Monthly Letter February 2026

BANKLOANS

Volume[1]		Change	
	(US$ billion)	(US$ billion)	(%)
Feb-2026	34	-56	-62%
Feb-2025	90		
2026 (YTD)	202	-92	-31%
2025 (YTD)	294		
2026 (12M)	899	-518	-37%
2025 (12M)	1417		

Important transactions		
ProAmpac	M&A	B3/B-
$ 3,815 billion	Paper & packaging	S+400
Asurion	Refinancing	Ba3/BB-
$ 2,4 billion	Financial	S+375

CLO (issuance volume)		Change	
	(US$ billion)	(US$ billion)	(%)
Feb-2026	14.3	+1.5	+12%
Feb-2025	12.8		
2026 (YTD)	20.6	+0.5	+2%
2025 (YTD)	20.2		

Capital Inflow/Outflow (Retail Investment Fund)		Change	
	(US$ billion)	(US$ billion)	(%)
Feb-2026	-3.3	-6.0	N/A
Feb-2025	2.7		
2026 (YTD)	-2.8	-12.5	N/A
2025 (YTD)	9.7		

Performance[2]	1 mth	3 mths	2026 to date	12 mths		3-Y. Yield[4]
J.P. Morgan Leveraged Loan Index[2]	-0.9%	-0.8%	-1.3%	2.5%		8.0%

Industry[2]	1 mth	3 mths	2026 to date	12 mths	Weight	3-Y. Yield
Automotive	-0.1%	1.0%	0.5%		2.9%	7.4%
Broadcasting	-0.1%	-0.2%	-0.4%		1.0%	9.6%
Cable & Satellite	-0.2%	0.5%	-0.2%		2.0%	8.4%
Chemicals	2.1%	1.7%	1.3%		3.4%	9.1%
Consumer Products	0.5%	1.6%	1.0%		2.1%	8.6%
Diversified Media	-1.9%	-0.2%	-1.4%		3.9%	9.2%
Energy	0.4%	1.1%	0.6%		2.8%	5.8%
Financial	-1.4%	-0.9%	-1.6%		9.5%	6.7%
Food & Beverage	0.0%	0.2%	0.1%		4.6%	7.0%
Gaming / Lodging / Leisure	0.0%	1.1%	0.3%		5.4%	6.3%
Healthcare	-0.5%	-0.5%	-0.9%		11.8%	8.1%
Housing	-1.2%	-0.2%	-0.7%		3.4%	8.0%
Industrial	0.3%	0.6%	0.2%		7.3%	6.5%
Metals & Mining	0.4%	1.2%	0.8%		0.4%	5.9%
Paper & packaging	0.5%	0.2%	-0.2%		3.5%	7.2%
Retail	0.2%	1.3%	0.6%		2.6%	7.4%
Service	-1.2%	-1.3%	-1.5%		11.8%	8.0%
Technology	-3.6%	-5.5%	-6.0%		14.5%	10.9%
Telecommunications	0.1%	1.7%	1.4%		2.0%	10.0%
Transportation	0.4%	1.3%	0.6%		2.5%	5.9%
Utility	0.5%	1.0%	0.5%		2.8%	5.6%

Highlights

The bank loan market began the month in line with the momentum observed at the end of January, marked by concerns related to artificial intelligence. Several investors sought to reduce their exposure to certain issuers in the software sector, resulting in a notable decline in secondary market prices. In addition, concerns surrounding the private credit market also drew investors' attention during the month.

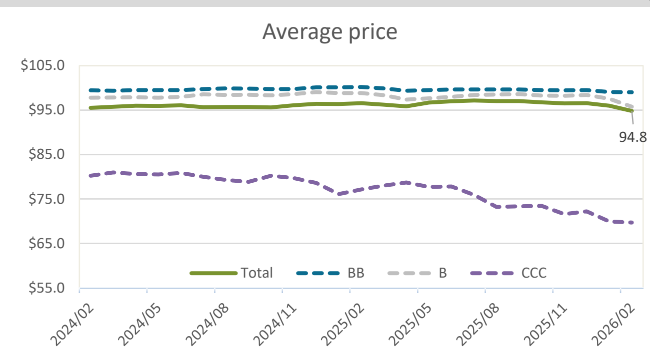
In this context, issuance volume slowed significantly due to heightened investor caution. Total issuance amounted to $34 billion, down 62% compared to last year. Refinancing transactions accounted for 49% of monthly activity, while merger and acquisition-related transactions represented 33%.

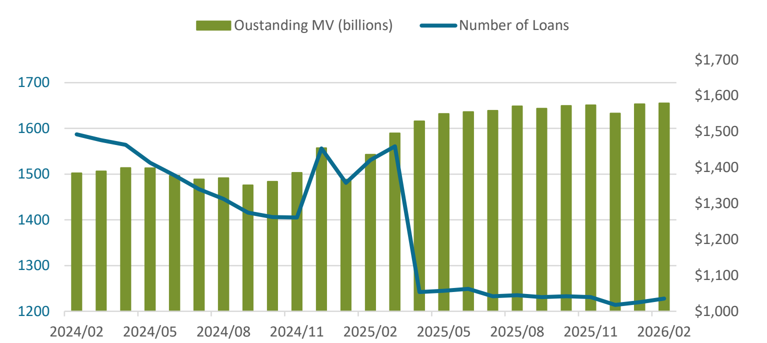
CLO (Collateralized Loan Obligation) issuance reached $14 billion, slightly higher than last year. Historically, February is characterized by an acceleration in CLO issuance compared to January. Finally, retail investment funds recorded significant outflows, marking the largest monthly withdrawal since April 2025, a period associated with the "Liberation Day" in the United States.

Credit Rating[2]	1 mth	3 mths	2026 to date	12 mths	Weight	3-Y. Yield
BBB (split)	0.2%	0.8%	0.3%	4.3%	6.1%	4.7%
BB	0.0%	0.4%	-0.1%	4.2%	20.4%	5.6%
BB (split)	-0.2%	0.2%	-0.4%	3.2%	3.8%	6.3%
B	-1.3%	-1.2%	-1.7%	2.5%	61.3%	7.9%
B (split)	-2.3%	-4.4%	-4.0%	-8.9%	5.1%	22.0%
Other (below CCC/non-rated)					3.3%	
Bank Loans Quality Index[3]	**-0.1%**	**0.4%**	**-0.1%**	**3.8%**		**5.3%**

Note:
The data provider changed in April 2025, which prevents the reconciliation of performance by industry.

J.P. Morgan Leveraged Loan Index[2]





[1] Source : CreditSights
[2] Before April 1st, 2025: Global Credit Suisse Index (CAD Hedged) - Data by Credit Suisse Fixed Income Research
Since April 1st, 2025: J.P. Morgan Leveraged Loan Index (CAD Hedged) - Data by J.P. Morgan Securities LLC
[3] Before April 1st, 2025: 5% T-bills (91 days) / 76% Credit Suisse BB ex Energy, Metals & Minerals / 19% Credit Suisse B+ ex Energy, Metals & Minerals (CAD Hedged)
Since April 1st, 2025: 5% T-bills (91 days) / 76% J.P. Morgan Leveraged Loan BB ex Energy, Metals & Mining / 19% J.P. Morgan Leveraged Loan B+ ex Energy, Metals & Mining (CAD Hedged)
[4] Yield 3-year life (or less depending on maturity), floating rates swapped to fixed rates and hedged in CAD

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