

Stewardship

MacKay Shields believes that active management is an essential part of integrating material ESG-related risks and opportunities into the investment process. Our investment teams collaborate with issuers, trading partners, data vendors, and industry peers on ESG-related matters to develop their knowledge and share ideas about best practices in risk mitigation. Our teams also regularly engage with clients to ensure we are delivering on their objectives as they define them.

As RI is integrated throughout our business, we believe a multi-stakeholder approach to engagement is the best way to deliver on our clients' goals and objectives. Depending on the relevance to investment and suitability for the mandate, we would collaborate with any of the following stakeholders:

Issuers | Each investment team has developed a process for conducting engagements that is consistent with its broader investment process and philosophy, as outlined in each team's Responsible Investing policy. However, a consistent theme throughout many of our engagements, regardless of team, concerns material risks that arise from issues related to governance, and conduct relating to human rights, labor rights, and the environment, as outlined in foundational multi-lateral agreements such as the UN Global Compact, UN Guiding Principles on Human Rights, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

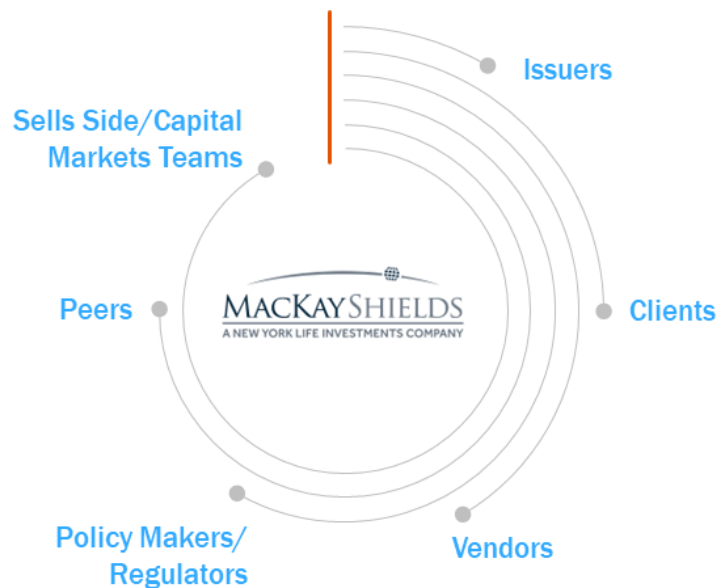
Clients | Our client portfolio managers, client service personnel, and Directors of RI work with our clients to ensure we understand their objectives and collaborate on the best ways to achieve them. We may also collaborate with our clients to engage with issuers on sustainability objectives unique to their portfolios.

Vendors | Our investment professionals and data specialists work with third-party data providers to offer insights we feel may be missing from their assessment, inquire about the inclusion of uncovered issuers in their ratings assessments, and offer feedback on the development of new products.

Policy Makers/Regulators | MacKay Shields' policy engagement occurs through our parent company, New York Life Insurance Company, and its Office of Governmental Affairs, which monitors and influences state, federal and international legislative and regulatory activity on behalf of New York Life and its subsidiaries.

Peers | Our investment and non-investment staff participate in industry events with our peers that foster collaboration and information sharing to help advance PRI goals.

Sell-side/Capital Markets Teams | Our analysts and portfolio managers engage with capital markets teams to foster transparency and dialogue between investors and issuers on trends in the sustainable finance market.



ADDITIONAL DISCLAIMER

As all asset classes are not created equal when it comes to ESG data and application, we retain discretion to apply certain aspects of this policy to a greater/lesser extent depending on data availability, investment time horizon, and client objectives. In addition, [we believe that] there is no conflict between this policy and our responsibilities as an ERISA fiduciary with respect to our ERISA clients.

IMPORTANT DISCLOSURE

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