Private Credit Holdings: A First Look at MSCI Data*

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November 5, 2026

Abstract

This paper provides a first look at the holdings of private credit funds using the MSCI Private Capital Universe, which is built from the reports that general partners send to their limited partners. Unlike the regulatory filings of business development companies (BDCs) used in most prior research, the data cover closed-end funds across lending strategies and regions and link fund cash flows to quarterly holding- and security-level records. Our sample includes 1,131 closed-end funds, 54,520 holdings, and 67,956 securities, of which 46,118 are loans. Mature vintages return 1.2 to 1.5 times paid-in capital, and the median fund earns a net IRR of about 9%. Median returns are similar across strategies, but their dispersion rises with the strategy's exposure to junior claims and equity. Portfolios differ sharply across strategies. Senior direct lending funds hold almost entirely senior debt, whereas subordinated direct lending and opportunistic lending funds hold about 45% of their value in equity, which subordinated direct lending funds hold mostly alongside loans to the same borrowers. GP marks show little deterioration in credit quality, but most direct lending exposure with reported fundamentals is to borrowers with high net leverage or negative earnings.

*We thank MSCI, the Private Equity Research Consortium, and the Institute for Private Capital for supporting this project.

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1 Introduction

Private credit refers to loans that nonbank lenders, mostly closed-end funds managed by specialized asset managers, originate and hold to maturity. Unlike leveraged loans, which are arranged by banks and distributed to institutional investors, and high-yield bonds, which trade in public markets, private loans are negotiated directly with a single lender or a small group of lenders, are funded from the lender's own capital, and have no active secondary market (Ivashina, 2025, 2026). The borrowers are mostly middle-market companies. From relatively small size in 2008, the market has grown to roughly $2 trillion in committed capital, comparable to the U.S. leveraged loan market of about $1.6 trillion and the U.S. high-yield bond market of about $1.5 trillion (Ivashina, 2026).

Most of this capital sits in vehicles whose portfolios remain largely unobservable to investors. Business development companies (BDCs), the largest segment that discloses its loans publicly, held about $440 billion in assets in 2024, roughly 20% of private credit and 40% of direct lending (Chernenko and Scharfstein, 2025). The remainder is held largely by closed-end private funds, which report their holdings only to their own investors. Investors in these funds therefore know their own portfolios but not the market. Retail investors are also increasingly exposed, through non-traded BDCs and other semi-liquid vehicles (Robinson and Wallskog, 2026; Fang, Goldstein, and Zeng, 2026).

Borrower composition determines where credit risk sits, and it is concentrated. Information technology accounts for about 45% of credit fund deal volume, much of it software (Ivashina, 2026), which is why the fall in software valuations in late 2025 drew attention to lenders' exposure. Regulators worry that the loans are illiquid, marked by the lenders themselves, and increasingly financed by banks and insurers (Haque, Jang, and Wang, 2025).

This paper provides a first look at the holdings of these funds using the MSCI Private Capital Universe with the hope of encouraging future academic research which utilizes this new resource.[1] The data are constructed from reports that general partners (GPs) provide to their limited partners (LPs), and they describe each fund at three levels. At the fund level, the data record the cash flows between the fund and its investors and the fund's net asset value. At the holding level, they record each fund's investment in a single borrower, including the capital invested, the proceeds received, and the investment's fair value each quarter. At the security level, they record each instrument within that investment separately, such as a senior loan, a mezzanine loan, preferred or common equity, or other security such as a warrant, together with its value and, for a subset of loans, its contract terms. We refer

[1]Full-time academic researchers can apply for access to the data for a research project at uncipc.org starting with applications due by January 31, 2027.

to securities classified as debt as loans. A holding thus shows how much a fund has invested in a borrower, while its securities show what kind of claims the fund holds on that borrower. This distinction matters because a single holding often combines debt and equity in the same company, and only the security-level data reveal the full details of investment structure. Our sample includes 1,131 closed-end funds of 2006 and later vintages, 54,520 holdings, of which 9,826 have complete cash-flow records, and 67,956 securities, of which 46,118 are loans. We plan to extend the analysis to semi-liquid vehicles in future work. Section 2 describes the data, their coverage, and their limitations.

The market, described in Section 3, is large and concentrated. As of 2025Q4, our sample covers 956 funds with $1.27 trillion in committed capital. Direct lending funds account for 31% of committed capital, opportunistic lending funds for 28%, and asset-backed lending funds for 18%, and North American funds account for 61%. Since 2012, the ten largest managers in each vintage have raised 51–68% of committed capital while accounting for only 26–42% of funds. Holdings in 2026Q1 have a market value of $858 billion, and Financials, Industrials, Information Technology, and Real Estate together account for about 60% of this value.

Fund returns, examined in Section 4, are moderate and arrive early. Mature vintages return 1.2 to 1.5 times paid-in capital, and the median fund earns a net IRR of about 9%, close to the 8.6% average that Erel, Flanagan, and Weisbach (2024) report for private debt funds. These returns are lower than those of buyout funds, which Harris, Jenkinson, and Kaplan (2014) find have outperformed the S&P 500 by 20% to 27% over the life of the average fund, but they arrive much earlier. The difference reflects what the two kinds of funds own. A buyout fund holds leverage equity, which pays off mainly when portfolio companies are sold several years after the investment. A private credit fund holds mostly loans, which pay interest from the start and return principal as they mature, but whose upside is capped by their contractual terms. Private credit funds therefore exhibit muted J-curves. Distributions overtake residual value by about the fifth year of a fund's life, and funds distribute 20–38% of their net asset value each year, reflecting the return of principal as well as interest. Median IRRs are similar across strategies, but their dispersion differs. Senior direct lending funds have the lowest and least dispersed returns, while subordinated direct lending and opportunistic lending funds have higher and more dispersed returns.

The security-level data in Section 5 show how different these strategies can be inside of holdings. Senior direct lending funds hold 93% of their market value in debt, mostly senior loans. Subordinated direct lending and opportunistic lending funds hold about 45% in equity, and in subordinated direct lending funds preferred equity is the largest equity claim. These funds also hold much more equity than BDCs, whose common equity and warrants account

for about 9% of portfolio value (Robinson and Wallskog, 2026). Weighted by market value, 54% of subordinated direct lending holdings combine debt and equity, against 21% for senior direct lending, so the equity in these funds is held mostly alongside their loans. Spreads on loans are stable through 2024 and decline slightly in 2025, while spreads on newly added loans fall from about 6.0 to 4.75 percentage points between 2022Q4 and 2025Q4.

Credit quality looks different depending on how it is measured. GP marks show no widespread deterioration. Most loans are carried at or near cost, and the markdowns that followed the 2022 rate increases largely reversed, although a small tail of seriously impaired loans has grown steadily. Borrower fundamentals tell a less comfortable story. Since 2019, a majority of the direct lending exposure we observe has been to borrowers with net leverage (net debt to EBITDA) of 10x or above or with non-positive EBITDA. Either many borrowers are underwritten on revenue rather than current earnings, or marks adjust slowly to weak fundamentals. Further exploring the relationship between loan structure, financial performance, and distress/default is an obvious next step for research.

1.1 Related Literature

Our paper contributes to a growing literature on private credit, surveyed by Ivashina (2025, 2026) and, for nonbank lending more broadly, by Erel and Inozemtsev (2025). Survey and aggregate studies describe how private debt funds lend and monitor (Block, Jang, Kaplan, and Schulze, 2024) and document the size, drivers, and risks of the market (Cai and Haque, 2024; Avalos, Doerr, and Pinter, 2025). We complement this evidence with micro data on what funds actually hold.

Most loan-level evidence comes from BDC filings. This work shows that BDC lending substitutes for bank credit (Davydiuk, Marchuk, and Rosen, 2024a,b), that BDCs often hold equity alongside their loans (Davydiuk, Erel, Jiang, and Marchuk, 2025), that payment-in-kind provisions facilitate forbearance (Rintamäki and Steffen, 2026), and that less liquid vehicles mark distressed loans higher (Daniel, Fang, and Nini, 2026; Jang and Kim, 2025). Other studies examine BDC fees and returns (Robinson and Wallskog, 2026), stress resilience (Chernenko and Scharfstein, 2025), and runs on semi-liquid BDCs (Fang et al., 2026). To our knowledge, we provide the first systematic evidence on the loan books of non-BDC private credit funds, across lending strategies and outside the United States.

Studies using other data show that nonbank lenders serve riskier middle-market and small firms (Chernenko, Erel, and Prilmeier, 2022; Gopal and Schnabl, 2022), that direct lenders specialize in enterprise-value lending to sponsor-backed firms (Jang, Kim, Sufi, and Chen, 2026; Jang, 2025), that private credit funds are well capitalized (Chernenko, Ialenti, and

Scharfstein, 2026). Deal-level and supervisory data document the pricing of private loans and their links to banks (Aldasoro and Doerr, 2025; Haque, Mayer, and Stefanescu, 2026; Haque et al., 2025). Using Burgiss fund cash flows, Munday, Hu, True, and Zhang (2018) and Erel et al. (2024) study fund returns, and Erel et al. (2024) find insignificant risk-adjusted returns net of fees. These studies observe either loans or fund cash flows. Our data link the two, so we can relate fund returns to the loans that generate them.

Methodologically, we follow Brown, Harris, Hu, Jenkinson, Kaplan, and Robinson (2020), who provide a first look at the Burgiss holdings data for buyout and venture capital funds. The closest paper is Matvos, Piskorski, and Seru (2026), who use the MSCI data to show that private credit funds are well capitalized and engage in little maturity transformation, treating the underlying investments as a cross-section. We instead use the holding data as a quarterly panel, add the security-level data, and document all three levels for future research.

2 Data

2.1 MSCI Private Capital Universe

Our data come from the MSCI Private Capital Universe, provided by MSCI, a global provider of data and analysis to investors in private capital.[2] The defining feature of the data is that they are sourced from limited partners (LPs) rather than from general partners (GPs). MSCI's clients are institutional LPs, including public and corporate pension plans, endowments, foundations, and insurers, that use the platform to record, monitor, and report on their private capital commitments. To provide these services, MSCI collects the documents that GPs deliver to their investors, such as capital call and distribution notices, quarterly capital account statements, and financial reports. MSCI extracts the information in these documents and organizes it into a single data set under a common taxonomy. Because a fund enters the universe through a client's commitment rather than through the GP's choice to report, the data are 100% LP-sourced. The universe covers about 15,800 private capital funds with over $13.6 trillion in committed capital.[3]

[2]The database originates with The Burgiss Group, a provider of record-keeping, analytics, and benchmarking services to institutional investors in private capital. MSCI took a significant minority stake in Burgiss in January 2020 and completed its acquisition of the company in October 2023. The Burgiss data products are now distributed under the MSCI name.

[3]Source: MSCI's description of the Private Capital Universe as of 2026Q2.

2.2 Value of the Data

This paper is the first to use the holding- and security-level data of the MSCI Private Capital Universe for private credit. These data open the portfolios and loan books of private credit funds to systematic study outside the BDC sector. They record, quarter by quarter, the individual instruments that each fund holds in each borrower, together with their cost, fair value, cash flows, and, for many loans, contract terms. Combined with the fund-level data, they allow researchers to follow private credit from the terms of an individual loan, through the fund's investment in a borrower, to the net cash flows received by the fund's investors.

Two features make the data well suited to private credit. First, because inclusion is triggered by an LP's commitment rather than by a GP's decision to report, the data are not subject to the voluntary self-reporting that affects GP-sourced commercial databases. Harris et al. (2014) and Brown, Harris, Jenkinson, Kaplan, and Robinson (2015) show that the Burgiss data are less exposed to these selection problems than alternative commercial data sets. Second, the data record the values that GPs report to their investors in detail, including every capital call and distribution as a dated transaction, quarterly net asset values, and, below the fund level, the cost, cash flows, and fair value of each investment and of each security within it.

Below the fund level, the data offer several things that existing sources do not. The quarterly holding panel follows each investment for the first dollar deployed to exit, so deployment, repayment, and portfolio composition can be studied over time rate than at a single date. The security records separate a fund's loans to a borrower from its equity in the same borrower, which until now could be observed only for BDCs (Davydiuk et al., 2025). Cost and fair value are reported every quarter for each holding and each security, so impairments, recoveries, and the speed at which marks adjust can be measured at both, whereas existing evidence on marks again comes from BDC filings (Daniel et al., 2026; Rintamäki and Steffen, 2026).

For a subset of loans, the data also report contract terms, including the reference index, spread, all-in rate, the split between cash and payment-in-kind (PIK) interest, rate floors, rate types, maturity, and facility type. Because borrowers carry a common identifier across funds and managers, investments in the same company by different funds can be linked. We use only some of these features in this paper. The overlap of lenders in the same borrower is a natural subject for future work.

These features allow the data to fill gaps left by existing sources, summarized in Table 1. Commercial fund databases allow fund-level performance analysis but contain little or no information at the holding or loan level. Business development company (BDC) filings provide granular, public schedules of investments with loan terms and fair values (e.g., Chernenko

et al., 2022; Davydiuk et al., 2024a; Fang et al., 2026), but BDCs are a specific, U.S.-only vehicle. Deal-level databases such as PitchBook and LSEG DealScan record loans at origination, but their coverage of direct loans is incomplete, and they do not observe lenders' subsequent valuations or repayments. Surveys and aggregate data (e.g., Block et al., 2024; Cai and Haque, 2024; Avalos et al., 2025) describe the market's size and contracting practices, but not individual positions. By contrast, the MSCI data contain fund cash flows, holdings, and individual securities within a linked database. In many cases, financial characteristics of the borrowers are also available.

2.3 Other Data Characteristics

Sample composition. Coverage depends on which funds MSCI's LP clients invest in. The sample is therefore most representative of the funds held by institutional investors and is likely to under-represent separately managed accounts (SMAs) and retail vehicles. It also includes only closed-end funds and excludes semi-liquid vehicles, such as non-traded BDCs, which have grown rapidly in recent years. The number of funds grows as MSCI adds clients, so aggregate levels combine the growth of the market with the growth of coverage. When MSCI adds a client, it typically backfills the client's full portfolio history, so earlier years are not limited to funds that existing clients held at the time. Because the data come from LPs rather than GPs, this backfilling also limits the survivorship bias common in GP-reported databases.

GP-reported values. Cash flows are realized transactions, but valuations, including fund net asset values and holding- and security-level market values, are the GP's fair value marks. Marks on illiquid loans involve judgment and may adjust slowly to deteriorating credit quality (Brown, Gredil, and Kaplan, 2019; Daniel et al., 2026). Measures based on marks, including the mark-to-cost distress measure in Section 5, therefore reflect GPs' valuations rather than market prices, as is true of all research on private investments.

Anonymized identities. Fund, manager, and portfolio company identities are anonymized. Each unit carries a persistent identifier, so the same fund, manager, or borrower can be matched throughout the data set. This preserves confidentiality but means that the data cannot be matched to external sources such as regulatory filings.

Field completeness. Identifiers, dates, security types, and monetary amounts are well populated. Quarterly invested amounts and proceeds at the holding level, however, are reliably reported for only a subset of holdings, so we use this subset only for measures that require holding cash flows. Contract terms are reported only when GPs disclose them, and completeness varies across fields, strategies, and calendar years. Coverage at all levels also

improves over time, which is why our sample periods differ by level. Statistics on contract terms are computed on the subsample with non-missing values.

