RESPONSIBLE INVESTING POLICY

MACKAY SHIELDS FUNDAMENTAL EQUITY TEAM

EFFECTIVE SEPTEMBER 2022

Introduction

As long-term investors, the MacKay Shields Fundamental Equity Investment team (the “Team”) assumes that any material vulnerabilities in a company’s business model or potential risks to its earnings are likely to be exposed over our investment horizon. We consider ESG-related issues as a set of factors which may not necessarily be captured by, or correlated with, traditional financial metrics but are fundamental to evaluating the sustainablity of a company’s business model. Given our focus on sustainable business models, we view the analysis of ESG considerations as a primary component of our investment process.

Our Responsible Investing Policy is specific to our Team, and is aligned with MacKay Shields Responsible Investing (RI) Policy.

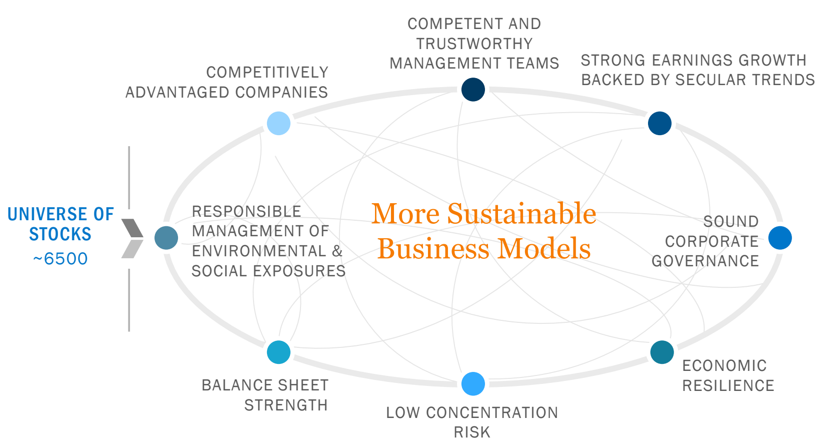
Sustainable Growth Investing	ESG Integration	Stewardship & Engagement
We define sustainable growth companies as having business models that aim to satisfy the demands of all relevant stakeholders and long-term growth prospects that are underpinned by secular trends.	An analysis of company specific ESG factors is integrated into our qualitative ranking system. The team’s proprietary assessment of ESG opportunities and risks are considered primary factors in determining portfolio holdings and position sizing.	As part of our investment strategy, we leverage engagements with management and proxy voting as sources of information and opportunities to reinforce our commitment to sustainable investing.

Approach

We believe that share prices will follow the trajectory of earnings over the long-term and investing in sustainable growth companies at reasonable valuations will lead to superior risk-adjusted returns over a market cycle. Our fundamental, bottom-up research-driven investment approach is designed to identify sustainable growth companies. The initial stage of our research process makes a qualitative assessment of the sustainability of a company’s business model based on our investment selection criteria. Using our proprietary scoring system, we eliminate companies that do not meet the minimum thresholds for any of our investment selection criteria from our research universe. The next stage of our process includes detailed financial modeling and valuation analysis for companies that meet our investment selection criteria. The opportunities and risks identified in our qualitative analysis are reflected in our financial modeling, particularly in the growth rates, discount rates, and multiples we use to value a business. In the last stage of our process, we combine the qualitative analysis captured by our scoring system with our valuation framework to construct a concentrated portfolio of the most attractive opportunities within our investment universe.

INVESTMENT PROCESS | ESG IS AN INTEGRAL PART OF INVESTMENT SELECTION AND SIZING

Investment Selection Criteria



Valuation

Reasonably priced valuation multiples relative to long-term earnings potential	Valuation multiples driven by growth assumptions and discount rates	Assumptions in financial models reflect conviction in a sustainability of business model

Investment selection criteria from foundation for valuation approach

ESG Integration: A Closer Look

INTEGRATION INTO OUR RESEARCH PROCESS

In order to identify sustainable business models, the Team's investment selection criteria include Sound Corporate Governance and the Responsible Management of Environmental & Social Exposures. The fundamental analysis of these two criteria are viewed as essential to understanding the sustainability of a company's business model and integrating ESG related opportunities or risks into our long-term financial forecasts. Our analysis of ESG related citeria focuses on the materiality of a company's exposures and management of those exposures. While scores are based on our botttom-up analysis for each company under consideration, the list of factors illustrated in Table 2 below are used to help guide our analysis.

Corporate Governance: Board Structure, Shareholder Rights, and Stakeholder Management

Low Risk	Medium Risk	High Risk
Strong corporate governance characterized by highly independent board, strong protections for the rights of all shareholders, single share class with equal voting rights, no apparent conflicts or cross-shareholdings, lack of related-party transactions, high-degree of transparency supported by clear policies, and highly effective stakeholder management.	Adequate governance characterized by appropriate checks and balances on power of any significant shareholders or individual, sufficient protections for the rights of all shareholders, single share class or reasonable alignment between voting rights and economic interests, no significant conflicts of interest, limited cross-shareholdings, limited related-party transactions, and reasonable stakeholder management.	Weak governance characterized by a lack of checks and balances on power of major shareholders or individuals, insufficient protections for minority shareholders, multiple share classes or unequal voting rights, limited ability of shareholders to determine board composition, conflicts of interest or significant cross-shareholdings, significant related-party transactions and poor stakeholder management.

