PRIVATE CREDIT RADAR · WEBINAR

Reading the Private Credit Radar

Six indicators of credit stress in US BDC loan books, loan by loan, 2023 Q1 to 2026 Q2

Tuesday 10 November 2026 · 17:00 to 18:00 CET · online

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Release of 2 November 2026 · series v21 · SEC 10-Q and 10-K schedules of investments, filings pulled 19 September 2026 · Author's analysis of public filings

All six indicators read higher than a year earlier: 10.3% of loans are marked below 90 and 1.84% of debt is on non-accrual

1 Marked below 90

10.26%

▲ **+2.55 pts** on the year · 2025 Q2: 7.71%

2026 Q1: 10.33% · −0.07 pts on the quarter

Positions with fair value under 90% of principal. Below 80: 5.91%.

2 Markdown breadth

4.01%

▲ **+0.88 pts** on the year · 2025 Q2: 3.13%

2026 Q1: 6.57% · −2.56 pts on the quarter

Positions marked down 5 points or more in the quarter.

3 Cross-manager mark gap

12.29%

▲ **+2.99 pts** on the year · 2025 Q2: 9.30%

2026 Q1: 11.64% · +0.65 pts on the quarter

Borrowers held by two or more managers whose marks differ by 5 points or more.

4 PIK switch rate

1.44%

▲ **+0.29 pts** on the year · 2025 Q2: 1.15%

2026 Q1: 1.52% · −0.08 pts on the quarter

Loans moving from cash to payment-in-kind interest in the quarter.

5 Distress amendments (Tier 2)

0.53%

▲ **+0.13 pts** on the year · 2025 Q2: 0.40%

2026 Q1: 0.46% · +0.07 pts on the quarter

PIK switch, spread step-up or extension with a mark below 90 or a markdown. Tier 3, without: 2.74%.

6 Non-accrual rate

1.84%

▲ **+0.55 pts** on the year · 2025 Q2: 1.29%

2026 Q1: 1.95% · −0.11 pts on the quarter

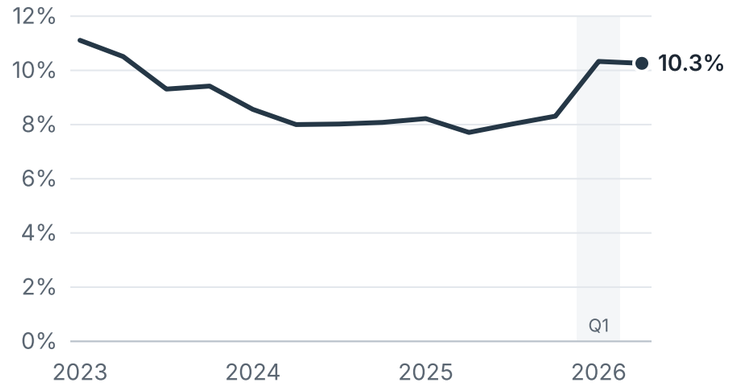
Debt at cost on which the fund has stopped accruing interest.

162 funds · **88** managers · **36,687** loan positions · **USD 499bn** principal · **7,139** borrowers

Marks turned in 2026 Q1: 6.6% of loans were marked down 5 points or more in one quarter, and they have not recovered since

