

Briefing

Global Economic & Credit Market

Week 39 Ending – September 27, 2024

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Economic Calendar

- Tuesday, October 1: Auto sales
- Thursday, October 3: Factory orders
- Friday, October 4: U.S. unemployment rate

Key Market Metrics

- S&P 500: +0.62% WoW; +20.30% YTD; +33.46% YoY; 15.8x LTM EBITDA; 14.1x NTM EBITDA
- Dow Jones: +0.59% WoW; +12.27% YTD; +25.68% YoY; 10.6x LTM EBITDA; 13.7x NTM EBITDA
- Nasdaq: +0.95% WoW; +20.71% YTD; +37.26% YoY
- Ten Year US Treasury Yield: 3.78% (14) bps YTD; (85) bps YoY
- Currency:
 - British Pound per USD: \$1.34; 0.4% WoW; 5.1% YTD; 9.6% YoY
 - Euro per USD: \$1.12; 0.0% WoW; 1.1% YTD; 5.6% YoY
 - USD per Yen: ¥142.21; (1.1%)WoW; 0.9% YTD; (4.8%)YoY
 - Swiss franc per EUR: 1.07 CHF; 1.1% WoW; (1.0%)YTD; 3.0% YoY

U.S. News

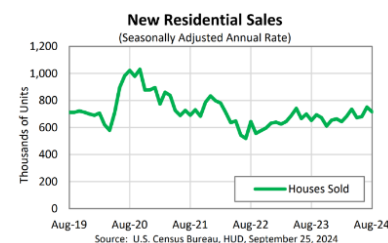
Consumer Confidence

- Consumer confidence fell in September to 98.7, down from 105.6 in August. The reading represents a three-month low and the largest one-month decline since mid-2021
- The measure also subverted expectations, as economists forecasted the index to rise to 104.0
- The drop in confidence is largely caused by rising unemployment and higher costs of living



New Home Sales

- New home sales decreased by 4.7% in August. This moves the annual rate to 716,000, down from 739,000 in July, as home buyers recoiled against high interest rates and home prices
- The pace of sales is still at its highest level since April and exceeded the forecast of 700,000
- Retail sales for the June-August 2024 period were 2.3% higher than the same period in 2023

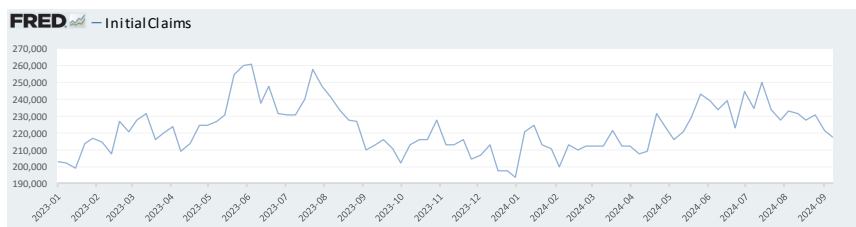


PCE Index

- Prices rose 0.1% in August, meeting forecasts. The increase in inflation, now at 2.2%, is the lowest level since early 2021 and is nearing the Federal Reserve's target of 2%
- The core inflation rate rose 0.1%, beating the forecasted 0.2%
- The improvement in price inflation paves the way for potential further interest rate cuts by the Federal Reserve

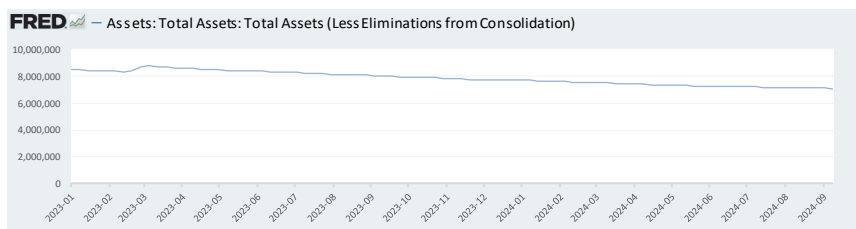
▪ Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S., decreased to 218,000 in the week ended September 20, down 4,000 from the prior week
- The four-week moving average was 224,750, down 3,500 from the prior week
- Continuing claims – those filed by workers unemployed for longer than a week – increased by 13,000 to 1.834 million in the week ended September 13. This figure is reported with a one-week lag



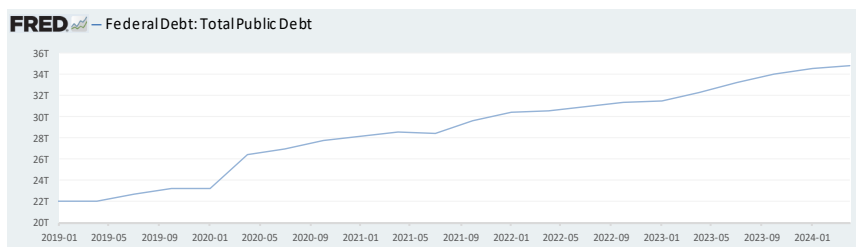
▪ Fed's Balance Sheet

- The Federal Reserve's assets totaled \$7.080 trillion in the week ended September 27, down \$29.1 billion from the prior week
- Treasury holdings totaled \$4.384 trillion, down \$2.8 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.29 trillion in the week, down \$5.3 billion from the prior week



▪ Total Public Debt

- Total public debt outstanding was \$35.30 trillion as of September 27, an increase of 6.6% from the previous year
- Debt held by the public was \$26.29 trillion, and intragovernmental holdings were \$7.09 trillion

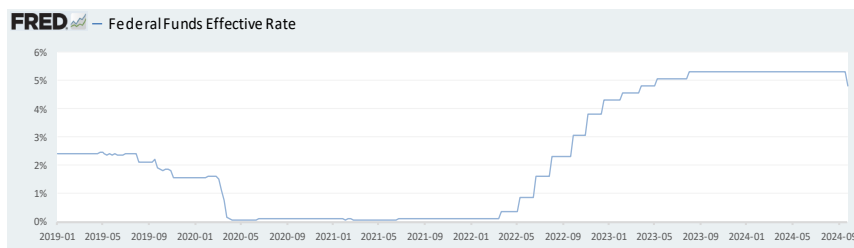


■ Inflation Factors

- CPI:
 - The consumer-price index rose 2.5% in August year over year
 - On a monthly basis, the CPI increased 0.2% in August on a seasonally adjusted basis, after increasing 0.2% in July
 - The index for all items less food and energy (core CPI) rose 0.3% in August, after rising 0.2% in July
 - Core CPI increased 3.2% for the 12 months ending August
- Food & Beverages:
 - The food at home index increased 0.9% in August from the same month a year earlier, and increased 0.0% in August month over month
 - The food away from home index increased 4.0% in August from the same month a year earlier, and increased 0.3% in August month over month
- Commodities:
 - The energy commodities index decreased (0.6%) in August after increasing 0.1% in July
 - The energy commodities index fell (10.2%) over the last 12 months
 - The energy services index (0.8%) in August after decreasing (0.0%) in July
 - The energy services index rose 3.1% over the last 12 months
 - The gasoline index fell (10.3%) over the last 12 months
 - The fuel oil index fell (12.1%) over the last 12 months
 - The index for electricity rose 3.9% over the last 12 months
 - The index for natural gas fell (0.1%) over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index decreased to \$3,690.65 per 40ft container
 - Drewry's composite World Container Index has increased by 162.8% over the last 12 months
- Housing Market:
 - The shelter index increased 0.5% in August after increasing 0.4% in July
 - The rent index increased 0.5% in August after increasing 0.3% in July
 - The index for lodging away from home decreased (0.7%) in August after decreasing (0.5%) in July

■ Federal Funds Rate

- The effective Federal Funds Rate is at 4.83%, down (0.50%) year to date



World News

▪ Middle East

- On Friday, Israel killed Hassan Nasrallah, the leader of Hezbollah, during an airstrike on the suburbs of Beirut. Hassan Nasrallah was the group's leader for three decades, and his death serves as a major blow to the group. Israel said that the strike also killed Ali Karaki, a senior Hezbollah commander
- Israel launched strikes against more than 1,300 locations in Lebanon on Tuesday, targeting Hezbollah's military infrastructure. The attacks killed almost 500 people and wounded more than 1,600, which is the deadliest wave of strikes since October
- Israel's military chief told soldiers that the recent airstrikes were in preparation for a potential ground invasion of Lebanon
- Hezbollah fired its first missile at Tel Aviv, aiming for the command headquarters of the Mossad. Hezbollah stated that the attack was in response to several assassinations, as well as the pager attacks against its members. The missile strike was intercepted by Israel's David's Sling air-defense system

