

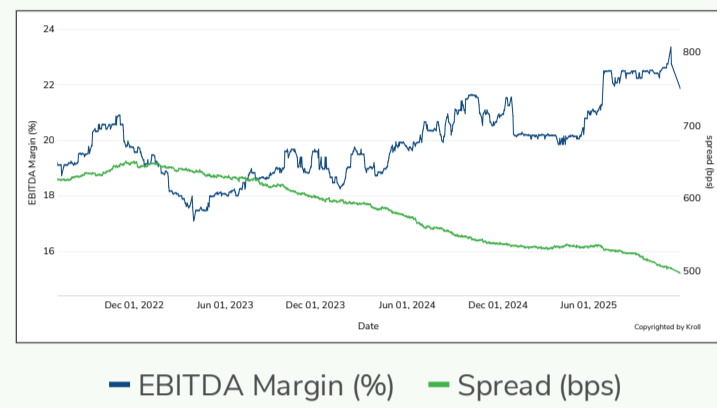
Valuation - The Kroll StepStone Private Credit Benchmarks illustrate private credit stability heading into 2026

Private Credit Indicators*

5.02x ↓
Leverage

2.19x ↑
Interest Coverage

21.8% ↑
EBITDA Margin

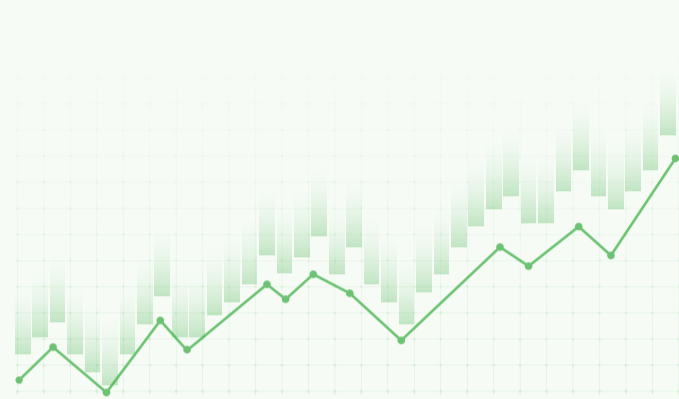


*as of 12/08/25

A tightening spread—currently **495** bps indicates a decrease in credit risk

Primarily rising EBITDA margins—presently **21.8%**—is a positive sign for creditworthiness

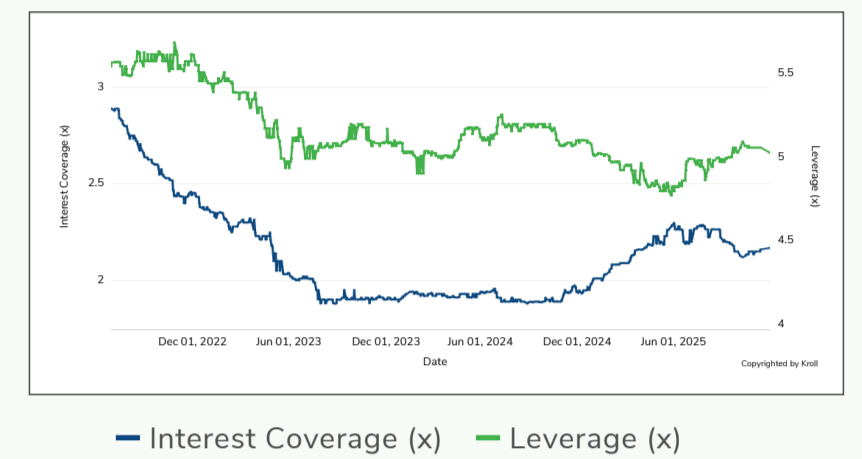
Increasing interest coverage—currently **2.19x**—indicates increased earnings with stable expenses



Source: [Kroll StepStone Private Capital Benchmarks](#)
Global New Issues

Heading into 2026 we can observe that:

- **Pricing:** Spreads remain tight
- **Profitability:** EBITDA margins trending up
- **Leverage:** Trending down
- **Interest Coverage:** Trending up



Protection - Cyber and AI risk concerns permeate into 2026 amid rapid technological development

Cyber Risk and Investment

Top/Core Risk: Over **90%** of businesses rate cybersecurity as a top or core risk.

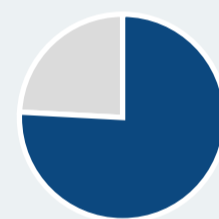
Budget Increase: **79%** of businesses increased their cyber budget in 2025 at an average of 15%.

68% of businesses believe that cyber attacks and data breaches are the biggest factor behind an expected increase in financial crime risk.



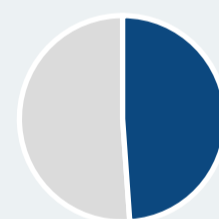
Sources: [Upcoming 2026 Cyber Resilience Survey](#); [2025 Financial Crime Report](#)

AI-Related Security Incidents



Over Three-Quarters

of businesses experienced a security incident involving AI models in the past 24 months.



49%

of organizations are investing in AI solutions and increasing their cybersecurity budgets in the next few years.

Opportunity: The rapid expansion of AI necessitates ever-stringent cybersecurity measures—both proactive and reactive.

Deal Advisory - M&A momentum and delayed exits in 2025 pave the way for a potentially active 2026

Deal Value

\$4.122 Trillion

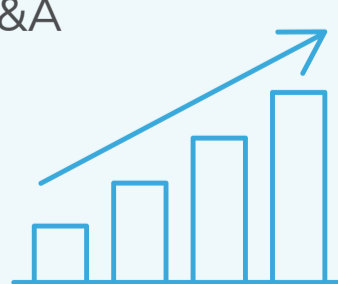
2025* deal value jumped **12.3%** vs. 2024 due to mega-deals.



Deal Count

43,919

2025* deal count surged in the second half of the year as Q3 marked the strongest quarter for M&A activity since Q4 2021.



Increased Alternative Exits

Dividend Recapitalizations

Increased **12.1% ↑** in 2025 vs. 2024.*

Continuation Fund Exits

Increased over **7.2% ↑** in 2025 vs. 2024.**

Insight: While alternative exits increased in 2025—indicating pent-up demand as firms wait for a traditional exit—already improving market conditions, driven by lower interest rates, spurred increased M&A activity in late 2025 and suggest a resurgence in 2026.

*Year-to-date through 12/31/2025

**Year-to-date through 10/31/2025

Source: PitchBook

2025 Deal Count and Deal Value figures are still being finalized and are subject to change