

ESG Risk Governance Policy

(the “Policy”)

CIFC

Asset
Management

Integrating ESG

CIFC seeks to deliver attractive risk-adjusted returns for its investors. As a firm founded on the pillars of trust, integrity and excellence, we recognize how the Environmental, Social and Governance (“ESG”) attributes of a company may directly impact the performance of our investments. In identifying and managing investments, we seek to incorporate ESG considerations, similar to how we consider other types of risks, and consistent with and subject to any applicable fiduciary duties or legal, contractual or regulatory requirements.

We consider and incorporate certain ESG principles within the firm and we seek out/support such practices among the companies we interact with, as and when appropriate.

The Principles for Responsible Investment

CIFC is a signatory of the United Nations-Supported Principles for Responsible Investment. By becoming a signatory, CIFC acknowledges the importance of delivering tangible results with respect to responsible investing, while reporting on our approach and related developments. We are honored to be part of a growing community of financial services firms who, consistent with fiduciary responsibilities, seek to incorporate the key Principles for Responsible Investment (“PRI”).

Our Investment Approach

At CIFC, we believe that considering the material¹ ESG factors makes for responsible underwriting and potential long-term capital preservation. Our approach and our investment decisions are informed by a risk assessment driven by, among other criteria, company evaluation, industry characteristics, market view, macroeconomic concerns, transaction details and, where applicable depending on strategy or product, ESG-related risks and opportunities. CIFC believes that incorporating ESG considerations when appropriate as part of the initial due diligence and ongoing monitoring of an investment may enhance the performance of our investments over time.

1. For the purposes of this Policy, “material” ESG issues are defined as those ESG issues that CIFC determines have – or have the potential to have – a significant impact on an organization’s going-forward ability to create, preserve or erode economic value for that organization and its investors.

ESG in the Investment Process

As with other components of our investment process, ESG analysis, when appropriate, is the responsibility of our investment team.

The credit markets in which we predominantly invest have inherently limited availability and standardization of ESG-related data or metrics relative to the public and certain other markets. Our investment team strives to engage with our borrowers, financial sponsors and banks to better understand the potential economic impact of material ESG factors to our investments, as we do with other risk factors. Our research analysts typically rely on third-party ESG resources that are considered dependable during the investment evaluation phase, such as information provided by ESG data science provider RepRisk, sustainability issues identified by the Sustainability Accounting Standards Board (SASB) Materiality Map, ratings agencies' reports, third-party experts, and other ESG ratings or scores, to the extent available.

These resources help us consider and capture the ESG factors most relevant to the industries in which we invest, so they may be thoughtfully applied to our investment decisions wherever deemed material. CIFC may often lack access or influence to directly engage on material ESG topics or findings with respect to investment opportunities. However, where such opportunities to engage with issuers or related stakeholders are available (before or after investment) and there is financial interest to do so on behalf of our investors, CIFC may explore opportunities to (i) better understand the extent of material ESG risks (or management thereof), (ii) advocate for programmatic improvements that can build value and leverage ESG opportunities, (iii) instill closer or more frequent monitoring of material ESG risks, or (iv) collaborate with other stakeholders to address mutual ESG issues where there is commercial/financial incentive to do so.

The factors we consider – which may vary by country, region, or sector of an investment – typically are outlined in our underwriting memoranda, as applicable, and are reviewed by the applicable Investment Committee. Rooted in third-party industry frameworks (such as the SASB standards), these ESG factors may include, but are not limited to, (i) environmental factors (e.g., greenhouse gas emissions and air quality; energy, water and wastewater management; waste and hazardous materials management; combined ecological footprint and impact), (ii) social capital factors (e.g., human rights; customer privacy and data security; access and affordability; product quality and safety; customer welfare, sales practices and product labeling; labor practices, employee health and safety; employee engagement, diversity and inclusion), and (iii) corporate governance factors (e.g., business ethics and competitive behavior; management of the legal and regulatory environment; critical incident and systemic risk management).

Lastly, CIFC worked closely with the Loan, Syndication and Trading Association ("**LSTA**") to establish a standardized ESG diligence questionnaire that has been adopted by its key constituents (borrowers, banks and investors) to establish an ESG-based diligence focus on the loan asset class. We believe this is a significant step forward in bringing "ESG thinking" to the loan industry and will help bring further attention to the need for future ESG risk management.

Screening the Investable Universe

At our discretion, we generally exclude investments in companies that generate significant revenues directly related to (i) nuclear, chemical, biological, land mine, or cluster bomb weapons systems, (ii) production of tobacco, and (iii) production of pornography due to the significant legal or macroeconomic risks associated with such investments.

We intend to comply with applicable laws and regulations, including various governmental sanction lists. For example, we seek to not invest in jurisdictions listed in the UN sanctions list, which would cause investments in certain jurisdictions to be excluded, such as Cuba, Iran, North Korea, Russia, Syria and other conflict regions that may be listed in sanctioned lists issued by regulators having jurisdiction over CIFC or its affiliates.

