

Morgan Stanley

INVESTMENT MANAGEMENT

European Private Credit: Why Now?

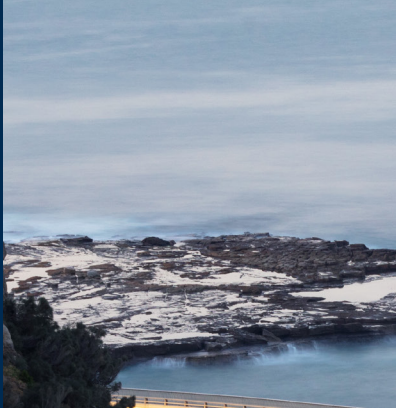
Growth, Resilience, Returns

MARKETING COMMUNICATION | EUROPEAN PRIVATE CREDIT | 2025



1

INTRODUCTION



2

GROWTH



6

RESILIENCE



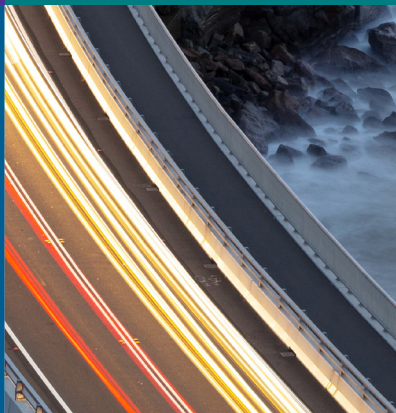
9

RETURNS



10

CONCLUSION



Introduction

Private credit has seen substantial growth over the past decade, establishing itself as an important and expanding part of investor portfolios, with global private credit assets under management (“AUM”) growing to c.\$1.7Tn in 2024 from c.\$260Bn in 2008.¹

As a sub-segment, European private credit has firmly established itself as a compelling and potentially attractive market in its own right, with AUM now approaching \$500Bn. Growing nearly 2x faster than its U.S. counterpart, it has now expanded to represent approximately 30% of the global private credit market.¹

In an environment of elevated macroeconomic and geopolitical uncertainty, ever increasing banking regulations, and a possible end to “American Exceptionalism,” European private credit offers a compelling diversification opportunity.

U.S. investors allocating to European private credit are not required to sacrifice return potential. Capital deployed in European private credit could offer higher average credit spreads while retaining the benefits of the U.S. dollar (“USD”) base rate through currency hedging. Moreover, European investors can allocate to their domestic markets and protect themselves from potential USD depreciation.

Through a comparative lens of European and U.S. private credit markets, this publication seeks to highlight how combining U.S. and European private credit allocations enhances diversification, resilience and return potential for investors.

KEY TERM

Private Credit and Direct Lending



Private credit loans are privately negotiated between a company and a private credit fund. The funds used for the loan are raised from investors, including pension funds, insurance companies, and high net-worth/retail investors.

Direct lending is often synonymous with private credit, however, technically ‘direct lending’ typically refers to the provision of senior secured loans to private equity-owned businesses. Direct lending makes up the largest portion of overall private credit AUM. Other types of private credit include mezzanine lending, distressed debt, special situations, and venture debt.

Why Europe, Why Now?

1

Growth

The European private credit market has grown nearly 2x faster than U.S. private credit, supported by increasing mid-market financing needs and regulatory changes favouring alternative lenders

2

Resilience

The market in Europe typically exhibits lower defaults and similar recoveries due to:

- Lower leverage
- Bilateral nature of transactions
- Higher equity cushions
- Higher share of defensive sectors
- Stronger legal protections

3

Returns

European private credit offers a c.100bps yield (spread/OID) premium over the U.S.

With currency hedging, investors may achieve better risk-adjusted returns

¹ Preqin – Global Private Credit Assets Under Management (“AUM”). Private Credit AUM encompasses the following strategies: (i) Direct Lending; (ii) Mezzanine; (iii) Special Situations; (iv) Distressed; (v) Fund of

Funds; and (vi) Venture Debt. AUM is calculated as the sum of total dry powder and unrealised value. Data through to September 2024 (accessed June 2025).

