Fourth Quarter 2023

PRIVATE CAPITAL

Investment Grade Private Credit* Review & Outlook

Introduction

MetLife Investment Management's Private Capital Group[1] manages over $137.2[2] billion in assets as of December 31, 2023. We offer exceptional access to investment grade deals due to our significant scale, long-standing market relationships, and sector expertise. Given our standing in the infrastructure, corporate private credit and private structured credit markets we often fund an entire deal or become the cornerstone of the deal, which can lead to larger allocations for our clients. Our investment decisions are informed by a team-based risk culture with a time-tested approach to managing risk, combined with proprietary research, and layered independent oversight. We have more than 70 seasoned industry specialists working together to develop customized portfolio solutions to help meet client needs.

*Includes corporate private credit, infrastructure debt and private structured credit managed by MIM, substantially all of which are investment grade.

MetLife Investment Management

Corporate Private Credit Market[3]

Market Finishes Year Strong

- 4Q 2023 market origination increased substantially to $23Bn from $13Bn in 4Q 2022. The sharp decline in rates over the quarter led corporate issuers off the sidelines.
- 2023 private placement origination totaled $77.4Bn, surpassing 2022 volume by ~4%—a a reversal from earlier in the year, when market origination was down nearly 20%.
- Average deal size was $130 million across 250 transactions.
- North America led in volume with 66% of total issuance, followed by Europe 27%, Australia 6% and LatAM at 1%.
- USD led currency issuance at 79%, followed by 12% in Euro, 5% in GBP, 2% in Yen, 1% in AUD and 1% in CAD.

Spreads and Treasuries Tighten

- Public spreads tightened to new year-to-date levels, contracting 22 bps from 3Q to end 2023 with an OAS at +99 bps.
- The 10-year UST had an active quarter with yields tightening over 80 bps to end at 3.87%. We believe the Fed is likely to pause on future hikes and are preparing for a potential US recession in 2024.
- Given that inflation is likely peaking and elevated rates continue to pressure growth and the job market, the 10-year yield may be lower in the next several months.

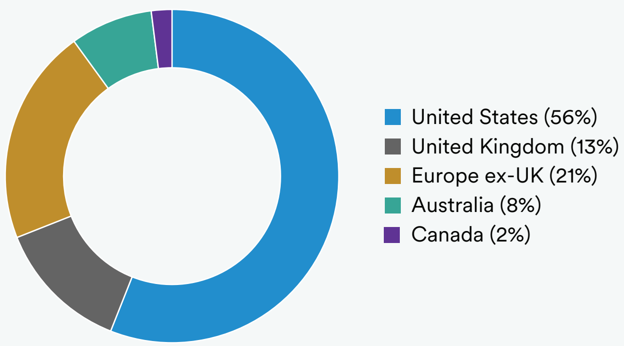
MIM Corporate Private Credit Activity

- MIM turns in it's strongest quarter since Q1 2022
- In terms of transaction numbers, Q4 2023 was our busiest quarter since Q1 2022 despite remaining disciplined and passing on transactions where we felt structure was weak or relative value unattractive.
- MIM's direct origination was particularly strong in the quarter with regard to the sourcing of long-dated assets for clients.

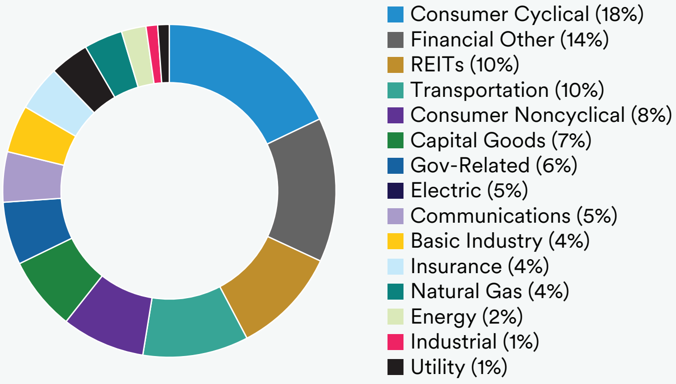
MIM's Outlook for 2024

- In the year ahead, MIM sees lower inflation but also slower growth, a more supportive monetary policy and a potential recession.
- The continued lower yield environment should bring more issuance, similar to 4Q 2023.
- MIM will continue to maintain a long-term perspective and find well-structured transactions with appropriate private premiums. Private credit markets have historically proven resilient and performed well through market volatility, given deal structures.