▪ Russia

- Ukrainian President Volodymyr Zelensky visited lawmakers, President Biden, Vice President Kamala Harris, and former President Trump last week
- Zelensky told lawmakers his top priority is securing U.S. permission to launch U.S. supplied long-range missiles into Russian territory. Biden has declined to lift these restrictions, despite calls from Kyiv and European allies, arguing that this would escalate the conflict with Russia
- President Vladimir Putin is facing renewed calls for a fresh round of mobilization to recruit more troops, as his internal experts state that the military's existing manpower is not sufficient, and casualties reach roughly one million
- Russia's first post-invasion mobilization called up reservists, former soldiers, and men with little to no military experience, sparking protests and causing some regions to close borders to keep men from fleeing

▪ China

- China said it successfully test-fired an ICBM on Wednesday. The Chinese media reported that this was the first such test in more than four decades. Experts state that the timing is likely in response to rising tensions with Japan, the Philippines, and Taiwan. In particular, China has been bolstering its stockpile of nuclear warheads to limit the United States's ability to intervene in a potential invasion of Taiwan
- China's newest nuclear-powered attack submarine sank at a shipyard near Wuhan in the spring, but Chinese authorities concealed the news from the outside world. This amounts to a major setback to China's plans to enhance its submarine fleet ahead of potential conflict with the U.S. over Taiwan
- On Tuesday, the People's Bank of China announced a series of actions to combat the moribund stock market, worsening inflation, higher unemployment, and a spiraling housing market
- China will cut its benchmark interest rate, lower the reserve requirement for banks, cut the interest rate payable on existing mortgages, and lower down payments for second homes. The PBOC Governor Pan Gongsheng said that more easing is in the pipeline, including a further reduction in the reserve requirement before year-end

Geopolitical Hotspots

- **Canada**
 - Grain terminal workers on Canada's West Coast returned to work after a four day strike halted crop exports during the harvest season. The work stoppage was estimated to halt nearly 100,000 metric tons of grain each day, resulting in a daily loss of \$26 million
- **Japan**
 - Japan's exports grew by 5.6%, significantly lower than the 10.2% increase recorded in July and below the 10.6% forecast by economists. The decline was driven by weaker overseas demand for cars and machinery for construction and mining, although shipments of chip-making machines and electronic parts saw an uptick
 - Japan fired warning flares at a Russian military reconnaissance plane that violated Japan's airspace on Monday. This is the first time Tokyo has taken this kind of aggressive stance against incursions into its airspace by Moscow
- **India**
 - India's inflation rose slightly to 3.65% in August 2024, up from 3.6% in July, slightly above expectations. The Reserve Bank of India remains cautious about rising food prices affecting other sectors, with rural inflation at 4.2% and urban inflation at 3.1%
- **Venezuela**
 - Venezuela's government has detained three Americans, including a U.S. Navy serviceman, on allegations of coup plotting, despite previous commitments to halt such detentions, highlighting renewed tensions between Caracas and Washington
- **Mali**
 - Al Qaeda militants attacked a military air base in Bamako, Mali, marking their first assault on the capital in years and targeting both Malian forces and Russian mercenaries stationed there
- **Taiwan**
 - Taiwan faces delays in U.S. weapons shipments due to strains on the American defense industry, heightened by the wars in Gaza and Ukraine, raising concerns about Taiwan's ability to stockpile arms in the event of a conflict with China
- **Brazil**
 - X (formerly Twitter), owned by Elon Musk, has started complying with Brazilian Supreme Court requirements by hiring legal representation in Brazil, a key step toward lifting the ban imposed for failing to block certain accounts, but the court requests further proof before restoring access to the platform
- **Tibet**
 - The Dalai Lama announced that he would discuss how to choose his successor, amid worsening health and a recent surgery in the U.S. Beijing asserts that they will intercede and have final say over the succession issue
- **North Korea**
 - For the first time, North Korea published photos of a uranium-enrichment facility. The move comes after an agreement between North Korea and Russia to defend each other if attacked

Commodities

Oil Prices

- WTI: \$68.18 per barrel
 - (5.20%) WoW; (4.84%) YTD; (25.66%) YoY
- Brent: \$71.98 per barrel
 - (3.37%) WoW; (6.57%) YTD; (24.53%) YoY



US Production

- U.S. oil production amounted to 13.2 million bpd for the week ended September 20, down 0.1 million bpd from the prior week

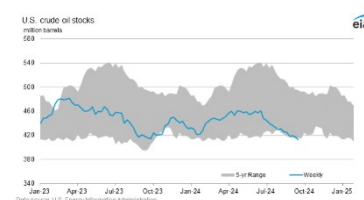
Rig Count

- The total number of oil rigs amounted to 587, down 1 from last week

Inventories

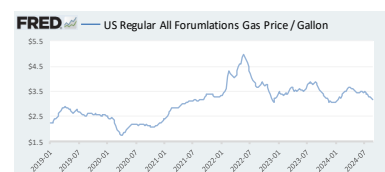
Crude Oil

- Total U.S. crude oil inventories now amount to 413.0 million barrels, down (0.8%) YoY
- Refiners operated at a capacity utilization rate of 90.9% for the week, down from 92.1% in the prior week
- U.S. crude oil imports now amount to 6.322 million barrels per day, down (10.7%) YoY



Gasoline

- Retail average regular gasoline prices amounted to \$3.22 per gallon in the week of September 27, down (16.0%) YoY



- Gasoline prices on the East Coast amounted to \$3.17, down (14.5%) YoY
- Gasoline prices in the Midwest amounted to \$3.16, down (15.0%) YoY
- Gasoline prices on the Gulf Coast amounted to \$2.83, down (17.6%) YoY
- Gasoline prices in the Rocky Mountain region amounted to \$3.56, down (13.5%) YoY
- Gasoline prices on the West Coast amounted to \$4.25, down (21.1%) YoY

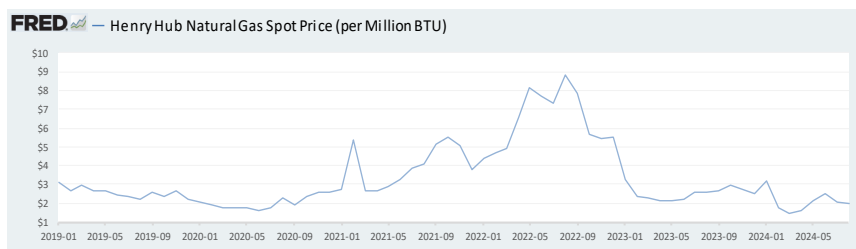
- Motor gasoline inventories were down by 1.5 million barrels from the prior week
- Motor gasoline inventories amounted to 220.1 million barrels, down (0.2%) YoY
- Production of motor gasoline averaged 9.84 million bpd, up 7.6% YoY
- Demand for motor gasoline amounted to 9.205 million bpd, up 6.8% YoY

Distillates

- Distillate inventories decreased by -2.2 million in the week of September 27
- Total distillate inventories amounted to 122.9 million barrels, up 2.4% YoY
- Distillate production averaged 4.898 million bpd, down (0.7%) YoY
- Demand for distillates averaged 4.022 million bpd in the week, up 1.3% YoY

- **Natural Gas**

- Natural gas inventories increased by 47 billion cubic feet last week
- Total natural gas inventories now amount to 3,492 billion cubic feet, up 4.0% YoY



Credit News

High yield bond yields increased 7bps to 6.96% and spreads increased 3bps to 338bps. Leveraged loan yields increased 5bps to 8.23% and spreads increased 3bps to 498bps. WTD Leveraged loan returns were positive 9bps. WTD high yield bond returns were negative 14bps. 10yr treasury yields increased 5bps to 3.79%. Prices consolidated this week as investors weigh tight valuations against the benefits of a Fed easing amid resilient economic growth. Levered Loan funds reported their first inflow following 8 consecutive weekly outflows totaling \$4.6bn.

