

SFDR Article 8 (Sub-)Funds – Website Disclosures

Sections based on Articles 23 to 36 [SFDR Delegated Regulation \(EU\) 2022/1288](#)

Full name of the Article 8 (sub-) fund: CIFC Global Floating Rate Credit Fund

Legal entity identifier: 635400NLI1L9RGFBJJ11

Date of review: 15th April 2025

Disclaimer: The present working document may be subject to further regulatory changes.

Sustainability-related disclosures'

The following disclosure is made in respect of the CIFC Global Floating Rate Credit Fund (the "Fund") pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"), as supplemented by the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 ("SFDR Delegated Regulation"). This disclosure is provided solely for the benefit of investors in the European Union and may be subject to change in the future to reflect regulatory or product updates.

This document does not constitute an offer or an invitation to subscribe for interests in the Fund or any other investment vehicle. The information presented herein is provided for the benefit of investors in the European Union and may be subject to change.

The Fund is currently classified as an Article 8 financial product for the purposes of SFDR. However, the Investment Manager reserves the right to reclassify the Fund's portfolio if legislative changes, enhancements, clarifications and/or minimum criteria are introduced which would impact its SFDR classification. Any such reclassification will be reflected in updated disclosures on the website and in the Fund documentation.

In case of any inconsistency between this disclosure and the Fund's supplement (the "Supplement"), as amended and supplemented from time to time, the provisions of the Supplement shall prevail. Any terms not defined herein have the meaning given to them in the Supplement.

Summary

The has been classified as an Article 8 financial product for the purposes of SFDR. The Fund promotes environmental or social characteristics within the meaning of the SFDR, but it does not have sustainable investment as its objective and does not commit to making any "sustainable investments" as defined under the SFDR.

The Fund invests in CLOs, which primarily hold corporate loans. As part of its investment process, the Investment Manager promotes a variety of environmental and social characteristics. These include reducing coal involvement, assessing and reducing the environmental impact of underlying assets and underlying financed assets, supporting sustainable development, and assessing and enhancing the social impact of underlying assets and financed assets. The Fund promotes these characteristics by using ESG ratings and coal involvement data sourced from Sustainable Fitch, a reputable third-party evaluator specialising in the corporate loan market.

The Fund promotes these characteristics by applying the following binding elements:

- Limits on investments in CLO securities rated "Mostly ESG Unaligned" to no more than 10% of its Net Asset Value and an exclusion of those rated "ESG Unaligned";
- A Coal Exclusion Policy, which prohibits investments in CLOs where more than 10% of the aggregate notional of underlying loans is attributable to issuers generating significant revenue from coal mining, sales, or coal-fired power generation; and
- Engagement with CLO managers on ESG matters, ensuring that the Fund's exposure to managers classified as "Requires Improvement" does not exceed 40% of Net Asset Value at the time of investment.

No sustainable investment objective

The Fund promotes environmental or social characteristics, but does not have sustainable investment as its objective. The Fund does not commit to making or holding “sustainable investments” (as defined in SFDR).

Environmental or social characteristics of the financial product

The Fund promotes a range of environmental and social characteristics by investing in collateralized loan obligations (“CLOs”) whose underlying loan issuers meet certain ESG criteria. The Investment Manager obtains ESG ratings from Sustainable Fitch, a reputable third-party evaluator specializing in the corporate loan market, for the issuers of the underlying loans held by the CLOs in which the Fund invests. The Sustainable Fitch ESG rating is built around the revenue-generating activities of those corporate loan issuers and their alignment with (i) science-based environmental taxonomies (for the environmental rating) and (ii) the United Nations Sustainable Development Goals (for the social rating).

The Fund promotes the following environmental and social characteristics by seeking to ensure that the CLO securities held by the Fund meet a minimum ESG rating threshold which assesses the issuers of the underlying loans against these characteristics:

- **Environmental Characteristics:** reducing air pollution, enhancing animal welfare, protecting biodiversity & ecosystems, advancing circular economy, reducing coal involvement, preventing deforestation, improving of energy efficiency, reducing GHG emissions, promoting sustainable land use, mitigating soil pollution, reducing water intensity, reducing water pollution, reducing water scarcity, reducing overall pollution, and assessing & reducing the environmental impact of underlying assets and underlying financed assets; and
- **Social Characteristics:** increasing access to essential services, improving affordability and/or living standards, reducing child labour, strengthening community engagement, preventing conflicts & human rights violations, enhancing consumer protection, promoting non-discrimination & equal pay, ensuring access to education, eradicating forced labour and modern slavery, protecting freedom of association and collective bargaining, safeguarding freedom of expression and opinion, advancing and improving access to global health, protecting indigenous rights, enhancing privacy & data protection, supporting sustainable development, improving working conditions, and assessing & enhancing the social impact of underlying assets and financed assets.