Disclosure rules. Under our data agreement, no statistic other than counts is reported for any cell with fewer than five funds or fewer than 20 holdings (or securities). Such cells are suppressed in all tables and figures.

2.4 Structure of the Data

The data are organized at three levels: funds, holdings, securities. A *fund* is a single investment vehicle managed by a GP. A *holding* is a fund's investment in a single portfolio company (the borrower), so it is defined by the fund–borrower relationship. If multiple funds of the same manager lend to the same company, the data contain multiple holdings that share the same borrower identifier. A *security* is an individual instrument held within a holding and is distinguished by its security type, such as debt or equity. Multiple securities may therefore belong to the same holding. A *loan* is a security whose security type is debt. Because the holding- and security-level data share fund, holding, and borrower identifiers, a loan can be traced to its holding, its fund, and its manager, and the same borrower can be followed across the funds that finance it.

Fund level. The fund-level data contain the transaction records of each fund, including the fund identifier, the transaction date, the transaction amount, and the transaction type. Transaction types are contributions (capital called from LPs), distributions (capital returned to LPs), and valuations (the reported net asset value at quarter-end). Fund-level cash flows and valuations are measured from the LPs' perspective and are net of management fees and carried interest. Each fund is also described by its inception date, vintage year, size (GP and LP commitments), currency, status, geography, industry focus, manager identifier, and strategy classification.

MSCI classifies private capital funds into five broad asset classes: Generalist, Equity, Private Credit, Real Assets, and Not Elsewhere Classified. Within Private Credit, funds are further classified into Generalist, Corporate Lending, and Asset-Backed Lending. Corporate Lending is further divided into Direct Lending, Distressed Lending, Opportunistic Lending, and Venture Debt, while Asset-Backed Lending is divided into Real Estate, Infrastructure, Real Assets, Intellectual Property, and Financial Assets. Funds are also classified by seniority (Senior or Subordinated), leverage (Levered or Unlevered), and structure (Closed-End/Drawdown or Evergreen/Semi-Liquid). The classification is assigned at the fund level and inherited by the fund's holdings and securities.

Holding level. The holding-level data report, for each holding, the holding identifier, the

fund and manager identifiers, the borrower identifier, the holding vintage year, the date of the fund's first investment in the borrower, and, for realized holdings, the exit date and exit type. In each quarter, MSCI reports the amount invested and the proceeds received during the quarter, the remaining cost, and the market value at quarter-end. Holding-level values are measured at the investment level and are therefore gross of fund-level fees and carried interest. Each borrower is described by the geography of its headquarters and operations and by its Global Industry Classification Standard (GICS) sector, industry group, industry, and sub-industry.

Security and loan level. For each security and quarter, the security-level data report the fund, holding, borrower, and security identifiers, the security type and currency, and the market value, cost basis, invested amount, proceeds, and principal. For loans, additional characteristics are available for a subset of securities, including the maturity date, the spread and interest rate together with their cash-pay and payment-in-kind (PIK) components, the reference index and rate type (fixed or floating), the lien type, and credit ratings.

2.5 Sample Construction and Summary Statistics

We restrict the sample to closed-end private credit funds of vintage years 2006 or later for which holding-level information is available. Table 2 reports the sample coverage by fund vintage. Panel A shows that the sample contains 1,131 funds with 100,742 fund-quarter observations and 54,520 holdings with 724,322 holding-quarter observations. Market values are reported for all holdings, but quarterly invested amounts and proceeds are reliably reported for only 9,826 holdings, with 151,796 holding-quarter observations. We use the full holding sample for measures based on market value, such as the composition of fund portfolios, and the subset with cash flows for measures that require invested amounts or proceeds, such as capital deployment. Panel B shows that the security-level data, which begin in 2021, contain 67,956 securities with 556,330 security-quarter observations, of which 46,118 are loans with 383,525 loan-quarter observations.

Table 3 reports summary statistics for these funds and their holdings. The average fund has $1.3 billion of committed capital, and the median fund $759 million. Over its life to date, the average fund has called $1.1 billion from its investors and distributed $947 million. The average fund has invested in 48 holdings, but the distribution is right-skewed, and the median fund has invested in 30. The median fund has returned 1.25 times its paid-in capital, and has earned a net IRR of 9%. The interquartile range of IRRs runs from 7% to 13%. For comparison, Erel et al. (2024) report an average net IRR of 8.6% for private debt funds. Because the sample pools all vintages, these figures combine mature funds with young funds

that have distributed little so far. Section 4 examines performance by vintage and fund age. Panel B uses the subset of holdings with reliably reported cash flows. In this subset, the average cumulative amount invested is $53.4 million and the median $25.3 million, while cumulative proceeds average $43.1 million with a median of $13.9 million. Proceeds are lower than invested amounts in part because many holdings are still outstanding. Among the 4,769 holdings with a recorded exit, the average holding period is 3.3 years and the median 2.8 years, and half of these holdings are held between 1.5 and 4.5 years.

Our sample consists of closed-end drawdown funds. In these funds, investors commit capital at inception, the manager calls it as investments are made, and capital is returned as investments are repaid or sold. Investors cannot redeem their interests before the fund is liquidated. MSCI also collects data on semi-liquid private credit vehicles, such as non-traded BDCs, which accept new capital continuously and allow periodic redemptions. These vehicles are maintained in a separate data set, and we will incorporate them in a future version of the paper.

3 The Private Credit Market

This section documents how much capital private credit funds raise, where they invest it, and how quickly they deploy and return it. These facts provide the context for the performance and loan-level evidence that follows. They also bear on questions raised in policy discussions, such as how concentrated the market is among large managers, how much committed capital remains to be deployed, and whether funds are returning capital to investors.

3.1 Size and Fundraising

Private credit funds in our sample hold $1.25 trillion of committed capital across 942 funds as of 2025Q4.[4] Table 4 breaks down committed capital by fund strategy, structure, industry focus, and geography.

Direct lending funds, which lend to operating companies and underwrite primarily on the borrower's cash flows or enterprise value, hold $393.5 billion, or 31.4%, of committed capital. Of this, $254.8 billion (20.3%) is in senior direct lending funds and $138.7 billion (11.1%) in subordinated direct lending funds. Opportunistic lending is the largest single strategy, and MSCI classifies them by collateral as Real Estate, Infrastructure, Real Assets, Intellectual Property, and Financial Assets. The remaining $282.8 billion (22.6%) is in other strategies,

[4]The sample includes all private credit funds with a transaction record in 2025Q4. Because GPs report with a lag, the most recent quarters are incomplete. Recent figures will rise as late reports arrive.

including generalist private credit funds that invest across strategies and other corporate lending funds such as distressed lending and venture debt funds.

By industry focus, 74.3% of committed capital ($931.0 billion) is in generalist funds that invest across multiple industries, 12.3% ($154.6 billion) in funds targeting real estate, and 7.5% ($93.7 billion) in funds that specialize in other industries. The industry focus of the remaining 5.9% is not reported. By geography, North American funds hold $763.6 billion (60.9%) and European funds $267.2 billion (21.3%). Funds focused on other regions hold $49.7 billion (4.0%), and the geography of the remaining 13.8% is not reported. Among funds with a reported geography, North America and Europe thus account for 95% of committed capital.

Figure 1 shows fundraising by vintage year and strategy. Committed capital raised by the 2020 vintage rose sharply from the 2019 vintage, from $108.2 billion to $164.8 billion, driven by opportunistic lending (from $30.7 billion to $69.4 billion) and asset-backed lending (from $19.2 billion to $37.8 billion). Direct lending followed with a lag. Commitments to senior and subordinated direct lending funds together were $39.4 billion in the 2020 vintage, rose to $78.8 billion in the 2022 vintage, fell to $36.2 billion in 2023, and recovered to $48.5 billion in 2024. Because the number of funds rose only modestly, from 97 to 105 between the 2019 and 2020 vintages, the jump reflects larger funds. Average fund size rose from about $1.1 billion to $1.6 billion. The 2025 vintage is understated because of reporting lags.

Figure 2 shows fundraising by vintage year and fund industry focus. Funds with a generalist industry focus grew in both size and number in the 2020 vintage. Commitments to real estate funds rose from $6.5 billion in the 2020 vintage to $25.8 billion in the 2021 vintage.

Fundraising is concentrated among a few managers (Figure 3). In each vintage year, we rank managers by the committed capital they raise and define the top 10 managers as the ten largest. Returning top 10 managers are those that were also among the top 10 in the previous vintage year, and new top 10 managers are those that were not. Since the 2012 vintage, the top 10 managers have raised between 51% and 68% of committed capital in each vintage, while accounting for only 26% to 42% of the funds raised. Large managers thus raise substantially larger funds. The composition of the top 10 changes considerably from year to year. Returning managers account for over 60% of committed capital in the 2007 vintage but less than 10% in 2013, and between 19% and 33% since 2018. Figure A1 in the Appendix repeats the analysis for the top 20 and top 30 managers, who raise 68–85% and 80–95% of committed capital, respectively. Because each vintage contains only about 60 to 110 funds in our sample, these broader groups cover a large fraction of all managers, so the top 10 measure is the most informative about concentration.

These counts and amounts grow partly because MSCI's coverage expands over time as it adds clients. We therefore focus on shares and compositions rather than on levels.

3.2 Portfolio Composition

Turning to fund portfolios, Table 5 reports the aggregate market value of private credit holdings as of each holding's latest reported in 2025 or 2026. Market value is the GP's reported fair value of the fund's investment in a borrower. It is measured at the investment level and is therefore gross of fund-level fees and borrowing.

Private credit holdings have a combined market value of $857.5 billion across 25,676 holdings in 933 funds. Opportunistic lending funds hold 29.6% of this value, senior direct lending funds 24.5%, asset-backed lending funds 18.7%, and subordinated direct lending funds 10.3%. Fund industry focus says little about where capital is actually invested, because generalist funds hold 76.6% of market value. Using the GICS classification of each portfolio company, we find that Financials (17.9%), Industrials (16.0%), Information Technology (13.3%), and Real Estate (12.8%) account for the largest shares of market value, together 60%. These shares are close to those reported by Matvos et al. (2026) for a similar sample.

Figure 4 shows how the market value of holdings evolves over time by fund strategy, using all holdings in our sample. Aggregate market value grew from $197 billion in 2016Q4 to $418 billion in 2020Q4 and $829 billion in 2025Q4, close to the $858 billion reported in Table 5. The composition of this growth changed over time. Senior direct lending grew fastest, from $14 billion in 2016Q1 to $200 billion in 2025Q4, and its share of market value rose from 7% to 24%. Subordinated direct lending grew much more slowly, from $34 billion to $86 billion, so its share fell from 17% to 10%. Opportunistic lending expanded rapidly after 2020, from $92 billion in 2020Q4 to $247 billion in 2025Q4, and is the largest strategy by market value at the end of the sample, with 30%. Asset-backed lending grew more steadily, and its share declined from 27% to 18%. Part of the growth reflects the expansion of MSCI's coverage as it adds clients, so the shares of each strategy are more informative than the levels.

Figure 5 shows the capital invested each year by portfolio company industry. Unlike committed capital, invested capital measures funds actually deployed to borrowers, although it reflects both borrowers' demand for credit and lenders' supply. Because this measure requires holding cash flows, the figure uses only the subset of holdings with reliably reported invested amounts, so its levels understate total investment by private credit funds, and it changes partly reflect growth in the subset. Within this subset, investment rose sharply in 2019, from $23.8 billion to $35.8 billion, and in 2021, from $33.2 billion to $61.3 billion. Energy and utilities was the largest single contributor to the 2019 increase, accounting for

about 30% of it. The 2021 increase was broad-based, with contributions from industrials and materials, consumer, real estate, information technology, financials, and health care.

3.3 Capital Deployment

Figure 6 shows aggregate dry power, the committed capital that has not yet been called, by calendar year. It is computed for each fund as committed capital less cumulative contributions, and funds whose contributions exceed their commitments are excluded. Dry powder grew steadily, from less than $100 billion before 2014 to about $271 billion in 2020, as the large vintages of 2020–2022 were raised faster than their capital was called. It reached about $332 billion in 2024 and declined slightly in 2025, which likely reflects reporting lags and the small 2025 vintage observed so far. Some of this capital belongs to funds past their investment periods and is unlikely to be called for new loans, so the series overstates the capital available for new lending.

Figure 7 shows contributions, distributions, and net cash flows to investors by calendar year. Contributions accelerated around the Global Financial Crisis, and net cash flows remained negative until 2011. Annual flows fluctuate, as contributions are concentrated when funds make new investments and distributions when loans are repaid. Net cash flows turned positive in 2024 and 2025, with distributions exceeding contributions. This reversal likely reflects the maturing of the large vintages raised in 2020–2022, whose loans are now being repaid, and the slower fundraising of recent vintages. In aggregate, then, funds were returning capital to investors during a period of heightened concern about private credit. Net cash flows are not a measure of performance, however, which is the subject of the next section.

4 Private Credit Fund Performance

This section describes the performance of private credit funds using their cash flows and reported net asset values (NAVs). We begin with total value to paid-in capital (TVPI) and its two components, distributions to paid-in capital (DPI) and residual value to paid-in capital (RVPI). We then report internal rates of return (IRRs) by strategy and vintage. Finally, we turn to two measures of distributions, the ratio of cumulative distributions to committed capital and the distribution yield.

An LP allocating to private credit wants to know how much funds return, how quickly cash comes, and how much of the reported value is still unrealized. Multiples are simple to interpret but ignore the timing of cash flows. IRRs account for timing, which matters for

private credit funds because they begin returning cash early, and they make our results comparable with prior studies of private debt funds (Munday et al., 2018; Erel et al., 2024). IRRs are, however, sensitive to the timing of capital calls and, for young funds, depend largely on reported NAVs. We do not report public market equivalents (PMEs), the standard risk-adjusted measure for buyout and venture capital funds, because they require choosing a public benchmark, and for private credit no single benchmark is clearly appropriate. Leveraged loans, high-yield bonds, and BDC shares differ from private loans in liquidity, seniority, and borrower risk, and Erel et al. (2024) show that estimated abnormal returns depend on how credit risk is controlled for. Our measures are therefore descriptive.

Figure 8 reports TVPI, DPI, and RVPI by fund vintage (Panel A) and by fund age (Panel B). For vintages from 2011 to 2019, which have largely completed their investment periods, pooled TVPI ranges from 1.2 to 1.5, and the median fund's TVPI ranges from 1.26 to 1.34. TVPI for more recent vintages is lower, mainly because their investments have had less time to earn returns, and it relies more on reported NAVs. RVPI accounts for about half of TVPI for the 2021 vintage and 70% to 90% of it for the 2023–2025 vintages.

Panel B shows how value is realized over a fund's life. Pooled TVPI is about 1.0 at age zero and rises steadily to about 1.3 by age seven, after which it remains flat. Unlike buyout funds, private credit funds have almost no J-curve. TVPI stays at or above one in the early years because loans start paying interest soon after they are made. As loans are repaid, value shifts from NAV to distributions. DPI overtakes RVPI between ages four and five, and cumulative distributions exceed paid-in capital (DPI above one) from about age eight.

Table 6 reports the distribution of TVPI across funds by strategy and vintage group. Among funds of the 2011–2020 vintages, median TVPIs range from 1.24 to 1.42. Subordinated direct lending funds have the highest multiples, with a median of 1.42 for the 2011–2015 vintages and 1.34 for the 2016–2020 vintages, while median TVPIs in the other strategies lie between 1.24 and 1.31. Subordinated direct lending funds also have the widest interquartile ranges, consistent with the IRR evidence below. Funds of the 2021–2025 vintages have median TVPIs of 1.15 to 1.18 in every strategy, reflecting their short histories, and RVPI accounts for most of their value.