High-yield:

Week ended 09/27/2024

Yields & Spreads¹

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
6.96%	338	6.89%	336	7	3

Pricing & Returns¹

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$96.62	\$96.88	-26	-0.14%	1.35%	7.48%	13.5%

Fund Flows²

Total Flows (\$)
\$73mm

New Issue²

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
19	\$10.3bn	\$237.2bn	\$127.0bn	+87%

Distressed Level (trading in excess of 1,000 bps)²

8/30/24	7/31/24	6/30/24
6.60%	6.39%	7.64%

Total HY Defaults

8/30/24	7/31/24	6/30/24
0.98%	1.16%	1.17%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Leveraged loans:

Week ended 09/27/2024

▪ **Yields & Spreads¹**

Current Week		Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread
8.23%	498	8.18%	495	5	3

▪ **Leveraged Loan Index¹**

Pricing			Returns			
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2023
\$95.60	\$95.69	-8	0.09%	0.55%	6.49%	12.9%

▪ **Fund Flows²**

Total Flows (\$)
\$313mm

▪ **New Issue²**

Week		YTD		
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY
23	\$19.0bn	\$893.6bn	\$247.2bn	+261%

▪ **Distressed Level (loan price below \$80)¹**

8/30/24	7/31/24	6/30/24
5.41%	5.91%	5.88%

▪ **Total Loan Defaults**

8/30/24	7/31/24	6/30/24
1.18%	1.40%	1.09%

Default activity:

- Most recent defaults include: Digital Media Solutions (\$208mn, 9/12/24), SunPower (\$143mn, 8/5/2024), 2U (\$374mn, 7/25/24), Rodan & Fields (\$763mn, 7/11/24), Wheel Pros (\$2.8bn, 7/11/24), Quorum Health Group (\$688mn, 7/10/24), Vyaire Medical (\$339mn, 6/9/24), 99 Cents Only Stores (\$350mn, 4/7/24), and ConvergeOne (\$1.3bn, 4/4/24).

CLOs:

Week ended 09/27/2024

▪ **New U.S. CLO Issuance²**

# Priced	Total (\$)	New Issue	Refis/Resets
27	\$12.3bn	\$4.5bn	\$7.8bn

▪ **New U.S. CLO YTD Issuance²**

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
713	\$325.6bn	\$137.4bn	\$188.2bn	\$89.7bn	+263%

Note: High-yield and leveraged loan yields and spreads are swap-adjusted¹ Source: Credit Suisse High Yield and Leveraged Loan Index² Source: JP Morgan

Ratings activity:

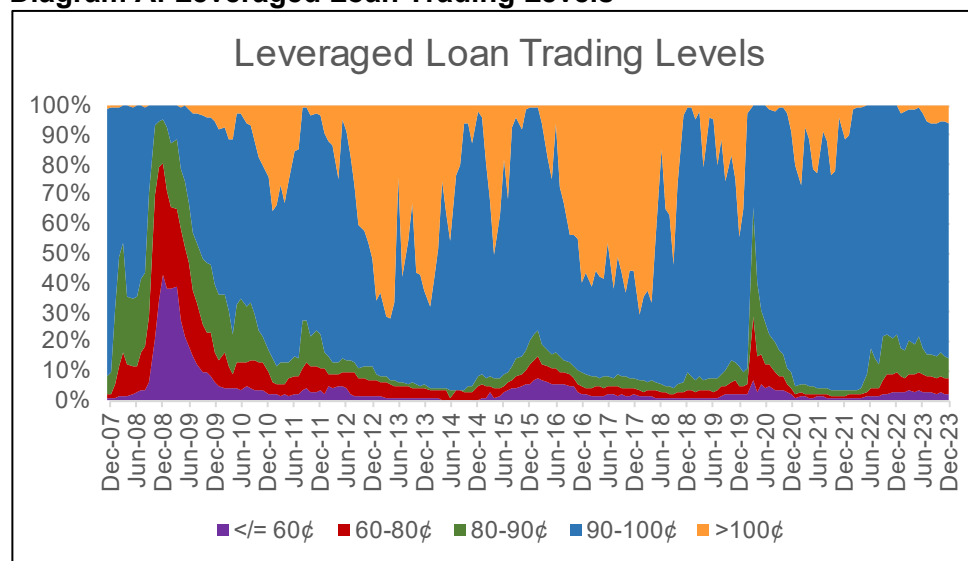
- S&P and Moody's High Yield Ratings

	S&P			Moody's		
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio
Full Year 2023	546	304	1.8x	488	288	1.7x
Week Ending 01/05/24	1	2	0.5x	0	2	0.0x
Week Ending 01/12/24	8	6	1.3x	3	7	0.4x
Week Ending 01/19/24	2	6	0.3x	12	6	2.0x
Week Ending 01/26/24	10	0	n/a	15	6	2.5x
Week Ending 02/02/24	3	13	0.2x	11	7	1.6x
Week Ending 02/09/24	18	6	3.0x	5	7	0.7x
Week Ending 02/16/24	8	2	4.0x	14	9	1.6x
Week Ending 02/23/24	3	8	0.4x	16	16	1.0x
Week Ending 03/01/24	14	5	2.8x	6	2	3.0x
Week Ending 03/08/24	16	10	1.6x	15	14	1.1x
Week Ending 03/15/24	12	7	1.7x	15	5	3.0x
Week Ending 03/22/24	6	5	1.2x	7	10	0.7x
Week Ending 03/29/24	9	2	4.5x	15	14	1.1x
Week Ending 04/05/24	8	11	0.7x	13	8	1.6x
Week Ending 04/12/24	8	11	0.7x	8	7	1.1x
Week Ending 04/19/24	14	10	1.4x	4	12	0.3x
Week Ending 04/26/24	3	4	0.8x	12	6	2.0x
Week Ending 05/03/24	12	5	2.4x	11	4	2.8x
Week Ending 05/10/24	6	10	0.6x	9	9	1.0x
Week Ending 05/17/24	13	7	1.9x	13	4	3.3x
Week Ending 05/24/24	10	6	1.7x	13	10	1.3x
Week Ending 05/31/24	12	3	4.0x	14	10	1.4x
Week Ending 06/07/24	9	14	0.6x	10	9	1.1x
Week Ending 06/14/24	10	7	1.4x	11	12	0.9x
Week Ending 06/21/24	9	6	1.5x	13	8	1.6x
Week Ending 06/28/24	5	4	1.3x	7	6	1.2x
Week Ending 07/05/24	5	8	0.6x	3	8	0.4x
Week Ending 07/12/24	1	4	0.3x	4	5	0.8x
Week Ending 07/19/24	6	4	1.5x	14	4	3.5x
Week Ending 07/26/24	7	9	0.8x	6	6	1.0x
Week Ending 08/02/24	2	8	0.3x	11	2	5.5x
Week Ending 08/09/24	6	4	1.5x	5	6	0.8x
Week Ending 08/16/24	12	5	2.4x	6	6	1.0x
Week Ending 08/23/24	13	3	4.3x	10	9	1.1x
Week Ending 08/30/24	8	6	1.3x	12	8	1.5x
Week Ending 09/06/24	3	6	0.5x	11	5	2.2x
Week Ending 09/13/24	7	10	0.7x	6	3	2.0x
Week Ending 09/20/24	11	5	2.2x	5	6	0.8x
Week Ending 09/27/24	8	10	0.8x	11	11	1.0x
YTD 2024	318	252	1.3x	376	289	1.3x

Source: Bloomberg

Appendix:

Diagram A: Leveraged Loan Trading Levels



Source: Credit Suisse Leveraged Loan Index

Diagram B: High Yield and Leveraged Loan LTM Price

High Yield and Leveraged Loan Data [1]				
	LTM Price			
	Avg. Price	High [2]	Low [3]	LTM High vs. Low Δ
High Yield	92.4	96.9	85.4	11.5
Leveraged Loans	95.5	96.2	94.1	2.1

[1] Data is from Credit Suisse High Yield Market Index and Credit Suisse Leveraged Loan Index

[2] HY high price as of 9/19/24. LL high price as of 5/15/24

[3] HY low price as of 10/20/23. LL low price as of 11/1/23

Diagram C: Leveraged Loan and High Yield Returns

Leveraged Loan and High Yield Returns				
	Leveraged Loan Indices		High Yield Indices	
	Credit Suisse [1]	S&P/LSTA [2]	Credit Suisse [1]	S&P [2]
Weekly Return	0.09%	0.07%	(0.14%)	(0.30%)
MTD Return	0.55%	0.62%	1.35%	1.08%
YTD Return	6.49%	6.39%	7.48%	6.67%

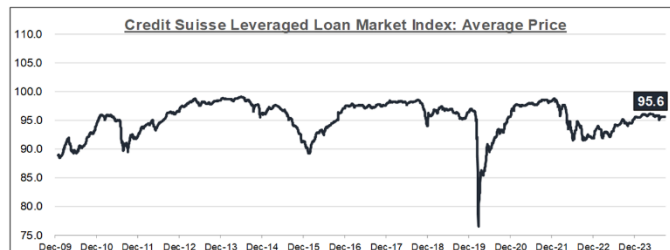
[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 09/27/2024

[2] Yield data as of 09/27/2024

Diagram D: Average Bid Price of High Yield Bonds & Loans

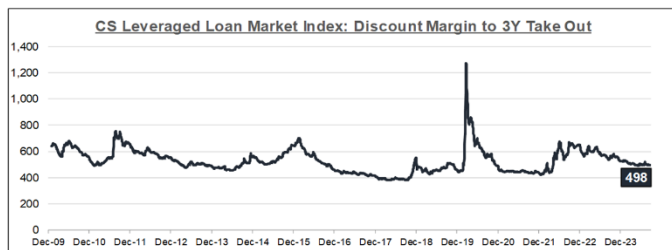


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Average Price, expressed as a % of par value. Data is reported daily.

