

2024 REPORT

# RESPONSIBLE INVESTMENT & SUSTAINABILITY





## ABOUT THIS REPORT

Cultivating long-term partnerships calls for accountability through transparency and consistency. Canyon's commitment to transparency is reinforced in our annual Responsible Investment and Sustainability Reports and our adherence to the United Nations Principles for Responsible Investment ("UN PRI") six principles, which can be found in Appendix I.

Integrating sustainability and responsible investment practices into our process is more than a "check-the-box" exercise. We are committed to evaluating best practices through the lens of our investment process to further identify opportunities for improvement, both with our investments and our own approach. In the fourth edition of Canyon's annual Responsible Investment and Sustainability Report, we are excited to share the continued evolution of our responsible investment practices. In this report we highlight key 2024 enhancements that reflect our ongoing commitment to responsible investment integration across asset classes and throughout the investment lifecycle. The scope of the report covers activities from January 1, 2024 to December 31, 2024 and all actively managed Canyon funds.



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## SECTION 1

# FIRM BACKGROUND

## FIRM HISTORY

Canyon Partners, LLC (“Canyon,” or the “Firm”), is a leading global alternative asset management firm with offices in the US, UK, Hong Kong, and Japan. Founded in 1990, Canyon employs a deep value, credit-intensive approach across public and private corporate credit, asset-backed credit, and real estate. The firm seeks to capture excess returns available to those investors with specialized expertise, rigorous research capabilities, and the ability to underwrite complexity. Canyon has employed this approach to create value and deliver attractive risk-adjusted returns for its investors. We offer a suite of products designed to fit the investment objectives of a broad range of global investors.

# 1991

Real Estate Equity\*, AUM \$1.9BN, Opportunistic and core plus real estate

# 1993

Hedge Funds, AUM \$8.3BN, Multi-strategy public and private credit

# 1994

Real Estate Debt\* AUM \$2.0BN, Performing real estate debt

# 2001

CLO's AUM \$10.3BN, Canyon-issued U.S. and European CLO's

# 2008

Dislocation AUM \$2.4BN, Drawdown strategies across stressed/distressed corporate, real estate, and asset-backed credit

# 2013

Multi-Asset Credit, AUM \$1.1BN - Liquid, multi-asset corporate and asset-backed credit

# 2022

Lending, AUM \$800M - Performing private corporate credit

# 2024

Evergreen Private Credit, AUM \$200M, Performing private corporate, real estate, and asset-backed credit

\* DATES LISTED ARE DATE OF INCEPTION OR FIRST TRADE.  
ALL AUM VALUES ARE BASED ON CANYON'S  
ESTIMATES AS OF DECEMBER 1, 2024.

## CANYON BY THE NUMBERS

**1990**

Founded

**235+**

Employees

**\$26.7B\***

Assets Under Management

**6**

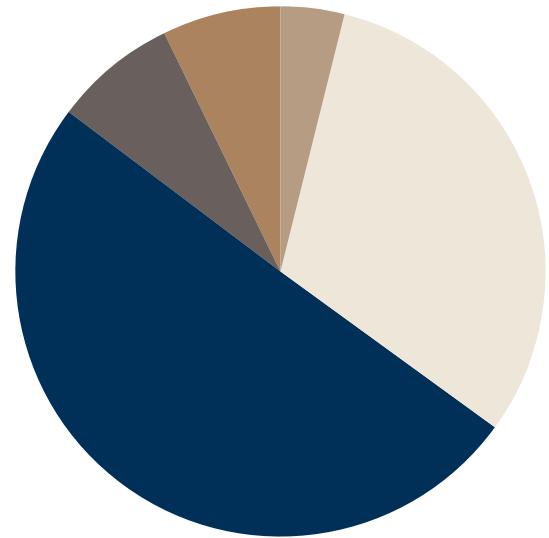
Offices

Our global footprint and experienced workforce continue to be drivers of our company's success. With operations spanning six corporate offices, across four countries, we are uniquely positioned to understand and respond to local challenges while leveraging talent from around the world. Our mature employee base brings deep industry knowledge, long-term perspective, and a strong sense of accountability—enabling us to learn from one another, collaborate to solve problems with innovative solutions, and implement Canyon's responsible investment strategy with consistency and care.

### KEY UPDATE:

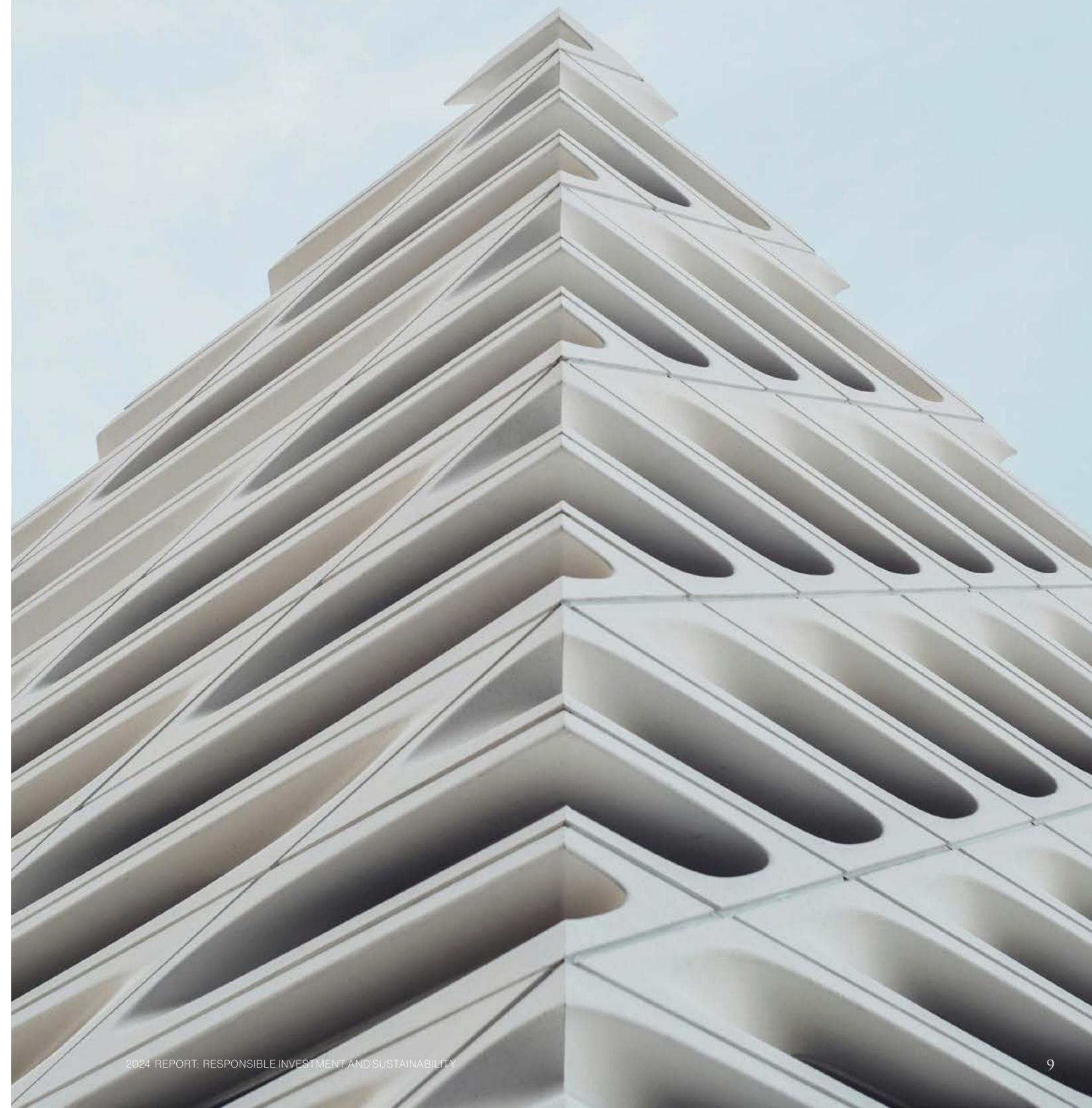
In May 2024, Canyon entered into a strategic transaction with Dai-ichi Life Holdings ("Dai-ichi"), the largest publicly traded life insurance group in Japan. This transaction will both support funding new products and scaling our existing product offering. As a result of this transaction, Canyon has also implemented a Board of Directors, with two appointed members from the Dai-ichi team.

