



PUBLIC TRANSPARENCY REPORT

2023

Octagon Credit Investors, LLC

Generated 15-12-2023

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Octagon recognizes that ESG factors can have a meaningful impact on the businesses in which the Firm invests, and thus can consequently influence portfolio performance. Octagon is committed to investing responsibly on behalf of its clients while satisfying its fiduciary duty owed to each client, and seeks to illustrate alignment of its responsible investment ("RI") activities with the tenets of the PRI. Octagon's approach to RI encourages the acknowledgment of and appreciation for RI amongst all Octagon employees, while encouraging the integration of material ESG factors into the investment process. Octagon's ESG-related efforts are led by the Firm's ESG Committee, which seeks to promote ESG and socially responsible behavior across the organization, provide adequate employee training to reinforce best practices, and actively solicit feedback from Octagon personnel and its affiliates in an ongoing effort to improve the Firm's ESG integration efforts.

Octagon is integrating sustainability into its operations. For example, in September 2021, Octagon achieved CarbonNeutral® company certification through the use of high-quality instruments, in accordance with The CarbonNeutral Protocol and the GHG Protocol Scope 2 Guidance, indicating that the Firm's net greenhouse gas emissions are zero for a defined duration. We seek to underscore our commitment to promoting transparency in the credit markets through collaborative efforts, such as by supporting the PRI's ESG in Credit Risk and Ratings statement. Octagon is committed to making investments in its ESG-related investment diligence and reporting capabilities by participating in ESG working groups and engaging with third-party service providers to stay abreast of new developments as we enhance our RI framework.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

In 2022, Octagon's ESG Committee executed on various initiatives identified during committee meetings over the course of the year, including the following actions which focused on expanding the depth and breadth of the Firm's ESG framework:

- a. Completed onboarding/integration of S&P ESG Credit Indicators and Moody's Credit Impact Scores into Investment Team credit memoranda ("deal sheets"),
- b. Incorporated ESG Collateral Obligation language (which define exclusionary criteria) into indentures for all new Octagon-managed Collateralized Loan Obligations ("CLOs") closed in 2022 and 2023,
- c. Joined FinDox's SFDR/ESG Working Group in an effort to develop ESG reporting capabilities and prepare for compliance with potential SFDR requirements for European clients/funds for which Octagon serves as sub-adviser, and continued to advance discussions with other service providers to develop understanding of ESG-related product offerings,
- d. Drafted and rolled out an "Impact Statement" in April 2022 for the Investment Team's use during the credit diligence process,
- e. Conducted formal training sessions with Octagon's Investment Team to ensure understanding of S&P and Moody's ESG data points, new CLO ESG criteria, engagement, review responsibilities and recordkeeping processes, and solicit feedback on existing procedures,
- f. Distributed LSTA ESG Diligence Questionnaire for Asset Managers to third party CLO managers
- g. Published various updates to the Firm's ESG Policy, further to the completion of Octagon's annual internal assessment of the Firm's compliance policies and procedures and in consideration of heightened SEC scrutiny on ESG disclosures and other recent developments,
- h. Formalized the CLO Investment Team's expanded approach to ESG-related diligence conducted pre-investment and post-investment,
- i. Participated in various PRI engagement efforts:
 - i. Supported PRI Investor Sign-on Statement advocating for technical compatibility between sustainability-related disclosure requirements / coordinated approach between standard setters and policy makers,
 - ii. Supported PRI-coordinated statement on ESG in credit risk and ratings with the goal to enhance the systematic and transparent incorporation of ESG factors in credit risk analysis,
- j. Further to receiving our 2021 Assessment Reports and Transparency Reports in September 2022, the PRI Report Sub-Committee conducted an in-depth review/analysis of 2021 report results to identify near-term actions to improve the quality of future report submissions.

- k. Published a firm-level Stewardship & Engagement Policy in an effort to enhance transparency regarding the Firm's commitment to the PRI principles.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Developing Octagon's approach to ESG integration at all levels of the organization is a key priority of senior management and the Firm's ESG Committee. Octagon's ESG Policy codifies our RI philosophy and the integration of ESG considerations into our investment process; we continue to review and refine the policy in consideration of the PRI recommendations relevant to our business, including publishing a standalone Stewardship and Engagement Policy. We are committed to supporting industry-wide efforts to promote transparency in the loan and CLO markets, and we intend to expand the use of resources to enhance the integration of ESG considerations throughout the investment process to encourage transparency from loan borrowers and third-party CLO managers. We are also focused on advancing our ESG-related reporting efforts as it relates to documenting existing activities and client communications. To that end, in February 2023, Octagon contracted with FinDox/Reorg to license ESGx (an ESG KPI data repository and ESG Reporting solution leveraging company data tailored for leveraged loan corporate credit) to develop ESG integration efforts in the Firm's investment process, and facilitate reporting ESG-related data to clients.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Alexis Cameron

