

# Corporate Credit at a Crossroads: Cutting Through the Noise

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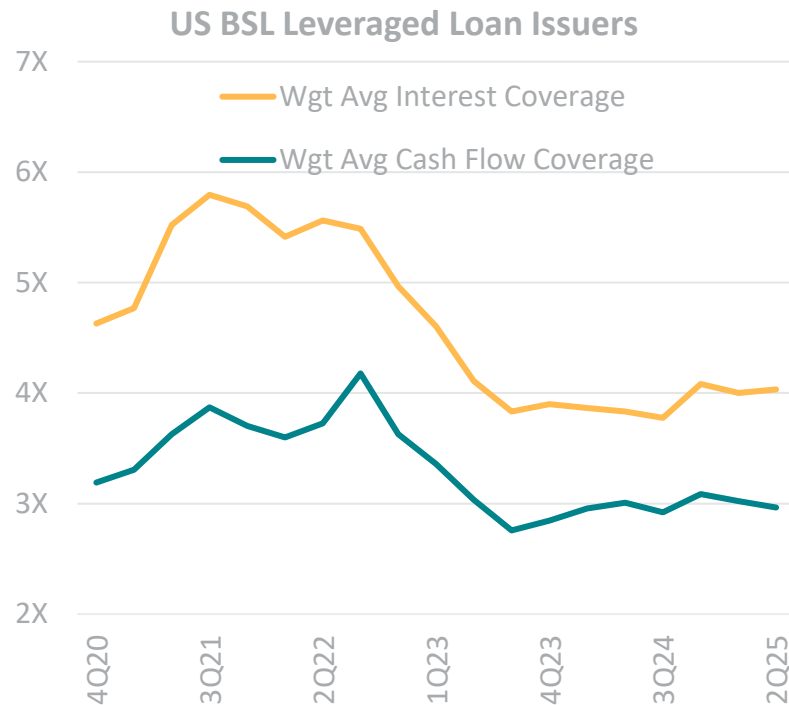
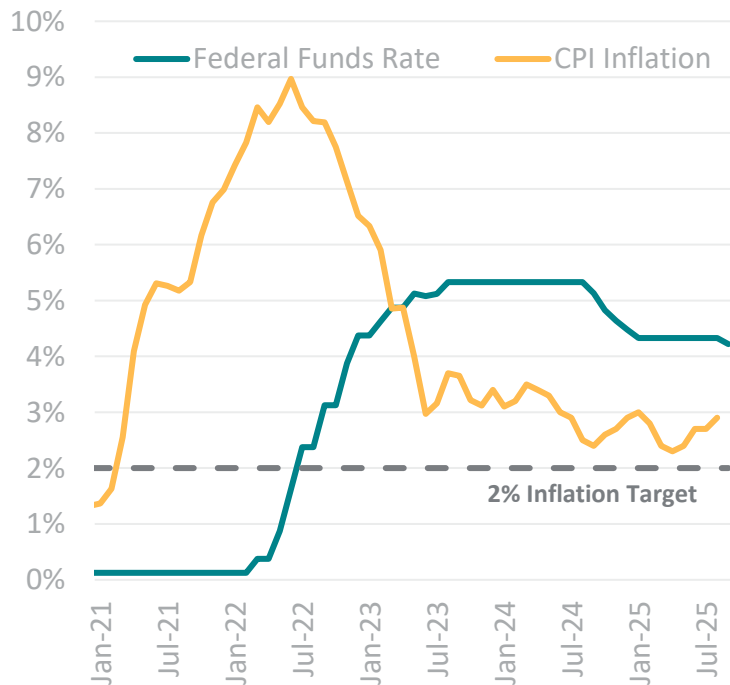
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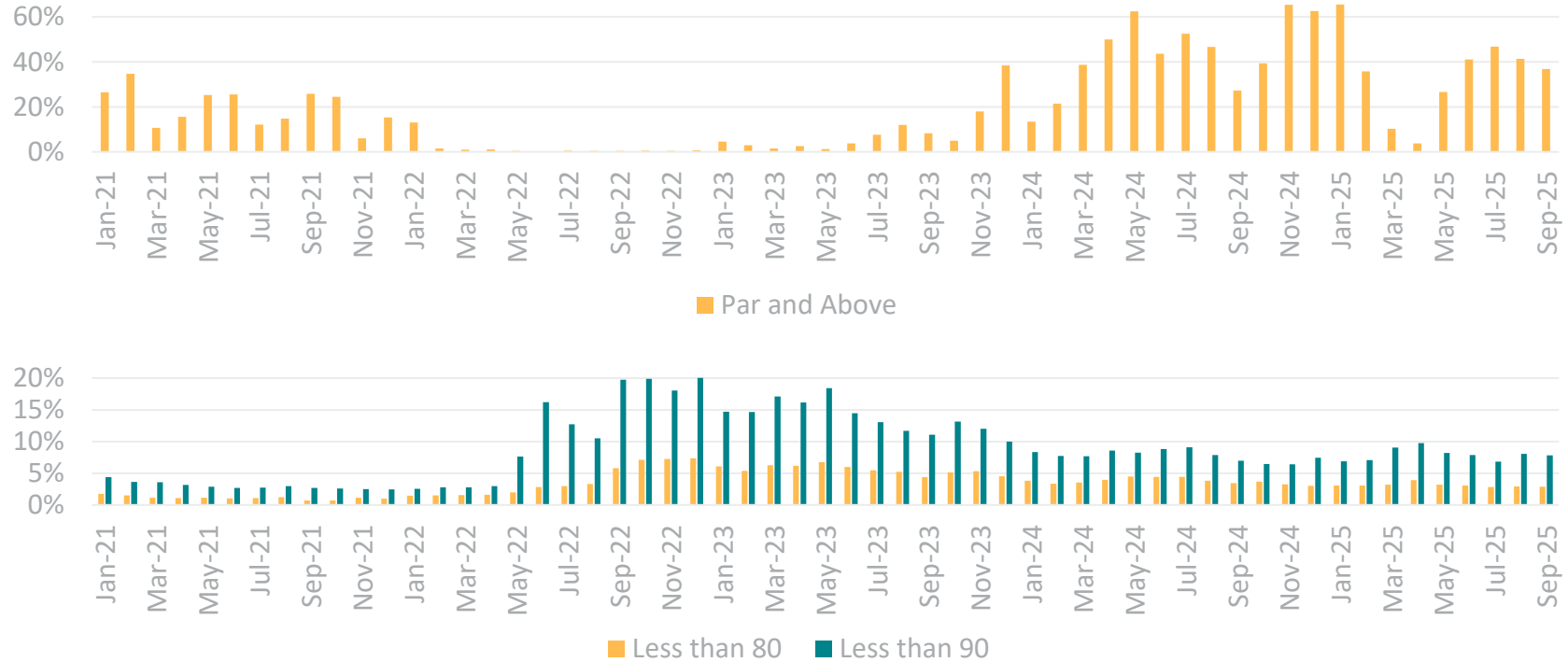


