RESPONSIBLE INVESTING POLICY

GLOBAL FIXED INCOME & GLOBAL CREDIT

MACKAY SHIELDS
A NEW YORK LIFE INVESTMENTS COMPANY

Table of Contents

Introduction

The MacKay Shields Global Fixed Income & Global Credit team (the Team) manages a diverse portfolio of fixed income assets, encompassing corporate investment grade (IG) and high yield (HY) bonds, securitized products, and sovereign debt across developed and emerging markets. Our strategy aims to deliver competitive performance with below-average market risk by synergizing top-down macroeconomic analysis and bottom-up fundamental research, both supported by data-driven quantitative analysis, to identify securities offering optimal risk/return profiles.

In line with MacKay Shields' Responsible Investing 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 approach to Responsible Investing (RI) aligns with our overarching investment approach, which aims to eliminate uncompensated risk through rigorous fundamental analysis. ESG considerations are inseparable from our credit assessments. However, we recognize it is often difficult to estimate these risks and assign adequate compensation. Our research process is designed to identify and avoid potential outliers of uncompensated risk, including pertinent ESG factors.

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 risk group 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. Key features of our ESG integration process include:

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 an 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.

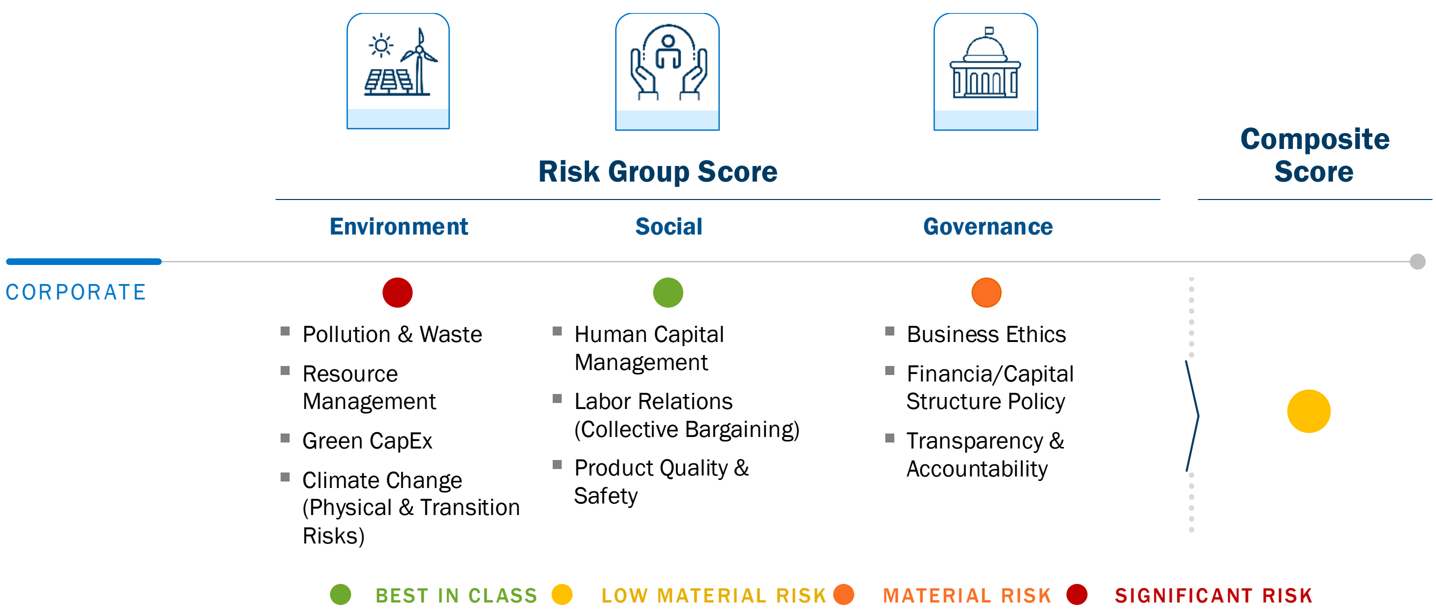
- **Uniformity across asset classes:** Our scoring methodology is consistently applied across all investment types for comparability and coherence in our ESG assessments.
- **Adaptability to asset specifics:** While the overall framework remains constant, we tailor the starting points and inputs to the unique characteristics of each asset class (e.g., corporate debt vs. securitized bonds) and region (e.g., developed vs. emerging markets).
- **Nuanced, forward-looking risk assessment:** By breaking down ESG factors into individual pillars and focusing on understanding the preparedness to handle material ESG risks rather than relying on backward-looking quantitative data, we strive to capture a more nuanced picture of an issuer's long-term risk profile.
- **Integration with financial analysis:** ESG scores are considered alongside traditional financial metrics, providing a holistic view of each investment's risk-return profile.

This dynamic approach enables us to make more informed investment decisions, potentially enhancing long-term risk-adjusted returns while promoting responsible investment practices across our global fixed income portfolio.

ESG RISK AND OPPORTUNITY PERFORMANCE INDICATORS[2]

CORPORATE BONDS

When conducting ESG analysis of corporate issuers, the SASB (Sustainable Accounting Standards Board) materiality map is leveraged as a guide to help identify "sustainability issues that are likely to affect the financial condition or operating performance of companies within an industry." Analysts may also reference external third-party ESG data providers as a tool to gain deeper insight into material ESG issues, though our research may not align with external views. ESG risk groups for corporate issuers are first compared on a relative basis with peers in similar industries and then compared across industries, given that certain sectors are more exposed to material ESG issues (e.g. energy and transition risk). Issuers with considerable uncompensated ESG risks may be eliminated from consideration.



