Responsible Investment Policy

1. POLICY INTRODUCTION:

CFI Partners, LLC ("CFIP" or the "Firm") is a predominantly credit-focused investment management firm. Our culture and investment process are rooted in three defining principles: rigorous fundamental analysis, strong risk management, and ongoing portfolio optimization.

This Responsible Investment ("RI") Policy sets out CFIP's commitment and general approach to considering pecuniary Environmental, Social, and Governance ("ESG") factors, assessing externalities, and being active stewards throughout an investment's lifecycle.

2. SCOPE AND LIMITATIONS:

This RI Policy applies to all assets under the management of CFIP, consistent with and subject to any applicable fiduciary, legal, regulatory, and contractual requirements. The extent to which CFIP can influence our invested companies and exercise control over RI issues will depend on the specific investment structure and terms. There may be instances where our capacity to conduct due diligence or manage RI concerns is limited due to our position in the investment or fund structure. In such cases, CFIP will selectively apply this RI Policy to the extent it is commercially feasible. For instance, at the investment level, our influence might be limited if our fund is a minority debtholder, our governance rights are restricted, or other conditions hinder our ability to assess, establish, or oversee RI-related performance objectives. Similarly, at the fund level, our influence might be limited in cases such as a jointly managed fund, a fund that acts as a lender without any signs of control, or an existing collateralized loan obligation vehicle with virtually unalterable investment criteria.

3. PRIMARY OBJECTIVE:

The Firm's primary objective in adopting an RI Policy is to manage the various risks and opportunities that may financially impact an investment. As an example, we believe certain ESG factors can be one of the most mispriced systemic risks in financial markets, and we view analysis of ESG factors as an integral part of our investment framework. It can facilitate improved risk identification and help avoid extreme downside events (i.e., cutting off tail risk), preserving capital for credit investments and generating superior returns in equity investments.

4. RI COMMITMENTS:

UN-supported Principles for Responsible Investment ("PRI")

As of February 6, 2023, CFIP became a signatory of the PRI. Through its association with the PRI, CFIP is committed to adhering, where consistent with our fiduciary responsibilities, to the six Principles for Responsible Investment:[1]

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

Task Force on Climate-Related Financial Disclosures ("TCFD")

As of January 3, 2023, CFIP became a supporter of the TCFD, a globally recognized framework that helps organizations disclose their climate-related risks, opportunities, and financial impacts. As a TCFD supporter, CFIP is committed to aligning our disclosures with the TCFD's recommendations to demonstrate our proactive stance towards climate-related risk management to our investors and other stakeholders and promoting more informed decision-making within our investment portfolio.

5. RI IMPLEMENTATION APPROACH:

In keeping with the commitments set forth above, the Firm encourages investment professionals to adopt these five key RI Pillars, where feasible:

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[1] "What Are the Principles for Responsible Investment?" Principles for Responsible Investment. https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment. There is no guarantee that CFIP will remain a signatory, supporter, or member of UN PRI or continue to report at the intended cadence or at all under or in alignment with UN PRI or other similar industry frameworks.

1. **Integrate ESG Factors:** Incorporate financially material ESG risks and opportunities within the investment process.
2. **Assess Externalities:** Identify the positive and negative externalities of our investment activities.
3. **Be Active Stewards:** In accordance with our Active Stewardship Policy, engage with investee entities, managers, policymakers, and industry peers.
4. **Report on RI Activities:** Monitor the impact of integrating ESG factors, assessing externalities, and being active stewards throughout an investment's lifecycle.
5. **Continue RI Education:** Staying abreast of RI developments in a rapidly changing landscape through periodic training, attending relevant conferences, and obtaining RI certifications.

The way each RI Pillar is applied may differ from one strategy to another depending on several factors, including the type of investment, data availability, and, in the case of separate accounts, investors' specific goals and targets.

The remuneration for senior leaders of investment-focused business units will include consideration of the successful adoption and incorporation of the RI Pillars.

6. RI DATA:

CFIP conducts RI analysis using various tools and resources such as MSCI data, Sustainalytics data accessed via Bloomberg, ESG commentary provided by Moody's and S&P ratings where available, and sustainability and ESG reports provided directly from investee entities.

Third-party coverage for many of our investment strategies is still improving. We continue to review potential sources of research and methodologies to improve our investment process going forward.

7. INTEGRATION OF ESG FACTORS:

In alignment with our fiduciary duties and RI primary objective, we consider the integration of material ESG factors as integral to our investment process because we believe:

1. **Strong ESG performance is good business:** Companies that perform well in financially material ESG factors make good investments. Well-run businesses devote time and resources to address these factors and position themselves for long-term success. By contrast, companies that fail to adequately address ESG

concerns may expose themselves to litigation and reputational risks that can significantly impact investment returns.

2. **ESG should be viewed through a holistic lens:** A company's overall impact extends beyond its core operations to include the impact of supply and distribution chains and overall waste, emissions, and other material factors that can impact performance because of their connection to risk and/or value.
3. **Trajectory matters in ESG:** Companies that dedicate resources to improve their efficiency and ESG performance in the future are attractive long-term investments.
4. **ESG relative value can be a competitive edge:** In addition to absolute performance, a company's relative ESG performance versus industry peers also matters in increasingly competitive sustainability-focused environments.