Growth

European private credit is growing ~2x faster than U.S. private credit

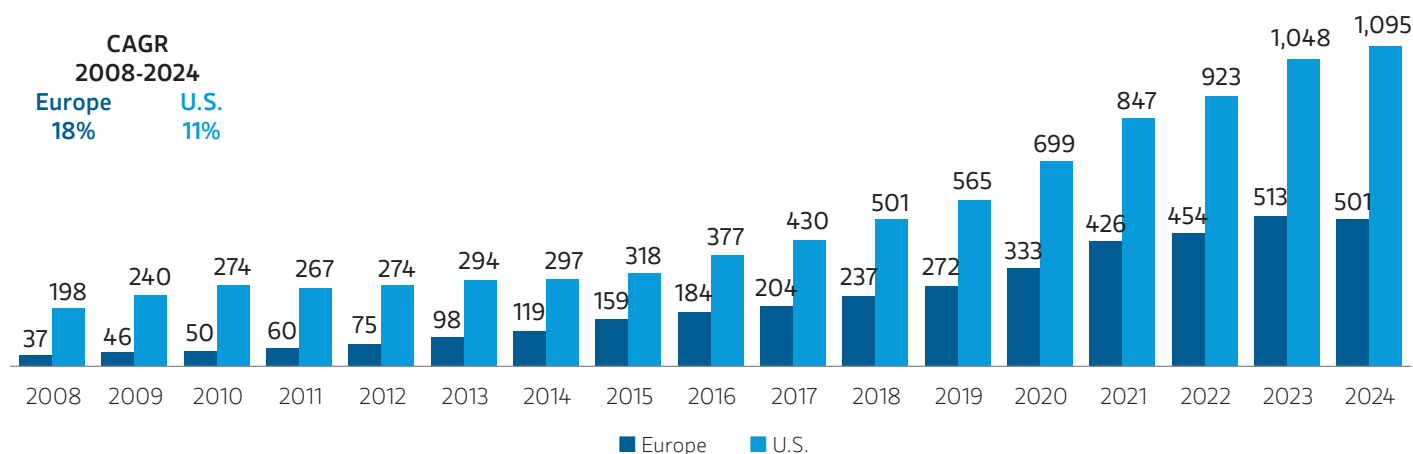
European private credit has grown significantly over the past decade, with assets under management reaching \$500Bn in 2024, up from \$50Bn in 2010.² This reflects a steady and structural shift in the financing landscape which is driven by a number of long-term structural drivers, outlined in this section.

CONTINUED REGULATORY-DRIVEN BANK RETRENCHMENT

Historically, traditional savings banks (often with local presence) were the prominent suppliers of loans to middle market companies in Europe relative to the U.S. However, post the global financial crisis, increased regulation, enhanced capital requirements, and waning risk appetites have combined to constrain their lending ability.

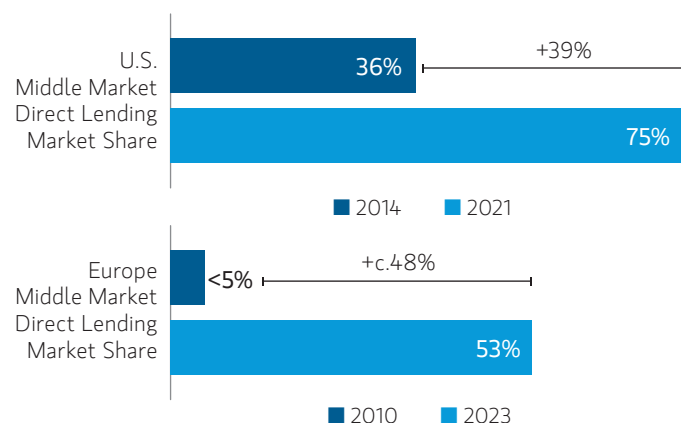
DISPLAY 1

Private Credit Assets Under Management ("AUM") in Europe and the U.S. (\$Bn)³



² Prequin, July 2025 – European Private Credit Assets Under Management ("AUM"). Private Credit AUM encompasses the following strategies: (i) Direct Lending; (ii) Mezzanine; (iii) Special Situations; (iv) Distressed; (v) Fund of Funds; and (vi) Venture Debt. AUM is calculated as the sum of total dry powder and unrealised value.

³ Prequin, July 2025 – European and U.S. Private Credit Assets Under Management ("AUM"). Private Credit AUM encompasses the following strategies: (i) Direct Lending; (ii) Mezzanine; (iii) Special Situations; (iv) Distressed; (v) Fund of Funds; and (vi) Venture Debt. AUM is calculated as the sum of total dry powder and unrealised value.

DISPLAY 2**Middle Market Direct Lending Market Share⁷**

The regulatory environment for banks is expected to become more punitive. Implementation of Basel III/IV (also known as Basel “Endgame”) rules across Europe will impose more stringent requirements on bank capital, moderating leverage, and restricting balance sheets.⁴ This could significantly impact a bank’s cost of capital, pricing and treatment of loans, especially to small-medium enterprises.⁵

Furthermore, recent global events in the banking sector, such as the collapse of Credit Suisse, are prompting regulators to monitor large and small banks alike for contagion risk.⁶ This is likely to reduce overall bank financing appetite. In combination, we believe these factors will continue to create a favourable environment for European private credit.

SIGNIFICANT WHITE SPACE RELATIVE TO THE U.S.

Although private credit is increasingly favoured by borrowers in Europe, there is significant potential for growth relative to the U.S. Approximately 50% of all middle market transactions are financed by private credit in Europe compared to over 75% in the U.S.

Private credit middle market share has expanded significantly since the global financial crisis. In addition, European private credit is increasingly becoming a credible alternative to the broadly syndicated loan (“BSL”) markets. What was once a market dominated by sub €100MM financings now frequently sees deals in excess of €500MM. As an indication, 47% of European private credit transactions tracked by PitchBook LCD in 2024 were €350MM or higher, compared to just 10% in 2021.⁸

Similar to the U.S., European private credit is increasingly supporting larger, more sophisticated borrowers at an attractive commercial, legal and pricing premium relative to syndicated markets. While the U.S. outpaces Europe with respect to the sheer number and volume of “jumbo” unitranche (i.e., transactions and/or incremental transactions typically totaling c.\$1Bn+), the European market is increasingly able to demonstrate its ability to cater to larger deal sizes, albeit significant growth potential remains.

