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CR TRENDLINES - Loan Covenant Trends April 2026

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2026

US TRENDLINES

April 2026

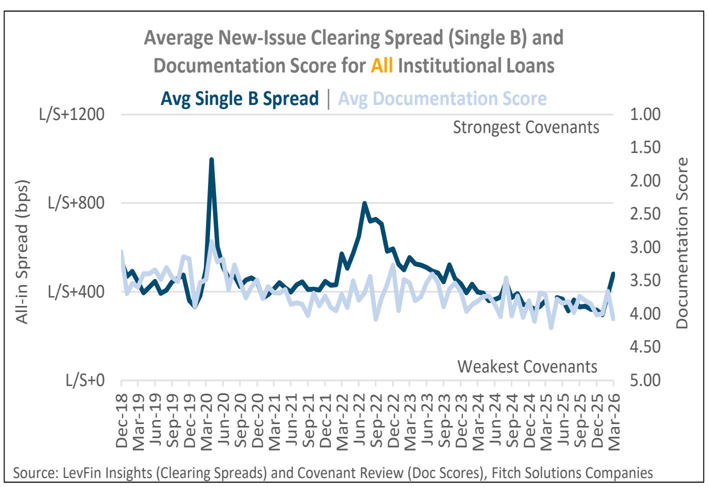
BSL New-Issue Market Cooled in March Amid Broader Volatility

The BSL secondary stopped the bleeding in March. Boosted by a modest advance in software names off their February lows, the average bid of the JP Morgan BSL Index inched up 0.09 point to 94.91 on March 31 from 94.82 on Feb. 28. Still, the average Index bid is down 1.64 points in the YTD and enters the second quarter below the midpoint of its post-Covid-19 range of 92.01-98.95, reflecting investor caution across risk assets. The BSL primary, meanwhile, tilted further in favor of lenders in March, putting January's turbo-charged conditions further into the rearview mirror. Three stats illustrate the point: (1) Single B clearing spreads gapped out 95bps to a 2.5-year high in March and are now up 185bps from January's multiyear lows, (2) repricing volume vanished entirely and (3) the upward price flexes exceeded downward flexes for the first time since March 2023. These trends reflect, mainly, macro factors. Technical conditions, in fact, were healthy in March as a run of repayments pushed the market's supply/demand equation well into the black at plus $18.6bn, the biggest technical surplus since July 2021:

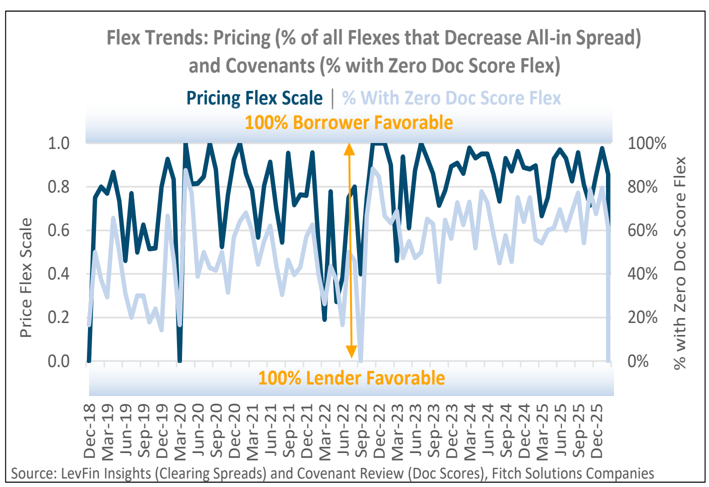
- **Supply**: $20.1bn, comprising: (1) $19.2bn of priced new-issue volume net of associated repayments and (2) $0.9bn of BWICs.
- **Demand**: $38.8bn from: (1) $13.6bn of BSL CLO issuance; (2) $22.7bn of repayments not associated with new loans; (3) roughly $3.7bn of quarterly amortizations; (4) $1.5bn of OWICs; and, per LSE Risk Intelligence, (5) $2.8bn of loan mutual-fund/ETF outflows.

This technical bonanza notwithstanding, BSL metrics favored lenders in March:

- **Secondary prices**: The average JP Morgan Index bid eked out a 0.09 point gain to 94.91 on March 31—after touching 94.77 on March 9, its lowest mark since April 21, 2025—from 94.82 on Feb. 28.
- **Par-plus loans/Repricings**: The share of Index loans bid at par or better retreated to 17.5% on March 31 from 21.5% on Feb. 27. Mark-to-market repricing volume, not coincidentally, was absent for the first time since April 2025 after totaling $5.8bn in February.
- **Price flex**: Arrangers tightened pricing on four loans during syndication in March while sweetening six, or 0.67:1. That compares to a ratio of 6:1 in February. Two notable observations here: (1) March was the first month during which increases exceeded decreases in three years and (2) March's cut count was the lowest since April 2025.
- **New-issue clearing spreads:** Average clearing spreads widened in March with lower-rated paper seeing the largest increases:
  - **Single B:** to S+480 (S+404/97.7) from S+385 (S+361/99.3) in February. For B3/B- loans, the increase was more dramatic: to S+510 (S+450/98.2) from S+379 (S+355/99.3) in February.
  - **Double B:** The average spread expanded to a 10-month high of S+302 (S+275/99.2) from S+219 (S+214/99.8) in February. As this implies, the sub-200 price point was off the table in March for the first time since May 2025. In February, for the record, two loans—[Advanced Drainage](#) (Ba1/BB) and [CACI International](#) (Ba1/BB+)—printed inside S+200.
- **Covenant flex***:* Of the eight BSLs for which *Covenant Review* generated final Documentation Scores in March, none cleared without flexing tighter at least one term tracked in our scoring model—the first such sweep since September 2022—down from 61% in February.
- **Covenant terms**: Adjusted for loans that didn't clear by publication, the average Documentation Score weakened to 3.84 in March from 3.66 in February—its tightest level since August 2024—on *Covenant Review's* scale of 1 (most protective) to 5. Among PE-backed loans, a more consistent sample, the average Score also trended looser, to 4.04 from 3.82.



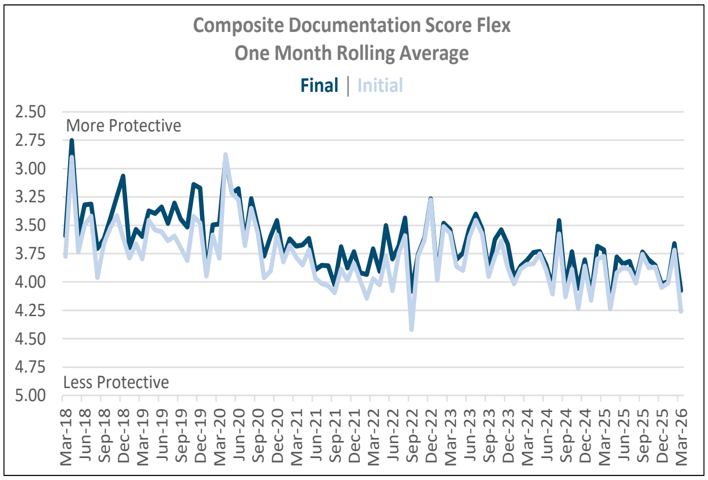
Source: LevFin Insights (Clearing Spreads) and Covenant Review (Doc Scores), Fitch Solutions Companies

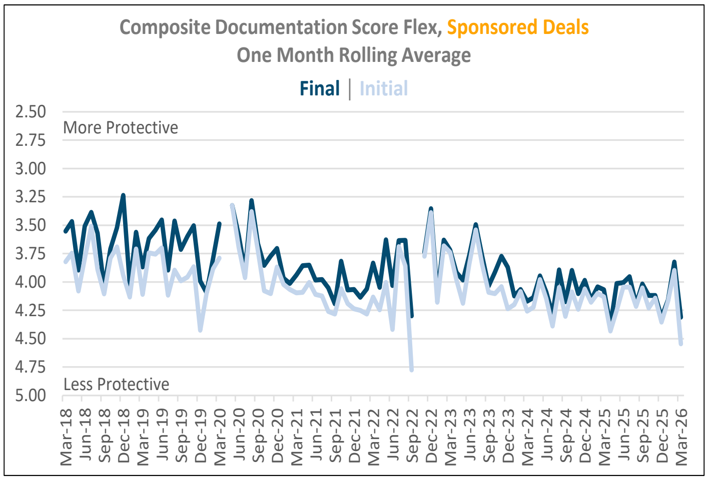


Source: LevFin Insights (Clearing Spreads) and Covenant Review (Doc Scores), Fitch Solutions Companies

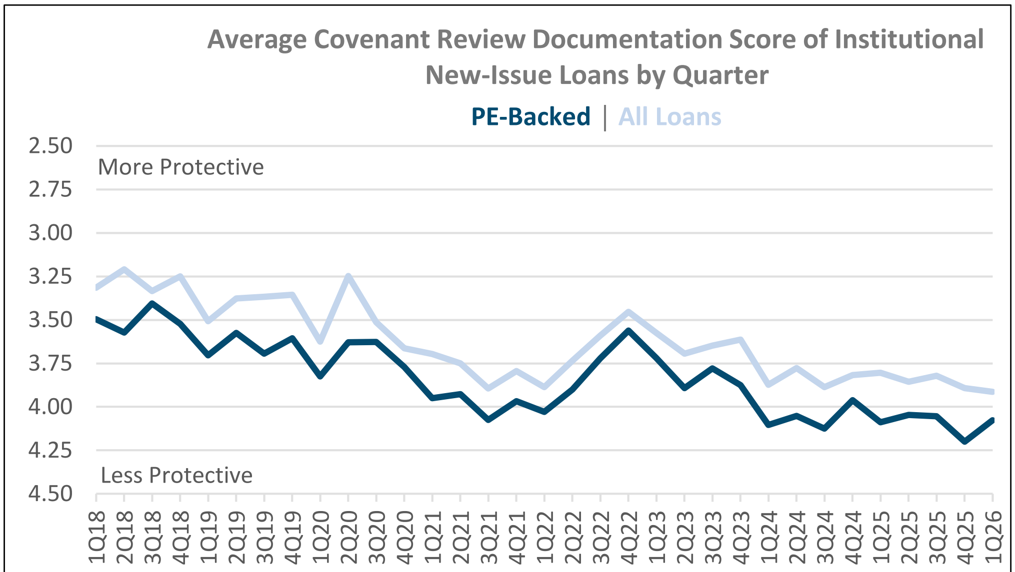
Documentation Score Trends: Flexing

With a greater share of loan tweaking terms in March, the average degree that Documentation Scores moved between launch and close increased to a 25-month high of 0.19 all/0.23 PE-backed from 0.06 all/0.07 PE-backed in February. **Arclin**'s $1.4bn M&A was the posterboy for covenant flex in March. The chemicals company sweetened its pricing to S+450/92 from talk of S+425-450/98 and significantly tightened terms, moving its Documentation Score to 3.8 from 4.5. *LFI* runs down the changes—which include adding Serta/Chewy/J. Crew protections, dropping the high-water mark concept, and capping EBITDA adjustments at 25%—here.