8. GUIDELINES ON ESG FACTORS:

No definitive list of ESG issues exists. Attempting to create an exhaustive or definitive list and accompanying definitions would neither be feasible nor desirable. Such a list would inevitably fall short and quickly become outdated.

For high-level guidelines on ESG factors, CFIP may reference PRI examples of environmental, social, and governance issues identified or assessed in ESG investment processes.

As applicable and material to any given investment, the specific ESG factors integrated into our investment process may include, but are not limited to, MSCI Industry Materiality Map factors such as:[2]

[2] "ESG Industry Materiality Map." MSCI, https://www.msci.com/our-solutions/esg-investing/esg-industry-materiality-map.

Environmental Factors	Social Factors	Governance Factors
■ Carbon Emissions	■ Labor Management	■ Governance
■ Product Carbon Footprint	■ Health & Safety	■ Ownership & Control
■ Climate Change Vulnerability	■ Human Capital Development	■ Board
■ Financing Environmental Impact	■ Supply Chain Labor Standards	■ Pay
■ Water Stress	■ Product Safety & Quality	■ Accounting
■ Biodiversity & Land Use	■ Chemical Safety	■ Business Ethics
■ Raw Material Sourcing	■ Consumer Financial Protection	■ Tax Transparency
■ Toxic Emissions & Waste	■ Privacy & Data Security	
■ Packaging Material & Waste	■ Responsible Investment	
■ Electronic Waste	■ Community Relations	
■ Opportunities in Clean Tech	■ Controversial Sourcing	
■ Opportunities in Green Building	■ Access to Finance	
■ Opportunities in Renewable Energy	■ Access to Health Care	
	■ Opportunities in Nutrition & Health	

Ultimately, the integration and impact of ESG factors will vary by data availability, industry classification, company relevance, and the type of investment, among other factors. Of the ESG factors available for analysis, CFIP emphasizes those factors related to the broader categories of climate risk and board governance.

We provide our investment professionals with guidance and resources for implementing ESG factors by investment strategy in the Firm's internal RI Procedures Manual.

9. ASSESSING EXTERNALITIES:

While all our investment strategies consider financially material ESG factors, most of our strategies, unless designated as an Impact strategy, are not designed to deliver specific sustainability outcomes, which we define as having targets or goals with respect to positive and negative externalities. Still, we seek to assess positive externalities (e.g., MSCI Sustainability Impact Metrics) and negative externalities (e.g., MSCI Controversies) connected to our investment activities. Identifying and managing negative externalities is especially important as they may carry undesired regulatory, litigation, or reputational risks.

MSCI is our primary data provider for assessing externalities. When MSCI data is unavailable, our investment team may reference additional frameworks related to sustainability outcomes in the Firm's RI Procedures Manual.

10. REPORTING ON RI ACTIVITIES:

Assessing the application and outcomes of RI activities in our investment process is important for demonstrating our PRI alignment, tracking our progress, and transparently sharing our achievements with stakeholders. To this end, we are continually refining internal reports for the RI Committee and our Annual Sustainability Report for external distribution.

11. CONTINUING RI EDUCATION:

Continuing education is integral, so the Firm provides annual RI training to all employees. Investment professionals are expected to use their best efforts to remain reasonably informed of the latest developments, best practices, regulatory changes, and emerging trends in responsible investing related to their investment strategy. In addition to the annual RI training, CFIP encourages investment professionals to attend relevant conferences and earn RI certifications, such as the CFA Institute Sustainable Investing Certificate, to enhance their expertise and ability to make informed decisions, particularly in the dynamic and evolving landscape of responsible investing.

12. STEWARDSHIP, PUBLIC POLICY & STAKEHOLDER ENGAGEMENT, CONFLICTS OF INTEREST AND PROXY VOTING:

CFIP has implemented an Active Stewardship Policy, which applies where opportunities exist to engage with investee entities, managers, policymakers, and industry peers.

The Firm’s Compliance Manual addresses our policy on managing potential conflicts of interest, including potential conflicts of interest related to proxy voting.

The investment teams oversee stewardship activities and maintain engagement records through an Engagement Tracker.

13. RI COMMITTEE:

CFIP’s culture has been developed by its senior management, who maintain oversight and accountability of CFIP’s approach to responsible investing. CFIP has established an RI Committee consisting of senior and junior individuals representing a range of business areas. Perry Hollowell, Chief Strategy Officer & Head of Sustainable Investing, chairs the RI Committee. Additional RI Committee members can be found in our RI Procedures Manual.

The RI Committee is formally responsible for CFIP's RI Policy and Strategy. Its duties include developing and reviewing the Policy, ensuring policy implementation, conducting annual assessments to evaluate responsible investment practices, promoting transparency through reporting, fostering stakeholder engagement with internal and external stakeholders, monitoring industry developments and collaborating with industry bodies and peers, and facilitating training and development.

The Investment Committee reserves the right to veto an investment based on RI considerations that could affect its expected financial return.

14. POLICY REVIEW:

The RI Policy is reviewed annually and may be changed as CFIP considers necessary or advisable.