Credit In Transition: Emerging Trends Across Broadly Syndicated and Direct Lending Loans

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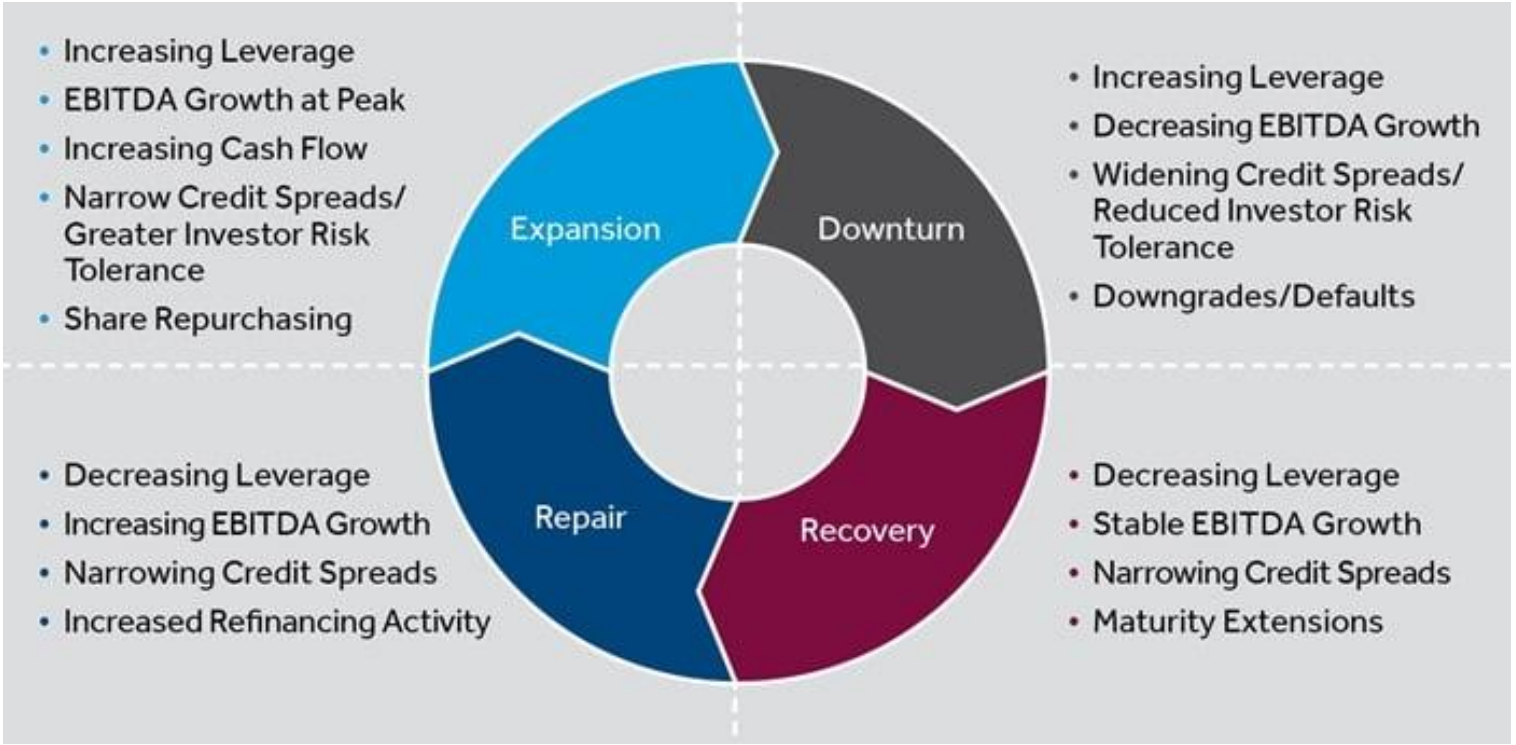
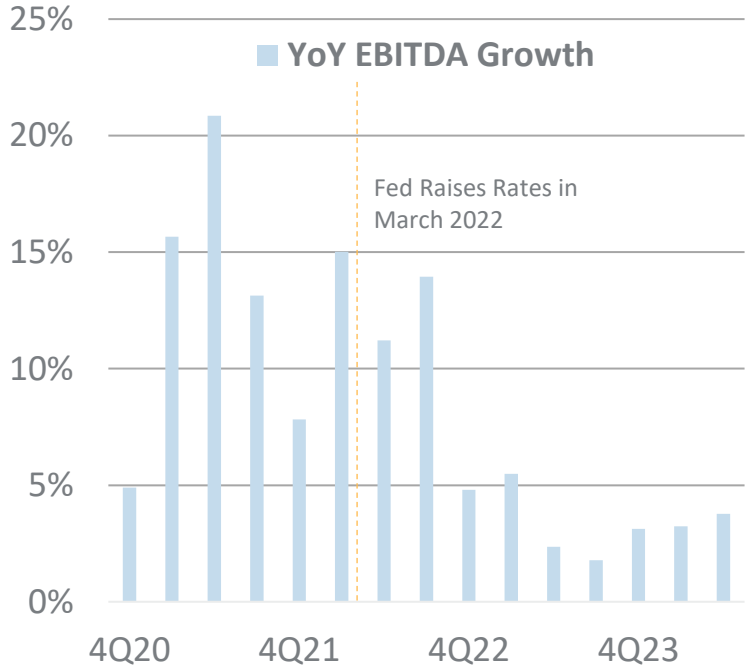
Topics for Discussion