EMERGING MARKET DEBT

ESG analysis in emerging markets (EM) demands unique considerations, particularly for sovereign investments. EM sovereigns often face distinct challenges such as lower wealth levels, greater dependence on hydrocarbons, and less robust political governance, potentially resulting in lower ESG metrics compared to developed market peers. To address these nuances, our Team has adapted the 1-4 scoring system for assessing ESG sovereign risk holistically. This framework covers both emerging and developed markets, enabling a contextual understanding of EM challenges within the broader global market. This approach allows

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

for more accurate ESG assessments in EM, acknowledging the complex interplay of factors affecting these economies; and enables us to make more informed investment decisions, balancing potential returns with a deeper understanding of ESG risks specific to EM sovereigns. For more information on the RI process within Emerging Markets, please refer to the [EMD Team's RI Policy].

Risk Group Score | **Composite Score**

	Environment	Social	Governance	Composite Score
SOVEREIGN	■ Energy Security/ Equity ■ Environmental Health ■ Ecosystem Vitality	■ Human Freedom Index ■ Global Health Security Index ■ Access to Information & Communication	■ Political Stability ■ Regulatory Quality ■ Corruption Perception Index	

BEST IN CLASS   LOW MATERIAL RISK   MATERIAL RISK   SIGNIFICANT RISK

SECURITIZED PRODUCTS

For mortgage-related and other securitized assets, material ESG factors are considered at an asset type and security level. In our view, governance is most material within our evaluation of the underwriting or origination and the servicing of a particular issue. If our analysis yields low confidence in the governance of a securitized product, then we will not invest in the security. Environmental and social issues are more relevant when analyzing the pool of assets secured in the loan (i.e. housing affordability or physical climate risk issues for MBS). While ESG considerations vary based on asset type, each element can impact the risk, compensation for risk and expected performance of an asset category or an individual security.

Risk Group Score | **Composite Score**

	Governance	Environment	Social	Composite Score
SECURITIZED	**Is the underwriting and origination of the security done with integrity?**	How does the security affect issues such as access to renewable energy and electric vehicles contribute to Affordable & Clean Energy (SDG7) and Industry, Innovation & Infrastructure (SDG9)?	How does the security affect issues such as access to housing, education, and other general financing contribute to Decent Work & Economic Growth (SDG8) and Reduced Inequalities (SDG10)?	

BEST IN CLASS   LOW MATERIAL RISK   MATERIAL RISK   SIGNIFICANT RISK

LABELLED BONDS

Underlying our approach to labelled securities is the belief that authenticity in any sustainable investment is grounded in an organization's strategy and governance, rather than a standalone tangential project. We find that companies issuing labeled bonds to finance discrete projects while lacking a broader strategy around sustainability issues are less likely to be committed to achieving such goals. We make exceptions only for use of proceeds bonds that fund projects that we believe will credibly enable an issuer to achieve its plan to become more sustainable companywide.

To assess the impact materiality of an issuer's sustainability efforts and whether a bond will further them, we generally consider:

- Does the issuer have a well-developed sustainable finance framework?
- Is that framework reflected across the organization's practices?
- Are the projects that are to be funded by the debt well aligned with the issuer's mission?

If the impact materiality of the investment ill-defined or immaterial to the organization's strategic goals, we may conclude that the bond is an opportunistic financing vehicle rather than an authentic instrument of sustainable finance.

Portfolio Construction

We weigh our clients' interest in strong returns against the risk factors associated with the portfolio. Our commitment is to ensure that such factors, both financial and non-financial, 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. Client guidelines may exclude specific securities from the opportunity set, which may be based on both ESG or other factors. 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 affect security selection may be qualitative as not all risks are easy to quantify.

The most straightforward example of incorporating ESG risks into portfolio construction involves comparing two securities with similar return profiles but differing ESG characteristics. In this case, we would prioritize the security with the higher ESG rating. Our rationale is that companies that effectively manage both financial and non-financial risks, including those related to ESG, are more likely to deliver stronger long-term performance. Furthermore, a security's ESG profile plays a role in determining our confidence in its potential, which thereby influences its weight in the portfolio. Generally, our largest portfolio positions are in companies with strong ESG profiles or those where we see significant opportunities for improvement.

We work with clients on a case-by-case basis to determine whether additional sustainability considerations should be taken into account in the construction of their 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 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.

Engagement

We view engaging with issuers as a natural part of the investment due diligence process. Our analysts engage with issuers to build relationships and create a constructive environment of information sharing. The knowledge gained during our engagement activities, along with our credit analysis and information received from third parties, help us to better assess the ESG risks an issuer faces and the issuer's awareness and management of such risks. We believe engaging on these topics are important for three main reasons:

1. To promote disclosures and data transparency
2. To enhance our understanding of a company's potential ESG risks and opportunities, and
3. To share industry best practices in managing material ESG risks and opportunities

We seek to engage with issuers through meetings with company management, investment roadshows, onsite visits, industry conferences, and other interactions.

In those specific instances where an ESG-related matter is significantly material to the return profile of an issue, the position or potential position size is substantial, and we believe we are capable of meaningful influence with the management team; we will conduct more direct and focused engagements with targets for improvement over time on said matters. If the outcome of an engagement is unsatisfactory and we still feel that the level of ESG risk is not being appropriately compensated or addressed, we may escalate by downsizing or simply exiting the position altogether.

Our ESG-focused activities are logged and monitored in our in-house ESG database alongside our proprietary ESG assessments of issuers we track. To supplement the Teams' efforts, we also actively collaborate with our trading partners, including sell-side syndicate desks, data vendors, and industry peers to enhance knowledge and share experiences.

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.