SHENKMAN

DISCIPLINE DRIVES PERFORMANCE®

SHENKMAN CAPITAL ESG YEAR IN REVIEW

FEBRUARY 16, 2023

SHENKMAN ESG | CREDIT INSIGHTS®

SHENKMAN ESG CREDIT INSIGHTS®

Our ESG Annual Report Includes:

How 2022 Changed ESG:

A Review of Shenkman's ESG Investing:

Shenkman ESG & DEI Firm Updates:

How 2022 Changed ESG

2022 was a year in transition for those that incorporate ESG into their process. The war in Ukraine (and related focus on energy pricing and security) as well as regulatory uncertainty in both Europe and the US impacted how investors thought about ESG.

The Impact of the Ukrainian Invasion

The war in Ukraine led to higher energy prices and supply uncertainty, particularly in Europe where Russian gas supplies were curtailed. With Europe looking to ensure energy security, short-term needs came into sharper focus over the longer-term goal of transitioning to a low carbon environment. While this is still playing out, it has highlighted the perils of avoiding traditional energy investment in the short-term and may cause some to rethink what is a realistic path and timeline for reductions in carbon output.

The war has also led to questions over ESG policies that have either avoided or limited investing in defense companies. Support of Ukraine has highlighted the importance of spending on defense. It has triggered shifts in policy such as the plan to increase defense spending in Germany and elsewhere. It has also led to previously neutral countries in Scandinavia looking to join the NATO alliance, which will likely necessitate further government spending on defense. 2022 proved that points of view that might have seemed obvious to some are in fact more complex. Whereas previously many viewed the manufacturing of weapons unfavorably, the ability to provide defense to Ukraine is now viewed by some as a positive.

In addition to changing views on what is 'good' or 'bad' when it comes to ESG, the factors above have increased scrutiny of returns for ESG strategies and highlight the potential near-term cost of exclusionary strategies. Higher energy prices and increased defense spending have led to particularly healthy performance in these sectors. Below are some selected sector indexes of the S&P 500 that highlight this impact.

2022 PERFORMANCE OF SELECTED STOCK INDEXES

Ticker	Index	2022 Return
SPX	S&P 500 Index	-18.1%
SPN	S&P 500 Energy Sector Index CME	59.0%
S5aerotr	S&P 500 Aerospace and Defense	17.4%

Shift in ESG Regulation

As we start the new year, confusion abounds in both the US and Europe over labelling of funds and investments as regulators have aggressively questioned what is ESG and what is "sustainable".

It has been particularly headline-grabbing in Europe as regulators have continued to change where lines and definitions are drawn, in an arena where reaching consensus on definitions is already exceptionally difficult. The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation introduced to improve transparency around sustainable investing. However, amidst the confusion, we have seen many funds remove labels or downgrade their status from Article 9 to Article 8 as labels were announced but the requirements to reach those labels continued to evolve. We believe it is usually easier to define each category thoroughly and then label which items fit in to each category, but some prefer a more fluid order of events.

In the US, investors are still awaiting final rules from the SEC around terms such as "ESG" and "sustainability". However, recent reports of regulatory fines highlight the increased scrutiny on ESG labelled funds.

Net zero commitments are another area that has garnered much discussion. While many companies have been making net zero commitments, there seems to be more scrutiny on exactly what these commitments mean. Definitions of these goals and how they are likely to be achieved is another topic that will come under more scrutiny. For example, does simply selling off "dirty" assets or outsourcing carbon intense resources to less regulatory intense markets really accomplish the goal of Net Zero? While we fully agree that "good" can be better than "perfect" when trying to achieve net zero carbon goals, and favor moving in that direction, in our opinion, we also should be wary of the dangers of making promises and commitments that may be unachievable.

ESG Issuance in the Past Year

As we reported last year, we now monitor, gather data, and in some cases participate in this segment of new issuance. Some US high yield bond highlights are below:

- 10 ESG tranches from 9 issuers came in 2022. Tranches were down 55% from 2021.
- $8.7bn of ESG issuance in 2022 was down 48% year-over-year.
- 52% were green/social/sustainable "use of proceeds" bonds versus 48% that were sustainably linked.
- In 2022, ESG issuance represented 7.2% of high yield issuance versus 3.9% of total high yield issuance in 2021.

