CLIFFWATER DIRECT LENDING INDEX
(AS OF DECEMBER 31, 2025)

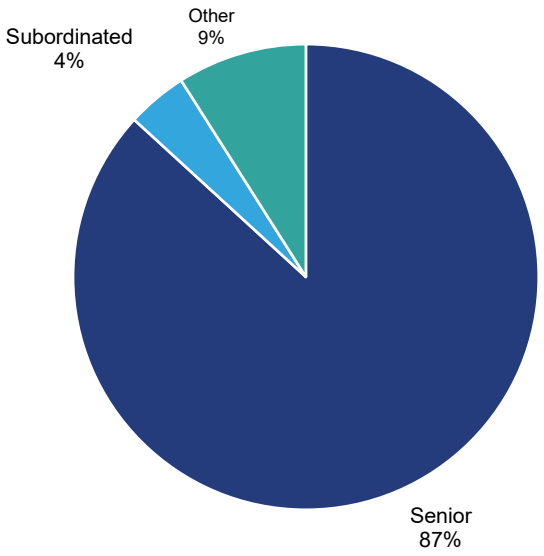
CLIFFWATER

The Cliffwater Direct Lending Index ("CDLI") seeks to measure the performance of U.S. middle market corporate loans. Asset-weighted and calculated quarterly, the index represents a large share of the direct lending universe. Importantly, it represents loans that are originated and held to maximize risk-adjusted return to shareholders and investors.

$549B	~21,000	9.53%
Total Assets	Loan Holdings	Since Inception Return[1]

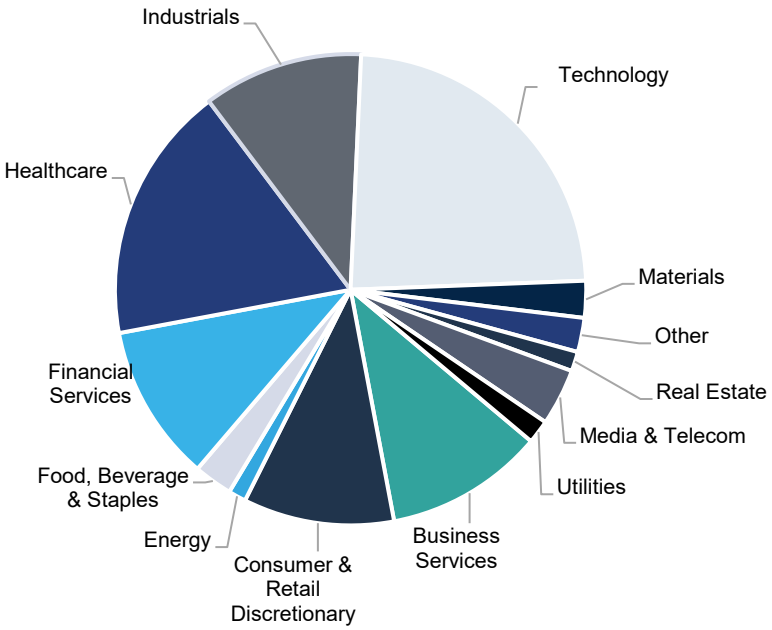
Asset Seniority

Senior loans make up a majority of the CDLI by assets.



