S&P Dow Jones Indices

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Index Education

# A New Generation of Benchmarks for Private Credit


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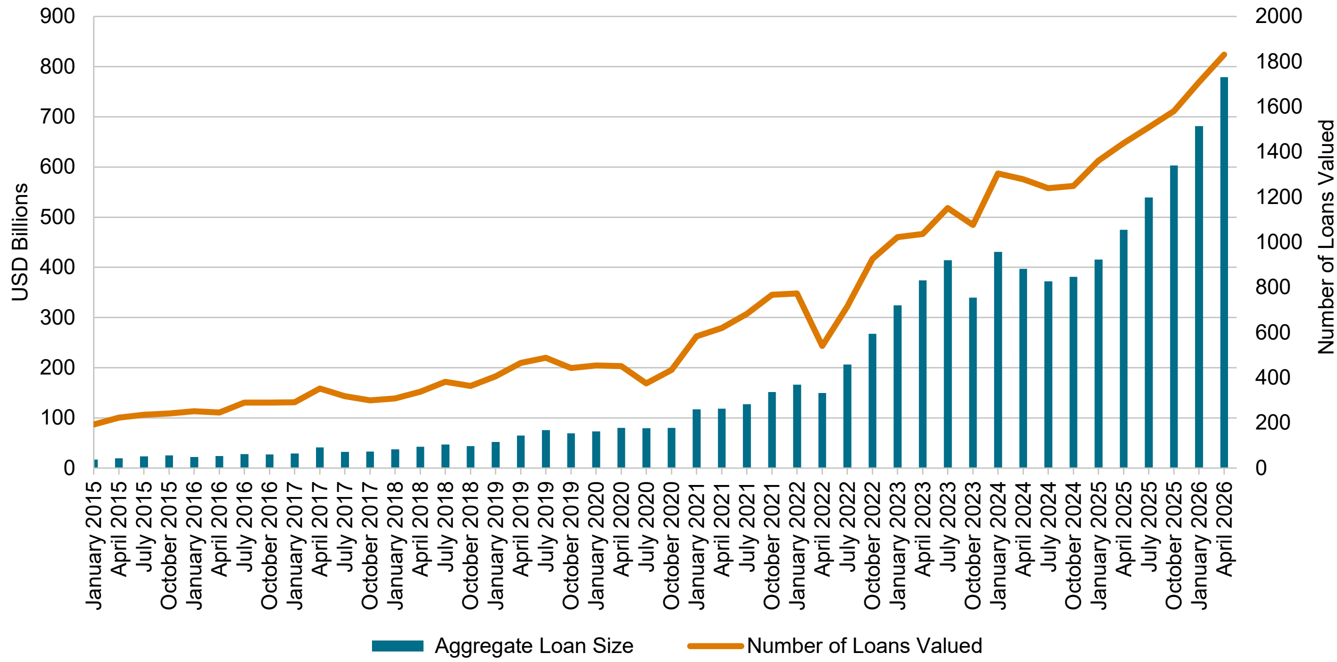
Private credit markets continue to scale, and demand to understand what is happening beneath the surface is growing as market participants seek to build more diversified and resilient portfolios, manage liquidity and identify new return streams.

When it comes to measurement, particularly in direct lending—the leading strategy in private credit—there is an increasing focus on the quality, frequency and granularity of the data used to evaluate fund performance and its underlying drivers.  Yet measuring, comparing and monitoring performance and risk can remain challenging in a market where data is limited, valuations are infrequent and transparency can vary widely.

The S&P Lincoln Senior Debt Indices help address these challenges by bringing asset-level insights, independent valuations and index discipline to the U.S. and European middle-market direct lending universe.  Underpinned by Lincoln International's extensive valuation data universe, which includes more than 7,000 portfolio valuations per quarter and over USD 220 billion in quarterly securities valued, the indices provide data-driven benchmarks for assessing senior debt performance across the private credit landscape.

