Fourth Quarter 2021

Private Credit Quarterly Update

Introduction

MIM's Private Credit business saw strong activity in 2021 originating $15.6 billion[1] in private placement debt and private structured credit bringing our private credit debt portfolio to $103.7 billion as of December 31, 2021. The past year saw solid diversification with no one sector in corporate or infrastructure private placements comprising more than 18% of total originations in their respective portfolios. We expect 2022 issuance to remain steady in corporate private placements and continue to build in infrastructure debt as economic growth continues to normalize and issuers refinance ahead of rate hikes. In private structured credit, we expect investor demand for credit to be strong in the first quarter and we believe the consumer space, alternatives financing and commercial ABS to be attractive sectors.

Corporate Private Placement Market

Private Placement Market[2]

Full year 2021 private corporate issuance has come in with an initial total of $93.0 billion, up from $91.1 billion in 2020, and will likely be subject to upward revisions as these numbers are still being compiled. 2021 issuance was primarily driven by opportunistic financing opportunities ahead of anticipated inflationary pressure as global economies continue to normalize, as well as more pronounced issuance in specific sectors, such as financials. The average deal size for 2021 was $178 million across 522 transactions. This is compared to the 498 transactions in 2020 with an average deal size of $183 million.

MetLife Investment Management

During the fourth quarter, issuance came in at $25.2 billion across 153 issuers, up from $24.7 billion across 129 issuers during 4Q 2020. The increase was driven by issuers looking to lock in rates given increased inflationary concerns. Also of note was a significant increase in financial sector origination for 4Q2021 vs 4Q2020. Private issuance was led by activity in North America, comprising 62% of total issuance. European volume (primarily the UK) was 30%, Latin America 5%, Asia 2%, and Australia 1%. USD currency made up 80% of issuance, with GBP at 9%, EUR at 8%, CHF at 2% and CAD 1%.

Ratings and Delayed Funding[2]

A-rated (NAIC-1)[3] names were responsible for 42% of total quarter issuance, slightly above the historical norm (~40%). BBB-rated companies (NAIC-2) comprised 58% of issuers. Delayed fundings continued to be utilized by issuers with 18% of 2021 issues having a delay. We expect this trend to continue as private issuers approach the market for financing opportunities with concerns of anticipated inflation and an eventual rise in interest rates.

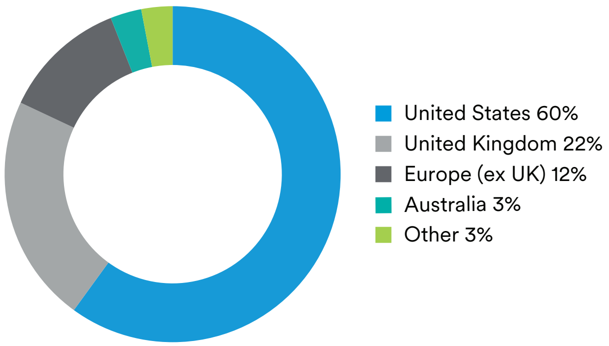
Spreads and Treasuries

Private credit spreads, following public spreads, continue to tighten from the peaks seen at the height of the pandemic in 2020. Spreads tightened roughly 29bps over the year, driven largely by continued positive economic developments. Private spreads have maintained a healthy public premium, but have continued to contract toward historic averages, particularly with more broadly marketed deals from agent banks on the supply side, coupled with new entrant buyers in the market on the demand side.

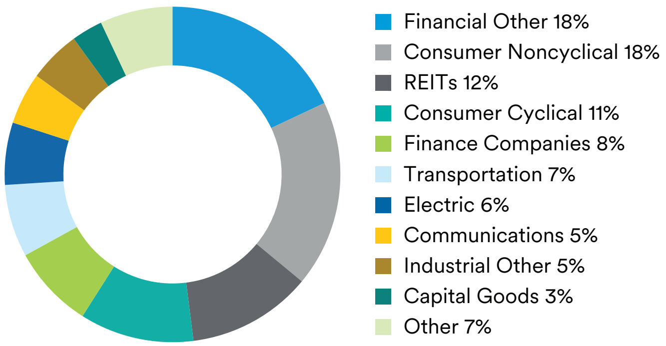
MIM Corporate Private Placements

MIM activity for Q4 2021 was $2.6 billion in origination, bringing FY 2021 origination to a very strong $8.4 billion. MIM origination continues to benefit from both direct and club transactions leading to larger allocations and more diverse deal flow. During the quarter, MIM transactions averaged an MBaa1 (internal rating[4]) credit quality, 11.8-year weighted average life and an average UST equivalent spread of +146 bps, with primary issuance out of the US (55%) and the UK (29%). Origination extended across industries and subsectors, with Consumer Noncyclical leading the quarter at 24%. For the full-year 2021, MIM transactions averaged a 12.2-year weighted average life and an average UST equivalent spread of +156 bps, led by the Financial Other and Consumer Noncyclical sectors, both at 18% of total.