Table 7 reports net IRRs by strategy and vintage group. Across all vintages, the median fund earns a net IRR of 9% to 10% in every strategy. The strategies differ in dispersion, mainly among mature funds. For the 2011–2020 vintages, senior direct lending funds have the lowest and least dispersed returns, with median IRRs of 7% to 8% and a standard deviation of 3 percentage points. Subordinated direct lending funds earn higher median IRRs of about 10% with greater dispersion, as their junior position and larger equity holdings would lead one to expect. Asset-backed lending funds have median IRRs similar to those

of senior direct lending funds but somewhat greater dispersion, and opportunistic lending funds vary most across vintages, with medians of 7% for the 2011–2015 vintages and 10% for the 2016–2020 vintages. IRRs for the 2021–2025 vintages are higher. These IRRs, however, are measured over short periods and depend largely on reported valuations, so they are not directly comparable with those of mature vintages.

Figure 9 examines distributions in more detail. Panel A reports cumulative distributions divided by committed capital as of 2025Q4. For the 2011–2017 vintages, the median fund has already distributed more than its committed capital, and for the 2011 vintage more than three-quarters of funds have done so. The ratio is mechanically lower for younger vintages, which have called less capital and made fewer distributions.

Panel B reports the distribution yield, defined as distributions over the trailing four quarters divided by NAV at the end of the previous year. Private credit funds distribute a large share of their value each year. The NAV-weighted yield ranges from 20% to 38% between 2011 and 2025, and the median fund's yield from 14% to 32%. These yields are far higher than the dividend yields of BDCs because the distributions of drawdown funds include not only interest but also the return of principal as loans are repaid. They therefore reflect the short maturity of private loans as well as their income. Yields dip in 2020 and in 2022–2023, when repayments and refinancings slowed during the COVID-19 shock and the rise in interest rates, and recover in 2024–2025.

Panel C shows that distribution yields are broadly similar across strategies, with NAV-weighted yields mostly between 17% and 39% over 2016–2025. The yield of senior direct lending funds rises toward 30% in 2024–2025 as this younger strategy matures. Panel D shows that, measured on a NAV-weighted basis, the distribution yield varies little with fund age, at roughly 16% to 26% from age one onward. Funds therefore distribute a stable share of their NAV throughout their lives, while the NAV itself shrinks as the fund matures.

In short, private credit funds in our sample return about 1.2 to 1.5 times paid-in capital for mature vintages, earn median net IRRs of about 9% to 10%, realize most of their value within five years, and distribute a large and stable share of their NAV each year. Median returns are similar across strategies, while their dispersion is lowest for senior direct lending. Because recent vintages rely on reported NAVs, their performance should be interpreted with the valuation caveats discussed in Section 2. The timing also sets private credit apart from buyout funds, whose value is realized later and depends more on exit markets (Harris et al., 2014).

5 Private Credit Loan Characteristics

This section uses the security-level data to examine what private credit funds hold, the terms of their loans, and the credit quality of those loans. Existing loan-level evidence comes almost entirely from BDCs (e.g., Davydiuk et al., 2024a; Rintamäki and Steffen, 2026; Daniel et al., 2026), which invest predominantly in senior loans to sponsor-backed middle-market firms. In addition, the MSCI data cover subordinated direct lending, opportunistic lending, and asset-backed lending funds, which together hold about 60% of loan market value in our sample in 2025Q4. Much of the current debate about private credit, including underwriting standards, the pricing of risk, and the reliability of valuations, is about the loans themselves rather than fund-level returns.

5.1 What Funds Hold

Table 8 shows that the mix of debt and equity differs sharply across strategies, even within direct lending. Measured by market value, senior direct lending funds hold 93% of their portfolios in debt and less than 7% in equity. Subordinated direct lending and opportunistic lending funds, by contrast, hold only 54% in debt and about 45% in equity. Asset-backed lending funds hold 85% in debt. For comparison, common equity and warrants account for about 9% of the value of publicly traded BDC portfolios (Robinson and Wallskog, 2026), so the subordinated and opportunistic funds in our sample hold substantially more equity than the BDCs studied in prior work.

The detailed security types show further differences. In senior direct lending funds, senior debt alone accounts for 85% of market value. Subordinated direct lending funds hold a much more varied mix. Of their market value, 34% is in senior debt, 11% in mezzanine debt, 19% in preferred equity, and 15% in common equity. Preferred equity is thus the largest equity claim in these funds. This matters for how the equity share should be interpreted. Preferred equity typically carries a fixed, often accruing, dividend and ranks ahead of common equity, so its payoff resembles a loan with payment-in-kind interest rather than an (common) ownership stake (Robinson and Wallskog, 2026). Opportunistic lending funds also hold about 45% of their value in equity, but much of it is not classified by type. In asset-backed lending funds, the seniority of more than half of debt market value is missing.

Table 9 examines how these securities are combined within holdings. Weighted by market value, 72% of senior direct lending holdings contain only debt, while 21% combine with equity, including 2% that also hold other securities such as warrants. This share lies between the 15% of BDC borrower relationships that include equity at origination and the 24% that include it at some later point (Robinson and Wallskog, 2026). Subordinated direct lending funds look

very different. About 54% of their holdings combine debt and equity, including 4% that also hold other securities such as warrants, while only 19% contain debt alone and 21% contain equity without debt. The equity in these funds is therefore held mostly alongside their loans to the same borrowers, as Davydiuk et al. (2025) find for BDCs. Opportunistic lending funds follow a third pattern. Only 34% of holdings contain debt alone. Equity is held alongside loans in 35% of holdings and in standalone positions in another 27%. By count, debt-only holdings are more common (55%), so the opportunistic holdings that include equity tend to be larger. This suggests that much of their equity comes from separate equity investments or from equity received in restructurings rather than stakes attached to loans. Asset-backed lending funds are almost entirely lenders, with 79% of holdings containing debt only.

The mix matters for both risk and returns. Debt securities earn contractual interest and fees, and their returns are capped and exposed mainly to credit risk. Common equity and warrants pay off mainly at exit and expose funds to the value of the borrower, while preferred equity lies in between. The IRRs in Table 7 line up with this ordering, with returns least dispersed for senior direct lending funds and more dispersed for subordinated direct lending and opportunistic lending funds.

Figure 10 restricts the sample to loans. Panel A shows how loans are distributed across fund strategies. Asset-backed lending, senior direct lending, and opportunistic lending together hold about 80% of loan market value in 2024–2025, up from 73% in 2021Q1. Within this, the share of senior direct lending rose from 18% to 28%, while that of subordinated direct lending fell from 15% to 6%. Panel B shows that loans are spread across many industries. The share of loans to information technology firms rose from 7% in 2021Q1 to 13% in 2025Q4, and that of financials from 18% to 21%, while the share to real estate fell from 26% to 16%.

5.2 Loan Terms

Figure 11 shows the share of loans with floating and fixed interest rates. Among loans with a reported rate type, about 90% of senior direct lending loans pay a floating rate. Subordinated direct lending is evenly split between floating and fixed rates. Opportunistic lending is mostly floating, at 54–65%. Asset-backed lending has shifted markedly toward fixed rates, and the floating share among its loans fell from 80% in 2021 to 55% in 2025. The rate type is not reported for 18–28% of senior direct lending loans and for 45–62% of asset-backed and opportunistic loans, so these shares describe the subset with reported terms.

Figure 12 shows the distribution of loan spreads over the reference rate, in percentage

points. Panel A covers all loans held. The median spread is stable at 5.75 percentage points from 2021Q4 to 2024Q3, declines to 5.25–5.5 in 2025. The market value- and cost-weighted averages follow the same pattern, falling from about 6.0 in 2023 to 5.5 in 2025Q4. Panel B covers loans in newly added holdings, dated by the quarter in which the fund first invested in the borrower. Spreads on these loans have fallen more sharply. The median declines from 6.0 in 2022Q4 to 4.75 in 2025Q4, and the market value-weighted average falls from 6.4 to 4.9 in the same period. Because new loans replace older ones gradually, the decline appears in the stock of loans with a lag.

Figure 13 shows the all-in interest rate on private credit loans, in percent. Panel A covers all loans held. The interquartile range narrows from about 6 percentage points in 2021Q1 to about 4 in 2025Q4. The 25th percentile rose from 5.75% to about 9%, while the 75th percentile remained at 12% throughout. Floating-rate loans, which make up the lower part of the distribution, reset with the reference rate, whereas fixed-rate loans, often subordinated, pay high coupons regardless of policy rates. Rates declined after the Federal Reserve began cutting rates in September 2024, and the median fell to 9.4% in 2025Q4. The market value-weighted average follows a similar path at a slightly higher level, falling from 11.2% in 2025Q1 to 9.7% in 2025Q4. Panel B covers loans in newly added holdings. The median rate on these loans was about 10.5% to 11% from 2021 to 2023 and fell to about 9.5% in 2024 and 8.7% in 2025Q4. Yields on new private credit loans thus have fallen through both channels, lower reference rates and lower spreads.

5.3 Credit Quality

Credit quality is the central concern about private credit, and defaults are rarely observed directly. We therefore use two measures. The first is based on the GP's valuation of each loan, and the second on the financial condition of the borrower.

The first measure is each loan's mark-to-cost ratio, defined as its market value divided by its cost basis. We classify loans as at or above cost (ratio of 1.0 or above), modestly marked down (0.8 to 1.0), moderately distressed (0.6 to 0.8), and severely distressed (below 0.6). Two features of this measure matter for interpretation. First, a markdown does not necessarily indicate credit deterioration. When market spreads widen, GPs that value loans by discounting at market yields mark down performing loans as well, so the modest markdown category captures both. Second, the marks are the GP's own fair values. Closed-end funds, which make up our sample, tend to mark distressed loans higher than more liquid vehicles do (Daniel et al., 2026), so our distress shares are likely a lower bound.

The second measure is the borrower's net leverage, defined as net debt divided by last-

twelve-month EBITDA, which we construct from borrower fundamentals reported in the data. Net leverage is the standard measure of credit risk in leveraged lending and does not depend on how the GP values the loan. We compute it only for holdings of direct lending funds. Direct lenders underwrite loans primarily on the borrower's cash flows, so leverage relative to EBITDA is the relevant measure of their credit risk. Asset-backed lenders, by contrast, underwrite on the value of specific collateral, and opportunistic funds often hold claims on distressed borrowers, for which EBITDA-based ratios are less informative. Net leverage is also available only for the subset of borrowers whose fundamentals are reported, and EBITDA is reported by the GP rather than audited. We therefore use it as a complement to the marks rather than a substitute.

Panel A of Figure 14 shows the distribution of all loans across the mark-to-cost categories. Loans at or above cost account for 77–80% of market value in 2021. This share fell to 53% in 2022Q4, as rising rates and wider spreads led to widespread modest markdowns, and recovered gradually to 73% by 2025Q4. Moderate and severe distress, by contrast, has increased steadily. These categories account for 1.6% of market value in 2021Q4, rose to about 4% during 2022, stayed near that level through 2025Q3, and reached 4.8% in 2025Q4. Severely distressed loans alone rose from 0.7% to 1.9%. The markdowns that followed the 2022 rate shock have largely reversed, but the tail of seriously impaired loans has not, and it widened again at the end of 2025.

Panel B shows that these patterns differ by fund strategy. The 2022 markdowns were deepest in senior direct lending, where the share of loans at or above cost fell from 67% in 2021Q4 to 31% in 2022Q4 before recovering to 66% by 2025Q4. These markdowns were almost entirely modest, as one would expect if the market was revaluing performing loans as spreads widened. Serious distress, by contrast, has risen in every strategy but remains lowest in senior direct lending. Between 2021Q4 and 2025Q4, moderate and severe distress rose from 0.8% to 2.9% of market value in senior direct lending, from 2.0% to 6.0% in subordinated direct lending, and from 1.2% to 6.8% in opportunistic lending. Asset-backed lending has the highest share of loans at or above cost, at 73–85% outside 2022Q4–2023Q1, but its distress share also rose, from 1.4% to 4.8%.

Table 10 reports the distribution of borrower net leverage for holdings of direct lending funds. Fundamentals are available for 380 to 1,532 holdings per year, so the results describe a subset of borrowers. The distribution is heavily weighted toward highly levered borrowers. In Panel A, borrowers with net leverage of 10 or above account for 32% to 49% of holding market value, and borrowers with non-positive EBITDA for another 10% to 24%. The two groups move in opposite directions. Since 2021, the share above 10x has risen from 36% to 49%, while the share with non-positive EBITDA has fallen from 24% to 10%, so part of the

rise reflects borrowers whose EBITDA turned slightly positive. Together, these two groups represent 57% to 61% of market value in every year since 2021, up from 48% to 56% in 2016–2020. Borrowers with net leverage below 3, by contrast, account for only 17% to 32%, and their share has roughly halved since 2016. Panel B averages net leverage within each fund. Averaging pulls fund-level leverage toward the middle of the distribution, but funds with average net leverage of 6 or above still account for 41% to 60% of fund market value.

Borrower fundamentals also allow us to describe the size of the firms that direct lending funds finance, measured by last-twelve-month EBITDA at the time of the fund's first investment. Within the subset of holdings whose entry EBITDA is available, borrowers have become larger over time. Weighted by market value, borrowers with EBITDA above $25 million account for 35% of holdings of 2016–2020 vintage funds and 55% of holdings of 2021–2025 vintage funds, while the share of borrowers with EBITDA of $25 million or less falls from 34% to 31%, while the share with non-positive EBITDA at entry falls from 31% to 14%. This shift toward borrowers above the $25 million threshold that Ivashina (2025) uses to define the core middle market suggests that direct lenders are increasingly financing larger companies.

Taken together, the two measures present different pictures of credit quality. By GPs' marks, private credit loan books show no widespread deterioration. Most loans are carried at or near cost, the markdowns of 2022 largely reversed as rates stabilized, and the seriously distressed tail, while growing, accounts for less than 5% of market value. By borrower fundamentals, however, since 2019, a majority of the direct lending exposure we observe has been to borrowers with net leverage 10 or above or with non-positive earnings. Two explanations may fit these facts. Many direct lending borrowers, such as software companies financed against recurring revenue, are underwritten on revenue rather than on current earnings, so high leverage on reported EBITDA need not imply distress. Alternatively, GP marks may adjust slowly to weak fundamentals, as Daniel et al. (2026) find for less liquid vehicles. Distinguishing these explanations requires linking marks and realized outcomes to borrower fundamentals at the loan level, which we leave for future work.

6 Conclusion

This paper uses the MSCI Private Capital Universe to document the structure of closed-end private credit funds, their holdings, and their underlying loans. By combining fund-level cash flows with holding- and security-level data, we characterize the size and composition of the market, measure fund performance, and examine loan terms and reported credit quality across lending strategies and beyond the BDC sector.

Mature funds return 1.2 to 1.5 times paid-in capital and about 9% a year net of fees, and they return much of it within five years. Behind these returns, the label "private credit" covers very different portfolios. Senior direct lenders hold almost nothing but senior loans, while subordinated direct lending and opportunistic lending funds hold close to half their value in equity, much of it alongside loans to the same borrowers and much of it preferred equity. Spreads on new loans fell by more than a percentage point between 2022 and 2025. GP marks show little deterioration, but in every year since 2021 about 60% of the direct lending exposure for which we observe fundamentals is to borrowers with net leverage of ten times EBITDA or more or with non-positive earnings.

