

RESPONSIBLE INVESTMENT POLICY

1. OBJECTIVE

This Policy enumerates the principles followed by AlphaFixe for responsible investing and provides a framework for the realization of this commitment. Since becoming a signatory of the United Nations Principles for Responsible Investment in 2009, AlphaFixe is committed to respect the six (6) Principles for Responsible Investment (www.unpri.org).

Responsible investment activities related to this policy are the responsibility of AlphaFixe Capital's senior management. All directors, managers and the Chief Compliance Officer are responsible for implementing these activities. In addition, the Chief Compliance Officer and a senior manager are responsible for auditing processes and reporting.

As an investment management firm specializing in fixed-income investments, AlphaFixe recognizes that its public market investments generally have a net negative impact on a wide range of environmental issues, and sometimes on several social factors. Indeed, by their very existence, most of the companies, projects or organizations that finance themselves on these markets harm the environment, while the picture is generally less clear from a social point of view. Against this backdrop, AlphaFixe implements responsible investment strategies that enable it to :

- Identify and minimize the negative contribution of issuers
- Identify and seize investment opportunities that offer a relative positive contribution (e.g., a wind energy project has a positive impact since this energy source has less negative environmental and social impact than other conventional sources such as natural gas).

Strategies to reduce and minimize the negative contribution include engaging with issuers, assessing ESG factors and taking climate risks into consideration. In AlphaFixe's view, the only strategy that really achieves a relative positive impact is impact investing.

In order to minimize the firm's reputational risk related to greenwashing, AlphaFixe adopts a conservative approach in attributing the positive contributions to ESG issues resulting from its management activities.

2. DEFINITION

For the purpose of this policy and its operations, AlphaFixe defines responsible investing as the consideration of environmental, social and governance ("ESG") into client's investment portfolios with the objective of improving the risk/ reward ratio of long-term investments.

3. PRINCIPLES

AlphaFixe invests client's assets for the purpose of obtaining maximum long-term returns. In addition, the firm believes that responsible corporate behavior in respect to ESG factors has a favorable influence on the long-term financial performance.

AlphaFixe recognizes the relative importance of ESG factors, which varies by industry, geography and timing. Consequently, AlphaFixe recognizes that responsible investment strategies must be improved continuously, and the firm aims to contribute proactively to its development and promotion worldwide.

4. STRATEGY

AlphaFixe implements several strategies of responsible.

4.1. ESG Integration

For the purpose of the analysis of inherent investment risks, the firm attempts to identify and evaluate ESG factors that are or may have an influence on the long-term financial performance.

With the cooperation of an independent SRI advisory consultant, AlphaFixe has developed a proprietary risk assessment tool. All corporate bond investments are incidentally attributed a specific ESG quality rating.

ESG risks are appropriately assessed, reviewed and integrated as part of the investment strategy and ESG risks are monitored throughout the duration of the investment.

The assessment tool is constantly evolving to ensure its relevance and adaptability to market changes. This process allows the firm to have a better understanding of ESG risks, to compare issuer's ESG performance with peers from the industry and to obtain an overview of the overall portfolio's exposure to ESG factors.

ESG issues are assessed using relevant indicators that vary from one sector to another. Here are some examples:

- ✓Environment: Climate change, environmental policy, good waste management.
- ✓Social: Code of conduct for the firm and suppliers, respect human and workers' rights, impact on community development.
- ✓Governance: Quality of the board, structure and quality of the compensation of executives, financial ethics and shareholder's rights.

4.1.1.Climate change

Since 2018, AlphaFixe has formalized its reporting process on the carbon footprint of the portfolios it manages by signing the "Montreal Carbon Pledge". In the same year, climate risk analysis evolved with the implementation of the TCFD recommendations, for which AlphaFixe produces full reporting in its annual Responsible Investment Report. In 2022, AlphaFixe also signed up to the Net Zero Asset Manager Initiative, with the commitment that by 2030, 100% of its assets under management will be aligned with achieving net zero emissions by 2050.

4.2. Commitment

Through meetings, AlphaFixe will take the opportunity to warn issuers about ESG risks and the importance attributed to these factors within our assessments.

In addition, the firm participates in the development of SRI initiatives in order to determine the best processes in regard to responsible investing (for example: carbon footprint methodology and green bonds).

See *Engagement policy with issuers and stakeholders* for more details on engagement practices.

4.3. Filters

AlphaFixe excludes all investments involved in tobacco companies, gambling, weapons, alcohol and cannabis production as well as those who use child labor. In addition, all companies which operate or engage in the exploration of proven or probable fossil fuel reserves are excluded from all client portfolios and pooled funds it manages.

5. POLICY

AlphaFixe aims to foster sustainable corporate behavior based on sound long-term risk management by overlaying a policy applicable to client's investment policies and pooled funds in which AlphaFixe is the manager.

6. ANNUAL REVIEW

AlphaFixe reports all responsible investment activities as part of an annual evaluation process overseen by the United Nations Principles for Responsible Investment. In addition, AlphaFixe is currently evaluating various options for verifying the application of this policy.

7. SCOPE AND REVIEW

This policy applies to all our management activities and all types of investment solutions which are available. This policy is reviewed on an annual basis or more frequently, if necessary.