



PPMAMERICA

RESPONSIBLE
INVESTMENT
POLICY STATEMENT

OUR PHILOSOPHY

At PPM America, Inc. (PPM), we believe integrating sustainability factors into our investment process is important – for our clients and for our communities. Our investment teams have long considered environmental, social and governance factors in their analyses, acknowledging the material impact these factors may have on the long-term risk and return of our investments. The consideration of these factors helps us make more comprehensive assessments of risks and opportunities and is directly linked with our mission to meet the unique investment objectives of our clients.

PRINCIPLES FOR RESPONSIBLE INVESTMENT

In 2018, we formalized our responsible investment and sustainability framework. To demonstrate our commitment to responsible investing on behalf of our clients, PPM became a signatory to the United Nations-supported Principles for Responsible Investment (PRI) in October 2018. We believe the PRI provides a guide to enhancing our ability to help our clients meet their responsible investment goals. Our public Signatory Report and additional information regarding the PRI's methodology is available via <https://www.unpri.org/>.

Signatory of:



SCOPE OF POLICY

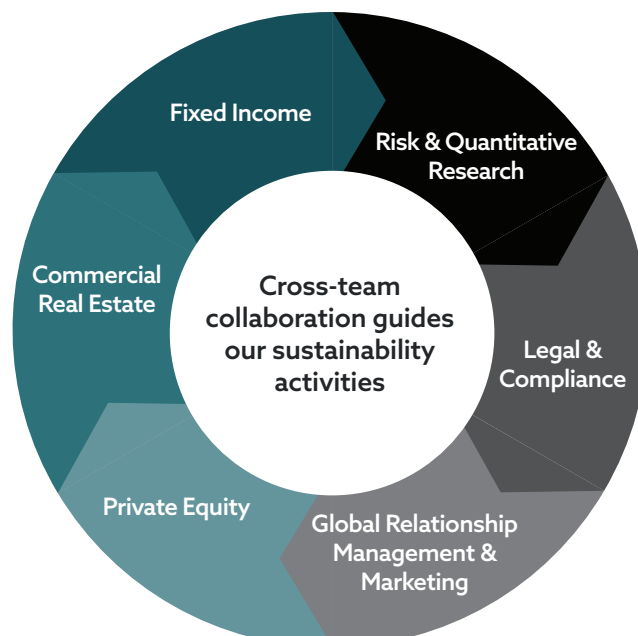
Our integrated approach to responsible investment applies to all asset classes, including public fixed income, private debt (credit and real estate) and private equity. While our broad framework at the firm level sets the tone for each asset class, portfolio managers have the flexibility to let the unique characteristics of their portfolios inform their analysis and portfolio construction.

MISSION STATEMENT

Our mission is to be seen by clients and their advisors as a consistently reliable partner to help them achieve their long-term value goals. This includes constructing portfolios that support each client's sustainability goals and objectives. Consistent with our fiduciary obligations, we incorporate sustainability factors into our investment analysis as we seek to consider all factors that can impact our ability to deliver positive investment results for our clients.

STRATEGY AND GOVERNANCE

Our responsible investment activities are guided by the PPM Responsible Investment Working Group (Working Group), chaired by our President, CEO & CIO. The Working Group meets at least quarterly and includes members from across PPM. This broad participation encourages diverse viewpoints, which are valuable as we continue to refine our approach to responsible investing on behalf of our clients. PPM's Head of Sustainability Communications assists with centralizing our responsible investment activities, communicating our efforts with stakeholders and clients, and working with leadership to execute our sustainability initiatives.



The Working Group's primary functions are to:

- > Oversee and govern the firm's responsible investment initiatives and requirements, including those of individual clients, investment strategies and investments
- > Provide a management level forum for the review and discussion of responsible investment matters and topics
- > Provide responsible investment-related analysis, reporting and recommendations to the various stakeholders

¹ As of 31 December 2024. Opinions expressed herein are current as of the date indicated and are subject to change without notice. Forward-looking statements are subject to uncertainties that could cause actual developments and results to differ materially from the expectations expressed.

RESPONSIBLE INVESTMENT FRAMEWORK

Integrating sustainability factors in our deep fundamental research helps us make more comprehensive assessments of risks and opportunities on behalf of our clients. Our investment teams make a judgement regarding the materiality of sustainability factors to a specific investment opportunity. The factors we consider will vary depending on the asset class, industry and/or individual issuer.

ASSET CLASS INTEGRATION

At PPM, we believe our investment professionals are in the best position to evaluate sustainability factors and decide when they may have a material impact on the financial performance of an investment. Our integrated approach is flexible, allowing the unique characteristics of the asset class to inform our analysis.

Fixed Income

As part of the fixed income credit research process, analysts make a judgement regarding the materiality of each sustainability issue. Their assessments of material sustainability issues or risks are summarized for investment committees, or discussed in sector and company update meetings with portfolio managers. In addition to information provided by issuers, the credit research team uses, at their discretion, external research from rating agencies, sell side brokers and third-party data providers.