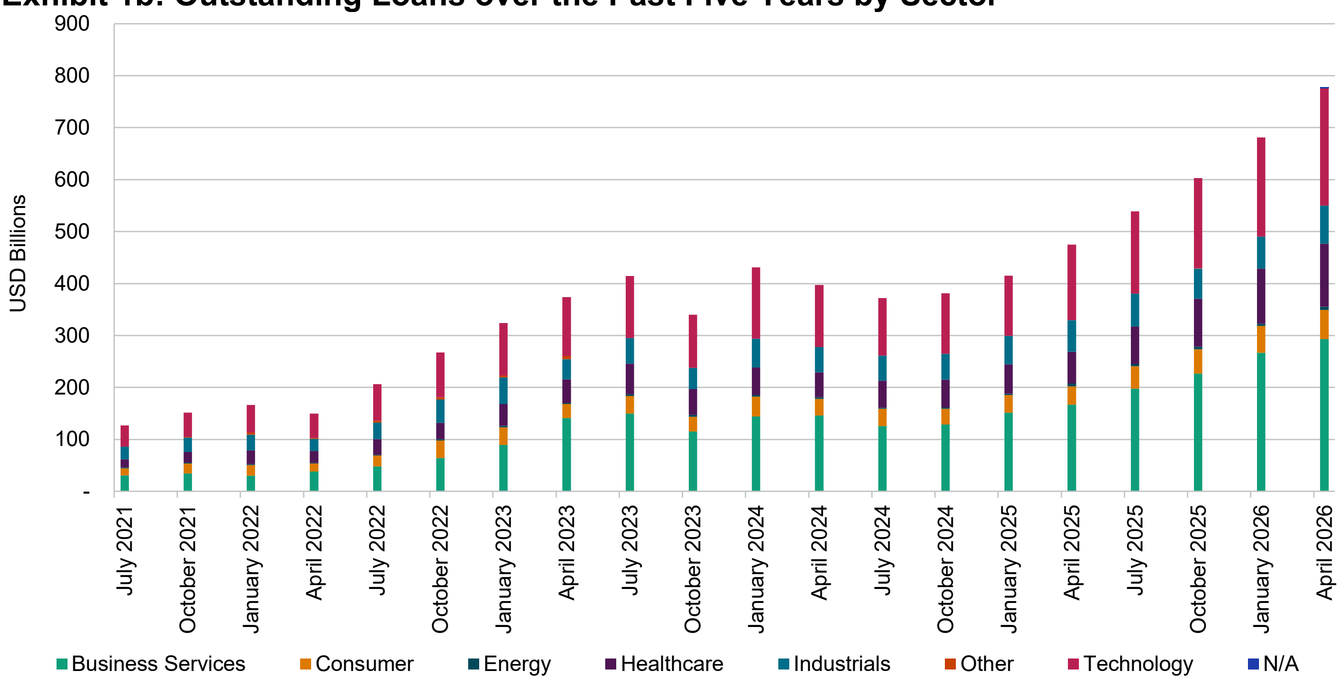
Now with monthly calculated benchmarks and dedicated subindices by loan type, sector and borrower EBITDA, this index series provides an even more timely and granular view into one of the fastest-growing areas of private markets.

**Exhibit 1a: Evolution of Lincoln International's Loan Valuation Data**




Source: S&P Dow Jones Indices LLC. Data from Jan. 1, 2015, to April 30, 2026. The S&P Lincoln U.S. Senior Debt Index was launched on Feb. 23, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

**Exhibit 1b: Outstanding Loans over the Past Five Years by Sector**




Source: S&P Dow Jones Indices LLC. Data from April 30, 2021, to April 30, 2026. Chart is provided for illustrative purposes. Source: S&P Dow Jones Indices LLC. Data from April 30, 2021, to April 30, 2026. The S&P Lincoln U.S. Senior Debt Index was launched on Feb. 23, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

# A Dedicated Senior Debt Index

As private credit becomes a larger part of institutional portfolios, investors may need more than just broad market commentary or fund-level performance snapshots. Effective tools can help them understand how the underlying loans are performing to support risk monitoring, valuation oversight, asset allocation, portfolio construction, and reporting and governance activities.

The need for greater transparency becomes even more important as private credit expands further into regulated investor channels. In Europe, frameworks such as packaged retail and insurance-based investment products (PRIIPs) place greater emphasis on risk disclosure, cost and performance for products available to the wealth channel, creating additional demand for managers, product manufacturers and distributors. In the U.S., the Department of Labor has called for more "meaningful" benchmarks for 401(k) plan sponsors,[1] highlighting the importance of broader private market indices.

In direct lending, where loans are privately arranged, infrequently traded and valued using models rather than market prices, reporting is particularly challenging and effective measurement hasn't existed historically. A dedicated senior debt index supports this by providing an independent reference point for market performance, valuation trends and risk dynamics.