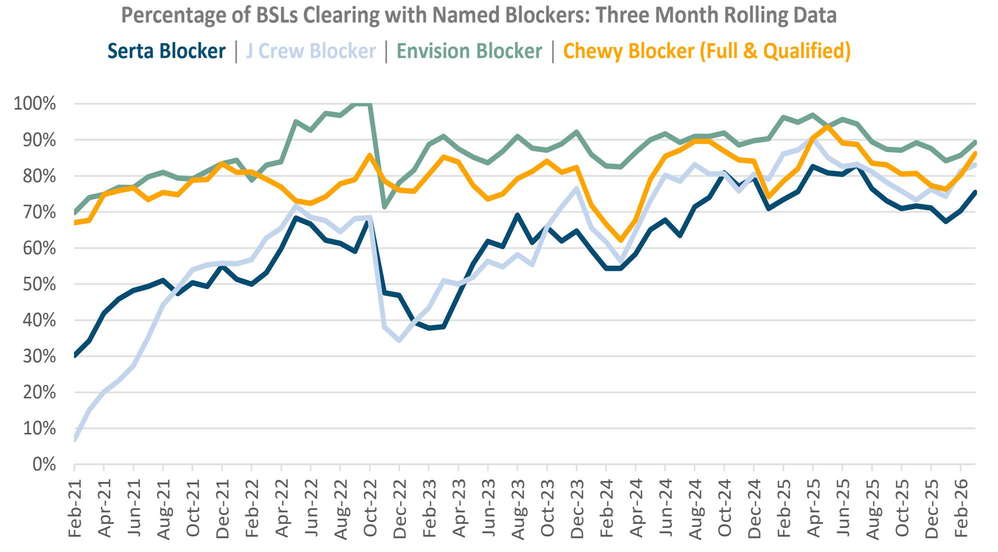
The rolling-three-month averages give a more data-rich view of the trend in covenants. During the first quarter, the Score average eroded a touch to 3.91 in the first quarter from 3.89 in the fourth quarter. For PE-driven loans, by contrast, the average Score tightened to 4.08 from 4.20 in the fourth quarter.



Source: Covenant Review, a Fitch Solutions Company

Blockers: Share Rises

The share of BSL loans that cleared with named blockers—Serta, Chewy, Envision and J. Crew—was up across in the first quarter.



Source: Covenant Review, a Fitch Solutions Company

Outlook: Risk-Off

It is clearly a fragile and fraught time for risk assets, and loans are no exception. Managers, therefore, are taking a cautious and selective stance. For this reason, Double B loans have traded down far less precipitously in the YTD than Single B loans with Triple Cs suffering the steepest decline.

Average Bid of JP Morgan BSL Index, Dec. 31 2025 to March 31 2026

	12/31/25	3/31/26	Change in Points	% Change
All	96.55	94.91	-1.64	-1.7%
BB	99.52	99.12	-0.40	-0.4%
Single B	98.42	95.90	-2.53	-2.6%
CCC	72.24	69.53	-2.70	-3.7%

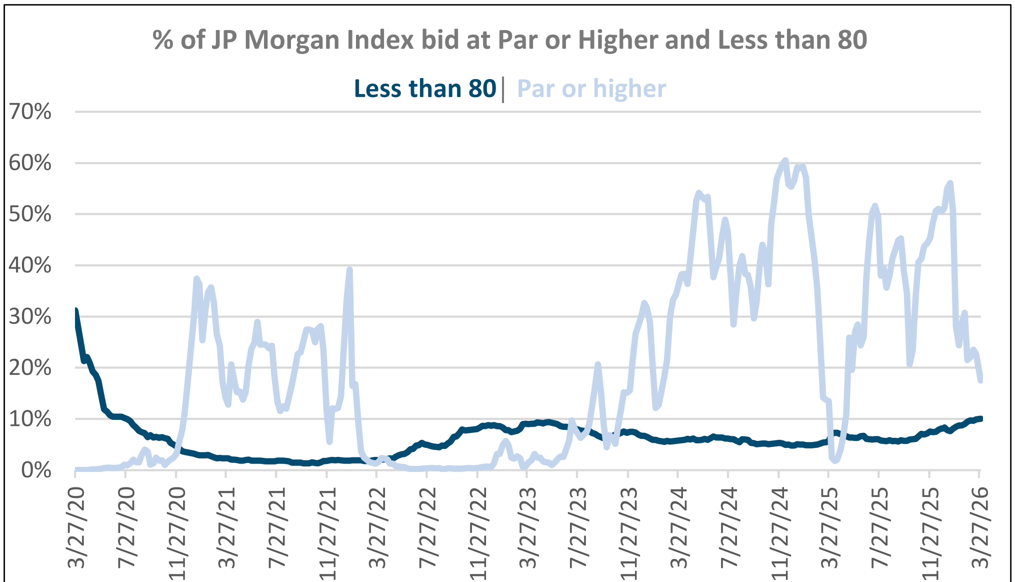
Source: JP Morgan Leveraged Loan Index

Likewise, the list of Index sectors that have suffered a YTD average bid decline of two points or more is dominated by those impacted by the AI trade or rising oil prices.

Average Bid of JP Morgan BSL Index, Dec. 31 2025 to March 31 2026				
	Index Weighting	12/31/25	3/31/26	Change
Software/Tech Services	14.4%	94.82	88.51	-6.31
Forest Products	0.5%	97.66	94.13	-3.53
Building Materials	3.2%	95.31	91.89	-3.42
Media	3.4%	97.27	93.85	-3.42
Insurance	3.7%	100.05	97.81	-2.24
Food	1.6%	93.79	91.70	-2.09
Services	8.9%	95.72	93.65	-2.07
Auto Dealers	0.4%	90.50	88.79	-1.72

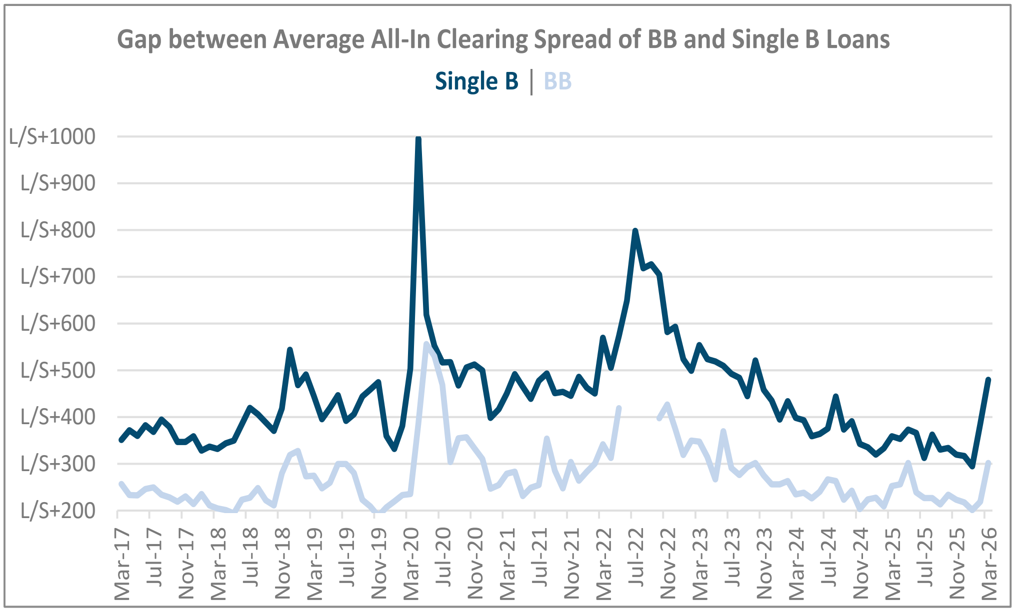
Source: JP Morgan Leveraged Loan Index

Finally, the secondary has retained something of a K shape. In March, the share of loans bid at par receded to 17.5% from 21.5% on Feb. 27. At the same time, the share of loans bid at 80 or lower—the markets traditional distressed threshold—rose to a a post-Covid cessation month-end high of 10.5% on March 31 from 9.5% a month earlier. Notably, between 2020 and 2025, when more than 8% of Index loans were in distressed territory, the average share of the Index that was bid at par or higher was just 3%.

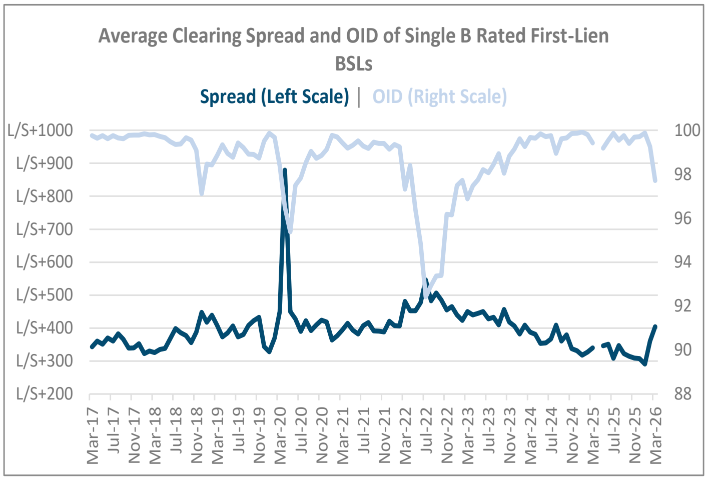


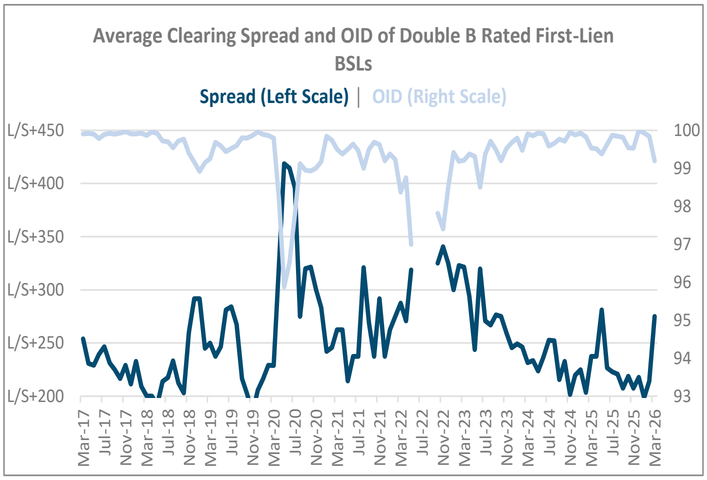
Source: JP Morgan Leveraged Loan Index

In the primary, too, demand has skewed to loans that appeal to CLO rampers—those that offer a combination of strong ratings, defensive sectors and protective terms. For loans outside this CLO wheelhouse, however, the landscape is forbidding. The spread curve, as a result, has steeped considerably. Indeed, since bottoming out at recent lows in January, the average all-in clearing spread is up 100bps for Double B loans, compared with 185bps for Single B loans. And within the Single B category, B3/B- loan clearing spreads are up 194bps on average compared to 176bps for B1/B+ and B2/B loans.



March's gap between average Double B and Single B clearing spreads stood at 179ps, up from 166bps in February and the widest gulf since August 2024. As mentioned, the spike in Single B spreads really moved the needle here, with OIDs in this segment pushing to 97.7 in March, the deepest since April 2023.

