

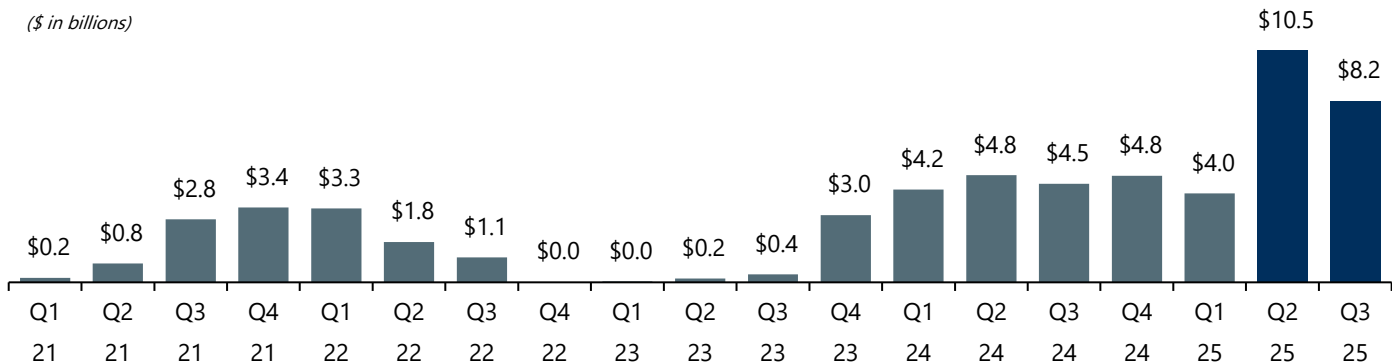
**Gobble, Gobble, Gobble:** This Thanksgiving, an abundance of dry powder in debt capital markets is providing middle-market private equity firms an opportunity for an exceptional holiday feast. A recent and welcome surge in the dividend recapitalization market is acting as an incremental boost to DPI metrics.

- **Bountiful Harvest:** After several quarters of high interest rates and stalled exits, lower borrowing costs and under-deployment across many credit funds are allowing private equity firms to carve out juicy dividends, while securing valuable credit partners to support their portfolio companies through a successful exit.
- **Avoiding Heartburn:** While LPs may be thankful for the liquidity banquet, too many helpings could leave some portfolio companies feeling stuffed; balance and moderation remain the wisest guests at this year's table.



## Dividend Recaps for Sponsor-Backed Middle Market Companies Have Soared in Q2 & Q3

(\$ in billions)



Source: KBRA DLD Analytics

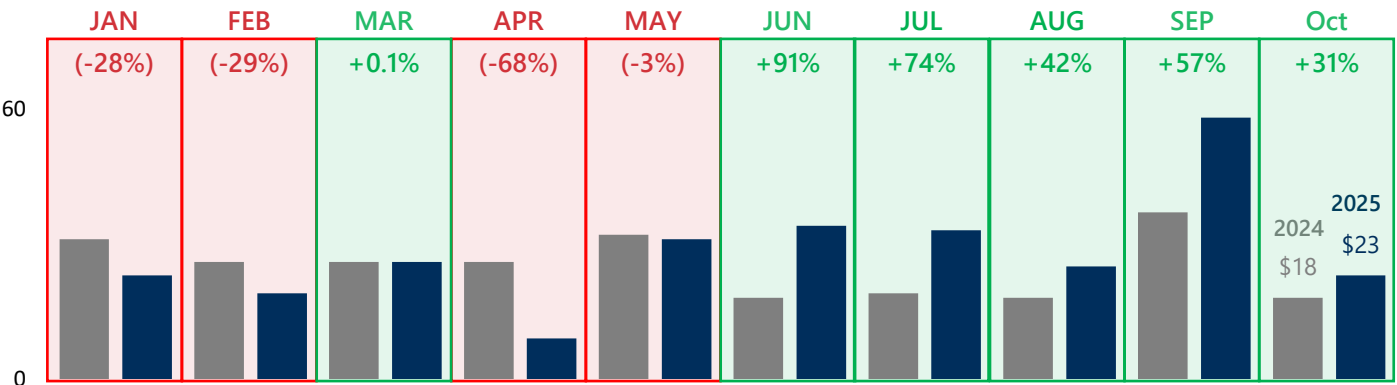


## Key Insights from Our Colleagues at MUFG

*"USD High Yield Issuance Roars Back Since June"*

### 2024 vs. 2025 High Yield Issuance

(\$ in billions)



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