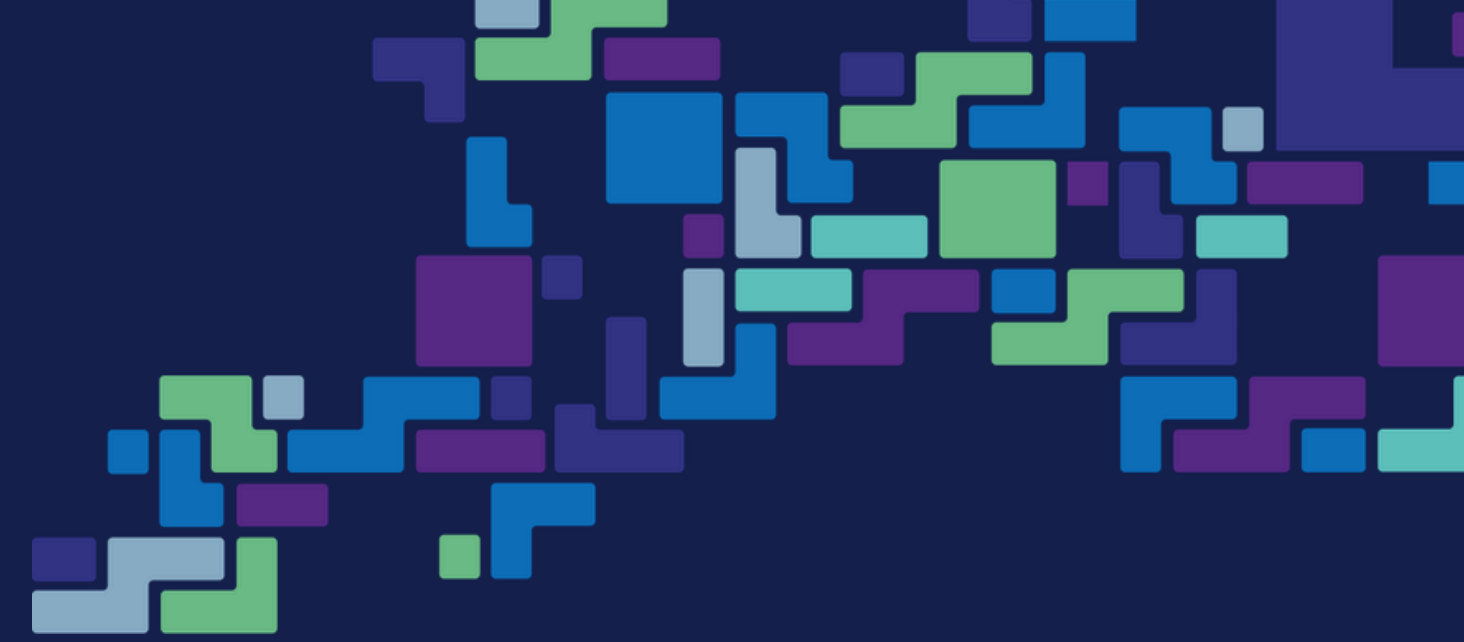




C R F

Private Credit at the Inflection Point

A credit manager's field guide to a \$2 trillion market under first-cycle stress

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Four numbers that frame the discussion

\$2T

Global private credit AUM at year-end 2024, up ~10x since 2010. Moody's projects \$4T by 2030.

\$12T

U.S. defined-contribution retirement plan assets now potentially open to private credit under EO 14330 and DOL's March 30, 2026 proposed safe harbor.

6.0%

Fitch's U.S. private credit default rate for April 2026, a record. Industry-narrow definition (KBRA) sits at 1.5%.

4-7%

Baseline recovery for unsecured trade creditors in PE-backed bankruptcies. Active use of playbook tools lifts this to 15-30%.