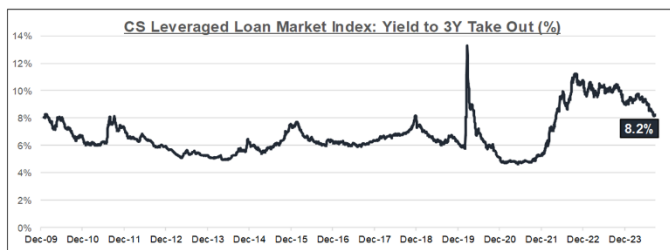


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

Diagram E: Leveraged Loans Spreads & Yields

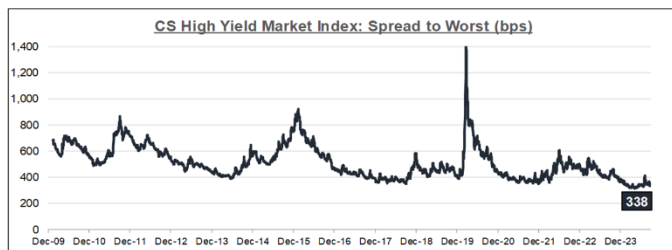


Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.

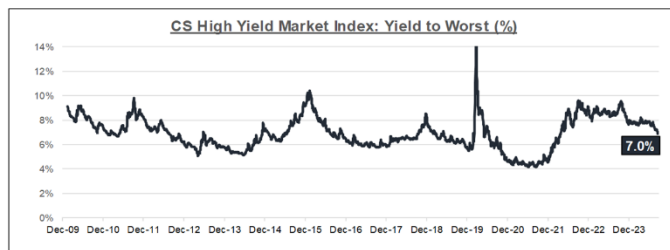


Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields

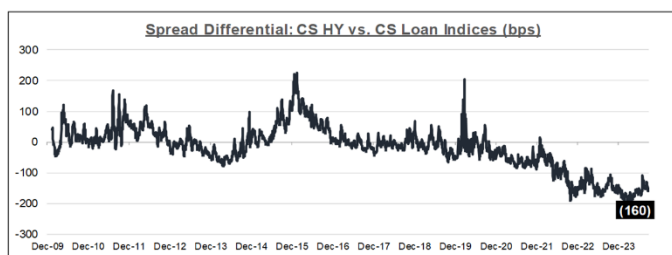


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.

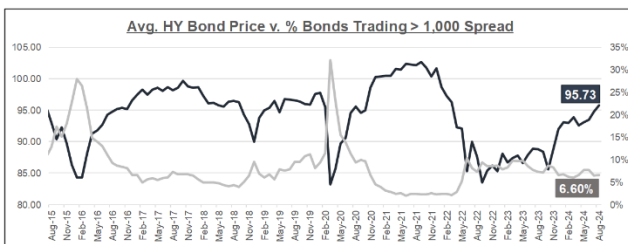


Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

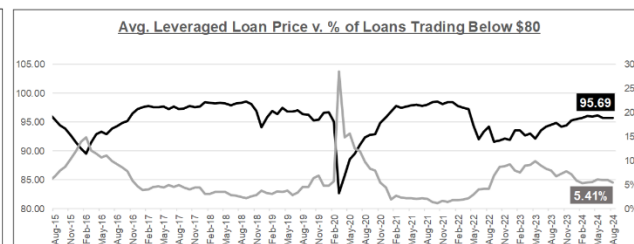
Diagram G: Spread between High Yield Bonds and Leveraged Loans



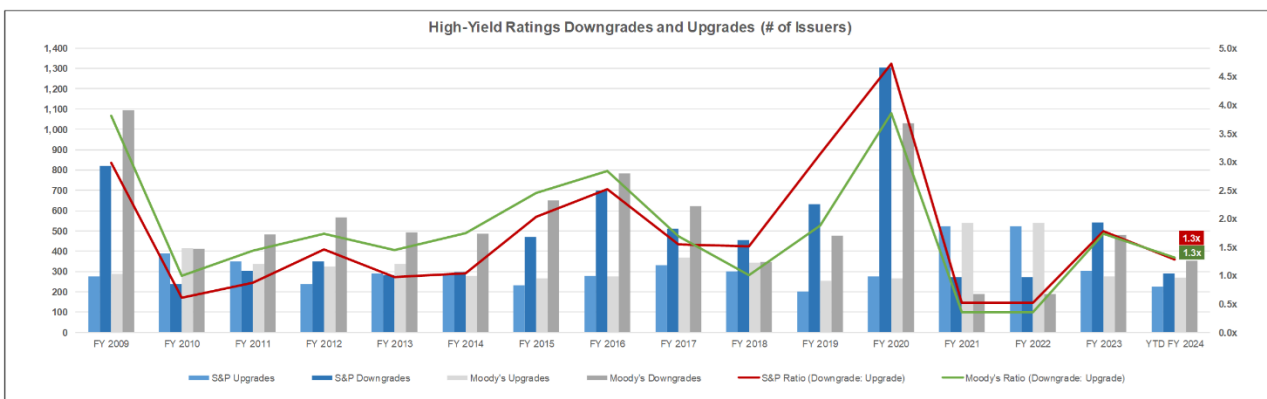
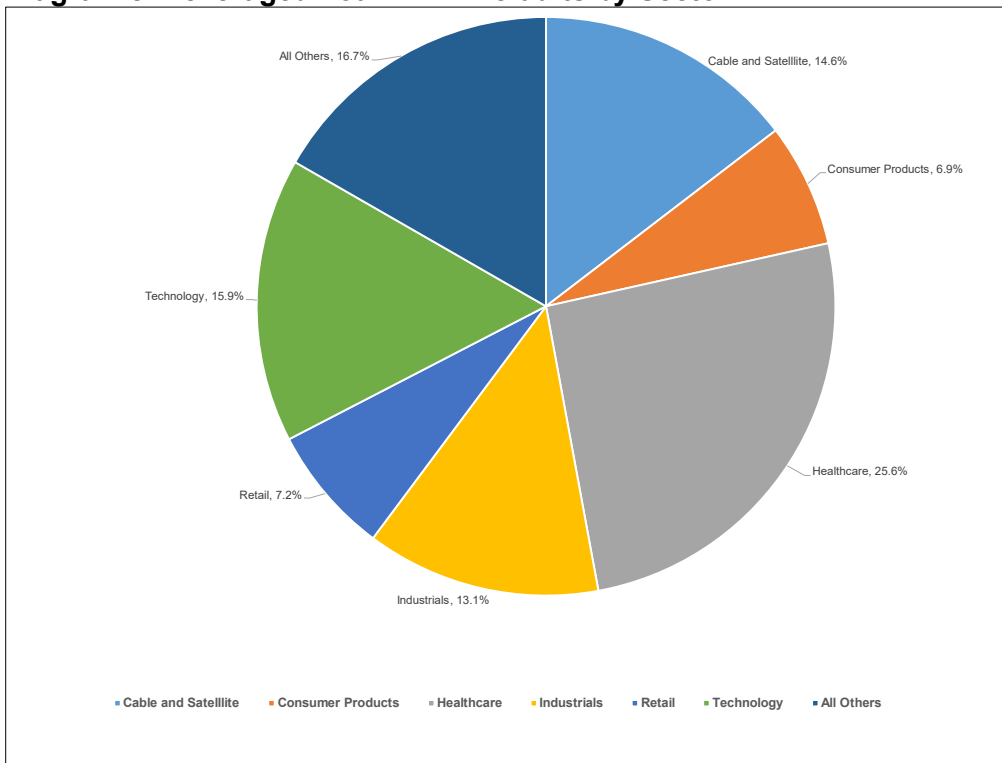
Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

Diagram H: Percentage of Leveraged Loan and High Yield Market Trading at Distressed

Source: CSFB. Data is reported monthly.