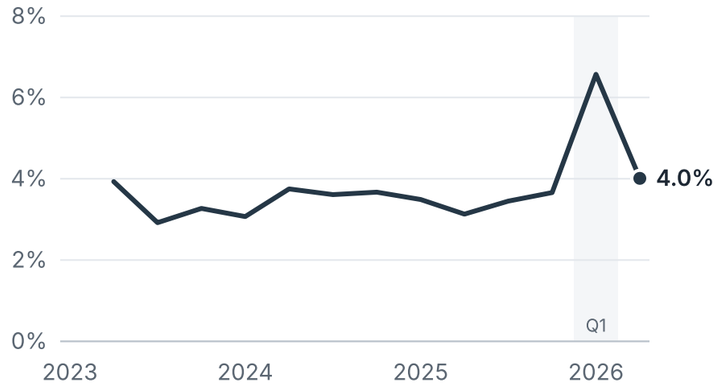
1 Marked below 90

% of positions, all funds



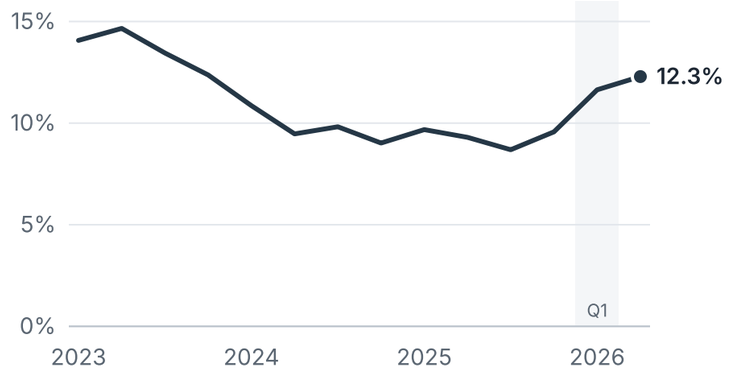
2 Markdown breadth

% of followed positions down 5+ points



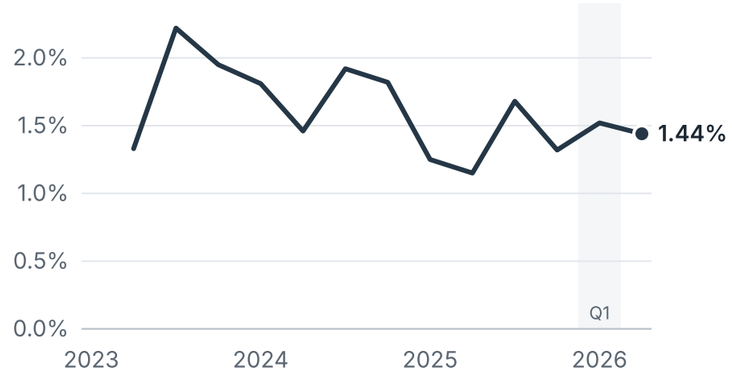
3 Cross-manager mark gap

% of multi-manager borrowers, gap 5+ points



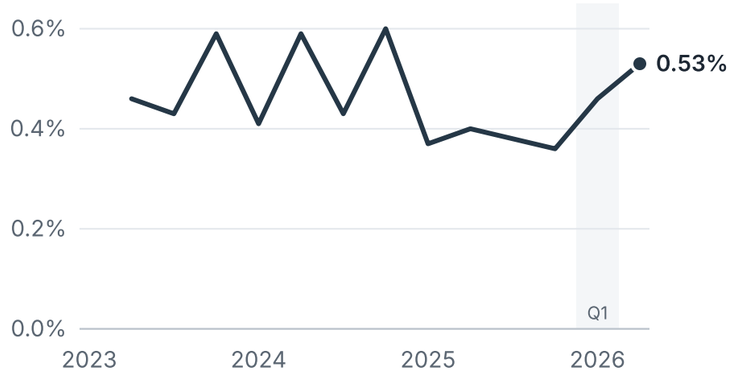
4 PIK switch rate

% of followed positions



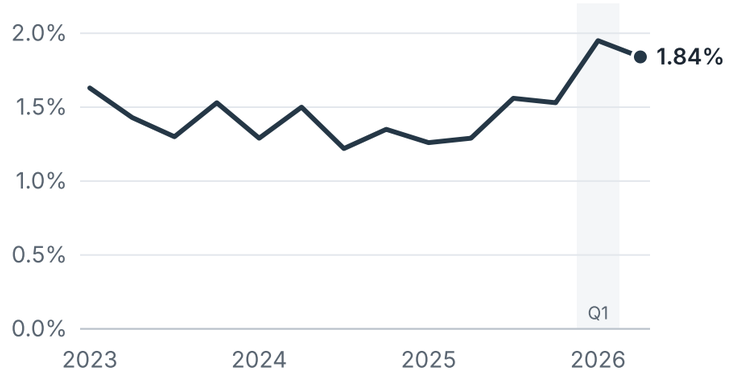
5 Distress amendments (Tier 2)

% of followed positions



6 Non-accrual rate

% of debt at cost



Each panel has its own scale. Indicators 2, 4 and 5 compare a position with itself a quarter earlier and start in 2023 Q2. Thresholds (90, 5 points) are parameters.