These findings matter for investors, borrowers, and regulators. Investors have received moderate but steady returns and an early return of capital, although the value of recent vintages rests largely on reported marks. Borrowers across many industries now rely on these funds for debt financing. For regulators, the closed-end structure of these funds removes the risk of investor redemptions but not the risks of illiquid assets and weak borrowers. The share of seriously impaired loans remains small but has risen, most sharply in subordinated direct lending, and because the lenders set their own marks, it may understate the extent of credit deterioration.

Our analysis is descriptive, and several questions remain open. Our net leverage evidence covers only the subset of borrowers with reported fundamentals. Extending it would show how leverage and operating performance predict later markdowns and losses. Comparing marks with borrower fundamentals, with realized outcomes, and with the values that different lenders assign to the same borrower would show how promptly GPs' valuations reflect changes in credit risk. The quarterly holding panel also makes it possible to follow loans from origination through repayment, restructuring, or exit, and thus to measure realized losses and recoveries across strategies and market conditions. Finally, adding semi-liquid vehicles would allow a direct comparison of portfolios, marks, and returns between funds that face redemptions and those that do not. The data documented in Section 2 make each of these exercises feasible.

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Table 1: Comparison of Data on Private Credit

This table summarizes the main types of data used to study private credit. The characterization of each source is approximate and refers to the version of the data typically used in academic research.

	Commercial fund databases (ex. Preqin)	BDC filings (ex. 10-K/10-Q)	Deal-level databases (ex. PitchBook, DealScan)	This paper (ex. MSCI Private Capital Universe)
Source	GP-reported or FOIA (Preqin)	SEC filings	News, filings, lender submissions	LP-sourced GP reports
Vehicles	Drawdown funds	BDCs only (U.S.)	All lenders	All lenders
Level	Fund	Fund × loan	Loan (at origination)	Fund, holding, security (incl. loan)
Frequency	Quarterly	Quarterly	At origination	Quarterly
Loan terms	No	Yes	At origination	Yes
Valuations	Fund NAV	Loan fair value	No	Fund NAV; holding & security fair value, MV
Identities	Named	Named	Named	Anonymized, consistent IDs

Table 2: Sample Coverage

This table reports the number of distinct units and of quarterly observations of closed-end private credit funds in the MSCI Private Capital Universe used in this paper, by fund vintage. A fund is a single investment vehicle managed by a general partner (GP). A holding is a fund's investment in a single portfolio company, so it is defined by the fund and borrower pair. A security is an individual instrument within a holding, such as a loan, preferred or common equity, or a warrant, and a holding may contain several securities. Loans are securities classified as debt. Holdings, all includes every holding with a reported market value. Holdings, with cash flows is the subset for which quarterly invested amounts and proceeds are reliably reported, which we use for measures based on holding cash flows. Holdings, securities, and loans are assigned to the vintage of the fund that holds them. Distinct is the number of distinct units in each vintage group, and Obs is the number of unit-quarter observations.

Panel A. Funds and holdings

	Funds		Holdings, all		Holdings, with cash flows	
Fund Vintage	Distinct	Obs	Distinct	Obs	Distinct	Obs
2006–2010	161	20,647	8,085	135,547	526	14,615
2011–2015	241	29,942	11,563	199,348	1,707	38,603
2016–2020	360	35,449	19,658	267,202	3,679	64,369
2021–2025	369	14,704	15,214	122,225	3,914	34,209
Total	1,131	100,742	54,520	724,322	9,826	151,796

Panel B. Securities and loans

	Securities		Loans	
Fund Vintage	Distinct	Obs	Distinct	Obs
2006–2010	935	9,656	269	2,882
2011–2015	8,876	77,619	5,170	41,179
2016–2020	29,464	289,245	20,083	201,596
2021–2025	28,681	179,810	20,596	137,868
Total	67,956	556,330	46,118	383,525

Table 3: Summary Statistics of Private Credit Funds and Holdings

This table reports summary statistics for closed-end private credit funds with vintage years of 2006 or later and their holdings. Contributions and distributions are cumulative amounts aggregated at the fund level, and invested amounts and proceeds are cumulative amounts at the holding level, all measured through 2025Q4. In Panel A, the number of holdings per fund is the number of unique holdings in which each fund has invested over its life. TVPI, DPI, and RVPI are total value, distribution, and residual value divided by paid-in capital, computed for each fund from its cash flows and latest reported net asset value. IRR is each fund's annualized internal rate of return, computed from its quarterly net cash flows with the latest valuation treated as a terminal cash flow. Performance measures are computed for funds with positive paid-in capital, and IRR for funds with a well-defined solution. In Panel B, holding duration is the number of days between the holding's investment date and exit date, divided by 365.25, and is computed for holdings with a recorded exit. Panel A uses all holdings, and Panel B uses the holdings with reliably reported cash flows.

	N	Mean	SD	P25	Median	P75
Panel A. Fund level						
Fund size (USD million)	1,131	1293.6	1683.7	322.1	759.0	1542.1
Cumulative contributions (USD million)	1,131	1111.8	1408.8	259.0	672.2	1356.0
Cumulative distributions (USD million)	1,131	947.0	1446.0	133.4	482.6	1164.7
Number of holdings per fund	1,131	48.2	67.1	16.0	30.0	59.0
Total value to paid-in capital (TVPI)	1,124	1.27	0.30	1.11	1.25	1.38
Distributions to paid-in capital (DPI)	1,124	0.82	0.52	0.37	0.88	1.22
Residual value to paid-in capital (RVPI)	1,124	0.45	0.42	0.03	0.35	0.81
Internal rate of return (IRR)	1,118	0.10	0.12	0.07	0.09	0.13
Panel B. Holding level						
Cumulative invested amounts (USD million)	9,749	53.4	90.1	10.3	25.3	58.5
Cumulative proceeds (USD million)	9,749	43.1	107.9	2.8	13.9	42.3
Holding duration (years)	4,769	3.3	2.5	1.5	2.8	4.5

Table 4: Committed Capital of Private Credit Funds

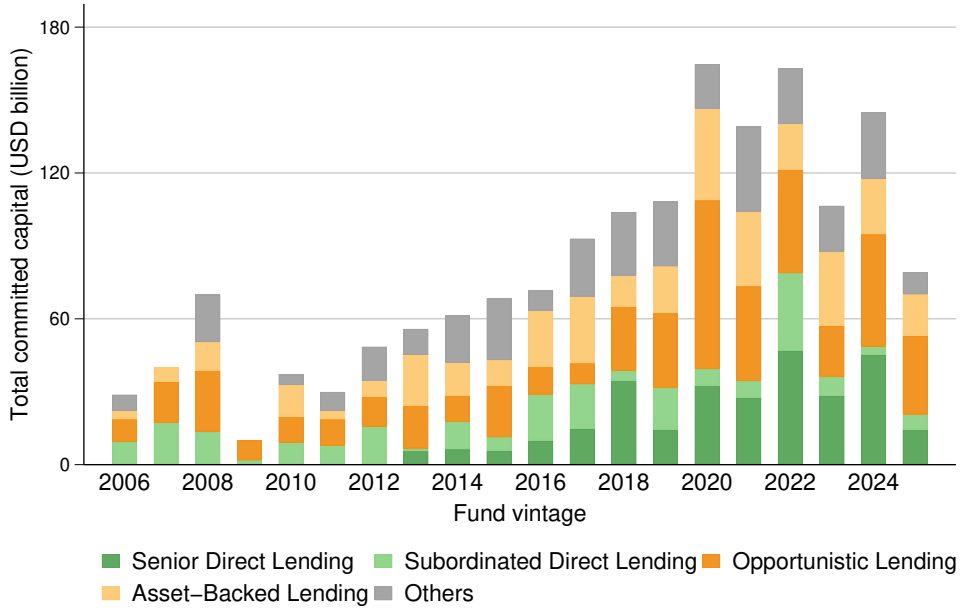
This table reports the number of private credit funds and their aggregate committed capital as of 2025Q4, by fund strategy, industry focus, and geography. The sample includes closed-end private credit funds with vintage years of 2006 or later that have a transaction record in 2025Q4. Committed capital is fund size, the total commitments of LPs and the GP, in billions of U.S. dollars. *(Fund-level data)*

	Funds	Committed Capital (USD billion)
Private Credit	942	1252.9
Fund Strategy		
Senior Direct Lending	169	254.8
Subordinated Direct Lending	147	138.7
Opportunistic Lending	211	347.0
Asset-Backed Lending	208	229.7
Others	207	282.8
Fund Industry Focus		
Generalist	589	931.0
Real Estate	136	154.6
Industry Specialist	127	93.7
Unknown	90	73.6
Fund Geography		
North America	606	763.6
Europe	148	267.2
Others	56	49.7
Unknown	132	172.4

Figure 1: Private Credit Fundraising by Fund Vintage and Strategy

This figure shows aggregate committed capital (Panel A) and the number of funds (Panel B) by fund vintage and fund strategy. "Others" comprises generalist private credit funds and other corporate lending funds such as distressed lending and venture debt funds, and funds of unknown strategy. The sample includes closed-end private credit funds with vintage years of 2006 or later. In Panel A, vintage × strategy cells with fewer than five funds are suppressed. The 2025 vintage is understated because of reporting lags. *(Fund-level data)*

Panel A. Committed capital



Panel B. Number of funds

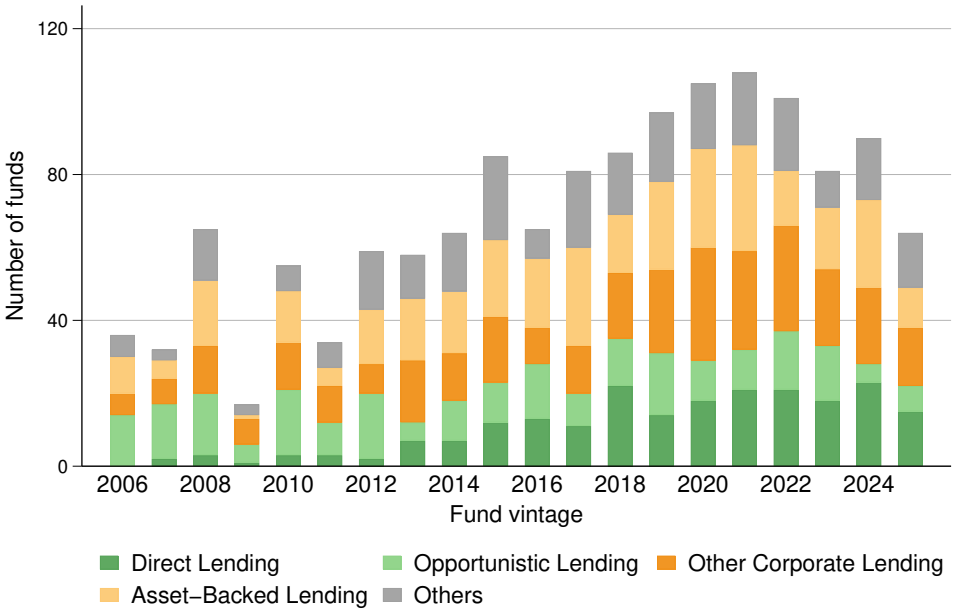
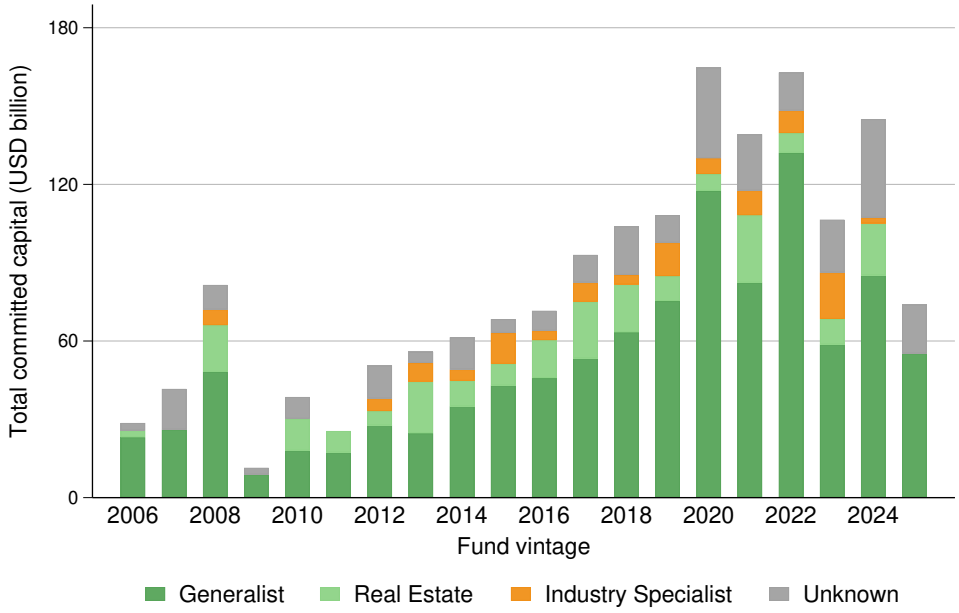


Figure 2: Private Credit Fundraising by Fund Vintage and Industry Focus

This figure shows aggregate committed capital (Panel A) and the number of funds (Panel B) by fund vintage and fund industry focus. The sample includes closed-end private credit funds with vintage years of 2006 or later. In Panel A, vintage × industry-focus cells with fewer than five funds are suppressed. The 2025 vintage is understated because of reporting lags. *(Fund-level data)*

Panel A. Committed capital



Panel B. Number of funds

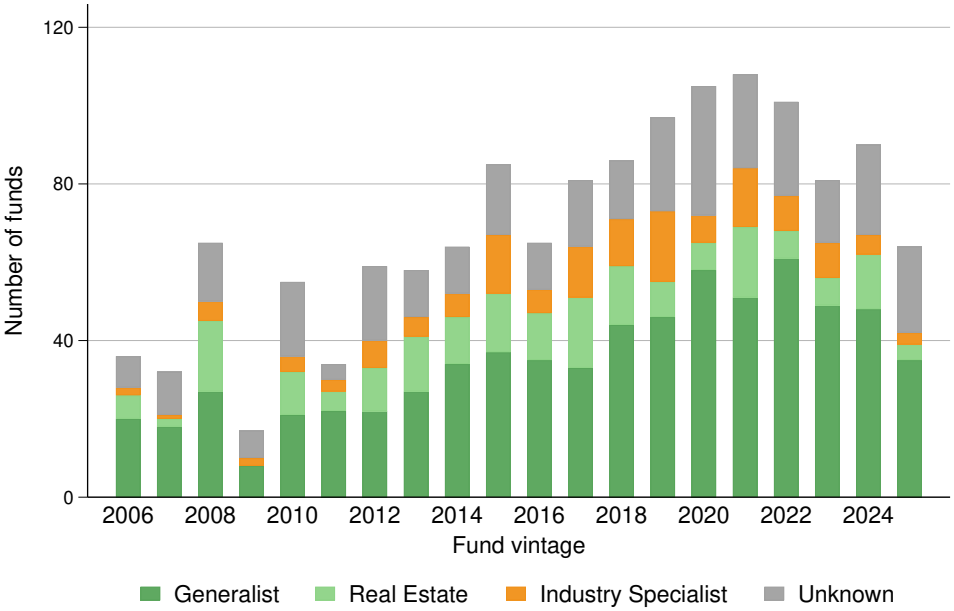
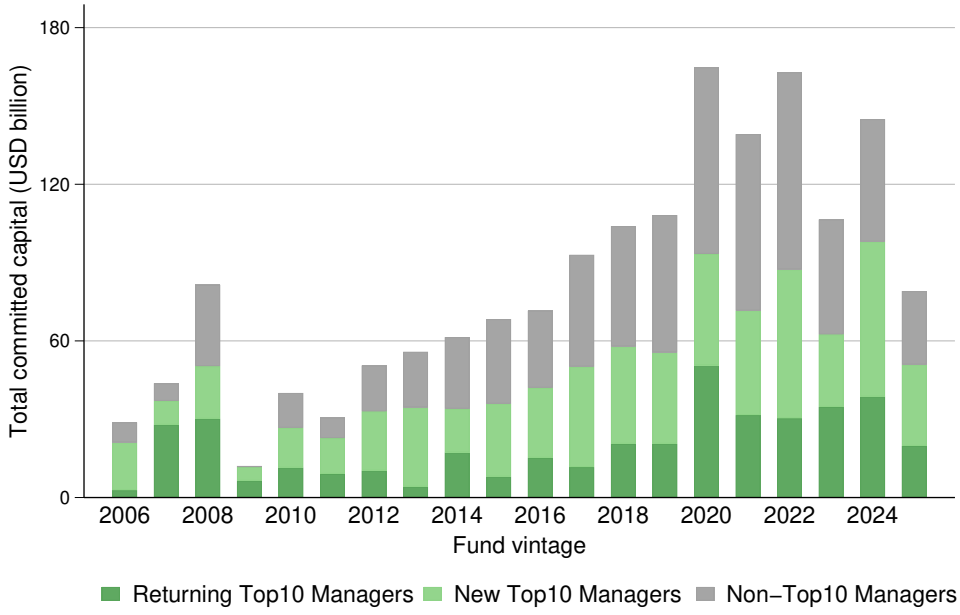