# Loan Coverage Ratios Have Been Under Pressure from High Interest Rates - Is Relief in Sight?



Sources: Federal Reserve Bank of St. Louis, Pitchbook|LCD

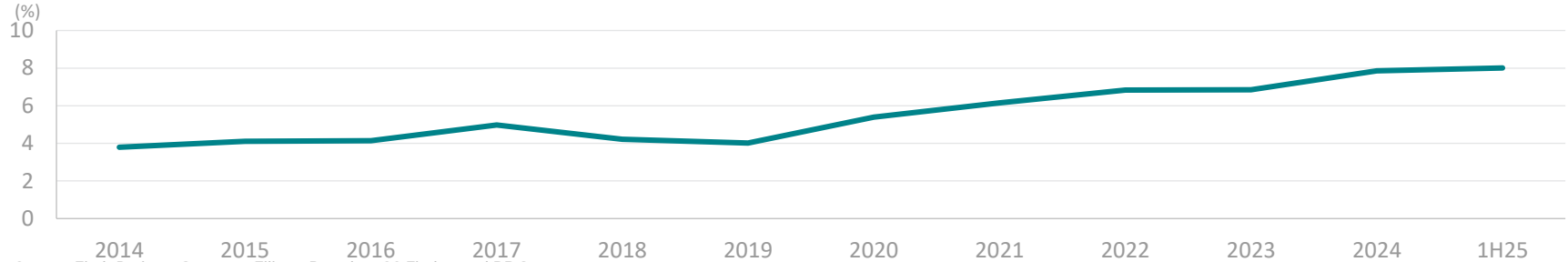
# The Secondary Market is Increasingly Bifurcated