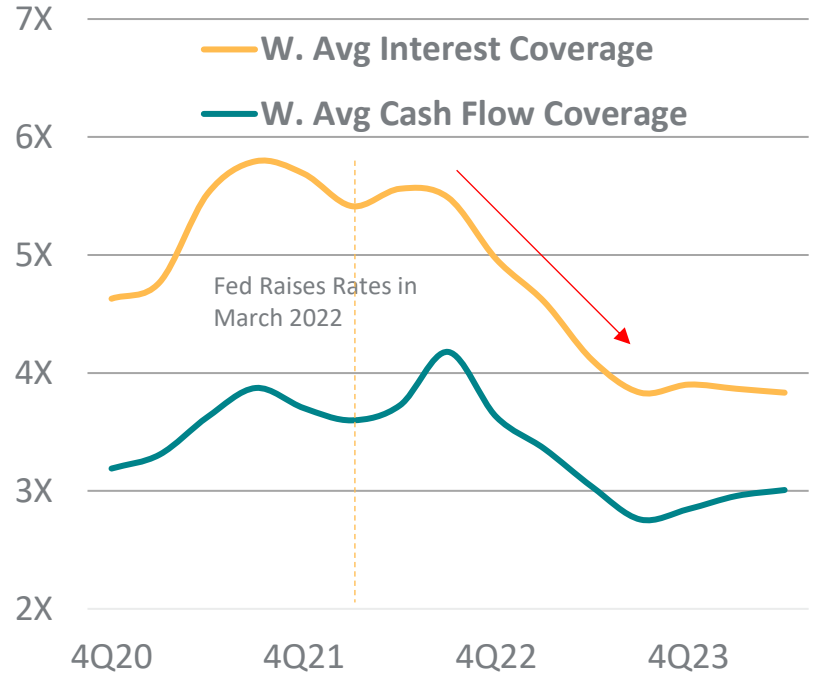
- Where are we in the credit cycle
- Impact of Fed's pivot on borrowers
- Managing risk in the current environment
- Defaults, including the emergence and impact of Liability Management Transactions (LMTs)
- Lender protections across the BSL and Direct Lending markets
- Panel outlook
- Audience Q&A (time permitting)

Where are we in the Credit Cycle?