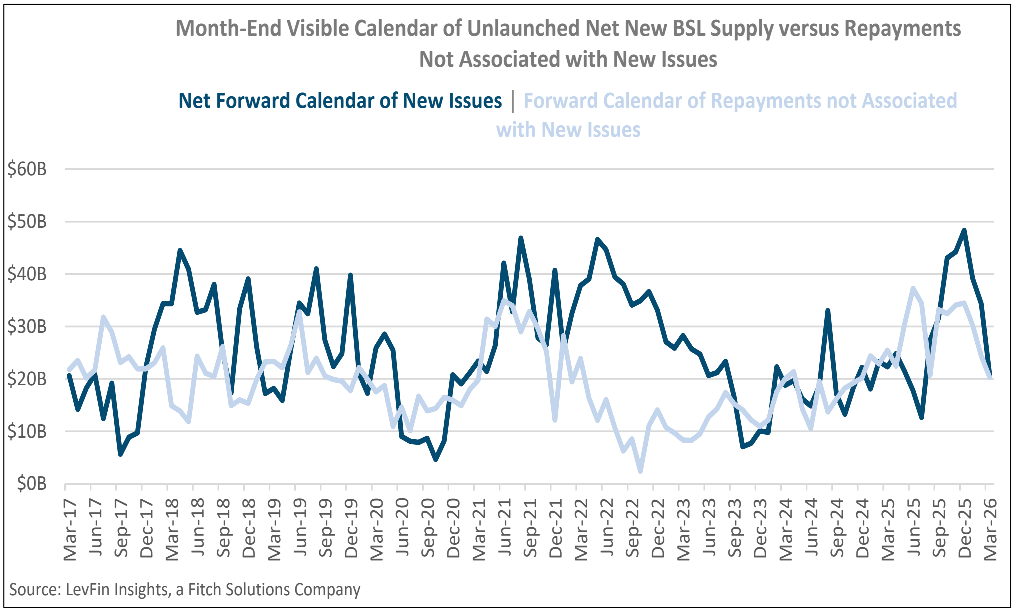




Looking ahead, there is no debate that ongoing geopolitical stress, higher oil prices and market volatility has cast a pall over the prospect for M&A-driven loan activity. The numbers are already apparent in *LFI*'s forward calendar:

- **Supply:** *LFI*'s net forward calendar of deals yet to be launched net of concurrent repayments stood at $20.7bn on March 31.That's the lowest month-end number since July 2025 and down from $34.3bn at the end of February and a recent high of $48.3bn at year-end.
- **Repayments:** *LFI*'s pipeline of visible repayments not associated with new loans, meanwhile, fell less precipitously: to $20.3bn on March 31 from $24.4bn on Feb. 28.

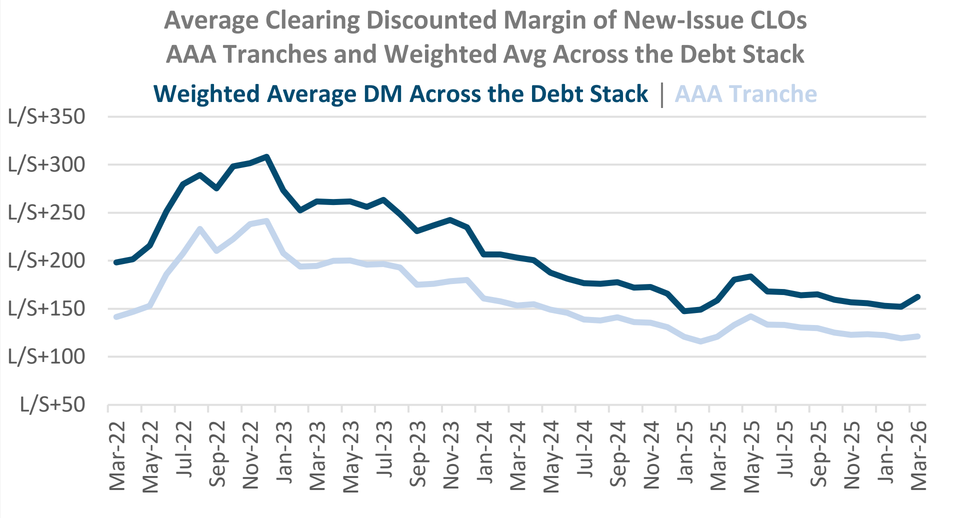
The delta, then, between visible supply and repayments in the offing now stands at just $0.4bn, the lowest month-end read since September 2025, down from $9.9bn on Feb. 28.



The other major source of supply—BWICs—was subdued in March at $0.9bn, compared to $2.3bn in February and January's record tally of $5.8bn. The decline is understandable in light of falling secondary levels, which has obviously made calling CLOs a less compelling proposition for equity investors.

On the other side of the technical ledger, the scorecard remains mixed. Loan mutual funds/ETFs flows sank to minus $2.8bn, per LSEG. This compares to outflows of $3.3bn in February, which was the largest monthly outflow since April 2025. Players expect redemptions to continue as long as investor sentiment is sour and the bad press around private credit—and its knock-on effects on BSL—is front and center. That said, dimming prospects for rate cuts could make short-duration assets like loans more compelling to retail and institutional investors until sentiment improves.

As for CLOs, issuance totaled $13.6bn in the March, little changed from $14.3bn in February and in the middle of the LTM range. Managers think volume is more likely to fall than rise from here. As *LFI* reported here: "activity may slow soon, as the new-issue BSL pipeline now stands at just 12 deals, its lowest point YTD, per KopenTech. The pipeline peaked at 40 new-issue BSL CLOs in early February." That reflects challenging arbitrage. With clearing spreads for mezzaine liabilities wider, the average clearing levels for new 2yr/5yr vehicles expanded to S+121 AAA/S+163 weighted average in March from a one-year low of S+119/S+152 in February. That may understate the increase because some March prints reflect liabilities that were negotiated earlier in the year.



Source: LevFin Insights, a Fitch Solutions Company

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For additional covenant stats or other cuts of the data, please contact research@covenantreview.com.

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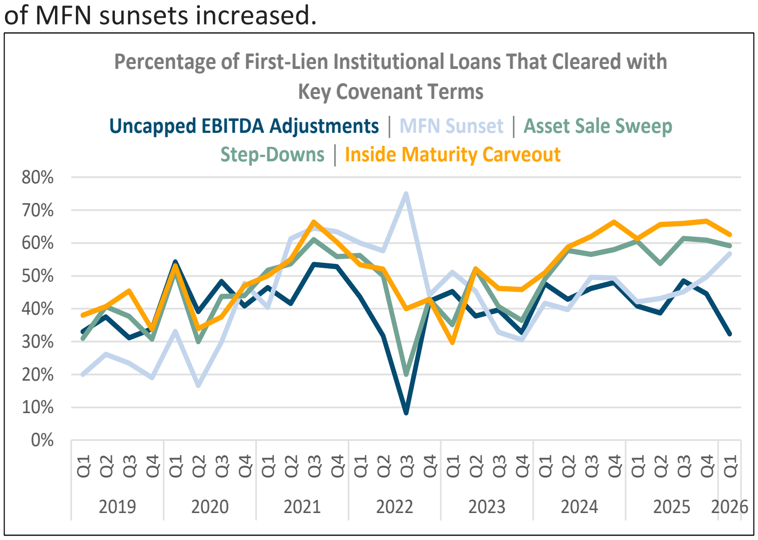
Broad Covenant Trends

Covenant Review's benchmark three-month rolling stats were mixed in the first quarter versus fourth-quarter levels; notably the share of loans with uncapped EBITDA definition adjustments plunged while day-one minimum basket sizes rose.

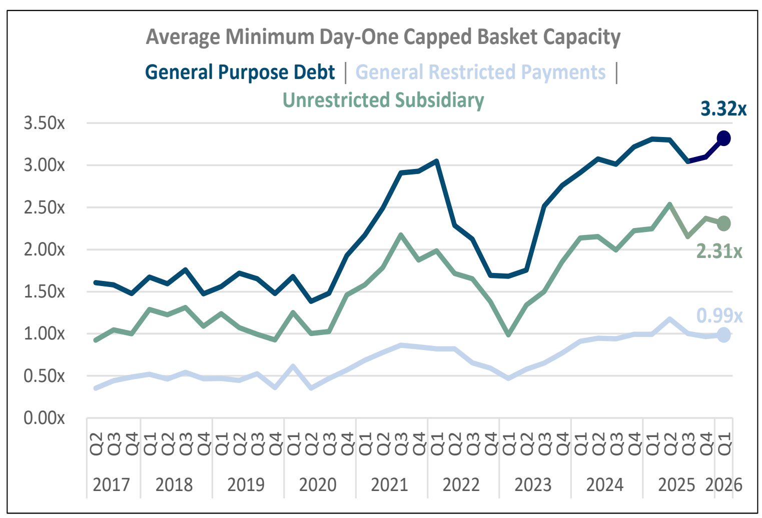
Loan Covenant Trend Summary Table

As of: 03/27/2026	2017			2018				2019				2020				2021				2022				2023				2024				2025				2026	Increase / Decrease
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Credit Stats																																					
Percentage with Uncapped EBITDA Adjustments	30%	45%	40%	63%	43%	53%	42%	33%	38%	31%	34%	54%	39%	48%	41%	46%	42%	53%	53%	44%	32%	8%	42%	45%	38%	40%	33%	48%	43%	46%	48%	41%	39%	48%	45%	32%	↓
Accordion Free-and-Clear Tranche																																					
Avg. Hard Cap/Pro Forma Adj EBITDA (M&A-related)	0.83x	0.82x	0.87x	0.94x	0.78x	0.86x	0.80x	0.75x	0.78x	0.83x	0.85x	0.88x	0.79x	0.80x	1.01x	1.20x	1.07x	1.14x	1.24x	1.49x	1.05x	1.03x	0.89x	1.02x	1.31x	1.06x	1.09x	1.25x	1.05x	1.51x	1.37x	1.35x	1.13x	1.42x	1.14x	1.45x	↑
Avg. Hard Cap/Pro Forma Adj EBITDA (All Deals)	0.81x	0.81x	0.82x	0.86x	0.79x	0.89x	0.76x	0.74x	0.78x	0.82x	0.75x	0.81x	0.68x	0.78x	0.89x	1.00x	1.05x	1.13x	1.22x	1.39x	1.01x	1.03x	0.94x	0.98x	0.89x	1.07x	1.01x	1.31x	1.12x	1.20x	1.24x	1.26x	1.31x	1.46x	1.40x	1.49x	↑
Percentage with Growers (M&A-related)	45%	76%	76%	78%	75%	80%	69%	88%	74%	87%	88%	94%	82%	90%	95%	93%	92%	98%	96%	96%	92%	100%	78%	93%	93%	94%	96%	94%	100%	96%	89%	96%	94%	94%	92%	98%	↑
Percentage with Growers (All Deals)	34%	56%	53%	73%	61%	84%	67%	74%	92%	70%	72%	77%	56%	80%	81%	81%	87%	96%	92%	91%	85%	90%	73%	80%	86%	84%	85%	85%	85%	88%	92%	90%	88%	90%	89%	86%	↓
Percentage with Inside Maturity (M&A-related)	22%	27%	31%	44%	29%	33%	29%	44%	37%	43%	43%	67%	45%	38%	56%	67%	77%	75%	70%	63%	58%	50%	44%	20%	60%	69%	54%	41%	75%	74%	70%	74%	61%	61%	69%	73%	↑
Percentage with Inside Maturity (All Deals)	7%	15%	29%	32%	35%	39%	22%	38%	41%	45%	34%	53%	34%	38%	47%	50%	55%	66%	60%	53%	52%	40%	43%	30%	52%	46%	46%	51%	59%	62%	66%	61%	66%	66%	67%	63%	↓
MFN																																					
Percentage with MFN Sunset	18%	21%	21%	32%	26%	32%	17%	20%	26%	23%	19%	33%	17%	30%	48%	40%	61%	65%	63%	60%	58%	75%	44%	51%	45%	33%	31%	42%	40%	50%	49%	42%	43%	45%	50%	57%	↑
Percentage with MFN Carveouts																																					
Dollar-Capped	20%	29%	20%	56%	32%	56%	29%	23%	22%	24%	23%	36%	20%	33%	42%	45%	49%	58%	53%	51%	44%	30%	31%	32%	38%	38%	34%	43%	47%	55%	54%	45%	55%	33%	37%	31%	↓
Maturity	18%	27%	24%	49%	38%	33%	24%	40%	38%	29%	28%	51%	22%	43%	37%	37%	42%	55%	52%	51%	44%	42%	35%	40%	36%	43%	33%	52%	50%	42%	45%	33%	47%	25%	38%	28%	↓
Percentage with Asset Sale Sweep Step-downs	18%	35%	31%	49%	40%	45%	38%	31%	41%	38%	31%	52%	30%	44%	44%	52%	54%	61%	56%	56%	50%	20%	43%	35%	52%	41%	36%	49%	58%	57%	58%	61%	54%	61%	61%	59%	↓
Minimum Day-One Capped Basket Capacity																																					
General Purpose Debt	1.61x	1.58x	1.48x	1.67x	1.59x	1.76x	1.47x	1.56x	1.72x	1.65x	1.48x	1.68x	1.38x	1.48x	1.93x	2.17x	2.49x	2.91x	2.93x	3.05x	2.29x	2.12x	1.69x	1.68x	1.76x	2.51x	2.76x	2.91x	3.08x	3.01x	3.22x	3.31x	3.30x	3.05x	3.10x	3.32x	↑
General Restricted Payments	0.36x	0.44x	0.49x	0.52x	0.46x	0.54x	0.47x	0.47x	0.45x	0.53x	0.36x	0.61x	0.35x	0.47x	0.57x	0.69x	0.78x	0.86x	0.84x	0.82x	0.82x	0.66x	0.59x	0.47x	0.58x	0.65x	0.77x	0.91x	0.95x	0.94x	0.99x	0.99x	1.17x	1.00x	0.97x	0.99x	↑
Unrestricted Subsidiary Investments Capacity	0.92x	1.05x	1.00x	1.29x	1.22x	1.31x	1.09x	1.24x	1.07x	0.99x	0.93x	1.25x	1.00x	1.03x	1.46x	1.58x	1.78x	2.17x	1.87x	1.98x	1.71x	1.65x	1.38x	0.99x	1.34x	1.50x	1.85x	2.14x	2.15x	2.00x	2.22x	2.25x	2.53x	2.15x	2.37x	2.31x	↓