### ASSETS UNDER MANAGEMENT\*



- \$1.1B Liquid Long
- \$8.3B Credit-Oriented Hedge Funds
- \$13.7B Private Credit
- \$2.0B Real Estate Debt
- \$1.9B Real Estate Equity

\* Assets Under Management ("AUM") include Canyon's affiliates. AUM are based on Canyon's estimates as of 12/1/2024 and include redemptions and subscriptions associated with the 11/30/2024 - 12/1/2024 dealing dates, respectively.



## MISSION AND VALUES

### OUR MISSION

Cultivating long-term partnerships through alignment, collaboration, and investment rigor

### OUR VALUES

#### LEARNING

We approach our work with curiosity, humility, and diligence.

#### INSIGHT

Complexity is an opportunity.

#### JUDGMENT

The alignment of objectives and incentives guides decision-making.

#### COLLABORATION

Delivering value through partnership, teamwork, and creativity.

#### ENGAGEMENT

We seek to provide leadership and support to our community.

Canyon's mission statement and values guide our investment methodology and how we operate as a firm. Each of the five values contributes to our responsible investment approach.

Through active learning, our employees remain committed to staying informed about evolving ESG trends, regulatory shifts, and emerging sustainability risks. This knowledge drives deeper insights and supports our ability to better understand the inter-connectedness of topics. With a well-rounded perspective, we are more equipped to apply sound judgement for the thoughtful integration of these insights into our investment decisions, ultimately with the goal of driving long-term value for stakeholders.

Through active collaboration with internal teams, data providers, and industry peers, we can identify new opportunities for value creation, improve processes, and broaden our perspectives further. This collaboration leads to active engagement with stakeholders and our community while contributing to the advancement of the responsible investment industry.



## SECTION 2

# RESPONSIBLE INVESTMENT AND STEWARDSHIP



## OUR APPROACH TO RESPONSIBLE INVESTING

- Canyon's responsible investment practices are a means of expanding our analytical insights into embedded risks and opportunities in the investment universe. Congruent with our value investing lens, we pursue a holistic understanding of the drivers of risk and return by expanding our viewpoint beyond traditional underwriting. We accomplish this by assessing the financial implications of potentially material non-financial factors, including but not limited to human capital, governance concerns, and environmental risks.
- Our responsible investing framework varies by strategy, to ensure the most relevant material factors are captured during the pre-investment process and throughout ownership. Our framework focuses on key aspects such as economic performance, risk mitigation, and financial durability. Our framework has successfully enhanced our investment decision-making and further broadened our approach to risk management.
- Additionally, through our sustainability-oriented fund, Canyon strives to invest in companies with specific environment and social characteristics.
- RI Policy
  - In 2021, Canyon adopted a policy to formalize our responsible investing practices, covering everything from pre-investment assessments to the training and educational initiatives provided to our research analysts. The policy was designed with flexibility in mind, allowing for updates as we enhance the integration of sustainability considerations into our investment and due diligence processes.
- 2024 Key achievements summary
  - In 2024, as we do every year, we re-evaluated our RI Policy to ensure it accurately represents our approach to responsible investment. As we will discuss later in the report, we integrated a new sustainability data platform and have updated our policy to reflect how our process has evolved with new data availability.
  - We also developed a comprehensive policy specifically for our Real Estate strategies, which we continue to review and update on an annual basis. More details on Real Estate can be found in the Real Estate section.

## TIMELINE OF RESPONSIBLE INVESTMENT ACTIVITIES



2024

- Through our newly created strategic partnership with Dai-ichi, we have implemented a Board of Directors
- Leveraged relationship with ESG data and analytics provider Ethos to expand coverage of CLO's
- We developed a dedicated responsible investment policy for our real estate practice, Canyon Partners Real Estate (CPRE), to outline specific procedures and guidelines.

2023

- Recognizing the importance of ongoing improvement in responsible investment practices, in 2023 we built upon previous efforts and sought to refine our approach.
- Completed PRI reporting under grace period
- Expanded Canyon's Responsible Investment Committee
- Advanced approach to integrating responsible investment practices within CLO strategies
- Created scoring system to assess sustainability data from vendors for CLO assets

2022

- Updated the sustainability-oriented fund requirements to allow all energy sector investments that support the transition to clean energy
- Established an investment review subcommittee
- Increased the number of renewable investments focused on the residential solar market

2021

- Became a signatory of the Principles for Responsible Investment (PRI)
- Adopted Canyon's Responsible Investment Policy
- Launched Canyon's responsible investment integration strategy

2020

- Established Canyon's Responsible Investment Committee
- Launched Canyon Sustainability - Oriented Fund, an SFDR Article 8 sustainable investment fund

2019

- Formalized approach to responsible investing
- Launched Canyon Opportunity Zone Funds series focused on multifamily assets

2013

- Launched the Canyon Multifamily Impact Funds series to invest in workforce multifamily assets in low-to-moderate income census tracts

2012

- Canyon Catalyst Funds created with California Public Employees' Retirement System (CalPERS) to invest in joint ventures with emerging real estate managers

2001

- Launched a series of funds focused on participating in real estate development in densely populated and diverse communities

## GOVERNANCE AND OVERSIGHT OF RESPONSIBLE INVESTING

### RESPONSIBLE INVESTMENT COMMITTEE

- Partner, Chief Strategy Officer, and Head of Sustainable Investing
- Partner and President
- Partner and Chief Investment Officer of Corporate and Asset-Backed
- Partner and Chief Investment Officer of Real Estate
- Partner and Co-Head of Opportunistic Credit
- Partner and Co-Head of Opportunistic Credit
- Partner and Chief Compliance Officer
- Partner and Chief Operating Officer
- Partner and Head of Client Solutions Group
- Senior Director of Canyon Partners Real Estate
- Director of Corporate Affairs
- Senior Compliance Associate

### OVERSIGHT RESPONSIBILITIES

- Our Responsible Investment Committee, established in 2020, oversees the implementation of responsible investment practices, as outlined in our policy, and develop strategic direction for our RI practices.
- Comprised of senior leaders representing various business units, the committee incorporates valuable perspectives and input from investment research, real estate, operations, legal, compliance, and client solutions, collaboratively steering relevant initiatives. Canyon's Head of Sustainable Investing serves on the committee and works closely with senior management to set the agenda and establish priorities to ensure a cohesive approach across the firm.
- The committee also provides guidance for assessing non-traditional investment factors outside the scope of Canyon's Responsible Investment policy. The role of the committee can include, if needed, developing assessment frameworks for addressing emerging and/or more complex responsible investment considerations.

### MANDATORY ESG TRAINING IN AUGUST 2024 – UPSKILLING EMPLOYEES

- As previously noted, learning is key core value at Canyon, and something that as a firm, we recognize we have a role to play in providing our employees with opportunities for professional growth. As the Responsible Investing landscape continues to change, it is imperative that our employees have access to educational opportunities to stay abreast of evolving trends. In August, we provided ESG training, for all employees at the firm to ensure everyone was aware of the various tools and approaches to responsible investment integration we have available across strategies.
- Additionally, as we'll cover in this report, we have continued to develop a relationship with data provider Ethos. As our relationship has evolved and we have increased the types of data we have access to, we have also ensured employees with responsibility for overseeing this data integration have had adequate training in data quality and technical execution.





## SECTION 2

# CORPORATE CREDIT AND ASSET-BACKED

## CANYON CAPITAL ADVISORS

### CORPORATE CREDIT AND ASSET-BACKED RESPONSIBLE INVESTING

Our approach to investing is rooted in value creation driven by thorough underwriting and risk management. We seek to include both financial and non-financial factors to ensure a holistic understanding of risk is presented. Throughout our history, we have sought new and innovative ways to evaluate material factors that are additive to our process. Industries are evolving rapidly with the adoption of new technologies, the ever-changing global landscape, and increasingly accessible data. As such, we recognize that there are more insights available than ever before. As part of our ongoing commitment to the integration of responsible investment factors, we continuously evaluate both what factors we are including in our assessments, and how those factors can be improved. Today, this process has become a standard aspect across strategies as we seek to identify risk factors that may impact long-term performance of our investments.

On all new investments, we seek to identify material factors, both financial and non-financial, through a standardized approach. Through our partnership with Ethos, we have expanded our coverage to include non-traditionally covered asset classes, such as our asset-backed securities. Through our pre-investment process, we seek to identify material environmental, social, and governance factors that may impact the long-term value of our investments. We seek to understand the environmental implications and interactions of our investments, key interactions with local stakeholders, and the governance structures of the organizations we provide capital to. Our guiding considerations may include, but are not limited to environmental, social and governance.

