

FIRM PHILOSOPHY

At Kayne Anderson Capital Advisors, L.P. (“Kayne” or the “Firm”), we believe that the integration of material sustainability risks and opportunities is an important consideration in the selection of both public and private market investment opportunities. Sustainability integration goes hand in hand with good business, will help to generate attractive risk-adjusted returns for our clients and contribute to sustainable development globally. Accordingly, it is our duty as a fiduciary to incorporate these factors into our investment and decision-making processes.

Sustainability is defined as a focused set of criteria that constitute a lens used to evaluate the investments and helps inform investment decisions. Environmental factors, including resource consumption and climate/environmental risk; social factors, including employee engagement, workplace harassment and environmental, health and safety track record (EHS); and governance factors, including compliance with applicable laws and regulations such as labor, anti-corruption and modern slavery laws and information security regulations, are examples of sustainability factors that we consider across our investment platforms.

PURPOSE

The purpose of this policy is to define our approach to integrating sustainability risks and value creation opportunities into the investment process. The United Nations-backed Principles for Responsible Investment (“PRI”) was formally launched in 2006. Kayne became a signatory to the PRI in 2019, and the six principles put forth by the PRI help inform Kayne’s approach to sustainability integration, as described below. Further, Kayne is attentive to the PRI’s focus on adopting disclosures from the Taskforce on Climate-Related Financial Disclosures (“TCFD”) reporting framework. Kayne’s consideration of environmental factors, including climate risk, is informed by the PRI.

We are committed to evaluating material sustainability risks and opportunities across our portfolios throughout the investment lifecycle. For the purposes of this policy, “material” sustainability factors are defined as those sustainability risks and opportunities that may meaningfully affect fund performance as determined by the investment committee of each investment strategy in consultation with Kayne’s Chief Compliance Officer (“CCO”).

SCOPE

This policy is intended to apply to the investments considered or made by the Kayne funds. Kayne’s ability to direct or otherwise control the integration of sustainability considerations will vary across strategies. As such, we have developed strategy-specific sustainability policy addendums, where appropriate. These addendums include strategy-specific considerations, such as the exclusion of certain high-risk industries (e.g. controversial weapons, firearms, alcohol, etc.).

SUSTAINABILITY INTEGRATION

We believe sustainability integration is not a one-size-fits-all approach. The Firm applies thoughtful and customized strategies to integrate material sustainability risks and opportunities across our investment strategies.

Initial Diligence

During the initial investment process, investment professionals perform industry and company-specific due diligence to identify potential material risks, including sustainability risks. This may include the evaluation of financial, tax, accounting, corporate governance, environmental, human resource and legal issues among others. Relevant findings are generally referenced in investment committee memorandums and reviewed internally by the applicable investment committee. The Firm's sustainability due diligence approaches are informed by the SASB framework.

Monitoring

Where relevant and practicable based on the investment strategy, Kayne will monitor sustainability developments across fund holdings.

- » Mandate sustainability reporting for portfolio companies to the boards of directors in certain private equity strategies;
- » Track sustainability controversies in portfolio companies.

Engagement

Investment professionals engage on sustainability topics throughout the lifecycle of an investment, as part of its engagement strategy.

- » Encourage the investment professionals to identify and raise material sustainability factors to relevant Firm personnel;
- » Where appropriate, investment-level sustainability-related risks or opportunities identified as part of the initial diligence and monitoring practices will be addressed in consultation with the Firm's CCO through direct engagement with portfolio companies and private equity sponsors, proxy voting or by exercising other shareholder rights.

SUSTAINABILITY DOCUMENTATION

Kayne generally undertakes documentation efforts related to material sustainability factors:

- » *Initial Due Diligence*: Investment professionals document material sustainability risks and opportunities arising from initial due diligence, as part of the investment committee memorandum or other similar document.

- » *Ad-Hoc*: Where relevant and practicable based on the investment strategy for each fund, Kayne may document material sustainability factors that arise during investment as part of its on-going portfolio management process. Subject to applicable legal restrictions and limitations, Kayne may disclose significant sustainability updates related to an investment to the appropriate governing body, including the Limited Partner Advisory Committee of the relevant fund.

SUSTAINABILITY GOVERNANCE

Kayne Anderson's Board of Directors has oversight of the Firm's sustainability policy, whereas the CCO is responsible for ensuring that the policy is properly implemented. The Firm's CCO partners with the Firm's investment professionals to integrate this sustainability policy across the Firm's funds and provides on-going training related to this policy on an as-needed basis.

FIRM ALIGNMENT WITH SUSTAINABILITY POLICY

The Firm was founded on the principle of "doing the right thing" and works hard to maintain a culture of respect, teamwork and adherence to the highest ethical standards. Kayne is committed to conducting its operations in-line with this sustainability policy. Each employee is guided by our Code of Ethics, which sets forth standards for behavior as required by Kayne. The Code emphasizes our commitment to observe all applicable laws, outlines basic standards of legal and ethical behavior, and provides a reporting mechanism for legal and ethical violations. In addition to the CCO, Senior Management helps promote and maintain these standards.

Kayne undertakes various activities as a Firm, including environmentally focused initiatives (e.g., recycling efforts), philanthropic initiatives (e.g., activities and efforts through the Kayne Foundation) and employee engagement initiatives (e.g. firm-wide activities) that further align Kayne's corporate practices with this Sustainability Policy.