Narrowing our gaze to the four highly negotiated terms we track here monthly, the trend was mixed, with the share of loans with uncapped EBITDA definitions, inside maturity carveouts and asset sale sweep step-downs falling even as that of MFN sunsets increased.

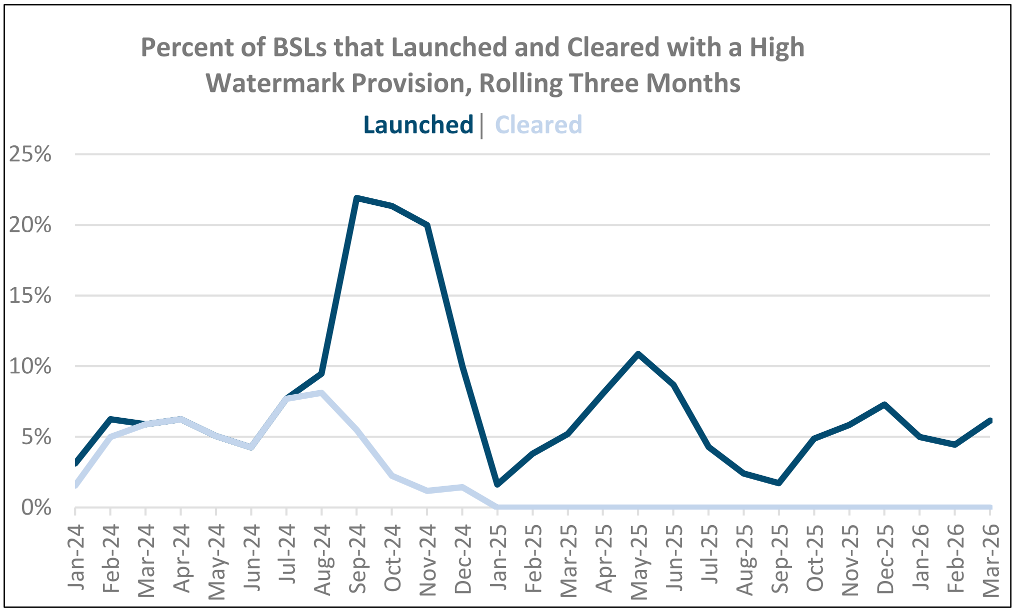


Total average day-one basket capacity debt issuance, restricted payments and investments into unrestricted subsidiaries were flat to higher in the first quarter, pushing to the high end of the long-term range.



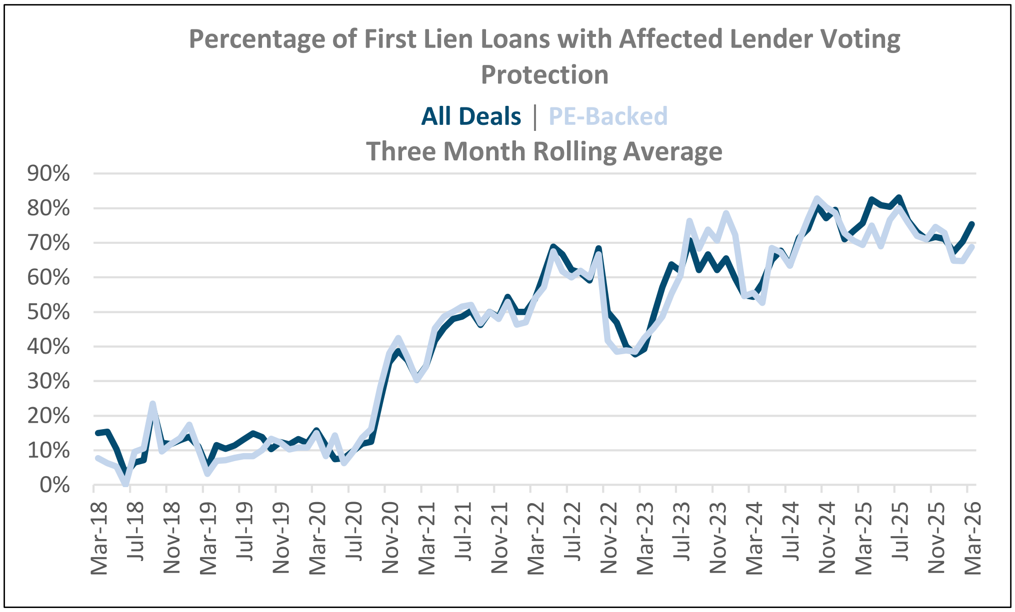
High-Water Mark Provisions: The Hitless Streak Continues

In March, one newly minted loan in *Covenant Review*'s sample, or 13%, launched with a high-water mark provision. The provision was dropped, however, extending the dry run in this category to 17 months.



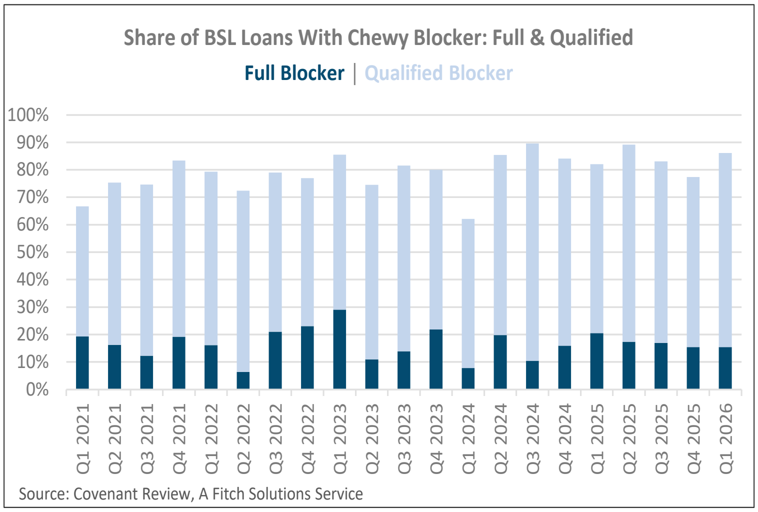
Tranche Voting Rights (Serta): Mixed in Q1

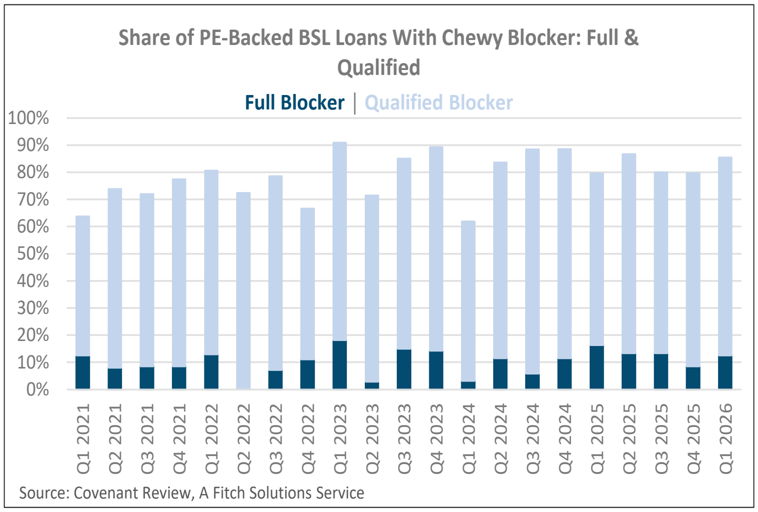
The percent of BSL loans that required all affected lenders to approve amendments (see here for *Covenant Review*'s analysis of this issue) stood at 75.4% all/68.8% PE-backed in the first quarter compared to 71.1% all/72.9% PE-backed in the fourth quarter.



Phantom Guarantee: Chewy Blocker

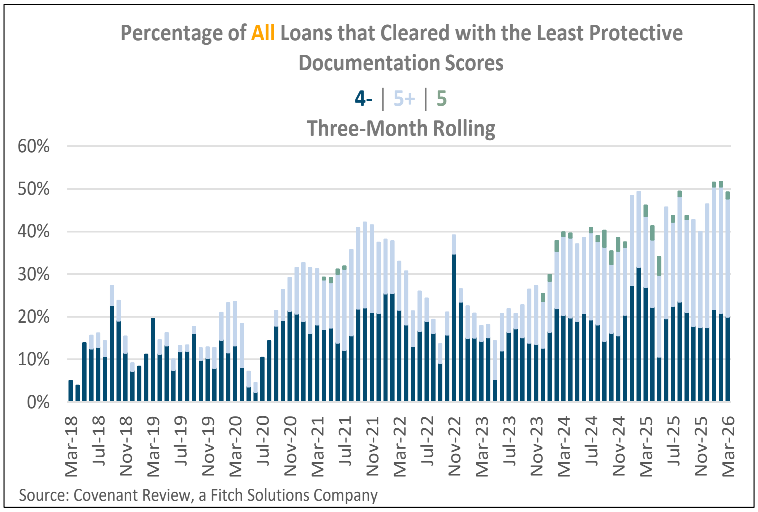
These charts break out the trend in Chewy protection for all and PE-driven BSLs, dividing the data between the full blocker and the qualified blocker as defined on page seven of [this *Covenant Review* report].