Though ESG bond issuance has gained traction in the investment grade and non-US markets, we believe it is just beginning in the US high yield market. While 2022 saw a lighter year of issuance due to the overall smaller amount of supply, the proportion of issuance that is ESG has increased year over year. We have participated in ESG bonds and are continuing to learn about the greenium (the lower coupon for a green bond versus a conventional bond) as well as the various standards, protocols and the reporting that is required.

ESG Highlights

Shenkman Capital Approach to ESG

The developments previously mentioned, we believe, reinforces that our approach to ESG continues to be a successful and appropriate one.

At Shenkman, we strongly believe that integrating ESG factors into the investment process in a systematic and disciplined way is critical to successful investing and aligns with our in-depth approach to credit research. We believe looking at ESG factors and understanding the long-term drivers of value is an integral part of understanding the risks and opportunities of any investment. In our opinion, this commitment is more important than choosing a label to put on a fund or a product.

We believe that it is still very difficult in the current environment to build a high yield portfolio with negative screens that satisfies the varying needs of all investors. We have seen a vast array of ESG screening priorities, such as on human rights issues, carbon emissions, defense, or tobacco. The definition of these ESG terms can vary broadly as some define 'defense' as all weapons companies while other only look at "controversial weapons" or "nuclear arms". Additionally, as seen in 2022, the negative view of some of these sectors has come into question.

We are committed to our flexible approach in which we believe we can build bespoke portfolios seeking to meet the needs for investors with an open-eyed understanding of what the potential benefits and risks are of such a specialized portfolio. However, we believe it is not a one size fits all strategy.

We continue to seek opportunities to improve and evolve our analysis, approach, and use of ESG and SRI factors. The developments outlined below support Shenkman's commitment and approach to ESG investing.

Examples Of ESG Integration in the Investment Process

Shenkman's long standing investment philosophy integrates ESG factors into its overall credit research process. Our research team regularly submits notable examples on ESG topics to a database that is shared and reviewed internally. Our Director of ESG selects samples of ESG cases quarterly, which we are pleased to provide to our clients upon request. Three examples of how we integrated ESG in our investment process in the last year, as well as an example of engagement, are described below.

- **Environmental Example:** Last June, Florida passed a bill that that established a program to subsidize power purchase agreements and provide incentive grants for capacity expansion to municipality-owned waste-to-energy facilities. This is supportive of our investment thesis as well as a tailwind for our position in a waste-to energy company since the company may operate multiple public facilities covered by the program.

- **Social Example:** A provider of financing services to owners of commercial real estate announced the expansion of its affordable housing platform with the creation of a dedicated affordable investment sales team. The company indicated that they believe this will play an important role in its goal of originating $60bn of affordable and workforce housing loans by 2025. In our opinion, this action supports the growth of the business and our investment thesis.

- **Governance Example:** We vetoed a new deal for an information and data analytics company over covenant and governance concerns. The company manages five business silos that appear to sell into similar customers, yet are financed separately, with three of them having high yield bonds outstanding. The Permitted Holders for the proposed bonds included the parent company for all silos, so any merger of the businesses would not trigger the change of Control Covenant. This means that in the case of a bearish scenario, the company could be merged with one of the other businesses. Thus, we did not feel comfortable with the credit and passed on the new transaction.

- **An Example of Engagement:** A veterinary care distribution and software platform company came to market with a loan deal to fund an LBO. The covenant package was very weak, in our opinion, and contained several out-of-market clauses. We engaged with the underwriters and successfully pushed back on several issues including the need for a stronger Restricted Payments basket governing the sale of their technology business lines, less debt covenant flexibility, limiting Excess Cash Flow sweep exclusions, and instating the J. Crew Provision, as well as mandating quarterly calls. As a result of these changes, we participated in the transaction.

Green Bond Case Study – Transalta

In 2022, Transalta Corporation, one of Canada's largest power producers, came to the high yield market with a $400 million new bond issue to temporarily reduce borrowings under the credit facility and replenish cash with the goal of allocating the capital to eligible projects. The issuance is aligned with the company's commitment to a sustainable future. Over the past years, the company has reduced its carbon footprint by retiring or converting to natural gas in all but one coal facility with the goal of shutting its remaining coal facility at the end of 2025 upon the expiration of its contract. Along with this strategy, the company has a plan to increase its renewable capacity.