MIM FY 2021 Origination by Region*



MIM FY 2021 Origination by Sector*



Source: MIM, Private Placement Monitor

* Includes origination activity on behalf of the MetLife general account, separate account and unaffiliated investors.

MIM's 2022 Outlook

- MIM's US GDP forecast calls for +3.8% growth YoY for the full year 2022. MIM's 2022 US inflation rate forecast is 2.7% with an anticipated rise in 10-year UST rates to 2.00%.
- With continued economic growth, still relatively low long end rates, and a strong start to the year, MIM expects 2022 issuance to remain steady. We feel the market will remain competitive, with increased investor demand for privates. This may put some pressure on spreads and deal structures, however MIM expects the private market to remain disciplined overall.
- MIM will continue to use our sector specialist approach and relationships in our effort to uncover the broadest range of appropriate opportunities for our clients.

Infrastructure Private Placement Market

Infrastructure Debt Market[2,5]

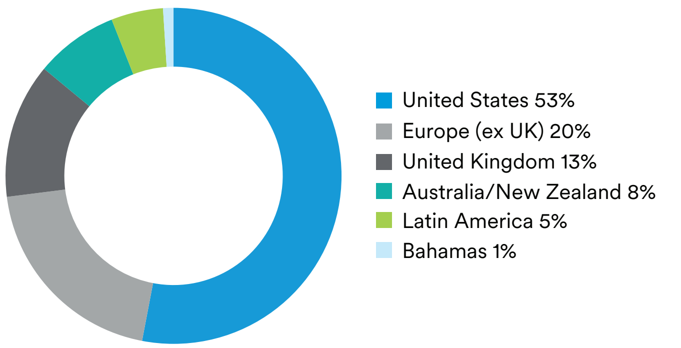
Global infrastructure activity rose to a record $923 billion in 2021 compared to $727 billion in 2020. The fourth quarter was a record quarter with $375 billion in global activity, half as much as all of 2020 as the market rebounded from pandemic lows. The capital markets – which represents the majority of MIM's investible infrastructure market - had a strong increase in issuance of 42% to $82 billion as equity sponsors looked to private capital to finance needed infrastructure projects.

Global market activity was led by large M&A transactions across the US and Asia in the transport and energy sectors. Energy related transactions (27% of total global infrastructure activity) led 2021, followed by renewables (22%), telecom (19%), transport (15%), power (10%), environment (3%), social infrastructure (3%) and other (1%). Activity was focused in EMEA (45%), US & Canada (31%), Asia Pacific (15%), and Latin America (9%).

