Responsible Investment Policy

CAPITAL FOUR MANAGEMENT FONDSMÆGLERSELSKAB A/S
CAPITAL FOUR AIFM A/S
CAPITAL FOUR CLO MANAGEMENT K/S
CAPITAL FOUR CLO MANAGEMENT II K/S

(JOINTLY REFERRED TO AS “CAPITAL FOUR”)

CAPITAL FOUR

Capital Four is an industry-leading credit asset manager for some of the largest pension funds and institutional investors globally. We have a responsibility towards our clients to make informed investment decisions and see it as our duty to strive to identify and assess risks and opportunities that may affect the financial performance of our investments.

We believe that one of the key factors for the long-term success of Capital Four as a leading investment manager in the global financial market relies on our ability to continue to successfully assess sustainability risks as part of our investment process.

We are committed to responsible investing. We aim to deliver competitive risk-adjusted financial returns to our clients over the long-term, based on an investment approach that is reflective of the significance we attach to operating within the boundaries we deem acceptable for sustainability risks and impacts.

This policy outlines Capital Four's approach to responsible investment (in the following referred to as the "Policy").

The Policy is reviewed by the Investment Committee, which is comprised of Capital Four's portfolio managers, and approved by the CEO, who has the overall responsibility for Capital Four's adherence to the Policy. The implementation of the Policy is the responsibility of the Investment Committee.

The Policy applies to all of Capital Four's investment strategies.

Capital Four will report on the implementation of the Policy in Capital Four's annual sustainability report.

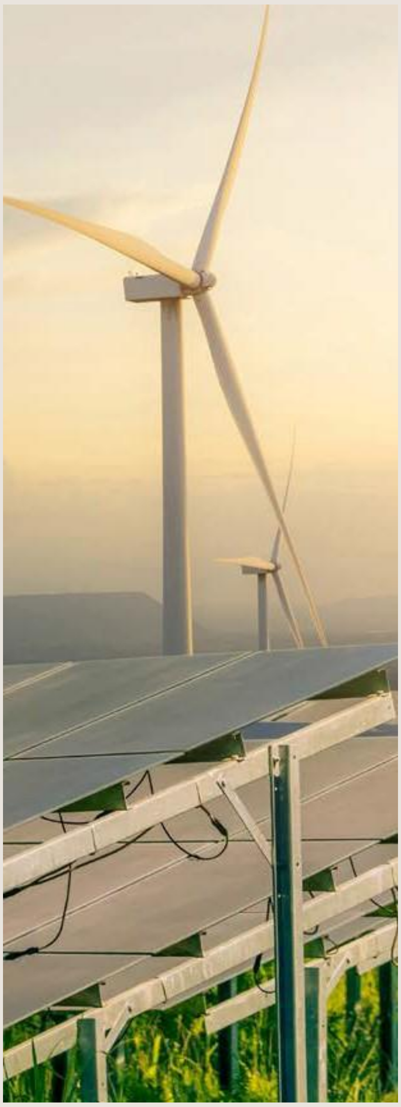
Vision

Our view on responsible investing defines the investment universe we operate in. Capital Four focuses on investments that contribute to long-term financial value creation while avoiding investments that we believe have a negative effect on society.

From an investment perspective, we believe responsible investing is relevant for our investors and the longevity of the market as it can create excess financial returns and reduce long-term sustainability risks. Overall Capital Four believes that responsible investing has long-term benefits for society as a whole.

We appreciate the increasing investor focus on sustainability aspects of investing. There are data limitations, but we strive to obtain increasingly more information and detailed data on sustainability risks and factors to ensure we continuously improve and move the baseline for what constitutes good research. This in turn will further strengthen our ability to assess sustainability risk linked to investments.

Capital Four's view on responsible investing is reflected in our business conduct and our investment approach is aligned with the UN Principles for Responsible Investment ("UN PRI") and the UN Global Compact ("UNGC"). We make disclosures in accordance with the EU Sustainable Finance Disclosure Regulation (SFDR) and are a supporter of the Task Force on Climate-Related Financial Disclosures ("TCFD").