Our credit analysts regularly seek discussions with company leadership providing opportunities to gain additional perspective on sustainability and related risks, through in-person meetings, investor phone calls, and industry conferences.

When third-party ESG/sustainability ratings are not readily available, wherever possible our analysts rely on inputs from our existing investment process to assess a company's current and future sustainability positioning. For public fixed income, our view on sustainability is derived from an objective score and a subjective forward-looking momentum indicator which are used to generate an internal sustainability score that is published in our proprietary Credit Research Portal.

Portfolio managers access a dashboard in Aladdin®, PPM's enterprise investment management system, to review issuer, industry and portfolio level reporting, which is driven by a robust third-party ESG issuer-level dataset that covers an extensive universe of public corporate bonds. MSCI ESG ratings and scores are also integrated into both our proprietary Credit Research Portal and Aladdin® to support our broader portfolio monitoring efforts. These tools allow portfolio managers to evaluate the sustainability characteristics of their portfolios both separately and relative to a benchmark.

Securitized

As part of their investment recommendation process, the securitized team regularly reviews the three pillars of securitization: origination/servicing, collateral and

structure. Where third-party sustainability data is unavailable, the securitized team will review available and relevant information to assess sustainability risks associated with the securitization and, if deemed material, document this assessment within its respective credit documentation.

Private Equity

PPM's private equity team invests in private equity funds as a limited partner as well as investing directly in co-investment opportunities and GP-led Single/Multi-Asset Continuation Vehicles ("CV Transactions"). Our team integrates the consideration of sustainability issues and risks in all types of investments.

Fund investments: For fund investments, our private equity team utilizes the due diligence process to evaluate potential sustainability considerations. The team solicits and analyzes sustainability related information from fund general partners including their respective responsible investment policies. Fund general partners complete a due diligence questionnaire (DDQ) for each investment opportunity. The DDQ was created in accordance with Institutional Limited Partners Association ESG guidelines, and includes a specific section dedicated to sustainability-related topics such as policies and influence on management, risk identification, and accountability for sustainability issues.

In addition to other relevant considerations, the DDQ responses and a fundamental analysis of any sustainability risks are summarized and presented to the Private Equity Investment Committee prior to investment.

Co-investments are made almost exclusively alongside fund general partners with whom PPM has an existing fund investment. As such, the private equity team leverages the sustainability due diligence completed during the fund investment underwriting. In addition, each co-investment deal is reviewed to identify any material sustainability issues or conflicts with the sponsor's sustainability policy. Consideration is also given to whether the deal is in line with PPM's current investment strategy. The private equity team is supportive of and encourages sponsors to commission outside specialists to perform independent sustainability due diligence on certain deals (e.g., Malk reports).

GP-Led Single/Multi-Asset Continuation Vehicles (similar to co-investments) are typically executed alongside general partners with whom PPM has an existing fund investment. This approach allows us to leverage the sustainability due

² While sustainability factors have long been considered in our credit research process, the integration of sustainability factors in our investment process was formalized in 2018.

diligence conducted by our general partners when evaluating a continuation vehicle (CV) investment. As part of our own due diligence on GP-led CV opportunities, each investment is reviewed to identify any material sustainability issues or conflicts with the sponsor's sustainability policy. Consideration is also given to whether the investment is in line with PPM's current investment strategy. In addition, the private equity team is supportive of and encourages sponsors to engage external specialists to conduct independent sustainability due diligence or provide a comprehensive summary of their sustainability findings or analysis for each CV opportunity.

Ongoing monitoring

The private equity team maintains oversight of each investment through continuous monitoring, including additional review of material sustainability factors. Ongoing monitoring may include reviewing capital calls, distributions, quarterly and annual financial reports, participating in quarterly/semi-annual limited partner and advisory committee calls, attending annual meetings, and ongoing conversations and on-site visits with the sponsor.

Commercial Real Estate

PPM's commercial mortgage lending team reviews Phase 1 Environmental Site Assessments and conducts further environmental investigations where warranted. Investments with potential material environmental issues are typically avoided. The team will often proactively engage the sponsor/borrower to resolve issues through a third-party remediation plan.

Additionally, as part of the due diligence process, sponsors/borrowers are required to complete a sustainability questionnaire developed by the commercial real estate team. Relevant information obtained from the questionnaire is included in the memo for the transaction as part of the investment recommendation presented to the Real Estate Credit Approval Committee. A summary of the property's climate risk as well as walk/transit scores and any multifamily affordable housing component are also included in the memo.

EXCLUSION LISTS AND NEGATIVE SCREENING

PPM typically utilizes exclusion lists in two contexts:

Client-led Investment Objectives. We seek to integrate sustainability factors in conjunction with all other factors that can influence the risk or return of an investment. We currently do not maintain firmwide exclusion lists applied at a strategy or fund level. Rather, we work with clients to build specific exclusion lists unique to their responsible investment requirements. Examples of such client-directed investment exclusions include:

- > Companies with 30% or more of revenues tied to coal
- > Companies with a GICS level 3 classification of "Tobacco"

- > Companies with verified involvement in controversial weapons

Complying with Sanctions. We are committed to complying with applicable sanctions imposed by jurisdictions in which we operate. All portfolios are subject to sanctions-related screening or exclusions. Specific requirements may vary, but a portfolio may be prohibited from investing in instruments associated with certain targeted sanctions restrictions on sovereign, corporate, individuals or industries.

