

Canyon Partners, LLC and its affiliates, Canyon Capital Advisors (CCA), Canyon Partners Real Estate (CPRE), Canyon CLO Advisors (CLO Advisors) and River Canyon Fund Management (River Canyon) (collectively, "Canyon"), operate together as a global alternative asset management firm founded in 1990. Canyon specializes in implementing a fundamental, value-oriented, and/or event-driven approach across asset classes, including loans, bonds, converts, equities, securitized products, and real estate. Our investment strategies often focus on designing bespoke primary market financings and/or sourcing secondary market securities characterized by complexity, transitioning buyer bases, restructurings, and other forms of disruption that can disconnect prices from intrinsic value.



OUR COMMITMENT TO RESPONSIBLE INVESTING

Our approach to investing is rooted in value creation driven by thorough underwriting and risk management. Through this process, we seek to understand both the earnings power and staying power of any given investment, business model, and/or capital structure. We believe that incorporating the evaluation of available material environmental, social, and governance risks and opportunities into our investment process helps us develop a more holistic understanding of the drivers of risk and return across our investments, and the sustainability and durability of their associated financial returns.

Canyon is a signatory to the United Nations Principles for Responsible Investing (UNPRI) and has a formal Investment Process that is discussed in more detail below that is designed to demonstrate our commitment to the UNPRI.

PURPOSE & SCOPE

This ESG Policy outlines our firm-wide approach to integrating material ESG risks and opportunities into our business and investment activities, and it also serves as a guide to Canyon's ESG objectives as part of our approach to responsible investing. Through this policy, Canyon integrates ESG considerations into our investment strategy in a way that is consistent with our fiduciary responsibility to investors and fund beneficiaries.

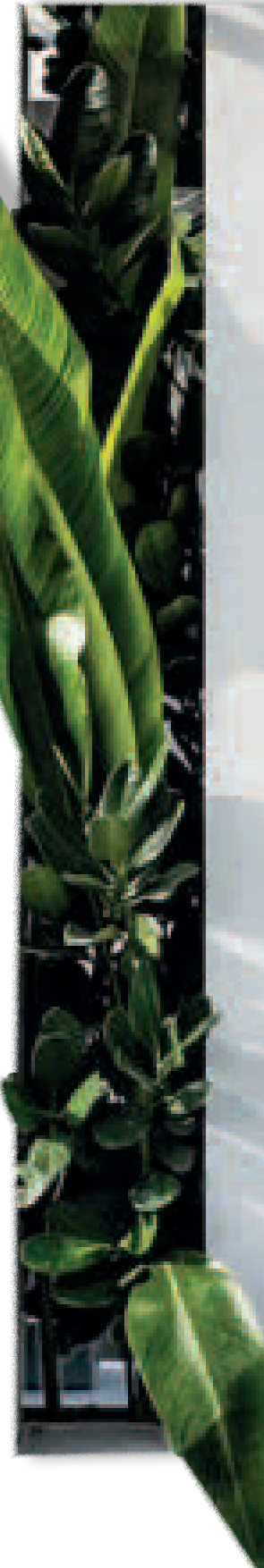
For the purposes of this policy, "material" ESG issues are defined as those issues that Canyon determines may have a direct and substantial impact on an organization's ability to create and/or preserve economic value for its investors. This policy will be updated on an as needed basis to reflect what Canyon considers to be best practices within the context of its ESG Policy and its specific investment strategy.

RESPONSIBILITIES

Canyon's designated Head of ESG is responsible for the establishment, maintenance, and oversight of this ESG Policy and its implementation.

Canyon also maintains an ESG Committee, comprised of the designated Head of ESG and other senior members of the firm, which acts as the main operating means to ensure ESG integration is implemented at the firm. The ESG Committee is responsible for ensuring that the results of ESG diligence reviews are duly considered as part of the investment decision-making process. Such considerations include reviewing ESG diligence results with respect to certain investments alongside investment risks and merits when determining whether to proceed with an opportunity. Depending on the nature of the investment opportunity, it may also include, among things, identifying corrective actions to be implemented pre- or post-close, if applicable, and considering the engagement of internal and external subject matter advisors as necessary to further assess specific ESG risks of target investments prior to investment decision-making.

On a bi-annual basis, the ESG Committee will review ESG implementation activities and deliverables to assess whether changes to the ESG Policy or additional ESG-related training or capability building for the Investment Team are needed. Where Canyon determines that additional subject matter expertise is needed, Canyon will utilize external resources as appropriate.



ESG INTEGRATION INTO THE INVESTMENT PROCESS

Canyon is committed to incorporating ESG analysis into the firm's overall investment process and seeks to incorporate material ESG risks and opportunities into its investment analysis and decision-making process where possible and as relevant for the underlying investment.

Where appropriate, the investment team seeks to conduct an ESG analysis, highlighting both business-relevant risks and opportunities relating to proposed investments. Depending on the investment, this ESG analysis may incorporate Canyon's own research, an internal ESG score, and/or third-party sources.

