

SHENKMAN CAPITAL MANAGEMENT, INC.

Gross Returns by Strategy

	3Q	YTD	1-Year	2-Year	3-Year	4-Year	5-Year	7-Year	10-Year
Shenkman High Yield Bond Composite ¹	8.72%	26.77%	13.65%	4.69%	5.67%	5.84%	5.80%	7.68%	6.75%
BofA Merrill Lynch High Yield Master II Index (H0A0) ²	14.82%	48.54%	22.36%	3.96%	5.21%	5.89%	6.05%	10.00%	6.04%
Shenkman Bank Loan Composite ³	4.42%	26.53%	6.87%	0.47%	1.85%	2.82%	3.21%	3.64%	3.67%
S&P LSTA Leveraged Loan Index ⁴	10.53%	46.11%	12.59%	1.71%	2.50%	3.37%	3.74%	4.82%	4.49%
Shenkman Convertible Composite ⁵	12.87%	30.75%	12.29%	4.01%	6.02%	6.56%	7.66%	---	---
BofA Merrill Lynch All Convertibles ex. Mandatory (V0A0) ⁶	15.90%	39.43%	13.49%	-4.87%	0.69%	2.45%	3.05%	---	---
Fenwick Recovery Master Fund	4.96%	44.87%	---	---	---	---	---	---	---
HFRI Distressed/Restructuring Index ⁷	10.45%	21.63%	---	---	---	---	---	---	---

**Periods over one year show annualized performance*

Disclaimers

- 1) The Shenkman Capital High Yield Bond Composite consists of comparable high yield bond accounts that employ the quadrant investment style and represents a substantial portion of the total high yield bond assets under Shenkman Capital's management (95% to 97% for 1986 to 1989; 98% to 99% for 1990 to 1997; 78% for 1998; 66% for 1999; 77% for 2000; 87% for 2001; 83% for 2002; 90% for 2003; 87% for 2004; 81% for 2005; 88% for 2006; 75% for 2007; 85% for 2008, and 86% through September), and excludes multi-sector and structured funds, and non-discretionary accounts. The performance results include reinvestment of dividends and other income and reflect all investment expenses, but are before a deduction of advisory fees, which vary depending on size and type of account and are described in Shenkman Capital's Form ADV, Part II. Prospective clients should consider the effect of advisory fees and any other expenses they may incur in connection with the account (i.e., custodian fee) on performance results. For example, a \$10 million account that incurs a quarterly advisory fee of 0.25% (i.e. 1.0% per annum) and has a gross performance of 11.5% per year over a 5 year period would have net performance of 10.4% per year after deducting the advisory fee. Performance information is for illustration purposes only and is not indicative of future results. Performance from 1993 through 2008 has been audited by Shenkman Capital's independent public accountants, a copy of which is available upon request.
- 2) The BofA High Yield Master II Index (H0A0) is unmanaged and is not available for direct investment.
- 3) The Shenkman Capital Bank Loan Composite consists of comparable bank loan accounts that do not employ leverage and represents a substantial portion of the bank loan accounts managed by Shenkman Capital for the applicable period (100% for 1998 – 2007 and 100% on December 31, 2008 and excludes structured funds and total rate of return swap accounts. Performance results include reinvestment of interest and other income and reflect all investment expenses, but are before a deduction of advisory fees, which vary depending on size and type of account and are described in Shenkman Capital's Form ADV, Part II. Prospective clients should consider the effect of advisory fees and any other expenses they may incur in connection with the account (i.e., custodian fee) on performance results. For example, a \$10 million account that incurs a quarterly advisory fee of 0.1875% (i.e., 0.75% per annum) and has gross performance of 7% per year over a 5-year period would have net performance of 6.20% per year after deducting the advisory fee. Performance results are for illustration purposes only and do not reflect the returns of any one account. Performance information is unaudited.
- 4) The S&P LSTA Leveraged Loan Index is unmanaged and is not available for direct investment.
- 5) The Shenkman Capital Convertible Composite consists of all the convertible securities held in discretionary accounts that are managed according to the firm's high yield bond strategy. For the period prior to January 1, 2005, 100% of the assets contained in the Shenkman Capital Convertible Composite were carved out of portfolios managed according to the firm's high yield bond strategy (the "Carve-out Accounts"). These returns for the Carve-out Accounts include a 2% cash allocation. The percentage of the composite that is composed of Carve-out Accounts for other periods is available upon request. The performance results include the reinvestment of dividends and other income and reflect all investment expenses, but are before a deduction of advisory fees, which vary depending on size and type of account and are described in Shenkman Capital's Form ADV, Part II. Prospective clients should consider the effect of advisory fees and any other expenses they may incur in connection with the account (i.e., custodian fee) on performance results. For example, a \$10 million account that incurs a quarterly advisory fee of 0.19% (i.e., 0.75% per annum) and has a gross performance of 10.0% per year over a 5 year period would have net performance of 9.20% per year after deducting the advisory fee. Performance information is for illustration purposes only and is not indicative of future results. Performance results do not reflect the performance of any one account
- 6) The BofA Merrill Lynch All Convertibles ex. Mandatory Index (V0A0) is unmanaged and is not available for direct investment.
- 7) The HFRI Distressed/Restructuring Index is unmanaged and is not available for direct investment.

Past performance is no guarantee of future results.