10 March 2021

SHENKMAN CREDIT FUND PLC
Sustainability Policy

Introduction

The Shenkman Credit Fund plc (the "Company") has adopted this sustainability policy in order to meet the requirements of the EU Sustainable Finance Disclosures Regulation (2019/2088) on sustainability-related disclosures in the financial services sector ("SFDR"), whereby the Company is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Company's sub-funds (each, a "Fund" and together, the "Funds").

A sustainability risk is defined in SFDR as an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Integration of Sustainability Risks

The Company has adopted Shenkman Capital Management, Inc.'s (the "Investment Manager") policy on the integration of sustainability risks in its investment decision-making process.

The Investment Manager's longstanding investment philosophy integrates ESG factors into its overall credit research process. As part of its investment process, the Investment Manager seeks to consider all meaningful risks or opportunities that may have an impact on a company's prospects, operating performance or valuation, including those related to ESG. Such risks and opportunities include a company's ability to (i) effectively manage any potential environmental issues; (ii) operate with the highest levels of integrity and social responsibility; and (iii) exhibit good governance practices. Management engagement and capital markets dialogue are critical to the Investment Manager's assessment. ESG factors are not stand-alone considerations in the Investment Manager's investment process, but are instead woven into the process in the following ways:

- Key risk factors quantified by the Investment Manager's analysts often include important ESG variables;

- The Investment Manager's proprietary management checklist is designed to evaluate governance and management integrity;

- The Investment Manager's proprietary risk assessment checklist seeks to quantify both quantitative and qualitative risk factors;

- The Investment Manager's proprietary financial models seek to quantify the impact of many ESG risk factors; and

- The Investment Manager's proprietary C. Scope® score aims to assess all risk factors, including those related to ESG, that can impact credit quality.

The Investment Manager's proprietary ESG checklist, which amongst other factors, was informed by the UN Global Compact, seeks to aggregate the various ESG factors in a single assessment.

If the Investment Manager believes one or more risk factors exist that may affect the investment thesis of a particular company, that company may be excluded from the Investment Manager's list of approved issuers (i.e., generally would not be available for consideration for investment in a Fund). From time to time, if the Investment Manager believes an ESG factor or factors affect the investment thesis of a particular industry, the Investment Manager might exclude those companies in that industry from investment. These principles could preclude investments in companies: (i) in carbon intensive industries facing high compliance costs or environmental litigation; (ii) with increased regulatory, litigation or reputational risks; (iii) that lack appropriate financial reporting or investor communications; or (iv) with management that lacks integrity.

The Investment Manager may take a different approach in respect of each Fund to reach the same goal of properly assessing and weighing up governance and sustainability matters within its investment process. While consideration is given to sustainability matters in the investment decision-making process, there are no restrictions on the investment universe of the Funds by reference to sustainability factors, unless otherwise specifically stated within its investment objective and policy. The Investment Manager can invest in any companies it believes could create beneficial long-term returns for shareholders of the Funds. However, this might result in investments being made in companies that ultimately cause a negative outcome for the environment or society.

More detail on the Company's and the Investment Manager's approach to ESG can be found in its Environmental, Social and Governance Policy, available publicly on its website at www.shenkmancapital.com/responsible_investing.

ESG and Sustainability Risk

A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Company has adopted the Investment Manager's policy on the integration of sustainability risks in its investment decision-making process. As part of its broader risk assessment for each Fund, the Investment Manager will consider the potential sustainability risks arising from the Fund's investments. These risks are monitored on an ongoing basis as part of the Investment Manager's active portfolio management strategy.

The likely impacts of sustainability risks on the returns of each Fund will depend on each Fund's exposure to such investments and the materiality of the sustainability risks. The likelihood of sustainability risks arising in respect of each Fund should be mitigated by the Investment Manager's approach to integrating sustainability risks in its investment decision-making and the applicable Fund's investment policy. However, there is no guarantee that these measures will mitigate or prevent sustainability risks materialising in respect of a Fund.

The likely impact on the return of a Fund from an actual or potential material decline in the value of an investment due to an ESG event or condition will vary and depend on several factors including, but not limited to, the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

The data used to determine whether companies are managed and behave responsibly is gathered through the use of a variety of data sources and the Investment Manager's own in-house research. The subjective nature of non-financial criteria means a wide variety of outcomes are possible and the data may not adequately address material sustainability factors. The analysis is also dependent on companies disclosing relevant data and the availability of this data can be limited.

Further information on the Company's and the Investment Manager's approach to sustainability risks is available at www.shenkmancapital.com/responsible_investing.