The recent bonds were issued under the green bond principles published by the International Capital Market Association (ICMA). Eligible projects include investments made in renewable energy and energy efficiency in the prior 36 months and within 24 months of the issuance. The company has committed to publishing an allocation of proceeds report on its website until all proceeds have been distributed.

While sustainable bonds can be a good fit for an ESG labelled fund or account, when considering for a standard investment pool, we believe the investment case is a little less clear. For an investment, we consider the value it offers given the risk and other relative investments. As such, we must weigh any greenium in this broader context and understand whether the relative value is adequate. While all things being equal an investor may not want to accept a lower return for a green bond, in our opinion it is appropriate to consider that increased investor demand from such an issuance could warrant the lower coupon.

In 2023 we will continue to look at ESG bond issuance, understand the dynamics and assess their appropriateness as investments.

Additions to the Shenkman Capital Hall of Shame

As part of our engagement process, we established our Hall of Shame over 10 years ago, which is described in our ESG Policy. Debt investors are often perceived to lack a role in governance, as lenders do not control the board of directors and have neither voting rights nor a say in executive compensation. However, this is an incomplete story. We believe lenders provide crucial sources of capital, and thoughtful management teams understand that having continued access to this capital at what we believe to be attractive rates is important. At Shenkman, we have always valued long-term partnerships with management teams. We believe management transparency, integrity, protection of debtor rights, and covenants are important factors for a successful investment. To further these goals, and most importantly to influence change, Shenkman created a Hall of Shame, which consists of companies that have failed to meet these standards. A vital element of our ESG engagement is to inform the management team that they have been added to our Hall of Shame. The Hall of Shame plaque is displayed in our New York and London offices.

In 2022, we added two names to our Hall of Shame.

One addition was primarily related to a decision by a company to undertake an exchange offer that only involved negotiation with some lenders rather than the larger group. This company, which had been a leveraged buyout, shifted assets to an unrestricted subsidiary. This shift of assets came at the expense of certain bondholders while other holders benefited from a tender offer.

The second company added this year was a European company that has been questioned over transfers of assets and disclosure. This company also had poor disclosure, delays in financial reports, and had its auditor step-down.

As in our policy, in both cases, management was informed about our decision to place them on the Hall of Shame and, where possible, we suggested actions that could be implemented and get the company over time removed – in an effort to improve behavior.

Portfolio Carbon Footprint Reporting

In an attempt to comply with regulations, contribute to the transition to a low carbon environment and think about the long-term value of investments, some asset owners have become focused on measuring the carbon footprint of their portfolios. In the last year, we have received some requests from clients to provide carbon information. To satisfy these requests, we utilize data from CDP, a cooperative organization to which companies report their data. In these reports, to the extent the CDP data is available, we provide items such as Total Greenhouse Gas (GHG) Emissions, Carbon Footprints and Weighted Average Carbon Intensity (WACI).

One of the challenges, particularly in leveraged finance, is the level of company coverage that is available. While the CDP reported a record number of disclosures in 2022 (up 40% from 2021), and 82% of the S&P 500 and FTSE 100 companies reported, the disclosure rate for non-public equity companies is lower. We estimate that less than 25% of high yield companies reported to the CDP. There is a bias toward larger companies supplying more information than mid-sized and smaller companies as there is a cost related to this reporting. There are some primarily for-profit data providers that offer more comprehensive coverage of company carbon footprints, however, the data often takes information from reporting companies and extrapolates it to non-reporting companies. This could, in our opinion, result in misleading results, a sense of false precision, and is an area that could come under regulatory scrutiny. Additionally, even with the data, how to allocate carbon emissions across a fixed income portfolio can be confusing at best.

We are involved in several organizations that are looking to increase the number of companies that report carbon footprints. We applaud efforts in the industry (e.g., LSTA) to improve disclosure and consistency. We hope investors that allocate debt capital to private companies will pressure them to increase their level of carbon reporting. We are committed to providing this information to clients that find it beneficial and seeking out and encouraging the best ways to do so.