Source: JPM. Data is reported monthly.

Diagram I: High Yield Upgrades and Downgrades**Diagram J: Leveraged Loan + HY Defaults by Sector – LTM**

Source: JP Morgan Default Monitor.

Diagram L: CLO Economics

CLO Economics								
AAA Coupons	AAA DMs	WAC Liabilities	DM Liabilities	Leverage	Asset WAS	All In WAS [1]	IRR est.	Cash on Cash est.
L+135-150	L+135-150	L+200-240	L+220-280	9-11x	L+300-360	L+330-390	9-12%	10-14%

*Assumptions: 2% Default / 65% Recovery / 4 year Reinvestment Period

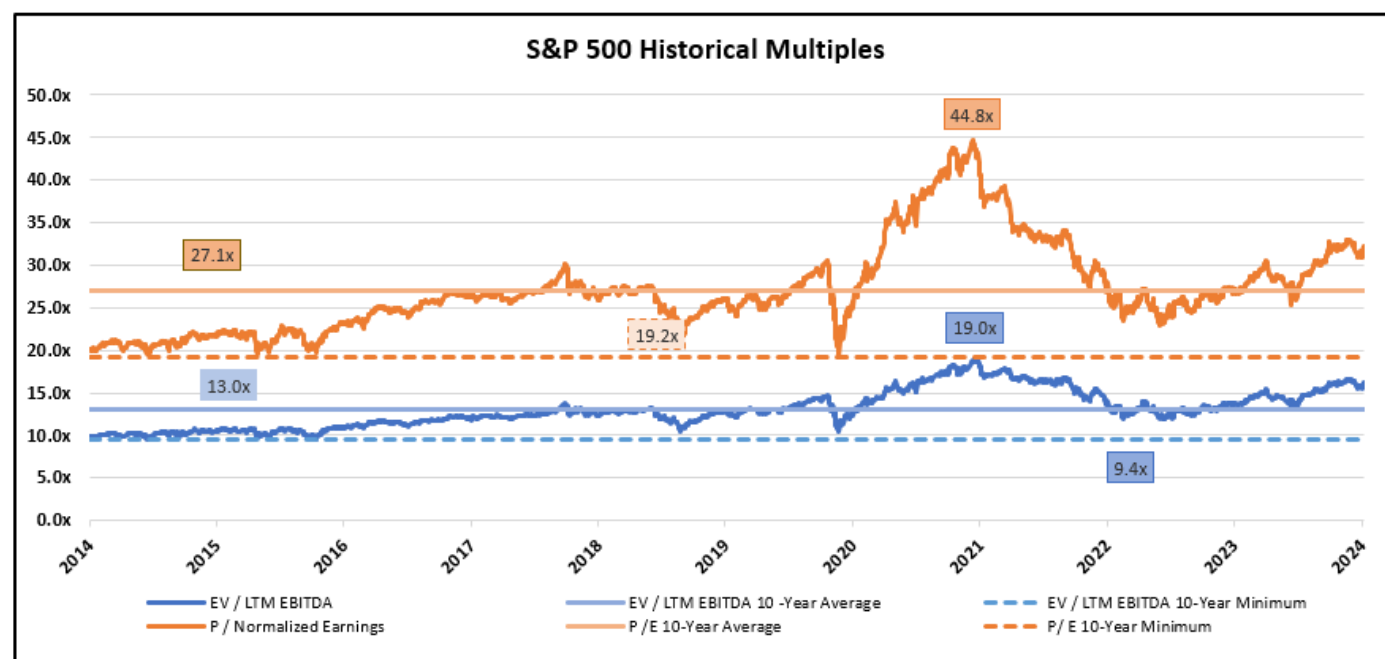
[1] Spread includes OID benefit based on 4 year repayment

Diagram N: Developed Country GovBond Yields (%)

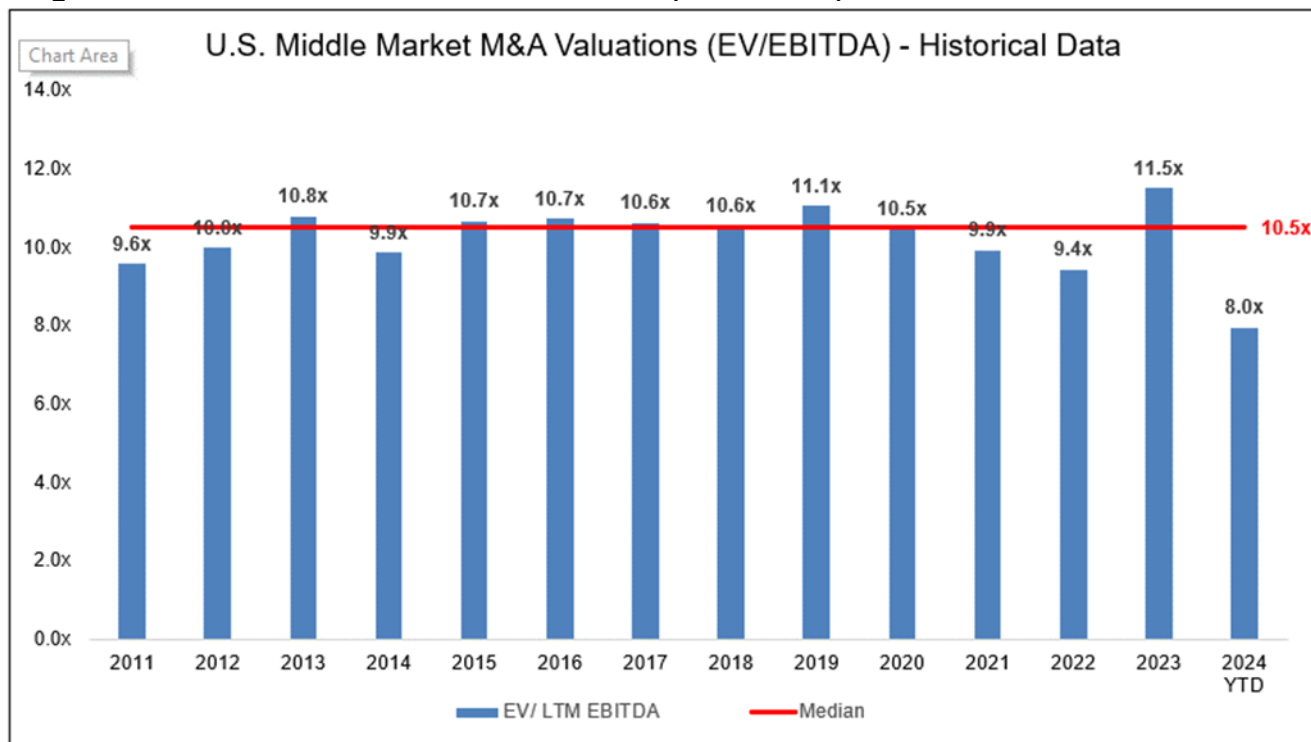
By	9/6/24	9/13/24	9/20/24	9/27/24	Weekly	Q4 2023	Change Q3 2023	Q2 2023	Q1 2023
France - 10 year	2.88%	2.84%	2.97%	2.92%	(5 bps)	(84 bps)	47 bps	14 bps	(32 bps)
Germany - 10 year	2.17%	2.15%	2.21%	2.13%	(8 bps)	(82 bps)	45 bps	10 bps	(28 bps)
Italy - 10 year	3.62%	3.51%	3.56%	3.45%	(10 bps)	(108 bps)	71 bps	(3 bps)	(62 bps)
Japan - 10 year	0.85%	0.85%	0.85%	0.85%	0 bps	(20 bps)	42 bps	(9 bps)	2 bps
UK - 10 year	3.89%	3.77%	3.90%	3.98%	7 bps	(99 bps)	17 bps	95 bps	(27 bps)
US									
US - 2 year	3.65%	3.58%	3.59%	3.57%	(3 bps)	(90 bps)	21 bps	111 bps	(54 bps)
US - 5 year	3.49%	3.43%	3.50%	3.51%	1 bps	(95 bps)	61 bps	80 bps	(51 bps)
US - 10 year	3.71%	3.65%	3.74%	3.75%	1 bps	(92 bps)	94 bps	52 bps	(40 bps)
US - 30 year	4.02%	3.98%	4.08%	4.09%	1 bps	(89 bps)	106 bps	27 bps	(24 bps)