### ENVIRONMENTAL\*

How an investment interacts with the physical environment?

- Carbon Footprint / Greenhouse Gas Emissions
- Waste management
- Energy Management & efficiency
- Climate Resiliency
- Transition & Regulatory risk
- Environmental assessments where applicable
- Green building certifications

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### SOCIAL\*

How an investment interacts with a social setting such as communities, society, and social economies?

- Diversity, Equity & Inclusion
- Human rights & Modern Slavery
- Labor relations & practices
- Employee health & safety
- Tenant well-being & engagement
- Affordability & Accessibility

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### GOVERNANCE\*

How the structures of markets and organizations that Canyon invests in create risk and opportunity?

- 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.

## STRATEGY DETAILS: CORPORATE CREDIT

### STRUCTURED PRODUCTS

While the collateralized market has historically faced challenges with ESG integration due to transparency, we have been pioneering a new approach to scan throughout structured products to ensure we have a thorough understanding of the underlying investments. In 2024, we expanded our partnership with Ethos, a sustainability data and analytics platform, to further support these efforts. Through our partnership, we have been able to improve our coverage of non-financial factors to all investments, including

the underlying companies that make up the asset-backed securities we invest in. We utilize both SASB industry standards, in addition to our own internal proprietary screening tools, to identify material factors for each investment, and better understand the risk profile of our investments. With this information, we are able to provide improved portfolio reporting and monitoring, in addition to enhancing our identification of engagement opportunities.

### CANYON SUSTAINABILITY-ORIENTED FUND

In 2020 we identified an opportunity for a sustainability-oriented fund that would focus on avoiding investing in sustainability-related characteristics. Our integration focuses on key risk identification, while evaluating the various sustainability outcomes associated with our investments. We go beyond factor identification and incorporation during due diligence by tracking how companies are progressing in key areas of their business, where available, thus ensuring risks are being actively accounted for and managed. Our tracking may include direct dialogue with the underlying issuers and, if appropriate, guidance to help address material factors. 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. Our assessment process factors in issues such as climate change, waste management, labor practices, product safety and more.

## CANYON LEVERAGES MULTIPLE DATA SOURCES FOR BENCHMARKING PERFORMANCE ON NON-TRADITIONAL FACTORS



# CORPORATE AND ASSET-BACKED INVESTMENTS

## RESPONSIBLE INVESTMENT METRICS AND TOOLS

Stage In Investment Lifecycle	Responsible Investment Phase Aligned With Lifecycle Stage	Actions		
<b>PRE-INVESTMENT</b> Integrate analyses into investment decision making and due diligence	<b>Evaluation</b>  This assessment incorporates a review of company disclosures, analysis of past and anticipated events, direct communication with issuer management and sponsors, and insights from reputable third-party sources.	<b>ACTION</b> <b>Collect Data and Assess Risk</b> Canyon applies SASB industry and peer-group data to identify and define the universe of potentially material sustainability factors for each investment  <b>TOOL</b> <b>Due Diligence Questionnaires</b>	<b>ACTION</b> <b>Identify Potentially Material Factors</b> Define scope of analysis based on research into comparable issuers  <b>TOOL</b> <b>Portfolio Dashboard</b> Using Canyon's proprietary web-based platform, the firm applies peer-group data to identify and define the universe of potentially material sustainability factors for each investment.	<b>ACTION</b> <b>Quantify Assessment</b>  <b>TOOL</b> <b>Rating System</b> Insights from the responsible investment assessment are integrated into an internal rating.
<b>CORPORATE INVESTMENTS</b>	<b>Track Performance</b>	<b>ACTION</b> <b>Provide Centralized Knowledge</b> Define scope of analysis based on research into comparable issuers  <b>TOOL</b> <b>Portfolio Dashboard</b> <ul style="list-style-type: none"> <li>- Portfolio and Investment Reports are housed on Ethos, and are available to all analysts</li> <li>- Regularly update evaluations and bench-mark issuers' performance against peers</li> <li>- Analysis and findings are documented and updated as new information comes to light</li> </ul>	<b>ACTION</b> <b>Monitor Data and Assess Performance</b>  <b>TOOL</b> <b>Questionnaire</b> Collect information on governance and sustainability practices and performance from issuers	<b>ACTION</b> <b>Measure Progress</b>  <b>TOOL</b> <b>Track Metrics</b> Reviews of survey responses and peer performance research
<b>OWNERSHIP</b> Monitor and manage	<b>Stewardship</b>	<b>DIALOGUES</b> Obtain governance and sustainability updates from management teams and encourage improved risk management	<b>PROXY VOTING</b> Vote on issues raised by management or shareholders	

## INTERVIEW WITH INVESTMENT LEADERSHIP



JEFFREY KIVITZ

Investment Partner and Chief Investment Officer  
of Corporate and Asset-Backed,  
with Canyon since 2008

**QUESTION:** As Canyon has continued integrating responsible investment principles into the investment process, what have been the biggest benefits from adding this perspective?

**JEFFREY KIVITZ:** Integrating responsible investment principles into our process has enhanced both the depth and durability of our investment decisions. By systematically evaluating environmental, social, and governance (ESG) factors, we gain a more holistic view of risk and opportunity—particularly in complex or opaque markets. This perspective has helped us identify nuanced, company specific value drivers and better identify risks for consideration and ongoing monitoring. It has also strengthened our relationship with investors who increasingly prioritize transparency and prudent risk management. Ultimately, responsible investing has become a strategic advantage, reinforcing our commitment to performance with purpose.

**Q:** Considering your approach to engagement, and the limitations of traditional credit investing, what are some approaches that have proven to be successful?

**JEFFREY KIVITZ:** While traditional credit investing often limits direct influence over issuers, we've found success through targeted engagement. In public markets, we leverage our position as a sophisticated investor to engage with issuers, servicers, and sponsors—encouraging improved disclosures and responsible practices. Collaborating with data providers has also allowed us to amplify our voice and drive systemic improvements. Through working with data providers, we have identified areas of traditionally limited coverage and drawn attention to the resources of our data providers to direct efforts. These approaches help us navigate constraints while still promoting accountability and progress.

**Q:** Collateralized loan obligations (CLOs) are tied to hundreds of underlying loans – why is data coverage so important in this asset class?

**JEFFREY KIVITZ:** While diversification in collateralized loan obligations (CLO's) can mitigate idiosyncratic risk, it does not eliminate the need for robust data coverage. In fact, the complexity and scale of pooled assets make transparency even more critical. High-quality, granular data allows us to assess the underlying exposures—whether related to geographic concentration, borrower demographics, or ESG-related risks such as climate vulnerability or social equity. Without sufficient data, it's difficult to evaluate systemic risks or identify patterns that could affect performance. Comprehensive coverage empowers us to make informed decisions, enhance risk management, and uphold our commitment to responsible investing.

# CASE STUDY

## ETHICAL INTEGRATION IN THE ACQUISITION OF CRYPTO CURRENCY EXCHANGE BANKRUPTCY CLAIMS

### OVERVIEW

In 2024, Canyon Partners undertook a complex and high-profile investment initiative: acquiring bankruptcy claims from individual customers of a collapsed cryptocurrency exchange. This effort exemplified Canyon's commitment to integrating Environmental, Social, and Governance (ESG) principles into its investment strategy—particularly in navigating the ethical and governance challenges of distressed digital assets.

### GOVERNANCE: STRENGTHENING INTEGRITY IN DUE DILIGENCE

The bankruptcy presented a unique governance challenge. With over 1.2 million unsecured creditors and widespread fraud, Canyon implemented a rigorous diligence framework to ensure claims were ethically sourced and legally sound. Claims were widespread in nature, including global, individual customers, with varying degrees of size. To effectively conduct due diligence on these claims, Canyon conducted extensive checks to ensure controls were effective through various efforts:

- Enhanced KYC and AML Screening: Leveraging internal teams and external experts—including legal counsel, ex-law enforcement, and compliance professionals—to conduct background checks and vet each claim holder.

- Verification Protocols: Conducting live screenshares with claim holders to validate account details and ensure transparency.
- Bespoke Agreements: Negotiating individualized purchase and sale agreements to reflect the unique nature of each claim.