Source: Morningstar LSTA Leveraged Loan Index

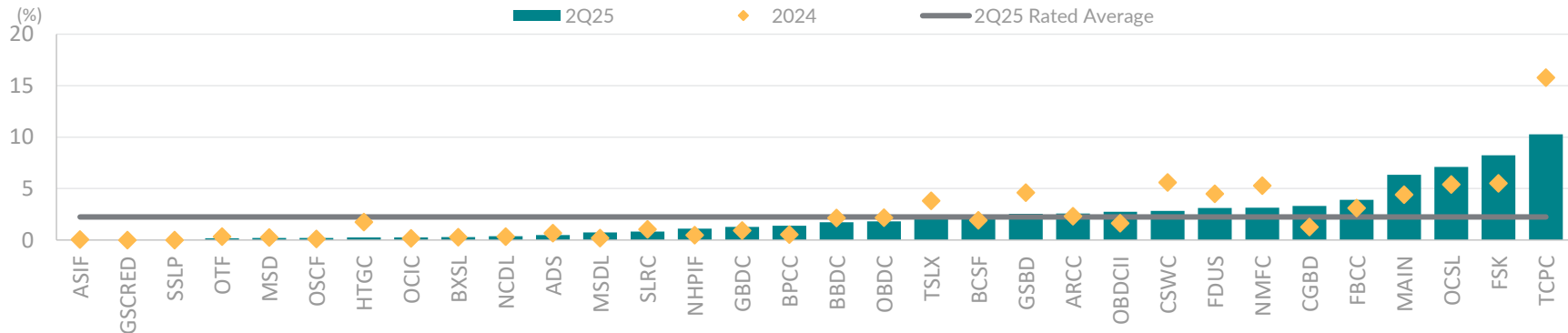
# Dispersion in Credit: BDC PIK Income & Non-Accrual Loans

PIK Income as a % of Interest & Dividend Income



Source: Fitch Ratings, Company Filings. Based on 32 Fitch-rated BDCs.

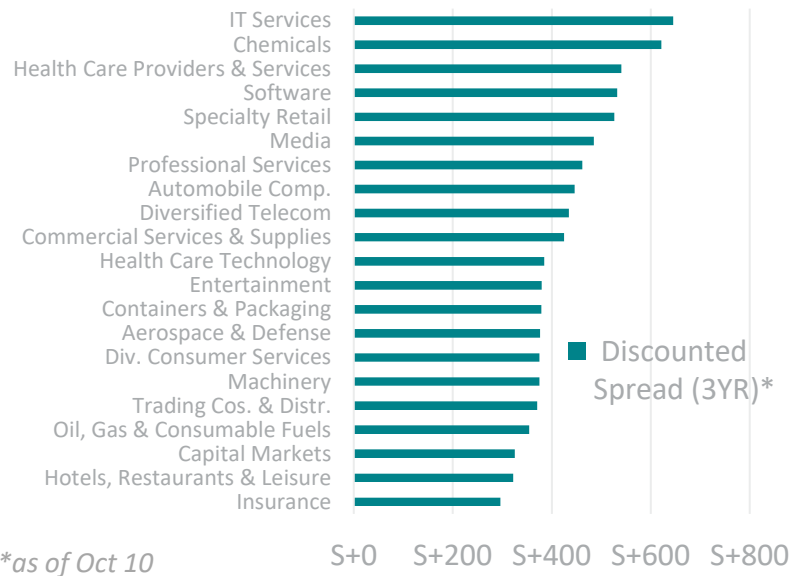
Non-Accrual Loans as a Percent of Debt Portfolio, at Cost



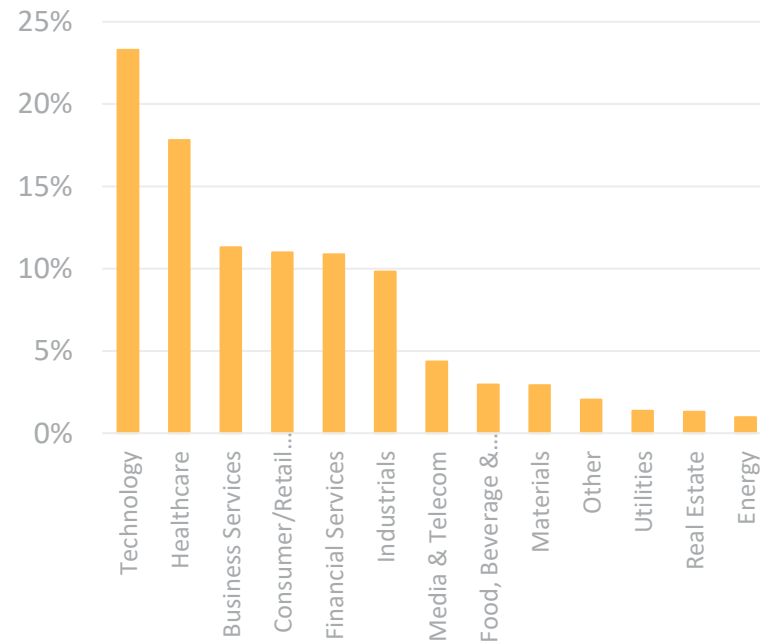
Note: Includes any non-debt investments on non-accrual status. Source: Fitch Ratings, Company Filings.