While senior debt is often viewed as one of the more stable areas of private credit, it can still be affected by fluctuations in interest rates, credit quality, borrower health, liquidity conditions and wider market conditions that don't wait for quarter-end.

This makes the frequency of benchmarking key—having access to more timely asset-level insights, as provided in the S&P Lincoln U.S. Senior Debt Index and S&P Lincoln Europe Senior Debt Index with monthly calculated loan-level data, can help market participants to understand how senior private credit loans are valued over time. It enables more reliable comparisons of how yields, spreads and prices are changing, and how overall performance is evolving compared with fixed income, the wider credit spectrum and other private market asset classes.

[1] Garcia, Luis, "Absence of 'Meaningful' Benchmarks Bedevils 401(k) Private-Markets Investing," Wall Street Journal, June 29, 2026.

# Today's Private Credit Market

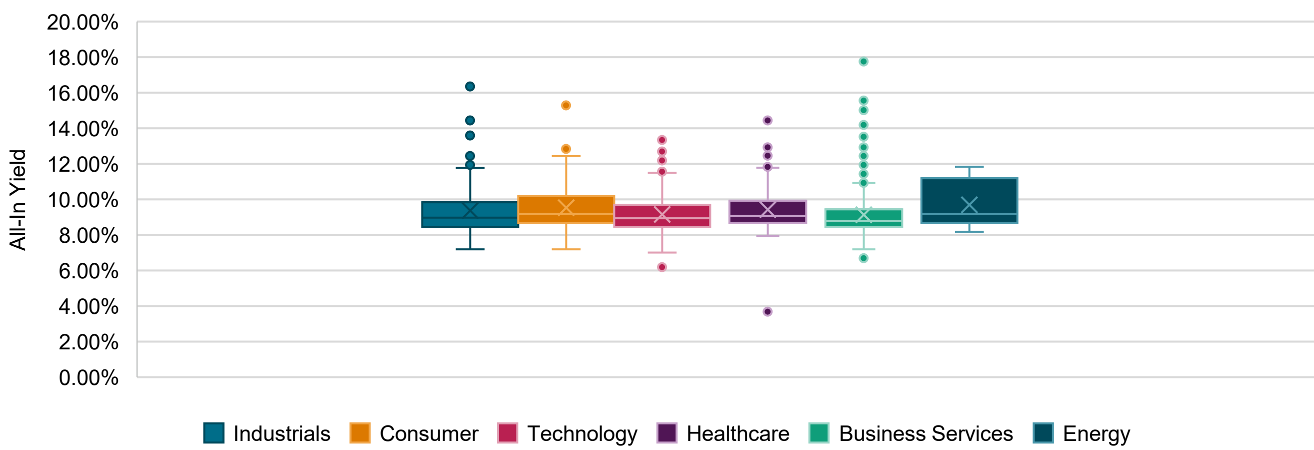
A dedicated index purpose-built for senior debt can help bring greater clarity and consistency to a part of private credit that has historically been difficult to measure. With demand growing for insights beyond fund-level performance, an index that delves into the underlying loans and how they're valued may help bring visibility to those looking to understand how—and why—performance evolves over time.

The S&P Lincoln Senior Debt indices provide that perspective by combining asset-level valuation data with S&P Dow Jones Indices' trusted rules-based index methodology and governance framework. Rather than relying solely on aggregated or fund-level information, the indices are built from a bottom-up perspective, using valuation input from Lincoln International's fund clients, sourced directly from portfolio companies.

This approach provides an transparent view of the market, with more granular insights into risk and credit conditions. Using a rich set of credit metrics—including returns, fair value movements, yields, coupon spreads, leverage, and borrower characteristics by firm size, sector and time period, for example—enables the analysis of how yields and spreads change over time, how risk differs between borrowers and how credit conditions vary across sectors (see Exhibit 2).