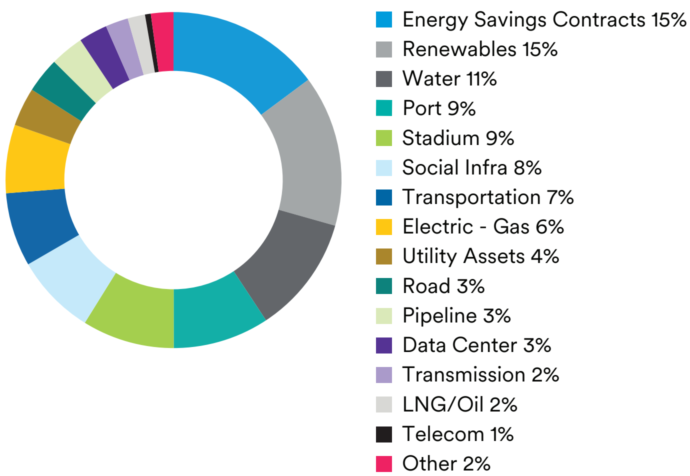
Global Highlights

- **United States:** After months of negotiation, the Biden Administration passed a $1.2 trillion bipartisan infrastructure bill in November. The bill includes $550 billion of new spending on transportation (airports, roads, rail), power, broadband, water, cybersecurity, and energy transition. In the most recent evaluation, the American Society of Civil Engineers identified a $2.59 trillion shortfall in government spending on infrastructure projects. While the bill will help bridge some of the shortfall, there is still a significant gap in US infrastructure needs. Equity sponsors continue to have strong interest in core and core-plus infrastructure assets and we expect a strong pipeline in a number of sectors including renewable power, energy, transportation, digital, and Public-Private-Partnership (PPP) sectors.
- **EMEA:** Activity in Europe continued to be strong with roughly $350 billion of transactions closing in 2021. The fourth quarter was the most active of the year with $150 billion of deals as issuers looked to close transactions ahead of year end. Themes such as renewables, energy transition, and digital continue to be prevalent in Europe.
- **Latin America:** Recovery in LatAM continued through Q4 as vaccination rates increased across the region. Negative effects of COVID have impacted countries' finances, leading to sovereign downgrades and populist electoral outcomes in certain countries (e.g., Peru). However, countries remain focused in reducing emissions & decarbonizing their energy matrix (e.g., Chile, Colombia). MIM has continued to support this initiative as MIM led the first USPP transaction for a portfolio of 48 PMGD solar projects in Chile with a strong pipeline for similar opportunities in 2022.

MIM FY 2021 Origination by Region*



MIM FY 2021 Origination by Sector*



Source: MIM, InfraDeals, 4Q2021

*Includes origination activity on behalf of the MetLife general account, separate account and unaffiliated investors.

- **Australia:** Infrastructure new issue activity remained relatively slow in the fourth quarter, primarily due to COVID and lack of M&A activity. After strict border closures, Australia started accepting international travelers in mid-December. This re-opening has led to rampant infections with the omicron virus. So far, Australia has reported 1.6MM COVID cases since the pandemic began, of which 1.3MM were in the last two weeks. There were three new issues in Q4 2021. We expect a like number of transactions in the first few months of 2022.

MIM Infrastructure Debt Activity

MIM invested $5.1 billion across 68 transactions in 2021 compared to $3.7 billion across 51 transactions in the same period last year. The increase in activity was due to a rebound in the broader market and higher stronger direct origination as pandemic concerns continued to ease and Sponsors refocused on new deal activity. Transactions averaged an

MBaa2 (internal rating)[4] credit quality, 14.2 year weighted average life and an average UST equivalent spread of +202 bps. MIM transactions by region and sector are illustrated further below.

MIM's 2022 Outlook

- We feel broader pandemic concerns will continue to exist but will have a limited impact on transactional activity as variants' effects on economies continue to be lower. We expect issuance to be strong as we expect Sponsors and Issuers to refinance ahead of anticipated rising interest rates.
- MIM starts 2022 with a strong pipeline driven by opportunities in renewables, transportation, pipelines, public-private-partnerships, digital infrastructure, and energy transition assets.

Private Structured Credit

MIM Private Structured Credit

MIM had a solid pipeline of new transactions during 4Q, committing over $650 million during the quarter which rounded out a strong year for MIM Private Structured Credit. Over the course of the year, we committed over $2.1 billion in new investments across a diverse set of sectors: alternatives financing, commercial, RMBS, and CMBS including expanding investments into three new sub-sectors – C-PACE, energy, and low-income housing. In addition, MIM Private Structured Credit closed its first SOFR referenced floating-rate transaction during the quarter as investors prepare to cease using LIBOR as a reference rate beginning in 2022.

Improving fundamentals and economic recovery supported sustained steady performance across structured products, with no investments on our watchlist or downgrade watch.

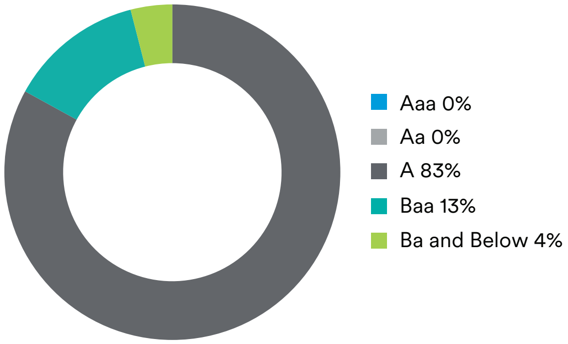
MIM Private Structured Credit Transaction Activity[1]

MIM activity was strong in 2021 with $2.1 billion of committed investments with a weighted average credit quality of A1 (NRSRO rating)[6] and a weighted average spread of 281 bps. Commitments were diversified across a number of sectors.

