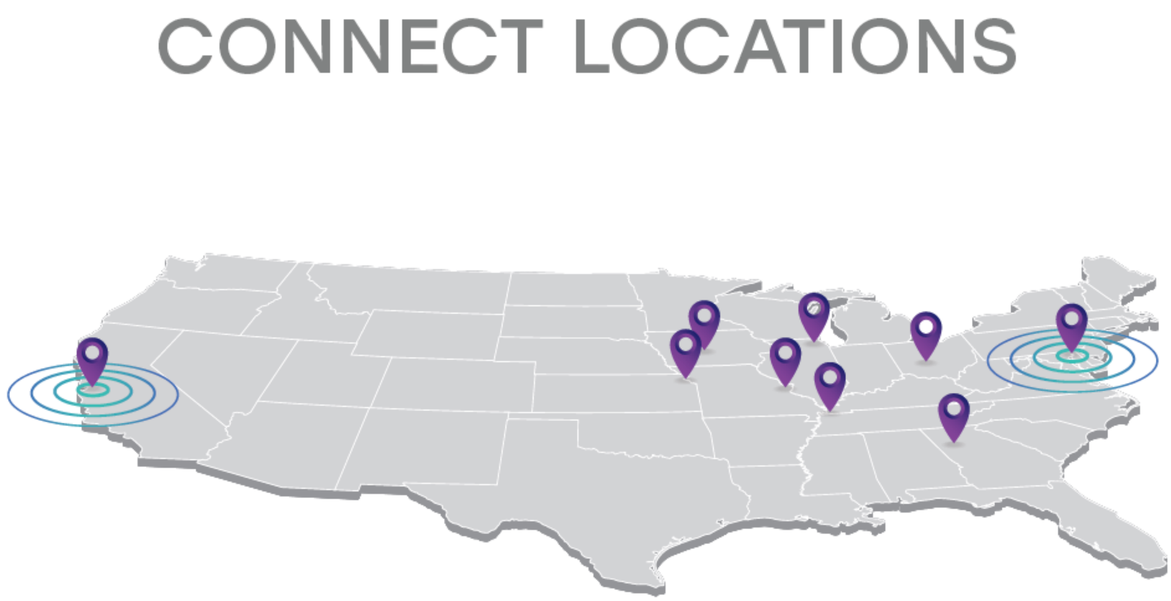
- 30+ Jeff Foster ★ (2) – *Senior Advisor*
- 45+ Neal Diplock – *Senior Tax Advisor*

### Corporate Overview



## EXHIBIT E: Oppidan Development Footprint



## EXHIBIT F: Senior Personnel Biographies

**Hossein Fateh**
**Founder and Chief Executive Officer**
Hossein Fateh is the Founder and Chief Executive Officer of Cloud Capital and CloudHQ and is based in Washington DC. Hossein has over 25 years of experience developing and operating data centers. Prior to Cloud Capital and CloudHQ, Hossein was the CEO and Co-Founder of DuPont Fabros Technology ("DFT"). In 2016, DFT was sold for $7.8 billion. Between DFT and CloudHQ, Hossein has built and operated over 700MW of data center space worldwide.

Hossein is passionate about philanthropy and giving back to the community. He sits on the following committees and boards: Center for Real Estate and Urban Analysis (CREUA), George Washington University, Executive Committee of the Steers Center for Global Real Estate at Georgetown University, the McDonough School of Business Board of Advisors, Georgetown University and is a Member of the Research Council at the Hospital for Special Surgery (HSS) located in New York City. Hossein is also working on a project with Great Ormond Street Children's Hospital in London.

**Shariar Mohajer**
**Chief Investment Officer**
Shariar Mohajer is the Chief Investment Officer at Cloud Capital and is based in London. In this role, Shariar leads all aspects of the firm's investment, fund raising and operational activities. Shariar has over 30 years of experience in Mergers & Acquisitions and Private Equity advisory, having focused almost exclusively on the communications infrastructure sector throughout his career and having executed over $100B of transactions. Prior to Cloud Capital, Shariar led the Communications Infrastructure M&A practice at RBC Capital Markets, one of the leading data center M&A advisory firms in the world. Shariar was a Managing Director at RBC for over 14 years and led many of its key data center M&A transactions across the globe. Prior to RBC, Shariar worked at Merrill Lynch helping to establish the Merrill Lynch Global Communications Investment Fund and in Telecom M&A. Shariar began his career at the investment bank Lehman Brothers.