ESG Checklist Data

Our proprietary ESG checklist highlights what we view to be any ESG issues around a company and is included in our credit report. A matrix is used to guide the analysts in filling out this checklist. Based on the results of this checklist, each company is placed in one of four ESG tiers, with Tier 1 credits being the highest ESG quality. The ESG Tiers are stored in our internal database and can be used to inform portfolio management decisions. The table below is an ESG Tier report for a representative portfolio.

SHENKMAN'S ESG TIERS FOR AN INDICATIVE PORTFOLIO*

	12/31/2022	12/31/2021
ESG Tier Weight		
Tier 1	60.2%	61.7%
Tier 2	36.6%	36.0%
Tier 3	0.9%	0.5%
Average OAS		
Tier 1	418	282
Tier 2	427	326
Tier 3	336	529

SRI Data

We have a long history of applying screens on SRI factors given a client's request for their portfolio. To assist these efforts, we have developed proprietary screens on 17 common SRI factors. We track revenue exposure to these screens in three buckets: 1) 0% revenue exposure; 2) 0-50% revenue exposure and 3) Greater than 50% revenue exposure. Our custom SRI screens can also be used to monitor portfolio risks as internal reports show an individual portfolio's exposure to SRI factors. Even if a particular portfolio does not have a negative screen, we believe when an industry increasingly becomes negatively screened out of portfolios by others, it can heighten refinancing and business model risks. The tables on the following page are examples of information from our SRI report for a representative portfolio.

*The information set forth herein for the Representative Account represents information compiled from an actual representative client account that employs Shenkman's High Yield Bond strategy and is provided for informational purposes only. The actual characteristics of another account or fund may vary significantly from the information provided; past performance is not a guarantee of future results.

SHENKMAN'S SRI DATA FOR A REPRESENTATIVE PORTFOLIO AS OF 12/31/2022*

SRI FLAG REVENUE EXPOSURE	0%	>0% & <50%	>50%
SRI Flag Weighting	62.8%	23.7%	13.5%
Average OAS	430	427	349

SRI CATEGORY	>0% Revenue & <50% Revenue	>50% Revenue
Abortion/Abortion Related	2.71%	0.0%
Alcohol	8.14%	0.0%
Biological & Chemical Weapons	0.00%	0.0%
Civilian Firearms	0.00%	0.0%
Coal & Consumable Fuels	0.35%	0.0%
Defense	3.80%	0.0%
Gambling	1.91%	3.9%
Human Cloning	0.39%	0.0%
Landmines & Cluster Munitions	0.00%	0.0%
Nuclear Weapons	0.00%	0.0%
Oil & Gas	1.15%	9.6%
Pornography/Adult Entertainment	7.20%	0.0%
Private Prisons & Detention Centers	0.18%	0.0%
Prostitution	0.00%	0.0%
Predatory Lending	0.00%	0.0%
Sudanese Government	0.12%	0.0%
Tobacco	4.99%	0.0%
TOTAL	23.72%	13.5%

OUR DATA FOR THE SAME PORTFOLIO AS OF 12/31/2021 SHOWS THE FOLLOWING:

SRI FLAG REVENUE EXPOSURE	0%	>0% & <50%	>50%
SRI Flag Weighting	61.4%	24.4%	13.8%
Average OAS	282	319	338

*The information set forth herein for the Representative Account represents information compiled from an actual representative client account that employs Shenkman's High Yield Bond strategy and is provided for informational purposes only. The actual characteristics of another account or fund may vary significantly from the information provided; past performance is not a guarantee of future results.

As we have been collecting and storing this information for several years, we can see how in 2022 companies that were flagged with greater than 50% revenue exposure to one of our SRI flags saw their spread widen less than those companies not flagged with any SRI exposures. While that might not have been the result many expected, as we mentioned in the beginning of this piece, with the war in Ukraine certain sectors that haven't been favored by ESG investors saw outperformance. With the ESG and SRI frameworks we have created, we can generate reports for individual portfolios and will continue to incorporate this analysis into our process and enhance and improve upon our work.