The Fund promotes each characteristic by using ESG ratings which assess issuers against each of these criteria to produce an overall rating for that issuer.

A reference benchmark has not been designated for the environmental or social characteristics promoted by the Fund.

To measure the attainment of the characteristics promoted by the Fund, the Investment Manager uses the following indicators:

1. Environmental (E), Social (S) and Governance (G) ratings from Sustainable Fitch;
2. The Fund’s Coal Exclusion Policy; and
3. Engagement with CLO managers on a regular basis during the lifetime of the Fund’s investment in a manager’s CLOs.

Indicator 1: ESG Ratings

The Investment Manager’s team of investment analysts conducts due diligence on each prospective investment. The diligence includes a review of the issuers of the loans held in each CLO, the CLO documentation and CLO manager, and obtaining the ESG rating described below. As part of the Investment Manager’s investment process, the results of the due diligence are reviewed by the Investment Manager’s investment committee in connection with any investment decision.

The Investment Manager sources ESG ratings from Sustainable Fitch for the issuers of loans held by the CLOs in which the Fund invests or considers investing. The ESG ratings are built around the environmental and social characteristics which the Fund promotes. The Investment Manager uses the ratings for each issuer to produce a weighted average ESG rating for at least 70% of the notional amount of loans held by the CLOs in which the Fund invests at least quarterly.

Sustainable Fitch currently assigns a blended ESG rating to loan issuers on a scale of 0 to 100, applying a weighting of 45% to Environmental factors, 30% to Social factors, and 25% to Governance factors, which are then mapped to the following grades:

Description	Band (range)
Fully Aligned ESG	100–87.5
Mostly Aligned ESG	87.5–62.5
Neutral	62.5–37.5
Mostly Unaligned ESG	37.5–12.5
ESG Unaligned	12.5–0.0

Subject to data availability, the Investment Manager uses the loan issuers’ ratings, weighted by the amount of each issuer’s loan held by a CLO to calculate an ESG rating for each potential CLO investment of the Fund prior to investment and for each of the CLO holdings in the Fund at least quarterly.

To attain the environmental and social characteristics promoted by the Fund the Investment Manager will limit the Fund’s exposure to CLO securities which do not achieve a good ESG rating: those rated “Mostly ESG Unaligned” will be limited to no more than 10% of the Fund’s Net Asset Value and the Fund will not invest in CLO securities which are rated “ESG Unaligned”.

Shareholders should note that there are limitations to the methodology and data sources outlined above and no single data source provides 100% coverage of all the loans held by the CLOs in which the Fund invests. Furthermore, the methodology and processes employed by Sustainable Fitch are subject to change.

Indicator 2: Coal Exclusion Policy

The Investment Manager will not invest in CLO securities if more than 10% of the aggregate notional of the underlying loans within the CLO are to issuers that are prohibited under the Fund’s Coal Exclusion Policy for generating significant revenue from coal mining, selling, or coal-fired power generation. The methodology for this determination is detailed in the CIFC Global Floating Rate Credit Coal Exclusion Policy, available at <https://cifc.com/investors/ucits-funds-global>.

The Investment Manager will monitor the application of the Fund’s Coal Exclusion Policy using third-party datasets. However, if real-time data is unavailable or there is a lag in data updates, the identification of policy violations may be delayed.

Indicator 3: Engagement with CLO Managers

Due to the nature of the asset class, the Investment Manager cannot engage directly with companies whose loans underly the CLO securities in which the Fund invests that may be subject to material ESG issues. Instead, the Investment Manager uses ESG diligence questionnaires or the CLO manager’s own ESG reporting to engage with each of the managers of the CLO securities in which the Fund invests. As part of the CLO manager diligence process, the Investment Manager engages with CLO managers to discuss how they are taking ESG issues into consideration in their investment process and ongoing investment monitoring.

This engagement will take place at least annually for as long as the Fund remains invested in the CLO manager’s securities. CLO managers are classified as either “Requires Improvement” or “Satisfactory” for ESG considerations. The aggregate value of investments in CLO managers classified as “Requires Improvement” shall not exceed 40% of the Fund’s Net Asset Value, measured at the time of investment. Any CLO manager that does not respond to the questionnaire or provide their own ESG reporting within a timeframe the Investment Manager deems reasonable will be classified as “Requires Improvement”.

The Investment Manager also engages with CLO managers, where applicable, as part of consideration of and monitoring of individual investments. For example, if the Investment Manager identifies a loan in a CLO portfolio which does not seem consistent with the expected environmental, social and governance characteristics of the CLO, the Investment Manager may seek to discuss this with the CLO manager, where deemed appropriate.