Hossein has a BA in Business Administration and a MSc in Finance, both from George Washington University.
Shariar received a B.S. degree in Electrical Engineering from Columbia University (Bishop Scholar) and an MBA from Harvard Business School.

**Christof Hammerli**
**Senior Advisor**
Christof is a Senior Managing Director of Investment and Asset Management at Cloud Capital and is based in Tampa, Florida. He brings over 25 years of experience in acquisitions, corporate development, finance, and risk management. Through his broad experience and extensive network, Christof leads the fund's acquisition of data center assets throughout the United States and is responsible for the identification, evaluation, and negotiation of new data center investments. He also serves as a member of the Investment Committee.

Prior to joining Cloud Capital, Christof led the Digital Infrastructure Division at Landmark Dividend as its EVP and Founder of the division. Under his leadership, the company acquired ~$1.5B of data center assets. Christof was responsible for sourcing, negotiating, and closing of the acquisitions with continued responsibility for asset, property management and leasing. Before Landmark Dividend, Christof was Chief Acquisitions Officer at Carter Validus, where he was responsible for sourcing, negotiating, structuring, and closing acquisitions for the company. During his tenure, he oversaw the acquisition of ~$4B worth of mission critical real estate assets. Previously, Christof was Director of Corporate Development for Equinix, Inc. where he was responsible for coordinating both organic and inorganic growth initiatives in Europe. Christof also worked at MetLife and Credit Suisse based in the U.S and Switzerland.

Christof received a B.Sc. from the University of Tampa and an MBA from Northwestern University's Kellogg School of Business.

**John Comerford**
**Chief Operating Officer and Chief Compliance Officer**
John Comerford is the Chief Operating Officer and Chief Compliance Officer at Cloud Capital and is based in London. John is responsible for the firm's finance, operations, compliance and ESG functions. He has over 30 years of financial services experience and has served as a founding partner for 18 of those years. Prior to joining Cloud, John was the COO, CCO and a founding partner at Everett Capital Advisors, Brennus Asset Management and Plexus Partners. Prior to joining Plexus Partners, John held Treasury Risk Management and Commodity Trading Group Business Manager roles at Bank of America Merrill Lynch in London between 1995 – 2002.

John is Chartered Accountant and received both a Bachelor of Commerce and a Master's in Accounting from University College Dublin.

**Clayton Mynard**
**General Counsel**
Clayton Mynard is the General Counsel for Cloud Capital and is based in Tampa, Florida. In this role, Clayton manages the legal affairs of the company and is a key partner in commercial negotiations and acquisitions, regulatory and compliance matters, and corporate governance. Clayton has over 30 years of legal experience across a multitude of industry sectors including 15 years in the data center industry. Prior to joining Cloud Capital, Clayton worked as General Counsel at Recovery Point Systems, a national provider of business resilience services. Prior to that he was General Counsel of data center provider Telx until its sale to Digital Realty in 2015 and prior to that, General Counsel of data center provider Switch and Data through its IPO and subsequent sale to Equinix.

Clayton received a B.S. in Communications from Florida State University and a J.D. from the University of Florida College of Law. He is member of the Florida and Washington D.C. Bar Associations.

**Kyle Lewis**
**Principal, Investment & Asset Management**
Kyle Lewis is a Principal and joined Cloud Capital in 2020 based in the London office. Kyle focuses on evaluating, originating and managing global investment opportunities. He has nearly 15 years of experience investing in and advising companies in the digital real estate and infrastructure sectors.

Kyle has led numerous Cloud Capital portfolio investments in both the United States and Europe, including leading negotiations, underwriting and investment committee approvals. Kyle is also involved in debt financings, asset management activities of the existing portfolio and supporting the evergreen capital raising efforts.