Shenkman ESG & DEI Firm Highlights

Our Move to a New New York City Headquarters

In August 2022, after 27 years in the same location, we moved our New York City headquarters to a new, state-of-the-art building located at 151 West 42nd Street. Our new office building, which was recognized as the nation's first "green skyscraper" after its completion in 1999, offers us upgraded facilities and amenities and allows for our entire team to be located on a single floor which provides enhanced communication and camaraderie. Amongst other qualities, the building boasts LEED Gold certification, Natural Gas condensed boiler, chilled-water air conditioning, tenant recycling, use of green cleaning products and the purchase of renewable wind power to offset 100% of the building's electricity use.

Our Participation in Collaborative Organizations Including Joining the CDP in 2022

In 2022, Shenkman signed on to the CDP (formerly known as the Carbon Disclosure Project). The non-profit organization works to foster and collect environmental disclosures from companies. Along with our support of the TCFD, this development shows Shenkman's commitment to encouraging clear and consistent disclosures from companies and incorporating ESG factors into our investment process. We continue to be involved in these organizations:

- **Principles for Responsible Investment (PRI):** Shenkman became a signatory in August 2017. We continue to engage with the PRI as it the organization evolves and grows. The PRI publishes a public version of our annual Transparency Reports, which is available on their website.

- **Task Force on Climate-Related Financial Disclosures (TCFD):** Shenkman encourages companies to improve transparency, and in 2021, became a public supporter of the efforts of the TCFD to increase disclosure of climate-related issues. To improve the ability to incorporate data into the research process, we believe the standardization of information is critical. Through our support of the TCFD, we hope that these standards continue to gain adoption from corporate borrowers and broadly increase transparency in the industry.

- **Loan Syndications and Trading Association (LSTA):** The LSTA's mission is to promote a fair, orderly, efficient, and growing corporate loan market while advancing and balancing the interests of all market participants. David Lerner, Senior Portfolio Manager, is a Co-Chair of the LSTA board. In 2019, Shenkman participated in a working group to develop the ESG Diligence Questionnaire and in 2020 we worked on a CLO ESG questionnaire with the LSTA.

Shenkman Capital's First Estimated Carbon Footprint

In 2022, we estimated our carbon footprint for calendar year 2021, including scope 1, scope 2, and partial scope 3 emissions (see exhibit below). Broadly speaking, scope 1 emissions come from fuel from direct emissions from sources that are owned or controlled by our business, primarily natural gas and fuel for company vehicles. Scope 2 emissions are indirect emissions, primarily from the purchase of electricity.
Scope 3 emissions are indirect emissions that are a consequence of the operations of our business, including employee commutes, air travel, production of purchased goods, and more. The key drivers for Shenkman's footprint are electricity usage (from office usage as well as an employee work from home allocation), employee commute, and employee air travel. We plan to estimate our 2022 footprint in 2023, incorporating data from our new NYC headquarters. We do not think the carbon offset market is mature enough or well understood enough to offset our carbon emissions at this time, but we will continue to review this possibility.

SHENKMAN CARBON FOOTPRINT

In mtC02e Equivalent	2021
Scope 1 Emissions	0
Scope 2 Emissions	328
Scope 3 Emissions	129
TOTAL	457

Commitment to Diversity

Shenkman is committed to diversity in the workplace and recognizes that individuals of all backgrounds, experiences, and beliefs foster creative thought and offer varying perspectives. Shenkman is an equal opportunity employer and does not discriminate against any team member or applicant for employment based on race, color, religion, national origin, age, gender, sex, creed, handicap, disability, sexual orientation, citizenship status, marital status, veteran status, or any other characteristic protected by applicable law.

The Firm's hiring efforts reflect its commitment to furthering diversity within our organization. Our hiring and recruiting process is unbiased, thorough, and highly competitive. We use a variety of recruiting methodologies including, professional networking, internal referrals, online career placement postings, and recruiting agencies. All our actions are clearly and prominently communicated in our Equal Employment Opportunity statement. The Firm has focused on increasing candidate diversity and is developing relationships with diversity and inclusion departments and clubs with local colleges and universities.

As an example of our efforts, the Firm reported that in 2022, 52% of new hires were female versus 21% in 2020. The female proportion of our workforce has increased to 36% from 30% in 2020. Additionally, 33% of new hires in 2022 were non-white/Caucasian versus 21% in 2020.