Source: Bloomberg

Diagram O: S&P 500 Historical Multiples



Source: S&P Capital IQ

Diagram P: U.S. Middle-Market M&A Valuations (EV/EBITDA)x

Source: Pitchbook

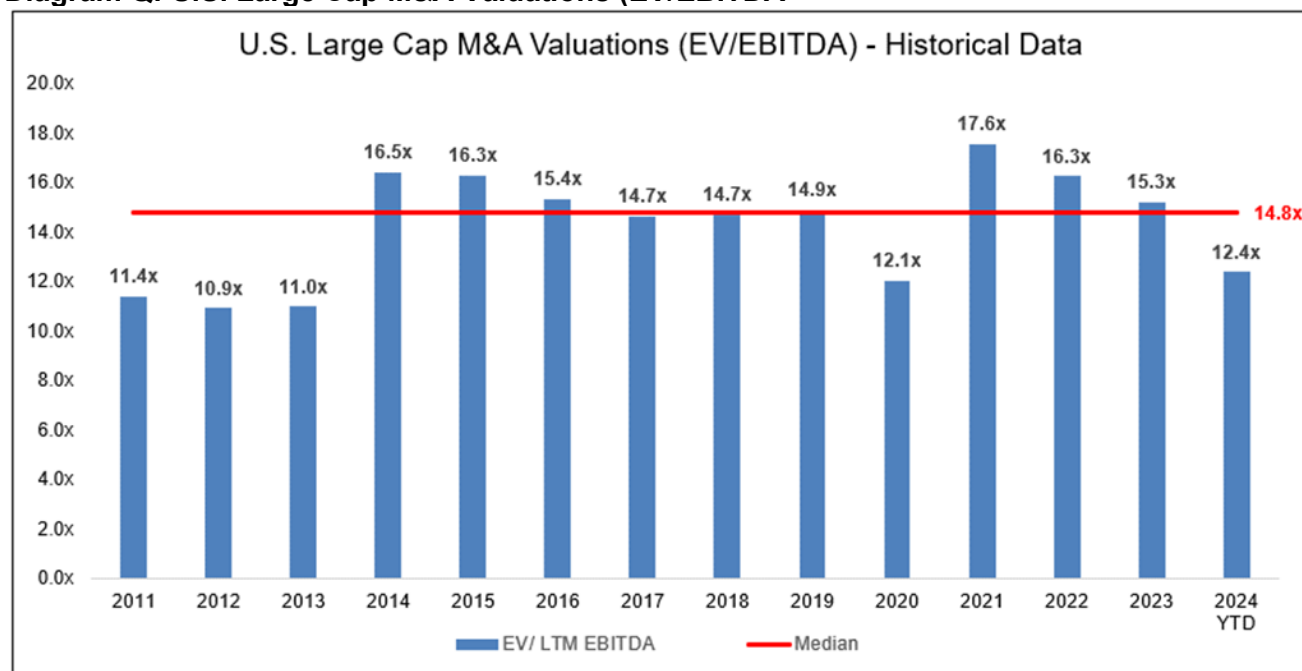
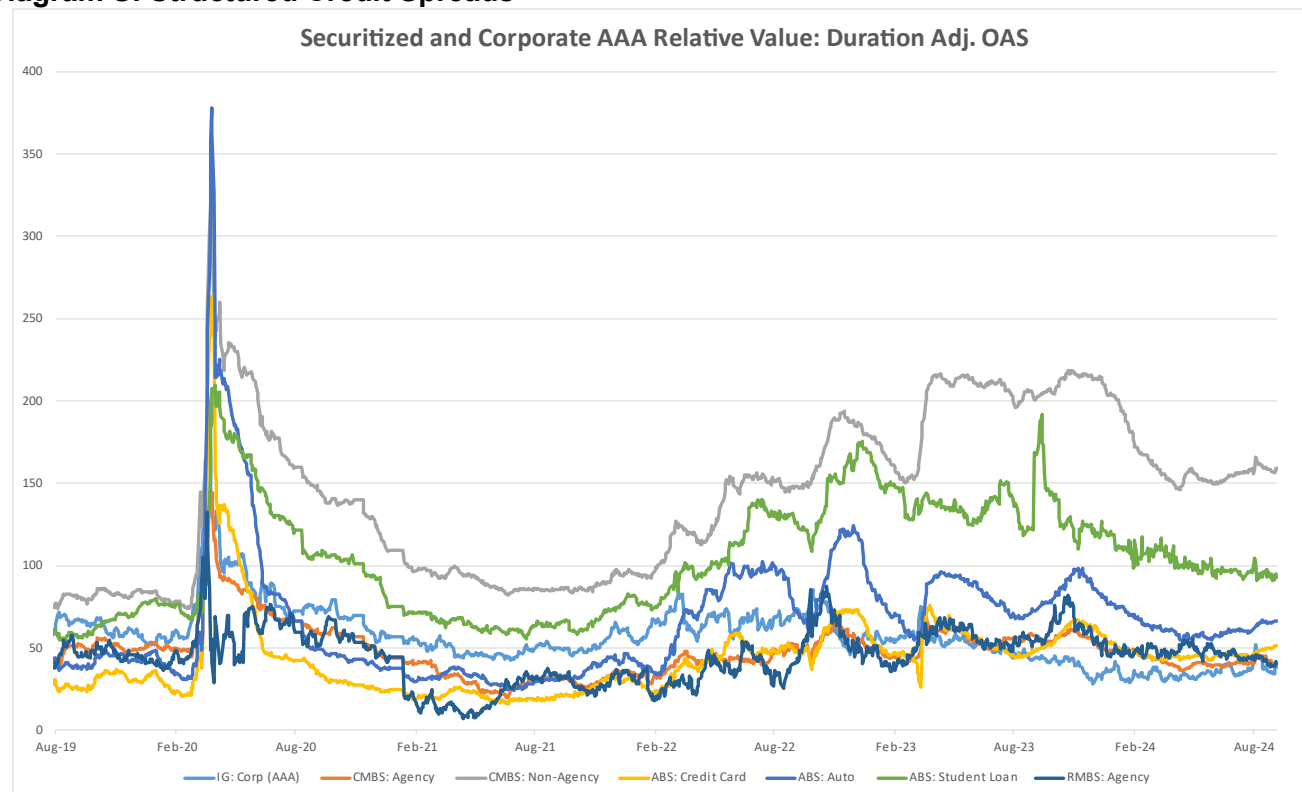
Diagram Q: U.S. Large Cap M&A Valuations (EV/EBITDA)

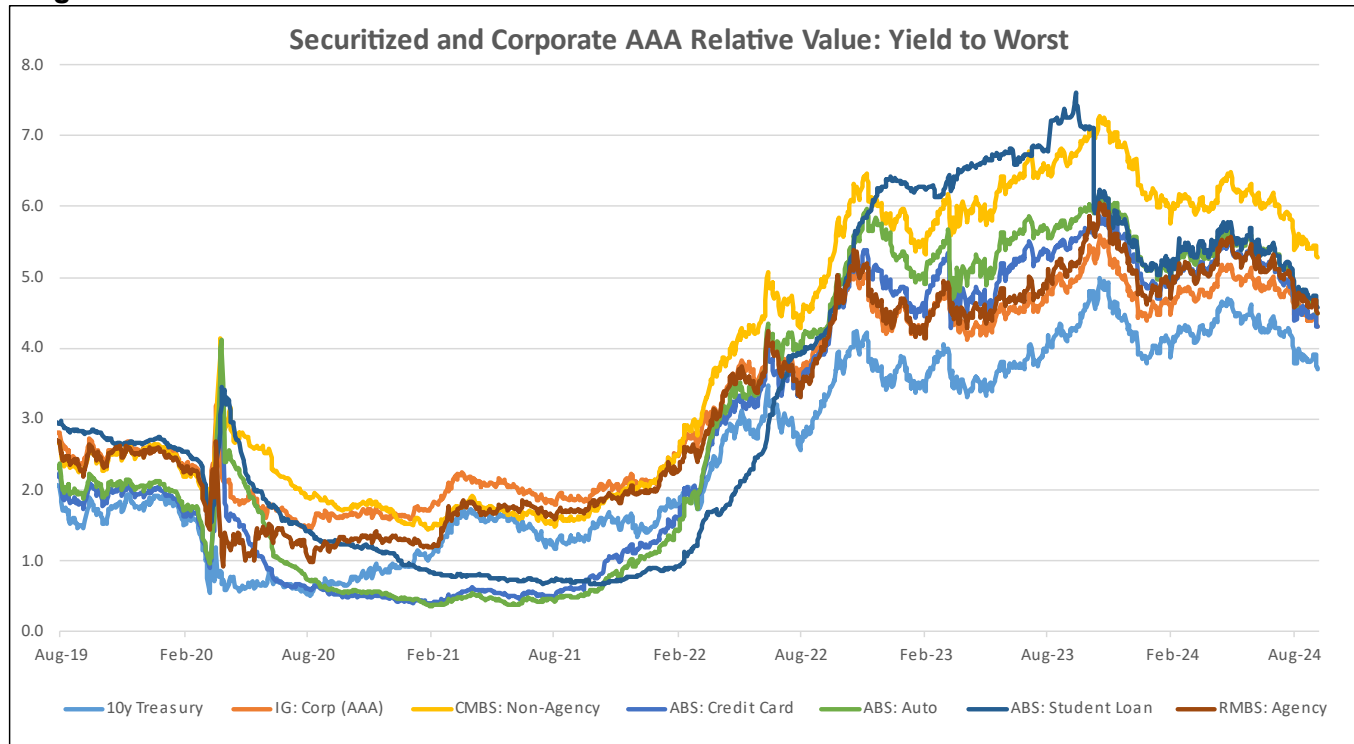
Diagram R: Dry Powder for All Private Equity Buyouts