We believe the private equity market will continue to grow the addressable market for private credit given the intrinsic linkage between both asset classes. This is because private equity-owned borrowers make up the majority of private credit financings and European private equity dry powder remains more than 3x higher than private credit dry powder, indicating a sizeable demand/supply imbalance across both regions.

⁴ Bank for International Settlements (“BIS”), European Central Bank (“ECB”).

⁵ McFarlanes: “Basel 3.1: Fuel to further accelerate the growth of private credit?”, September 2024. Bloomberg Law: Simpson Thatcher – Basel IV is a Dramatic Shift for Private Credit Markets, April 2024.

⁶ European Banking Authority.

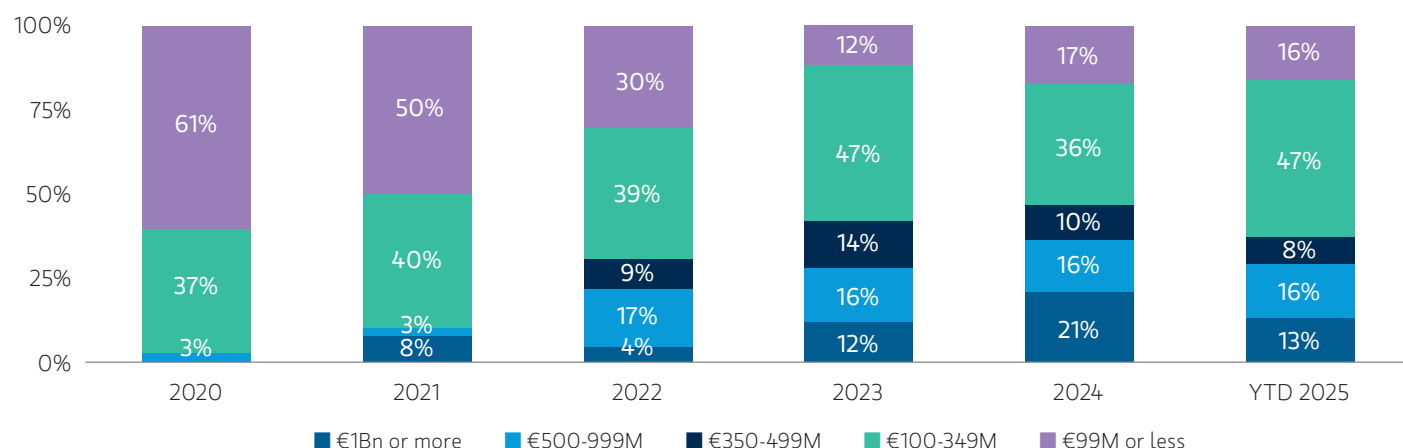
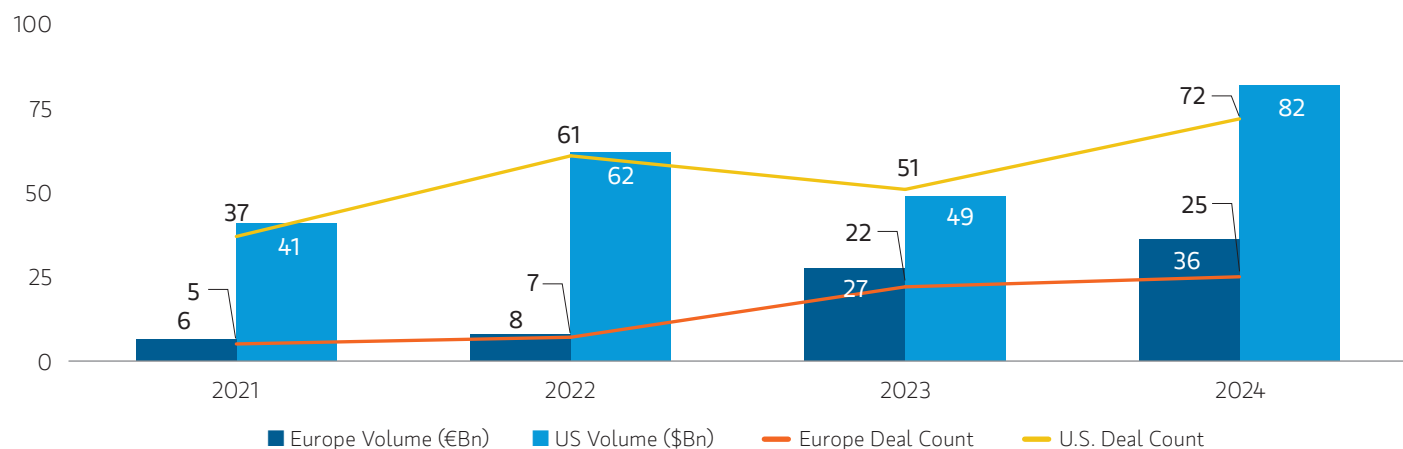
⁷ U.S. data sourced from Bain Global Private Equity Report 2023. Data reflects the proportion of financing for middle-market buyouts provided

by direct lenders, where ‘middle-market’ is defined as issuers with revenue less than \$500 million and total loan packages less than \$500 million. European market share for 2023 was derived from the Houlihan Lokey MidCapMonitor for Q3 2023. The market share for 2010 is based on the European Investment Team’s experience and knowledge of the private credit market but has not been independently validated.