1 What is private credit?

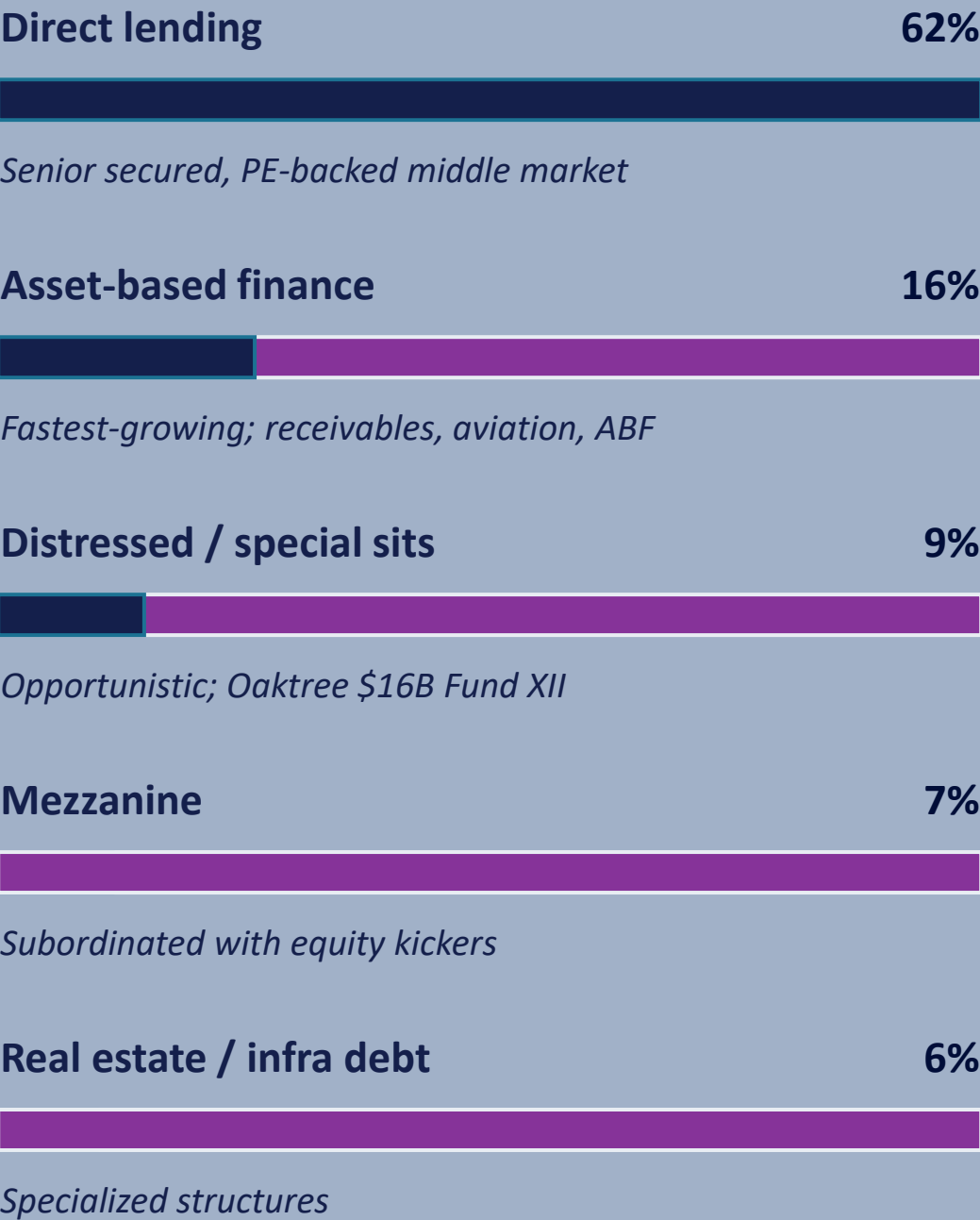
The plain-language definition

Non-bank lending to companies through directly-negotiated loans, held to maturity by the lender, funded by pooled capital from institutional and increasingly retail investors.

Four features that matter for credit analysis

- 1 Loans are held to maturity, not traded. There is no daily mark.
- 2 Valuations are set by the manager, updated quarterly, using Level 3 unobservable inputs.
- 3 Documentation is covenant-lite in roughly 90% of loans per CR3 Partners.
- 4 PIK interest is used in ~12% of loans; BDCs receive 8-9% of investment income as PIK.

Five sub-strategies, ranked by AUM



1 Growth and size: 10x in 15 years, now similar to HY bonds

From ~\$250B in 2010 to ~\$2T today; Moody's projects \$4T by 2030. Still only ~14% of nonfinancial corporate debt but concentrated at the riskier end.



Private credit at ~\$2T is roughly equal to:

U.S. high-yield bond market

\$1.4T

Broadly syndicated loan market

\$1.4T

Total U.S. credit card debt

\$1.28T

Total student loan debt

\$1.66T

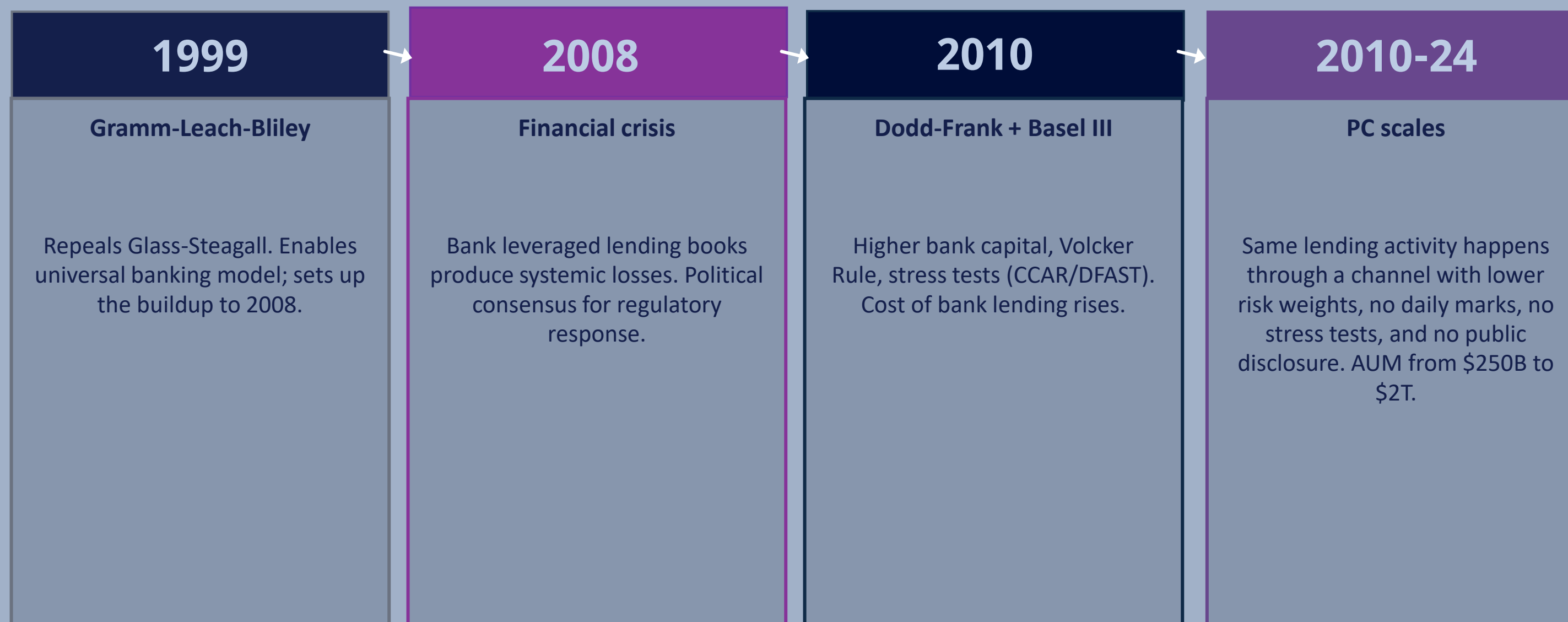
Total auto loan debt

\$1.67T

~14% of nonfinancial corporate debt, but PC borrowers cluster at single-B/CCC-equivalent, 5-7x leverage, 1.5-2.5x coverage.