Position

VP, Compliance

Organisation's Name

Octagon Credit Investors, LLC

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 33,837,040,002.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	0%	0%
(B) Fixed income	>75%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>0-10%	0%
(J) Off-balance sheet	0%	0%

(I) Other - (1) Percentage of Internally managed AUM - Specify:

Trade date cash

ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

Provide a further breakdown of your internally managed fixed income AUM.

(A) Passive – SSA	0%
(B) Passive – corporate	0%

(C) Active – SSA	0%
(D) Active – corporate	>75%
(E) Securitised	>0-10%
(F) Private debt	0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(C) Fixed income – corporate	(1) 0%
(D) Fixed income – securitised	(1) 0%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(3) Fixed income - active	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input checked="" type="radio"/>

STEWARDSHIP NOT CONDUCTED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship not conducted	2

Describe why your organisation does not currently conduct stewardship and/or (proxy) voting.

Stewardship, excluding (proxy) voting
(K) Other

Cash and cash equivalents are thought to be short term investments where ESG risks are not material. Octagon reports cash on a trade date basis, any such amounts typically represent either: i) cash raised to fund known/upcoming redemptions or liability costs for Octagon managed funds/accounts; or ii) cash allocated to outstanding trades that have not yet settled.

ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Trade date cash	<input type="radio"/>	<input checked="" type="radio"/>

ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

Describe why your organisation does not currently incorporate ESG factors into your investment decisions.

Internally managed
(O) Other

Cash and cash equivalents are thought to be short-term investments where ESG risks are not material. Octagon reports cash on a trade date basis, any such amounts typically represent either: i) cash raised to fund known/upcoming redemptions or liability costs for Octagon managed funds/accounts; or ii) cash allocated to outstanding trades that have not yet settled.

ESG STRATEGIES

FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Screening alone	0%	0%
(B) Thematic alone	0%	0%
(C) Integration alone	>50-75%	>75%
(D) Screening and integration	>10-50%	0%
(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	0%	0%
(H) None	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

(2) Fixed income - corporate

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>75%
(C) A combination of screening approaches	0%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

- (A) Yes, we market products and/or funds as ESG and/or sustainable
- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Additional information: (Voluntary)

While certain Funds or Accounts adhere to specific ESG-related restrictions, Octagon does not represent any Funds or services as “ESG Compliant,” “Green,” or meeting any particular ESG-related regulatory standards. Clients can continue to hold securities or loans of companies or industries that pose ESG risks.

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

(A) Overall approach to responsible investment

Add link:

<https://www.octagoncredit.com/about-us/esg-integration>

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(I) Guidelines tailored to the specific asset class(es) we hold

Add link:

<https://www.octagoncredit.com/about-us/esg-integration>

(J) Guidelines on exclusions

Add link:

<https://www.octagoncredit.com/about-us/esg-integration>

(K) Guidelines on managing conflicts of interest related to responsible investment

(L) Stewardship: Guidelines on engagement with investees

Add link:

<https://www.octagoncredit.com/-/media/project/octagon/esg-pdf/stewardship-and-engagement-policy-12,-d-,2022-final.pdf>

(M) Stewardship: Guidelines on overall political engagement

Add link:

<https://www.octagoncredit.com/-/media/project/octagon/esg-pdf/stewardship-and-engagement-policy-12,-d-,2022-final.pdf>

(N) Stewardship: Guidelines on engagement with other key stakeholders

Add link:

<https://www.octagoncredit.com/-/media/project/octagon/esg-pdf/stewardship-and-engagement-policy-12,-d-,2022-final.pdf>

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

(A) Yes

Elaborate:

Octagon’s Environmental, Social, and Corporate Governance (“ESG”) policy outlines our collaborative and integrative approach to: i) achieving our objective of investing responsibly on behalf of our clients; ii) engaging with the broader investment community, and the issuers of securities managed on behalf of our clients; iii) adhering to effective governance practices and structures designed to provide oversight and review; and, iv) communicating these efforts to the investment community and our investors. As an investment adviser to its clients, Octagon strives to meet fiduciary obligations as it performs its investment advisory work. Octagon’s fiduciary responsibilities require that we act in the best interest of our clients and protect and enhance the economic value of investments we manage on their behalf. As a Firm, we are committed to investing responsibly on behalf of our clients while satisfying its fiduciary duty owed to each client, and seek to align our investment activities with the tenets of the PRI initiative.