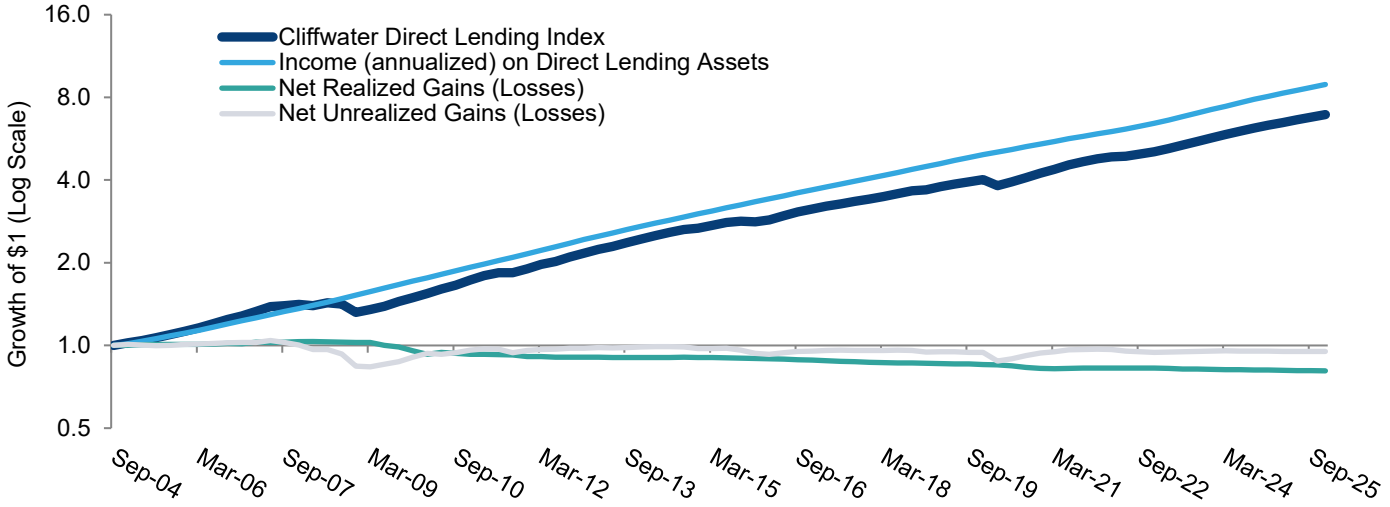
Industry Composition

The CDLI is well-diversified across industry groups and cyclical exposures.



Cumulative Returns by Component

Q3 2004 through Q4 2025 Annualized



1. Since inception of the CDLI (September 30, 2004). Any information presented prior to the Launch Date (September 30, 2015) of the CDLI is back-tested. The CDLI performance has been prepared for informational purposes only. Past performance is not indicative of future returns.

ABOUT THE CDLI

The Cliffwater Direct Lending Index ("CDLI") seeks to measure the unlevered, gross of fees performance of U.S. middle market corporate loans, as represented by the underlying assets of including both exchange-traded and unlisted Business Development Companies, subject to certain eligibility criteria.

CDLI INDEX SUITE

In addition to the flagship CDLI, Cliffwater publishes five sub-indices each quarter. These sub-indices were created to further segment the market and provide benchmarks for specific lending strategies:

- CDLI-Senior (CDLI-S)
- CDLI-Venture (CDLI-V)
- CDLI-Perpetual (CDLI-P)
- CDLI-Upper Middle Market (CDLI-UMM)
- CDLI-Lower Middle Market (CDLI-LMM)

Levered and unlevered net-of-fee returns are available for CDLI and CDLI-S. Levered net-of-fee return is available for CDLI-P.

INDEX HIGHLIGHTS

Longest live index among all private debt benchmarks, with reconstructed data spanning ~20 years

Comprehensive data set capturing a wide array of key metrics beyond performance to better understand direct lending risk

Widely accepted as the private debt benchmark of choice for institutions, asset managers, and more

Respected provider with Cliffwater regarded as a pioneer and leader in private debt and alternative assets

Subscribers can access the robust CDLI data set and the full quarterly report. Interested in becoming a subscriber? Contact us at CDLI@cliffwater.com.

Important Disclosure Information

The Cliffwater Direct Lending Index was officially launched on September 30, 2015. It is imperative to understand that any information provided before the index's launch date is purely hypothetical (back-tested). This back-tested data is grounded in the methodology established at that time. However, during back-testing, adjustments to the methodology may have been made to capture a comprehensive universe of securities and to simulate the target market or strategy, particularly in instances of market anomalies.

The Cliffwater Direct Lending Index (the "CDLI"), the CDLI-Senior ("CDLI-S"), the CDLI-Venture Lending ("CDLI-V"), and the CDLI-Perpetual ("CDLI-P") are owned exclusively by Cliffwater LLC ("Cliffwater"), and are 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. All information on the performance and characteristics of CDLI, CDLI-S, CDLI-V, and CDLI-P is and shall remain the exclusive property of Cliffwater. All content is provided for informational purposes only. Cliffwater provides this information on an "as is" and "as available" basis, without any warranty of any kind, whether express or implied. The CDLI data contained herein is for internal use by the intended recipient only and cannot be reused in whole or in part for any purpose without the expressed written consent of Cliffwater.

Past performance of the CDLI Indices is not an indication of future results. It is not possible to invest directly in the CDLI Indices. The returns for the CDLI Indices shown are not based on actual advisory client returns and do not reflect the actual trading of investable assets. The performance of the CDLI Indices have not been reviewed by an independent accounting firm and has been prepared for informational purposes only.