PRE-INVESTMENT

Our investment professionals take a risk-based approach to considering material ESG risks and opportunities in their underwriting and analysis of investments. The ESG analysis conducted will vary from investment to investment, depending on the strategy, portfolio, asset class, duration, industry, geography, and position within the capital structure. Canyon considers both paths to value creation as well as material investment risks that may include one or more of the following:

	ENVIRONMENTAL*	SOCIAL*	GOVERNANCE*
	How an investment interacts with the physical environment?	How an investment interacts with a social setting such as communities, society, and social economies?	How the structures of markets and organizations that Canyon invests in create risk and opportunity?
CONSIDERATIONS	<ul style="list-style-type: none"> • Carbon Footprint / Greenhouse Gas Emissions • Waste management • Energy Management & efficiency • Climate Resiliency • Transition & Regulatory risk • Environmental assessments where applicable • Green building certifications 	<ul style="list-style-type: none"> • Diversity, Equity & Inclusion • Human rights & Modern Slavery • Labor relations & practices • Employee health & safety • Tenant well-being & engagement • Affordability & Accessibility 	<ul style="list-style-type: none"> • Corporate governance & oversight • Risk management & data security • Transparency • Anti-bribery & Anti-corruption • Conflicts of Interest

**This is for illustrative purposes and is not intended to be an exhaustive list of environmental, social or governance considerations the investment team may include in an ESG analysis.*

In relation to Real Estate investments, CPRE seeks to integrate material ESG considerations into the pre-investment diligence process by conducting a thorough review of the asset. The review is typically comprised of completing CPRE's internal checklist of real estate specific ESG criteria and may include the topics mentioned above.

POST-INVESTMENT: ENGAGEMENT & STEWARDSHIP

Canyon works with certain companies' post-investment through the review of relevant company information and data in order to continue monitoring and, as needed, updating information from the initial ESG analysis during the pre-investment diligence. This monitoring is designed to facilitate informed discussions with company management, as appropriate. Canyon's level of ESG engagement is dependent on a variety of factors, including our position in the capital structure. One of the primary methods in which we engage is to ask questions relating to material risks and/or opportunities and provide constructive and critical feedback to management, sponsors, and capital markets participants in order to enhance value and mitigate risk. We believe that a tangential, but important, outcome of these questions is to educate and foster an appreciation for business-relevant risks and opportunities within the organizations in which we are invested, many of which we continue to work with on an ongoing basis in repeat transactions. This engagement may include open discussions with issuers about their governance structure and practices, environmental impact, and social policies. Where appropriate, and depending on the investment strategy and mandate, we may seek to encourage change, and may take into account expected ESG-related events and catalysts evaluating investments. Further, where Canyon believes it has an ability to influence Board composition, our intent is to encourage issuers to select diverse candidates.

Certain real estate investments may allow CPRE to engage with its investment partners where there are material ESG topics identified during the diligence process by monitoring the data collection process and encouraging our JV partners, sponsors, and/or property managers to identify and raise material ESG related risks and opportunities to the applicable decision makers for year-on-year improvements, where appropriate. Additionally, CPRE will determine on a case-by-case basis which properties make sense to track energy and water consumption and at what stage in the property's life cycle to begin. For example, we may not track usage at vacant investments, land, parking lots, event venues, etc. However, we intend to track energy and water consumption at the majority of our owned portfolio covered under this policy.

EXCLUSIONS

As a general matter, Canyon excludes companies who operate or manufacture Cluster Munitions and Anti-Personnel Mines. With respect to Canyon's ESG Fund, Canyon conducts exclusionary screens on companies who operate in Oil and Gas, Casinos and Gaming, Tobacco, and Alcohol.

ESG MONITORING

Canyon will generally provide updates to employees, investors and prospective investors on a regular basis regarding the firm's ESG efforts. In addition, Canyon incorporates ESG-related information in its quarterly reporting for certain investors, and notifies such investors as required in the event of any material ESG incidents occurring within its investments, together with a summary of proposed measures to address and mitigate such incidents. Canyon also prepares and distributes an annual Sustainability and Responsible Investing Report.

APPLICABILITY

This **policy applies** to investments where it is determined by Canyon that sufficient diligence on ESG matters can be undertaken and/or monitored after the investment is made.

This **policy does not apply** to CPRE separately managed accounts or affiliate advisors, including AECOM-Canyon Partners.



INTERNAL GOVERNANCE & COMPLIANCE

Canyon will inform all investment staff members of this ESG policy and annually seek input from the ESG Committee on its implementation and effectiveness. Canyon will also remain informed about ESG developments and best practices within the investment industry and periodically consider changes and additions to this policy based on those developments.

SFDR ANNEX To ESG Policy Effective March 10, 2021

Investment Adviser Integration of the EU Sustainable Finance Disclosure Regulation (Regulation 2019/2088) (the "SFDR")

As set forth in the Investment Advisor's ESG policy, Canyon considers sustainability risks as part of its investment decision-making process. Canyon evaluates environmental, social and governance factors ("ESG"), events and conditions which could cause a material negative impact on the value of its portfolios. Depending on the investment, this ESG analysis may incorporate Canyon's own research, a proprietary ESG "score", and/or other third party sources. The investment team works closely with Canyon's dedicated Head of ESG to identify the important ESG attributes of a prospective or existing investment. This process seeks an open internal dialogue for investment team members to ask critical questions and seek honest answers, in order to generate a list of potential sustainability risks, sensitivities, and areas for possible improvement. This analysis can include the review of company disclosures, past and expected events, and third-party research. Canyon determines an internal ESG rating for the potential investment, and documents the analysis in an ESG Report that is updated as new information or insights come to light.

Canyon reviews whether its investments will have a principal adverse impact on sustainability or ESG factors. This monitoring involves the assessment of whether negative, material or likely to be material effects on sustainability factors are caused, compounded by or directly linked to Canyon's investment decisions and/or advice. For purposes of this monitoring, sustainability factors span environmental, social, and governance issues including but not limited to Climate Change, Carbon and Toxic Emissions, Waste, Labor Management and Standards, Product Safety, Privacy & Data Security, Controversial Supply Chain and Sourcing, Business Ethics (anti-corruption, anti-bribery, etc.), and Corporate Behavior.

Although Canyon does not maintain a formal firm-wide remuneration policy, when determining compensation for an employee, it considers such employee's compliance with all of Canyon's policies, including, but not limited to, the ESG policy.