

Active Stewardship Policy

1. POLICY INTRODUCTION:

As primarily a credit manager, the opportunity for active stewardship can be limited. However, CFIP has implemented the following ESG stewardship policy (“Active Stewardship Policy”), which applies where opportunities exist, consistent with and subject to any applicable fiduciary, legal, regulatory, and contractual requirements. The Active Stewardship Policy applies to all assets under management of CFIP.

2. STEWARDSHIP OBJECTIVES:

CFIP may engage on ESG-related and other financial issues relevant to the investment. Our primary stewardship objective is to maximize our portfolio-level risk-adjusted returns. In addition, our ability to perform this due diligence is impacted heavily by the level of disclosure made by investee entities or managers. Where possible, we may engage with investee entities or managers to improve disclosure, including:

- Requesting standardized reporting (e.g., in line with industry standards such as the ISSB Standards, ILPA data convergence project, or Global Reporting Initiative),
- Requesting ESG issues to be integrated into general annual financial reporting, and
- Requesting information around alignment to international standards (e.g., UN Global Compact).

3. SCOPE AND LIMITATIONS:

The extent to which CFIP has the opportunity and is able to conduct active stewardship activities will depend on the specific investment structure and terms. There may be instances where our capacity to conduct active stewardship activities or manage ESG concerns is limited due to our position in the investment or fund structure. In such cases, CFIP will selectively apply this Active Stewardship 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 ESG-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.

4. STEWARDSHIP PRIORITIZATION:

CFIP has established a set of ESG factors to be advanced by stewardship, which are set out in template engagement letters. We may review our prioritization of specific ESG factors from time to time, depending on issues we deem to be most material and relevant to our asset classes and investment strategies.

CFIP prioritizes stewardship activities based on a range of criteria including, but not limited to:

- The relevance and financial materiality of ESG factors, especially those which may relate to broader, systemic risks (e.g., GHG emissions, biodiversity, human rights),
- The ESG rating of the corporate entity or manager,
- The level of transparency provided by the corporate entity or manager, and
- The size of our investment and the size of the corporate entity or manager (i.e., our level of likely influence).

5. STEWARDSHIP APPROACHES AND ESCALATION:

The CFIP investment team may engage with investee entities or managers through any available method, including direct conversations (meetings or calls) with company management, emails, letter writing, or participation in collaborative engagement.

Where the investment team identifies appropriate engagement opportunities and can engage with an investee entity or manager, they should endeavor to do so. CFIP may engage with investee entities or managers at any stage in the investment process, including pre-issuance/pre-deal, pre-investment, during the holding period, at refinancing, or during a default.

Template engagement letters have been drafted for use by the investment team and will be sent to investee entities or managers. The engagement letters articulate our ESG priorities and expectations and contain guidance and resources on the ESG issues highlighted. The investment team may edit the engagement letters on a case-by-case basis.¹

¹ While CFIP intends to use such engagement letters when appropriate and feasible, there can be no assurance that CFIP's template engagement letters, or any engagement letter, will be used for a particular engagement.

If initial stewardship approaches are deemed unsuccessful, CFIP may make additional efforts. The respective investment teams are not limited by any measures that may be taken and will determine the best course of action in accordance with their fiduciary responsibilities.

6. COLLABORATIVE ENGAGEMENT:

CFIP is open to collaborative engagement when opportunities present themselves. We recognize the value of collective action and prioritize collaborative stewardship efforts wherever possible. We participate in broader industry initiatives through organizations such as the Alternative Investment Management Association (“AIMA”) to share best practices and tools, collectively address emerging issues, and further develop our approach to collaborating initiatives.²

7. PROXY VOTING:

CFIP has a separate Proxy Voting Policy, which forms part of the Firm’s Compliance Manual.

Due to the nature of the asset classes in CFIP’s investment universe, the opportunity for proxy voting is not present very often; however, where possible, we support shareholder initiatives and resolutions that promote ESG disclosures.³

Each Trading Desk voting a proxy will undertake a business analysis, maintain sufficient records, and engage the CCO to undertake the requisite conflicts of interest analysis.

8. PUBLIC POLICY ENGAGEMENT:

CFIP may engage policymakers on pertinent sustainable investing-related issues where relevant. The ESG Committee provides oversight over any sustainable investing-related political engagement, and the ESG Committee should be consulted prior to policy engagement related to sustainable investing to help ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles

² There is no guarantee that CFIP will become or remain a signatory, supporter, or member of any organization, initiative, or industry framework.

³ For the avoidance of doubt, CFIP votes in accordance with its Proxy Voting Policy, consistent with CFIP’s fiduciary duties. As such, no vote is predetermined, and CFIP cannot guarantee how it will vote on any particular shareholder resolution. CFIP considers various factors when deciding how to vote on any particular shareholder resolution, including factors related to the details of the company and of the resolution.

of the PRI. In addition, by joining membership organizations such as AIMA,⁴ we will be able to engage with policy members by:

- Participating in regulatory consultation discussions and responses relevant to our industry and asset class,
- Participating in sign-on letters on ESG policy topics, and
- Assisting in fixed income specific working groups to provide our technical expertise.

9. STEWARDSHIP OVERSIGHT, REPORTING, AND CONFLICTS OF INTEREST:

The investment teams oversee stewardship activities and maintain engagement records through an Engagement Tracker. It is the duty of the investment teams to monitor the outcomes of stewardship activities and incorporate them into the investment decision-making process.

The stewardship efforts and the Engagement Tracker will be quarterly reported to the ESG Committee for review and oversight. The ESG Committee may make ESG-related recommendations, but investment decisions will ultimately reside with the investment teams.

In addition, the Firm's Conflicts of Interest Policy applies to our stewardship activities. As an oversight mechanism, the ESG Committee must be consulted for any policy engagement or political influence to ensure that our policy activities align with our position on sustainable finance and our commitment to the 6 Principles of the PRI.

10. POLICY REVIEW:

The Active Stewardship Policy is reviewed at least annually and may be changed as CFIP considers necessary or advisable.

⁴ See footnote 2, *supra*.

11. INVESTMENT OR GOVERNANCE AMENDMENTS TO THE ACTIVE STEWARDSHIP POLICY:

Version no	Date changed	Summary of changes	Changes made by
1.0	January 2024	Initial Active Stewardship Policy	N/A
1.1	April 2024	Updated Collaborative Engagement	Perry Hollowell