Back-tested performance provides historical insights into how the index might have performed under the established methodology. However, it is essential to recognize the inherent limitations. Back-tested results reflect the application of the index methodology with the benefit of hindsight, potentially leading to survivorship and look-ahead biases. Consequently, actual returns may deviate significantly from back-tested performance, emphasizing that past performance does not guarantee future results.

For a comprehensive understanding of the index methodology, including its structuring, timing, criteria for additions and deletions, and calculation procedures, we encourage investors to review the methodology document available at www.cliffwaterdirectlendingindex.com. It is important to note that back-tested performance is designed for institutional use only and is not intended for retail investors.

The index returns showcased here do not reflect the outcomes of actual trading activities. Furthermore, they exclude any sales charges or fees associated with purchasing securities or investment funds tracking the Index. Investors should be aware that additional fees and charges may impact the performance of securities or funds compared to the Index's performance. This could result in actual and back-tested performance being lower than the Index performance shown. Market risks, including fluctuations in financial markets, liquidity risks, and regulatory risks, may affect the performance of the Index. Investors should carefully consider these factors before making investment decisions. The Index may be subject to concentration risks, particularly if it is heavily weighted towards specific sectors, industries, or geographic regions. Such concentration could magnify the impact of adverse events in those areas.

Before making any investment decisions, investors should thoroughly assess the risks and characteristics of the Index. This document serves as an informational guide and should not be considered investment advice.

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CDLI Indices

The Cliffwater Direct Lending Index (CDLI) seeks to measure the unlevered, gross of fees performance of U.S. middle market corporate loans, as represented by the underlying assets of 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. Cliffwater believes that the CDLI is representative of the direct lending asset class. The CDLI was launched on September 30, 2015, with performance history back to September 30, 2004.

The CDLI Senior Index (CDLI-S) is comprised of BDC direct loan portfolios within the CDLI that Cliffwater has determined to focus on investing in senior secured direct corporate loans. The CDLI-S was launched on September 30, 2017, with performance history back to September 30, 2010. Other industry participants may make different determinations regarding the focus of these BDC portfolios.

The CDLI Venture Index (CDLI-V) is comprised of venture-backed loans within the CDLI held by managers of BDCs that have an investment style that Cliffwater has determined to focus on venture lending. The CDLI-V was launched on June 30, 2020, with performance history back to March 31, 2005. Other industry participants may make different determinations regarding the focus of these BDC portfolios.

The CDLI Perpetual Index (CDLI-P) is comprised primarily of loans held in perpetually structured, non-exchange-traded BDCs that have an investment style that Cliffwater has determined to focus on this BDC structure. The CDLI-P was launched on March 31, 2023, with performance history back to June 30, 2021. Other industry participants may make different determinations regarding the focus of these BDC portfolios.

The CDLI Unlevered Net of Fee Index (CDLI-U-NOF) reflects the net-of-fee performance of unlevered U.S. middle market loans. This index includes loans without leverage to provide a clearer picture of pure credit performance. In calculating this index, management, incentive, and administrative fees are deducted from CDLI returns based on quarterly BDC disclosures. The CDLI-U-NOF was launched on September 30, 2023, with performance history back to September 30, 2013. Other industry participants may apply different methodologies in determining the performance of these loans.

The CDLI Levered Net of Fee Index (CDLI-L-NOF) reflects the net-of-fee performance of levered U.S. middle market loans. This index includes loans with leverage, reflecting the impact of borrowed capital on returns. The CDLI was launched on September 30, 2024, with performance history back to March 31, 2019. Other industry participants may apply different methodologies in determining the performance of these loans.

The CDLI Upper Middle Market Index (CDLI-UMM) is comprised primarily of loans held in BDCs who focus on lending to borrowers in the upper middle market, which Cliffwater defines as borrowers averaging $100 million in annual EBITDA or greater. The CDLI Lower Middle Market Index (CDLI-LMM) is comprised primarily of loans held in BDCs who focus on lending to borrowers in the lower middle market, which Cliffwater defines as borrowers averaging less than $40 million in annual EBITDA. The CDLI-UMM and CDLI-LMM were launched on September 30, 2024, with performance history back to September 30, 2019. Other industry participants may apply different methodologies in determining the performance of these market segments.

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