This diligence process was designed not only to mitigate risk but to uphold the highest standards of financial integrity and investor protection.

### SOCIAL RESPONSIBILITY: ENGAGEMENT WITH CLAIM HOLDERS

Unlike traditional distressed assets, these claims were held by individual consumers—many of whom were victims of fraud. Canyon prioritized ethical sourcing by:

- Building New Relationships: Partnering with non-traditional brokers and intermediaries to reach affected individuals.
- Respecting Jurisdictional Nuance: Navigating international legal frameworks to ensure compliance and fairness across borders.
- Supporting Victims: Treating claim holders with respect and transparency throughout the acquisition process.

This approach reflected Canyon's broader commitment to responsible investing and stakeholder engagement.

### CONCLUSION

By prioritizing governance, ethical sourcing, and stakeholder fairness, Canyon not only uncovered value but reinforced its commitment to the integration of responsible investment practices. This case reflects Canyon's broader ESG philosophy: that transparency, integrity, and adaptability are essential to navigating complexity and delivering long-term value.

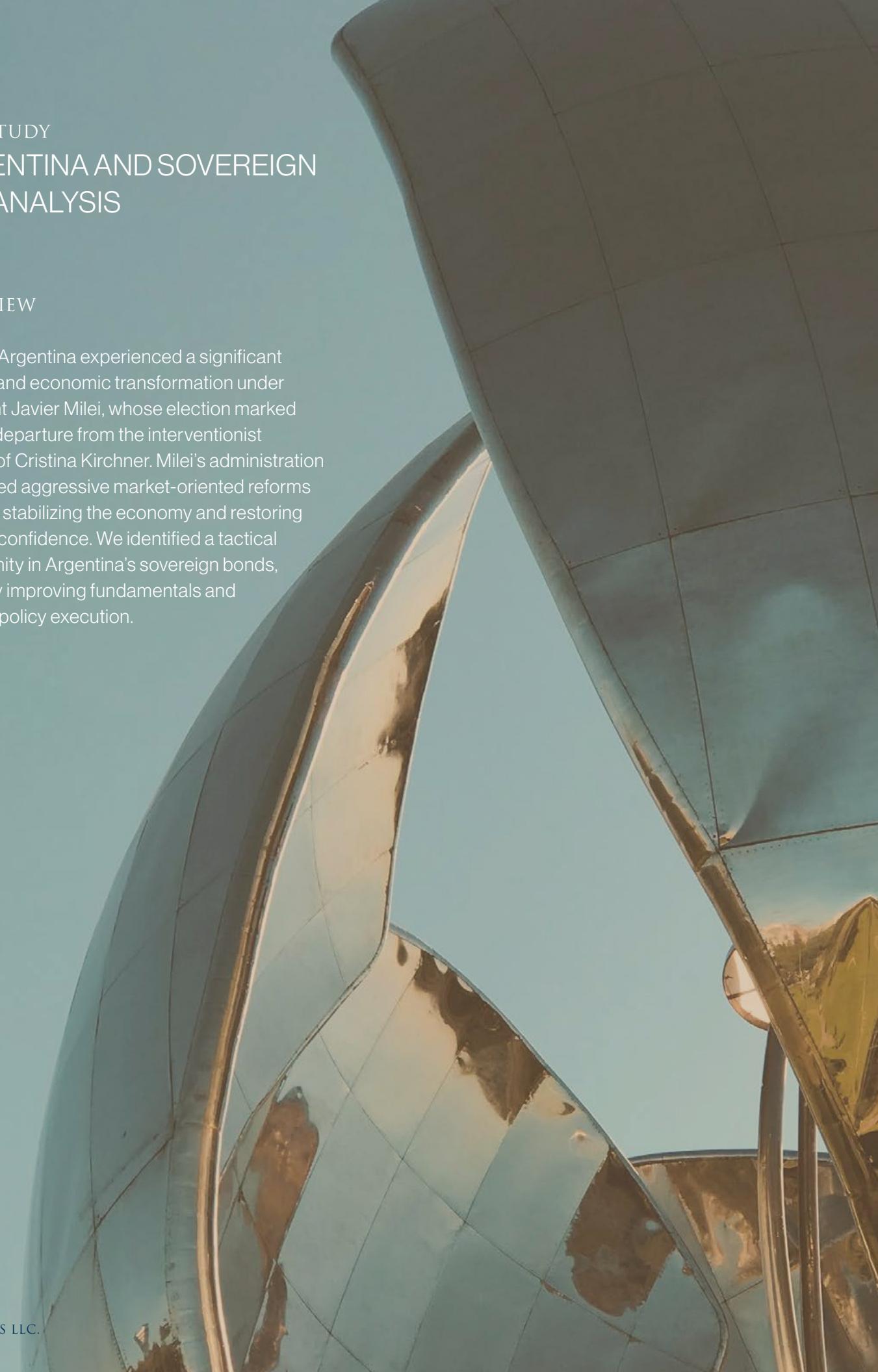


## CASE STUDY

# ARGENTINA AND SOVEREIGN ESG ANALYSIS

## OVERVIEW

In 2024, Argentina experienced a significant political and economic transformation under President Javier Milei, whose election marked a sharp departure from the interventionist policies of Cristina Kirchner. Milei's administration introduced aggressive market-oriented reforms aimed at stabilizing the economy and restoring investor confidence. We identified a tactical opportunity in Argentina's sovereign bonds, driven by improving fundamentals and credible policy execution.



## GOVERNANCE OVERHAUL

Regime change is a critical governance factor in sovereign ESG analysis. Milei's administration has made significant strides in fiscal and institutional reform:

- **Fiscal Discipline:** Achieved Argentina's first budget surplus in 12 years in January 2024
- **Monetary Reform:** Halted money printing and restructured Central Bank liabilities to reduce inflationary pressure.
- **Legislative Success:** Passed the Ley Bases, a sweeping deregulation bill that grants Milei legislative powers over economic and administrative matters.
- **Institutional Restructuring:** Privatization plans for state-owned enterprises and downsizing of government ministries.

## POLITICAL STABILITY AND CHALLENGES

Despite Milei's radical agenda and limited congressional support, his administration has maintained relative political stability:

- **Public Support:** Approval ratings have remained around 50%, even amid recession and austerity.
- **Social Response:** Protests have occurred but have not escalated into mass unrest. Pension and university budget cuts sparked demonstrations, but Milei's expectation management helped temper backlash.
- **Cabinet Volatility:** Over 60 senior officials were dismissed or resigned in 2024, reflecting internal tensions and Milei's assertive leadership style.
- **Foreign Policy Shift:** Milei has realigned Argentina's diplomacy toward the U.S. and libertarian allies, distancing from China and Mercosur.

These developments suggest a volatile but functioning political environment, with governance reforms outweighing institutional fragility in the short term.

## RESPONSIBLE INVESTMENT INTEGRATION IN INVESTMENT DECISION

This trade exemplifies how ESG factors—particularly governance—can inform tactical investment decisions in sovereign debt:

- **Positive Governance Shift:** Milei's reforms signal a credible commitment to fiscal and institutional stability.
- **Short-Term Horizon:** While long-term risks remain, near-term policy execution supports our thesis.
- **ESG-Adjusted Risk Assessment:** The trade was underpinned by an ESG-informed view of regime credibility and macro stabilization.

A large, abstract graphic in the background of the slide features several curved, overlapping layers of blue and grey. The layers are composed of thin, diagonal lines that create a sense of depth and motion, resembling architectural elements or perhaps a stylized representation of a city skyline at night.

SECTION 2

## CANYON PARTNERS REAL ESTATE

### PROGRESS IN 2024

#### EXPANDING RESPONSIBLE INVESTMENT PRACTICES

In 2024, Canyon Partners Real Estate (CPRE) formalized its commitment to integrating financially relevant sustainability considerations into its real estate investment strategy through the adoption of a new, standalone Responsible Investment Policy. This policy, developed from groundwork laid in 2023, also informed the creation of more cohesive policies for Canyon's real estate holdings—replacing fragmented processes with a unified framework.

## RESPONSIBLE INVESTMENT 2024 ENHANCEMENTS

### DUE DILIGENCE IMPROVEMENTS

Building on the progress from 2023, we continued to improve our due diligence process in several ways. For all current real estate funds – both equity and debt – the due diligence checklist is completed by the acquisition team and is a routine part of closing. This year we consulted with an external advisor to expand the list of indicators. New indicators include the identification of Scope 1 emissions sources, environmental regulatory compliance, human rights violations, and presence of tenants involved with controversial weapons. In the future, we plan to share historical utility consumption data for landlord-controlled spaces with qualified potential buyers of our equity assets.

