RESPONSIBLE INVESTING POLICY

CONVERTIBLES

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Introduction

The MacKay Shields Convertible Team (the "Team") is an equity-oriented convertible bond manager. The Team seeks to provide participation in the equity markets while emphasizing downside protection, by combining a disciplined investment process with the fundamental judgment of seasoned professionals. The Team's overall strategy is designed to provide competitive performance with below-average market risk while focusing on those convertible securities that offer the best risk/reward profile.

In line with MacKay Shields' Responsible Investing (RI) Policy, we recognize that material environmental, social, and governance ("ESG") factors can have an impact on long-term investment outcomes and, therefore, are a natural and important component of disciplined investment research and portfolio management process. Each team member is accountable for incorporating ESG considerations into their analysis, ensuring a comprehensive evaluation of potential investments. While the firm policy will detail many aspects of our responsible investing processes, including our treatment of exclusions, approach to climate change, and governance of our responsible investing activities, the below policy is meant to illustrate how these processes are incorporated into and adapted for our Team's specific investment philosophy and process.

Research Process[1]

Our Team's strategy utilizes analysis of the capital structure that seeks to determine which security provides the best risk/reward trade-off for investment. We employ a bottom-up approach which looks to identify the merits of convertibles relative to the underlying common stock. Once the structure review is complete, the Team begins its fundamental equity analysis with a goal of identifying the most material risks an issuer faces, to ultimately discern fair value for that issue. Risk can present itself in many forms, including technological change, demand/supply characteristics, company positioning, undue leverage, regulatory issues, and ESG-related factors. These, and other risk factors, are incorporated into the Team's research and decision-making processes.

When analyzing the ESG risks of any potential investment, the Team seeks to understand the weight of importance of each risk and ascertain what impact such risks may have on the business, and in what time horizon. We focus on finding core businesses that have:

- management teams that are strong, experienced, and demonstrate good governance2:
- underleveraged balance sheets,
- cash flow generation that exceeds capital expenditure, and
- earnings that are projected to increase over time.

1. The processes and procedures described in this Responsible Investing Policy, including without limitation ESG scoring, is applicable only to actively managed investment strategies. From time-to-time the Team may manage accounts pursuant to non-actively managed investment strategies, including (without limitation) an account with investment strategy or investment objective to substantially track and index or to maintain a low tracking error, and the processes and procedures described herein will not be applied to the management of such accounts.
2. Our use of the term good governance here is not directly tied to any market-based definition of good governance (i.e., EU SFDR).

The Team seeks to identify a catalyst that gives it confidence that the underlying stock price will appreciate in the near-term before it feels confident in buying the convertible. Further, the Team conducts an analysis of the sector in which the company operates.

Our comprehensive evaluation process integrates material ESG risks and opportunities with current pricing dynamics for each investment opportunity. Our 1-4 ESG scoring system reflects our judgment of the scope and materiality of specific ESG factors and their anticipated impact on an issuer's long-term viability and financial outcomes. Scores are assigned to each Environmental, Social, and Governance pillar, which then inform the composite ESG score of an issuer. These categorizations are a signal to the portfolio management team of how much risk and/or opportunity is inherent in any given issue, and therefore may influence not just inclusion into a portfolio, but also the relative sizing of that position. Ultimate implementation and oversight of ESG ratings is the responsibility of the Team's lead portfolio manager.

ESG RISK AND OPPORTUNITY PERFORMANCE INDICATORS[3]

	Risk Group Score			Composite Score
	Environment	Social	Governance	
CORPORATE	Pollution & Waste Resource Management Green CapEx Climate Change (Physical & Transition Risks)	Human Capital Management Labor Relations (Collective Bargaining) Product Quality & Safety	Business Ethics Financia/Capital Structure Policy Transparency & Accountability	

Portfolio Construction

We weigh our clients' interest in strong returns against the risk factors associated with the portfolio. As it relates to ESG-related risk factors, our commitment is to ensure that such factors are properly assessed and taken into consideration when constructing and managing client portfolios. The determination of whether specific securities warrant inclusion in the portfolio is first based on client mandate suitability. If the security fits client guidelines, then inclusion is based on our assessment of the risk-adjusted return potential versus other investment alternatives as well as the impact on the return and risk profile of the portfolio in aggregate. The manner in which ESG-related factors will affect security selection is qualitative. The most straightforward case of how ESG risks are implicated in portfolio construction involves two securities that have similar return profile but different ESG characteristics. We will prioritize the security with the better ESG rating.

In addition, a security's ESG profile plays a factor in our conviction level –and the weighting– of that security in the portfolio. Generally, the largest positions in our portfolios are ones with favorable ESG profiles or where we believe there is significant potential for improvement. We work with clients on a case-by-case basis to determine whether additional ESG specific considerations should be taken into account in the construction of their respective portfolios (e.g., restricted security or industry list, prohibition of investments with a certain ESG risk group rating). We have experience managing bespoke ESG-conscious portfolios based on client risk and return objectives. Portfolios can be customized on sector exclusions, issuer exclusion lists, and

3. Not an exhaustive list of indicators used for ESG Integration

third-party ESG rating guidelines. In addition, portfolios can utilize our ESG scores as part of their ESG guidelines. We can provide customized ESG reporting on ESG risk group exposures and third-party ESG data analysis.

Collaboration with the Responsible Investing Team

We believe that while ESG analysis is most effectively conducted directly by investment teams, the rapid evolution of sustainability issues, regulations, and global themes necessitates the provision of additional tools and resources to ensure thorough and responsible analysis. To meet our fiduciary obligations, analysts are equipped with internal ESG scoring tools and can draw on the expertise of the Responsible Investing team when sustainability concerns are particularly significant or closely aligned with a client's specific goals. This collaborative approach leverages both the deep asset and sector knowledge of the analysts and the RI team's specialized insights into sustainability trends and regulations. By combining these strengths, we enhance the overall quality of the investment process, aligning financial returns with responsible investment practices and ensuring that our teams remain adaptable and informed in a changing landscape.

ADDITIONAL DISCLAIMER

As all asset classes are not created equal when it comes to ESG data and application, we retain discretion to apply certain aspects of this policy to a greater/lesser extent depending on data availability, investment time horizon, and client objectives. In addition, we believe that there is no conflict between this policy and our responsibilities as an ERISA fiduciary with respect to our ERISA clients.

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