⁸ PitchBook LCD: Deal size diversification of European Direct Lending transactions, by 2024 and 2021 deal count.

DISPLAY 3
Deal Size Diversification of European Private Credit Deals Tracked by LCD, by Count⁹

Europe


DISPLAY 4
European and U.S. Jumbo Unitranche Estimated Deal Count and Volume (€/\$Bn), 2021-2024¹⁰

DISPLAY 5
Select Recent Large/Jumbo Unitranche Issuance in Europe, 2025¹¹

ISSUER	DATE OF ANNOUNCEMENT	PURPOSE	APPROXIMATE DEAL AMOUNT (€MM)
Nutrisens	June 2025	LBO	650MM
Diot Siaci	June 2025	LBO	2,000-2,500MM
Fortnox	June 2025	LBO	1,100MM
Karo Healthcare	May 2025	LBO	1,200MM
Adevinta	May 2025	Refinancing	6,200MM
BPP Education Group	May 2025	Refinancing	940MM
Softway Medical	April 2025	LBO	700MM
Azets	March 2025	Refinancing	1,100MM

⁹ PitchBook LCD, European Private Credit Monitor: Deal size diversification of European Direct Lending deals – data through 30 May 2025.

¹⁰ KBRA DLD statistical data: European and U.S. jumbo sponsored loan statistics (including incremental amounts to existing financings).

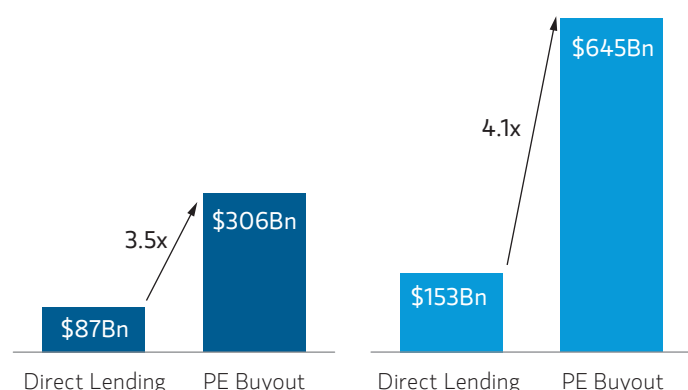
¹¹ Public reports / articles from PitchBook LCD, Debtwire, and 9Fin.

DISPLAY 6

European Direct Lending and Private Equity Buyout Dry Powder, as of September 2024 (\$Bn)¹²

European Dry Powder

U.S. Dry Powder



LIMITED FINANCING ALTERNATIVES COMPARED TO THE U.S.

Whilst the U.S. private credit market is deeper, it is significantly more competitive, supported by a larger number of active institutional lenders and a sizable BDC¹³ market, comprising c.156 BDCs with \$434Bn AUM as of Q4 24.¹⁴ This fragmentation creates greater competition and can impact commercial and legal terms.

Furthermore, the single language, currency and jurisdictional nature of the geography allows certain middle market companies to access the loan, bond and private placement markets despite their relative size.

DISPLAY 7

GDP, Bank Assets and Key Capital Markets Comparison

EUROPEAN UNION AND UK		U.S.
c.\$23.7Tn	GDP ¹⁵	c.\$30.5Tn
c.\$28.2Tn	Bank Assets ¹⁶	c.\$22.7Tn
c.\$324Bn	Leveraged Loan Market ¹⁷	c.\$1.5Tn
c.\$415Bn	High Yield Market ¹⁸	c.\$1.3Tn
c.\$492Bn	Private Credit Market ¹⁹	c.\$1.1Tn

In Europe, the leveraged loan and high-yield markets are smaller and not as accessible to mid-market or unrated borrowers, therefore leading to shallower pools of capital for European middle-market companies.

Europe's heterogenous and multijurisdictional landscape, with varied regional nuances, creates structural complexities that favour private credit solutions, providing more opportunity for managers to drive commercial and legal negotiations with borrowers.

KEY TERM

Business Development Company (BDC)



Business Development Companies, or BDCs, are entities registered under the Investment Company Act of 1940, with the specialized focus of making investments in small to medium sized U.S. companies.

¹² Preqin: Total dry powder across U.S. / European Direct Lending and Private Equity Buyout strategies. Data as of September 2024.

¹³ A Business Development Company ("BDC") is a form of unregistered closed-end investment company in the United States that invests in small and mid-sized business. BDCs are typically listed on national exchanges.

¹⁴ Small Business Investor Alliance.

¹⁵ International Monetary Fund, GDP of the European Union and United Kingdom, at current prices (\$Tn), accessed July 2025.

¹⁶ U.S. Federal Reserve Statistical Release: Insured U.S.-Chartered commercial banks that have consolidated assets of \$300MM or more, as of 21 March 2025. European Banking authority, total assets of EU/EEA banks, as of December 2024.

¹⁷ European and U.S. Leveraged Loan Index, total par amount outstanding, as of June 2025.