Investment Universe

Responsible conduct is anchored within Capital Four's investment universe, and we apply minimum standard requirements for all (i) direct investments in companies, (ii) investments in instruments that can be directly linked back to an issuer (issuers) such as repurchase agreements and single-name CDS contracts and (iii) investments in third-party managed vehicles and structures assessed at the manager level including but not limited to CLOs, exchange-traded funds and exchange traded closed-end funds.

These minimum standards requirements are based on UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the UN Global Compact 10 principles. If companies are violating these minimum standards and do not take the necessary actions to remedy any known violation, we will deem these companies outside our investable universe.

Capital Four does not deem cash or derivatives, which cannot be directly linked to a specific issuer, to be in scope for assessment of sustainability risk.

We find value in investing in companies that are on a transitional sustainability path and look to engage with issuers to understand their journey. We therefore only have a limited set of negative exclusions.

Capital Four will not make direct investments in companies which:

- engage in the development, production, maintenance, or trading of controversial weapons
- derive revenue from the production or manufacturing of tobacco and tobacco products
- generate more than 10% of revenue from coal (also referred to as thermal coal) mining and coal-based energy production
- generate more than 5% of revenue from artic drilling or from extraction, production, distribution, or storage of oil sands (also known as tar sands)

Aggressive tax planning is defined as the intentional exploitation of technicalities in one or more tax jurisdictions or inconsistencies between tax regimes or structures that are contrary to the overall intentions of the tax legislation applicable to those regimes or structures.

Further definitions of the meaning of controversial weapons and tobacco and tobacco products are attached in the Annex hereto.

Capital Four continuously monitors investments in our portfolio to ensure compliance with the Policy. If an investment is determined to be in breach of the Policy (including a breach of the ESG scoring thresholds as further described below), the Investment Committee will, with input from the respective research analyst and the ESG Integration team, assess the individual investment(s) with a view to bring the portfolio back into compliance within 90 days of such breach being identified.

Assessment may include engagement with the investee company and may result in divestment. Where a breach cannot be cured within the 90-day period and there is no market liquidity for the relevant investment or where liquidity is such that Capital Four's Investment Committee determines it as not in the interest of the underlying investor(s) to sell the investment at the executable bid price, Capital Four may retain the investment in the portfolio.

Where an investor has explicit investment restrictions, Capital Four will always comply with these restrictions in addition to Capital Four's responsible investment approach.

Capital Four screens potential and existing investments against EU, UN and OFAC sanction lists.

Processes and Guidelines

Our investment process is driven by bottom-up fundamental research analysis and full integration of sustainability risks. Our responsible investment process includes product and conduct screening, client guideline compliance, our ESG scoring model and consideration of principal adverse impacts (“PAIs”).

Product and conduct screening. Capital Four performs product and conduct screening of every company in which Capital Four is directly invested to identify if we deem the company to be in breach of ethical norms or part of their revenue is generated from sensitive product or service lines. Our ethical norms are aligned with the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and UN Global Compact and screening of sensitive products related to Capital Four’s negative exclusions and each mandate’s restriction list. On this basis, investments can be deemed un-investable from a Capital Four perspective. We use external data providers for input into this screening process as well as assessment by our internal research analysts.

ESG Scoring model[1]
An element of our fundamental research analysis is assessment of sustainability risk. We use our own proprietary ESG scoring model which provides a structured and data-driven approach to analyzing sustainability risks of potential and existing investments. The model receives ESG data from a range of external ESG data vendors in addition to relying on company reported data. We score investee companies on a scale from 1 to 5, where 1 is the best ESG score

Capital Four has identified climate change, huma capital, corporate governance, and corporate behavior as the key ESG themes. The scoring framework is structured as follows:

The **Environmental (E)** score primarily reflects a company’s alignment with net zero targets and its impact on key environmental factors such as greenhouse gas emissions, pollution, and biodiversity.

The **Social (S)** score evaluates policies related to labor practices, human rights, and contribution to the UN Sustainable Development Goals

The **Governance (G)** score assesses corporate governance practices, including policies that promote good governance and commitments to international standards, such as the UN Global Compact.

We update our ESG scores on an ongoing basis as new data or risks occur or diminish, in the same way as we continuously update other risk parameters on an investment (industry dynamics, company specific news, management changes, earnings etc.)