MIM 2023 Origination by Region*



MIM 2023 Origination by Sector*



Source: MIM, Private Placement Monitor. As of 12/31/23.

*Includes origination activity on behalf of the MetLife general account and unaffiliated investors.

Infrastructure Debt Market[3]

Significant Activity Continues in Global Markets

- Q4 2023 saw significant activity in infrastructure debt globally. That has continued into Q1 2024 with a very strong pipeline and outlook.
- MIM saw an acceleration in activity out of Europe in Q4 2023 with $1.2Bn deployed in core infrastructure sectors such as utilities/power, social infrastructure and transportation.
- With the recent downward move in base rates, 2024 is expected to be very active as issuers bring forward previously delayed Capex and accelerate refinancing plans. Energy transition and energy security remain highly relevant in driving the transaction pipeline.
- MIM continues to see acceleration of activity and focus in key infrastructure sectors including digital infrastructure, transmission, transportation and water infrastructure.

Origination Picks up With Highly Attractive Spread Levels

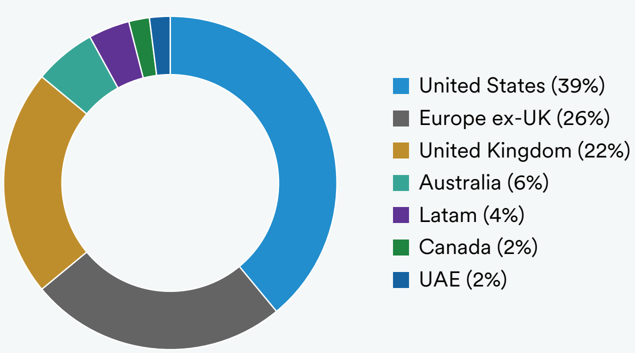
- Origination picked up for 4Q 2023 at $1.7Bn versus $0.8Bn for 4Q 2022. Year-to-date issuance totaled $4.3Bn vs $4.7Bn the previous year.
- Transactions during the quarter averaged an MBaa2 (internal) credit rating, 10.8 year weighted average life and average UST equivalent spread of +244 bps. MIM-originated transactions remain at highly attractive spread levels compared to previous quarters.

- In EMEA, we are starting to see issuers have appetite to issue deals in the 12 to 15-year range, although the 7 to 10-year range does continue to have appeal, given the rate environment. The US business continues to see longer-dated, higher quality deals.

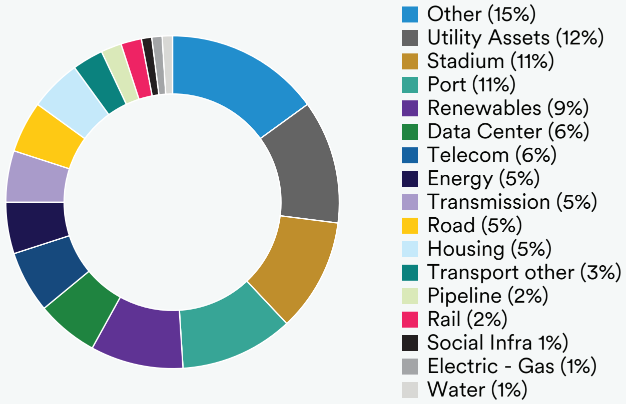
MIM Outlook for 2024

- The deal pipeline is robust; we continue to see diversified global opportunities.
- Ongoing disruptions in bank lending are expected to continue creating opportunities for private credit to fill funding gaps, as sponsors seek tailored private solutions to support financing needs via long-term partners.
- We anticipate an uptick in energy transition and energy security opportunities, as well as digital infrastructure globally.
- The pipeline for proprietary deal flow remains very strong as sponsors continue to value certainty of execution and reliable partners for M&A, refinancing and Capex needs.
- MIM expects the asset class to perform well in 2024, given stability of highly contracted and/or predictable cash flows.