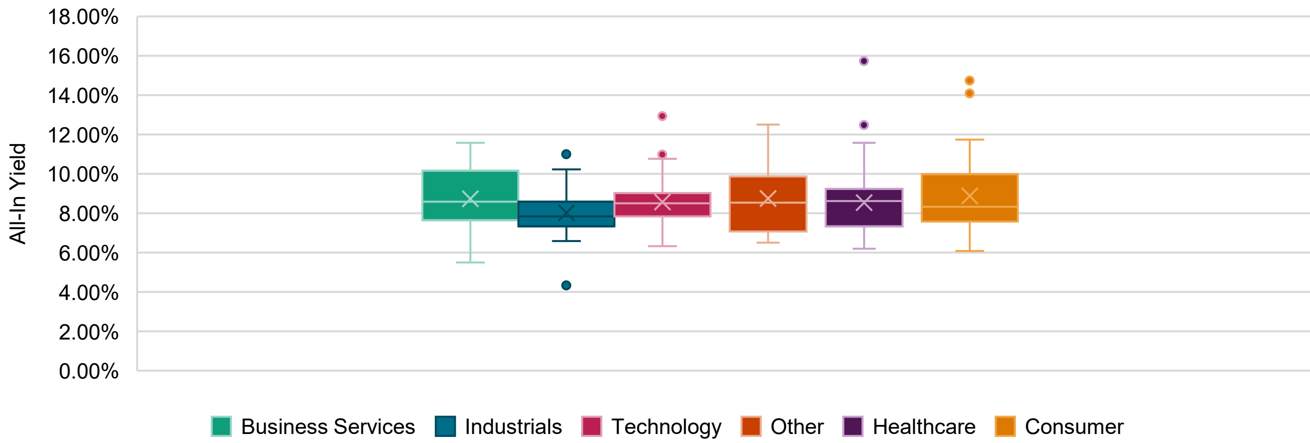
This deeper level of analysis goes beyond traditional performance measurement to help investors identify emerging trends, more consistently compare exposures and gain a more granular understanding of risk and return shifts within the senior debt market.

**Exhibit 2a: All-In Yield by Sector (U.S.)**




Source: S&P Dow Jones Indices LLC. Data from Jan. 1, 2026, to March 31, 2026. The S&P Lincoln U.S. Senior Debt Index was launched on Feb. 23, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

**Exhibit 2b: All-In Yield by Sector (Europe)**




Source: S&P Dow Jones Indices LLC. Data from Jan. 1, 2026, to March 31, 2026. The S&P Lincoln Europe Senior Debt Index was launched on Feb. 23, 2026. All data prior to such date is back-tested hypothetical data. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

# The Importance of Monthly Valuations

Private credit markets can change more quickly than traditional quarterly reporting cycles suggest. Base rates, credit spreads, refinancing conditions, borrower performance and market sentiment can all shift meaningfully between quarter-end valuation points. Having less frequent data can leave market participants with an incomplete view of how senior debt exposures are evolving.

Monthly valuations help to narrow the information gap by providing more timely insights into changes in pricing, yields, fair value and credit conditions. This can help support market participants between quarterly reporting periods, facilitating portfolio monitoring and providing a more responsive reference point when assessing private credit market movements alongside trends in leveraged loans, high yield bonds, broader fixed income and private markets.

For investors, the added frequency can also be particularly valuable for risk oversight, valuation governance, reporting obligations and allocation discussions. In a market where transparency and timeliness remain common concerns, monthly benchmarks provide a more current reference point for understanding senior debt performance and support more informed conversations across investment, risk and reporting functions.

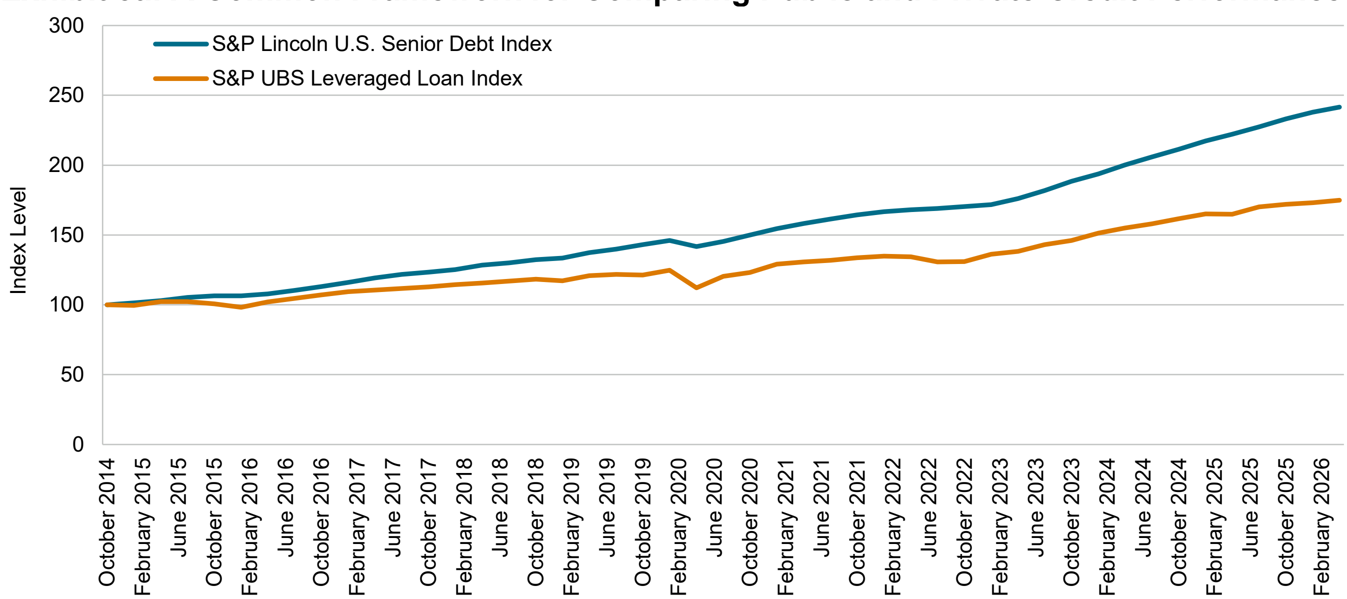
# Shaping the Next Generation of Private Credit Benchmarks