Prior to joining Cloud Capital, Kyle worked at RBC Capital Markets for nearly 10 years in the Mergers & Acquisitions group with an exclusive focus on advisory of corporates and private equity sponsors in the digital real estate and infrastructure sectors. Throughout most of his career as an investment banker, Kyle advised on the execution of over 25 buyside, sellside and equity/debt capital market transactions in the sector in the United States and Europe, aggregating over $15 billion of transaction value.

Kyle received a B.S. B.A. degree in Finance and a minor in Economics from the University of Denver.

**Andrew Tupper**
**Vice President, Asset Management and Investor Relations**
Andrew Tupper is the Vice President, Asset Management & Investor Relations at Cloud Capital and is based in Washington, D.C. Andrew supports the asset management practices of the fund as well as European real estate acquisitions. Andrew has 8 years' experience in real estate private equity focusing on the logistics / industrial and data center sectors. Prior to joining Cloud Capital, Andrew was an Associate in the European Equity team at BentallGreenOak. During his time at BentallGreenOak, Andrew executed a variety of investments focused on the data center, logistics and office sectors across Europe. Andrew was also actively involved in the Asset Management of the European portfolios, with a particular focus in assisting in the leasing and developments of investments.

Andrew holds a B.S. in Business and Management from the University of Cardiff with a concentration in Finance and Accounting, and a MSc from King's College London majoring in Finance.

**Lisa Collado**
**Vice President, Transaction Management & Closing**
Lisa Collado is a Vice President of Transaction Management and Closing at Cloud Capital and is based in Tampa, Florida. In this role Lisa is responsible for managing the day-to-day details for acquisitions from contract to close. Lisa has 25+ years of experience in all facets of commercial real estate across varied property types: healthcare, data center, retail, office, industrial, multi-family, and student housing. Her experience allows her to provide creative solutions in areas including due diligence for acquisitions and dispositions, legal, portfolio insurance, budgeting review and analysis, property inspection, contract/lease review, property management and administration. Prior to joining Cloud Capital, Lisa was a Vice President of Due Diligence and Insurance for Sila Realty Trust, Inc., where coordinated insurance for the REIT, and performed due diligence and closing for acquisitions and dispositions.

Lisa holds a B.S. in Business Administration from Strayer University.

**Kevin Norstrem**
**Senior Associate, Investment & Asset Management**
Kevin Norstrem is a Senior Associate of Investment and Asset Management at Cloud Capital and is based in Tampa, Florida. In this role Kevin leads the underwriting of real estate transactions and dispositions. He has three

years of real estate experience and five years of experience in the data center industry. Prior to joining Cloud Capital, Kevin was a Director of Acquisitions at Landmark Dividend, a Digital Infrastructure investing firm. At Landmark, Kevin joined as senior analyst and assisted in the closing of over $800m of real estate transactions and various asset management initiatives. Prior to his tenure at Landmark Dividend, Kevin was an FP&A Analyst at national colocation provider, vXchnge.

Kevin holds a BSc in Finance from the Pamplin School of Business at Virginia Tech and was a member of the wrestling team.

**Vivian Kuo**
**Senior Associate, Investment & Asset Management**
Vivian Kuo is a Senior Associate of Investment and Asset Management at Cloud Capital and is based in London. In her role Vivian is responsible for evaluation and execution of data center investments for the fund. Vivian has 3 years of experience in data center investments and M&A execution. Prior to joining Cloud Capital, Vivian was on the Mergers & Acquisitions team at RBC Capital Markets primarily focused on communications infrastructure, with transaction experience in communications infrastructure, renewables and metals & mining sectors.

Vivian holds a BSc in Mathematics with specialization in Economics from the University of Chicago.

**Fredrik Stocklassa**
**Senior Associate, Investment & Asset Management**
Fredrik is a Senior Associate of Investment and Asset Management at Cloud Capital and is based in London. Fredrik joined Cloud Capital in 2021 and is responsible for evaluation and execution of investments. Prior to joining Cloud Capital, Fredrik spent 4 years in investment banking, most recently as an associate in the Transport & Infrastructure team at Rothschild & Co. During his time at Rothschild & Co he worked on several M&A and Debt transactions, primarily within the digital infrastructure and energy sectors.