Formation of the Shenkman Women's Network

In 2022, the Firm established the Shenkman Women's Network. The mission is to create a forum to support our female team, create meaningful connections, and foster personal and professional growth. Shenkman is dedicated to the growth of all our team members and envision a network of collaboration where all women are encouraged to share their ideas and talents. Events in 2022 included a networking kick-off lunch, self-defense workshop, and holiday gathering.

Trading Volumes and Partnerships in our Minority/Women-Owned Business Enterprises (MWBE) Program

In 2021, through our partnership with MarketAxess, the Firm launched a new diversity dealer initiative to help clients interact more effectively with minority-owned broker-dealers. This is an opportunity to incorporate our ESG philosophy and principles into our trading execution.

- Over the last two years ending 12/31/22, we have executed $1.2 billion in volume through MWBE-designated brokers, with $563 million executed through the MarketAxess program since its inception on 8/24/21.

- The Firm has traded with 5 different counterparties on the platform.

- The goal of the program is for MarketAxess to route a portion of the commissions earned on trades executed through the DDI program to the underlying MWBE broker in order to further build their businesses.

- In 2022, we worked with AmeriVet's intern program, sending several of our employees to present at several lunch-in-learn events. AmeriVet Securities is uniquely positioned as a dual registered Service-Disabled Veteran-Owned Business (SDVOB) and Minority Business Enterprise (MBE) that was founded by a Black, disabled veteran in 1994. AmeriVet's mission as a purpose-driven company is to provide first class capital markets and financial services across multiple lines of business, while producing opportunities and results within the veteran community.

- We are developing ways to work with these MWBEs and expect further developments on our partnerships in 2023. We partnered with Loop Capital, a minority-owned broker/dealer, in building upon our trading relationship to grow our client base through a private placement arrangement, and AmeriVet, a veteran-owned broker/dealer, to launch a short duration product offering.

Conclusion

As the ESG landscape continues to evolve in 2023, we look forward to seeking to enhance our ESG work and capabilities. As always, we will engage with our clients and customize our ESG approach.

Mark R. Shenkman
Founder & President

Justin W. Slatky
Chief Investment Officer

Bob S. Kricheff
Portfolio Manager & Global Strategist

Amy L. Levine, CFA
Director of ESG

For more information, please contact:

Richard A. Keri, CPA
SVP, Head of Business Development &
Investor Relations
(212) 867 – 9090

InvestorRelations@shenkmancapital.com

Disclaimers

The Shenkman Group of Companies (the "Shenkman Group") consists of Shenkman Capital Management, Inc., and its affiliates and subsidiaries, including, without limitation, Shenkman Capital Management Ltd, Romark Credit Advisors LP, and Romark CLO Advisors LLC.

Shenkman Capital Management, Inc. ("Shenkman" or "Shenkman Capital") is registered as an investment adviser with the U.S. Securities and Exchange Commission (the "SEC"). Romark Credit Advisors LP is also registered as an investment adviser with the SEC and Romark CLO Advisors LLC is registered as a relying adviser of Romark Credit Advisors LP (together, "Romark"). Shenkman Capital Management Ltd is a wholly-owned subsidiary of Shenkman Capital Management, Inc. and is authorized and regulated by the U.K. Financial Conduct Authority. Such registrations do not imply any specific skill or training.

Unless otherwise stated, all information and characteristics presented herein are based on the Shenkman Group's internal records and valuation. The information and opinions expressed herein are provided for informational purposes only. The information is not intended to be, and should not be construed as, impartial investment advice, an offering of investment advisory services or an offer to sell or a solicitation to buy any securities in any jurisdiction, including without limitation any interest of an investment fund or vehicle managed by the Shenkman Group. Any offer to sell or any solicitation to buy securities of an investment fund or vehicle managed by the Shenkman Group will be made only by means of the Prospectus or Offering Memorandum relating to that fund or vehicle. The information is expressly qualified in its entirety by reference to any such Prospectus or Offering Memorandum. The information provided herein is not intended to be, and should not be, considered as a substitute for reviewing such documents carefully. To the extent of any inconsistency or discrepancy between any such Prospectus or Offering Memorandum and this presentation, the Prospectus or Offering Memorandum shall control. All interests in securities of any fund or vehicle shall not be offered or sold in any jurisdiction in which such an offer, solicitation or sale would be unlawful or would require registration or disclosure until the requirements of the laws, rules and regulations of such jurisdiction have been satisfied. It is the responsibility of every person reading this material to satisfy oneself as to the full observance of any laws of any relevant jurisdiction applicable to such person, including obtaining any governmental or other consent which may be required or observing any other formality which needs to be observed in such jurisdiction.