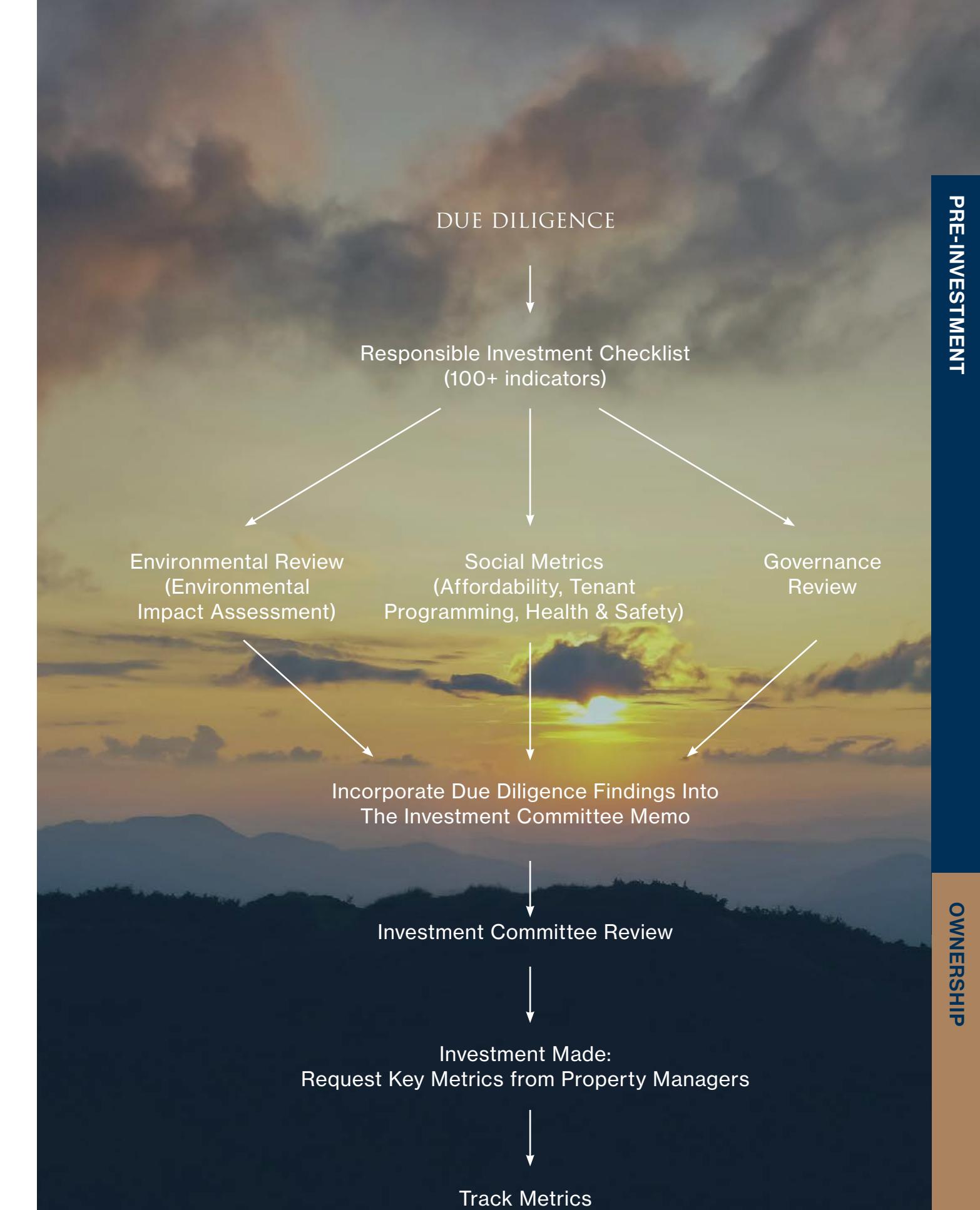
### DATA COLLECTION EXPANSION

We prioritized expanding our use of Measurabl and now all operational equity and debt portfolios are on the platform. With the debt and equity portfolios on Measurabl, we can now collect and

track consumption data on electricity, water, and gas as well as waste generation for landlord-controlled spaces. The long-term goal is to fill historic data gaps to create a complete data record for each asset. A comprehensive data set will facilitate our ability to make data-driven decisions that improve operational performance.

### ENGAGING WITH PROPERTY MANAGERS

At CPRE, we are seeking opportunities to engage further with property managers. As the front line with our tenants, property managers can positively influence tenant satisfaction and operations. In 2024, we began assessing our ability to add sustainability criteria to the selection process. Our level of influence in the selection process depends on whether we are an equity or debt partner and we work with our sponsors in various ways through the property manager selection. We have a series of sustainability-related questions for property managers and request responses.



## INTERVIEW WITH SENIOR LEADERSHIP



ROBIN POTTS

Partner and Chief Investment Officer  
of Real Estate, with Canyon since 2006

**QUESTION:** Where do you see  
the greatest opportunities when it  
comes to responsible investment  
in commercial real estate?

**ROBIN POTTS:** In today's environment  
that features persistently high interest rates  
and traditional lenders taking a back seat,  
we believe real estate credit offers a timely  
opportunity to deploy capital responsibly and  
effectively. In our real estate debt platform,

we're focused on strategies that provide flexible financing solutions across the capital stack and across project stages. This approach allows us to invest across a diverse range of assets, while maintaining a priority on risk-adjusted returns for our investment partners. A particular area where we have been active is in the multifamily space. Affordability challenges and supply constraints in new home construction are creating rental demand. By financing developments that expand access to housing, we're not only addressing a social need but also investing in durable, income-generating assets. Responsible investment in our view means identifying inefficiencies in the credit markets and stepping in with capital that is impactful. Real estate debt, especially in this cycle, allows us to do just that. In our equity platforms, most of our assets are new vintage and benefit from energy efficient designs and systems.

**Q:** How do you evaluate potential risks  
related to social and environmental factors  
when assessing investment opportunities?

**RP:** When we are actively evaluating an investment opportunity – whether it be equity or debt – our team uses a detailed checklist of over 120 factors. The tool was created to ensure that we assess a wide range of factors and then communicate the most material risks to the Investment Committee.

The checklist covers industry standard topics, such as those that relate to energy efficiency and emissions, but it goes beyond the basics in all categories too. For example, we inquire about energy efficiency features such as HVAC systems and LED lights, but then we delve into the sources of Scope 1 emissions to identify potential risks of high emitting sources. Additionally, in the context of a construction loan, we want to understand how a general contractor maintains compliance with sustainability-related guidelines and environmental regulations.

On the social side, our properties' impact extends beyond just tenants, it also includes all of the individuals who interact with our properties. Across our portfolio, we implement targeted programs designed to enhance well-being, foster connectivity and promote sustainability.

Our properties host community building events such as fitness and yoga classes with local gyms and instructors. Some also participate in local Chamber of Commerce and community service events to assist with the larger community. Finally, some of our properties host green living workshops that promote energy-saving and water conservation behaviors.

Follow-up is an important element of our risk assessment – not only do we ask these questions up front using the checklist, but also,

we check in with our borrowers and partners throughout the hold period to confirm follow-through on related business plan milestones such as receipt of green building certifications (ex. LEED, Energy Star, etc.) and maintenance of social programming and community engagement. CPRE's in-house asset management team takes a hands-on approach with our partners and works closely with the sponsor through the execution of the business plan to ensure that milestones are met. The risk assessment tool is detailed and flexible – we've created a means by which we can identify and track sustainability metrics for any of our debt or equity investments throughout the lifecycle of the investment.

Our process values progress, and we've developed a tool with the intention of iterations. Through active monitoring and flexible design, our team is constantly evaluating what we do, and how we can do it better to improve our performance. We continue to utilize the checklist beyond due diligence, throughout the lifecycle of each investment, and update material topics at various stages of the hold period to ensure progress is captured and reported on.