Fredrik holds a MSc in Finance from ESADE Business School

**Jerome Combredet**
**Head of IR and Capital Formation EMEA**
Jerome Combredet is the Head of IR and Capital Formation, EMEA at Cloud Capital and is based in London. Jerome is responsible for investors relations and capital formation initiatives within the sovereign wealth, consultant, corporate and insurance communities. Jerome has 28 years' experience in similar roles within the banking and asset management industries, in London, Paris and New York. Prior to joining Cloud, Jerome spent 10 years with Brookfield AM, a specialized global asset manager with a focus on real estate and infrastructure. Jerome is fluent in English, French, Italian and Spanish.

Jerome graduated with a B.Sc. in Economics and International Affairs from the George Washington University, in Washington D.C.

**Vivian Tongalson**
**Head of IR and Capital Formation Americas**
Vivian Tongalson is the Head of IR and Capital Formation, Americas at Cloud Capital. Vivian has over 20 years of experience in the alternative asset classes, including real estate and infrastructure, focusing on developing relationships with institutional investors and consultants. Vivian leads Cloud Capital's capital formation and product strategy functions for the Americas, including fundraising, investor engagement, and investor relations initiatives.

Prior to Cloud Capital, Vivian was a Managing Director at Grubb Properties where she led institutional capital formation. Before Grubb, she was Managing Director and Head of Investor Relations at Northwood Investors responsible for expanding their investor base, leading all capital raising efforts and establishing best-in-class practices for reporting and communications with limited partners. Vivian started her career in the investment banking division at Credit Suisse and subsequently worked at The Blackstone Group raising capital worldwide for the firm across various strategies. She also worked at Highstar Capital, an infrastructure private equity fund, which was later acquired by Oaktree Capital Management.

Vivian received a B.A. in Economics at Columbia University in New York City.

## EXHIBIT G: Cloud Capital Partners Portfolio Overview

As of June 30, 2024

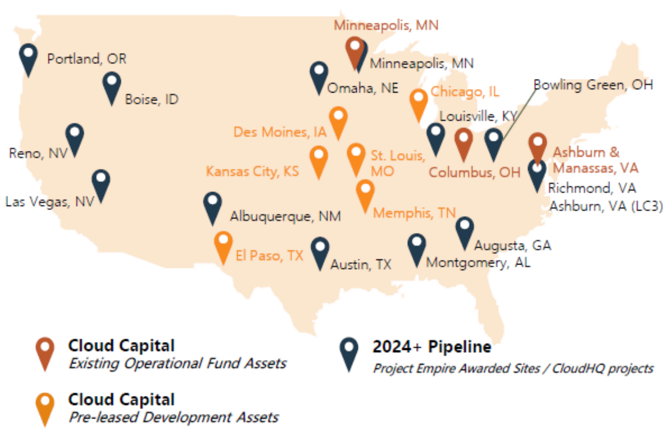
### Summary of Global Tenant Profiles

| Tenant Type | Asset | Status | Maximum Capacity (MW) | % Leased | WALT | Tenant Credit |
|---|---|---|---|---|---|---|
| Leading Hyperscaler 1, US Gov't Contractor & Service Provider | DC-6 (Manassas, VA) | Stabilized (with vacant capacity to lease) | 21.25 MW | 89%[1] | 5.6 Years[2] | AA/A-[3] |
| Leading Hyperscaler 2 | MCC2 (Manassas, VA) | Stabilized | 64 MW | 100% | 11.6 Years | AAA |
| Leading Hyperscaler 3 | LC1B (Ashburn, VA) | Stabilized | 72 MW | 100% | 17.3 Years | AA- |
| Enterprise | Elk River (Elk River, MN) | Stabilized | 6 MW | 100% | 4.3 Years | A+ |
| Leading Hyperscaler 3 | Project Empire (Various, US) | Fully Leased / Under Option (Build to Suit)[4] | 3 sites 10 MW & 1 site 5 MW[5] | 100% (Leased / Under Option) | 15.0 Years | AA- |
| Leading Hyperscaler 1 (FRA1 contracted / FRA2 tenant option) | FRA1 & 2 (Frankfurt, Germany) | Fully Leased / Under Option (Under Devt)[4] | 56 MW each (Across 2 Assets) | 100% (Leased / Under Option) | 9.4 Years | AA |