Source: Pitchbook

Diagram S: Structured Credit Spreads

Source: Bloomberg

Diagram T: Structured Credit Yield



Source: Bloomberg

Diagram U: SOFR Curve

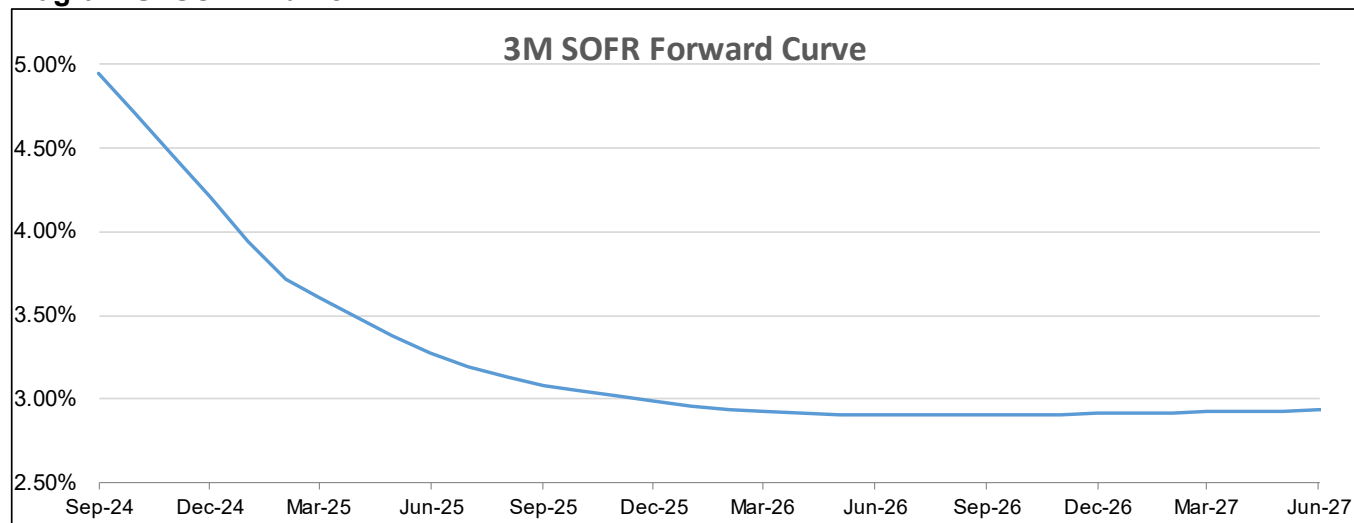
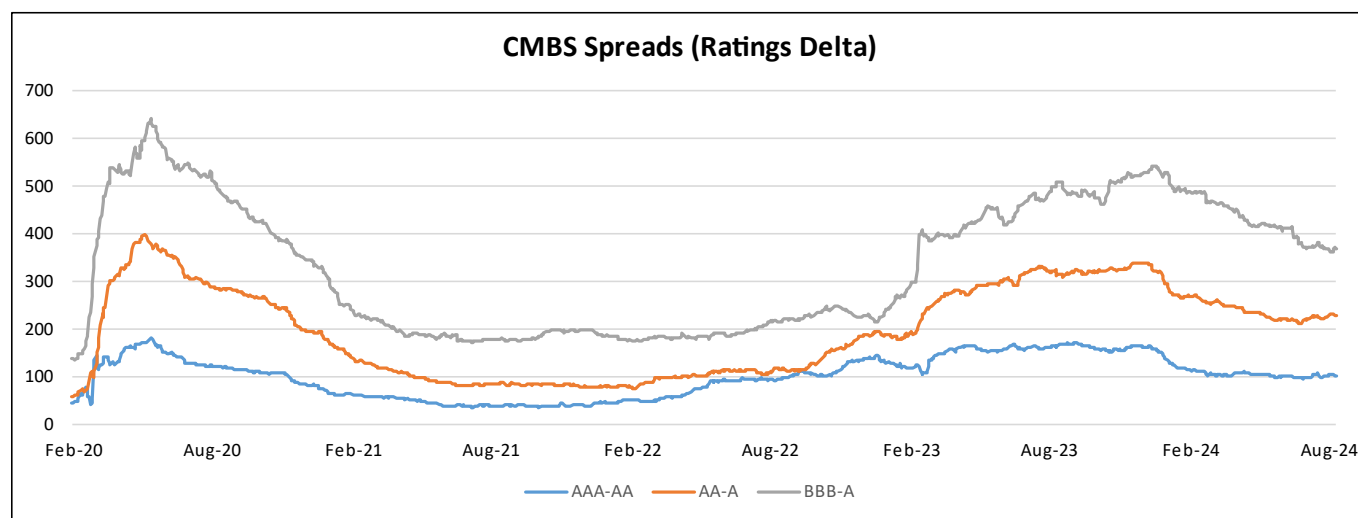
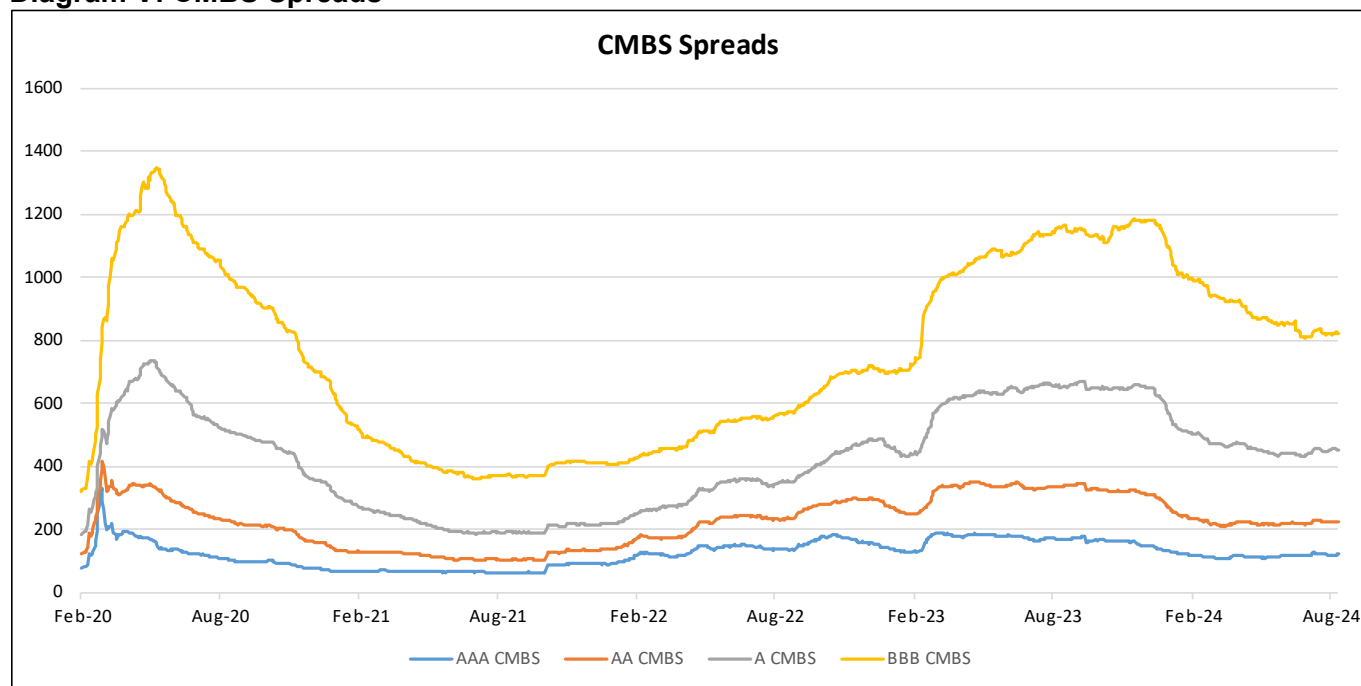
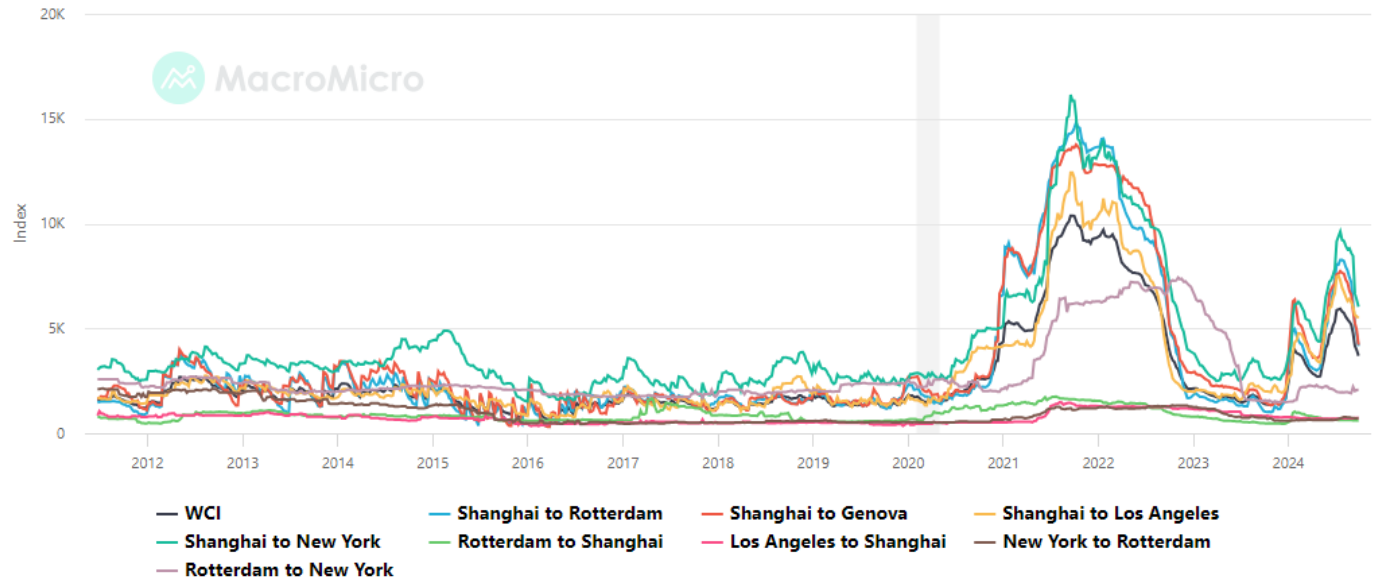