## CASE STUDY

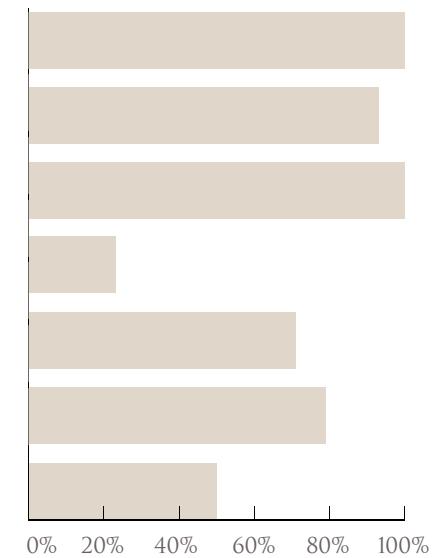
# CANYON QUALIFIED OPPORTUNITY ZONE PLATFORM

Qualified Opportunity Zones are intended to catalyze inclusive economic development by channeling long-term capital into underserved communities across the U.S. These investment incentives were created in 2017 under the Tax Cuts and Jobs Act to support low-income communities and neighboring areas, aligned with qualifying census tract boundaries. States nominated communities to be designated as Opportunity Zones, and the U.S. Department of Treasury certified the nominations. Tax benefits are available to investors in Qualified Opportunity Zones.

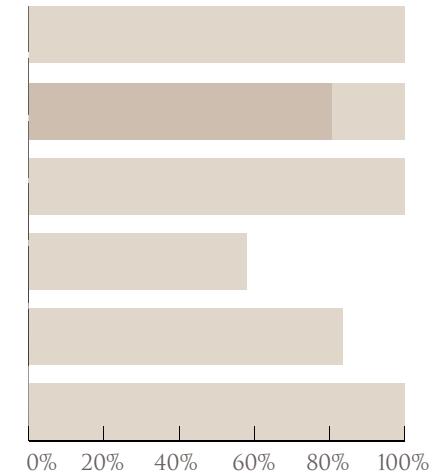
The Canyon QOZ platform is an investment vehicle focused on uncovering compelling risk-adjusted investment opportunities within certified opportunity zones. Through a responsible investment lens, we partner with developers to build properties that enhance community well-being, promote environmental stewardship, and support long-term value creation—while actively managing operational efficiencies and investment risks. As of Q4 2024, there were 14 investments in the Canyon QOZ Platform. Twelve are multifamily properties and two are student housing communities.



## ENVIRONMENTAL

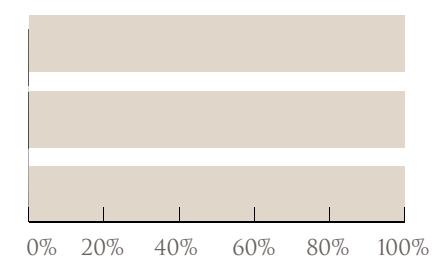


## SOCIAL



**OVER 6,242**  
jobs created<sup>2</sup>

## GOVERNANCE



As of 12/31/2024. <sup>1</sup> Census tract income categorization is not reported/available for 23%. <sup>2</sup> Based on development partner's estimates and subject to change. Canyon has not verified the accuracy of the information provided by our development partners.

## OPPORTUNITY ZONE INVESTMENTS

DESCRIPTION	ENVIRONMENTAL	SOCIAL
<p><b>6507 EAST RIVERSIDE AUSTIN, TEXAS</b></p> <p>A \$23.9 million investment for the ground-up development of a Class-A mid-rise multifamily community totaling 263 units. The project will receive tax abatement incentives in exchange for meeting affordability requirements, including a minimum of 90% of units to be leased to qualified renters based on household income criteria ranging from 60% to 120% of the region's area median income.</p> 	<ul style="list-style-type: none"> <li>• Energy efficient building materials and specifications</li> <li>• Energy efficient facade and roof</li> <li>• ENERGY STAR refrigerators and water heaters</li> <li>• Drought resistant landscaping</li> <li>• 92% of plant species are native or adapted to Texas</li> <li>• Drip Irrigation</li> <li>• Dog park, two open courtyards, and dedicated park area</li> <li>• Bike storage</li> </ul>	<ul style="list-style-type: none"> <li>• One block from planned light rail station part of Project Connect initiative</li> <li>• Low-income census tract</li> <li>• 238 affordable units, or 90%</li> <li>• Affordability requirements must be met to maintain real estate tax exemption</li> <li>• Planned social programming for tenants</li> <li>• On-site security</li> <li>• Smoke Free Community</li> </ul>
<p><b>631 SW 150TH STREET BURIEN, WASHINGTON</b></p> <p>A \$25.6 million investment in the ground-up development of a Class-A mid-rise multifamily community totaling 230 units. The project is eligible for tax abatement incentives in exchange for designating 20% of the project's units as affordable at 80% of the region's area median income level for the duration of the abatement.</p> 	<ul style="list-style-type: none"> <li>• Energy Efficient HVAC Systems</li> <li>• High-efficiency boilers, pressure-reducing valves with low-flow fixtures, and high-efficiency washing machines to enhance water conservation</li> <li>• Motion sensors in common areas to control lighting and HVAC systems based on occupancy, preventing</li> <li>• Daylighting features to optimize natural light and reduce need for artificial lighting.</li> <li>• Native plants in landscaping for shade reduced cooling needs</li> <li>• Energy Efficient and ENERGY STAR appliances</li> <li>• 15 EV charging stations</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate Income Census Tract</li> <li>• 2 blocks from the Burien Transit Center</li> <li>• 46 Affordable Units or 20%<sup>1</sup></li> <li>• Green Globes Multifamily Performance Plus for New Construction – Certified 2025</li> <li>• High Walk Score of 96</li> <li>• Partnered with women- and minority-owned companies for construction subcontracting</li> <li>• Waste Reduction Education Program to educate residents on waste minimization, proper recycling, and composting techniques</li> <li>• Smoke Free Community</li> <li>• On-Site Security</li> </ul>

<sup>1</sup>Based on development partner's estimates and subject to change. Canyon has not verified the accuracy of the information provided by our development partners.

## 2025 INITIATIVES

- Further integration of Ethos and other technological enhancements into our internal processes and expanding coverage of the portfolio
- Continuous evaluation of industry standards and best practices such as UN PRI, and seeking opportunities for further program enhancements
- Seeking opportunities for improving our internal reporting capacity to provide greater transparency for stakeholders related to our responsible investment practices
- Evaluating opportunities to develop more sustainability focused products, such as Article 8 funds



### SECTION 3

## CORPORATE APPROACH

### LEADERSHIP AND GOVERNANCE

#### LEADERSHIP AT CANYON AND 2024 ENHANCEMENTS

Canyon established a Board of Directors in 2024 to reinforce governance and strategic oversight as part of its partnership with Dai-ichi. Josh Friedman, Mitch Julis, and Jonathan Kaplan are on the Board, alongside two Dai-ichi appointed Directors. This new governance layer enhances oversight while ensuring that active management and decision-making remain firmly in Canyon's hands. The Board structure reflects Canyon's commitment to responsible investment through transparent governance and long-term strategic alignment.

Canyon's Investment Committee and select Investment Partners generally have direct portfolio management responsibilities for distinct portfolios across the firm. They report to the Founders and other Partners through

a formal investment committee process. Canyon's back and middle office activities are managed by several Partners, including its Chief Operating Officer, Chief Financial Officers, Chief Compliance Officer, and Chief Information Officer. Canyon's client-facing activities are managed by three other Partners. The Partner group consults with the Founders on an individual and collective basis regarding material decisions across the Canyon platform, including through a formal Management Committee structure.

In 2024, Canyon introduced a new internal audit team. This team is intended to support the compliance and legal functions ensuring adequate controls are in place, and Canyon continues adhering to the various commitments it has made across products and investors.

## COMMITTEE RESPONSIBILITIES

### COMMITTEE OVERSIGHT

Oversight of Canyon's daily operations is the responsibility of the Executive Committee and the Management Committee. Leadership of these Committees reports to the co-CEOs.

The Executive Committee meets monthly to review the firm's business performance and assess the operations and planning of each business unit. Significant issues identified in these meetings are escalated to the Management Committee for further consideration. The Executive Committee is comprised of key senior leaders such as the Chief Operating Officer, Chief Compliance Officer, Chief Financial Officer, Chief Information Officer, and the

Head of the Client Solutions Group, as well as other senior leadership from across the firm's business units including Risk, Legal, Investor Relations, Real Estate, and Human Resources.