Certain information contained in this Report constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual policies, procedures and processes of Shenkman and the performance of any investment funds may differ materially from those reflected or contemplated in such forward-looking statements and no undue reliance should be placed on these forward-looking statements, nor should the inclusion of these statements be regarded as the Shenkman representation that any investment funds will achieve any strategy, objectives or other plans. Unless otherwise indicated, the information contained in this Presentation is current as of the date indicated on its cover. Such information is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions. Additionally, there is no obligation to update, modify or amend this Presentation or to otherwise notify a reader in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

These materials do not undertake to explain all of the risks associated with any investment strategy referred to herein. No person or entity should invest in any strategy referred to herein unless satisfied that it (or its investment representative) has asked for and received all information that would enable it (or them) to evaluate the merits and risks thereof. The performance of any investments discussed in this document is not necessarily indicative of future performance, and you should not assume that investments in the future will be profitable or will equal the performance of past portfolio investments. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

The case study is being provided for illustrative purposes only in order to provide an example of the idea generation, research, and investment thought process of the Shenkman Group. The investments described in thes case study do not necessarily represent positions selected by the the Shenkman Group. No representation is made as to whether or if the investment ideas represented in the case study have been or will be profitable. It should not be assumed that the Shenkman Group will be able to identify similar investment opportunities in the future or that any such opportunities will be profitable.

The inclusion of any particular investment(s) or transaction(s) in this presentation is not intended to represent, and should not be interpreted to imply, a past or current specific recommendation to purchase or sell an investment, and is not necessarily a list of all the purchases or sales effected during the stated period. There is no assurance that any positions discussed herein will remain in any portfolio for any length of time. The price or value of any investment is current only as of the date reflected and is subject to change. It should not be assumed that any of the holdings or transactions discussed herein were or will prove to be profitable, or that the investment recommendations or decisions made in the future will be profitable or will equal the investment performance of the investments discussed herein.

Unless otherwise stated, any exposure, issuer, security, or similar classification (each a "Classification") was determined by the Shenkman Group by assigning such Classification as the Shenkman Group deemed appropriate. The assignment of any Classification may have been determined with the benefit of hindsight. The determination of any Classification may have changed over time and is subject to change in the future at the sole discretion of the Shenkman Group. The Shenkman Group has no obligation to provide notice of any change to any Classification.

Third-party information contained in this presentation was obtained from sources that the Shenkman Group considers to be reliable; however, no representation is made as to, and no responsibility, warranty or liability is accepted for, the accuracy, adequacy completeness, timeliness or availability of such information, including ratings. The Shenkman Group is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. THE SHENKMAN GROUP DOES NOT GIVE ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. THE SHENKMAN GROUP SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING LOST INCOME OR PROFITS AND OPPORTUNITY COSTS OR LOSSES CAUSED BY NEGLIGENCE) IN CONNECTION WITH ANY USE OF SUCH THIRD-PARTY CONTENT.

Shenkman makes no representation as to the performance metrics of any third-party organizations or the achievement of underlying ESG goals. Where applicable, achievement or compliance with these metrics should be evaluated over the longer-term rather than any shorter time periods indicated. Shenkman may revise its ESG-related activities, including ceasing any practices described herein, in whole or in part, at any time. Please see the disclaimer at the end of this presentation for additional important information.

Shenkman Capital does not provide tax or legal advice. This material is not intended to replace the advice of a qualified tax advisor, accountant, or attorney. All decisions regarding the tax or legal implications of any investment should be made in consultation with your independent tax or legal advisor.

The data, information, and opinions contained herein are current and/or accurate as of the date stated or the date of this presentation, whichever is later; Shenkman Capital is under no obligation to update any data, information, or opinions contained herein.