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- (A) Board members, trustees, or equivalent
- (B) Senior executive-level staff, or equivalent

Specify:

Chief Executive Officer, Chief Investment Officer, and Chief Compliance Officer

- (C) Investment committee, or equivalent

Specify:

Investment Committee and ESG Committee

- (D) Head of department, or equivalent

Specify department:

Head of Investor Relations/Co-Chair of ESG Committee

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

(A) Yes

Describe how you do this:

Oversight and Governance of Octagon's ESG policy, as well as its implementation, are the responsibility of senior management, including Octagon's Chief Executive Officer, who is ultimately accountable to Octagon's Board of Managers (the "Board"). Octagon established an Environmental, Social, and Governance Committee (the "ESG Committee") to oversee the implementation of the Firm's ESG policy and to evaluate its progress in Environmental, Social and Corporate Governance with respect to responsible investment, corporate governance, sustainability, and other ESG-related matters ("ESG Matters"). Octagon's primary approach to engaging with policymakers is through indirect engagement as members of third-party organizations, such as the LSTA and PRI, that engage directly with policymakers. To the extent relevant to its business and in the best interest of its clients, Octagon participates in "sign-on" letters/statements and also responds to policy consultations on ESG policy topics.

To stay abreast of policy issues relevant to Octagon's business, Octagon representatives subscribe to the PRI's Policy Newsletter and report back to Octagon's ESG Committee. Additionally, an Octagon representative is a member of the PRI's Global Policy Reference Group (the "GPRG") and a part of the PRI's collaboration platform in an effort to participate in engagement efforts on industry policy issues. Given the nature of Octagon's business, it is unlikely that we will engage directly with policymakers and believe indirect, collaborative efforts are effective. Given that the SEC and many states have enacted very strict "pay to play" laws that extend to individuals at registered investment advisory firms seeking commitments or currently managing assets of state and local pension plans, Octagon maintains a separate and comprehensive Political Contributions and Political Activities Policy.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

(A) Internal role(s)

Specify:

Chief-level staff (e.g., CEO, CIO, CCO), Investment Committee, Portfolio Managers, Investment Analysts, ESG Committee

- (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Explain why: (Voluntary)

At this time, Octagon does not formally use responsible investment KPIs to evaluate the performance of our board members, trustees or equivalent; however, Conning (Octagon's majority shareholding) tracks Diversity, Equity, and Inclusion ("DEI") KPIs at the organizational level for its affiliates and subsidiaries. We believe our governance framework, established investment processes, and formal review procedures (at both the investment level and organization level) underscore Octagon's ability to meet our business objectives and uphold our fiduciary duty owed to our clients. Octagon's ESG Committee Co-Chairs provide formal updates to Octagon's Board of Managers (the "Board") on a regular basis (typically at part of each quarterly board meeting) regarding initiatives, processes, policies, and disclosures pertaining to ESG matters (i.e., responsible investment, corporate governance, sustainability, and other ESG-related subjects), but neither Octagon's ESG Committee nor the Firm's Board have direct responsible investment KPIs linked to performance.

Furthermore, while Octagon does not utilize defined responsible investment KPIs to evaluate performance, as part of Octagon's annual offsite meeting held in December, Andrew Gordon (Octagon's CEO) formally communicates various goals for the coming year to all employees (such goals vary in scope and focus year-to-year), and formally assesses the Firm's progress towards achieving the goals he conveyed at the prior year offsite. Mr. Gordon also presents his annual goals for the Firm to Conning's Board of Directors; Conning is Octagon's majority shareholder.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Explain why: (Voluntary)

At this time, Octagon does not formally use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent); while Octagon does not utilize defined responsible investment KPIs to evaluate performance, all employees are subject to the Firm's formal mid-year and year-end performance review process, components of which may correspond to ESG-related goals or objectives specific to the employee's role and responsibilities. Furthermore, a total return performance "scorecard" is utilized for all senior investment professionals.