Strategic and major operational decisions are addressed by the Management Committee that meets monthly on a formal basis. Members include the Founding Partners, Chief Investment Officer, Chief Operating Officer, President, and the Head of Client Solutions Group. The Founding Partners have guided the firm's decision making since inception, and today, the Management Committee plays a critical role in guiding the firm's strategic direction.



# CORPORATE GOVERNANCE

## BUSINESS ETHICS AND COMPLIANCE OVERSIGHT

Canyon upholds its commitment to the highest ethical standards through a comprehensive compliance program. Led by the Chief Compliance Officer, the in-house compliance team regularly evaluates operations to assess whether Canyon's policies and procedures remain aligned with evolving legal, regulatory, and business requirements. The firm's daily, weekly, monthly, and quarterly operational reviews inform the compliance team's formal quarterly report for senior management. The quarterly reports then form the basis of Canyon's annual compliance assessment.

## ANNUAL COMPLIANCE TRAINING

Each department participates in targeted annual compliance training focused on the compliance obligations most pertinent to the team's roles and responsibilities, and all employees are required to certify compliance with the code of ethics on a quarterly basis.

## TRADE MANAGEMENT

Canyon's proprietary order management system is designed to monitor adherence to fund guidelines and regulatory requirements. Certain rules and regulations, such as the restricted list, are monitored on a pre-trade basis—for example, the system cross-checks trades against Canyon's restricted list before execution—while others are reviewed during pre-allocation or overnight stages.

## EMPLOYEE TRADING OVERSIGHT

Employee trading is monitored for compliance with pre-clearance, holding period requirements, and blackout periods. Employee reporting encompasses investment holdings, certifications, gifts, business entertainment, political contributions, and outside business activities.

## CYBERSECURITY

At Canyon, we prioritize robust data security and privacy through a comprehensive cybersecurity program focused on confidentiality, integrity, and availability. Our approach is grounded in an IT security control framework informed by the National Institute of Standards and Technology (NIST) Special Publication 800-53 Rev. 4 and aligned with risk alerts from the U.S. Securities and Exchange Commission (SEC) Division of Examinations. These standards guide our policies and procedures, which are further strengthened through annual cybersecurity training and continuous third-party monitoring.

A key pillar of our cybersecurity efforts is enhancing and maintaining employee awareness. Led by industry experts, our training programs focus on safeguarding information and mitigating the risk of cyberattacks. We proactively implement measures such as regular phishing simulations, internal and external security assessments, and direct training sessions to address human factors that can influence security vulnerabilities.

Additionally, we monitor vendor performance through external security reviews and conduct assessments as necessary. These efforts are documented in our internal risk-management reports.

Canyon's Cybersecurity Committee meets monthly to oversee the program and develop strategies to prevent cyberattacks. Insights and recommendations are presented annually to the founding partners for review.

## CANYON'S CYBERSECURITY POLICIES AND PROCEDURES ADDRESS:

- Firewalls
- Intrusion Detection Devices
- Network Segmentation
- Network and Role-Based Access Controls
- Administrative Access Restrictions
- Password Policies
- Code Review
- Logging
- Annual Cybersecurity Awareness Training
- Encryption
- Anti-Virus
- Anti-Malware
- Monitoring by Third-Party Security Operation Centers

## ADAPTING CYBERSECURITY FOR A CLOUD AND AI-DRIVEN FUTURE

Canyon evaluates its security framework to align with the rigorous standards of the cybersecurity program as it accelerates the adoption of cloud technologies. We implement controls that are strategically designed to match our defined risk tolerance.

Each year, Canyon undergoes an independent, external audit to confirm compliance with Society for Worldwide Interbank Financial Telecommunications (SWIFT) standards, safeguarding the secure transmission and receipt of financial transaction messages.

The adoption of emerging AI technologies at Canyon is accompanied by proactive risk assessments and controls designed to mitigate vulnerabilities, to strive for responsible and secure innovation.

## CORPORATE CULTURE



### GOVERNANCE

#### Culture and Corporate Citizenship Policy

Canyon's vision for building and maintaining an inclusive company culture is set forth in the Culture and Corporate Citizenship policy. The Director of Culture and Corporate Citizenship is responsible for overseeing the implementation of the policy and the development of associated programming and initiatives.

#### Culture and Corporate Citizenship Committee

The Culture and Corporate Citizenship Committee, led by the Director of Culture and Corporate Citizenship, addresses talent pipeline development, firm-wide educational opportunities, community building, the recognition of cultural observances, and other initiatives designed to promote team member engagement. The committee meets on a

biweekly basis and includes representation from across the firm at all levels of seniority, with members serving two-year terms to ensure broad participation and allow for a continuous flow of fresh perspectives.

#### Education and Awareness

New hires go through our annual Culture and Engagement Workshop, which was launched in 2021 in partnership with an organizational strategy consultant to broaden perspectives and encourage an inclusive working environment.

Canyon Connects is our internal speaker series that we utilize as a firmwide platform to continuously update and educate team members on various aspects of our business and to highlight important societal themes and current events with external guest speakers.

### PRIORITIZING OUR EMPLOYEES

Canyon established both a Benefits Committee and Compensation Committee at the end of 2021 to evaluate and update Canyon's employee benefits, compensation structure, and other talent-related topics. Members of these committees include senior leadership from across the firm's business units. These committees will continue to evaluate our compensation and benefits programs on an ongoing basis.

The following objectives guide the Benefits Committee's decisions:

- Aligning with Canyon's culture and values
- Protecting team members from financial risk
- Promoting the health, well-being, and development of team members
- Competitive recruiting of new team members
- Financial stability for Canyon
- Ensuring tax-efficiency, cost-effectiveness, and compliance
- Supporting team member engagement

#### Remote Work Policy

Canyon maintains a flexible work policy with team members primarily working in the office but also, to a limited extent, on a remote basis. Canyon has also implemented a "work from anywhere" program, which allows team members to work remotely for up to four weeks per year.

#### Canyon Supporting Employee Engagement

Canyon has established long-term collaborations with organizations that serve and strengthen our local communities in a variety of meaningful ways. Through these partnerships, team members are encouraged to champion causes they care deeply about and to take on leadership roles that expand their skills while contributing to the firm's broader social impact.

This year, we are proud to highlight several philanthropic organizations supported through these efforts, including:

- Ready to Succeed
- Capital for Kids
- Rock the Street, Wall Street
- The Sutton Trust
- Achievement Center for Texas
- Integrity Community Solutions
- Children's Hospital Los Angeles (CHLA).

Engagement with these organizations reflects our commitment to purposeful leadership, community involvement, and long-term impact.

We are inspired by the collective dedication of our employees, whose involvement reinforces Canyon's values and strengthens the communities in which we live and work.

## CORPORATE CULTURE

### INVESTING IN CORPORATE CULTURE

#### The John Plaga Culture and Citizenship Award

In 2024 we announced Canyon's inaugural John Plaga Culture and Citizenship Award. John Plaga was Canyon's incredibly dedicated CFO and Co-COO, serving the firm and his colleagues for over 23 years until his passing in January 2021. John was an exceptional leader, a trusted partner and colleague, a caring mentor and a beloved friend to many. The loss of John reverberated throughout the firm, but the lessons he taught us about service and leadership live

on to this day. John was the ultimate "culture carrier" for Canyon, modeling the best aspects of our culture in his personal and professional interactions. This award honors his memory and continues his legacy by recognizing the individuals who are following the path he set for us. The winners of this year's award were nominated by their peers based on their leadership, mentorship, collaboration, and engagement.

#### Canyon Office Hours

At Canyon, we believe that investing in our people is foundational to long-term success. Our approach to employee development is centered on creating meaningful opportunities for growth, connection, and mentorship across all levels of the firm. The Canyon Office Hours mentorship program exemplifies this philosophy by

fostering organic relationships and peer-to-peer engagement between team members and senior leaders. Through structured yet informal sessions, all employees gain direct access to experienced professionals, encouraging open dialogue, career guidance, and cross-functional learning.

#### Partnership Program

Canyon's Partnership program reflects an intentional and strategic approach to providing senior team members with shared economic participation, increased leadership responsibilities, and active ownership. At the end of 2024, 17 Non-Founding Partners – each developed internally with an average tenure of 16 years at

Canyon and 24 years in the industry – share in Canyon's residual net profits (excluding real estate products that follow a separate incentive structure). The Partnership structure reinforces Canyon's commitment to cultivating long-term leadership, institutional continuity, and alignment with responsible investment principles.