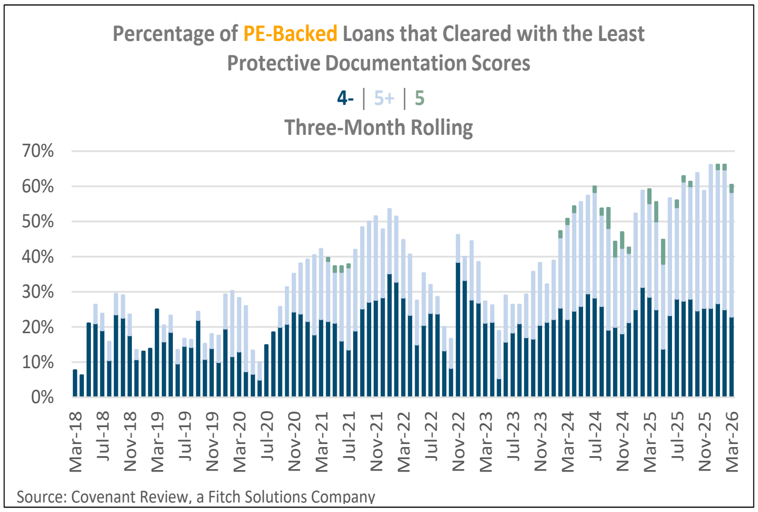
Edgy Documents: Down in February

Of the eight loans in *Covenant Review*'s March sample, four cleared at the least protective end of the Documentation Score band (4-/5+/5), or 50% overall/60% PE-backed loans. That's up from February's recent low of 39%/50%.



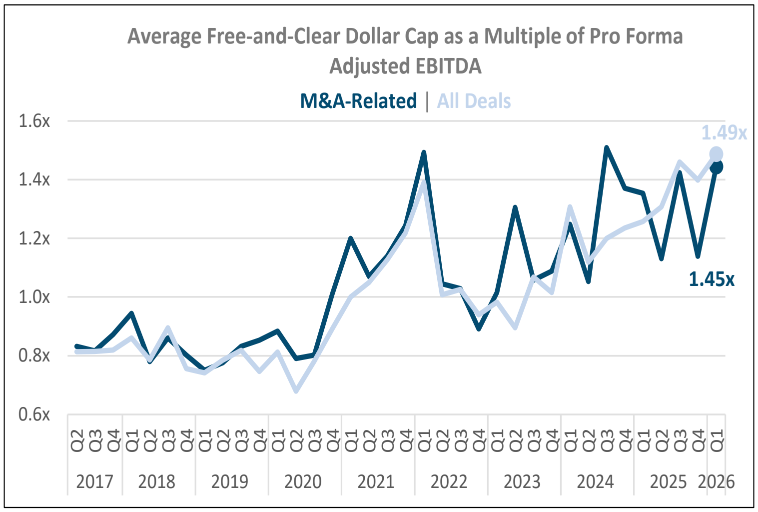
The edgy deal share, meanwhile, was mixed in the first quarter:

- **PE-backed loans:** The share in this category that cleared at the three least protective scores (4-, 5+ and 5) was 60% in the first quarter down from 66% in the fourth quarter.
- **All:** The share of all loans that cleared with a 4-/5+/5 increased to 49% in the first quarter from 46% in the fourth quarter.

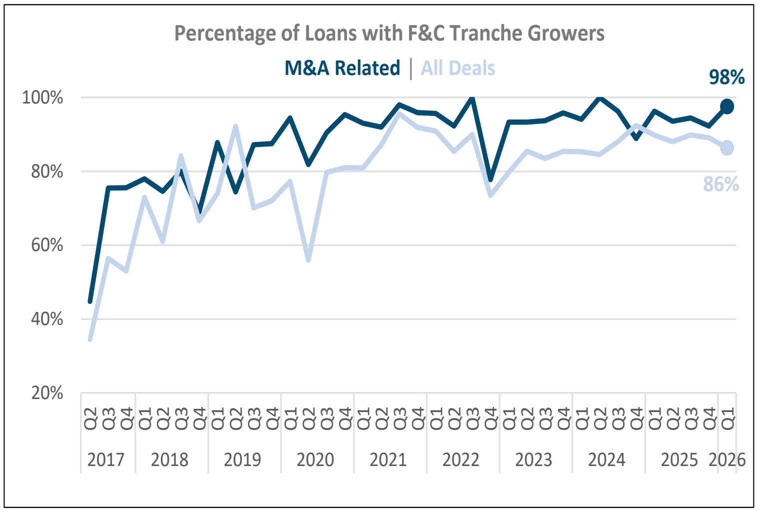


Incrementally Up

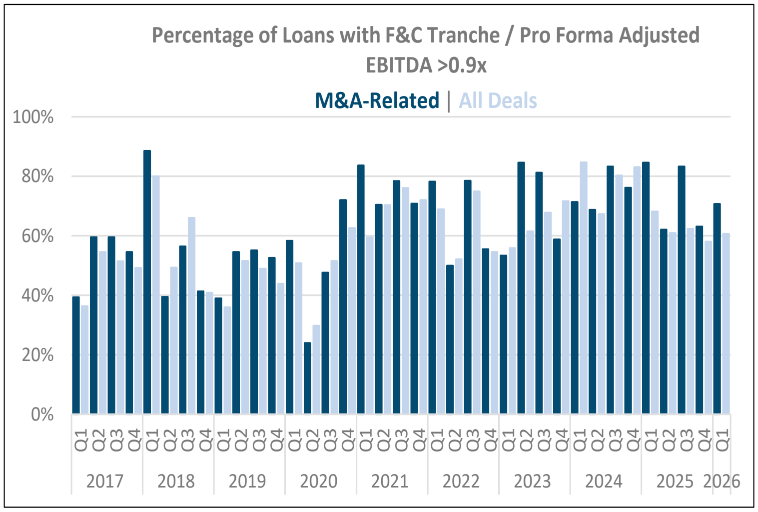
The average free-and-clear incremental tranche dollar-cap stood at 1.45x M&A-related/1.49x all in the first quarter, compared to 1.14x M&A-related/1.40x all in fourth quarter.



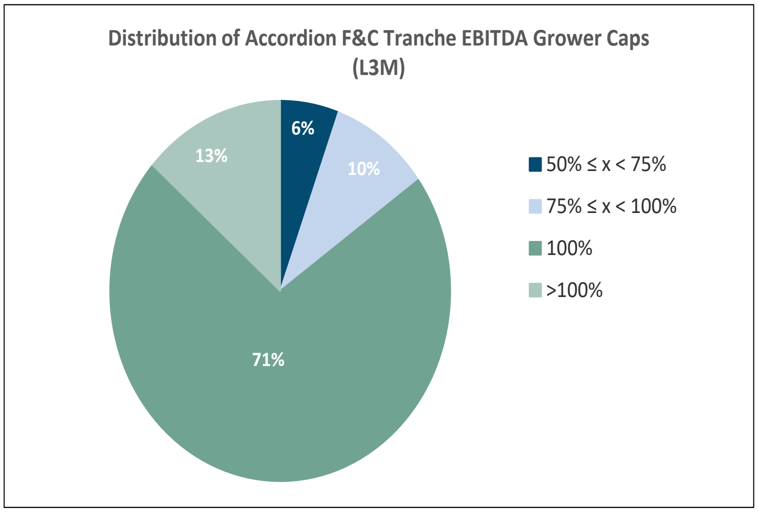
The share of loans with F&C grower components was mixed at 86% overall and 98% M&A-related in the first quarter, versus 89% overall/92% M&A-related in fourth quarter.



Looking at the distribution, the percentage of loans with F&C dollar caps set at 0.9x of pro forma EBITDA or more rose to 61% overall and 71% for M&A-driven loans in the first quarter from 58%/63% in the fourth quarter.

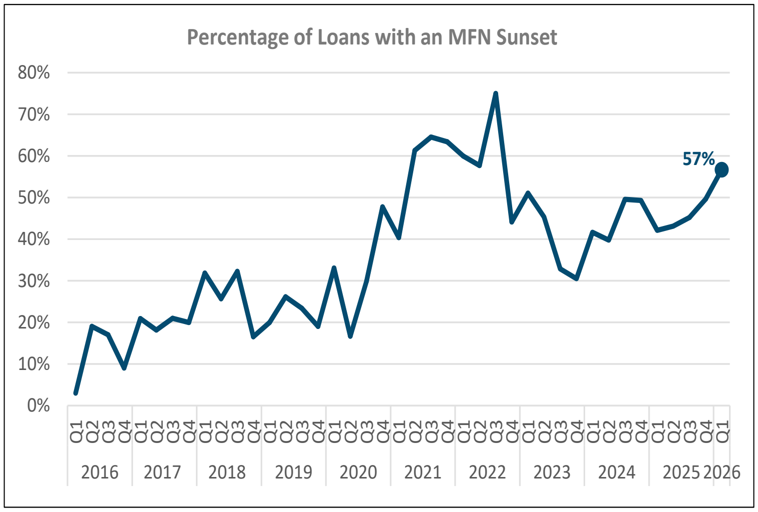


For those deals with growers, 1x EBITDA was the most common setting again in first quarter.

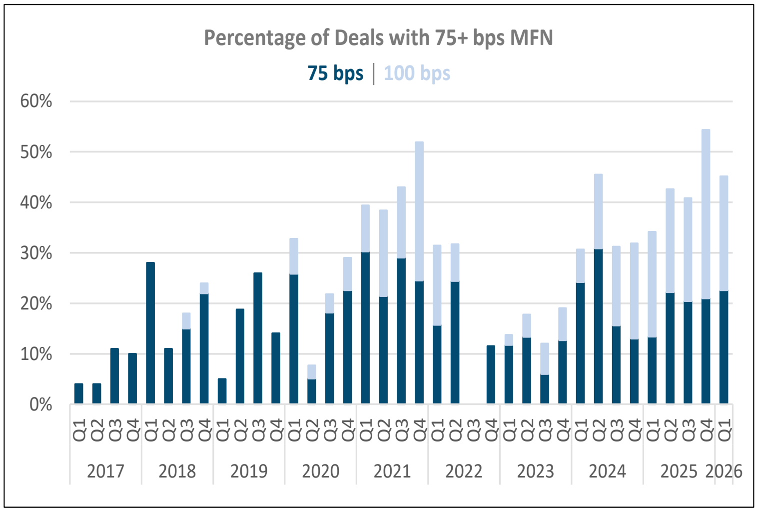


MFN Terms: Tighter

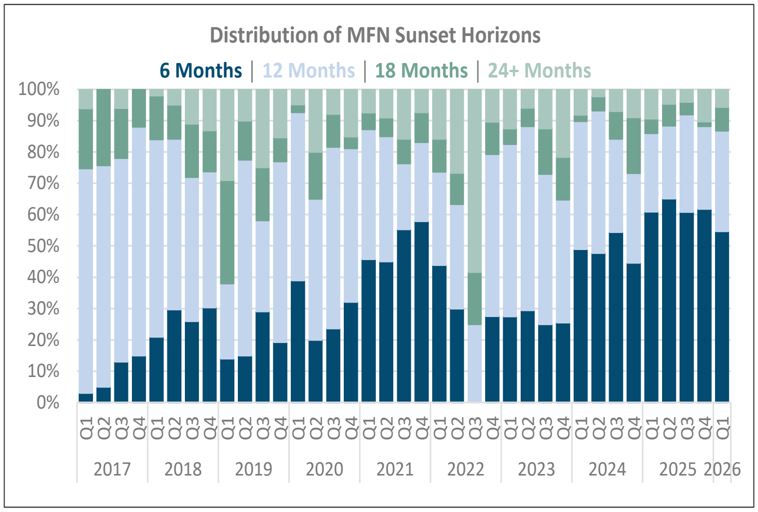
The share of loans that cleared with an MFN sunset expanded to 57% in the first quarter from 50% in the fourth quarter.