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
 - (B) Yes, including all strategy-related recommended disclosures
 - (C) Yes, including all risk management-related recommended disclosures
 - (D) Yes, including all applicable metrics and targets-related recommended disclosures
 - (E) None of the above
- Explain why: (Voluntary)

Octagon is not currently a supporter of the TCFD.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.octagoncredit.com/about-us/esg-integration>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

(A) We incorporate ESG factors into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

(C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

Given Octagon's investment activities in below investment grade corporate debt span numerous industries, we believe it is prudent to evaluate larger systemic sustainability issues as part of our asset allocation strategy. This includes broad analyses of ESG factors, potential impacts on our underlying positions, as well as incorporating these factors into our underlying asset weighting. We recognize the increasing scrutiny of sustainability issues by capital markets on businesses or certain industries and seek to deploy a bottoms-up approach to appropriately weight positions to optimize our risk adjusted return. This involves pre-investment due diligence by our investment professionals to understand and evaluate risks for each individual credit at the time of underwrite, as well as ongoing active monitoring of changing sustainability risk factors post-investment. These risk factors are incorporated into the overall credit recommendation and position weighting recommendation; Octagon understands that there will be systematic risk factors that go beyond our scope of analysis; however, we believe that a fundamental ESG analysis helps clarify potential companies that could face further risks, or opportunities, against an evolving landscape and enables us to appropriately optimize portfolio risk.

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(2) Fixed income

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

Engagements with corporate borrowers, third-party CLO managers, third-party organizations and/or policymakers (either directly or indirectly) are undertaken to seek influence (or identify the need to influence) ESG practices and/or improve ESG disclosures. The majority of corporate borrowers in the below investment grade corporate credit market are private companies, which can pose challenges as it relates to the availability and transparency of ESG data from private borrowers. Wherever possible, Octagon engages with corporate borrowers on issues affecting the long-term sustainability of the borrower’s business. Such issues may include, but are not limited to, business strategy, economic performance, operations, internal controls, risk management, capital structure, governance, environmental, and social responsibility.

Direct engagement with corporate borrowers (typically, with members of the borrower’s management team) is the responsibility of Octagon’s Investment Research Professionals; such exchanges occur as part of the initial syndication/Octagon’s credit diligence process (pre-investment) and thereafter (post-investment) as part of Octagon’s ongoing monitoring process. When engaging with management teams, specific ESG-related topics/areas of prioritization will vary by sector and borrower, and are not collectively reviewed or prioritized across the various borrowers within our investment universe or at the portfolio-level. Octagon recognizes the impact of ESG factors on business performance; as a PRI signatory, we seek to uphold our commitment to the PRI principles, which include seeking appropriate disclosures on ESG issues by the companies in which we invest. To that end, we encourage the borrowers in which we invest to complete the ESG Integrated Disclosure Project (“ESG IDP”) template (developed by the Loan Syndications and Trading Association (LSTA) with input from buy-side members) to facilitate the standardization and dissemination of reliable ESG-related information to lenders.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

Engagements with corporate borrowers, third-party CLO managers, third-party organizations and/or policymakers (either directly or indirectly) are undertaken to seek influence (or identify the need to influence) ESG practices and/or improve ESG disclosure. Octagon recognizes the impact of ESG factors on business performance; as a signatory of the PRI, we seek to uphold our commitment to the PRI principles, which include seeking appropriate disclosures on ESG issues by the companies in which we invest. Octagon sees value in supporting the objective to enhance transparency on material ESG matters and seeks to engage with stakeholders, as applicable, to facilitate the standardization and dissemination of reliable ESG-related information to lenders. As primarily a credit investment manager, Octagon believes direct engagement with issuers can be effective. However, we also recognize the industry momentum towards institutionalizing Responsible Investment (“RI”) guidelines, and we seek to collaborate with other firms, the LSTA, and the PRI in an effort to strengthen public policy engagement on RI topics and encourage alignment between RI commitments and public policy efforts, when in the best interest of our clients.

Given the nature of Octagon’s business, it is unlikely that we will engage directly with policymakers; our primary approach to engaging with policymakers is through indirect engagement as members of third-party organizations (such as the LSTA and PRI) that engage directly with policymakers. To the extent relevant to our business and in the best interest of our clients, Octagon collaborates by formally supporting “sign-on” letters/statements, and participating in/responding to policy consultations on ESG policy topics as a member of the PRI’s Global Policy Reference Group.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 2
- 4
- 5

(B) External investment managers, third-party operators and/or external property managers, if applicable

(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

(D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 3
- 4
- 5

(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 1
- 4
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Octagon strives to contribute to the broad improvement of Responsible Investment practices by engaging with management teams to enhance the Firm's ability to analyze ESG risks and opportunities presented by the issuers in which Octagon invests, and by encouraging such issuers to improve their ESG risk management, be more transparent, and develop more sustainable business practices. Whenever possible, Octagon's Investment Research Professionals engage on issues affecting the long-term sustainability of a corporate borrower's business; such issues may include, but are not limited to, business strategy, economic performance, operations, internal controls, risk management, capital structure, governance, environmental, and social responsibility. When engaging with management teams, specific ESG-related topics/areas of prioritization will vary by sector and borrower. Exchanges with corporate borrower management occur as part of the Octagon's credit diligence and analysis process during the initial syndication (pre-investment), and as part of the ongoing monitoring process (post-investment).