## EXPANDING THE TALENT PIPELINE

Canyon requires recruiters to present candidate slates for every job search that reflect the full range of available, qualified talent, and oversees the internal evaluation process to ensure that all applicants are given equal consideration. To broaden our access to the largest talent pool, Canyon collaborates with non-traditional recruiting partners, including nonprofits like the Robert Toigo Foundation and Sponsors for Educational Opportunity (SEO).

### Summer Internships

Our summer internship program continues to be a critical component of Canyon's commitment to cultivating future talent and expanding access to careers in finance. In 2024, we welcomed our third internship class comprised of 20 undergraduate students, representing a broad range of schools, backgrounds, and experiences. Schools included the University of California at Los Angeles, University of Pennsylvania, Duke University, University of Southern California, University of Notre Dame, Cornell University, the University of Texas at Austin, Yale University, Vanderbilt University, Brown University, Spelman College, and Boston College.

### Increasing Access to Careers in Finance and Real Estate

Canyon proudly became a corporate partner of the SEO Credit Academy, a fellowship program designed to prepare young investment professionals for careers in credit investing. Beyond financial support, our team actively engaged in several of SEO's networking and recruitment events, including the selection of SEO fellows, while also sponsoring SEO Careers, their intern preparation program, and the annual SEO Alternative Investment Conference.

We have continued our long-standing partnership with the Robert Toigo Foundation, sponsoring their two flagship east and west coast fundraising events.

In 2024, Canyon continued its support of nonprofit organizations dedicated to creating greater access to educational and professional development opportunities through various collaborations and sponsorship. Canyon partnered with groups including the Sutton Trust (UK), AltFinance, Rock the Street, Wall Street, and the Posse Foundation.

This program is designed not only to provide hands-on exposure to investment management but also to give these aspiring investment professionals the opportunity to network and foster meaningful relationships across the firm. More than half of our employees actively participate in the recruitment, coordination, and execution of the program—demonstrating our collective investment in mentoring the next generation of finance professionals. By creating a dynamic and inclusive learning environment, we aim to build a robust recruitment pipeline and attract the best talent for our future staffing needs.

We also celebrated our fourth consecutive year of involvement with Rock the Street, Wall Street, empowering high school girls through financial literacy and mentorship, and proudly launched a new cohort last fall. In the UK, we hosted students from the Sutton Trust's Pathways to Finance and Banking program for a week-long immersive experience, marking our third year of sponsorship. Additionally, we expanded our network of inclusive professional development partnerships by becoming a corporate sponsor of both the PREA Foundation and Out Investors, reinforcing our commitment to representation across the investment landscape.

<p>SEO Credit Academy</p> 	<p>A program designed to prepare young professionals to secure credit investment roles</p>	<p>Sponsored the SEO Credit Academy, engaged in professional development events with college students, and CIO served as a panelist</p>
<p>Robert Toigo Foundation</p> 	<p>MBA fellowship program dedicated to developing human-centered leaders in finance</p>	<p>Engaged the ToigoPro recruitment service to conduct targeted managed searches and to market job opportunities at Canyon to the Toigo alumni network</p>
<p>Rock the Street, Wall Street</p> 	<p>A financial and investment literacy program designed for high school girls</p>	<p>Sponsored the year-long program for the third consecutive year, featuring five instructional sessions taught by staff volunteers from Canyon, a field trip to Canyon offices to explore a range of career paths in finance, and a series of mentorship opportunities</p>
<p>Sutton Trust</p> 	<p>Supports social mobility in the UK through access to educational and professional opportunities</p>	<p>Sponsored the Pathways to Banking and Finance program in our London offices, providing a week of immersive learning and hands-on exposure to careers in investment to students attending state schools</p>
<p>Posse Foundation</p> 	<p>Identifies and supports high-potential, diverse student leaders to excel at top-tier colleges and emerge as impactful contributors to society</p>	<p>Sponsored and hosted the organization's fellowship competition to select the incoming class of ~100 Posse scholars. A team of 12 Canyon staff volunteered, including several senior leaders such as the Chief Compliance Officer, Chief Operating Officer, and Chief Information Officer</p>



## WOMEN'S MENTORSHIP PROGRAMS

Supporting women in leadership roles is a key objective of Canyon's Culture and Corporate Citizenship initiative. For the third year in a row, Canyon continued its partnership with Beyond Barriers, a transformative career fitness program, designed to support the career growth of women team members. In 2024, Canyon sponsored two cohorts. To date, more than half of the women at Canyon having participated in the program, reflecting our deep commitment to professional advancement. Graduates of the program are now playing lead roles in firm initiatives and with a number of our nonprofit partners.

Canyon continues to sponsor its women's affinity group, CREW (Connect, Respect,

Empower Women), led by a steering committee of dedicated volunteers and members of the Culture and Corporate Citizenship Committee. CREW's mission is to foster community, mentorship, and professional development while providing a safe space to connect and engage on shared interests and experiences. In 2024, CREW organized a series of impactful events including team member-led virtual discussion forums, a book club, and a pre-holiday social.

In partnership with the nonprofit organizations, Harvest Home in Los Angeles and Our Friends Place in Dallas, CREW members have been actively involved in supporting unhoused and at-risk women and new mothers.

## COMMUNITY, ENGAGEMENT, AND PHILANTHROPY

Philanthropy and community stakeholder engagement are core to Canyon's heritage and the values of our founders. This deep commitment is a cornerstone of our firm's culture

### Volunteerism and Canyon Community Impact

Through partnerships with nonprofit organizations aligned with our mission, Canyon provides employees with:

- Leadership Opportunities
- Quarterly volunteer days with local charities
- Employee donation matching campaigns in response to natural disasters and crises
- Two days of paid volunteer leave annually to support personal causes

In 2024, our community engagement and outreach expanded with a number of existing and new initiatives and hundreds of employee volunteer hours.

We proudly continued our fourth year of corporate sponsorship with Dig Deep, supporting clean water access initiatives in rural communities in Texas.

Our Back-to-School drives reached students across the country through collaborations with the Partnership for LA Schools, the Boys and Girls Club of Greater Dallas, and the PS59 School in the Bronx, New York.

We deepened our commitment to uplifting underserved communities through meaningful partnerships and hands-on engagement.

with a special focus on education and research, creating access and support for underserved communities and promoting sustainability.

In Los Angeles and Dallas, we proudly supported organizations tackling the unhoused crisis and housing insecurity, including Better Angels LA, Harvest Home, and Our Friends Place—each with a dedicated focus on empowering mothers and at-risk young women to build brighter futures.

In New York, our collaboration with Apex for Youth brought children's literature to AAPI immigrant families through a successful book drive, to promote literacy and prevent the disruption of educational development during the long summer break.

Through the Ready to Succeed Project Dorm Room, our team rallied to provide essential supplies and a warm welcome to foster youth beginning their college journey at UCLA, helping ease their transition into higher education.

We also continued our longstanding partnership with the Achievement Center of Texas, championing individuals with disabilities through various volunteer events and celebrating Canyon's recognition at their inaugural Champions Gala, a testament to the power of community engagement and the importance of our role as a corporate supporter to local charitable causes.



## APPENDIX I: UN PRI SIX PRINCIPLES

The PRI's principles of responsible investment are as follows:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active managers and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles

## APPENDIX II: DISCLOSURES

The information provided in this report reflects Canyon Partners' approach to Responsible Investing as of the date of this report and is subject to change without notice. We do not undertake to update any of such information in this report.

This presentation is provided for informational purposes only, does not purport to be complete, and may not contain certain material information (including, without limitation, important disclosures and risk factors associated with an investment in Canyon's funds). This presentation is not intended to be, nor should it be construed or used as, financial, legal, regulatory, tax, investment, or other advice. This presentation does not constitute a recommendation or an offer or solicitation to purchase or sell any securities, funds, or strategies to any person in any jurisdiction in which an offer, solicitation, purchase, or sale would be unlawful under the securities laws of such jurisdiction.

Some of the information used in preparing this summary was obtained from third parties or public sources. No representation, express or implied, is made or given by or on behalf of Canyon Partners or any other person as to the accuracy, completeness, or fairness

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Registration with the SEC as an investment adviser does not, in and of itself, imply a certain level of risk or training. Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue," "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements. There is no assurance that a portfolio will achieve its investment objective. Responsible investing strategies that incorporate Environmental, Social, and Governance (ESG) factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance responsible investing strategies could result in more favorable investment performance.



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