

Cliffwater Direct Lending Index Data Supports Strength of Private Credit

NEW YORK, NEW YORK, March 31, 2026—Private credit performance remains in-line with historical averages and, importantly, credit health remains steady and consistent with previous quarters.

The Cliffwater Direct Lending Index (CDLI), the first published and widely accepted benchmark for private credit, has released its results for the 2025 calendar year. Notably, CDLI returned 9.3% for the calendar year. The index has now delivered 20 years of returns averaging 9.6%, with only one negative year (2008). Interest income equaled 10.4% for the year and remained the main driver of return, with payment-in-kind (PIK) interest income steady at 0.7% (7.3% of total income). Other key measures of health, including non-accruals and realized losses, all held steady or improved and remain well-below historical averages.

“2025 results highlighted, yet again, the resiliency and consistency of private credit. In this asset class, ‘boring’ is exactly what you want—steady, reliable performance,” noted Stephen Nesbitt, CEO of Cliffwater and creator of CDLI. “There was significant noise regarding the safety of private credit toward the end of 2025, but our data suggests those concerns are unfounded. The asset class remains an ‘all-weather’ solution and a safe haven in our view amid broader market volatility”

CDLI was created to measure private loan performance and better understand its investment characteristics. The index was the first published in 2015 with data reconstructed back to 2004 using SEC filings, making it the longest live index tracking the private credit market. Its success and reception led to the creation of Cliffwater’s full suite of direct lending indices, including the CDLI-P, which tracks the performance of perpetual business development companies (BDCs), and CWBDC, which tracks the performance of public BDCs. Today, CDLI covers ~21,000 directly originated US middle market loan holdings totaling \$549 billion in assets.

ABOUT CLIFFWATER

Cliffwater LLC (“Cliffwater” or “the Firm”) is an independent alternative investment adviser and fund manager. Founded in 2004, Cliffwater has been shaping how alternatives are understood and accessed through its research, proprietary indices, and innovative evergreen private markets funds. The Firm’s research has been cited in industry-leading publications and led to the creation of the Cliffwater Direct Lending Index (“CDLI”), the first published index and widely accepted benchmark for direct lending, and its suite of sub-indices. Cliffwater is also one of the largest providers of alternative investment solutions for the wealth management channel. The Firm’s private markets interval fund platform is now the largest in the market with \$46.5 billion in net assets as of February 28, 2025, and includes the two largest credit interval funds.

Cliffwater LLC is an investment adviser registered with the Securities and Exchange Commission (“SEC”).
<https://www.cliffwater.com>

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The Cliffwater Direct Lending Index (the "CDLI") seeks to measure the unlevered, gross of fees performance of U.S. middle market corporate loans, as represented by the underlying assets of Business Development Companies ("BDCs"), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements. The CDLI is an asset-weighted index that is calculated on a quarterly basis using financial statements and other information contained in the U.S. Securities and Exchange Commission ("SEC") filings of all eligible BDCs. The CDLI will be reconstituted typically within 75 calendar days, but no later than 90 calendar days, following the current Valuation Date. The precise date of reconstitution is within Cliffwater's discretion. If a BDC meets the eligibility criteria, but has not filed its report on Form 10-K or 10-Q with the SEC at the time the index is reconstituted, asset information from its report will be included in the index at the time of the next reconstitution. The eligibility criteria for inclusion in the CDLI is - all assets held by BDCs that meet the following criteria: (1) Regulated by the SEC as a BDC under the Investment Company Act of 1940, (2) substantial majority (approximately 75%) of reported total assets are represented by direct loans made to corporate borrowers, as categorized by each BDC and subject to Cliffwater's discretion and (3) File SEC form 10-Q (or 10-K, as applicable) within 75 (or 90) calendar days following the current Valuation Date. Cliffwater believes that the CDLI is representative of the direct lending asset class. The CDLI is owned exclusively by Cliffwater and is protected by law including, but not limited to, United States copyright, trade secret, and trademark law, as well as other state, national, and international laws and regulations. Cliffwater provides this information on an "as is" and "as available" basis, without any warranty of any kind, whether express or implied. Past performance of the CDLI is not indicative of future returns. Any CDLI returns or other information shown are not based on actual advisory client returns and do not reflect the actual trading of investible assets. The performance of the CDLI has not been reviewed by an independent accounting firm and has been prepared for informational purposes only and should not be considered investment advice. Index returns do not reflect payment of any sales charges or fees a person may pay to purchase the securities underlying the CDLI or a product that is intended to track the performance of the CDLI. The imposition of these fees and charges would cause the actual performance of these securities or products to be lower than the CDLI. The CDLI data contained herein cannot be reused in whole or in part for any purpose without the expressed written consent of Cliffwater. The CDLI is derived from sources that are considered reliable, but Cliffwater does not guarantee the veracity, currency, completeness or accuracy of the CDLI or other information furnished in connection therewith. The CDLI may include inaccuracies or typographical errors. Due to various factors, including the inherent possibility of human or mechanical error, the accuracy, completeness, timeliness and correct sequencing of such information and the results obtained from its use are not guaranteed by Cliffwater. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or duty or liability assumed by Cliffwater in respect of the CDLI or any data included therein, omissions therefrom or the use of the CDLI in connection with any product, and all those representations, warranties and conditions are excluded save to the extent such exclusion is prohibited by applicable law.