Many private market data offerings aim to provide more transparency into private credit, but combining asset-level data with a consistent framework for measuring and interpreting performance can make that even more powerful.  S&P DJI's robust index-based approach plays an important role in building the structure to enable more effective benchmarking and broaden participation.

A useful reference point for how private credit benchmarking may evolve is to consider what public market indices already provide.  The comparison isn't perfect—private markets are structurally different from public markets, with less frequent valuations, limited liquidity and more complex cash flow patterns.  However, public market indices can still be a helpful anchor.

The S&P UBS Leveraged Loan Index Series provides a useful comparison point for assessing trends in the syndicated loan market, including yields, spreads, returns and sector-level credit conditions.  The S&P Lincoln Senior Debt Indices complement this by bringing similar transparency to senior direct lending, enabling a more consistent view when comparing public and private credit markets side by side.

**Exhibit 3a: A Common Framework for Comparing Public and Private Credit Performance**




Source: S&P Dow Jones Indices LLC.  Data from Oct. 31, 2014, to April 30, 2026.  Indices were rebased to 100 on Oct. 31, 2014.  The S&P UBS Leveraged Loan Index was launched on Dec. 2, 2024.  The S&P Lincoln U.S. Senior Debt Index was launched on Feb. 23, 2026.  All data prior to such date is back-tested hypothetical data.  Index performance based on total return in USD.  Past performance is no guarantee of future results.  Chart is provided for illustrative purposes and reflects hypothetical historical performance.  Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

**Exhibit 3b: Annualized Back-Tested Performance and Volatility**

| Metric | S&P Lincoln U.S. Senior Debt Index | S&P UBS Leveraged Loan Index |
|---|---|---|
| Annualized Performance (%) | 7.97 | 4.98 |
| Annualized Volatility (%) | 2.17 | 4.89 |

Source: S&P Dow Jones Indices LLC. Data from Oct. 31, 2014, to April 30, 2026. The S&P UBS Leveraged Loan Index was launched on Dec. 2, 2024. The S&P Lincoln U.S. Senior Debt Index was launched on Feb. 23, 2026. All data prior to such date is back-tested hypothetical data. Index performance based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

The evolution of the S&P UBS Leveraged Loan Indices shows what mature credit benchmarks can deliver: consistent performance measurement, transparent index rules and a wide range of analytics.

The S&P Lincoln Senior Debt Indices bring that same framework to private credit, offering a transparent and comparable reference point to support benchmarking, portfolio oversight, risk discussions and analysis of direct lending performance. As private credit becomes a more established part of institutional portfolios, benchmarks like these can help to support the next stage of market development by giving investors greater confidence to assess, compare and participate in the asset class.

**Learn more about our private credit indices to find out how we're helping investors assess performance and risk with greater transparency.**

# Performance Disclosure/Back-Tested Data

The S&P Lincoln U.S. Senior Debt Index was launched Feb. 23, 2026. The S&P UBS Leveraged Loan Index was launched on Dec. 2, 2024. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US $100,000 investment for a 12-month period (or US $10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US $1,650), the net return would be 8.35% (or US $8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US $5,375, and a cumulative net return of 27.2% (or US $27,200).

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