In 2026 Q2 marks steadied while amendments rose: four of six indicators eased on the quarter, but Tier 2 reached 0.53%, the highest since 2024 Q4

	2025 Q2	2026 Q1	2026 Q2	On the quarter
MARKS				
1 Marked below 90	7.71%	10.33%	**10.26%**	▼ −0.07
1 Marked below 80	4.35%	6.06%	**5.91%**	▼ −0.15
2 Markdown breadth	3.13%	6.57%	**4.01%**	▼ −2.56
3 Cross-manager mark gap	9.30%	11.64%	**12.29%**	▲ +0.65
AMENDMENTS				
4 PIK switch rate	1.15%	1.52%	**1.44%**	▼ −0.08
5 Distress amendments (Tier 2)	0.40%	0.46%	**0.53%**	▲ +0.07
Amendments without distress marker (Tier 3)	2.11%	2.17%	**2.74%**	▲ +0.57
DEFAULT				
6 Non-accrual rate	1.29%	1.95%	**1.84%**	▼ −0.11

Three lender decisions

Marks: the lender writes the loan down. **Amendments**: PIK, spread step-ups, extensions. **Non-accrual**: the fund stops accruing interest.

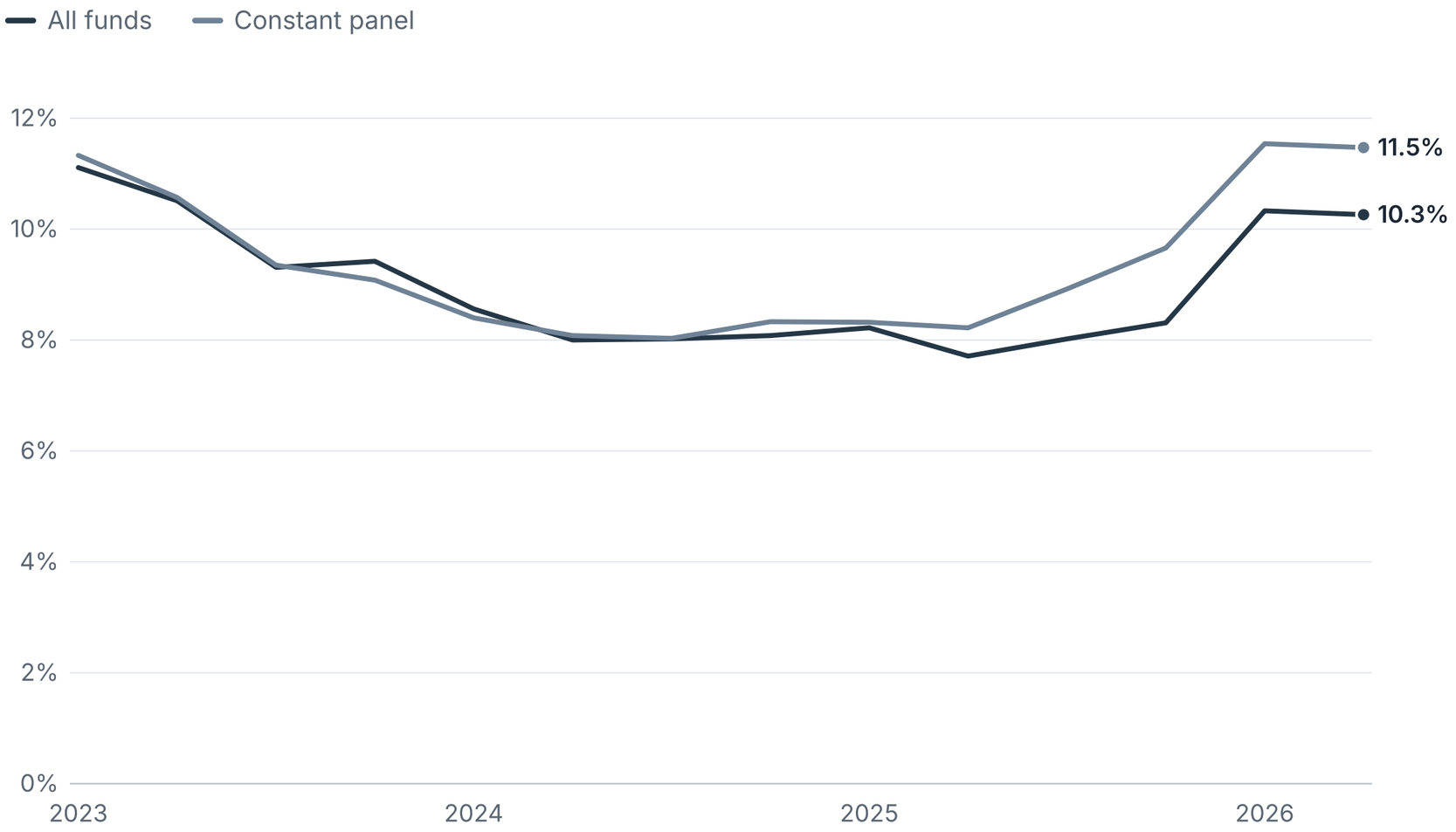
Tier 3 to Tier 2

Amendments without a distress marker (Tier 3) are not counted as stress. A rise in Tier 3 that later turns into Tier 2 is itself a signal.

Managers disagreed more on the same borrower: the cross-manager mark gap rose from 11.6% to 12.3% in 2026 Q2.

All funds, % as in slide 2. ▲ higher than the quarter before, ▼ lower. Tier 3 is recorded and not counted in the six indicators.

Funds present since 2023 Q1 mark 11.5% of loans below 90, against 10.3% for all funds: new entrants hold the headline down



All funds, 2026 Q2

10.3% below 90

+2.5 pts on the year (2025 Q2: 7.7%)