2 How we got here: 25 years of regulatory action

Private credit is not a passing trend. It is the direct product of two waves of banking regulation. That makes it structural, not cyclical.



THE CENTRAL INSIGHT

Regulators pushed banks out of leveraged lending and created a market for private credit, a channel with less regulation, disclosure, and rating agency scrutiny. This likely reflects a structural and durable shift in lending. Risk from defaults (including deferrals, eg PIK), reduced recoveries and liquidity stress.

2

The Dodd-Frank paradox: what it prevented, & how private credit recreates it

Every risk that Dodd-Frank and Basel III were designed to reduce shows up in the private credit channel with less regulatory friction. Diagnosis, not opinion.

Risk dimension	Dodd-Frank / Basel III response	How private credit does it now
Bank capital	100% risk weight on direct C&I, ~8% capital held	Fund NAV loans get 20-30% risk weight, ~\$2 per \$100
Valuation discipline	Daily mark-to-market on bank trading book	Manager-set quarterly Level 3 marks; no observable price
Stress testing	CCAR / DFAST annual stress tests, published results	No standardized stress tests; individual manager modeling
Public disclosure	10-Q, 10-K, Call Reports; quarterly transparency	Private loans; disclosure limited to fund LP letters and BDC filings
Rating agency oversight	S&P, Moody's, Fitch rate syndicated deals; nationally recognized	Manager-influenced internal ratings; captive insurers rate related-manager deals
Leveraged lending limits	2013 Interagency Guidance discouraged 6x+ leverage in banks	Private credit sits outside guidance; typical 5-7x leverage
Trading vs lending	Volcker Rule limits bank proprietary trading in credit	Private credit funds ARE the credit trading destination
Insurer capital	NAIC RBC framework; independent ratings drive charges	PE-affiliated insurers use internal ratings; NAIC forcing Dec 2026 disclosure

The good news: this is finally getting regulatory attention. See reform response slide near the end.

2 The 401(k) door just opened: EO 14330 and the \$12T question

The \$2T asset class is about to have access to a \$12T new demand pool. This makes it structural, not transitional.

REGULATORY TIMELINE

- 1

Aug 7, 2025

Trump EO 14330

'Democratizing Access to Alternative Assets for 401(k) Investors' - covers PE, PC, hedge funds, real estate, digital assets
- 2

Aug 12, 2025

DOL rescinds Biden guidance

December 2021 Supplemental PE Statement rescinded. Operative guidance reverts to 2020 information letter permitting alternatives
- 3

Sep 23, 2025

DOL EBSA advisory opinion

Clarifies lifetime income options can qualify as QDIA (qualified default investment alternative)
- 4

Mar 30, 2026

DOL proposed regulation

'Process-based safe harbor' for fiduciaries offering alternatives. Comment period open through Q3 2026

WHAT THIS MEANS FOR CREDIT MANAGERS

SCALE

\$12T

total U.S. DC plan assets. Even 2-3% allocation to PC = \$240-360B new demand over 3-5 years. Dwarfs the current retail semi-liquid channel.

BUT: 12-18 MONTH AIR GAP

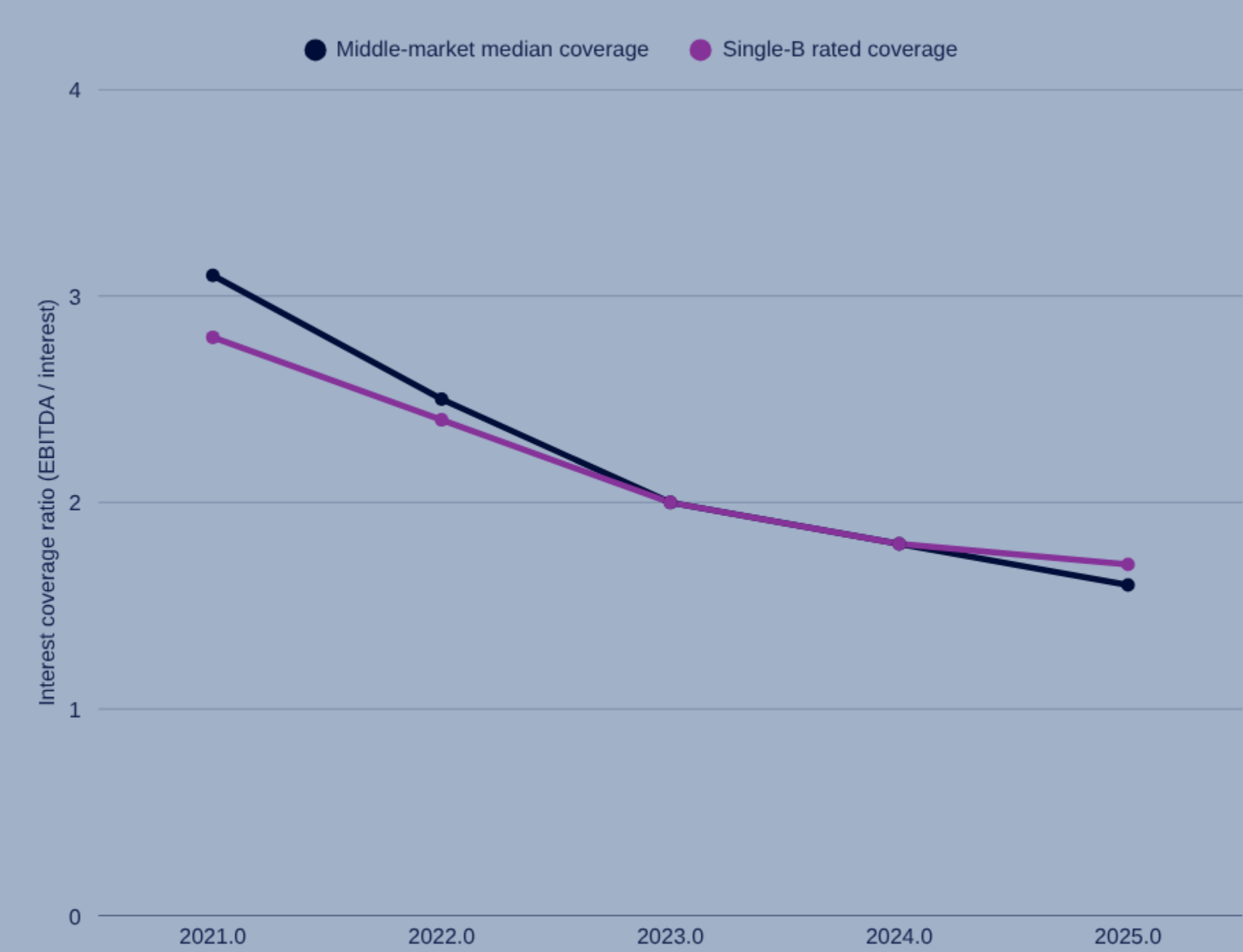
Final rule ~Q4 2026 / Q1 2027. ERISA-driven plan sponsors move slowly on new asset classes (excessive-fee litigation risk). Mainstream CIT product adoption 2028+. This does NOT rescue current stressed borrowers.

