

Environmental, Social and Governance (“ESG”) Statement

The Company is a Jersey domiciled and UK LSE listed investment company whose objective to provide investors with a high gross dividend yield and the potential for capital growth by mainly investing in high yielding fixed interest securities. The Company has appointed CQS (UK) LLP as its investment manager. The Board of Directors believes the integration of responsible investment factors in the investment process is consistent with delivering sustainable attractive returns for Shareholders through deeper, more informed investment decisions. The Board has reviewed and agreed the responsible investment approach adopted by CQS and a summary of this is set out below.

CQS Responsible Investment Policy incorporating our ESG Statement

In our role as an investment manager we view ESG factors as significant drivers influencing financing costs, risk assessment, valuations and performance.

The assessment and integration of ESG factors is a crucial part of this responsible investment commitment across the CQS investment platform, both in public and privately held companies. By embedding ESG into our investment process we enhance our ability to identify value, investment opportunities, risk and, critically, to generate the best possible returns for our clients.

CQS has published its Responsible Investment Policy and a link to that policy could be found here;

<https://www.cqs.com/documents/cqs-responsible-investment-policy-february-2023.pdf>

Specific Statement from the CQS Investment Managers with regard to the Company

It is our responsibility to analyse and monitor investee companies’ financial and non-financial performance effectively. ESG integration is an important consideration when analysing investment opportunities and we are committed to evolving our approach in support of our responsible investment principles. We follow the CQS firm-wide five-stage ESG investment integration process.

At the time of writing 35.9% of the Company’s portfolio is covered by MSCI for their ESG rating service. MSCI have a minimum 50% threshold for fixed interest portfolios before we are able to provide a meaningful MSCI ESG fund rating for the portfolio. We monitor this closely and engage to try and further increase the percentage of the portfolio covered.

September 2023