While Octagon seeks to incorporate ESG issues into the investment process, rarely is an ESG factor considered to be the sole determining reason for an investment decision. To ensure that stewardship progress and results are contemplated as part of the investment decision-making process, Sean Gleason (Portfolio Manager, Investment Committee member, and ESG Committee Co-Chairperson) and Robbie Williams (Investment Team Principal and member of Octagon's ESG Committee) will communicate any pertinent ESG-related updates to the Investment Team, which encourages the integration of material ESG considerations into the investment process.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

In our capacity as an investment advisor to our clients, Octagon strives to meet fiduciary obligations as we perform our investment advisory duties. Octagon's fiduciary responsibilities require us to act in the best interest of our clients, and protect and enhance the economic value of investments we manage on their behalf. We believe good stewardship, founded upon a sound governance and risk framework, and supported by active issuer engagement (with corporate borrowers as well as third-party CLO managers, as applicable) and, in some instances, policymaker engagement, supports our ability to deliver on those responsibilities. Octagon integrates ESG factors into its investment policies and processes as well as its business practices, including engagement with Issuers and with policymakers (either directly or indirectly), as applicable to Octagon's business.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

- (A) **Joining or broadening an existing collaborative engagement or creating a new one**
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) **Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI**
- (C) **Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI**
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups
- (D) We engaged policy makers on our own initiative
- (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- (A) We publicly disclosed all our policy positions

Add link(s):

<https://www.octagoncredit.com/about-us/esg-integration>

- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://www.octagoncredit.com/about-us/esg-integration>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

PRI sign-on statement calling for global alignment between sustainability reporting standard setters and frameworks

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Octagon endorsed a joint statement calling for stronger alignment of Regulatory and standard setting efforts around sustainability disclosure. Octagon is one of 65 organizations to endorse the statement, which was developed jointly by the World Business Council for Sustainable Development (WBCSD), the Principles for Responsible Investment (PRI), and the International Federation of Accountants (IFAC).

(B) Example 2:

Title of stewardship activity:

PRI sign-on statement on ESG in Credit Risk and Ratings

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Octagon endorsed a statement recognizing that ESG factors can affect borrowers' cash flows and the likelihood that they will default on their debt obligations. ESG factors are therefore important elements in assessing the creditworthiness of borrowers. Octagon supports the view to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness. As the initiative progresses, Octagon supports the PRI's mission to educate investors on the differences between credit and ESG ratings, and help them understand what they measure and when they complement each other.

(C) Example 3:

Title of stewardship activity:

Support of ESG Data Transparency - ESG IDP Template

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Octagon recognizes the impact of ESG factors on business performance; as a PRI signatory, we seek to uphold our commitment to the PRI principles, which includes seeking appropriate disclosures on ESG issues by the companies in which we invest. To that end, we encourage the corporate issuers in which we invest to complete the ESG Integrated Disclosure Project (“ESG IDP”) template. The ESG IDP was formed by the Alternative Credit Council (ACC), the private credit affiliate of the Alternative Investment Management Association (AIMA), the Loan Syndications and Trading Association (LSTA), and the PRI in cooperation with a group of leading alternative asset managers and credit investors, to facilitate the standardization and dissemination of reliable ESG-related information to lenders. Octagon’s Investment Team proactively requests completion of the ESG IDP template from the corporate issuers in which we invest, in an effort to promote transparency on material ESG matters. Furthermore, the Firm has publicly communicated its support for the ESG IDP.

(D) Example 4:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

(E) Example 5:

Title of stewardship activity:

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Octagon evaluates climate-related risks across both our standard planning horizon, which is typically 7 years or the average maturity tenure of a loan, as well as beyond this time horizon. Our evaluation of risks and opportunities within our standard horizon is underpinned by our incorporation of the SASB Standards into the underwriting process. Octagon leverages SASB to determine and evaluate the financially material ESG risk factors for specific industries; in addition, our investment research professionals conduct independent research into relevant company-specific ESG risk factors. We recognize that the evolving climate landscape introduces risks that may not be as clear today and could impact our investments in the future.