ACTIVE OWNERSHIP AND ENGAGEMENT

As fundamental, bottom-up investors, research is the cornerstone of our investment process. While PPM is not an activist investor, we regularly take opportunities to engage with companies throughout our rigorous investment process. As our client portfolios are primarily invested in bonds, we do not generally have voting rights. However, we believe that as we allocate capital to companies, our direct line of access and communication with management teams is important.

Engaging Management Directly

Direct engagement with management is an important part of PPM's research process. Our investment professionals regularly engage company leadership on material risk factors, including sustainability where applicable. Engagement includes in-person meetings, investor phone calls, and industry conferences. We view these interactions as a chance to listen and learn directly from company management as well as an opportunity to ask questions and provide feedback.

MANAGING CONFLICTS OF INTEREST

PPM acknowledges there are certain conflicts of interest inherent in managing client portfolios. Given our commitment to client interests and our fiduciary obligations, PPM has adopted a written firmwide Code of Ethics (Code). Among other items, the Code, sets forth standards of conduct expected of PPM's employees, officers, directors and certain affiliated employees, addresses conflicts and emphasizes our fiduciary obligation to put our clients first. Moreover, we have implemented various policies and procedures, internal controls and frequent compliance monitoring processes designed to mitigate conflicts of interest and protect client interests. We have identified potential areas of conflicts of interest, including but not limited to the following:

- > Dealings with affiliates
- > Employee investments
- > Outside employee interests
- > Gifts and entertainment
- > Political Contributions
- > Trade aggregation / allocation
- > Directed brokerage
- > Referrals and other revenue sharing arrangements
- > Proxy voting
- > Employee professional and personal relationships



TRANSPARENCY: REPORTING OUR PROGRESS

External

We believe transparent communication about our responsible investment activities is crucial for our clients and stakeholders. We share information externally through:

- > Clients' Needs – We work together with our clients to provide tailored portfolio-level responsible investment reporting.
- > Public Reporting – We actively communicate certain reporting as part of our PRI membership. Further, PPM publishes an annual Corporate Responsibility report, which summarizes our responsible investment-related activities.
- > Parent Company Overview – We report details of our responsible investment progress to our parent company for further distribution to its external stakeholders.

Internal

- > The Working Group is responsible for the general oversight of PPM's responsible investment activities. As part of the Working Group's activities, they provide responsible investment-related analysis, reporting and recommendations to the firm's various stakeholders.

MEETING OUR CLIENT'S OBJECTIVES

In today's investment landscape, we recognize that sustainability factors can play an increasingly significant role in the results we achieve for our clients. We continue to look for opportunities to formalize and document our integration of sustainability factors in the investment process, including:

- > Continuing to integrate sustainability data into our systems and processes
 - > Systematically evaluating various third-party data sources
 - > Refining our proprietary sustainability scoring framework
 - > Demonstrating the integration of sustainability factors in our investment process
 - > Enhancing our sustainability-related communications to improve transparency and contribute to the broader responsible investment discussion
 - > Ongoing employee training and development as responsible investing evolves
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OUR FIRM

PPM America, Inc. (PPM) is a US-based institutional asset manager with \$76.66 billion in assets under management as of 30 September 2024³. Established in Chicago in 1990, PPM exists to consistently support institutional clients in achieving their long-term value goals. We offer our Midwestern mentality of hard work, straight talk, full transparency, and humility. Our success is supported by a team-based culture that encourages debate, collaboration and consistency. At the center of our belief is the fact that our best ideas to date have and can come from any team member anywhere in our firm. We believe the success of our investment culture is best demonstrated by the strong retention of our clients and investment professionals.

PPM is an indirect, wholly owned subsidiary of Jackson Financial Inc. (JFI), a publicly traded company. JFI is a leading US retirement services provider with market leadership supported by its diverse portfolio of differentiated products, efficient and scalable operating platform and industry-leading distribution network.



³AUM includes committed but unfunded capital for PPM's private equity and commercial real estate businesses. AUM includes both securities issued by PPM CLO vehicles held by PPM separately managed account clients and the underlying collateral assets of the CLO vehicles managed by PPM.

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This document may include simplified presentations of complex processes and are provided for illustrative purposes only. PPM's actual activities and processes may differ from what is shown herein. No assurance can be given that such processes will be applied at any given time and are subject to change without notice.

There can be no assurance that any particular individual will be involved in the management of any portfolio for any period of time, if at all. Furthermore there can be no assurance that any PPM professionals presented herein will remain with PPM or that past experience or performance of such professionals serves as an indicator of his or her performance. © 2025 PPM America, Inc. All rights reserved.

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