Investment strategy

The Fund's investment objective is to generate attractive long-term risk-adjusted returns primarily by investing in and managing a portfolio of U.S., UK, and European debt securities.

The Fund seeks to achieve its investment objective by investing primarily in investment grade and non-investment grade rated debt tranches of CLOs which give access to U.S., UK, and European senior secured corporate loans and bonds. The Fund is actively managed and is not managed in reference to a benchmark.

In pursuing the environmental and social characteristics described above, the Fund's investment strategy includes the following binding elements:

1: ESG Ratings

The Fund will limit exposure to "Mostly ESG Unaligned" CLO securities to no more than 10% of its Net Asset Value and will not invest in "ESG Unaligned" CLO securities.

2: Coal Exclusion Policy

The Fund will not invest in CLO securities if more than 10% of the aggregate notional of the underlying loans within a CLO is attributable to borrowers prohibited under the Fund's Coal Exclusion Policy.

3: Engagement with CLO Managers

The Fund will ensure that the Investment Manager will engage with the manager of each CLO in which the Fund invests on the CLO manager's consideration of ESG issues on a regular basis during the lifetime of the Fund's investment in a manager's CLOs.

The Fund will ensure that the aggregate value of investments in CLO managers classified as 'Requires Improvement' does not exceed 40% of the Fund's Net Asset Value, measured at the time of investment.

Shareholders should note that there is no guaranteed outcome from this engagement and while the Investment Manager will raise ESG issues with the CLO manager, the CLO Manager may choose not to engage with the Investment Manager in respect of these issues.

Policy to assess good governance practices of investee companies

As part of the Investment Manager's standard due diligence process in advance of any investment on behalf of the Fund it will receive governance information in respect of each CLO in which it invests, including through the third-party sustainability ratings which it receives from Sustainable Fitch and through the engagement with CLO managers.

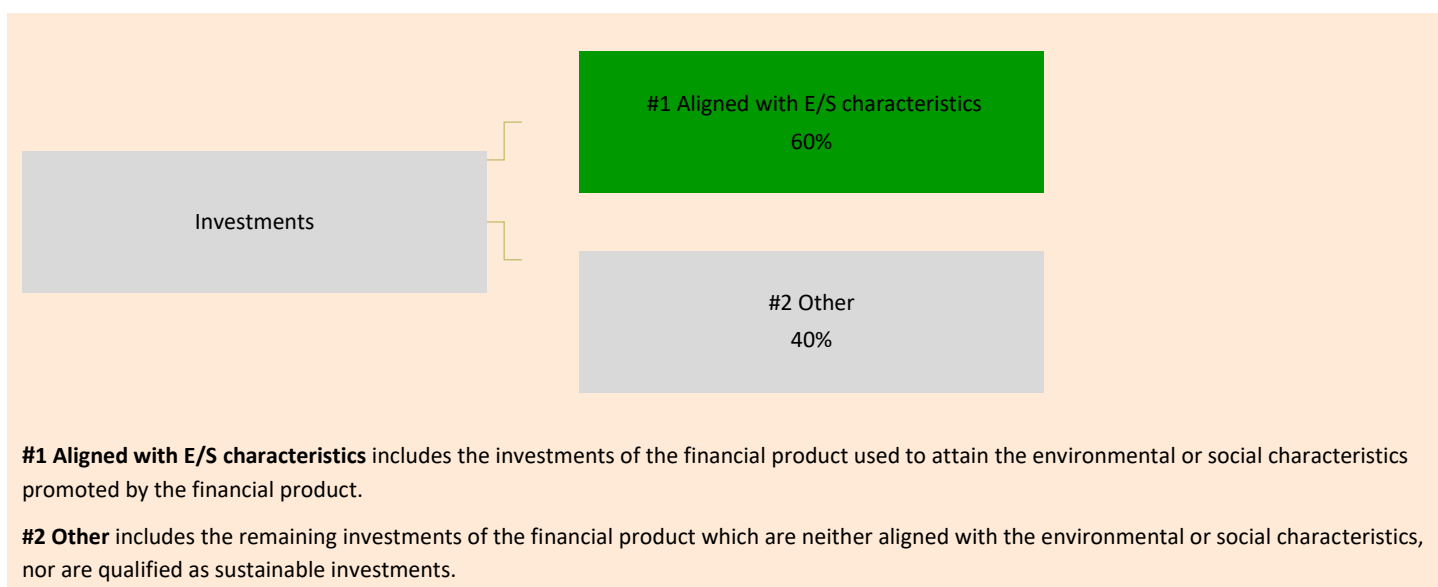
The Investment Manager will use this information to assess the good governance practices of the CLO managers before the investment is made and on an ongoing basis and will not invest in or retain securities managed by CLO managers which the Investment Manager does not believe practices good governance.

