PRIVATE CAPITAL

Private Credit Quarterly Update

Second Quarter 2023

Introduction

MetLife Investment Management's[1] Private Credit Group manages over $130 billion[2] in assets as of March 31, 2023 and brings over 100 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 standing in the infrastructure and corporate private placement markets we often fund an entire deal or become the cornerstone of the deal, which can lead to 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 70 seasoned industry specialists working together to develop customized portfolio solutions to help meet client needs.

Corporate Private Placement Market

Corporate Private Placement Market:[3] 2Q 23 market origination reached an initial total of $19.5 billion, roughly in-line with the same period last year and an increase over 1Q 23 of $16 billion. The average deal size for the quarter was larger than typical at $336 million across 58 transactions. Volume was led by activity in North America which comprised 65% of total issuance. European and Australian deal volume ticked upwards from last quarter at 26% and 8% respectively and 1% was out of Japan. USD led the currency issuance at 77% followed by 16% in EUR, 4% in GBP, 2% in CAD and 1% in AUD.

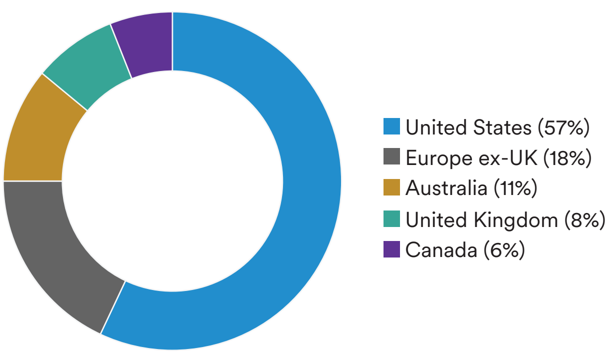
MetLife Investment Management

Spreads and Treasuries[3]: The public markets had an active quarter with YTD volume now on track with 2022. Public spreads in aggregate have tightened roughly 30 bps from the wide mark in March during the regional bank issues where the OAS was at 163 bps. Countering the spread tightening was the increasing yield of the 10-year UST by 33 bps to end the quarter at 3.82%, keeping total public coupons relatively flat. Private spreads lagged the public tightening through the quarter and provided good relative value.

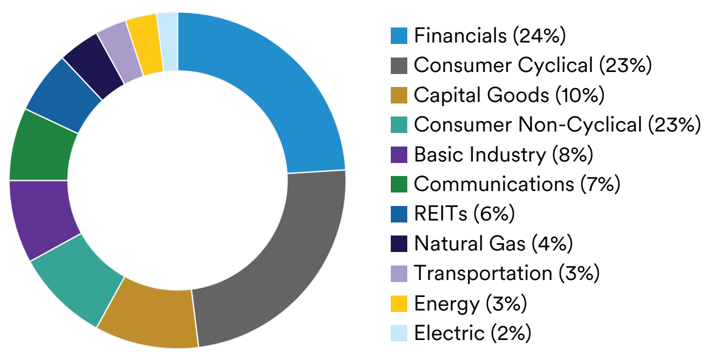
MIM Corporate Private Placement Activity: Origination for 2Q 23 totaled $0.9 billion versus $1.9 billion for the same period last year. We attribute the lower transaction volume to being very selective in the financial industry passing on Business Development Cos and REITs where numerous deals in the market were executed. MIM remained disciplined in pricing and avoided transactions where premiums were below expectations given the level of risk and uncertainty in the general economy. Although origination was lower, the transactions that MIM originated remain at highly attractive spread levels compared to previous quarters.

MIM's Outlook: MIM's current expectation is an increase of the chance of a US recession in 2024. We anticipate the Fed funds rate to peak at 5.25-5.50% as the Fed hikes rates one additional time in 2023. MIM no longer expects the Federal Reserve to cut rates in 2023 given the stickiness of inflation, but we expect a substantive rate cut cycle to begin in the first half of 2024. We believe the peak in yields for this cycle may have occurred and expect a 10-year U.S. Treasury yield of 4.00% at year-end 2023. We see treasury yields reducing through 2024 as inflation decelerates and the Fed cuts rates, flipping the yield curve positive. Through the economic uncertainty, MIM continues to maintain a long-term perspective and strongly believes that private market issuance is offering well structured transactions with highly attractive yields, even in the case of an economic recession.