Constant panel, 2026 Q2

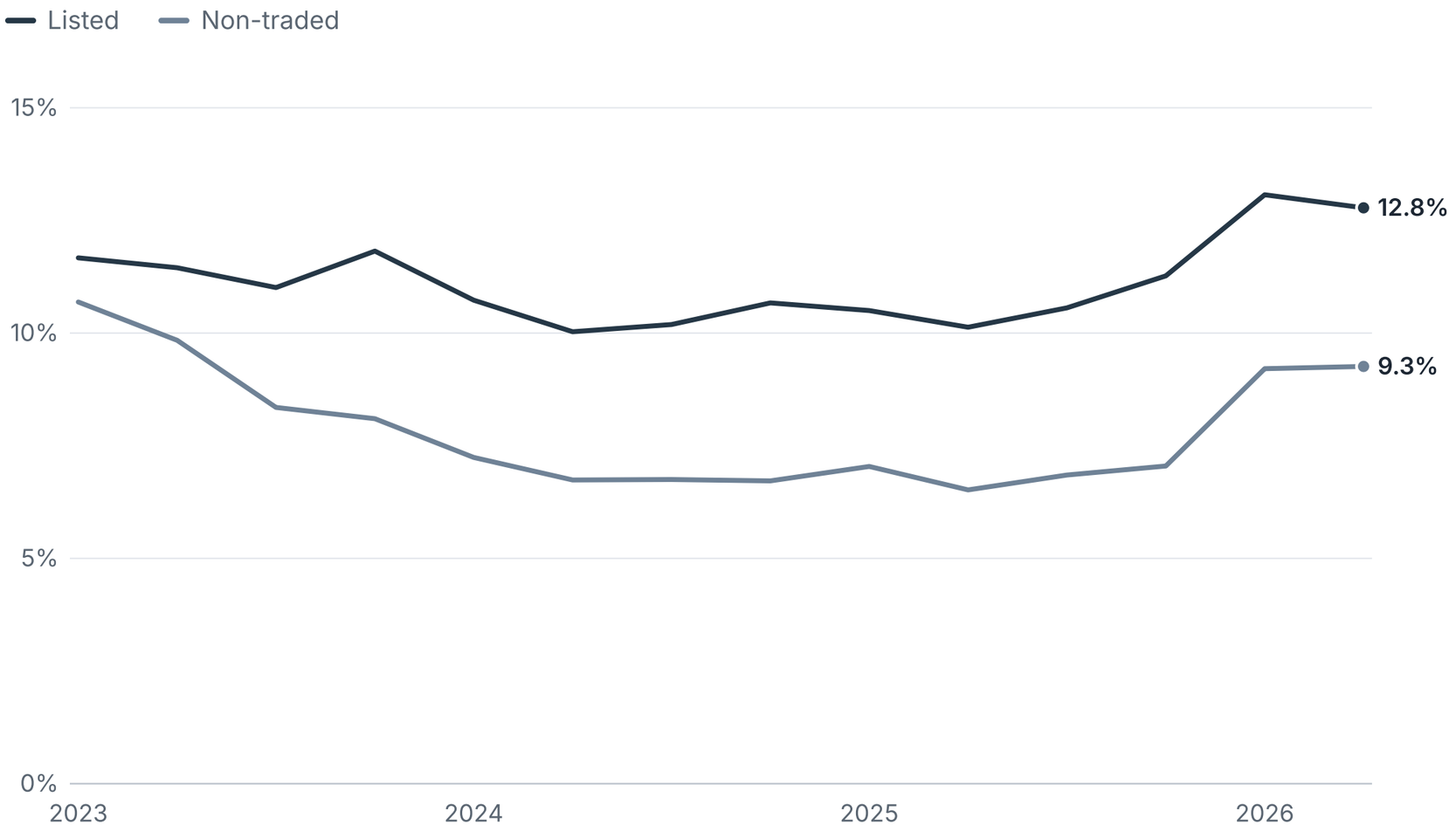
11.5% below 90

+3.3 pts on the year (2025 Q2: 8.2%)

The constant panel holds the 87 funds present at every quarter-end since 2023 Q1. Funds that entered later hold younger loans marked higher, so the all-fund line falls when new funds arrive without any loan improving.

Indicator 3 is computed across managers and has no panel line.

Listed BDCs carry more stress: 12.8% of loans below 90 and 3.75% on non-accrual, against 9.3% and 1.13% at non-traded funds