SECOND-ORDER RISK

Managers will use 'DC demand is coming' to justify holding current NAV marks. That defers mark-to-market discipline and extends amend-and-extend. If TDFs deliver daily liquidity while holding PC, the current liquidity mismatch is recreated at 100x scale.

3 Coverage down, spreads out, PIK up

Middle-market interest coverage nearly halved 2021-25. Q1 2026 primary issuance -34% YoY. PIK at 8-9% of BDC investment income.

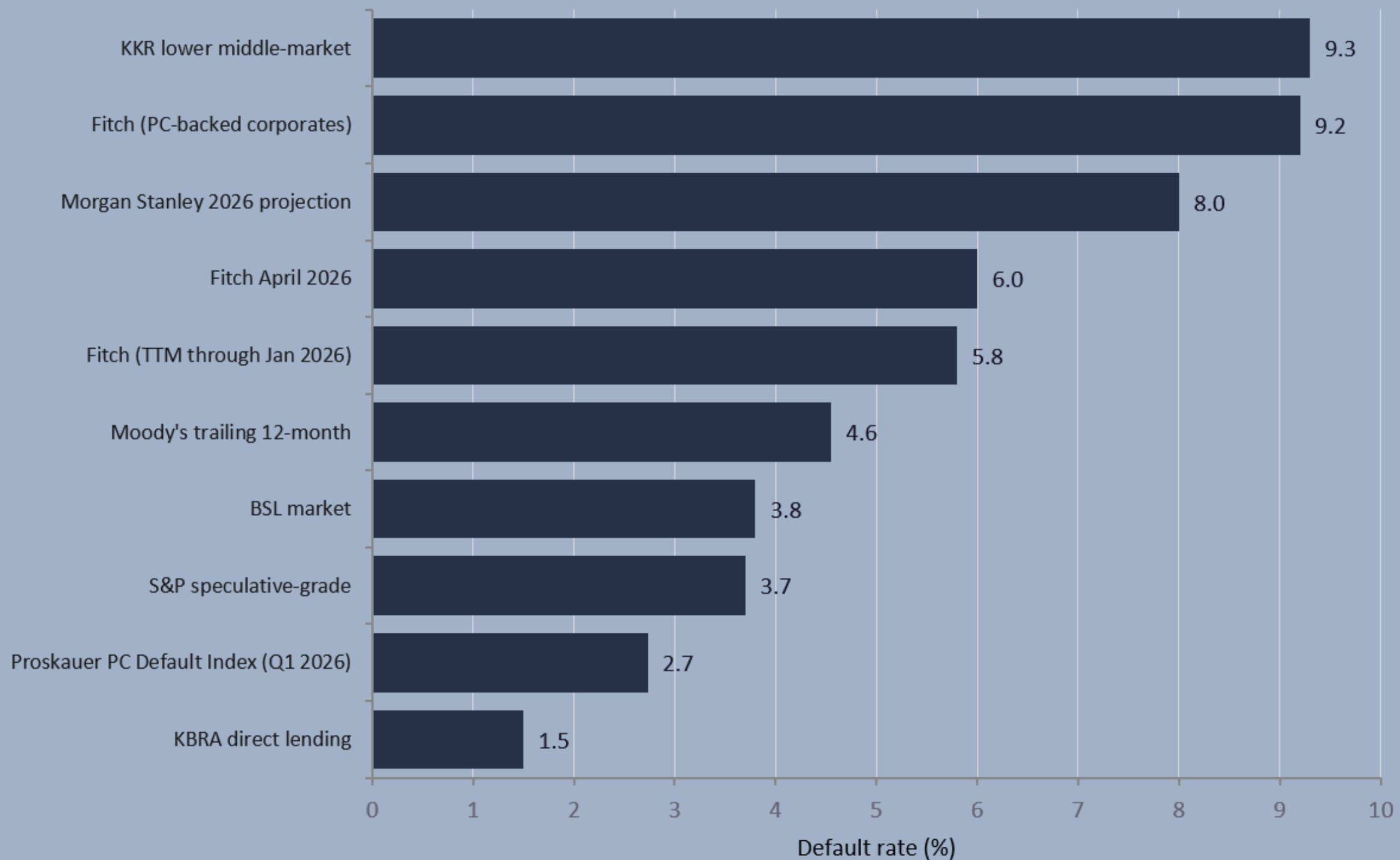


Q1 2026 market signals

Lev loan primary issuance	-34% YoY
\$235B vs \$355B Q1 2025; opportunistic refi stopped	
BSL/HY new-issue spreads	+15 to +30 bps
Wider Q4 2025 to Q1 2026 per Northleaf	
Software loan returns	-5.5% Q1
11% of CLO collateral; sector-specific breakdown	
BDC discount to NAV	26%
Widest since October 2020	
Median MM interest coverage	1.6x
Fell from 3.1x in 2021; 40% EBITDA decline = distress	
% PC borrowers FCF-negative	~40%
Up from 25% in 2021 per Angel/Forbes	
BDC investment income as PIK	8-9%
Up from historically <5%; interest paid in more debt	
% zombie in Japan-1990s sense	~20-25%
Of all PC borrowers, by RetailStat estimate	

3 Default rates: it depends on what you count

The gap between the lowest and highest published default rates is the most important data point on this slide.



Why the gap?

The industry-preferred narrow definition (KBRA at 1.5%) excludes:

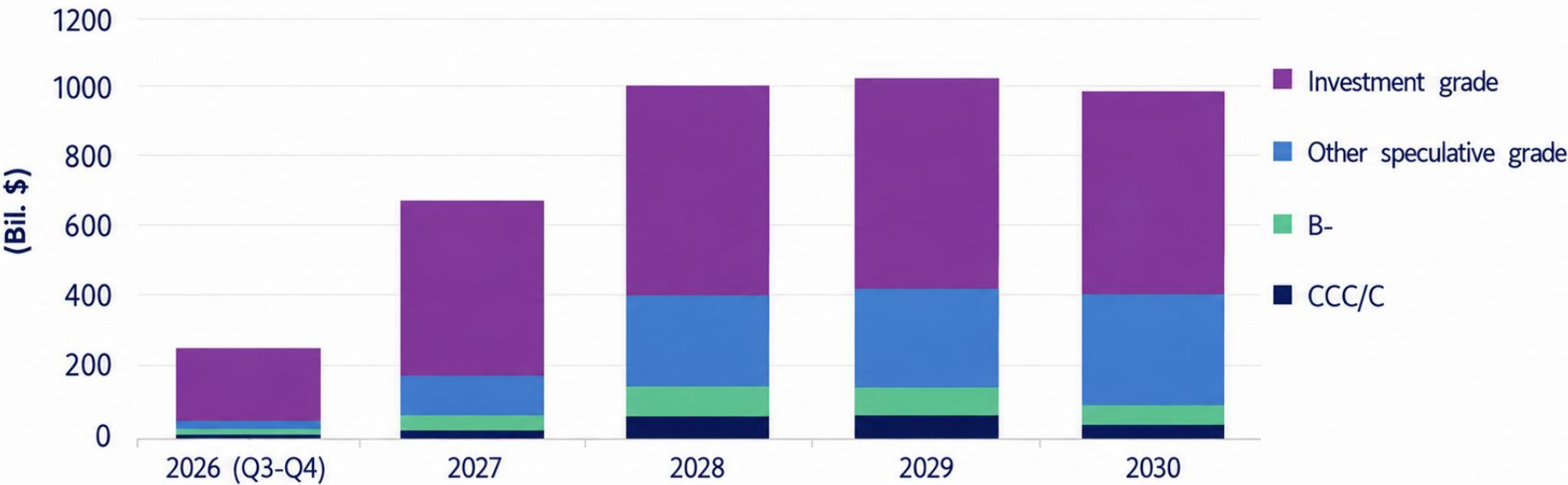
- Distressed exchanges (65% of 2025 defaults per Moody's)
- PIK amendment activations
- Covenant relief agreements
- Amend-and-extend outside distress framework
- Non-accrual reclassifications
- Below-par debt-for-equity swaps

Moody's finds that including distressed restructurings brings 2025 rates to the 4.7% range or higher.