The output of the ESG scoring model constitutes to our overall ESG score, which is used a) as a separate indicator of overall ESG for the investment and b) as input to our overall Capital Four credit assessment which brings together our assessment of fundamental, quantitative, covenant and ESG factors.

[1] All investments follow this model except with respect to third-party managed vehicles (such as CLOs and third-party managed funds), Capital Four has created a special third-party manager ESG scoring model for investments in securitisations and funds. We focus on the manager of the underlying asset pool and assess the integration, depth, and quality of how the manager integrates sustainability risk assessments in their investment process, specifically within the screening, investment research, and ongoing monitoring processes. Relevant data and information are obtained through our third-party manager due diligence process

Principal Adverse Impacts

The PAIs of our investments are identified and measured in accordance with the Commission Delegated Regulation supplementing the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. Capital Four considers PAIs prior to taking an investment decision.

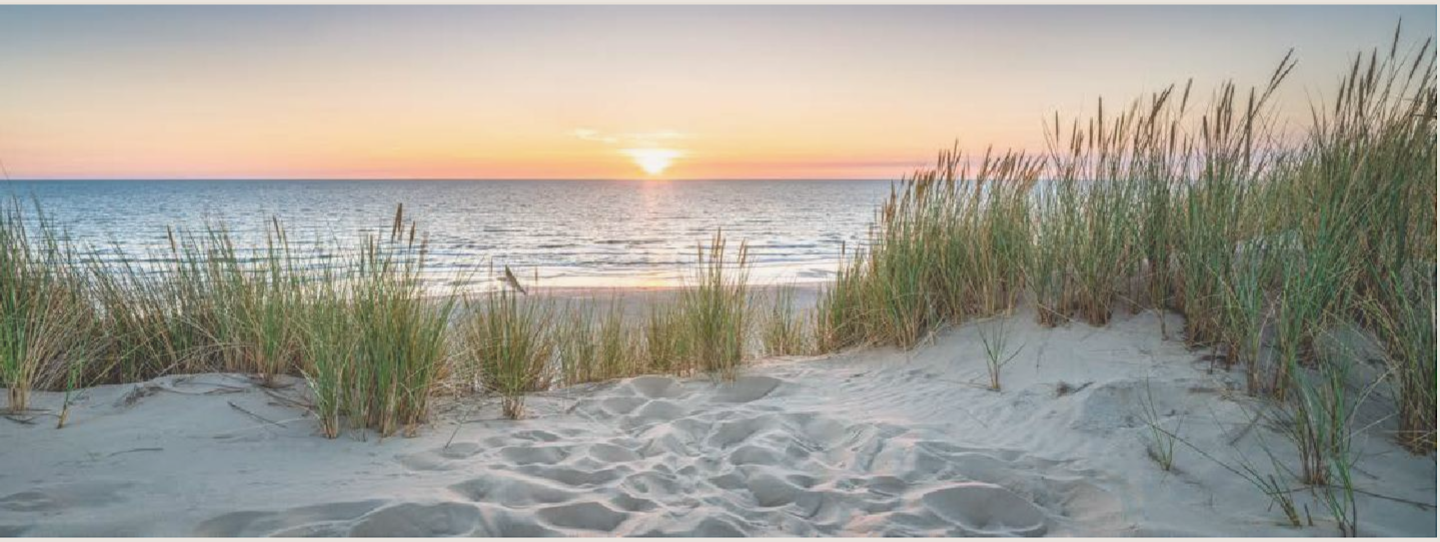
Information and PAI data are collected on companies through various avenues including ESG questionnaires, company disclosures, and management presentation in addition to external research and data available.

Data constraints and non-financial disclosures are a challenge in the industry, and Capital Four acknowledges the limitations we may face, especially when it comes to available PAI data. We are reliant on some data from external providers, and we are committed to leverage our strong relationship with companies and their owners to obtain the relevant information and further encourage an increased degree of public non-financial disclosures.

The PAI indicators are calculated on the basis of available underlying PAI data, financial data, and portfolio data.