Proportion of investments - Asset Allocation

The Fund invests in a portfolio of CLOs. The Fund will maintain cash reserves as the Investment Manager deems appropriate and may execute foreign exchange hedging transactions and enter into Repos for efficient portfolio management purposes.

The expected asset allocation is the following:

- #1 Aligned with E/S characteristics, i.e. the minimum proportion of the Fund's investments which are aligned with both the environmental or social characteristics promoted by the Fund: at least 60% of the Net Asset Value of the Fund.
- #2 Other includes investments that are not aligned with both of the environmental or social characteristics promoted by the Fund, such as the Fund's cash position, foreign exchange hedges, Repos, non-CLO securities, or other collective investment schemes.



Monitoring of environmental or social characteristics

The Investment Manager monitors the attainment of the Fund's promoted environmental and social characteristics on an ongoing basis. This monitoring is achieved through the use of the sustainability indicators and binding elements described above:

- **ESG ratings:** The Investment Manager regularly reviews the ESG ratings of the underlying loan issuers in each CLO holding. The weighted-average ESG score of each CLO is recalculated periodically (at least quarterly) to ensure the Fund's holdings continue to meet the required ESG thresholds. If a CLO's ESG rating were to deteriorate such that it falls outside of the Fund's binding elements, the Investment Manager would consider appropriate actions consistent with the Fund's binding elements and investment objective..
- **Coal Exclusion Policy:** Each CLO investment is evaluated for compliance with the Fund's Coal Exclusion Policy using third-party coal involvement data from Sustainable Fitch. The Investment Manager also monitors the CLO portfolios using this data to identify any changes that might cause a breach of this policy over time. If a CLO's exposure to prohibited sginf issuers were to change such that it falls outside of the Fund's binding elements, the Investment Manager would consider appropriate actions consistent with the Fund's binding elements and investment objective.
- **CLO manager engagement and classification:** The Investment Manager keeps track of the CLO manager engagement. Annual engagements are logged, and each CLO manager's 'Requires Improvement' or 'Satisfactory' status is reviewed at least annually. The Fund's exposure to CLO managers deemed 'Requires Improvement' is monitored to ensure it remains under the 40% Net Asset Value threshold. If a CLO manager's ESG practices worsen or they fail to engage as required, the Investment Manager would consider appropriate actions consistent with the Fund's binding elements and investment objective.

Through these monitoring processes, the Investment Manager seeks to ensure that the Fund continues to attain the environmental and social characteristics that it promotes.

Methodologies for environmental or social characteristics

The Investment Manager sources ESG ratings and coal involvement data for the underlying loan issuers from Sustainable Fitch to evaluate and attain the environmental and social characteristics promoted by the Fund. These ratings are used to calculate a weighted-average ESG score covering at least 70% of the notional amount of underlying loans in the CLOs held by the fund.

Data sources and processing

The Investment Manager sources the ESG ratings and coal involvement data from Sustainable Fitch, part of the Fitch Group and an affiliate of Fitch Ratings. Further information on Sustainable Fitch's ESG scoring methodology can be found on the provider's website: <https://www.sustainablefitch.com/products/esg-scores#esg-scores-leveraged-finance>

Limitations to methodologies and data

All methodologies and data sources used to attain the Fund's environmental and social characteristics have certain limitations. The main limitation in this case is that the third-party ESG data provider, Sustainable Fitch, does not yet offer 100% coverage of all loans held by the CLOs in which the Fund invests. As a result, any underlying loan within a CLO for which no ESG score is available from the Sustainable Fitch must be excluded from the ESG scoring calculation. This means that the Fund's calculated ESG scores may not reflect a small portion of the underlying assets.

However, this limitation is not considered to materially affect the Fund's ability to promote its environmental or social characteristics. ESG data coverage across the Fund's loan portfolio is typically very high - above 70% of the notional amount of the underlying loans in the CLOs held by the Fund are covered by Sustainable Fitch ratings.

Due diligence

The Investment Manager's team of investment analysts conducts due diligence on each prospective investment. The diligence includes a review of the issuers of the loans held in each CLO (including their ESG rating and coal involvement), the CLO documentation and CLO Collateral Manager. The results of the due diligence are reviewed by prior to any investment decision.

Engagement policies

As noted above, the Fund's binding element includes engagement with the CLO. Given the nature of CLO investments, the Fund cannot engage directly with the underlying loan issuers

Designated reference benchmark

No designated reference benchmark