¹⁸ BAML ICE HY Index.

¹⁹ Preqin.

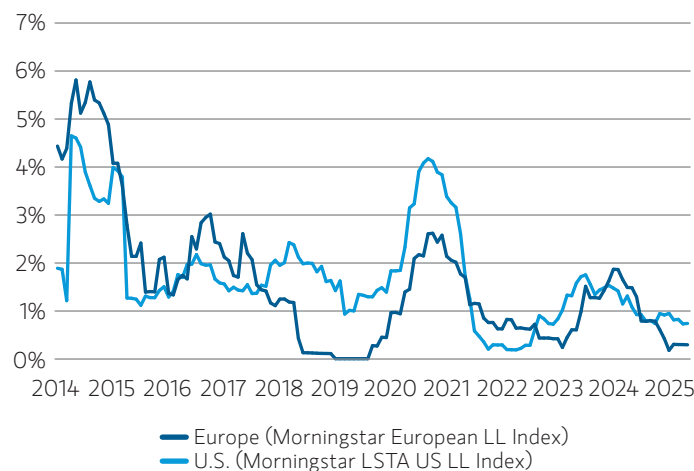
Resilience

A comparative analysis of defaults, recoveries and lender protections

EUROPE LEVERAGED LOANS EXHIBIT LOWER AVERAGE DEFAULT RATES

European leveraged loan default rates have generally outperformed the U.S. over the last seven years including during recent downturns driven by COVID-19 and the Russo-Ukrainian war.

DISPLAY 8
Leveraged Loan Default Rates 2014-2025 YTD (%)²⁰



LOAN RECOVERY RATES ARE SOMEWHAT HIGHER IN EUROPE

Long-term First Lien loan recoveries have averaged 70% (c.73%/c.71% for Europe/US, respectively) for both geographies over long time periods despite differences in legal and restructuring regimes.²¹ This is likely explained by a greater prevalence of bilateral transactions allowing European private credit providers more structural control over legal documentation, and a similar overall mix of companies by sector and size in the default pool. Recent enhancements to EU-wide creditor regimes should only strengthen future recovery rates in Europe.

DISPLAY 9
Loan Recovery Rates (%)

	INSTRUMENT	DATE RANGE	AVERAGE	MEDIAN	STD. DEVIATION
EUROPE	First Lien Term Loan	2003-2022	c.73%	c.81%	c.30%
U.S.	First Lien Term Loan	1987-2024	c.71%	c.80%	c.30%

²⁰ PitchBook LDD: Morningstar European and U.S. Leveraged Loan Index.

²¹ S&P Global Ratings Europe Recovery Study, July 2023. S&P Global Ratings, U.S. Loan Recovery Study, December 2024.

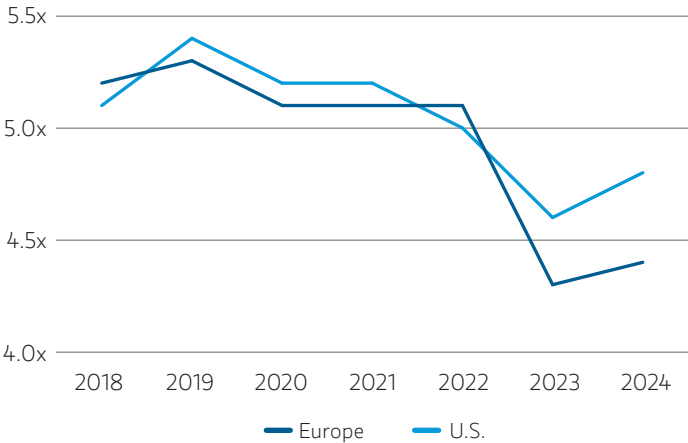
SIMILAR MIX OF DEFENSIVE SECTORS WITH LOWER LEVERAGE AND HIGHER EQUITY CUSHIONS IN EUROPE

Private credit managers typically target more defensive industries including technology, health care, financial services and business services and therefore both Europe

and U.S. private credit markets compare favourably to syndicated loan markets. However, Europe tends to see lower leverage on average, whilst equity contributions are higher.

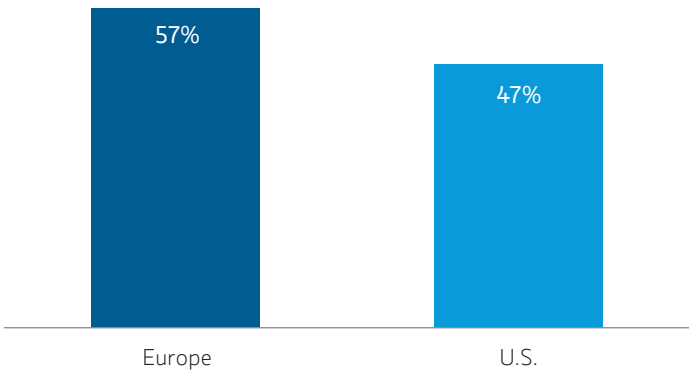
DISPLAY 10
Private Credit Leverage Statistics: Europe and U.S.²²

While marginal, average closing leverage has typically been lower in European private credit transactions.