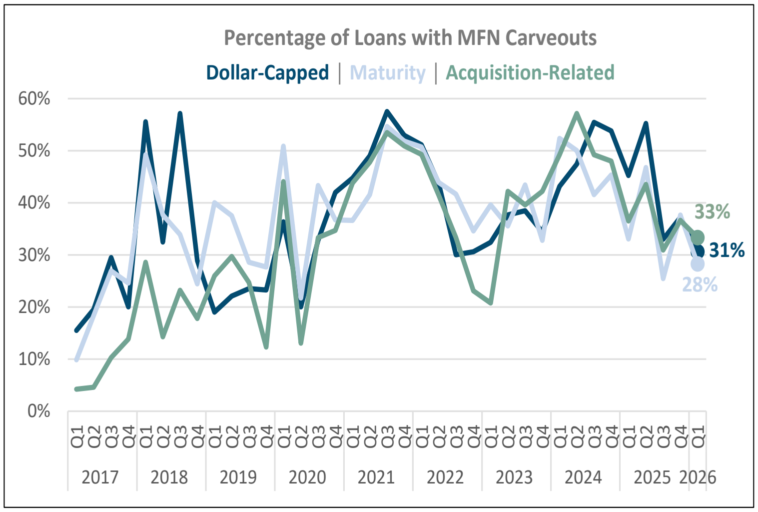
The share of loans with more generous yield protection of 75bps or more fell to 45% in the first quarter from 54% in the fourth quarter.



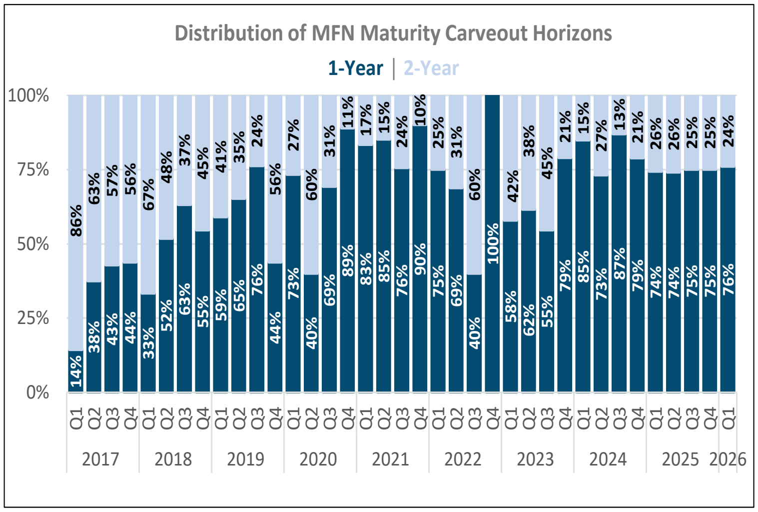
For the deals that cleared with an MFN sunset, the share with the least protective setting of six months was 55% in the first quarter, down from 62% in the fourth quarter. At the other end of the spectrum, 6% of BSLs in *Covenant Review*'s data set were set to 24 months or more, compared to 10% in the fourth quarter.



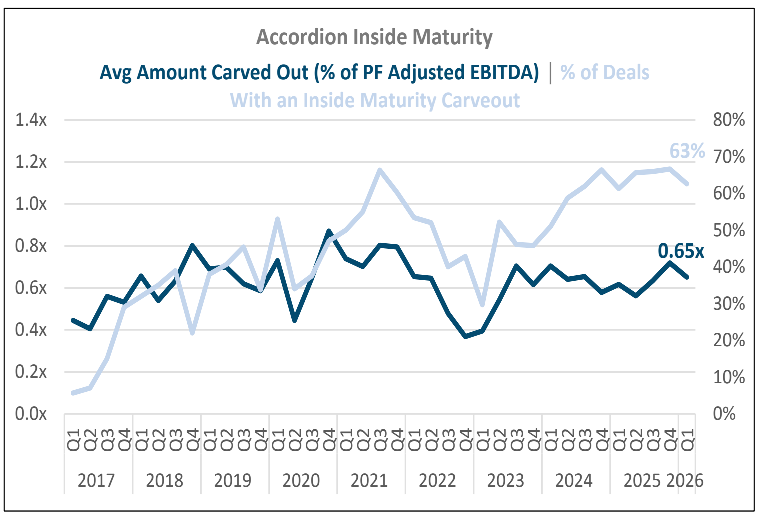
The percentage of loans with various carve-outs to MFN protection receded in the first quarter from fourth quarter levels.



The share of outside maturity carve-outs set at a more aggressive one-year period was effectively unchanged at 76% in the first quarter compared to 75% in the fourth quarter.

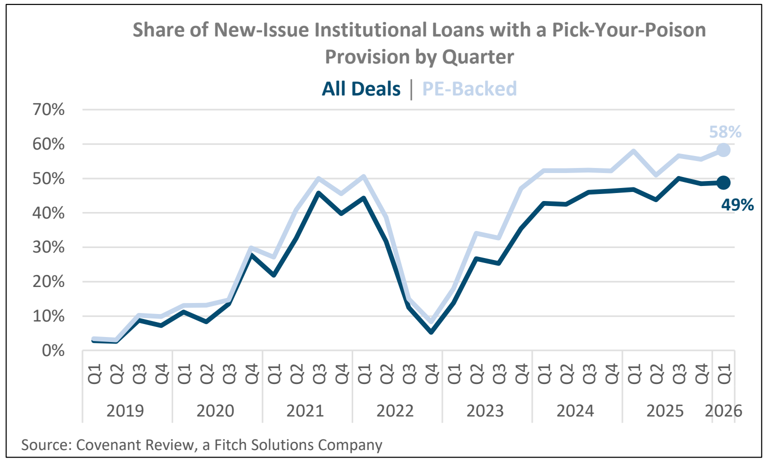


The frequency of inside maturity carve-outs declined to 63% in the first quarter from 67% in the fourth quarter. For those loans that did clear with an inside maturity, the average capacity dropped to 0.65x pro forma EBITDA from 0.72x.



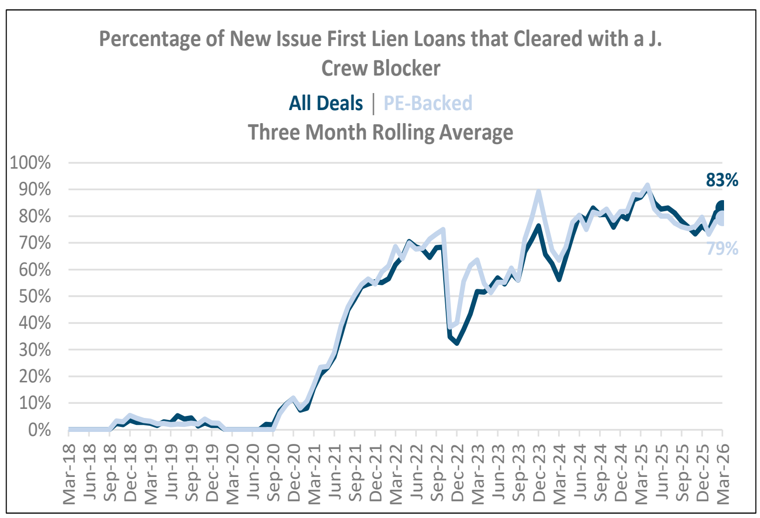
Pick Your Poison: Higher Proportion

The frequency of the pick-your-poison feature inched to 49% for all loans and 58% for PE-backed loans in the first quarter from 48%/56% in the fourth quarter.



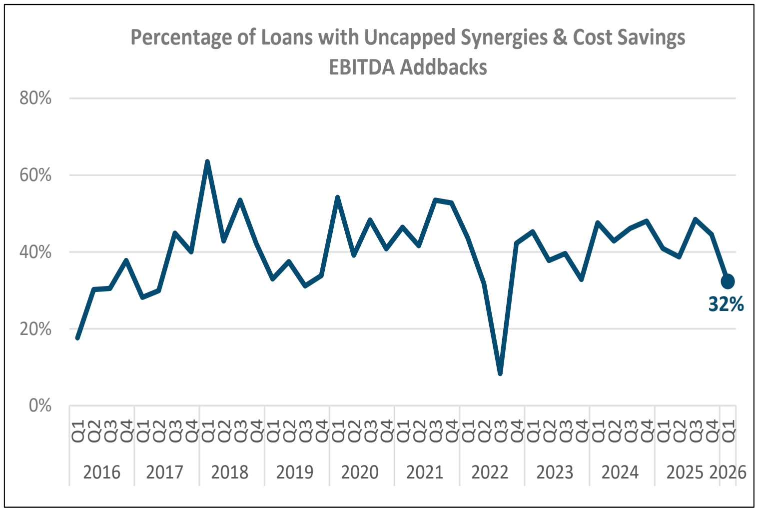
J. Crew Blocker: More Frequent

In the first quarter, 83% of all, and 79% of PE-backed, loans in *Covenant Review*'s sample printed with a J. Crew Blocker, compared to 76% all/80% PE-backed in the fourth quarter.

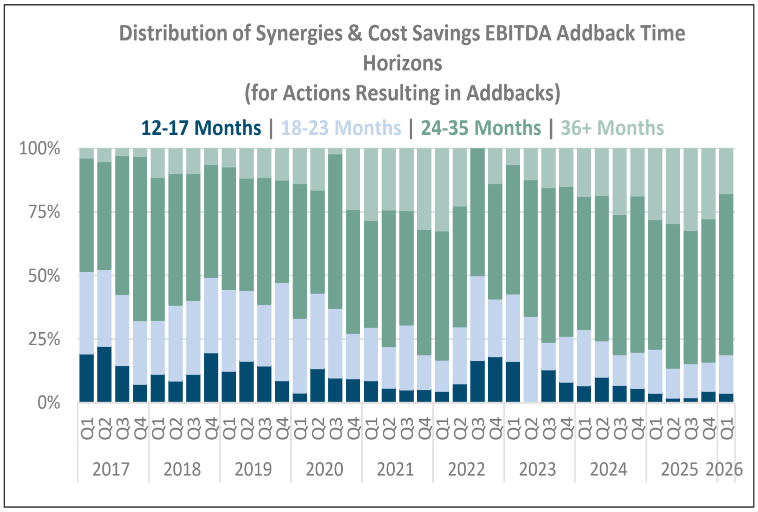


EBITDA Adjustment Definitions

The percentage of loans in *Covenant Review*'s sample that allow uncapped adjustments to EBITDA fell to a 3.5-year low of 32% in the first quarter from 45% in the fourth quarter.



In the first quarter, 18% of loans cleared with the most aggressive look-forward period setting of 36 months. That's a two-year low and down from 28% in the fourth quarter. On the other side of the spectrum, the share with a more restrictive 12-month setting eased to 3.8% from 4.6%.