## Ongoing and Pipeline Activities[1]

- Cloud Capital has a **$1 billion+** (equity) controlled pipeline for the next 12 months, including:
  - FRA2 in Frankfurt, Germany, which is owned by Cloud Capital, is currently under lease negotiations for the full 56 MW, targeting execution and construction start in H2 2024
  - Project Empire in 20 locations[2] across the US: an edge build-to-suit program with eight sites secured. As of June 30th, one site has been delivered, three are under construction and an additional three sites have signed leases. Post quarter-end, the land for the three leases was acquired, and the 8th lease was signed for the Albuquerque, NM site
  - LC3 in Ashburn, VA: 80 MW data center fully-leased and under construction (owned by CloudHQ)
  - KIX in Osaka, Japan: 3 data centers totaling 96 MW formed as a joint venture with a local APAC partner (in addition to the partnership with CloudHQ)

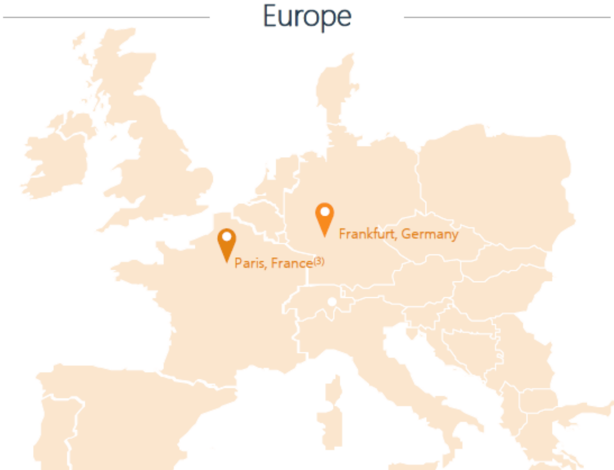
### United States of America




Existing U.S. Locations

Ashburn & Manassas, VA (3 assets); Minneapolis, MN; Columbus, OH; Des Moines, IA; Memphis, TN; Kansas City, KS; Chicago, IL; El Paso, TX; St Louis, MO

### Europe




Existing European Locations

Germany: Frankfurt (2 assets)
France: Paris (1 asset)[3]

## EXHIBIT G: Cloud Capital Partners Portfolio Overview

### U.S. Portfolio Asset Overview

$ in millions; as of June 30, 2024





| | DC-6 | MCC2 | LC1B | Elk River | Empire Portfolio | |
|---|---|---|---|---|---|---|
| Location | Manassas, VA | Manassas, VA | Ashburn, VA | Minneapolis, MN | Various (4 assets)[1] | U.S. Total |
| Date Acquired | 25-Jan-22 | 17-May-22 | 23-Dec-22 | 30-Dec-22 | N/A | N/A |
| Real Estate Ownership | Fee Simple | Fee Simple | Fee Simple | Fee Simple | Fee Simple | 100% Fee Simple |
| Number of Tenants | 3 | 1 | 1 | 1 | 1 | 6 |
| Year Built | 2010 | 2021 | 2022 | 2008 | N/A | N/A |
| ESG Credentials | LEED Gold | LEED Gold | LEED Gold | N/A | N/A | N/A |
| **Facility Specifications** | | | | | | |
| Max IT Load | 21.3 MW | 64.0 MW | 72.0 MW | 6.0 MW | 35.0 MW | 198.3 MW |
| Built IT Load | 17.3 MW | 64.0 MW | 72.0 MW | 6.0 MW | 2.0 MW | 161.3 MW |
| Contracted IT Load | 15.4 MW | 64.0 MW | 72.0 MW | 6.0 MW | 7.0 MW | 164.4 MW |
| Square Feet | 233,000 | 394,185 | 522,699 | 289,746 | 331,458 | 1,771,088 |
| Building PUE[2] | 1.54 | 1.34 | 1.28 | 1.5 (design) | 1.3 (design) | N/A |
| Tenant Remaining WALT | 5.6 Yrs[3] | 11.6 Yrs | 17.3 Yrs | 4.3 Yrs | 15.0 Yrs | 13.4 Yrs |
| **Valuation Metrics** | | | | | | |
| Gross Asset Value (100%) | $233 | $869[4] | $786[4] | $133 | $278[5] | $2,299 |
| Implied Cap Rate[6] | 4.7% | 5.5%[4] | 5.5%[4] | 8.9% | N/A | N/A |
| Debt Outstanding (100%) | $100 | $615 | $500 | $45 | $126 | $1,386 |
| % Ownership | 100% | 100% | 100% | 100% | 80% | N/A |
| NAV (Ownership %)[7] | $145 | $262 | $296 | $96 | $168[8] | $967 |