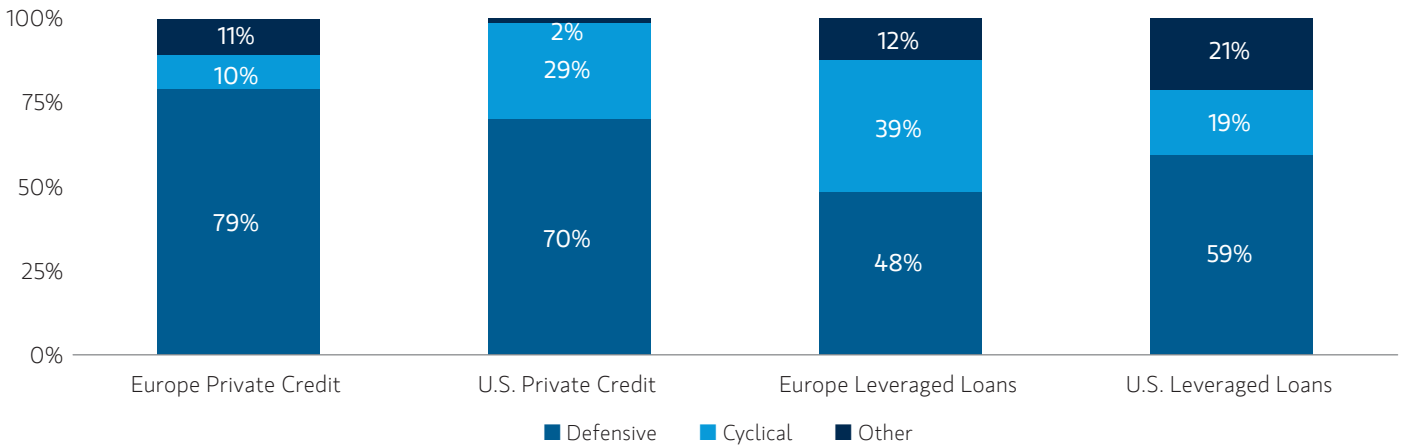
DISPLAY 11
Private Equity Contributions – Europe and U.S.²³

Average equity contributions in Europe averaged 57% in 2024, compared to 47% in the U.S.



DISPLAY 12
Sector Mix – Private Credit vs. Syndicated Loans²⁴

Around 70-80% of European and U.S. private credit transactions are invested in defensive sectors, versus c.50-60% for the European and U.S. broadly syndicated loan markets. This suggests private credit default and recovery rates should outperform broadly syndicated loans.



²² Proskauer 2024 Private Credit Insights Report. Data represents the average closing leverage by year for both European and U.S. private credit across the total representative deal count for each market compiled by Proskauer.

²³ Proskauer 2024 Private Credit Insights Report, 2024.

²⁴ Industry composition that makes up each respective section (i.e., "Defensible," "Cyclical" and "Others") is based on Morgan Stanley Investment Management sector experience and knowledge of the

market, in line with typical industry classifications, but have not been independently validated.

Data sources: **European Private Credit:** Proskauer 2024 Private Credit Insights Report. **U.S. Private Credit:** Cliffwater Direct Lending Index ("CDLI") – Total Industry Composition as of March 2025. **European Leveraged Loan Market:** PitchBook LCD 2024. **U.S. Leveraged Loan Market:** PitchBook LCD 2024.

Returns

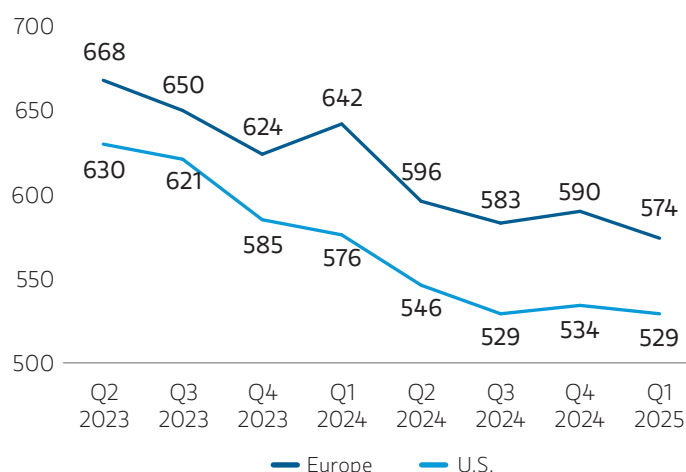
European private credit continues to offer a c.100 bps yield (spread/OID)²⁵ premium over U.S. transactions

While competitive dynamics have compressed spreads globally in recent years, Europe has consistently priced wider, reflecting lower market saturation, fewer lender participants, and greater complexity in deal structuring.

Furthermore, private credit in Europe exhibits a higher return premium vs. broadly syndicated loans relative to the U.S.