MIM 2Q 2023 Origination by Region*



MIM 2Q 2023 Origination by Sector*



Source: MIM, Private Placement Monitor

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

Infrastructure Debt Market

Infrastructure Debt Market:[3] Global Infrastructure activity saw a 12.4% slowdown for 1H2023 with nearly $778 Billion issuance across 1,677 deals compared to 1H2022[1]. Greenfield and refinancing transaction activity continued to remain on pace with prior year. Broader macro uncertainty, inflationary concerns as well as higher interest rates resulted in slower M&A activity. EMEA represented 39.5% of transactions followed by North America (37.4%), APAC (16.4%), and Latin America (6.7%). Sectors continued to remain diversified with Power & Renewables representing 39.7% of activity followed by Energy (19.6%), Telecom & Digital (15.6%), Transport (7.9%), with water, mining, and social comprising the remainder.[(1)]

Global Sector Highlights

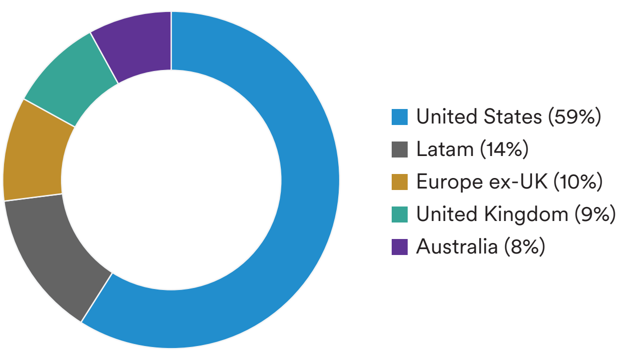
- **United States:** 1H2023 continued to remain strong with activity in renewable, transportation, social, transmission and digital infrastructure transactions. Banking market disruptions in first half allowed MIM to source unique floating rating opportunities. Should bank balance sheets remain constrained, we expect that trend to continue for 2H. The impact of the Inflation Reduction Act remains muted in terms of deal flow but there is strong, positive momentum on tax equity and financing structures to accelerate growth in renewables and energy transition in the near term. The pipeline remains strong with a focus on traditional core infrastructure projects including renewable, power, transportation, energy, digital, water and social infrastructure.

- **EMEA:** Activity across UK and Europe was mixed for the 1H23. There continues to be activity in the digital and renewable space, with transport, particularly ports and airports making a resurgence. Issuers continue to seek tenors in the 7 to 12-year range given the higher rate environment. For certain sectors (e.g. digital), issuers have preferred to use the bank market for shorter term floating rate loans. Deal activity is mixed across the UK and continental Europe, however, seeing more opportunities arise in Eastern Europe.
- **Latin America:** The market remained competitive with several countries resuming activity in transportation, power, and energy. Renewable transactions continue to be active with several transactions in Chile and Peru. MIM is seeing higher deal activity compared to 2022, with an active pipeline in the toll road, renewables, generation, transmission and digital sectors.
- **Australia:** Market activity continues to increase in 2023 after the market slowdown experienced through the pandemic. The pipeline remains strong in core infrastructure sectors including transportation (ports, airports, roads) and renewable/power transactions. There are also several active public-private-partnerships procurements in social and economic infrastructure assets. The local market remains highly competitive in the shorter part of the credit curve.