These future risks could be reflected in the investment's trading levels, and by extension, Octagon's performance, if such risks impact future financial performance of the company or its access to the capital markets. Octagon believes a planning horizon should include both the life of the loan, as well as forward considerations beyond the years contemplated in the typical loan tenure. We have witnessed evolving capital markets where certain industries (i.e., mining) or assets (i.e., stranded legacy coal power plants) experience new climate-related risks and either lose access to capital markets or see their cost of borrowing increase to a level prohibitive to refinancing. As a result, these assets could face bankruptcy or other issues that could potentially negatively impact returns.

(B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Octagon evaluates climate-related risks across both our standard planning horizon, which is typically 7 years or the average maturity tenure of a loan, as well as beyond this time horizon. Our evaluation of risks and opportunities within our standard horizon is underpinned by our incorporation of the SASB Standards into the underwriting process. Octagon leverages SASB to determine and evaluate the financially material ESG risk factors for specific industries; in addition, our investment research professionals conduct independent research into relevant company-specific ESG risk factors. We recognize that the evolving climate landscape introduces risks that may not be as clear today and could impact our investments in the future.

These future risks could be reflected in the investment's trading levels, and by extension, Octagon's performance, if such risks impact future financial performance of the investment or its ability to access the capital markets. Octagon believes a planning horizon should include both the life of the loan, as well as forward considerations into the years beyond the typical loan tenure. We have witnessed evolving capital markets where certain industries (i.e., mining) or assets (i.e., stranded legacy coal power plants) experience new climate-related risks and either lose access to capital markets or see their cost of borrowing increase to a level prohibitive to refinancing. As a result, these assets could face bankruptcy or other issues that could potentially negatively impact returns.

(C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

☉ (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Octagon has integrated SASB Standards into our initial underwriting process whereby the Investment Team incorporates these financially material ESG considerations into the decision-making process. Depending on the industry, there are different levels of climate consideration, and we utilize SASB's Materiality Map to focus our process on the aspects that are financially material. We leverage these considerations when engaging with company management teams to ascertain information about their business, in addition to conducting our own external research as part of the underwriting diligence process. For most new loan and bond purchases, any identified climate-related factors are compiled and discussed in the credit memoranda (i.e., deal sheets) and presented to Octagon's Investment Committee to aid in the credit approval discussion and broader decision-making process.

Octagon will consider the issuer's exposure to climate-related risks and/or opportunities, the potential impacts, and outlook surrounding these factors, when making the decision to participate in a transaction (or not), and also when determining the allocation/sizing of exposure to the issuer across Octagon-managed funds/accounts. Further to participating in a new issue deal, Octagon's investment research professionals continue to monitor relevant climate-related aspects and incorporate such factors into the decision-making process when deciding to add, hold, or reduce an existing position.

○ (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

☉ (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

(A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

Octagon has different processes to identify and assess climate related risks throughout the life of an investment. At the time of the initial underwrite, we utilize the SASB Standards to evaluate various financially material ESG-related aspects of an underlying company's industry, in addition to conducting proprietary research on current and potential future climate-related risks. Octagon's research process includes an evaluation of a company's LSTA ESG questionnaire/ ESG IDP Template, and discussions with company management teams that are focused on relevant risk factors. The outcomes of these efforts are presented as risk factors or opportunities within the investment research professional's credit memoranda (i.e., deal sheets) alongside a full credit discussion with Octagon's Investment Committee.

(2) Describe how this process is integrated into your overall risk management

Climate factors are considered as part of the initial decision to invest in a new issue transaction, and also influence Octagon's internal rating system (which, in turn, impacts the potential weighting of the investment within each applicable Octagon-managed fund/account).

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

During the life of a loan, Octagon continues to monitor relevant climate-related risks and utilizes multiple forums to address changing risks and manage such positions accordingly. Octagon's investment research professionals continue to incorporate relevant climate-related risks into the post-investment monitoring process. This process includes tracking the relevant financially material risks identified by the SASB Standards, and evaluating changes within a company or industry that may make an investment more or less favorable.

(2) Describe how this process is integrated into your overall risk management

As part of the Firm's ongoing monitoring process, Octagon's Investment Team has different forums to facilitate active dialogue if new risk factors or considerations arise. Such options include discussions at daily office hours, weekly watchlist meetings, and quarterly portfolio reviews during which Octagon's investment research professionals present and discuss changing risk factors with the Firm's Investment Committee. Additionally, Octagon continuously reviews a position's weighting within each fund/account based on its internal credit rating score (which reflects a wide range of factors, including considerations relating to ESG risks). We believe this active dialogue allows Octagon to identify and manage evolving climate risks in a timely and proactive manner.