Listed, 2026 Q2

12.8% below 90

+2.6 pts on the year (2025 Q2: 10.1%)

Non-traded, 2026 Q2

9.3% below 90

+2.7 pts on the year (2025 Q2: 6.5%)

Listed: common stock on NYSE or Nasdaq at the quarter-end (44 funds). Non-traded: every other BDC in scope (118 funds), mostly perpetual-life funds issuing at NAV with limited quarterly buy-backs.

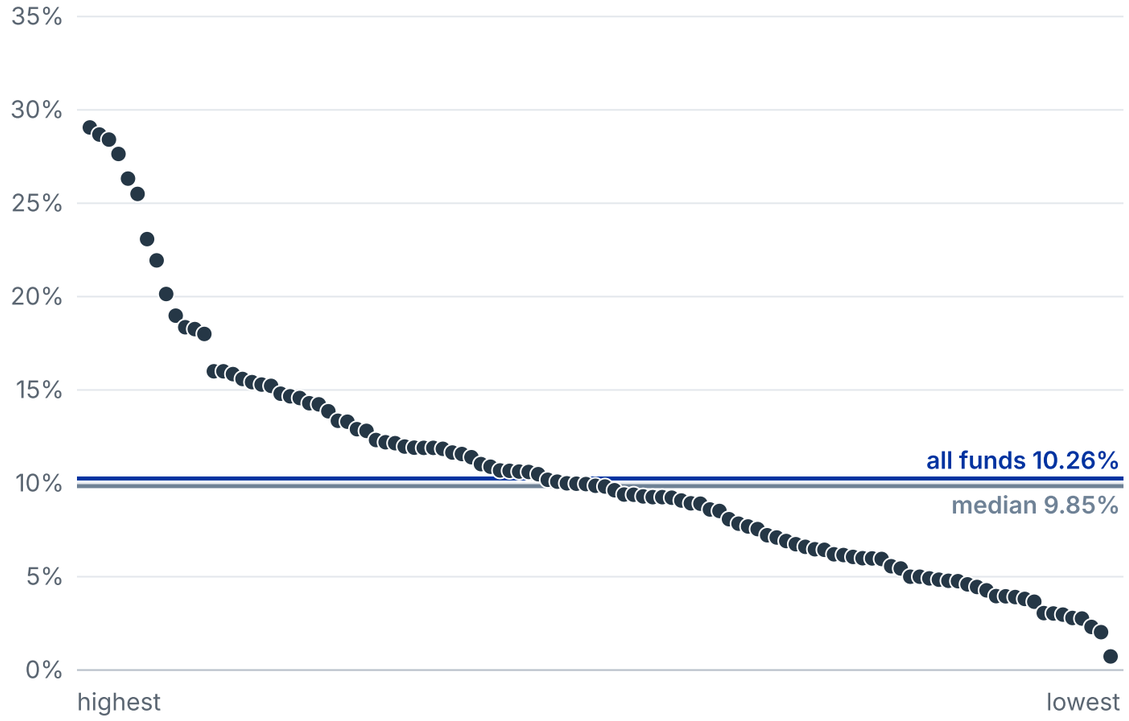
Non-accruals concentrate: 29 of 108 funds with 100+ positions carry none; the median fund is at 0.85%, the highest 9.89%

