



**Octagon Credit Investors – Environmental, Social & Governance (ESG) Policy Statement  
Dated February 4, 2020**

Octagon recognizes that environmental, social and corporate governance (ESG) factors can have a meaningful impact on the businesses in which we invest, which can consequently influence portfolio performance. The Firm is committed to investing responsibly on behalf of our clients, and became a signatory to the United Nations Principles for Responsible Investment Initiative (UN PRI) on February 4, 2020. Through this ESG policy statement, Octagon seeks to illustrate alignment of our investment activities with the tenets of the UN PRI.

Octagon strives to preserve investor capital and generate attractive risk-adjusted returns through fundamental credit analysis, relative value optimization, and active portfolio management. Given the nature of Octagon's investment activities (lending to US corporate issuers rated below investment grade), we have historically evaluated ESG factors as risks or risk mitigants as part of the overall investment process. Octagon does not typically negatively screen investment opportunities, though we currently adhere to specific exclusion criteria for certain separate accounts and third party-sponsored funds at the request of the underlying client. We believe that analyzing ESG factors can enhance our ability to assess the creditworthiness of a borrower, and have therefore systematically incorporated ESG considerations into our credit research and risk management processes.

Octagon understands that ESG factors and their relevance vary by issuer and industry. We believe organizing our Investment Research Professionals by industry sector improves our ability to assess the materiality of ESG factors. Octagon's Investment Research Professionals identify pertinent ESG factors in written credit memoranda as part of our investment diligence process; any such ESG considerations are raised for further discussion when presenting an investment recommendation to the Firm's Investment Committee. Octagon's Investment Committee will factor ESG issues into their overall risk assessment of a borrower and the associated approval process. Our Investment Research Professionals continuously monitor ESG factors within their issuer universe, and proactively alert the Investment Committee to any ESG-related developments or concerns for further scrutiny.

To supplement their primary research, Octagon's Investment Research Professionals subscribe to ESG research and ratings reports published by major ratings agencies (Moody's, Fitch), though at this time we do not assign an ESG grade/rating to issuers for potential investment. Other key sources of information include, but are not limited to, regulatory agency policies, third party experts, diligence calls, sell-side research, litigation filings, public SEC filings, and exchanges with company management as part of Octagon's credit diligence and monitoring process.

Octagon strives to provide our investors with enhanced transparency and comprehensive reporting, and we will explore ways to effectively integrate ESG matters into our existing investor correspondence and client communications, as appropriate.

In addition to our investment activities, Octagon seeks to incorporate effective ESG practices into our own operations. We are committed to promoting an organizational culture that demands ethical conduct and compliance with the law. As it befits Octagon's collaborative culture, we are committed to promoting ESG and socially responsible behavior across the organization, providing adequate employee training to reinforce best practices, and actively soliciting feedback from Octagon personnel and our affiliates in an ongoing effort to improve our existing framework.

Furthermore, as an affiliate of Conning, Octagon has affirmed its commitment to Conning Holdings Group's diversity, equity, and inclusion initiatives. To this end, we are committed to building a diverse and inclusive culture that provides our clients a range of perspectives and experiences.

To ensure the successful integration of ESG considerations into Octagon's business practices and the Firm's investment process, we have formed an ESG Committee comprising senior Investment, Compliance, and Investor Relations personnel. The ESG Committee is responsible for overseeing the implementation of the Firm's ESG policy and for evaluating the Firm's progress with respect to ESG matters.