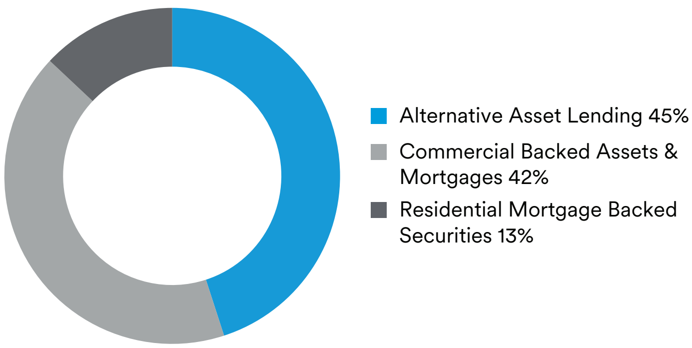
MIM First Quarter 2022 Outlook

We feel sector credit fundamentals should remain benign and investor demand for credit is expected to remain strong during Q1 2022. While we observed modest spread weakness during Q4 in some asset classes, barring a sustained market correction across risk assets, we do not expect meaningful spread impact within private structured credit. However, macro uncertainties around accelerating inflation, Fed tapering, rising rates, and the possibility of future variants of COVID-19 could lead to increased volatility and spread weakness.

MIM FY 2021 Origination by Rating*[6]



MIM FY 2021 Origination by Sector**



Source: MIM, December 31, 2021

* Based on total commitment size. Includes origination activity on behalf of the MetLife general account and unaffiliated investors.

** Commercial based securities and mortgages includes the following new subsectors, which comprise the indicated percentage of the commercial based securities and mortgages sector as a whole: CPACE (22%); energy (18%); and low-income housing (12%).

We continue to evaluate investment opportunities within the consumer space as we expect consumer performance to remain stable. In addition, we feel the less traveled sectors including alternatives financing and commercial ABS sectors will continue to provide attractive relative value opportunities and the ability to drive investor friendly structural terms.

Endnotes

1 Represents assets originated by MIM as of December 31, 2021 on behalf of MetLife general account, separate account and unaffiliated investors. There can be no assurances that such origination volume will be achieved in the future. Actual results may vary. Origination is defined as all commitments made during the period, some of which will be unfunded.

2 MetLife Investment Management, Private Placement Monitor.

3 NAIC-1 generally corresponds to securities rated the equivalent of A3 or higher. NAIC-2 generally corresponds to securities rated the equivalent of Baa1 to Baa3.

4 Credit quality assessments were performed internally by MIM's Corporate Private Placement team and have not been verified by independent sources. Any ratings with an "M" prefix presented in this document were developed internally by MIM (i.e., "MIM ratings"). MIM ratings are not rating agency ratings used by other investment managers or funds, including those investing in the sectors in which MIM invests. Other ratings, including those published by an independent credit ratings agency, may be more relevant in evaluating creditworthiness or may present the credit quality of issuers or securities in a more or less favorable manner than such MIM ratings. MIM's internal ratings are subjective; MIM has an incentive to assign internal ratings in a manner that more closely meets investor and/or yield expectations, or otherwise provides an advantage to MIM. Accordingly, such MIM ratings should be viewed as one factor among other factors for evaluating creditworthiness, and investors should make their own determination as to the weight placed on MIM ratings. Please contact MIM for additional information on how such ratings are derived.

5 MetLife Investment Management, InfraDeals

6 All of PSC securities are rated by either Moody's, S&P, Kroll or DBRS/Morningstar. We use rating agency ratings, convert to a Moody's scale and calculate a weighted average. A3 represents the equivalent rating agency rating based on a Moody's scale.

About MetLife Investment Management | Private Credit Group

MetLife Investment Management's[1] Private Credit Group manages over $103.7 billion in assets as of December 31, 2021[2] and brings over 90 years of investing in the asset class. We offer exceptional access to investment grade deals due to our significant scale, long-standing market relationships, and sector expertise. Given our leadership in the infrastructure and corporate private placement markets we often fund an entire deal or become the cornerstone of the deal, which provides unique and larger allocations for our clients. Our investment decisions are informed by a team-based risk culture with a time-tested approach to managing risk, combined with proprietary research, and layered independent oversight. We have more than 50 seasoned industry specialists working together to develop customized portfolio solutions to help meet client needs. We are institutional, but far from typical.

For more information, visit: investments.metlife.com/private-placement-debt

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2 At estimated fair value as of 12/31/2021. Includes MetLife general account and separate account assets and unaffiliated/third party assets.

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