● One fund (100+ positions), ranked highest to lowest — Median fund — All funds together

1 Marked below 90

% of positions

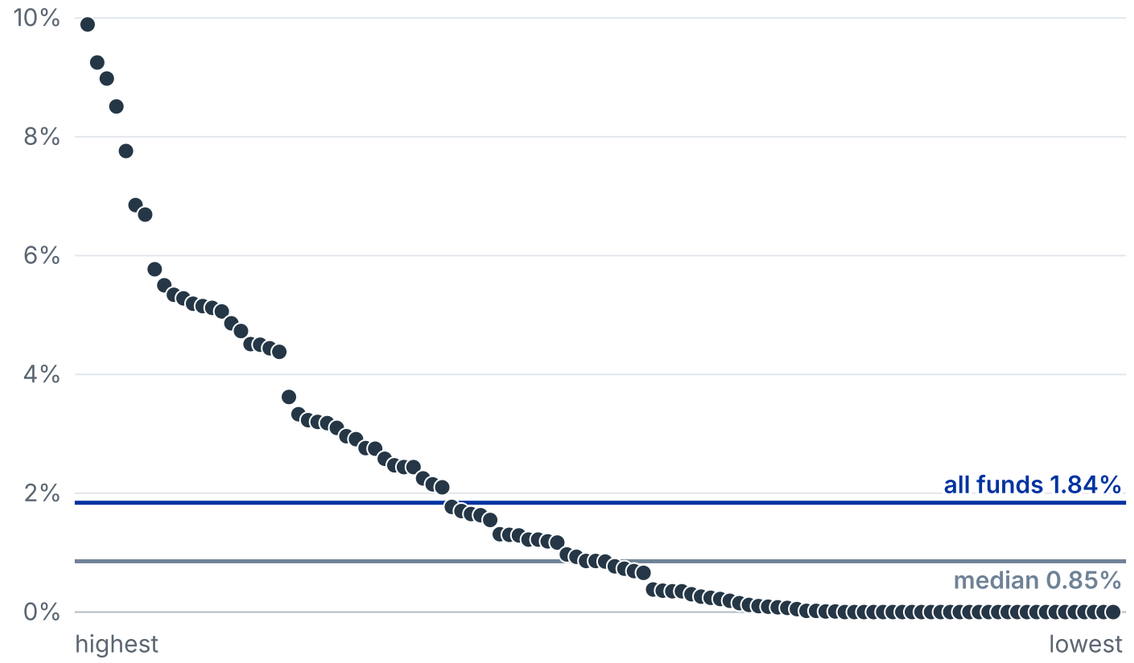
108 funds · median 9.85% · all funds 10.26% · highest 29.06% · 0 at zero



6 Non-accrual rate

% of debt at cost

108 funds · median 0.85% · all funds 1.84% · highest 9.89% · 29 at zero



Each dot is one fund with 100+ positions at 2026 Q2 (below 90: 108 funds; non-accrual: 108). All funds together pools every fund in scope. Funds are not named: each fund's marks are in its own SEC filing. Non-accruals reported only in running text are not seen.

PRIVATE CREDIT RADAR · WHAT COMES NEXT

The next reading is on 14 December, and it adds Europe

Every quarter, from public filings, with the same six measures and every number traced to its filing.

14 December 2026

Q3 edition

US book rolled to 30 September 2026. First European book: European borrowers in US BDC loan books, same six indicators.

19 January 2027

Liquidity flash

Undrawn commitments to borrowers already under stress.

Spring 2027

Year-end edition and history

Loan books at 31 December 2026, from the annual 10-K filings. Mark-based indicators back to 2019, through the 2020 stress.

Then quarterly

New indicators, deep dives

2027 Q1 and Q2 loan books in June and September, new indicators, and deep dives, for example by vintage and sector.

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Indicators, definitions and every quarter

USE THE DATA

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