MIM 2023 Origination by Region*



MIM 2023 Origination by Sector*



Source: IJGlobal, MIM, Private Placement Monitor. As of 12/31/23.

*Includes origination activity on behalf of the MetLife general account and unaffiliated investors.

Private Structured Credit Market[3]

Improving Sentiment in 4Q 2023

- Sentiment in the structured products market continued to improve during 4Q, driven largely by economic data pointing to a soft-landing scenario. As a result, public esoteric ABS spreads moved tighter.
- On the private side, spreads were slower to tighten, coupled with Treasury rates remaining elevated for most of the quarter, resulting in attractive valuations in Private Structured Credit.

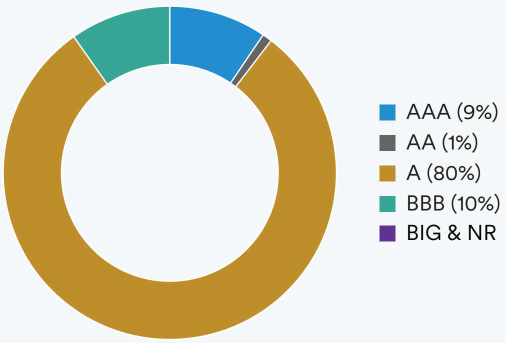
Looking to 2024

- As we enter 1Q, Treasury rates have come down and public spreads have tightened. We feel Private Structured Credit remains attractive as spreads have maintained wider levels, resulting in a pickup to public market spreads.
- Private market spreads will likely have a tightening bias supported by investor demand and attractive relative value. However, there are risks to the downside, including the path of inflation, an increasing unemployment rate and heightened geopolitical uncertainty.
- We expect consumer credit performance to remain under pressure in 2024 with the likedlihood of an increase in the unemployment rate, but partially offset by tightening in lending standards and strong household balance sheets. Consumer credit performance deteriorated last year, and in nonprime sectors, delinquencies are now at or higher than pre-pandemic levels.
- We remain constructive on ABS, as a vast majority of sectors/deals offer adequate structural protection across recessionary scenarios.
- We have a healthy pipeline going into 2024. MIM sees investment opportunities across a number of sectors, including low-income housing, insurance products, alternatives financing and consumer credit.

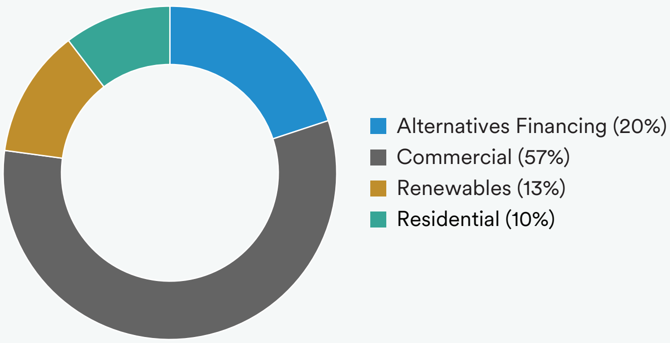
MIM Transaction Activity Was Strong:

- MIM activity for 4Q 2023 was strong at $619 million in committed investments in the commercial sector, with a weighted average rating of A2 (NRSRO rating), a weighted average pricing spread of 312 basis points and a weighted average yield of 7.5%.

MIM YTD 4Q 2023 Orgination by Rating*



MIM YTD 4Q 2023 Origination by Sector



*Based on total commitment size. Includes origination activity on behalf of the MetLife general account and unaffiliated investors.

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[2] At estimated fair value as of 12/31/2023. Includes MetLife general account and separate account assets and unaffiliated/third party assets.

[3] MetLife Investment Management, Private Placement Monitor Credit quality assessments were performed internally by MIM and have not been verified by independent sources.

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