Capital Four's method of integrating sustainability risks is performed by a large research team which creates a consistent, transparent and comparable method of ESG integration into the investment process and reflects our dedicated commitment to making informed investment-decisions based on transparency. In practice, the ESG score and PAI data are included in our internal credit write-up, which is presented at the Investment Committee meeting for all potential investments.

Capital Four may make exemptions to this process for investments held for less than ten business days. Regardless, we always follow the processes set out in our Research Procedure and our Procedure for Portfolio Management.



ESG In Investment Decisions

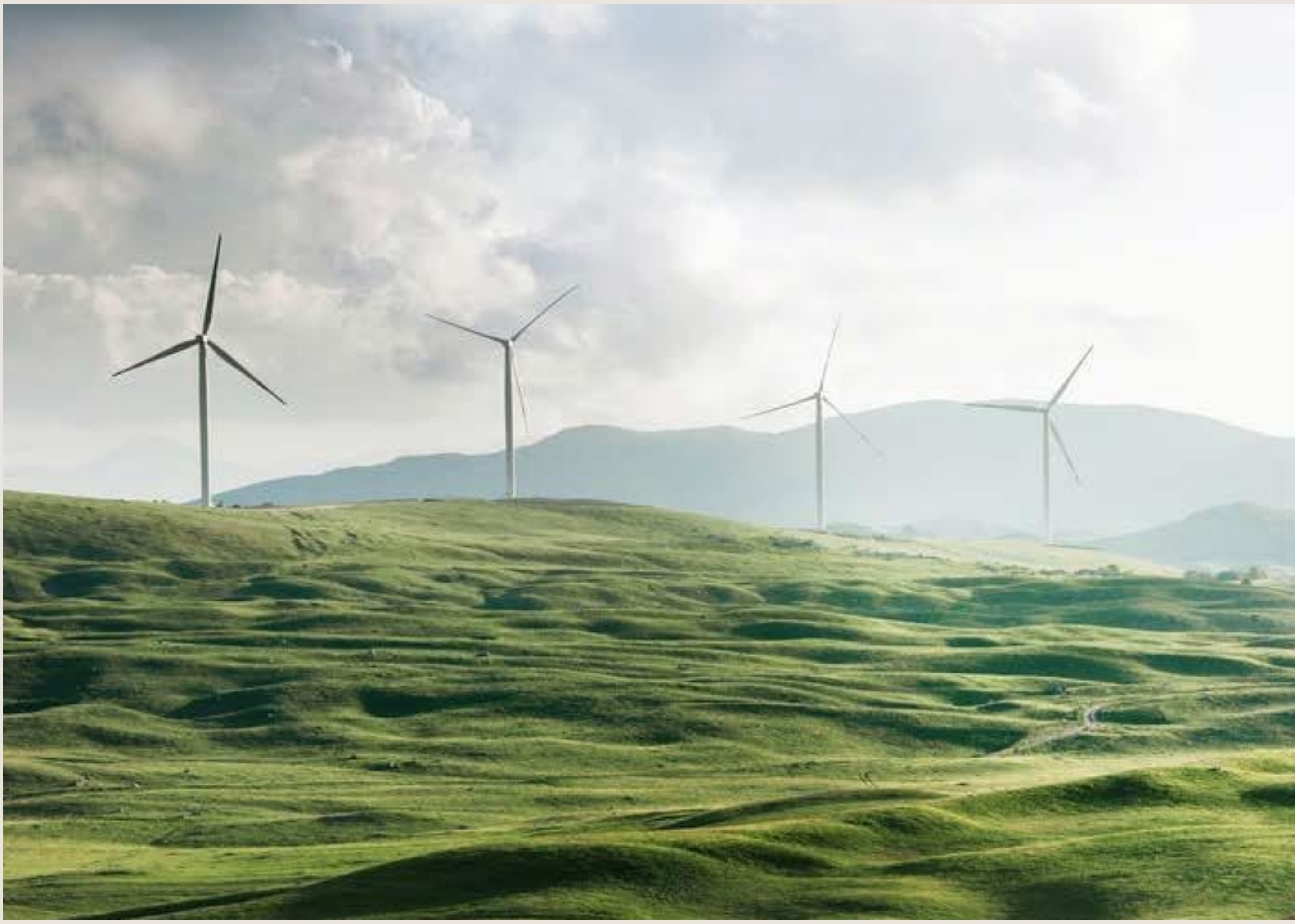
The Investment Committee decides and are responsible for the investments we make. Our investment decision-making process, which covers investment and divestment, involves several stages of information gathering, research analysis and assessments.