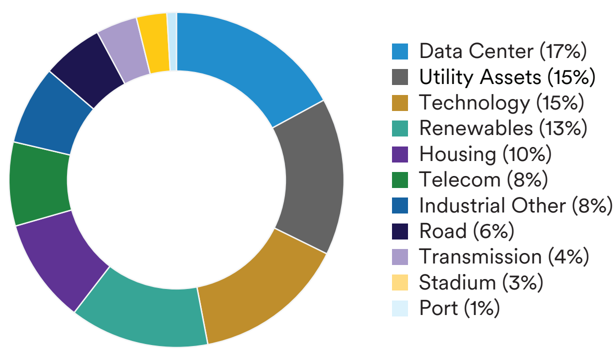
MIM Infrastructure Debt Activity: Origination was lower for 2Q 23 at $0.7 billion versus $1.0 billion for the same period last year. While origination activity was lower across the market, the transactions that MIM originated were at attractive spread levels compared to previous quarters.

MIM's FY 2023 Outlook: The pipeline and outlook for 2H2023 remains strong, we expect greenfield activity to remain robust and continue to see opportunities to support select M&A activity. MIM expects a pipeline driven by opportunities focused on renewables, transportation, pipelines, public-private-partnerships, digital infrastructure, and energy transition assets globally.

MIM 2Q 2023 Origination by Region*



MIM 2Q 2023 Origination by Sector*



Source: MIM, Private Placement Monitor

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

Private Structured Credit Market

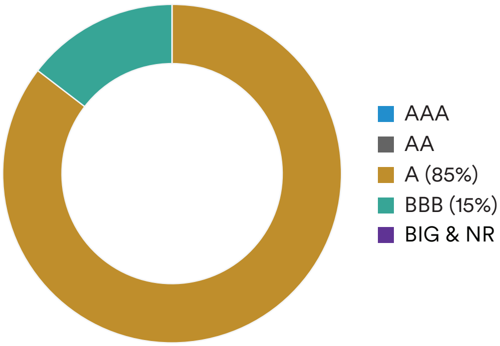
2Q 2023 in Review:[3] After a strong start to the year, private structured credit pipeline slowed as market volatility increased with the collapse of SVB and regional banking crisis. The credit stress and rising recession risk put pressure on spreads across all credit sectors largely erasing the spread compression experienced earlier in the year. Within several PSC sectors, we saw lack of compelling relative value as private markets are typically slow to follow public market moves. Credit spreads have held firm recently with improved investor interest even on esoteric assets as yield and spreads remain near or above decade highs.

Looking to 3Q 2023: As we enter Q3, we expect esoteric ABS spreads to remain under pressure amid the macro backdrop and see potential spread widening as an attractive buy opportunity while being highly selective on the credit front. Our pipeline of new transactions should be active although slightly slower than earlier in the year with a mix of potential opportunities in the consumer, commercial and residential credit sectors.

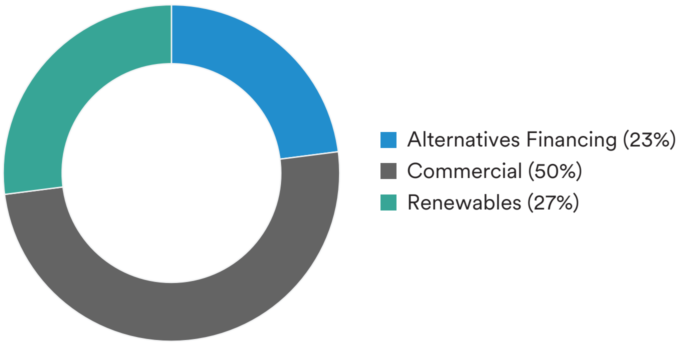
On the fundamental side, consumer performance is expected to remain weak in the near term. With high rates, inflationary pressure, and potential weakness in employment, we expect delinquencies and defaults to rise in the coming months, especially within asset classes exposed to non-prime borrowers. In addition, student loan payments are scheduled to resume which could add additional pressure on consumers and ABS performance. Although delinquencies are rising across the board, subprime asset classes are experiencing worse consumer performance, and delinquencies in some deals have now exceeded historical averages. We continue to believe that our private ABS deals remain structurally protected from downside risk.