Figure 3: Manager Concentration in Private Credit

This figure shows committed capital (Panel A) and the share of committed capital (Panel B) raised by the top 10 managers in each vintage year. The sample includes closed-end private credit funds with vintage years of 2006 or later. The top 10 managers are the ten managers that raise the most committed capital in a vintage year. Returning top 10 managers were also among the top 10 in the previous vintage year, and new top 10 managers were not. Non-top 10 managers are all other managers. Figure A1 in the Appendix repeats the analysis for the top 20 and top 30 managers. *(Fund-level data)*

Panel A. Committed Capital



Panel B. Share of Committed Capital

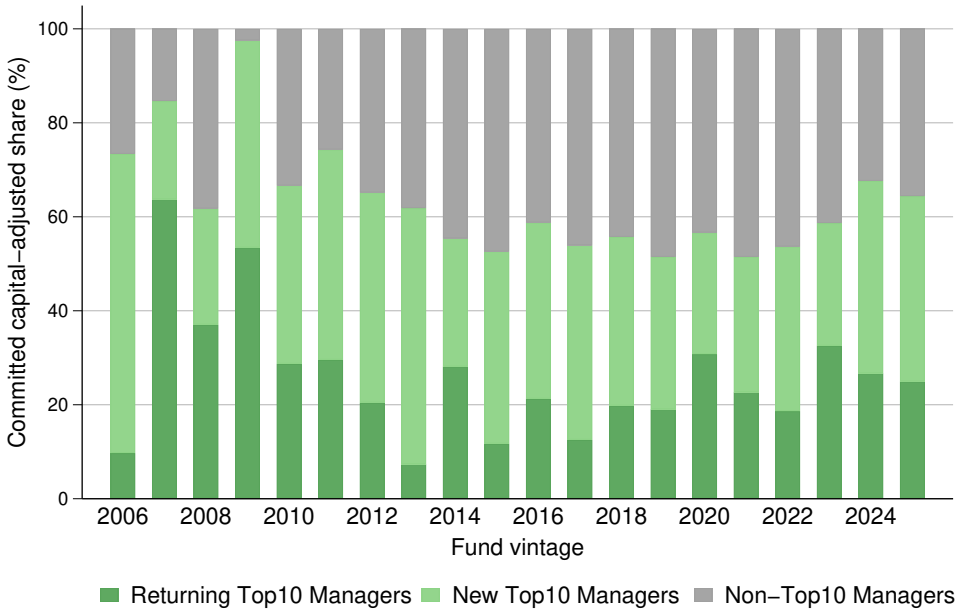


Table 5: Market Value of Private Credit Holdings

This table reports the number of funds and holdings and the aggregate market value of private credit holdings, by fund strategy, fund industry focus, fund geography, and portfolio company industry. The sample includes closed-end private credit funds with vintage years of 2006 or later. Market value is the GP's reported fair value of each holding as of its latest report in 2025 or 2026, in billions of U.S. dollars. Portfolio company industry follows the Global Industry Classification Standard (GICS). *(Holding-level data)*

	Funds	Holdings	Holding MV (USD billion)
Private Credit	933	25,676	857.5
Fund Strategy			
Senior Direct Lending	158	9,433	209.8
Subordinated Direct Lending	170	2,216	88.7
Opportunistic Lending	224	5,577	253.7
Asset-Backed Lending	193	3,744	160.7
Others	188	4,706	144.6
Fund Industry Focus			
Generalist	604	19,604	656.7
Real Estate	137	2,726	99.9
Industry Specialist	192	3,346	100.9
Fund Geography			
North America	631	18,843	598.5
Europe	140	2,885	132.4
Others	54	974	31.1
Unknown	108	2,974	95.5
Portfolio Company's Industry			
Communication Services	390	1,164	41.0
Consumer Discretionary	523	2,662	83.2
Consumer Staples	330	797	24.4
Energy	195	369	18.7
Financials	635	4,806	153.1
Health Care	474	2,990	92.2
Industrials	619	4,532	137.4
Information Technology	483	3,766	113.9
Materials	340	772	24.9
Real Estate	412	2,756	109.9
Utilities	161	333	14.3
Unknown	281	729	44.4

Figure 4: Market Value of Private Credit Holdings by Strategy

This figure shows the aggregate market value of private credit holdings by calendar quarter and fund strategy, using all holdings with a reported market value. "Others" comprises generalist private credit funds and other corporate lending includes distressed lending and venture debt funds. The sample includes closed-end private credit funds with vintage years of 2006 or later. Because MSCI's coverage expands over time as it adds clients, part of the growth reflects expanding coverage. *(Holding-level data)*

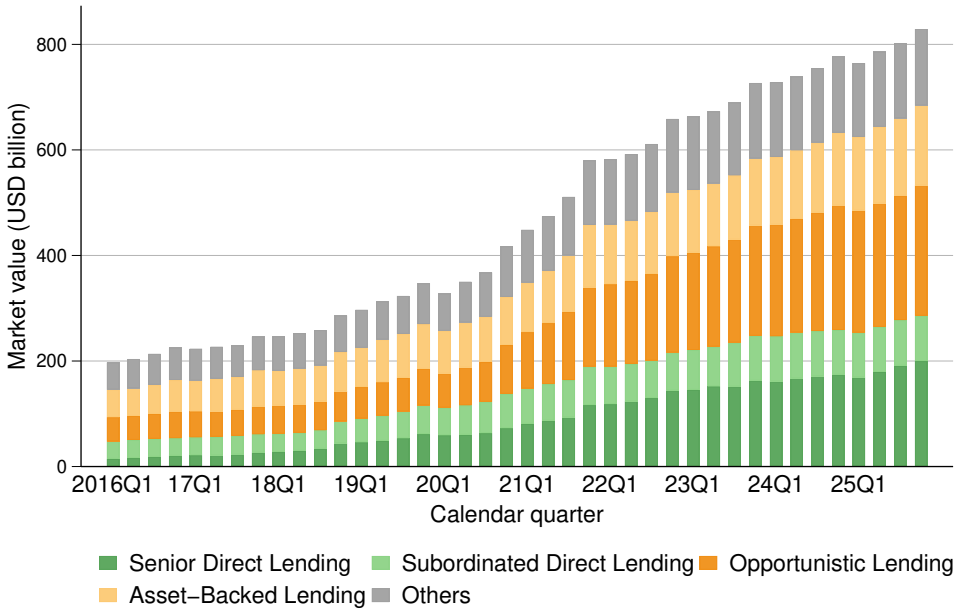


Figure 5: Invested Private Credit by Portfolio Company Industry

This figure shows the aggregate capital invested in private credit holdings in each calendar year, by portfolio company industry. The figure uses only the subset of holdings with reliably reported invested amounts, so its levels understate total investment by private credit funds. Industry follows the Global Industry Classification Standard (GICS). "Consumer" combines Consumer Discretionary and Consumer Staples; "Others" includes holdings with a missing industry. The sample includes closed-end private credit funds with vintage years of 2006 or later. The figure uses only the subset of holdings with reliably reported invested amounts, so its levels understate total investment by private credit funds. *(Holding-level data, holdings with cash flows)*

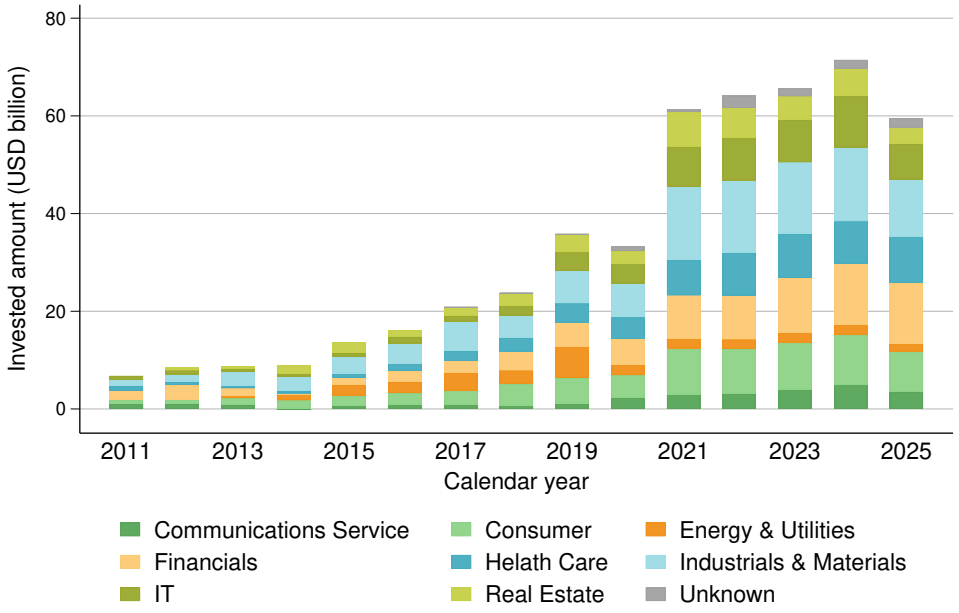


Figure 6: Private Credit Dry Powder

This figure shows aggregate dry powder, the committed capital that has not yet been called, by calendar year. Dry powder is computed for each fund as committed capital less cumulative contributions. Funds whose cumulative contributions exceed their committed capital are excluded. The sample includes closed-end private credit funds with vintage years of 2006 or later. The most recent year is understated because of reporting lags. *(Fund-level data)*

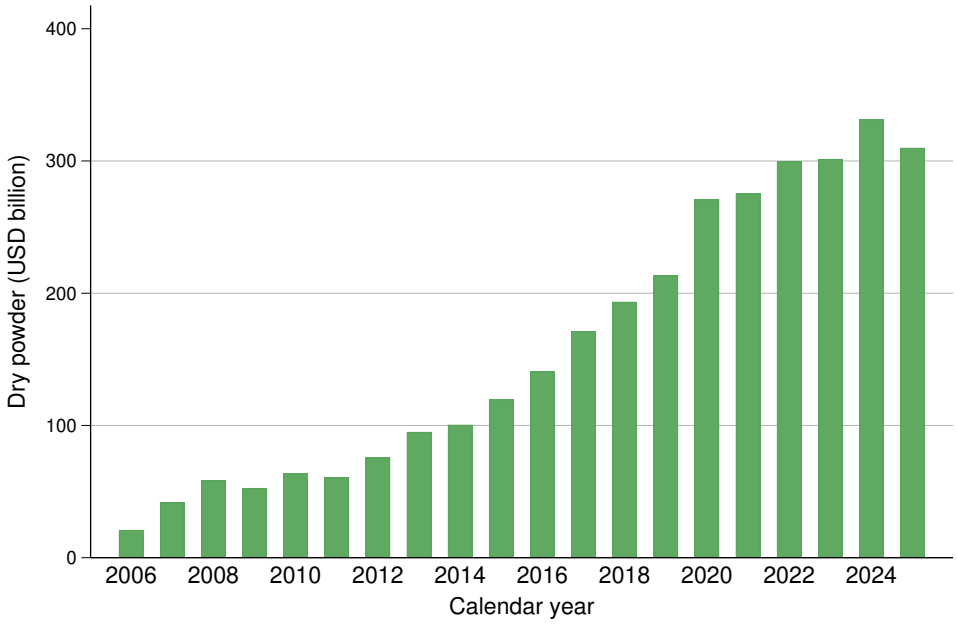


Figure 7: Private Credit Fund Cash Flows

This figure shows aggregate contributions, distributions, and net cash flows (distributions less contributions) of private credit funds by calendar year. Contributions are plotted as negative values. The sample includes closed-end private credit funds with vintage years of 2006 or later. *(Fund-level data)*