# Industry Composition of BSL and Direct Lending Markets

## BSL Spreads (by Industry)

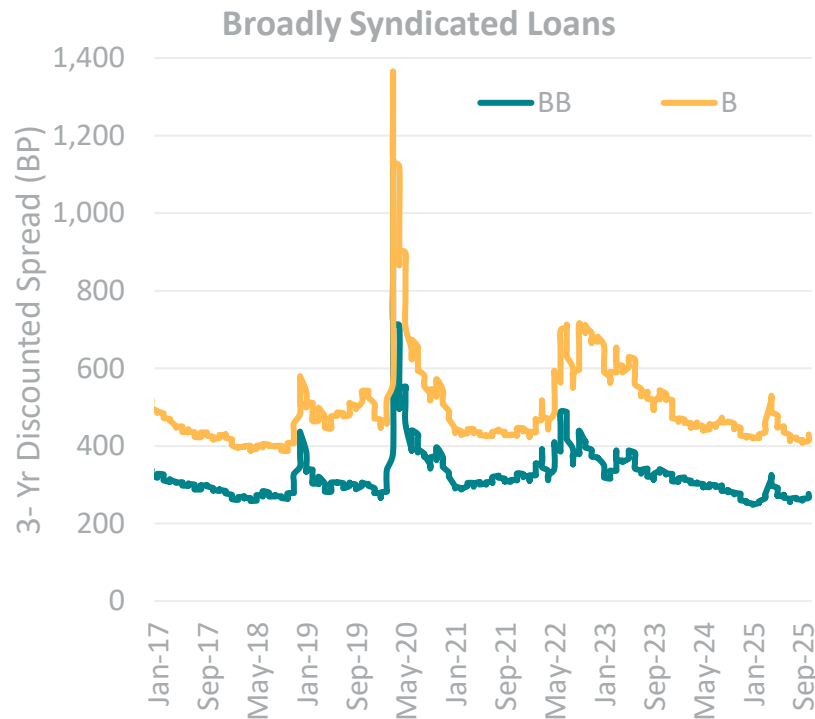
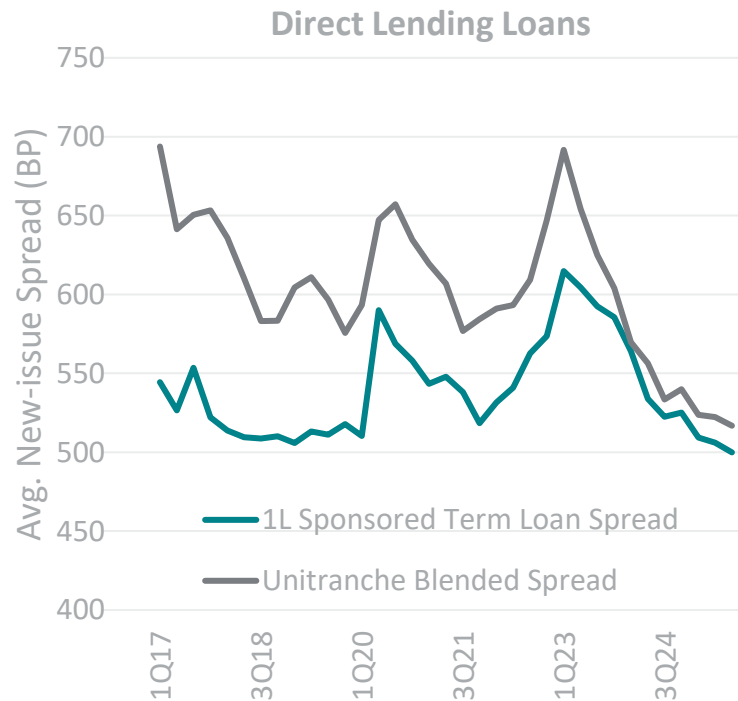