### European Portfolio Asset Overview

$ in millions; as of June 30, 2024


| | FRA1 | FRA2 | | |
|---|---|---|---|---|
| Location | Frankfurt, GER | Frankfurt, GER | European Total | Global Total |
| Date Acquired | 02-Aug-23 | 02-Aug-23 | N/A | N/A |
| Real Estate Ownership | Fee Simple | Fee Simple | 100% Fee Simple | 100% Fee Simple |
| Number of Tenants | 1 | - | 1 | 6 |
| Year Built | 2024 / Under Construction | N/A | N/A | N/A |
| ESG Credentials | N/A | N/A | N/A | N/A |
| **Facility Specifications** | | | | |
| Max IT Load | 56.0 MW | 56.0 MW | 112.0 MW | 310.3 MW |
| Built IT Load | 22.4 MW | - | 22.4 MW | 183.7 MW |
| Contracted IT Load | 56.0 MW | -[1] | 56.0 MW | 220.4 MW |
| Square Feet | 580,761 | 580,761 | 1,161,522 | 2,932,610 |
| Building PUE[2] | 1.25 (design) | 1.25 (design) | N/A | N/A |
| Tenant Remaining WALT | 9.4 Yrs | N/A | 9.4 Yrs | 12.4 Yrs |
| **Valuation Metrics** | | | | |
| Gross Asset Value (100%) | $934 | $184[4] | $1,117 | $3,416 |
| Implied Cap Rate | N/A | N/A | N/A | N/A |
| Debt Outstanding | $582 | $61 | $643 | $2,029 |
| % Ownership | 89.9%[3] | 89.9%[3] | N/A | N/A |
| NAV (Ownership %)[5] | $333 | $116 | $450 | $1,417 |