Further, our investors may require us to seek to avoid certain types of investments or jurisdictions as part of their own mandates.

Stewardship and Management of ESG Risks within the Portfolio

We are cognizant of our stewardship obligations as part of the value-creation process in relation to the assets we manage. In circumstances where CIFC may have material organizational influence or control, we strive to take an active role and maximize our investors' interests. In circumstances where we may lack the access or influence to directly engage on material ESG topics, which is most common for us, we strive to make reasonable efforts to encourage our investments to consider material ESG-related principles and to support their implementation where possible.

Where conflicts of interest arise from our approach to stewardship and CIFC's other activities, and to the extent such conflicts are related to ESG considerations, our investment team is tasked with escalating conflicts to our ESG Committee. Notwithstanding anything in this Policy to the contrary, CIFC does not expect to subordinate an investor's investment returns or increase an investor's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Material ESG-related risk factors, which may provide a more complete picture of the financial risks and opportunities faced by a borrower and therefore be a component of our investment analysis, include those that directly relate to the matters such as (but not limited to): human rights and fair labor practices among our borrowers and their supply chains; business management practices that take into account physical and transitional climate risks (*i.e.*, business continuity planning); privacy and security safeguarding; or reform of, or compliance with, health and safety management regulatory requirements.

Reporting and Transparency

This Policy is meant to provide transparency and disclosure to our investors and other stakeholders, and to describe our approach in managing ESG-related risks in the course of our investment management.

Where applicable, CIFC will seek to highlight material ESG-related topics in our investor reporting, as we recognize that such risks may be long-term drivers of investment value. Such ESG-related communications may include portfolio-level updates, select investment-level updates, or internal program-related updates (*i.e.*, policies, oversight) regarding CIFC's responsible investment process.

Accountability and Oversight

ESG-related matters at CIFC are subject to the primary oversight of the ESG Committee, which is comprised of various members of senior management. The ESG Committee meets at least quarterly and on an ad hoc basis, as issues relating to ESG matters arise for its consideration. Additional responsibilities related to the fulfillment of the Policy's commitments are shared among other members of our various teams, including the applicable investment team and investment committees, investor relations, and legal and compliance.

Members of CIFC's senior leadership are a driving force in our recent, current, and planned ESG initiatives, and have fully supported our efforts to establish an ESG program that better allows us to carry out our fiduciary responsibilities. To further operationalize ESG within our firm and our investment practices, CIFC has undertaken several ESG initiatives including, developing an ESG score card for our direct lending strategy, annual training for investment team members and engagement of a third-party ESG advisor for ongoing support.

ESG at the Firm Level

ESG considerations are also at the core of CIFC's philosophy in defining our work environment. Our hiring policy is mindful of supporting diversity, equity and inclusion while actively training and fostering a workplace free of discrimination and harassment. We work to ensure that our employees enjoy comprehensive benefits and a supportive work environment. Additionally, CIFC contributes financially to the numerous philanthropic programs spearheaded by our employees to support the communities where we work and live. Lastly, CIFC is committed to doing its share to reduce our environmental impacts through firm-level initiatives such as eliminating single use plastic water bottles from our offices, and significantly reducing the amount of paper that is used by having employees use tablets whenever possible.

In summary, we firmly believe that the implementation of ESG considerations makes us stronger as an organization, and consideration of material ESG factors make us more diligent investors and better stewards of investor capital.

Policy Review

CIFC will review this Policy at least annually and update as deemed necessary. Furthermore, we may engage third-party ESG advisors to assist us in identifying shifts in the ESG landscape, improving the identification of ESG opportunities, and mitigating risks associated with ESG issues.

This Policy was last updated in July 2024 and is subject to change as CIFC considers necessary or advisable.

Important Information

This Policy is applicable to CIFIC Asset Management LLC and its affiliates (collectively, "CIFIC").

This Policy is for professional investors use only and should not be relied upon by retail investors.

This Policy is not intended to provide specific investment advice or recommendations for any purchase or sale of any specific security or asset.

This Policy is not to be construed as legal, regulatory, business, accounting or tax advice. You should consult your own attorney, business advisor, accountant and/or tax advisor prior to entering any transaction.

This Policy is not, and is not intended to be, an offer to sell, or a solicitation of an offer to purchase, any securities or any other interest in CIFIC or in any fund, account or other investment product or assets managed by CIFIC or to offer any services. Any such offering and sale would be made only on the basis of certain transaction documents and, as the case may be, a final offering circular and related governing and subscription documents (together, "Transaction Documents") pertaining to such offering and sale and is qualified in all respects and in its entirety by any such final Transaction Documents. In the event of a conflict between this Information and the Transaction Documents, the Transaction Documents prevail.

This Policy is subject to change at any time without notice.

Considerations of ESG factors in the investment process may ultimately affect investment returns and may cause lower returns than would have been the case had these not been considered. While CIFIC may consider ESG factors when making an investment decision as described in this Policy; however, unless outlined otherwise in the Transaction Documents, CIFIC does not pursue an ESG-based investment strategy and does not promote environmental, social or governance characteristics.

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