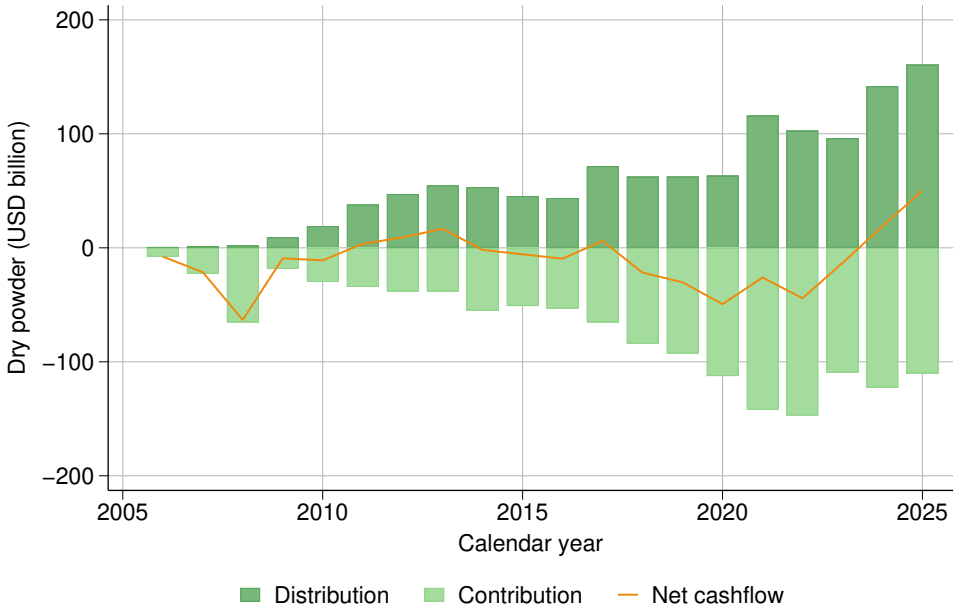


Table 6: Private Credit Fund Multiples by Fund Strategy

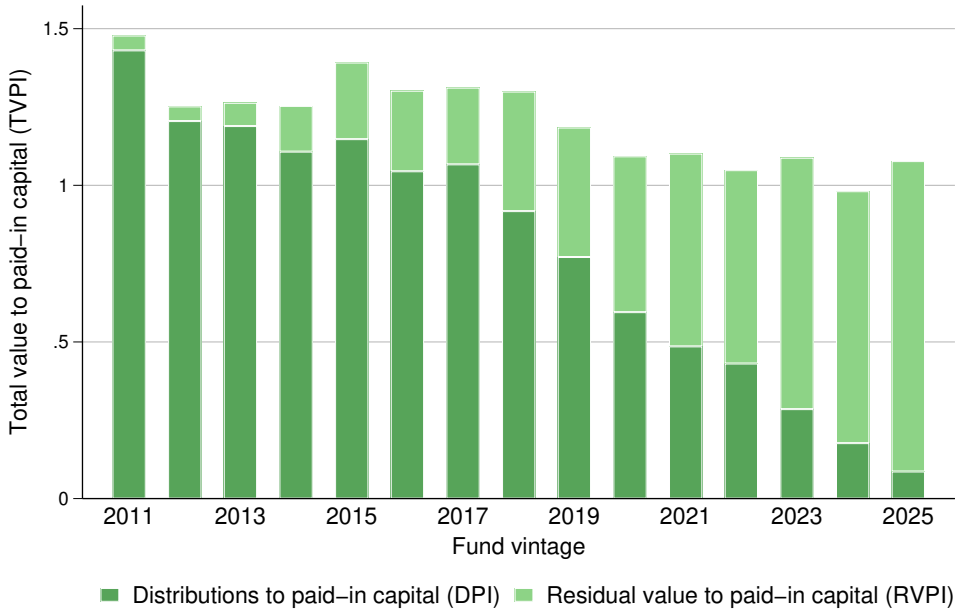
This table reports the distribution of total value to paid-in capital (TVPI) across private credit funds by fund strategy and vintage group. TVPI is each fund's cumulative distributions plus its latest reported net asset value, divided by its paid-in capital. Total pools all vintages from 2006 to 2025. N is the number of funds with a well-defined TVPI. *(Fund-level data)*

Fund Vintage	N	Mean	SD	P25	Median	P75
Panel A. Senior direct lending						
Total	169	1.25	0.22	1.11	1.24	1.34
2006–2010	6	1.43	0.26	1.35	1.36	1.38
2011–2015	23	1.35	0.40	1.15	1.27	1.41
2016–2020	48	1.33	0.16	1.22	1.31	1.41
2021–2025	92	1.16	0.15	1.07	1.15	1.26
Panel B. Subordinated direct lending						
Total	206	1.34	0.38	1.14	1.30	1.46
2006–2010	54	1.38	0.44	1.18	1.32	1.53
2011–2015	44	1.48	0.40	1.27	1.42	1.67
2016–2020	50	1.38	0.31	1.24	1.34	1.55
2021–2025	58	1.16	0.28	1.02	1.17	1.31
Panel C. Opportunistic lending						
Total	272	1.25	0.27	1.12	1.24	1.38
2006–2010	38	1.42	0.26	1.30	1.42	1.50
2011–2015	58	1.26	0.25	1.12	1.26	1.36
2016–2020	56	1.33	0.26	1.17	1.27	1.52
2021–2025	120	1.17	0.25	1.07	1.18	1.29
Panel D. Asset-backed lending						
Total	263	1.22	0.23	1.11	1.22	1.34
2006–2010	37	1.18	0.39	1.09	1.28	1.46
2011–2015	60	1.27	0.22	1.14	1.24	1.37
2016–2020	72	1.27	0.19	1.16	1.27	1.32
2021–2025	94	1.17	0.17	1.08	1.15	1.26

Figure 8: Private Credit Fund Multiples by Fund Vintage and Fund Age

This figure shows distributions to paid-in capital (DPI), residual value to paid-in capital (RVPI), and total value to paid-in capital (TVPI) of private credit funds by fund vintage (Panel A) and fund age (Panel B). DPI is aggregate cumulative distributions divided by aggregate paid-in capital (cumulative contributions). RVPI is aggregate net asset value (NAV) divided by aggregate paid-in capital, where NAV is each fund's latest reported NAV in Panel A and its NAV at the end of each fund-age year in Panel B. TVPI is the sum of DPI and RVPI. All measures are pooled within each vintage or age, so larger funds receive more weight. The sample includes closed-end private credit funds with vintage years of 2006 or later and with positive paid-in capital, non-negative distributions, and non-missing NAV. *(Fund-level data)*

Panel A. Fund Vintage



Panel B. Fund Age



Table 7: Private Credit Fund Net IRR by Fund Strategy

This table reports the distribution of net internal rates of returns (IRRs) across private credit funds by fund strategy and vintage group. IRR is each fund's annualized internal rate of return, computed from its quarterly net cash flows to investors, with the latest reported valuation treated as a terminal cash flow. Total pools all vintages from 2006 to 2025. N is the number of funds with a well-defined IRR. *(Fund-level data)*

Fund Vintage	N	Mean	SD	P25	Median	P75
Panel A. Senior direct lending						
Total	172	0.09	0.09	0.07	0.09	0.12
2006–2010	6	0.12	0.03	0.10	0.12	0.15
2011–2015	23	0.06	0.03	0.04	0.07	0.08
2016–2020	48	0.08	0.03	0.07	0.08	0.10
2021–2025	95	0.10	0.12	0.09	0.11	0.13
Panel B. Subordinated direct lending						
Total	208	0.10	0.15	0.06	0.10	0.13
2006–2010	54	0.08	0.07	0.05	0.08	0.11
2011–2015	44	0.09	0.06	0.08	0.10	0.13
2016–2020	50	0.10	0.06	0.08	0.10	0.13
2021–2025	60	0.11	0.26	0.06	0.11	0.15
Panel C. Opportunistic lending						
Total	272	0.12	0.15	0.07	0.10	0.14
2006–2010	38	0.10	0.07	0.07	0.09	0.14
2011–2015	58	0.06	0.06	0.05	0.07	0.08
2016–2020	56	0.10	0.08	0.07	0.10	0.13
2021–2025	120	0.16	0.20	0.09	0.12	0.19
Panel D. Asset-backed lending						
Total	264	0.09	0.09	0.06	0.09	0.12
2006–2010	37	0.06	0.14	0.01	0.09	0.14
2011–2015	60	0.08	0.05	0.05	0.08	0.10
2016–2020	72	0.07	0.04	0.06	0.08	0.10
2021–2025	95	0.11	0.10	0.08	0.11	0.14

Table 8: Security-Type Composition of Private Credit Funds

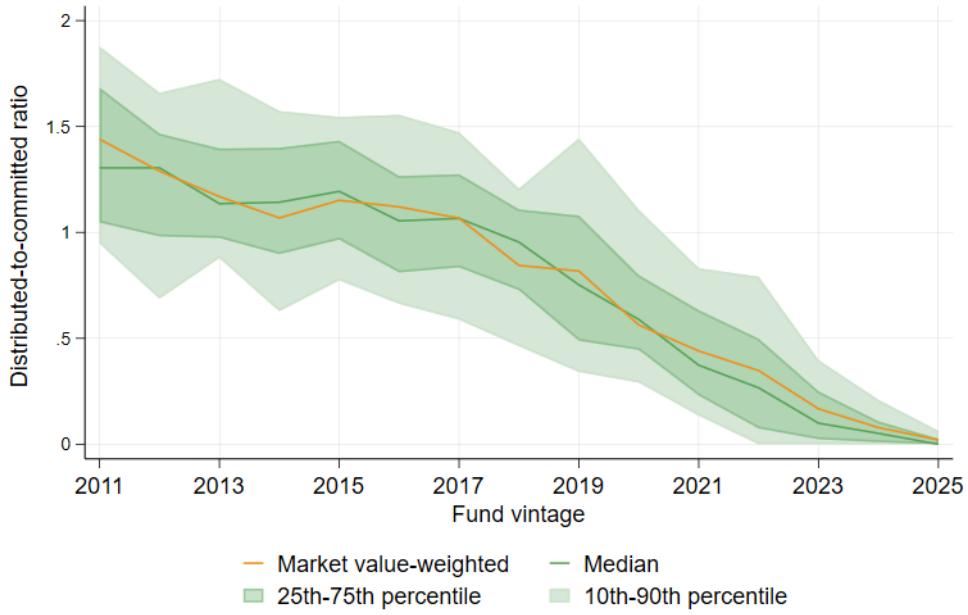
This table reports the share of each security type by fund strategy: senior direct lending, subordinated direct lending, opportunistic lending, and asset-backed lending. Odd-numbered columns report unweighted averages, while even-numbered columns report averages weighted by security market value, using only securities with positive, non-missing values. The sample consists of quarterly security-level observations from 2021 to 2025 from closed-end private credit funds with vintage years of 2006 or later. Security-quarter N is the number of security-quarter observations; Distinct holding N is the number of corresponding distinct holdings. "Unknown" denotes securities whose type is not reported; these securities are excluded from the weighted averages. Shares are computed within each fund strategy. *(Security-level data)*

	Senior direct lending		Subordinated direct lending		Opportunistic lending		Asset-backed lending	
	UW	VW	UW	VW	UW	VW	UW	VW
Equity (%)	11.3	6.6	46.4	45.4	27.9	44.5	12.8	14.1
Common equity (%)	4.7	0.6	14.7	15.1	6.5	6.0	1.0	0.5
Preferred equity (%)	2.6	1.1	14.6	19.4	5.3	9.0	3.5	2.6
Unknown equity (%)	4.0	4.9	17.1	10.9	16.1	29.4	8.2	11.0
Debt (%)	83.9	93.0	46.1	53.5	63.1	54.1	80.4	84.6
Senior debt (%)	78.2	85.4	20.3	33.5	39.8	29.0	20.1	24.2
Mezzanine debt (%)	1.2	1.1	16.5	11.4	1.3	1.1	9.0	7.3
Unknown debt (%)	4.5	6.5	9.4	8.5	22.0	24.1	51.2	53.1
Other security (%)	2.0	0.5	5.6	1.1	6.7	1.4	4.3	1.3
Unknown security (%)	2.8	-	1.9	-	2.3	-	2.6	-
Security-quarter N	165,455	166,144	75,851	75,871	91,404	91,548	65,649	65,665
Distinct holding N	10,479	10,479	2,919	2,919	6,845	6,845	5,441	5,441

Figure 9: Distributions of Private Credit Funds

This figure shows the distributed-to-committed ratio by fund vintage (Panel A) and the distribution yield by calendar year (Panel B), by fund strategy and calendar year (Panel C), and by fund age (Panel D). The distributed-to-committed ratio is a fund's cumulative distributions as of 2025Q4 divided by its committed capital. The distribution yield is a fund's distributions over the trailing four quarters divided by its NAV at the end of the previous year. When that NAV is missing, the NAV two years earlier is used. The sample includes closed-end private credit funds with vintage years of 2006 or later. Lines show the median and NAV-weighted values, and shaded areas the 25th–75th and 10th–90th percentiles across funds. *(Fund-level data)*

Panel A. Distributed-to-Committed Ratio



Panel B. Distribution Yield

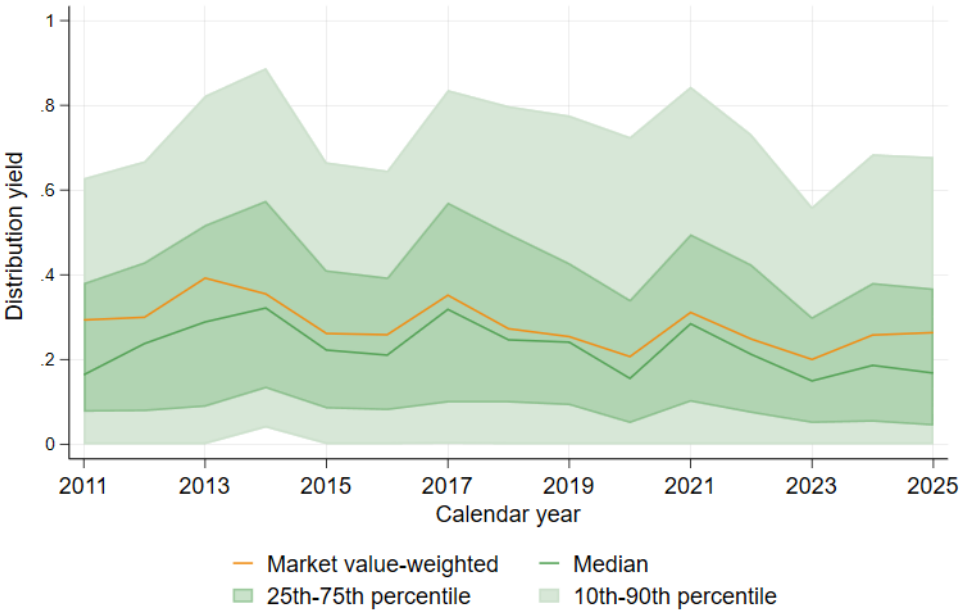
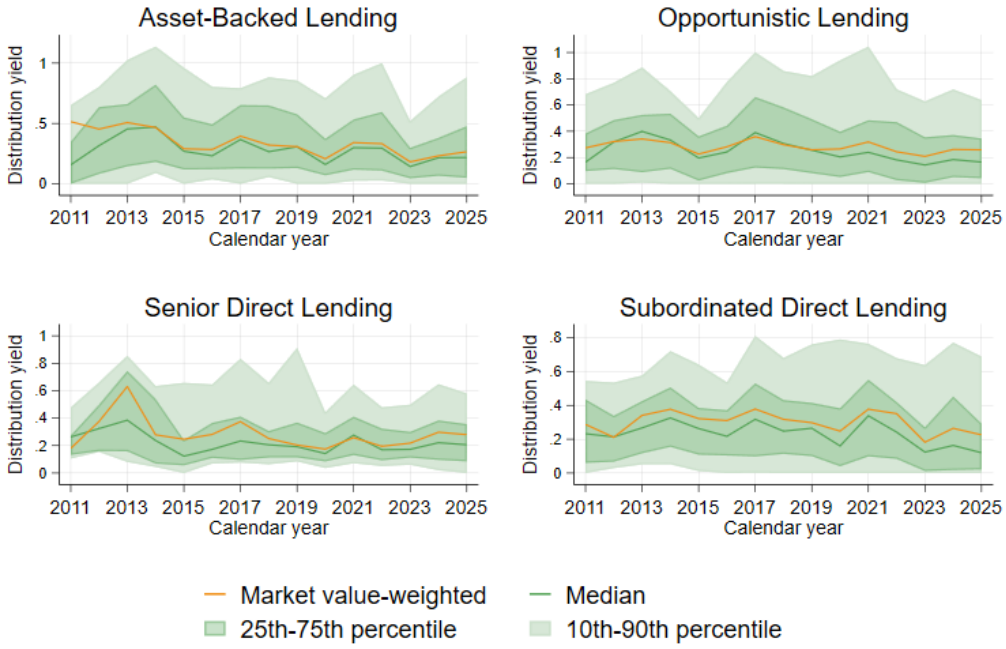


Figure 9 (continued)