# EXHIBIT H: DuPont Fabros Asset Performance

**Cloud Capital - Track Record Summary**
*As at March 2021*

| | # Assets | Transaction Type | Market | Acq / Build Date (A) | Disposition Date | SQFT | MW (B) | Total Cost (C) | Realized Equity (D) | GAV (E) | Performance (F) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **DuPont Fabros Development (1997-2007)** | | | | | | | | | | | Gross IRR |
| *Assets Acquired & Sold Pre-DFT IPO* | | | | | | | | | | | |
| ACC1 | 1 | Acquisition | Ashburn, VA | Jun-00 | Feb-07 | 87,000 | 10.4 | 11.9 | 29.0 | 42.5 | 85.3% |
| LA1, SC4, SC5, SC8 | 4 | Acquisition | Santa Clara & El Segundo, CA | Mar-04 | Jun-05 | 482,500 | 30.0 | 58.7 | 14.2 | 92.5 | 131.5% |
| LA3 | 1 | Acquisition | El Segundo, CA | Jul-02 | Mar-04 | 106,000 | 12.0 | 9.7 | 7.4 | 13.5 | 27.5% |
| *Subtotal* | 6 | | | | | 675,500 | 52.4 | 80.3 | 50.6 | 148.5 | 78.8% |
| *Assets Contributed to DFT IPO* (1) | | | | | | | | | | | |
| VA3 | 1 | Acquisition | Reston, VA | Mar-03 | Oct-07 | 256,000 | 13.0 | 30.8 | 82.7 | 119.0 | 183.1% |
| VA4 | 1 | Acquisition | Bristow, VA | Jun-05 | Oct-07 | 230,000 | 9.6 | 90.4 | 32.5 | 139.2 | 124.8% |
| ACC2 | 1 | Development | Ashburn, VA | Dec-05 | Oct-07 | 87,000 | 10.4 | 72.7 | 63.4 | 136.9 | N/A (F) |
| ACC3 | 1 | Development | Ashburn, VA | Sep-05 | Oct-07 | 147,000 | 13.9 | 94.5 | 69.3 | 181.8 | N/A (F) |
| ACC4 | 1 | Development | Ashburn, VA | Mar-06 | Oct-07 | 347,000 | 36.4 | 279.6 | 252.6 | 312.5 | 206.4% |
| *Subtotal* | 5 | | | | | 1,067,000 | 83.3 | 568.0 | 500.5 | 889.4 | 209.4% |
| **Total DFD Portfolio** | **11** | | | | | **1,742,500** | **135.7** | **$648.2** | **$551.1** | **$1,037.9** | **113.2%** |
| **DuPont Fabros Technology (2007-2017)** | | | | | | | | | | | TSR |
| *Assets Constituting DFT at IPO* (1) | | | | | | | | | | | |
| VA3 | 1 | Acquisition | Reston, VA | Oct-07 | Sep-17 | 256,000 | 13.0 | 188.9 | - | - | - |
| VA4 | 1 | Acquisition | Bristow, VA | Oct-07 | Sep-17 | 230,000 | 9.6 | 156.4 | - | - | - |
| ACC2 | 1 | Development | Ashburn, VA | Oct-07 | Sep-17 | 87,000 | 10.4 | 159.1 | - | - | - |
| ACC3 | 1 | Development | Ashburn, VA | Oct-07 | Sep-17 | 147,000 | 13.9 | 97.2 | - | - | - |
| ACC4 | 1 | Development | Ashburn, VA | Oct-07 | Sep-17 | 347,000 | 36.4 | 545.5 | - | - | - |
| *Subtotal* | 5 | | | | | 1,067,000 | 83.3 | 1,147.0 | | | |
| *Assets Developed Post-DFT IPO* | | | | | | | | | | | |
| ACC5 | 1 | Development | Ashburn, VA | Sep-09 | Sep-17 | 360,000 | 36.4 | 305.5 | - | - | - |
| ACC6 | 1 | Development | Ashburn, VA | Sep-11 | Sep-17 | 262,000 | 26.0 | 222.3 | - | - | - |
| ACC7 | 1 | Development | Ashburn, VA | Jul-14 | Sep-17 | 446,000 | 41.6 | 345.2 | - | - | - |
| ACC9 | 1 | Development | Ashburn, VA | May-17 | Sep-17 | 163,000 | 14.4 | 123.8 | - | - | - |
| CH1 | 1 | Development | Elk Grove Village, IL | Aug-08 | Sep-17 | 485,000 | 36.4 | 380.2 | - | - | - |
| CH2 | 1 | Development | Elk Grove Village, IL | Aug-15 | Sep-17 | 328,000 | 26.8 | 271.3 | - | - | - |
| SC1 | 1 | Development | Santa Clara, CA | Nov-11 | Sep-17 | 360,000 | 36.6 | 453.3 | - | - | - |
| NJ1 | 1 | Development | Piscataway, NJ | Nov-10 | Jun-16 | 180,000 | 18.2 | 76.8 | - | - | - |
| *Subtotal* | 8 | | | | | 2,584,000 | 236.4 | 2,178.5 | | | |
| **Total DFT Portfolio** (2) | **13** | | | | | **3,651,000** | **319.7** | **$3,325.4** | | **$7,800.0** | **303.7%** |
| **Total Pre-CloudHQ** | **19** | | | | | **4,326,500** | **372.1** | **$3,405.7** | | | **-** |
| **CloudHQ (2016-Present)** (3) | | | | | | | | | | | |
| *Completed Assets* | | | | | | | | | | | |
| MCC1 | 1.0 | Development | Manassas, VA | Aug-17 | - | 396,000 | 50.6 | - | - | - | - |
| MCC2 (Phase I) (4) | 0.5 | Development | Manassas, VA | Nov-20 | - | 244,000 | 36.0 | - | - | - | - |
| LC1A | 1.0 | Development | Ashburn, VA | Jun-19 | - | 525,000 | 72.0 | - | - | - | - |
| LC2 (Phase I) (4) | 0.5 | Development | Ashburn, VA | Jan-20 | - | 240,000 | 16.0 | - | - | - | - |
| *Subtotal* | 3.0 | | | | | 1,405,000 | 174.6 | | | | |
| *Assets Currently Under Development* (5) | | | | | | | | | | | |
| MCC2 (Phase II) | 0.5 | Development | Manassas, VA | Feb-22 | - | 102,000 | 28.0 | - | - | - | - |
| MCC6A | 1.0 | Development | Manassas, VA | Dec-21 | - | 136,000 | 20.0 | - | - | - | - |
| LC1B | 1.0 | Development | Ashburn, VA | Jun-22 | - | 520,000 | 72.0 | - | - | - | - |
| LC2 (Phase II) (6) | 0.5 | Development | Ashburn, VA | Jun-22 | - | 95,500 | 28.0 | - | - | - | - |
| *Subtotal* | 3.0 | | | | | 853,500 | 148.0 | | | | |
| **Total CloudHQ Portfolio** | **6.0** | | | | | **2,258,500** | **322.6** | | | | |