3 The maturity wall: bifurcated, & \$120-200B likely cannot refi economically

\$813B speculative-grade refis in 2026-27. Extend-and-pretend pushed \$632B out of 2025-26. Aggregate liquidity is functioning; bifurcated liquidity is not.

U.S. nonfinancial corporate maturities peak in 2029



Data as of July 1, 2026. Includes U.S. nonfinancial corporate issuers' bonds, loans, and revolving credit facilities that are rated by S&P Global Ratings. Foreign currencies are converted to U.S. dollars at the exchange rate on July 1, 2026. "2026 (Q3-Q4)" includes debt maturing between July 1, 2026 and Dec. 31, 2026. Source: S&P Global Ratings.

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Additional refi pressure

- \$1.5T** CRE loan maturities by end of 2026 per CoStar. Bank-held; separate problem.
- \$12.7B** BDC unsecured debt maturities in 2026, +73% YoY per Fitch. Fund-level refi pressure.
- \$700B+** HY bonds maturing 2027-29 including \$350B+ in 2029 per LCD / S&P DJI.
- 70%** Reduction in 2025-26 combined wall since 2022. \$632B pushed out via extend-and-pretend.

STILL REFINANCING (~90%)

- IG and BB: JPM projects \$225B HY refi 2026, in line with 2025
- CLO issuance Q1 2026 \$48B, above prior year
- Distressed exchanges \$50B in 2025 = pressure valve
- Extend-and-pretend worked at aggregate scale

LOCKED OUT (~10%)

- Q1 2026 lev loan issuance -34% YoY: opportunistic refi stopped
- CCC spreads widened; BB held
- 60% of PC 'defaults' are interest deferrals per Fitch Nov 2025
- Estimate \$120-200B (15-25% of \$813B) cannot refi economically

4

Case study: First Brands - the factoring fraud

Filed Chapter 11 September 24-28, 2025. Founder indicted January 26, 2026. \$9.3B in obligations at filing against \$12M in cash.