Panel C. Distribution Yield by Fund Strategy



Panel D. Distribution Yield by Fund Age

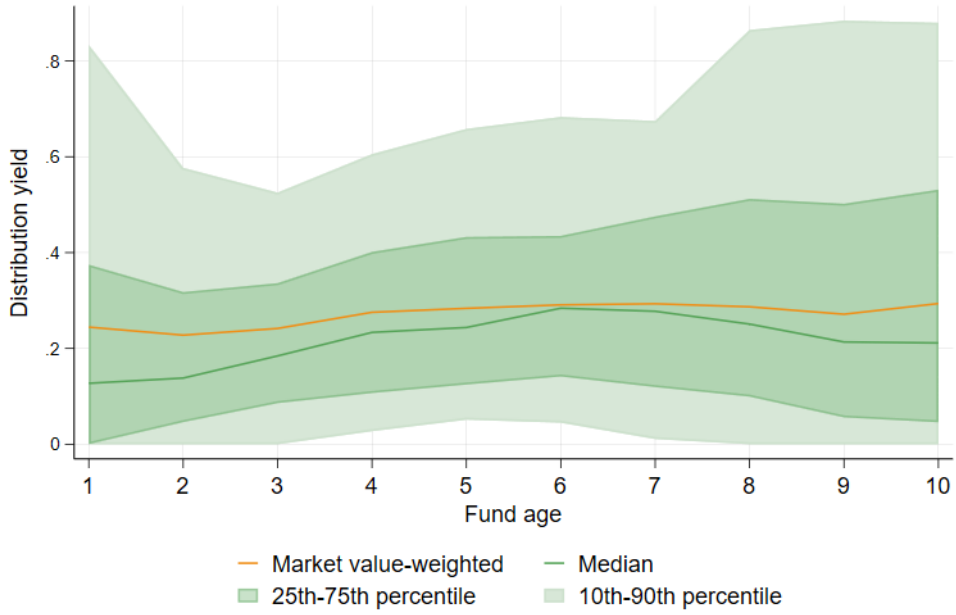


Table 9: Security-Type Combination within Private Credit Holdings

This table reports the share of holdings by the combination of security types they contain, by fund strategy: senior direct lending, subordinated direct lending, opportunistic lending, and asset-backed lending. Holdings are classified as debt only, equity only, other securities (such as warrants) only, debt and equity, debt and other securities, equity and other securities, or debt, equity, and other securities. Classification uses only securities whose type is known and whose market value is positive and non-missing. UW columns weight holdings equally, and VW columns weight them by holding market value, taken from the full sample of holdings. Shares are computed within each fund strategy. The sample consists of quarterly observations from 2021 to 2025 for closed-end private credit funds with vintage years of 2006 or later. Holding-quarter N is the number of holding-quarter observations, and Distinct holding N is the number of distinct holdings. *(Security-level data and holding-level data, all holdings)*

	Senior direct lending		Subordinated direct lending		Opportunistic lending		Asset-backed lending	
	UW	VW	UW	VW	UW	VW	UW	VW
Has debt only (%)	76.8	72.1	15.3	19.4	54.9	34.1	82.4	79.2
Has equity only (%)	3.2	3.6	15.2	19.8	18.2	24.9	8.7	12.5
Has other security only (%)	0.7	0.1	1.3	0.3	4.7	0.8	2.0	0.6
Has debt + equity (%)	16.0	19.2	57.0	49.6	16.2	28.6	3.6	3.8
Has debt + other (%)	2.0	3.2	3.4	5.0	2.3	2.9	2.3	2.5
Has equity + other (%)	0.2	0.1	2.1	1.6	1.1	1.9	0.2	0.3
Has debt + equity + other (%)	1.1	1.6	5.7	4.4	2.6	6.8	0.8	1.1
Holding-quarter N	73,489	73,313	27,845	27,695	48,964	48,342	46,048	45,843
Distinct holding N	10,476	10,473	2,918	2,917	6,826	6,812	5,410	5,403

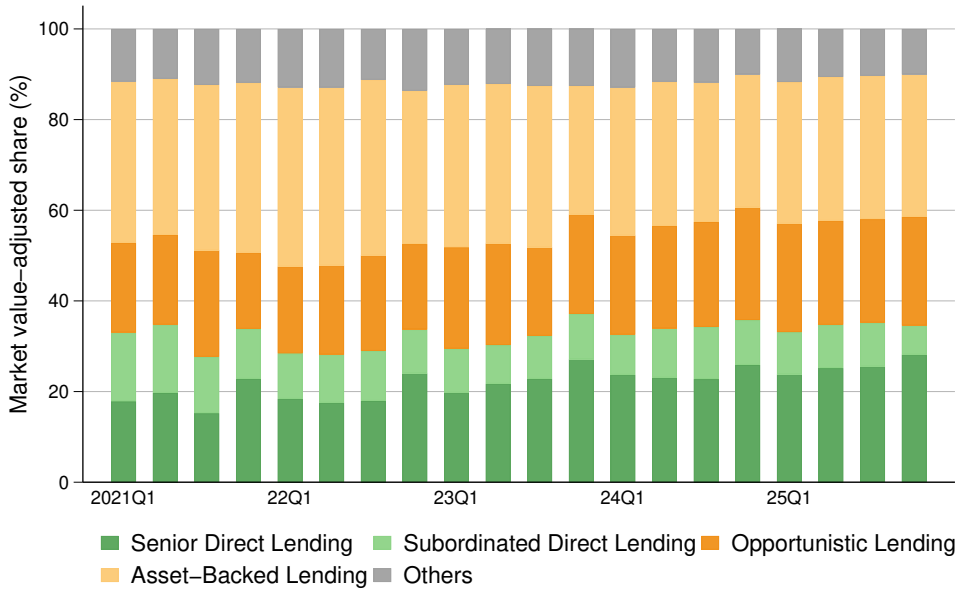
Table 10: Net Leverage of Private Credit Holdings

This table reports the distribution of borrower net leverage for holdings of direct lending funds, using all holdings for which borrower fundamentals are available. Net leverage is the borrower's net debt divided by its last-twelve-month EBITDA. Borrowers with negative net debt, that is, positive net cash, are assigned a net leverage of zero. Borrower with non-positive EBITDA, for which net leverage is not meaningful, are reported separately. Borrower fundamentals are matched to each holding using the most recent measurement within the preceding four quarters. Panel A classifies each holding by the net leverage of its borrower and reports the share of holding market value in each leverage bucket. Panel B first computes each fund's average net leverage across its holdings, weighted by holding market value, and then reports the share of fund market value in each leverage bucket. Shares are computed within each calendar year. N is the number of holdings (Panel A) and of funds (Panel B). The sample includes closed-end private credit funds with vintage years of 2006 or later. *(Holding-level data, all holdings, and entity-level fundamentals data)*

Panel A. Holding-level net leverage										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
$0-1$x (%)	19.4	20.8	16.1	13.3	16.1	14.7	10.0	8.5	10.3	8.7
$1-3$x (%)	12.3	8.9	10.7	10.5	7.1	8.0	8.6	11.2	9.1	8.0
$3-6$x (%)	15.3	16.3	16.7	17.4	12.6	12.8	11.7	15.1	15.1	16.4
$6-10$x (%)	1.9	5.5	8.3	5.2	7.9	4.8	8.5	6.6	8.0	8.2
≥ 10x (%)	34.6	32.2	32.8	31.9	36.1	35.7	39.6	39.2	42.9	48.6
EBITDA ≤ 0 (%)	16.5	16.3	15.4	21.8	20.3	23.9	21.7	19.3	14.6	10.2
Holding N	380	442	551	599	680	1,037	1,200	1,338	1,456	1,532
Panel B. Fund-level net leverage										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
$0-1$x (%)	19.4	20.8	16.1	13.3	16.1	14.7	10.0	8.5	10.3	8.7
$1-3$x (%)	14.8	18.2	16.9	14.7	7.0	15.9	11.5	17.5	18.8	24.4
$3-6$x (%)	11.3	14.7	13.0	19.1	16.9	13.5	9.5	20.4	14.4	20.8
$6-10$x (%)	13.8	11.1	20.2	9.3	16.9	17.5	20.6	18.1	25.2	23.5
≥ 10x (%)	22.6	26.8	27.0	35.8	39.6	38.4	44.6	30.7	24.1	15.4
EBITDA ≤ 0 (%)	3.1	2.9	0.7	0.9	2.1	0.7	0.8	1.3	0.2	0.9
Fund N	113	131	152	165	178	220	233	263	276	284

Figure 10: Composition of Private Credit Loans by Fund Strategy and Borrower Industry
This figure shows the share of loan market value by fund strategy (Panel A) and by borrower industry (Panel B) in each calendar quarter. The sample is restricted to debt securities from 2021 to 2025 from closed-end private credit funds with vintage years of 2006 or later. Borrower industry follows the Global Industry Classification Standard (GICS). *(Security-level data)*

Panel A. Fund Strategy



Panel B. Borrower Industry

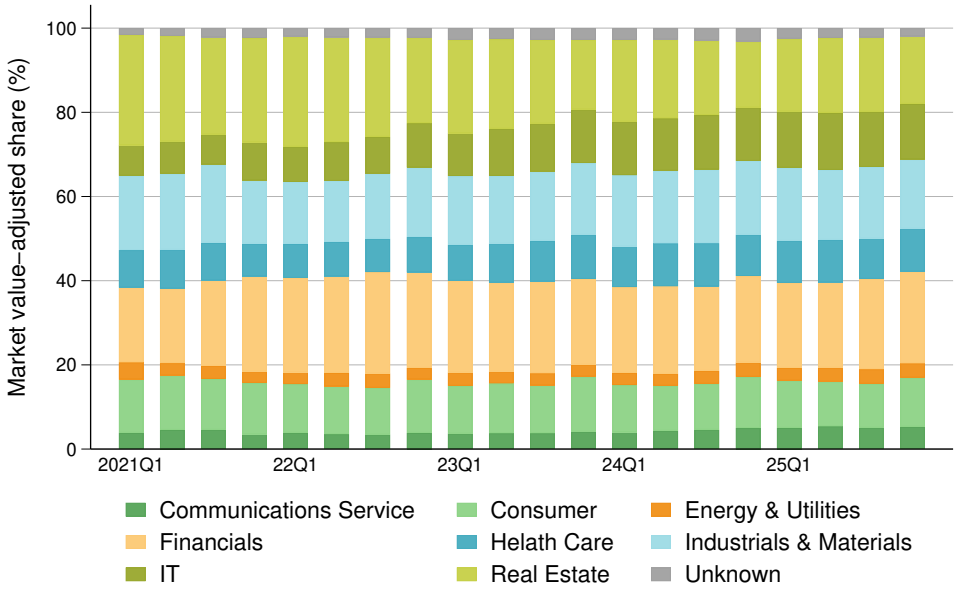


Figure 11: Rate-Type Composition of Private Credit Loans

This figure shows the share of loan market value with a floating (variable) rate, a fixed rate, or an unreported rate type, by calendar year and fund strategy: asset-backed lending, senior direct lending, subordinated direct lending, and opportunistic lending. The sample is restricted to debt securities from 2021 to 2025 from closed-end private credit funds with vintage years of 2006 or later. *(Security-level data)*

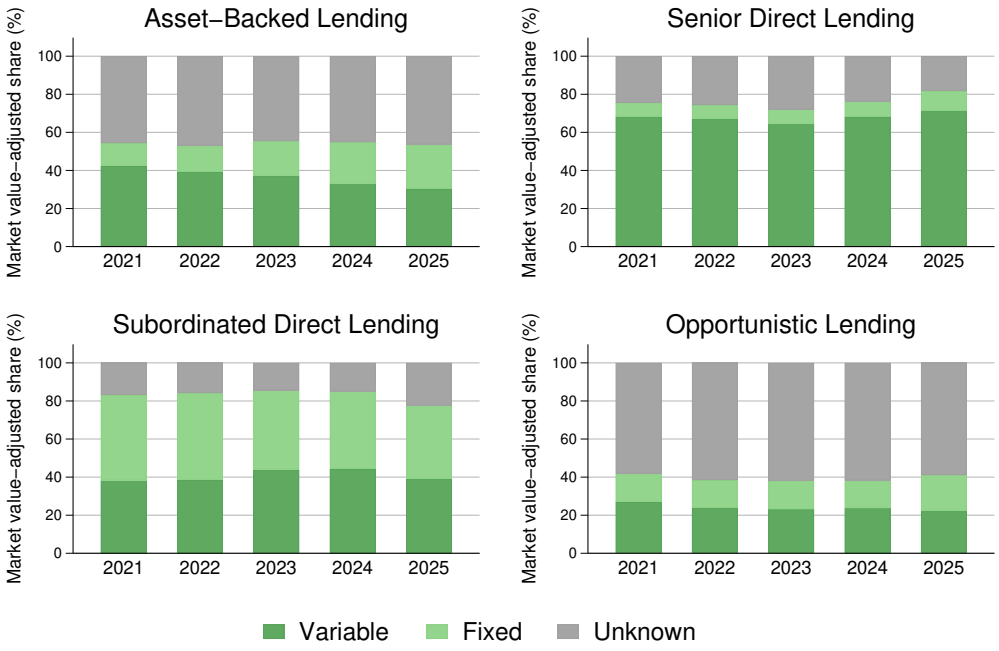
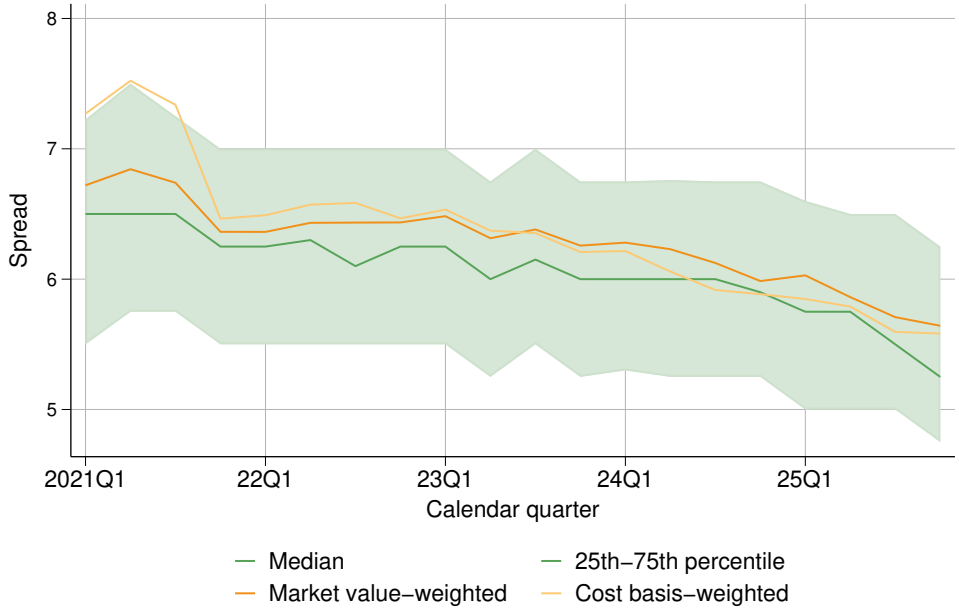


Figure 12: Distribution of Private Credit Loan Spreads

This figure shows the spread over the reference rate, in percentage points, of all loans held in each quarter (Panel A) and of loans in newly added holdings (Panel B). In Panel B, loans are dated by the quarter of the fund's first investment in the borrower. Each panel shows the median, the 25th–75th percentile range, and averages weighted by market value and by cost basis. The sample is restricted to debt securities from 2021 to 2025 from closed-end private credit funds with vintage years of 2006 or later with a reported spread. *(Security-level data)*