One of the factors the portfolio managers review before making an investment decision is the ESG score and PAI data of a company. We do not invest in a company regardless of the potential financial return on the investment if
(a) the total ESG score is 4.0 or above or (b) the total score is 3.75 combined with a sub-score in either E, S or G of 5. Likewise, PAI data, where available, of an investment is reviewed, and portfolio managers will only decide to invest if they deem that the PAIs of an investment are within what Capital Four considers an acceptable range.

For investments that already are in the portfolio, sustainability risks and PAIs are reviewed on an ongoing basis but at least annually. Any new findings are brought to the attention of the portfolio managers, who will assess and determine if we need to change the exposure to the investment. As a result of this process our responsible investment approach is directly reflected in the composition of our portfolios. If the ESG score is revised, as a result of new information or following the annual review, and this constitutes a breach of this Policy, as described above, the Investment Committee will make an assessment of such investment as already described,.

Sustainable Finance Disclosure Regulation

With reference to the SFDR, sustainability-risk is assessed for all of Capital Four’s investment strategies in accordance with SFDR Article 6. For certain strategies Capital Four also offers financial products that promote environmental and /or social characteristics in accordance with SFDR Article 8, including options to have a minimum proportion of Sustainable Investments.



Commitment to the Net Zero Asset Managers Initiative

Capital Four is a signatory to the Net Zero Asset Managers initiative. Capital Four has chosen the Paris Aligned Investment Initiative's Net Zero Investment Framework provided by the Institutional Investors Group on Climate Change ("IIGCC") as its target setting approach. Capital Four's initial target disclosures can be found on The Net Zero Asset Managers Initiative website. Additionally, Capital Four is a member of the IIGCC.

Commitment To Global Principles And Standards

As described in this Policy, Capital Four is committed to integrating the 10 principles of the UN Global Compact in our investment process. We are a signatory to the UN Global Compact and the UN PRI, and a supporter TCFD. In addition to annual reporting to the UN Global Compact and UN PRI, we also report in line with the TCFD recommendations. With respect to our control environment, the investment process of Capital Four is assessed annually in an International Standard on Assurance Engagements 3402 (ISAE 3402) report.

Continued education of our employees is fundamental to the progress of Capital Four. We are eager to play an active role in the education and awareness of global ESG initiatives and therefore continuously participate and contribute to multiple educational courses and responsible investing-related conferences and webinars. In addition, we conduct internal ESG training for all Capital Four analysts annually and all new hires at Capital Four are introduced to responsible investing and sustainability.

ESG Committee

Capital Four's ESG Committee is comprised of professionals from across the organisation including members from research, client relations, legal, portfolio managers and the senior management team.