DISPLAY 13

Average Private Credit Spread Comparison (bps)²⁶



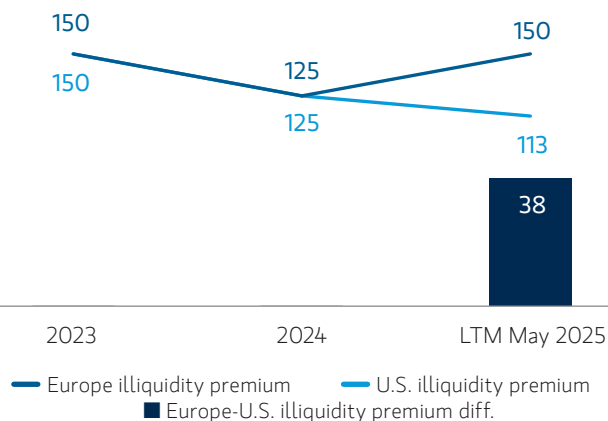
ENHANCED RISK-ADJUSTED RETURNS FOR USD INVESTORS VIA HEDGING

For USD focused investors, allocating to European private credit offers an opportunity to diversify and potentially generate better risk-adjusted returns in combination with currency hedging. Currency hedging may allow USD-focused investors to benefit from both the higher U.S. base rate, and higher European spreads.

However, for EUR-focused investors, given the wider geopolitical dynamics, European private credit allows for an investment into domestic markets and protection against potential USD depreciation.

DISPLAY 14

Illustrative private credit illiquidity premium versus broadly syndicated loans (bps)²⁷



²⁵ Proskauer 2024 Private Equity Insights

²⁶ KBRA DLD.

²⁷ PitchBook LCD.

Conclusion



We believe the time is now for European private credit due to a unique mix of macroeconomic and geopolitical uncertainties in the U.S., strong growth dynamics in Europe, robust lender protections across key European jurisdictions, and better risk-adjusted returns.

While the above factors are dynamic, selecting the right private credit manager is key to ensuring investors into private credit are able to navigate the opportunities and challenges presented and capitalise on varying market conditions across regions.

Private credit managers that are present in both geographies, who understand local regulatory regimes and outlooks, who are able to capitalise on evolving trends, and who have an institutional presence across all parts of the corporate ecosystem are best placed to succeed in this environment.

IMPORTANT INFORMATION

The views and opinions and/or analysis expressed are those of the author or the investment team as of the date of preparation of this material and are subject to change at any time without notice due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment personnel at Morgan Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively "the Firm"), and may not be reflected in all the strategies and products that the Firm offers.

Forecasts and/or estimates provided herein are subject to change and may not actually come to pass. Information regarding expected market returns and market outlooks is based on the research, analysis and opinions of the authors or the investment team. These conclusions are speculative in nature, may not come to pass and are not intended to predict the future performance of any specific strategy or product the Firm offers. Future results may differ significantly depending on factors such as changes in securities or financial markets or general economic conditions.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and the Firm has not sought to independently verify information taken from public and third-party sources.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a

recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

The Firm does not provide tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. Each Jurisdiction tax laws are complex and constantly changing. You should always consult your own legal or tax professional for information concerning your individual situation.

Charts and graphs provided herein are for illustrative purposes only. **Past performance is no guarantee of future results.**

The indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto.

This material is not a product of Morgan Stanley's Research Department and should not be regarded as a research material or a recommendation.

The Firm has not authorised financial intermediaries to use and to distribute this material, unless such use and distribution is made in accordance with applicable law and regulation. Additionally, financial intermediaries are required to satisfy themselves that the information in this material is appropriate for any person to whom they provide this

material in view of that person's circumstances and purpose. The Firm shall not be liable for, and accepts no liability for, the use or misuse of this material by any such financial intermediary.

This material may be translated into other languages. Where such a translation is made this English version remains definitive. If there are any discrepancies between the English version and any version of this material in another language, the English version shall prevail.

The whole or any part of this material may not be directly or indirectly reproduced, copied, modified, used to create a derivative work, performed, displayed, published, posted, licensed, framed, distributed or transmitted or any of its contents disclosed to third parties without the Firm's express written consent. This material may not be linked to unless such hyperlink is for personal and non-commercial use. All information contained herein is proprietary and is protected under copyright and other applicable law.

Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

DISTRIBUTION

This material is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations.

MSIM, the asset management division of Morgan Stanley (NYSE: MS), and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are: Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, and Atlanta Capital Management LLC.

This material has been issued by any one or more of the following entities:

EMEA

This material is for Professional Clients/Accredited Investors only.

In the EU, MSIM and Eaton Vance materials are issued by MSIM Fund Management (Ireland) Limited ("FMIL"). FMIL is regulated by the Central Bank of Ireland and is incorporated in Ireland as a private company limited by shares with company registration number 616661 and has its registered address at 24-26 City Quay, Dublin 2, D02 NY19, Ireland.

Outside the EU, MSIM materials are issued by Morgan Stanley Investment Management Limited (MSIM Ltd) is authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA.

In Switzerland, MSIM materials are issued by Morgan Stanley & Co. International plc, London (Zurich Branch) Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered Office: Beethovenstrasse 33, 8002 Zurich, Switzerland.