Environmental & Social: Regulations, Climate Change, Human Capital, Data & Privacy, Product Governance, Supply Chain, etc

Low Risk	Medium Risk	High Risk
Low exposure and effective management of environmental, social, and regulatory risks. Indicators of effective management include a track record of avoiding or mitigating potential impacts from regulatory issues, policies to identify and address specific risks, committees to monitor effectiveness of policies, a high degree of visibility across supply chains, positive reputation with employees and customers, and specific climate or social targets.	Low exposure to environmental, social, or regulatory risks or moderate exposure and effective management of these risks. Moderate exposure includes low probability events which could have a direct material impact a company's short-term financial outcomes.	High level of exposure to environmental, social or regulatory risks which cannot be mitigated with effective management or moderate exposure and insufficient management of these risks. Indicators of weak management of risks may include a track record of regulatory issues, material litigation, protracted labor negotiations, data or privacy breaches, and controversies associated with products or services.

Companies that are considered high-risk from either a Corporate Governance or Environmental & Social perspective are eliminated from consideration from the portfolio, as we believe they are more likely to face pressure from stakeholders, which could negatively impact their growth trajectory and financial returns. The qualitative assessment of ESG related considerations for companies that meet our criteria serves as the foundation for our valuation analysis, which is used to determine the holdings and position sizes in our portfolios. All else being equal, a company with a low-risk ESG profile would benefit from some combination of a higher expected growth, lower discount rate, or higher multiple relative to a company with a medium-risk ESG profile and thus warrants a larger position size in the portfolio.

Consistent with the approach of analyzing our other investment selection criteria, we rely on our Team's judgement and experience to evaluate the opportunities and risks associated with a company's ESG profile. Analysts utilize a combination of company published materials, engagements with management, industry data, sell-side analysts, company-specific ESG reports, third-party ESG scores, and any other ESG relevant information or data to assess a company's exposure to and management of ESG related issues.

Stewardship & Engagement

As fiduciaries and stewards of our client's assets, it is our view that engagement with executive management can be an opportunity to enhance shareholder value and encourage sustainable business practices. Engagement is considered an ongoing dialogue, where our objective is to inform our investment decision-making process and encourage management to consider the sustainability of the company's business model in their decision-making process. Dialogue with management enables us to understand a company's approach to stakeholder management and assess both its exposure to and management of ESG issues. We also use engagement as a tool to highlight the importance of establishing robust disclsoure and increased transparency in the reporting on ESG metrics. We seek to regularly engage with the management of our holdings and prioritize engagements with companies actively being considered for inclusion in our portfolios. Means of engagement can include written communication, meetings, calls, and site visits. To encourage transparency for our investors, we maintain a log of our meetings and interactions.

We identify cases for engagement both proactively and reactively, with triggers for engagement including: newsflow, earnings announcements, broker sponsored management roadshows, and routine due diligence. Any material event or specific news which may impact the future financial outcomes of a company typically lead to an engagement. When material ESG issues are raised in an engagement, we monitor the company's response and aim to track outcomes. Progress towards meeting milestones and agreements set forth in an initial engagement may lead to an update in our scoring, which could result in a higher weighting for holdings or cause us to revisit an idea for consideration in the portfolio. In cases where a management team fails to recognize the importance of an ESG related issue or there are no signs of addressing an issue we have raised, it would negatively impact our view on the sustainability of the business model and may cause us to pass on a potential investment recommendation or lower the position size of a holding. If we feel that the issue materially changes our view of the sustainability of the business model for a holding, we may downsize or exit the position.

Proxy voting is another tool of engagement at our disposal as equity investors. By and large, our investment philosophy and process often lead us to invest in companies where controversial voting issues rarely occur. In cases where we believe shareholder proposals are not aligned with our sustainable growth investment approach, or have the potential to negatively impact other stakeholders, we will vote against management. Factors that may also influence our voting decisions are industry groups and investor collaborations we are party to.

Climate Change & Climate-Related Indicators

As with other ESG factors, we recognize that climate-related risks can have a significant impact on companies across our investable universe. Given our long-term investment horizon, climate change and the associated impacts on the environment are considered when assessing the sustainability of a company's business model and the potential impact on its long-term financial outcomes. While we seek to avoid risks associated with climate change, we have also identified secular trends that are underpinned by the need to combat climate change and have invested in a number of companies that are providing solutions to help protect the environment. Carbon metrics that measure carbon intensity and the carbon footprint of individual companies, as well as the portfolio as a whole, are monitored to better understand potential climate-related risks. Importantly, these risks are considered in terms of company specific exposure and therefore may be more relevant to certain companies than others. The climate-related indicators we consider may evolve over time as part of our ongoing and rigorous research process.