THE CAPITAL STRUCTURE

Funded debt on balance sheet	\$6.1B
Accounts receivable factoring (undisclosed)	\$2.3B
Supply chain finance liabilities	\$800M
Off-balance sheet financing	\$2.3B
Total obligations at filing	\$9.3B
Cash on hand at filing	\$12M

FINANCIAL INSTITUTION EXPOSURES

Counterparty	Exposure	Notes
UBS via O'Connor funds	>\$500M	Funds subsequently wound down
Jefferies / Leucadia AM / Point Bonita	~\$715M	Concentrated fund exposure
Onset Financial	~\$1.9B	Master lease obligations
Evolution Credit Partners	\$60.5M	Factoring lien; heavily litigated
Bank of America	Undisclosed	Administrative and collateral agent
Raistone, Katsumi, ING, Bank ABC	Various	Additional factoring counterparties

Fraud confirmed by court examiner April 27, 2026

Fabricated invoices, double-pledged receivables, missing funds. Examiner Martin De Luca (Boies Schiller). Patrick and Edward James indicted SDNY January 26, 2026.

Lesson for credit managers

Examiner: North American factoring 'relied on spreadsheets produced manually and uploaded to the PrimeRevenue platform.' Lenders 'typically did not see the actual underlying invoices or verify the data.' European teams at Citi and BBVA turned down First Brands factoring after 'identifying concerns.'

4 Case study: At Home - the retail template

June 16, 2025 filing. Hellman & Friedman \$2.8B 2021 LBO, prior 2023 double-dip LME, tariff shock, missed \$200M interest payment May 15. Lender takeover.

THE TRAJECTORY

- 1

Jul 2021

H&F takes At Home private for \$2.8B

Home decor big-box, ~260 stores across 40 states, 90% China-sourced
- 2

May 2023

'Double dip' LME liability management

Additional secured debt layered on existing capital structure
- 3

Q1-Q2 2025

Tariff shock: China tariffs to 145%

In-store traffic falls ~24% vs pre-pandemic; 90% import dependency
- 4

May 15, 2025

Missed \$200M interest payment

\$14M cash on hand; forbearance to Jun 30 signed May 23
- 5

Jun 16, 2025

Chapter 11 filed with pre-negotiated RSA

96% of lenders in RSA; ~\$2B funded debt to be wiped
- 6

Oct 24, 2025

Emerged with debt-for-equity swap

Redwood, Farallon, Anchorage take equity; H&F equity zeroed

CAPITAL STRUCTURE AT FILING

Total funded debt	\$1.998B
Cash on hand at filing	\$14M
Store count	260 across 40 states
Post-emergence closures	~30 stores
China sourcing dependency	~90%
Lender concentration in RSA	96%

LESSON FOR TRADE CREDITORS

Three signals were visible pre-filing: (1) 2023 double-dip LME added senior secured debt, priming existing creditors. (2) H&F portfolio-wide tariff exposure was public. (3) Q1 2025 forbearance agreement was disclosed May 23. New lenders (Redwood, Farallon, Anchorage) are not retail experts. Trade vendors emerged behind DIP but with continued relationship; critical vendor status matters here.

4 Case study: Belk

2021 pre-packaged bankruptcy supported by equity owner Sycamore and lenders KKR and Blackstone; Sycamore majority equity owner.

THE TRAJECTORY

- 1

Feb 2021

Pre-packaged bankruptcy
*Sycamore equity stake fell to 50.1%, debt holders led by KKR and Blackstone 49.9%
Still leveraged - debt rose to near \$2B in debt including PIK debt*
- 2

Jul 2024

Recapitalization
*Cut debt by more than \$950M; lenders including KKR and Hein Park take equity control.
Debt holders including KKR and Hein Park assume control of equity.*
- 3

FY26

Mixed operating results – soft sales but stronger margins
Free cash flow used to repay ~\$100M in debt; mid-3x debt to EBITDA
- 4

May 2026

Opportunistic Note Issue
Looking to raise \$500M in new notes to repay term lan and securitization facility.

Debt Financing @ May 2026

\$900B ABL, due 2029	
Term loan, due 2029	
\$210M securitization facility, due 2029	
Total debt	~\$900M
Total liquidity	>\$250M

LESSON FOR TRADE CREDITORS

2020 prepacked chapter 11 did not do enough to relieve debt burden, forcing the July 2024 recapitalization, which included an exchange of private debt for equity.

Belk continues to experience soft top-line results resulting in a handful of closures, but solid inventory management and cost controls has enhanced margins. The balance sheet is now sustainable.

4

Case study: Gabriel Brothers

August 2025 recapitalization handed over equity to private credit lenders, but operating issues continued leading to ongoing liquidity challenges.

THE TRAJECTORY

- 1

Dec 2016

Warburg Pincus acquires majority stake

Buys out Alvarez & Marsal
- 2

Oct 2024

New \$175M ABL facility from Second Avenue and Ares

Senior secure revolver shored up liquidity
- 3

1H25

Tern loan trades distressed; slow trade payments

Brigade, Arbour Lane and Anchorage negotiate out-of-court terms with Warburg Pincus
- 4

Aug 2025

Recapitalization completed

Lenders convert 75%+ of term loan to equity, taking ownership from Warburg Pincus; new money infused
Landlord & vendor payment agreements
- 5

1H26

Operations continue to underperform, ABL defaults & liquidity stressed

\$75M in incremental term loans, debt approaching pre-recapitalization levels
- 6

May 2026

Going concern warning as liquidity remains weak

“Ownership continues to support liquidity”

CAPITAL STRUCTURE - Aug 2025 Recapitalization

\$175M ABL credit agreement (Oct 2027)	\$71M
Term loans (Jun 2030)	\$55M

CAPITAL STRUCTURE - 2026

\$175M ABL credit agreement (Oct 2027)	\$70M
Term loans (Jun 2030)	\$125M
\$5M in term loans available	

LESSON FOR TRADE CREDITORS

The Aug 2025 The recap reduced leverage and shored up liquidity, but eroding operating performance has driven leverage back up and renewed liquidity strain, raising the risk that default was deferred rather than resolved.