Diagram V: CMBS Spreads

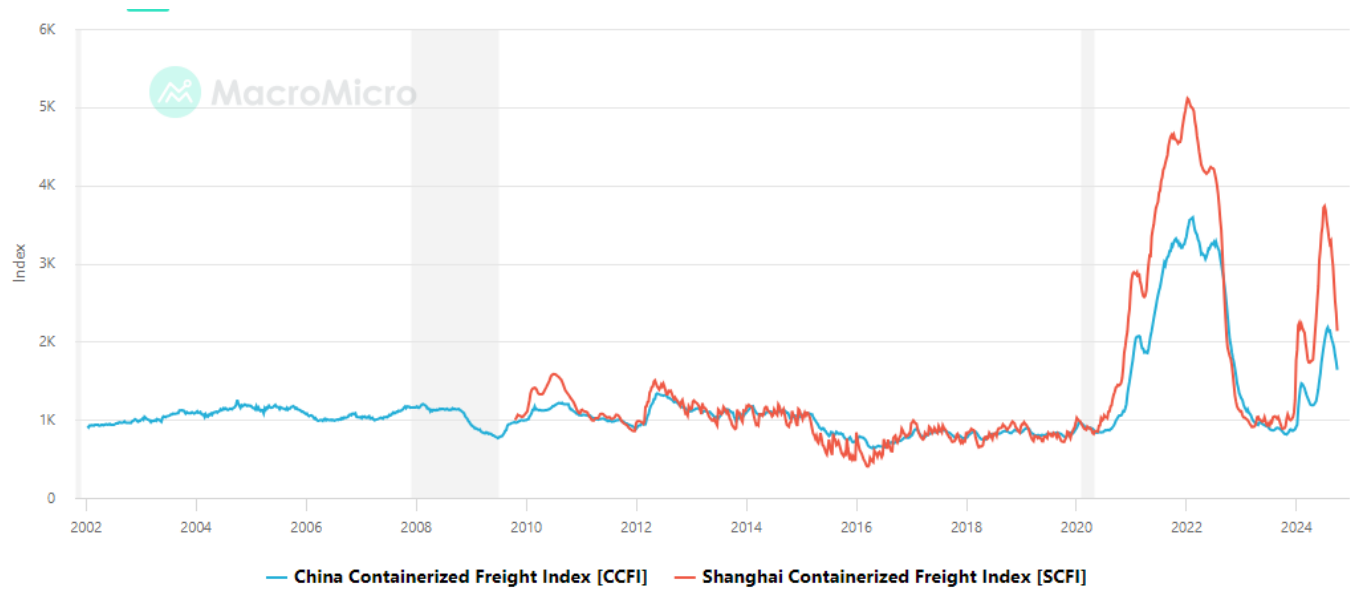


Freight Rates

Drewry World Container Index



China-Global & Shanghai Export Container Freight Index



About ZCG

ZCG is a leading, privately held merchant bank comprised of private markets asset management, business consulting services, and technology development and solutions.

For nearly three decades, ZCG has invested tens of billions of dollars in private equity and credit-related strategies, through multiple economic cycles and across many industries, including consumer products, steel, steel processors, agriculture, consumer food, gaming, hospitality, manufacturing, specialty services and automotive. ZCG has successfully executed buy-and-build opportunities, corporate carve-outs, go-private transactions and growth opportunities, as well as credit investments, including private debt, direct lending, balance sheet solutions, mezzanine, syndicated leveraged loans, opportunistic credit and structured products.

ZCG's investors include prominent global sovereign wealth funds, endowments, pension funds, insurance companies, foundations, family offices, wealth management firms and other financial institutions in North America, Europe, Asia, Africa and the Middle East.

ZCG has a global team comprised of approximately 400 talented professionals. For more information on ZCG, please visit www.zcg.com.

Asset Management

ZCG Private Equity is the private equity fund management platform of ZCG, which pursues a strategy of acquiring companies that are growth platforms, corporate carve-outs, buy & build, go-private transactions, and turnarounds.

ZCG has a specialized, three-pronged approach including its consulting practice, ZCGC, and technology affiliate, to assist in significant value-creation initiatives across portfolio companies.

ZCG Credit is the credit fund management platform of ZCG, which invests across a range of credit investments including leveraged loans, private debt, direct lending, and opportunistic credit. ZCG Credit manages closed and open-ended funds as well as structured vehicles of strategic debt.

ZCG Credit utilizes an approach of fundamental credit analysis, developed over nearly 30 years, through proprietary sourcing, sophisticated structuring and comprehensive risk management utilizing the Olympus™ system.

ZCG's current portfolio companies have aggregate worldwide annual revenues of approximately \$2 billion, sell products in 120 countries, operate 15 manufacturing facilities, and have over 200,000 employees and associates directly and through joint ventures.

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ZCGC is a team of consultants possessing a diverse skillset with significant industry and subject matter expertise, offering comprehensive support across the full transaction cycle optimizing returns in numerous verticals.

ZCGC partners with management teams to develop strategic plans and oversee tactical execution of specific value creation initiatives.

A trusted resource for private equity firms and their portfolio companies, our ZCGC professionals offer unmatched functional expertise with highly tailored solutions to accelerate growth and scale responsibly.

Our consultants are selected for their leadership experience across investment banking, capital markets, Big 4 consulting, real estate development, talent acquisition, procurement, and the corporate C-suite.

Together with Haptiq, our strategic software development affiliate, ZCGC helps position its clients on the path to success. For more information on ZCGC, please visit www.zcgc.com.

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Haptiq, LLC ("Haptiq") – where insight meets innovation.

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