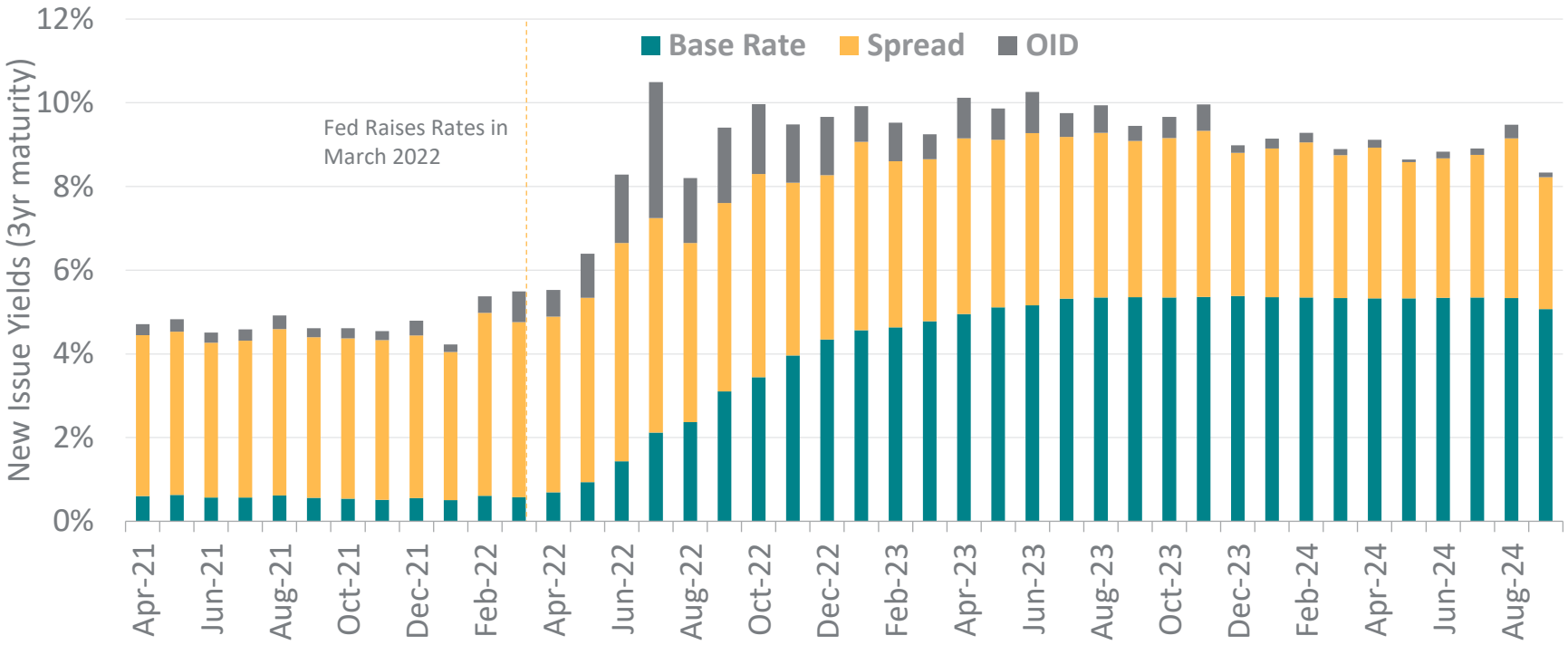
EBITDA and Coverage Ratios for BSL Leveraged Loans





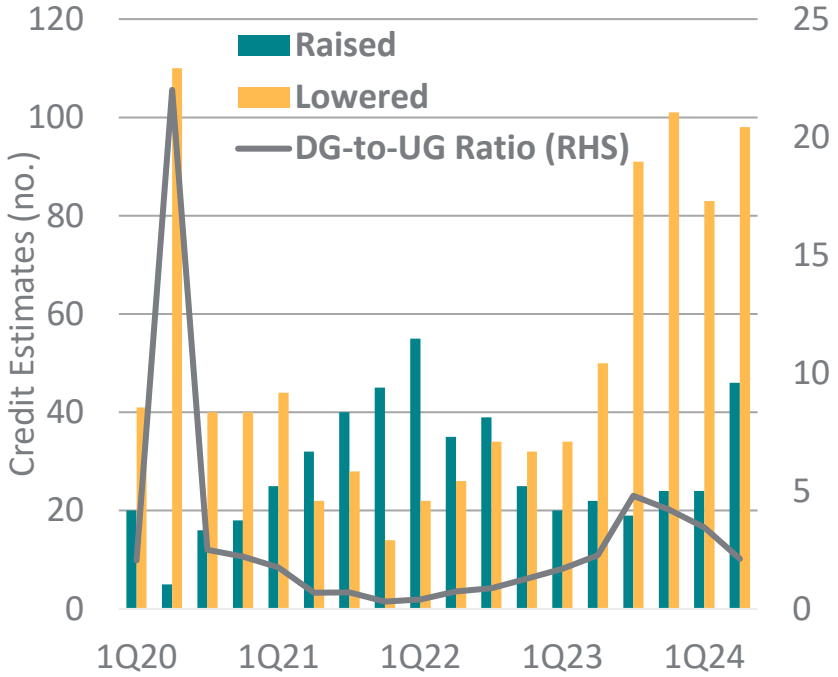
Sources: Morningstar LSTA Leveraged Loan Index & PitchBook|LCD