(C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions
- (E) Weighted average carbon intensity
- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year**

Explain why: (Voluntary)

We did not track climate risk metrics for our investments during the reporting year; however, in early 2023 we contracted with a third-party provider to license a solution developed to identify and track carbon emissions as well as estimate carbon emissions for companies that do not directly report such information.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

- (A) Scope 1 emissions
- (B) Scope 2 emissions
- (C) Scope 3 emissions (including financed emissions)
- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year**

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
 - (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities**
- Explain why:

The majority of corporate borrowers in the below investment grade corporate credit market are private companies, which can pose challenges as it relates to the availability and transparency of ESG data from private borrowers. As such, Octagon has not identified intended and unintended sustainability outcomes connected to its investment activities at this time, but will continue to progress the initiative to expand the use of resources to enhance the integration of ESG considerations throughout the investment process and continue to work with issuers to promote data transparency.

FIXED INCOME (FI)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?

	(2) Corporate	(3) Securitised
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?

(2) Corporate

(3) Securitised

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but does it not include scenario analyses

(1) for all of our AUM

(1) for all of our AUM

(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets

○

○

(B) Yes, we have a formal process, but it does not include scenario analyses - Specify: (Voluntary)

Corporate: Octagon's Investment Team members continuously monitor ESG factors within their issuer universe, and proactively alert the Investment Committee to any significant ESG-related developments or concerns for further scrutiny. Principals/Vice Presidents are required to record, update, and maintain significant ESG considerations for issuers in their credit files and via OneNote. The Investment Committee may recommend certain actions in response to ESG developments, such as requesting additional disclosure from a borrower/issuer. Investment Team members along with the Investment Committee will, from time to time, have ad hoc discussions on specific ESG merits of a credit.

Additionally, Sean Gleason (Portfolio Manager, Investment Committee member, and Co-Chairperson of Octagon's ESG Committee), Robbie Williams (Investment Team Principal and member of Octagon's ESG Committee), and Alexis Cameron (Vice President, Compliance and member of Octagon's ESG Committee) are responsible for tracking and maintaining updates that SASB publishes to the Materiality Map template, and for communicating changes to the Investment Team, as appropriate, in addition to coordinating messaging, reminders, and training to the Investment Team. At a minimum, Mr. Gleason and Mr. Williams will review and communicate any applicable changes made by SASB to the Investment Team on an annual basis.

Securitized: As part of the quarterly Portfolio Review process, Octagon's CLO Investment Team evaluates CLO manager-level considerations for all existing CLO debt and equity tranche investments.

Connor Dugan (CLO Investment Team Vice President and a member of Octagon's ESG Committee) is responsible for monitoring recent ESG developments and reporting to the CLO Investment Team and Octagon's ESG Committee as part of an ongoing assessment. On at least an annual basis, the CLO Investment Team will meet to discuss ESG-related developments and alignment with the Firm's ESG initiatives.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?

	(2) Corporate	(3) Securitized
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?

(2) Corporate

(3) Securitised

(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)

(2) for a majority of our AUM

(B) Yes, we have a framework that differentiates ESG risks by sector

(1) for all of our AUM

(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector

(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?

(2) Corporate

(A) We incorporate it into the forecast of financial metrics or other quantitative assessments

(1) for all of our AUM

(B) We make a qualitative assessment of how material ESG factors may evolve

(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?

o (A) At both key counterparties' and at the underlying collateral pool's levels

● (B) At key counterparties' level only

Explain: (Voluntary)

Octagon's CLO Investment Team assesses each third-party CLO manager's approach to ESG as part of the CLO manager's investment process by reviewing and analyzing the ESG diligence materials provided by the manager to Octagon as part of the CLO Investment Team's pre-investment and monitoring (post-investment) processes. On an annual basis (as well as on an ad hoc basis, as necessary), Octagon's CLO Investment Team will request from these investment managers a copy of their ESG policies, procedures, and/or other disclosure document(s) such as the LSTA ESG Diligence Questionnaire for Asset Managers (collectively, the "ESG Diligence Materials") as part of their diligence efforts when evaluating external collateral managers. To ensure that Octagon's CLO Investment Team identifies and incorporates ESG factors into its investment decisions, the CLO Investment Team includes a summary of CLO manager ESG considerations on deal sheets for primary and secondary investment opportunities, which include (but are not limited to): a) whether the CLO manager has completed the LSTA ESG Questionnaire for Asset Managers; b) whether the CLO manager has a formal ESG/RI policy; c) whether the CLO manager is a PRI signatory; d) whether the CLO manager has an ESG/RI Committee or dedicated ESG/RI resources; and, e) whether the CLO manager has an internal ESG rating system. Additionally, the CLO Investment Team reviews and summarizes deal-level considerations on each primary and secondary deal sheet, such deal-level ESG investment restrictions (predominantly ESG Exclusionary Criteria).

o (C) At the underlying collateral pool's level only

ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?