4 Case study: Moran Foods (DBA Save A Lot)

Supervalu's 2016 divestiture, now a lender-owned zombie. Onex was wiped out in 2020; Arbour Lane, JPMorgan & CDPQ hold ~90% of ~\$660M debt and are seeking an exit at little-to-no equity value.

THE TRAJECTORY

- 1

Oct 2016

Supervalu sells Save A Lot to Onex for \$1.365B
Peak ~1,370 stores; same-store sales already negative (-1.4% to -3.4%)
- 2

Apr 2020

Lender-led recap; debt-for-equity swap
~\$500M debt canceled; Onex wiped out; Arbour Lane, JPMorgan & CDPQ take equity
- 3

2020-2023

Pivots to wholesale-only; exits corporate retail
Sells last 18 corporate stores to Leavers (Aug 2023); risk pushed to licensees
- 4

2024

Licensee failures force a retail reversal
Yellow Banana collapse; buys Janes & Fresh Encounter; ~90 corporate stores again
- 5

Feb 2026

Refinancing extends all maturities to Dec 2028
Interest now 100% PIK; owners seek a financial exit; equity ~zero
- 6

Now

Ongoing Operational Challenges
650 stores. 2% Margin. \$65 million per year PIK. Owners trying to exit

CAPITAL STRUCTURE & KEY METRICS

Total funded debt	~\$700M
Investor-controlled debt	~90%
PIK accrual (compounding)	~\$65M/yr
FY25 sales (1/3/26) / 2% margin	~\$2.0B
Excess liquidity	\$35-40M
Store count (FYE25)	~650

LESSON FOR TRADE CREDITORS

A textbook zombie kept alive by its own debt/equity holders (Arbour Lane, JPMorgan, CDPQ) through serial recaps rather than a real turnaround. Warning tells: 4+ CFOs and a CEO swap in ~18 months; a forced reversal back into corporate retail as licensees (e.g., Yellow Banana) failed; secured debt repeatedly re-layered and now 100% PIK (~\$65M/yr compounding); minimal liquidity.

Owners openly seeking a financial exit, yet a sale likely doesn't cover the debt. Trade creditors sit behind investor-controlled paper.

5

Playbook (1 of 2): red flags to watch, foundation to sophisticated

Where to start if you're not deeply familiar with credit analysis, all the way through market signals you can watch in real time. These are the leading indicators from the six cases.

START HERE (FOUNDATIONAL)	READING THE FINANCIALS	MARKET SIGNALS (SOPHISTICATED)
Get financially informed If you can't read a balance sheet and a 10-Q, take an NACM or CRF course. Half of what follows requires it. Learning to read financials is the highest-return time investment in this whole list.	PIK activation or amendments PIK added by amendment mid-term is a red flag. Medallia used PIK toggles 2022-24 before the handover.	Missed interest payments Public via ratings actions. S&P moves to SD within days; Chapter 11 usually within weeks (Saks: Dec 30 miss → January filing).
UCC-1 filings All secured lenders visible for free. Look for factoring, receivables purchase agreements, ABL you don't recognize. First Brands hid \$2.3B this way.	EBITDA add-backs and hard-cap disclosure Adjusted vs cash EBITDA can differ by 2-3 turns of leverage. Ask for hard-cap disclosure.	Secondary loan pricing Below 80 = watchlist. Below 75 = action. Below 70 = imminent restructuring. Saks bond mid-90s → sub-40 in 4 months.
PE ownership + LME history Track sponsors with recent LME (At Home 2023 double-dip), portfolio defaults (Warburg at Gabriel Brothers), or serial PE ownership (Save A Lot through Onex).	Off-balance SCF and factoring Often in footnotes only. First Brands hid \$2.3B; Tricolor duplicated VINs across ABS deals.	BDC portfolio marks Public BDCs disclose marks quarterly. BCRED marked Medallia 78 → 60 cents right before the handover.
Peer vendor networks Slow-pay reports through industry credit groups. Saks vendor gating was visible 6-9 months before the missed interest payment.	HoldCo PIK seller notes Signal aggressive layered financing with deferred cash consideration. Saks HoldCo note held by Davidson Kempner, Sixth Street, PIMCO.	Operating trend erosion Watchable in public 10-Qs before the balance sheet event. Rite Aid posted deteriorating margins for years pre-2023 Chapter 11. Even \$2B debt reduction didn't fix it - Chapter 22 in 2025, full liquidation by October.

5 Playbook (2 of 2): what to do before credit is extended & continuously

Eight actions to layer in before extending credit and to maintain continuously. Structural protections on the left, monitoring and risk transfer on the right.

STRUCTURAL PROTECTIONS	MONITORING & RISK TRANSFER
1 Personal or corporate guarantees Underused, especially with family-owned or first-generation PE customers. Reach outside the direct entity to parent or principal assets.	5 Trade credit insurance Many partners. Some in this room at 20-50 bps of insured AR. Read exclusions carefully: PIK, watch-list, LME sponsors.
2 Springing security + retention of title File UCC-1 upfront for day-one perfection. Article 2 retention of title preserves reclamation rights and improves your bankruptcy position.	6 Third-party analysis and credit data services Specialist firms covering your customer base (RetailStat and peers for retail, consumer, and adjacent sectors) plus data services (e.g. RapidRatings).
3 Letters of credit and bonds IG bank LCs at 1-2% annually convert unsecured trade credit to bank credit. Bond programs for the largest exposures.	7 Industry credit groups Peer group data sharing on same-customer trade experience. High-value low-cost information source.
4 Term tightening or cash upfront Partial terms movement; E.g. net 60 → net 45 → net 30 → net 15 → COD as risk signals accumulate. For highest-risk customers, security deposits. Escalation without ending the relationship.	8 Public BDC filings and court dockets BDC 10-Qs disclose quarterly marks on your customer's loans. Alerts on top-50 customers. Free and near real-time.