## BDC Industry Composition



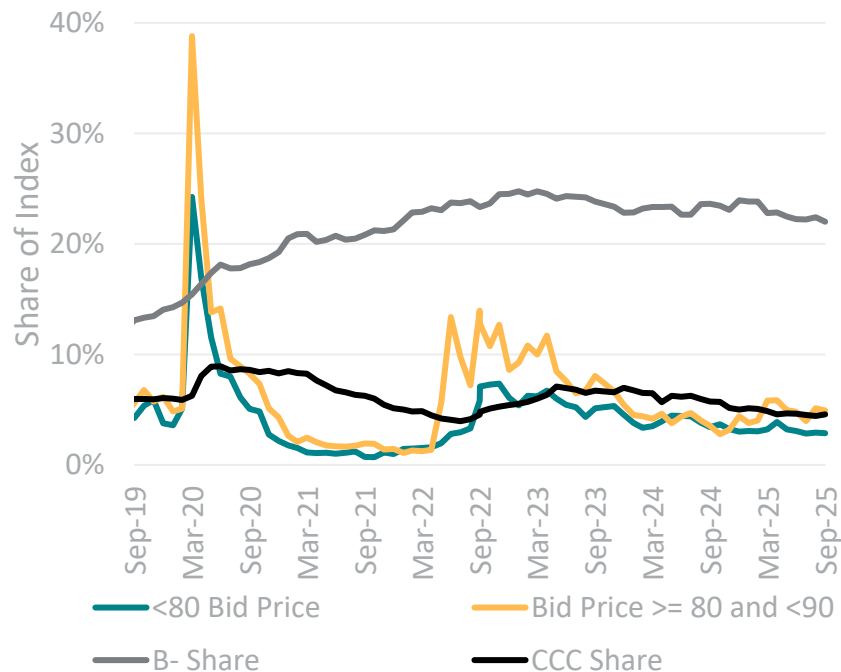
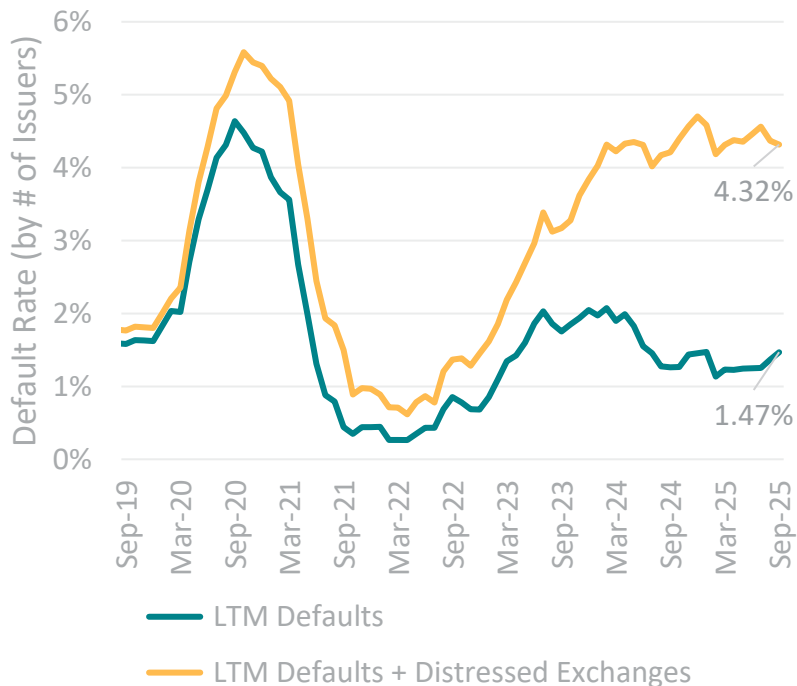
Sources: Morningstar LSTA Leveraged Loan Index, Cliffwater Direct Lending Index

# Spreads for Leveraged Corporate Credit are at Multi-Year Lows



Sources: LSEG LPC, Morningstar LSTA Leveraged Loan Index

# BSL Default Rates & Market Stress Indicators



Source: Morningstar LSTA Leveraged Loan Index