Outside the US and EU, Eaton Vance materials are issued by Eaton Vance Management (International) Limited ("EVM") 125 Old Broad Street, London, EC2N 1AR, UK, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

Italy: MSIM FMIL (Milan Branch), (Sede Secondaria di Milano) Palazzo Serbelloni Corso Venezia, 16 20121 Milano, Italy. **The Netherlands:** MSIM FMIL (Amsterdam Branch), Rembrandt Tower, 11th Floor Amstelplein 11096HA, Netherlands. **France:** MSIM FMIL (Paris Branch), 61 rue de Monceau 75008 Paris, France. **Spain:** MSIM FMIL (Madrid Branch), Calle Serrano 55, 28006, Madrid, Spain. **Germany:** MSIM FMIL Frankfurt Branch, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (Gattung: Zweigniederlassung (FDI) gem. § 53b KWG). **Denmark:** MSIM FMIL (Copenhagen Branch), Gorrissen Federspiel, Axel Towers, Axelortorv2, 1609 Copenhagen V, Denmark.

MIDDLE EAST

Abu Dhabi Global Market ("ADGM"): MSIM Ltd (Units 1101 and 1102, 11th Floor, Al Maqam Tower, Regus ADGM Square, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates. This document is distributed in the Abu Dhabi Global Market by Morgan Stanley Investment Management Limited (Representative Office), an entity regulated by the Financial Services Regulatory Authority of the Abu Dhabi Global Market (the "FSRA"). This document is not intended for distribution to retail clients, and retail clients should not act upon the information contained in this document. This material is sent strictly within the context of, and constitutes, an Exempt Communication. This material is not subject to any form of regulation or approval by the FSRA. The FSRA accepts no responsibility for reviewing or verifying any prospectus or documents

in connection with (fund). Accordingly, the FSRA has not approved this material or any other associated material nor taken any steps to verify the information set out in this material, and has no responsibility for it. The financial product to which this material relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on the financial product. This material does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase (fund) in the Abu Dhabi Global Market and accordingly should not be construed as such. If you do not understand the contents of this material you should consult an authorised financial adviser.

Dubai International Financial Centre ("DIFC"): This information does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre and the Abu Dhabi Global Market) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the Dubai Financial Services Authority, the UAE Securities and Commodities Authority, the Financial Services Regulatory Authority or any other relevant licensing authority or government agency in the UAE. The content of this report has not been approved by or filed with the UAE Central Bank, the Dubai Financial Services Authority, the UAE Securities and Commodities Authority or the Financial Services Regulatory Authority.

Saudi Arabia: This financial promotion was issued and approved for use in Saudi Arabia by Morgan Stanley Saudi Arabia, Al Rashid Tower, Kings Sand Street, Riyadh, Saudi Arabia, authorized and regulated by the Capital Market Authority license number 06044-37.

U.S.

NOT FDIC INSURED. OFFER NO BANK GUARANTEE. MAY LOSE VALUE. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT A DEPOSIT.

ASIA PACIFIC

Hong Kong: This material is disseminated by Morgan Stanley Asia Limited for use in Hong Kong and shall only be made available to "professional investors" as defined under the Securities and Futures Ordinance of Hong Kong (Cap 571). The contents of this material have not been reviewed nor approved by any regulatory authority including the Securities and Futures Commission in Hong Kong. Accordingly, save where an exemption is available under the relevant law, this material shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong. **Singapore:** This material is disseminated by Morgan Stanley Investment Management Company and may not be circulated or distributed, whether directly or indirectly, to persons in Singapore other than to (i) an accredited investor (ii) an expert investor or (iii) an institutional investor as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"); or (iv) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. This publication has not been reviewed by the Monetary Authority of Singapore. **Australia:** This material is provided by Morgan Stanley Investment Management (Australia) Pty Ltd ABN 22122040037, AFSL No. 314182 and its affiliates and does not constitute an offer of interests. Morgan Stanley Investment Management (Australia) Pty Limited arranges for MSIM affiliates to provide financial services to Australian wholesale clients. Interests will only be offered in circumstances under which no disclosure is required under the Corporations Act 2001 (Cth) (the "Corporations Act"). Any offer of interests will not purport to be an offer of interests in circumstances under which disclosure is required under the Corporations Act and will only be made to persons who qualify as a "wholesale client" (as defined in the Corporations Act). This material will not be lodged with the Australian Securities and Investments Commission.

JAPAN

This material may not be circulated or distributed, whether directly or indirectly, to persons in Japan other than to (i) a professional investor as defined in Article 2 of the Financial Instruments and Exchange Act ("FIEA") or (ii) otherwise pursuant to, and in accordance with the conditions of, any other allocable provision of the FIEA. This material is disseminated in Japan by Morgan Stanley Investment Management (Japan) Co., Ltd., Registered No. 410 (Director of Kanto Local Finance Bureau (Financial Instruments Firms)), Membership: the Japan Securities Dealers Association, The Investment Trusts Association, Japan, the Japan Investment Advisers Association and the Type II Financial Instruments Firms Association.

About Morgan Stanley Private Credit

Morgan Stanley Private Credit, part of Morgan Stanley Investment Management, is a private credit platform focused on Direct Lending and opportunistic private credit investment in North America and Western Europe. The Morgan Stanley Private Credit team invests across the capital structure, including senior secured term loans, unitranche loans, junior debt, structured equity and common equity co-investments. To find out more about private credit and how Morgan Stanley can help, please contact your financial advisor or visit morganstanley.com/im.