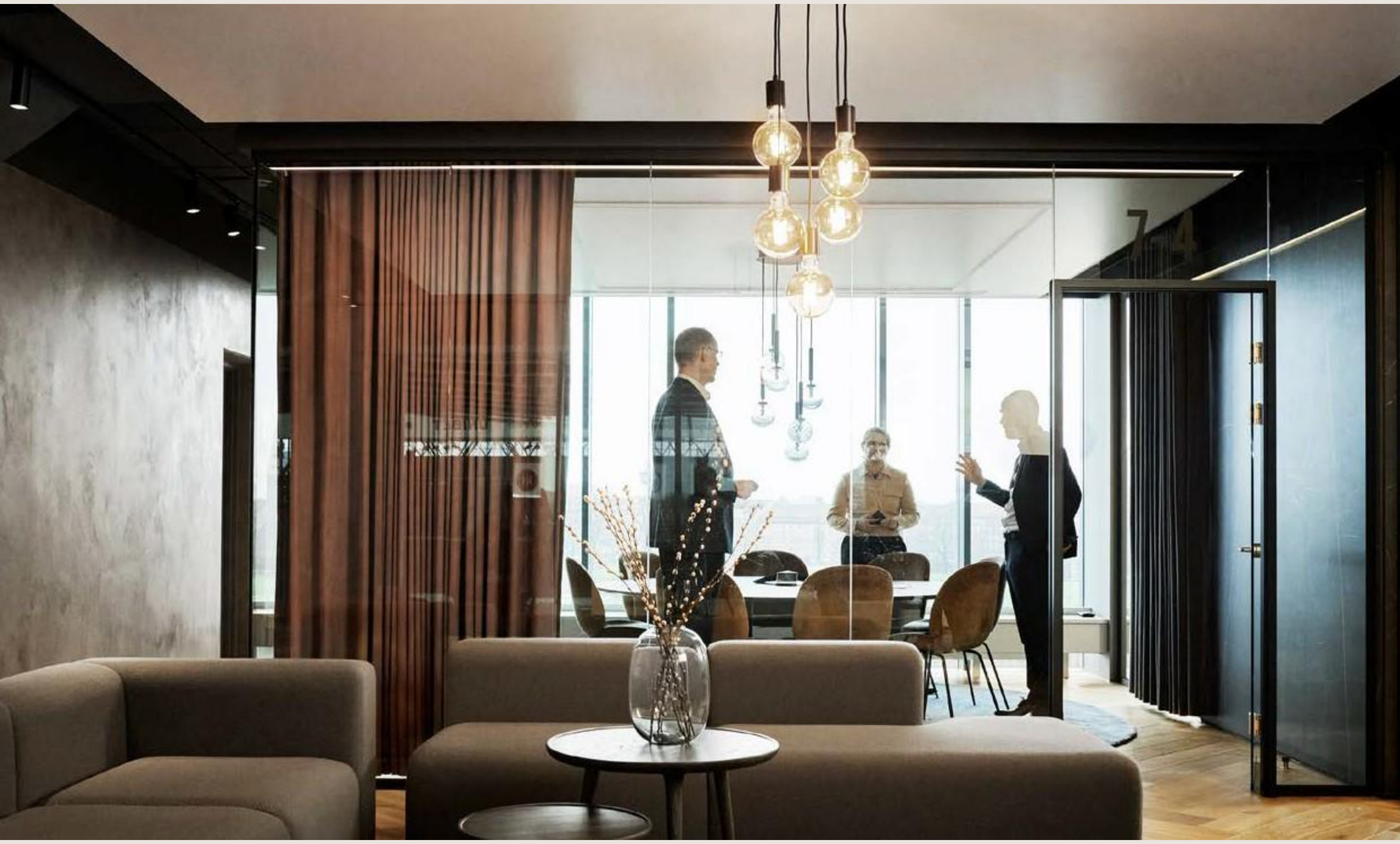
The ESG Committee meets on an ad hoc basis and provides support to Capital Four's internal stakeholders. Strategically, the ESG Committee aims to ensure that Capital Four stays at the forefront of responsible investment practices and developments as they evolve in the different industry work streams. The committee meets to evaluate implementation of on-going strategic sustainability-related initiatives and discuss feedback from internal and external stakeholders. The ESG committee also reviews and provides input into Capital Four's responsible investment initiatives and new ESG initiatives and the setting of priorities.

Review and approval

This Policy is reviewed at least annually, provided that it shall be reviewed and amended from time to time if material changes to the legislation or the Capital Four organization make this necessary.

Approved by the CEO on December 19, 2025

Sandro Näf, CEO



Annex to Capital Four's Responsible Investment Policy

Certain definitions to be read in conjunction with Capital Four's Responsible Investment Policy

"**Controversial Weapons**" means:

a) anti-personnel mines (as defined in Article 2 of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Treaty)) and vehicles constructed to exclusively launch this type of weapon;
b) biological and toxin weapons (as defined in Article I of the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (Biological Weapons Convention));
c) chemical weapons (as defined in Article II of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention));
d) cluster munitions (as defined in Article 2 of the Convention on Cluster Munitions); or
e) nuclear weapons

"**Tobacco or Tobacco Products**" means:

tobacco or tobacco products as such terms are defined in the Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014 on the approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products and repealing Directive 2001/37/EC, as amended.

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