MIM Private Structured Credit Transaction Activity[1]: MIM activity for Q2 2023 was healthy with $430 million in committed investments in the commercial and renewables sectors.

MIM YTD 2Q 2023 Orgination by Rating*



MIM YTD 2Q 2023 Origination by Sector



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

Endnotes

1 MetLife Investment Management ("MIM") is MetLife, Inc.'s institutional management business and the marketing name for subsidiaries of MetLife that provide investment management services to MetLife's general account, separate accounts and/ or unaffiliated/third party investors, including: Metropolitan Life Insurance Company, MetLife Investment Management, LLC, MetLife Investment Management Limited, MetLife Investments Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversiones Limitada, MetLife Asset Management Corp. (Japan), MIM I LLC, MetLife Investment Management Europe Limited, Affirmative Investment Management Partners Limited and Raven Capital Management LLC

2 At estimated fair value as of 06/30/2023. Includes MetLife general account and separate account assets and unaffiliated/third party assets.

3 MetLife Investment Management, Private Placement Monitor

Credit quality assessments were performed internally by MIM and have not been verified by independent sources. Any internal ratings (i.e., MetLife ratings) presented in this document were developed internally by MIM. Such ratings are not recognized 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 assets in a more or less favorable manner than such internal ratings do. MIM's internal ratings are subjective; MIM has an incentive to assign internal ratings in a manner that more closely meet investor and/or yield expectations, or otherwise provides an advantage to MIM. Accordingly, such internal ratings should be viewed as one factor among other factors for evaluating creditworthiness, and you should make your own determination as to the weight you place on such internal ratings. Please contact MIM for additional information on how such ratings are derived.

About MetLife Investment Management

About MetLife Investment Management MetLife Investment Management (MIM)[1] serves institutional investors around the world by combining a client-centric approach with deep and long-established asset class expertise. Focused on managing Public Fixed Income, Private Credit and Real Estate assets, we aim to deliver strong, risk-adjusted returns by building sustainable, tailored portfolio solutions. We listen first, strategize second, and collaborate constantly to meet clients' long-term investment objectives. Leveraging the broader resources and 150-year history of MetLife provides us with deep expertise in skillfully navigating markets. We are institutional, but far from typical.

For more information, visit: investments.metlife.com

Disclaimer

This material is intended solely for Institutional Investors, Qualified Investors and Professional Investors. This analysis is not intended for distribution with Retail Investors.

This document has been prepared by MetLife Investment Management ("MIM")1 solely for informational purposes and does not constitute a recommendation regarding any investments or the provision of any investment advice, or constitute or form part of any advertisement of, offer for sale or subscription of, solicitation or invitation of any offer or recommendation to purchase or subscribe for any securities or investment advisory services. The views expressed herein are solely those of MIM and do not necessarily reflect, nor are they necessarily consistent with, the views held by, or the forecasts utilized by, the entities within the MetLife enterprise that provide insurance products, annuities and employee benefit programs. The information and opinions presented or contained in this document are provided as of the date it was written. It should be understood that subsequent developments may materially affect the information contained in this document, which none of MIM, its affiliates, advisors or representatives are under an obligation to update, revise or affirm. It is not MIM's intention to provide, and you may not rely on this document as providing, a recommendation with respect to any particular investment strategy or investment. Affiliates of MIM may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned herein. This document may contain forward-looking statements, as well as predictions, projections and forecasts of the economy or economic trends of the markets, which are not necessarily indicative of the future. Any or all forward-looking statements, as well as those included in any other material discussed at the presentation, may turn out to be wrong.

All investments involve risks including the potential for loss of principle and past performance does not guarantee similar future results.

In the U.S. this document is communicated by **MetLife Investment Management, LLC (MIM, LLC)**, a U.S. Securities Exchange Commission registered investment adviser. MIM, LLC is a subsidiary of MetLife, Inc. and part of MetLife Investment Management. Registration with the SEC does not imply a certain level of skill or that the SEC has endorsed the investment advisor.