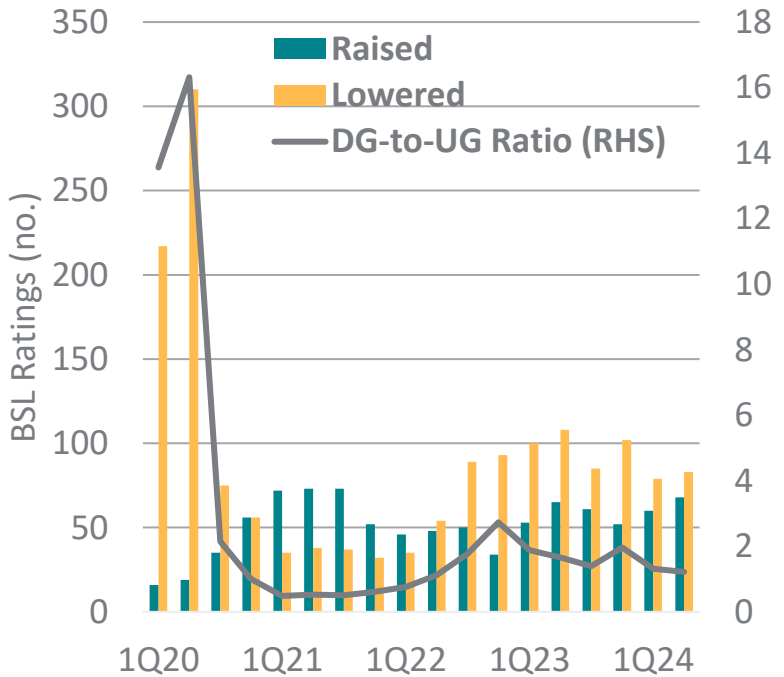
BSL Loan Yields Boosted by Higher Base Rates



Source: LSEG LPC

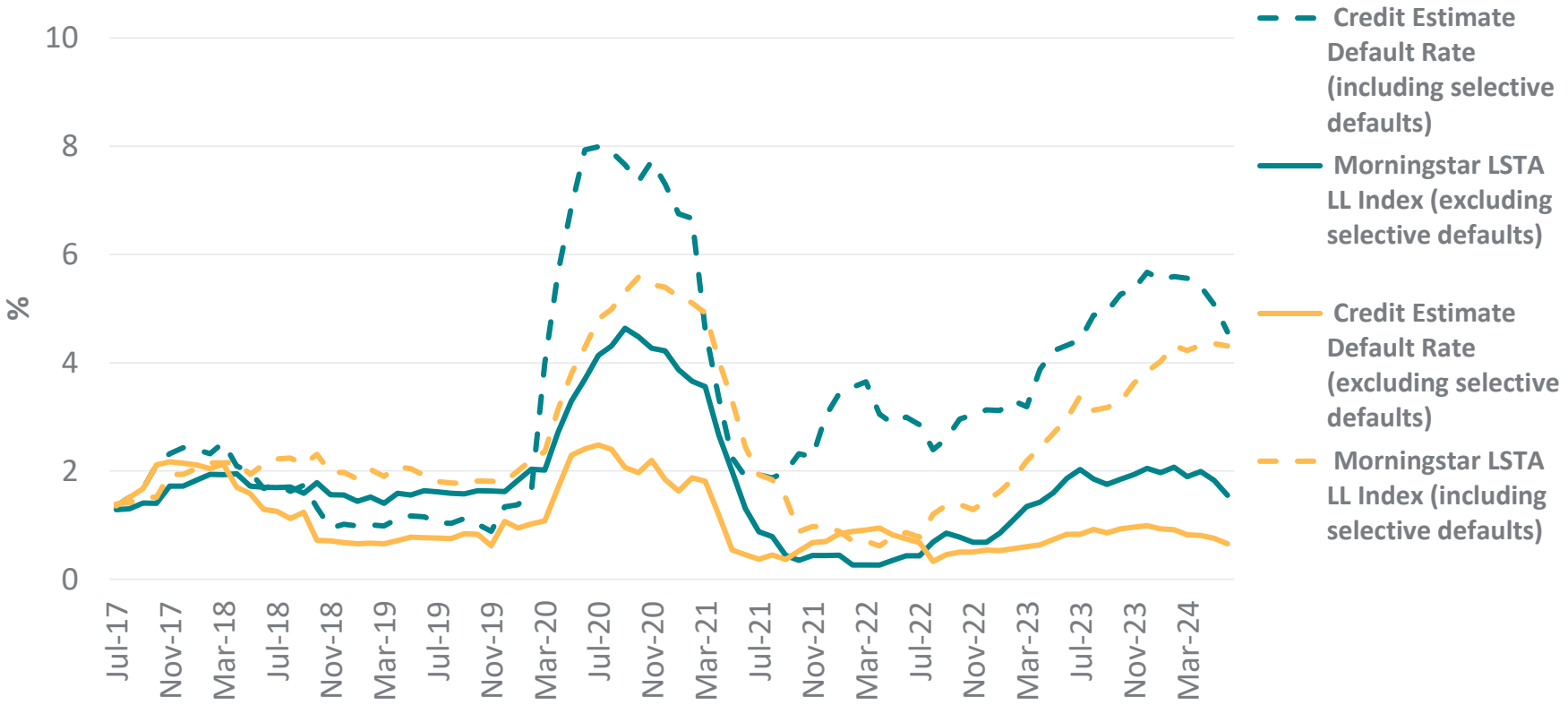
Credit Actions Across Private Credit Estimates and BSL Ratings