# Appendix

## Rating Rationale

| | |
|---|---|
| *ESG Policy & Practices* | TBD, expected to be Limited at this stage. |
| *Fund Structure* | Closed-end fund is appropriate for stated business plans. Expected to facilitate U.S. and non-U.S. investors. |
| *Investment Process* | Standard institutional process with respect to the JV and Cloud's decision-making practices. Tenant is heavily involved in asset/site selection process. |
| *Operational Due Diligence* | TBD, in process and previously rated A2 pass. |
| *Performance* | Limited directly applicable performance but positive thus far, including four delivered projects in this program. |
| *Sponsor* | Relatively new sponsor but consistent with most recent private market entrants in the property type. Sponsor brings experience and tenant relationships and has generally shown strong institutional investor communication and service. |
| *Strategy* | Offers a compelling risk/return profile with material de-risking elements, isolating most remaining risk to capital markets. |
| *Terms & Conditions* | Cloud has offered attractive economic terms for leading the First Close and is amenable to industry standard terms and LP protections currently being finalized. |
| *Overall* | Buy Rated |

## Investment Rating Explanation

The comments and assertions reflect Townsend views of the specific investment product, its strengths and weaknesses in general and in the context of Townsend's *View of the World* and same vintage alternative choices.

- **Buy -** Suitable for institutional investors that have a portfolio construction need. Appropriate overall risk profile given the strategy and targeted returns.
- **Qualified -** Suitable for institutional capital. In addition to customary risks, contains one or more heightened risks that should be weighed against an investor's preferences, risk tolerances, and portfolio construction needs.

Operational due diligence rating provided by Aon's dedicated multi-asset class Operational Due Diligence team according to its autonomous review of the Sponsor's policies & procedures, infrastructure and capabilities across a range of operations, middle and back office, and control functions.

- **A1-Pass** – (✓+) No material operational concerns; firm's operations largely align with a well-controlled operating environment.
- **A2-Pass (**✓) - Firm's operations largely align with a well-controlled operating environment, with limited exceptions due to resource limitations or where isolated areas do not align with best practice.
- **Conditional Pass** - Aon noted specific operational concerns that the firm has agreed to address in a reasonable timeframe.

ESG scoring and an associated rating is according to guidance from AON's internal ESG Committee and sub-committees for various asset classes.

- **Limited** - The fund management team takes limited steps to address ESG considerations in existing and anticipated portfolios.
- **Integrated** - The fund management team takes essential steps to identify, evaluate, and mitigate potential financially material ESG risks within existing and anticipated portfolios.
- **Advanced** - The fund management team demonstrates an advanced awareness of potential ESG risks in the investment strategy. The fund management team can demonstrate advanced processes to identify, evaluate, and potentially mitigate these risks across its activities.

# About The Townsend Group

Founded in 1983, Townsend Group, ("Townsend") provides a core set of investment skills exclusively focused on global real estate and real asset classes. The firm offers these capabilities to institutional investors as an investment advisor and consultant.

Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of March 31, 2024, Townsend had assets under management of approximately $20.9 billion. As of March 31, 2024, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding $237.9 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.