Panel A. All Existing Loans



Panel B. Loans in Newly Added Holdings

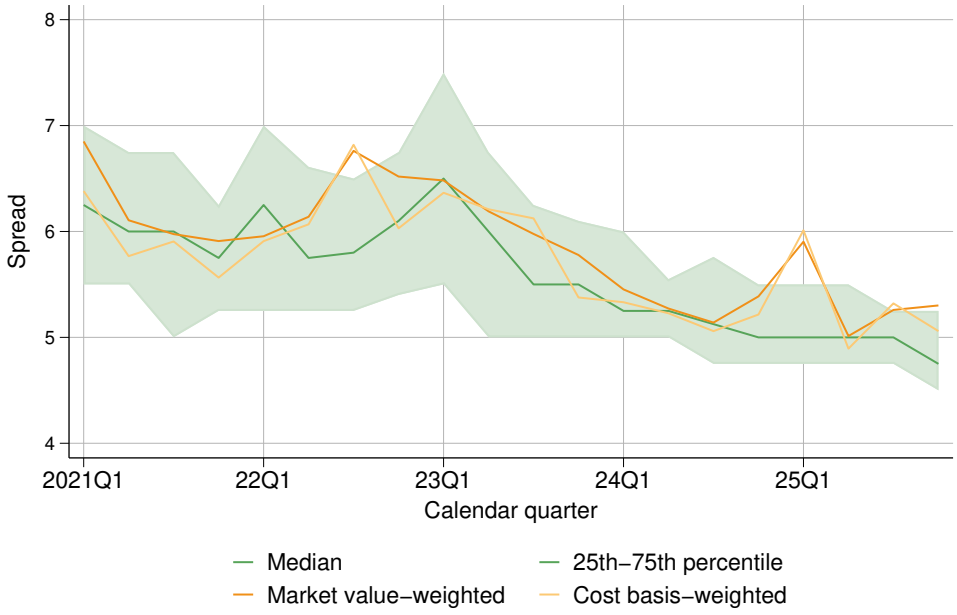
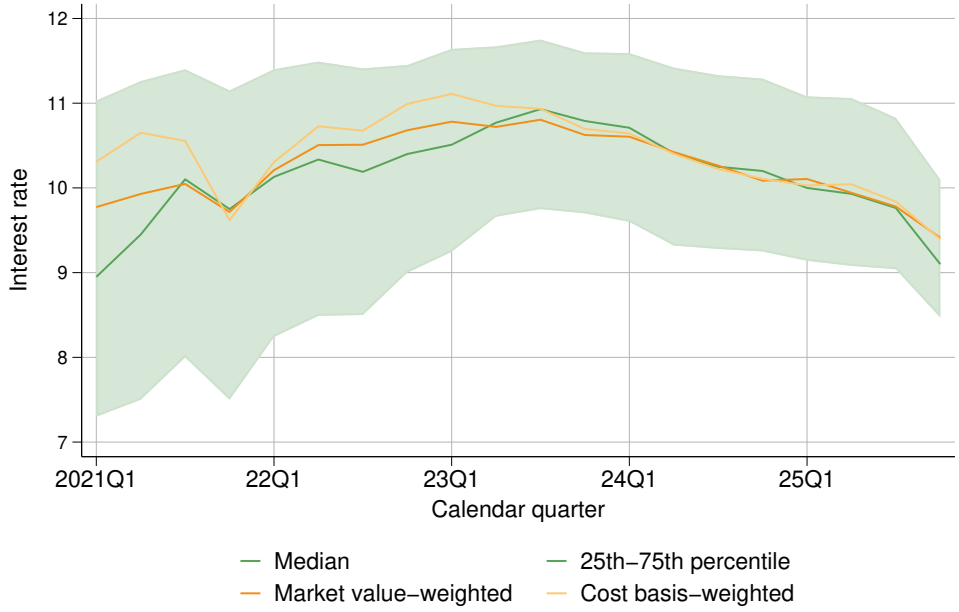


Figure 13: Distribution of Private Credit Loan Interest Rates

This figure shows the interest rate of all loans held in each quarter (Panel A) and of loans in newly added holdings (Panel B). In Panel B, loans are dated by the quarter of the fund's first investment in the borrower. Each panel shows the median, the 25th–75th percentile range, and averages weighted by market value and by cost basis. The sample is restricted to debt securities from 2021 to 2025 from closed-end private credit funds with vintage years of 2006 or later with a reported interest rate. *(Security-level data)*

Panel A. All Existing Loans



Panel B. Loans in Newly Added Holdings

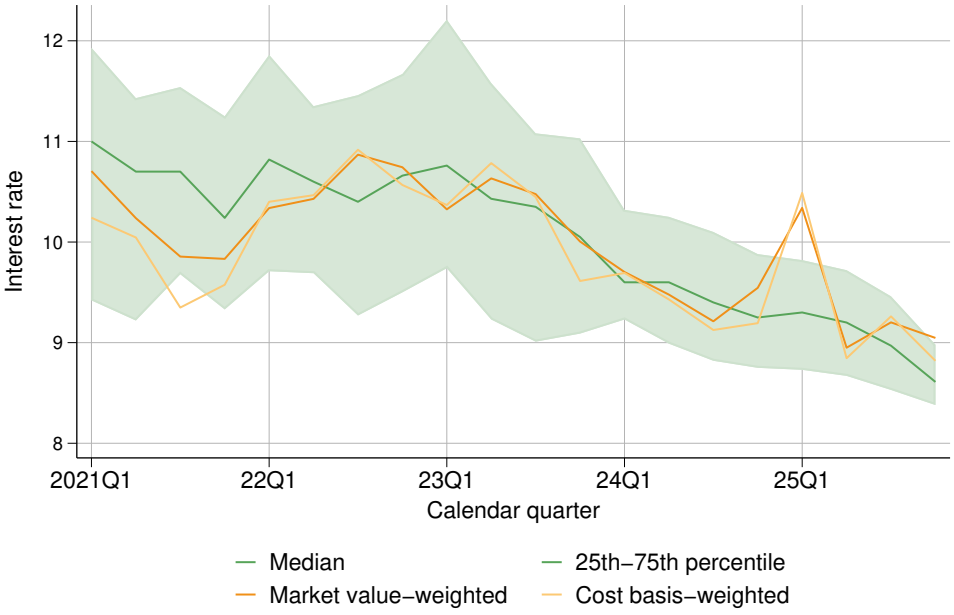
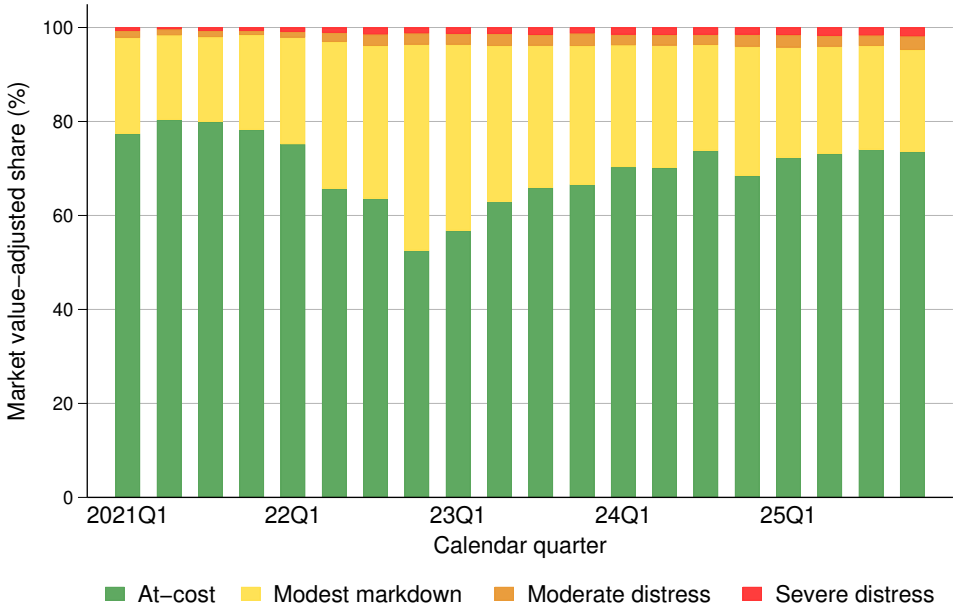


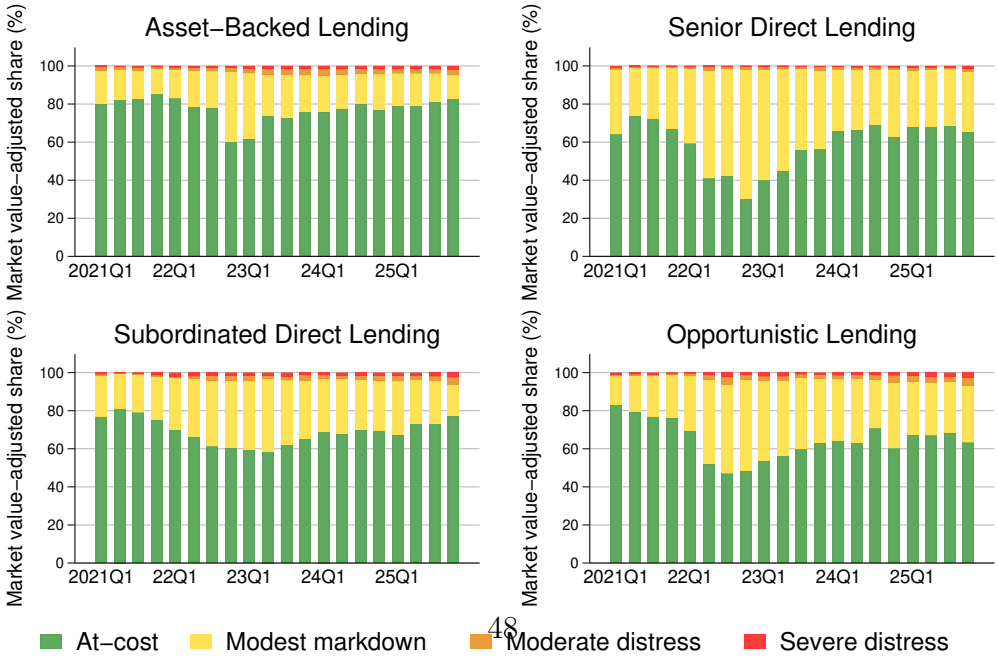
Figure 14: Credit Quality of Private Credit Loans

This figure shows the distribution of private credit loans across mark-to-cost categories by calendar quarter, for all loans (Panel A) and separately for asset-backed lending, senior direct lending, subordinated direct lending, and opportunistic lending funds (Panel B). Shares are weighted by loan market value. The mark-to-cost ratio is a loan's market value divided by its cost basis. Loans are classified as at or above cost (≥1.0), modest markdown (0.8–1.0), moderate distress (0.6–0.8), and severe distress (<0.6). The sample is restricted to debt securities from 2021Q1 to 2025Q4 from closed-end private credit funds with vintage years of 2006 or later with positive cost basis. *(Security-level data)*

Panel A. All loans



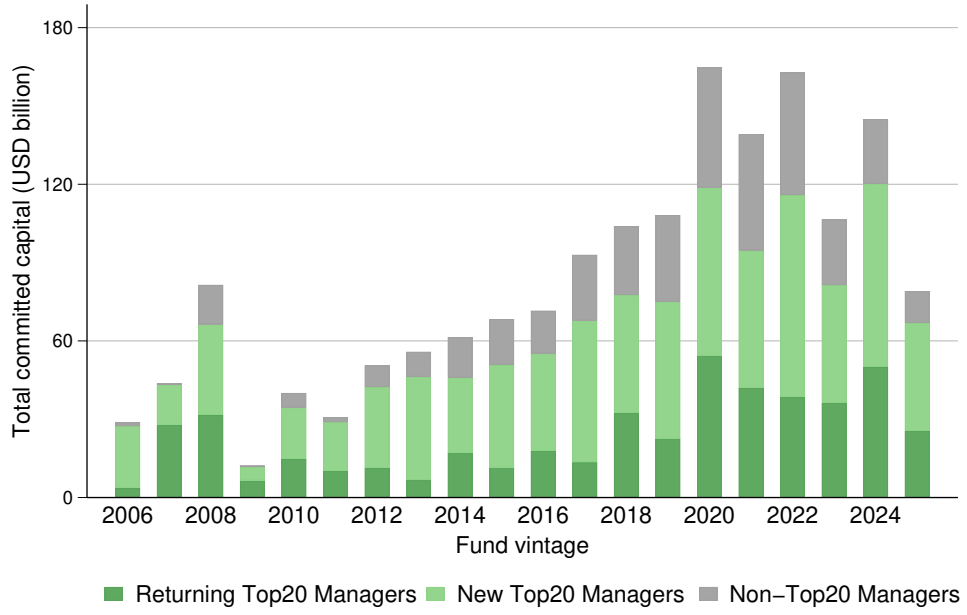
Panel B. By fund strategy



A Appendix

Figure A1: Manager Concentration in Private Credit: Top 20 and Top 30 Managers
This figure repeats Figure 3 for the top 20 and top 30 managers. Panel A shows committed capital and Panel B the share of committed capital raised by each group in each vintage year; within each panel, the upper chart shows the top 20 and the lower chart the top 30 managers. Returning managers were in the same top group in the previous vintage year; new managers were not. The sample includes closed-end private credit funds with vintage years of 2006 or later. Because each vintage contains only 60 to 110 funds, these broader groups include a large fraction of all managers. *(Fund-level data)*

Panel A. Committed capital



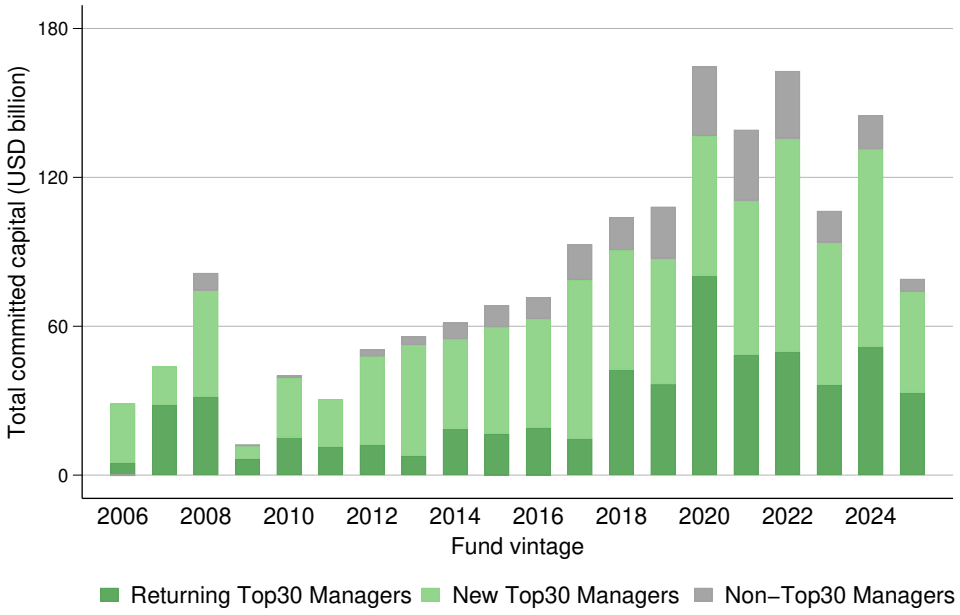


Figure A1 (continued)
Panel B. Share of committed capital