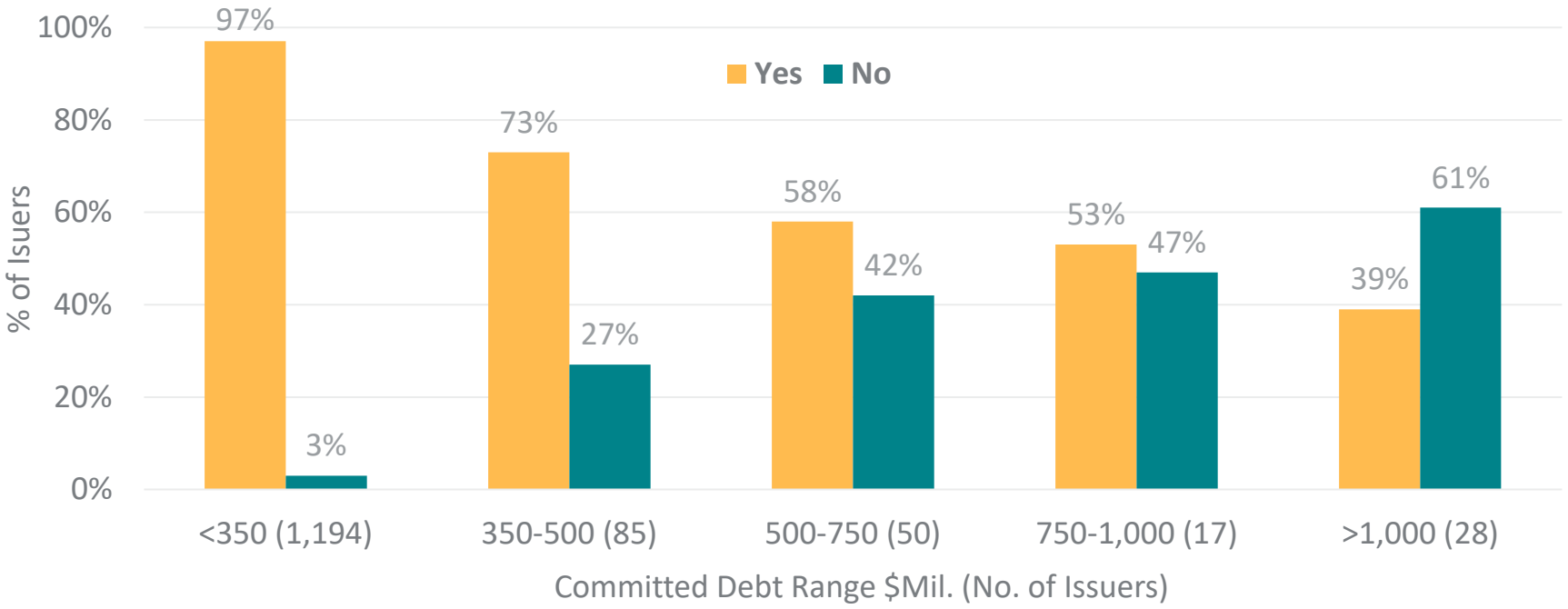
Source: S&P Global Ratings

Credit Estimated Companies Have Higher Selective Defaults But Fewer Conventional Defaults



Sources: Morningstar LSTA Leveraged Loan Index, S&P Global Ratings

Presence of Maintenance Covenants in Private Credit Agreements



Source: S&P Global Ratings