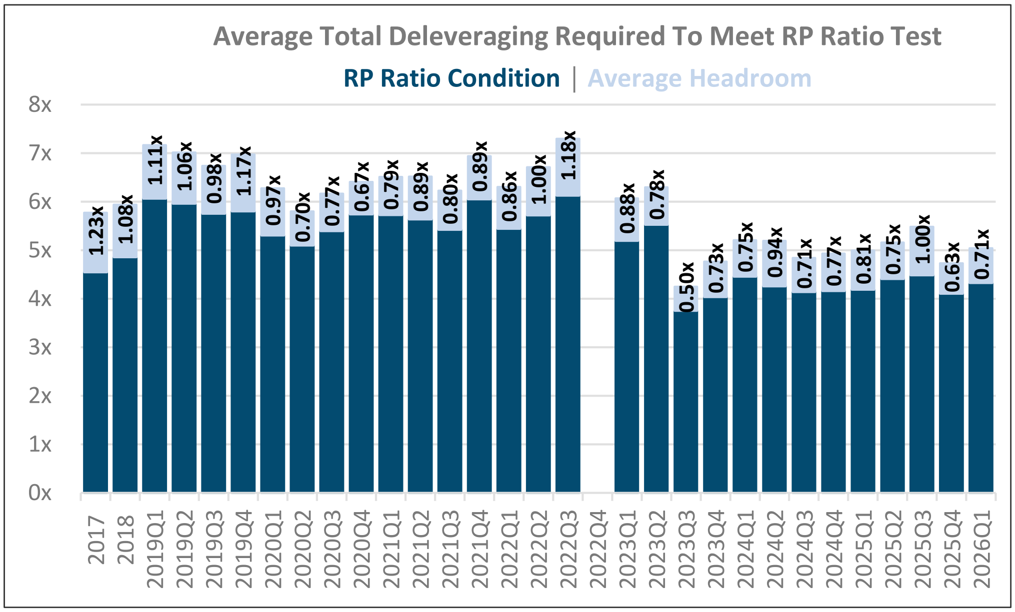


Builder Basket Starter Amounts/RP Ratio Test Headroom

The stats in this category were rangebound in the first quarter, compared to fourth-quarter levels.

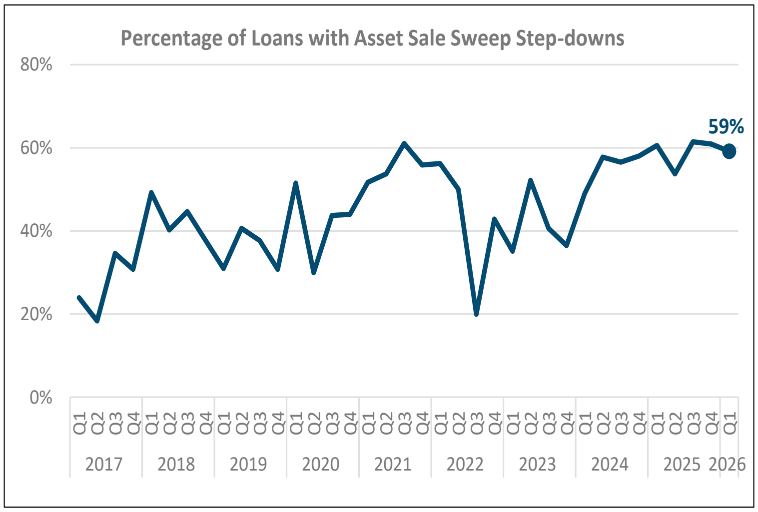
Builder Basket Starter Amounts				
	Percentage of Deals w/ Builder Basket Starters		Average Amounts (as % of EBITDA)	
As of: 03/27/2026	Dollar Caps	Grower Caps	Dollar Caps	Grower Caps
2017Q1	74.6%	29.6%	23.4%	24.5%
2017Q2	77.0%	31.0%	26.7%	27.3%
2017Q3	87.2%	41.0%	26.5%	26.2%
2017Q4	86.2%	43.1%	28.8%	28.2%
2018Q1	85.7%	60.3%	30.3%	29.9%
2018Q2	76.6%	45.5%	31.3%	31.1%
2018Q3	92.9%	75.0%	30.7%	30.1%
2018Q4	82.2%	57.8%	30.6%	30.5%
2019Q1	88.1%	71.4%	27.1%	32.0%
2019Q2	84.4%	62.5%	27.8%	32.0%
2019Q3	80.0%	55.0%	29.9%	33.7%
2019Q4	84.0%	58.7%	27.4%	31.8%
2020Q1	84.8%	66.1%	30.1%	33.6%
2020Q2	60.9%	41.3%	25.3%	32.3%
2020Q3	85.0%	65.0%	25.3%	31.7%
2020Q4	79.6%	70.4%	34.9%	36.0%
2021Q1	90.6%	73.4%	36.9%	41.5%
2021Q2	90.3%	78.8%	43.5%	41.3%
2021Q3	90.7%	74.4%	43.2%	44.4%
2021Q4	88.9%	85.2%	40.7%	43.2%
2022Q1	94.4%	87.3%	40.8%	43.4%
2022Q2	90.2%	78.1%	37.5%	34.4%
2022Q3	83.3%	75.0%	33.4%	34.3%
2022Q4	80.8%	53.9%	42.6%	41.9%
2023Q1	81.1%	62.3%	23.8%	33.3%
2023Q2	93.3%	66.7%	26.5%	35.9%
2023Q3	81.1%	69.8%	31.9%	43.8%
2023Q4	93.8%	79.7%	35.7%	44.1%
2024Q1	85.7%	68.3%	35.3%	40.0%
2024Q2	85.7%	76.8%	39.2%	48.2%
2024Q3	84.6%	72.3%	49.1%	50.8%
2024Q4	88.0%	81.3%	47.9%	55.1%
2025Q1	88.7%	80.9%	43.5%	46.9%
2025Q2	83.9%	77.4%	52.2%	57.1%
2025Q3	89.1%	83.0%	47.4%	52.6%
2025Q4	82.2%	75.3%	49.0%	54.7%
2026Q1	85.9%	76.8%	48.9%	50.9%

The average degree of deleveraging necessary for issuers to meet restricted payment ratio tests ticked up to 0.71x in the first quarter from 0.63x in the fourth quarter, while the average closing leverage for these deals expanded to 4.3x from 4.1x.



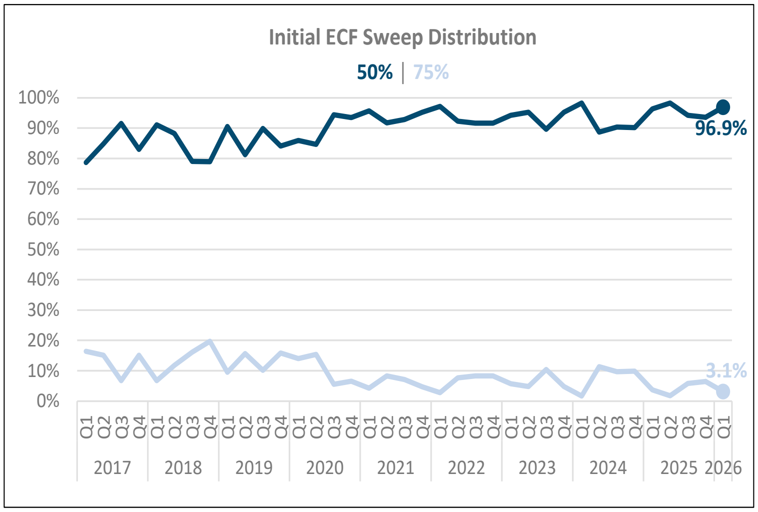
Asset Sale Sweep Step-Downs

The percentage of deals with an asset-sale sweep edged down to 59% in the first quarter from 61% in the fourth quarter

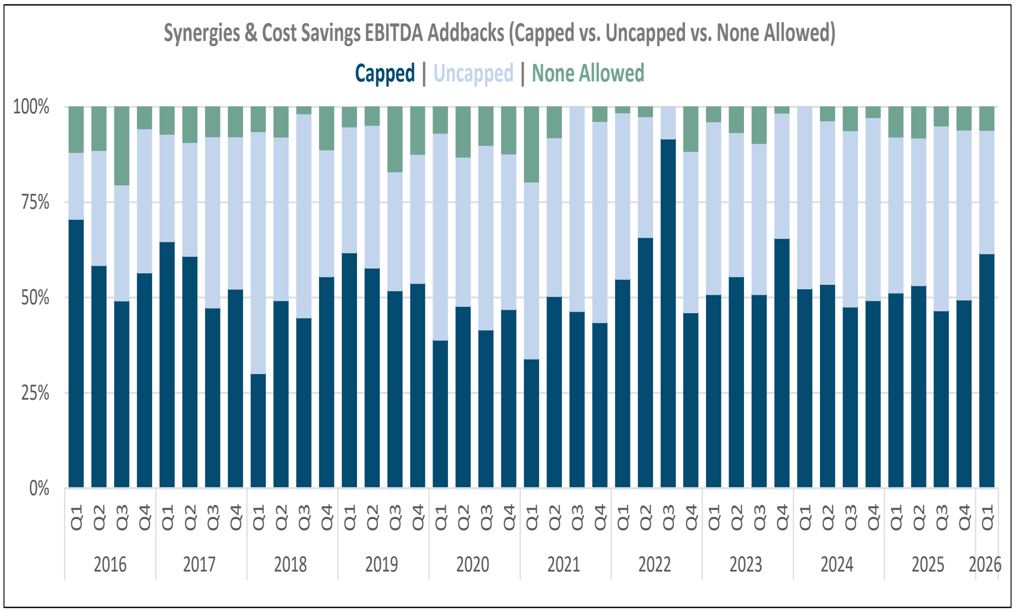


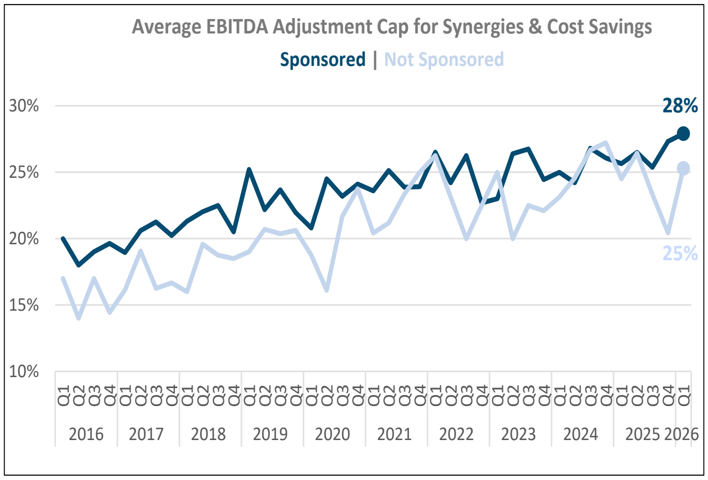
Excess Cash-Flow Sweep

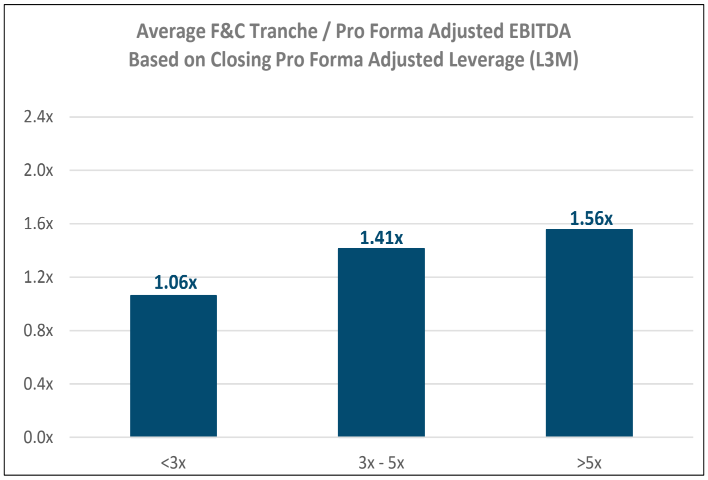
The share of loans with a more restrictive 75% sweep fell to 3.1% in the first quarter from 6.5% in the fourth quarter.

