

Introduction

As a leading Canadian alternative asset manager, RP Investment Advisors LP (“RPIA”) applies best-in-class investment practices. Our objective is to add value for our clients through a relentless focus on long-term capital preservation and growth. We believe that Environmental, Social and Governance (“ESG”) issues can impact the risk and return profile of the corporate bonds we invest in and that understanding these issues enables us to better manage downside risk and presents new opportunities to create value for our clients.

Our ESG commitments

We commit to support environmental, social and governance issues integration through three primary activities.

Consider ESG information in the investment process

Considering ESG issues is an important part of our credit research and investment decision activities. It allows us to increase the scope of our research and better understand the long-term risk and sustainability profile of the companies we invest in. Integrating ESG issues into research can uncover new risks and opportunities that may not be highlighted by traditional analysis. We integrate ESG information into our investment process by:

- Dedicating resources to collecting and using ESG information and sharing this information throughout the investment management team
- Developing research templates and replicable processes to enable analysts and portfolio managers to identify and manage ESG risks systematically
- Providing ESG-specific training for our investment management team

Engage issuers on ESG issues

Knowing how a company addresses ESG risks and opportunities can be a proxy for the overall management approach of company executives. In our investment process, we seek to understand how the companies we invest in manage their most material ESG issues by:

- Incorporating ESG issues into our standard engagement process
- Identifying industry-specific ESG issues to engage with issuers on
- Incorporating material ESG issues into meetings with issuers
- Monitoring our engagement processes and results

Advance ESG integration through industry engagement

As an industry leader we have an important role in increasing awareness and uptake of ESG integration. We will do this by:

- Dedicating resources and naming an internal role responsible for ESG integration
- Engaging with responsible investing networks on a company and/or employee level
- Encouraging issuing companies to disclose their ESG policies, practices and performance to increase information availability
- Considering opportunities to share our knowledge and support academic research on ESG investment integration through research papers and public speaking opportunities
- Collaborating with peers to increase collective influence on ESG issues, when appropriate

Implementation

In order to implement our ESG commitments and ensure continuous improvement, we will:

- Educate our employees, clients, investee companies and other stakeholders on our policy commitments and why they are important
- Incorporate ESG considerations into our company procedures, research process and job descriptions

Set implementation targets and monitor implementation progress

Oversight and accountability

These policy commitments are applicable to all RPIA employees. RPIA's Chief Investment Officer is responsible for overseeing the implementation and ongoing monitoring of this policy.

January 2017