	(2) Corporate	(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process		
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways		

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

(2) Corporate

(3) Securitised

(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations

(1) for all of our AUM

(1) for all of our AUM

(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits

(1) for all of our AUM

(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors

(D) We use another method of incorporating material ESG factors into our portfolio's risk management process

(1) for all of our AUM

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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(D) We use another method of incorporating material ESG factors into our portfolio's risk management process - Specify:

On an annual basis (as well as on an ad hoc basis, as necessary), Octagon's CLO Investment Team will request from these investment managers a copy of their ESG policies, procedures, and/or other similar document(s) (e.g., the LSTA's ESG Diligence Questionnaire for Asset Managers) (the "ESG Diligence Materials") as part of their diligence efforts when evaluating external collateral managers. Octagon is not prohibited from investing in CLO debt or equity of a manager who has not responded to Octagon's request, and Octagon does not represent that a CLO manager will be excluded from approval based on their responses. The CLO Investment Team assesses each CLO Manager's approach to ESG as part of the CLO Manager's investment process by reviewing and analyzing the ESG Diligence Materials as part of the CLO Investment Team's pre-investment and monitoring (post-investment) process.

The CLO Investment Team includes a summary of CLO Manager ESG considerations on deal sheets for primary and secondary investment opportunities. The CLO Investment Team includes deal-level ESG investment restrictions, predominantly ESG Exclusionary Criteria, on each primary and secondary deal sheet. As part of the quarterly Portfolio Review process, the CLO Investment Team assesses CLO Manager-level considerations for all existing investments at the time of the Portfolio Review. Connor Dugan (CLO Investment Team, Vice President and member of Octagon's ESG Committee) is responsible for monitoring recent ESG developments and reporting to the CLO Investment Team and the ESG Committee as part of an ongoing assessment.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Corporate

(3) Securitised

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- (A) Policy, governance and strategy**
 Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited**
- (D) Fixed income**
 Select from dropdown list:
 - (1) Data internally audited
 - (2) Processes internally audited
 - (3) Processes and data internally audited**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

Octagon's report is prepared by the PRI Report Sub-Committee, which comprises members of the ESG Committee (the "Committee"), including Co-Chairs Sean Gleason and Erin Crawford, Robbie Williams (Investment Team Principal), and Alexis Cameron (Compliance Team Vice President). As part of their PRI report-related responsibilities, the Sub-Committee communicates pertinent updates regarding the annual reporting framework to the broader Committee, provides regular progress updates, and ensures that Octagon's report responses are reviewed and approved by the Firm's CEO and CCO. Separate from the Sub-Committee's efforts, the Compliance Team prepares an Annual Compliance Review ("ACR") that is presented to the Firm's department heads and Octagon's Board of Managers. Octagon's ACR addresses compliance initiatives, testing priorities and policies, regulatory/business developments, and recommendations for program enhancements.

The ACR serves as an internal audit that assesses various risk areas, including but not limited to, Octagon's ESG and RI priorities as described in our PRI Report. Members of Octagon's Compliance Team audit certain processes and data to ensure alignment with the ESG Policy and information presented as part of the PRI Report process. Octagon's Compliance Team reviewed Octagon's 2021 PRI Report, as well as the Committee's ESG Action Items List, and concluded that Octagon is maintaining compliance and alignment with the PRI Principles. The Compliance Team verified via testing investment process guidelines for investments in corporate borrowers. The Compliance Team also confirmed adequate training of employees on ESG Policy requirements. Further to receiving its last PRI Assessment Report (for 2021), the Sub-Committee initiated an internal review to assess Octagon's ESG program and ascertain any potential ESG policy modifications to improve the quality and scope of Octagon's submissions for future reporting and uphold our commitment to the PRI Principles.

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent**
 - Sections of PRI report reviewed
 - (1) the entire report**
 - (2) selected sections of the report
 - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year