This document is being distributed by **MetLife Investment Management Limited ("MIML")**, authorised and regulated by the UK Financial Conduct Authority (FCA reference number 623761), registered address 1 Angel Lane, 8th Floor, London, EC4R 3AB, United Kingdom. This document is approved by MIML as a financial promotion for distribution in the UK. This document is only intended for, and may only be distributed to, investors in the UK and EEA who qualify as a "professional client" as defined under the Markets in Financial Instruments Directive (2014/65/EU), as implemented in the relevant EEA jurisdiction, and the retained EU law version of the same in the UK.

For investors in the Middle East: This document is directed at and intended for institutional investors (as such term is defined in the various jurisdictions) only. The recipient of this document acknowledges that (1) no regulator or governmental authority in the Gulf Cooperation Council ("GCC") or the Middle East has reviewed or approved this document or the substance contained within it, (2) this document is not for general circulation in the GCC or the Middle East and is provided on a confidential basis to the addressee only, (3) MetLife Investment Management is not licensed or regulated by any regulatory or governmental authority in the Middle East or the GCC, and (4) this document does not constitute or form part of any investment advice or solicitation of investment products in the GCC or Middle East or in any jurisdiction in which the provision of investment advice or any solicitation would be unlawful under the securities laws of such jurisdiction (and this document is therefore not construed as such).

For investors in Japan: This document is being distributed by MetLife Asset Management Corp. (Japan) ("MAM"), 1-3 Kioicho, Chiyodaku, Tokyo 102-0094, Tokyo Garden Terrace KioiCho Kioi Tower 25F, a registered Financial Instruments Business Operator ("FIBO") under the registration entry Director General of the Kanto Local Finance Bureau (FIBO) No. 2414.

For Investors in Hong Kong S.A.R.: This document is being issued by MetLife Investments Asia Limited ("MIAL"), a part of MIM, and it has not been reviewed by the Securities and Futures Commission of Hong Kong ("SFC"). MIAL is licensed by the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

For investors in Australia: This information is distributed by MIM LLC and is intended for "wholesale clients" as defined in section 761G of the Corporations Act 2001 (Cth) (the Act). MIM LLC exempt from the requirement to hold an Australian financial services license under the Act in respect of the financial services it provides to Australian clients. MIM LLC is regulated by the SEC under US law, which is different from Australian law.

MIMEL: For investors in the EEA, this document is being distributed by MetLife Investment Management Europe Limited ("MIMEL"), authorised and regulated by the Central Bank of Ireland (registered number: C451684), registered address 20 on Hatch, Lower Hatch Street, Dublin 2, Ireland. This document is approved by MIMEL as marketing communications for the purposes of the EU Directive 2014/65/EU on markets in financial instruments ("MiFID II"). Where MIMEL does not have an applicable cross-border licence, this document is only intended for, and may only be distributed on request to, investors in the EEA who qualify as a "professional client" as defined under MiFID II, as implemented in the relevant EEA jurisdiction. The investment strategies described herein are directly managed by delegate investment manager affiliates of MIMEL. Unless otherwise stated, none of the authors of this article, interviewees or referenced individuals are directly contracted with MIMEL or are regulated in Ireland. Unless otherwise stated, any industry awards referenced herein relate to the awards of affiliates of MIMEL and not to awards of MIMEL.

[1] MetLife Investment Management ("MIM") is MetLife, Inc.'s institutional management business and the marketing name for subsidiaries of MetLife that provide investment management services to MetLife's general account, separate accounts and/or unaffiliated/ third party investors, including: Metropolitan Life Insurance Company, MetLife Investment Management, LLC, MetLife Investment Management Limited, MetLife Investments Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversiones Limitada, MetLife Asset Management Corp. (Japan), and MIM I LLC, MetLife Investment Management Europe Limited and Affirmative Investment Management Partners Limited.

L0723033832[exp0724][All States]

MetLife Investment Management