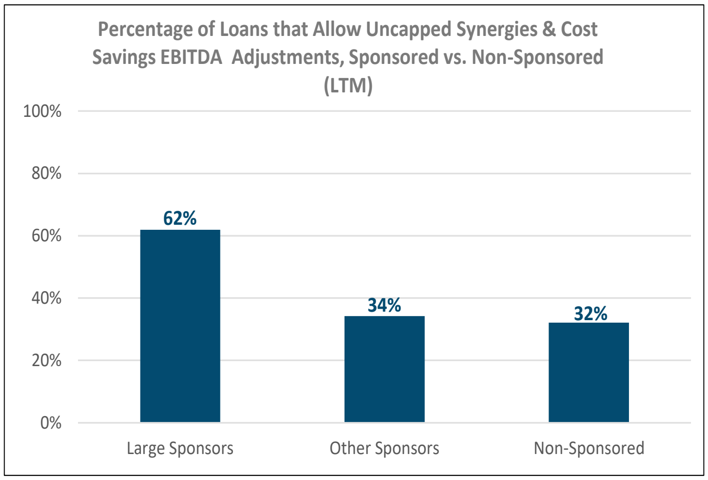


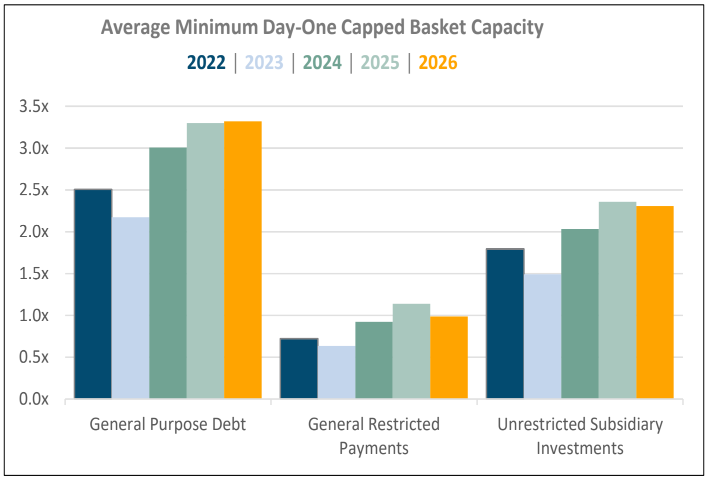
Incurrence Test Headroom, Free-and-Clear Incremental Tranche and EBITDA Adjustments











M&A-Related Accordion Stats, Sponsored v Non-Sponsored (L3M)				
As of: 03/27/2026	Issuers backed by Large Sponsors	Issuers backed by Midsize Sponsors	Non-Sponsored	All M&A-Related Deals
Average F&C / Pro Forma EBITDA	2.07x	1.26x	0.90x	1.45x
Percentage of Loans with F&C Grower Component	100%	100%	92%	98%

Distribution of Free-and-Clear / Pro Forma EBITDA (M&A-Related)						
Period	<0.3x	0.3x-0.5x	0.5x-0.7x	0.7x-0.9x	0.9x-1.1x	>1.1x
2017Q1	6.1%	6.1%	27.3%	21.2%	39.4%	0.0%
2017Q2	2.1%	10.6%	8.5%	19.1%	59.6%	0.0%
2017Q3	4.8%	9.5%	9.5%	16.7%	59.5%	0.0%
2017Q4	0.0%	3.0%	15.2%	27.3%	48.5%	6.1%
2018Q1	0.0%	2.9%	8.6%	0.0%	85.7%	2.9%
2018Q2	5.3%	5.3%	23.7%	26.3%	39.5%	0.0%
2018Q3	0.0%	7.7%	5.1%	30.8%	56.4%	0.0%
2018Q4	10.3%	6.9%	17.2%	24.1%	37.9%	3.4%
2019Q1	3.2%	19.4%	12.9%	25.8%	38.7%	0.0%
2019Q2	12.1%	6.1%	15.2%	12.1%	54.6%	0.0%
2019Q3	0.0%	6.9%	20.7%	17.2%	51.7%	3.5%
2019Q4	0.0%	15.8%	10.5%	21.1%	47.4%	5.3%
2020Q1	5.6%	8.3%	11.1%	16.7%	44.4%	13.9%
2020Q2	0.0%	9.5%	19.1%	47.6%	14.3%	9.5%
2020Q3	19.1%	14.3%	4.8%	14.3%	42.9%	4.8%
2020Q4	0.0%	4.7%	7.0%	16.3%	53.5%	18.6%
2021Q1	4.7%	0.0%	2.3%	9.3%	58.1%	25.6%
2021Q2	4.9%	3.3%	6.6%	14.8%	52.5%	18.0%
2021Q3	2.0%	3.9%	3.9%	11.8%	39.2%	39.2%
2021Q4	5.6%	2.8%	1.4%	19.4%	27.8%	43.1%
2022Q1	2.2%	2.2%	6.5%	10.9%	37.0%	41.3%
2022Q2	3.9%	7.7%	3.9%	34.6%	30.8%	19.2%
2022Q3	0.0%	0.0%	0.0%	21.4%	57.1%	21.4%
2022Q4	11.1%	11.1%	11.1%	11.1%	44.4%	11.1%
2023Q1	6.7%	0.0%	6.7%	33.3%	33.3%	20.0%
2023Q2	0.0%	0.0%	0.0%	15.4%	53.9%	30.8%
2023Q3	6.3%	0.0%	6.3%	6.3%	37.5%	43.8%
2023Q4	13.0%	0.0%	4.4%	34.8%	21.7%	26.1%
2024Q1	11.8%	5.9%	0.0%	11.8%	35.3%	35.3%
2024Q2	6.3%	0.0%	12.5%	12.5%	43.8%	25.0%
2024Q3	4.0%	8.0%	4.0%	4.0%	24.0%	56.0%
2024Q4	0.0%	0.0%	11.5%	19.2%	34.6%	34.6%
2025Q1	3.9%	0.0%	7.7%	3.9%	38.5%	46.2%
2025Q2	0.0%	10.3%	13.8%	13.8%	20.7%	41.4%
2025Q3	0.0%	5.6%	0.0%	11.1%	50.0%	33.3%
2025Q4	5.3%	2.6%	15.8%	13.2%	31.6%	31.6%
2026Q1	4.9%	4.9%	7.3%	12.2%	31.7%	39.0%

Percentage of Deals with Accordion F&C Growers, Sponsored vs. Non-Sponsored				
As of: 03/27/2026	Issuers backed by Large Sponsors	Issuers backed by Midsize Sponsors	Non-Sponsored	All Deals
2017Q1	60%	34%	9%	34%
2017Q2	33%	48%	15%	34%
2017Q3	69%	72%	15%	56%
2017Q4	94%	54%	24%	54%
2018Q1	88%	91%	8%	73%
2018Q2	53%	76%	42%	61%
2018Q3	95%	85%	56%	84%
2018Q4	100%	71%	40%	67%
2019Q1	100%	80%	33%	74%
2019Q2	100%	94%	75%	92%
2019Q3	89%	83%	60%	70%
2019Q4	100%	73%	50%	72%
2020Q1	93%	72%	75%	77%
2020Q2	69%	76%	24%	56%
2020Q3	80%	82%	60%	80%
2020Q4	87%	79%	83%	81%
2021Q1	88%	89%	53%	81%
2021Q2	90%	89%	79%	87%
2021Q3	100%	96%	86%	96%
2021Q4	96%	93%	80%	92%
2022Q1	94%	94%	78%	91%
2022Q2	77%	91%	83%	85%
2022Q3	86%	100%	67%	90%
2022Q4	92%	75%	59%	73%
2023Q1	88%	79%	71%	80%
2023Q2	100%	83%	71%	86%
2023Q3	100%	76%	88%	84%
2023Q4	96%	82%	80%	85%
2024Q1	97%	78%	84%	85%
2024Q2	96%	85%	71%	85%
2024Q3	100%	80%	93%	88%
2024Q4	100%	89%	91%	92%
2025Q1	98%	83%	94%	90%
2025Q2	94%	82%	100%	88%
2025Q3	94%	89%	85%	90%
2025Q4	100%	82%	88%	89%
2026Q1	92%	84%	84%	86%

Excess Cash Flow Sweep

Initial Excess Cash Flow Sweep Distribution

Initial ECF Sweep	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4
0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	1.3%	0.0%	1.6%	9.1%	3.1%
25%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%
50%	78.7%	84.8%	91.5%	83.0%	91.1%	88.2%	79.0%	78.9%	90.5%	81.3%	80.5%	81.5%
75%	16.4%	15.2%	6.8%	15.1%	6.7%	11.8%	16.1%	19.7%	9.5%	15.6%	9.1%	15.4%
100%	3.3%	0.0%	1.7%	1.9%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Initial ECF Sweep	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4
0%	1.7%	4.9%	1.8%	0.0%	0.7%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	4.0%
25%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
50%	84.5%	80.5%	92.7%	92.5%	92.4%	91.7%	91.8%	94.4%	97.2%	92.3%	91.7%	88.0%
75%	13.8%	14.6%	5.5%	6.5%	4.1%	8.3%	7.1%	4.7%	2.8%	7.7%	8.3%	8.0%
100%	0.0%	0.0%	0.0%	1.1%	2.8%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%

Initial ECF Sweep	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1
0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	0.0%	0.0%	1.1%	1.0%
50%	94.2%	93.0%	89.6%	95.2%	98.3%	85.5%	88.9%	88.9%	96.3%	96.6%	93.0%	91.6%	94.9%
75%	5.8%	4.7%	10.4%	4.8%	1.7%	10.9%	9.5%	9.7%	3.7%	1.7%	5.7%	6.3%	3.1%
100%	0.0%	2.3%	0.0%	0.0%	0.0%	3.6%	1.6%	0.0%	0.0%	1.7%	1.3%	1.1%	1.0%

Covenant Statistics by Sector

Covenant Statistics by Sector (LTM)

As of: 03/27/2026	Median	Average			
Sector	EBITDA ($M)	Free & Clear Incremental Tranche / EBITDA	Pro Forma Total Leverage	Pro Forma Total Leverage Through F&C	First Lien Debt Incurrence Test Headroom
Automotive	486.5	0.88x	4.29x	5.12x	0.84x
Chemicals	629.3	1.15x	5.02x	5.85x	0.90x
Communications	381.5	0.98x	4.26x	5.08x	1.70x
Consumer Products	449.0	1.13x	4.44x	5.30x	0.99x
Healthcare	516.6	1.48x	4.77x	5.67x	0.71x
Lodging & Leisure	279.4	1.10x	4.39x	5.18x	0.81x
Restaurants	N/A	N/A	N/A	N/A	N/A
Software	349.5	1.69x	5.00x	5.82x	1.32x

Disclosures

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