Layered together, structural protections plus monitoring lift trade creditor recovery from a 4-7% baseline in PE-backed distress to 15-30% territory. Upstream due diligence is where the recovery gap gets closed.

Four takeaways

1

This is structural, not cyclical

Dodd-Frank and Basel III pushed leveraged lending out of banks on purpose; private credit filled the gap. Executive Order 14330 and the \$12T DC-plan pool make this durable. Not a passing trend. But the DC-plan door doesn't open until 2027-28, so it does not save current borrowers.

2

First cycle test is now, defaults worse than headline

Fitch 6.0% April 2026 record; industry-narrow 1.5% excludes 65% of actual defaults. Morgan Stanley projects up to 8% for 2026. Roughly 20-25% of PC borrowers are zombie in the Japan-1990s sense - Save A Lot is what that looks like on the ground.

3

Funding is stable; borrower credit is where stress bites

~80-90% of PC capital is institutionally locked and cannot run. Retail redemption pressure is real but bounded to the 5-8% semi-liquid channel and gated by 5% quarterly caps. Transmission runs through borrower distress and primary market repricing, not fund collapse.

4

The playbook works and the recovery gap is large

Baseline recovery for unsecured trade creditors in PE-backed bankruptcies runs 4-7%. Active use of structural protections, monitoring, and bankruptcy tools lifts recovery to 15-30%. Upstream due diligence is disproportionately valuable in this environment.

QUESTIONS & DISCUSSION

Thank you

CONTACT

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Appendix A: Top 10 private credit managers

Top 10 managers control an estimated 40-50% of global private credit AUM. Apollo alone reached \$1 trillion in total AUM in March 2026.

Manager	Total AUM Q1 2026	Private credit focus	Distinguishing feature
Apollo Global Management	~\$1.03T	~\$723B credit / origination	Owns Athene; announced daily PC pricing by Sept 2026
Blackstone	~\$1.2T+	\$432B credit and insurance	BCRED is largest BDC at \$79B; capped redemptions Q2 2026
Ares Management	~\$550B	Major direct lending platform	Long-standing middle market direct lender
KKR	~\$650B	\$6.5B ABF Partners II raised 2025	Owns Global Atlantic insurer (15%+ private credit)
Blue Owl	~\$295B	Heavy tech/software exposure	OBDC II moved to permanent liquidation Feb 2026
HPS (BlackRock)	~\$150B	Direct lending, CLOs	Acquired by BlackRock 2025
Carlyle	~\$450B	Growing credit platform	Global credit under McCue
Golub Capital	\$25B+ 2025 commitments	Middle market direct lending	#1 middle-market CLO issuer
Oaktree	~\$205B	Distressed and opportunistic	Closed largest-ever distressed fund (\$16B) in 2025
Sixth Street	~\$120B	Structured and special sits	Broadening into insurance

Sources: Company Q1 2026 releases and 10-Q filings; PitchBook; McKinsey. AUM figures rounded and reflect total AUM (not private credit subset only unless noted).

Appendix B: The reform response and executive voices

Regulators have moved from monitoring to action. Executives are increasingly vocal. But reform will take years while the stress cycle plays out.

REGULATORY ACTIONS IN MOTION

May 8, 2026

Fed Financial Stability Report + VC Bowman speech: 'limited and manageable' with three-pillar reform (risk-weight cut, NDFI disclosure, supervisory scrutiny)

May 6, 2026

FSB Report on Vulnerabilities: PC 'complexity, leverage, interconnectedness could amplify stress'; five vulnerability framework

Jan 21, 2026

Moody's Top 6 Credit Risks 2026: 'Stress in private credit generates contagion' - formal rating agency risk elevation

Jan 2026

SEC 2026 Exam Priorities: private credit funds and illiquid-asset ETFs explicitly flagged; enforcement track

Apr 2026

SEC/CFTC Form PF reproposal: new PC reporting section for loan maturity, investor liquidity, credit exposures

Mar 5, 2026

NAIC insurer PP disclosure rule adopted, effective Dec 31 2026 - forces transparency on insurer PC holdings

Apr 2026

U.S. Treasury convened 2 months of meetings with U.S. and foreign insurance regulators - Treasury involvement signals concern

EXECUTIVE VOICES, 2026

"By and large, private credit does not tend to have great transparency or rigorous valuation 'marks' of their loans."

— **Jamie Dimon, JPMorgan (Apr 6, 2026)**

"We are, we think, in the midst of the first sustained default or loss cycle in many, many years."

— **Daniel Ivascyn, PIMCO (Jun 2026)**

"Loss given defaults are just going to be higher. I just believe in the laws of physics."

— **Holly Kim, Glendon (Jun 3, 2026)**

"I don't feel the storm, but the horses are starting to whinny in the corral."

— **Lloyd Blankfein, ex-Goldman (Jun 2026)**

"The worst of loans are made in the best of times."

— **Howard Marks, Oaktree (Apr/May 2026)**

"The idea that there are caps is really a feature, not a bug, of these products."

— **Jon Gray, Blackstone (Mar 2026)**

Sources: Federal Reserve; FSB; Moody's; SEC; NAIC; JPMorgan 2026 Annual Report; CNBC; Bloomberg; Global Finance Magazine; Goldman Sachs Exchanges.