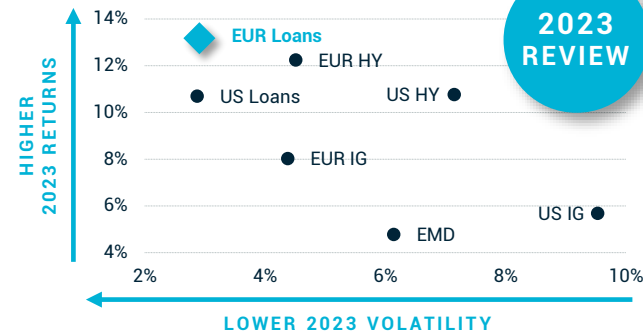


2024 EUROPEAN LOANS OUTLOOK

Past performance does not predict future returns.



2023 REVIEW

- Loans delivered strong 2023 returns (c.13.2%), outperforming fixed income counterparts with less volatility.
- Standout returns were driven by a strong technical and robust fundamentals.
- Defaults remained low and undershot expectations for the year.

Returns may increase or decrease as a result of currency fluctuations.

Forward Loan Volume¹ (bn) Showing Limited Supply

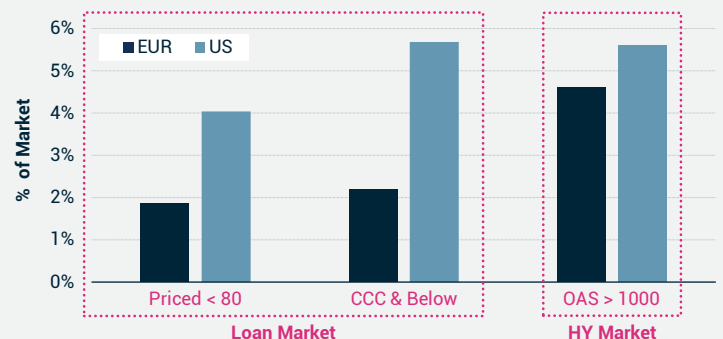


- Strong technical support to remain in 2024.
- Similar to 2023, issuance will focus on refinancing activity with M&A activity unlikely to pick up materially before H2 2024.
- Buoyant European CLO Issuance is set to continue and can absorb any pick-up in new-Issue volume. We currently see 60 CLO warehouses open in Europe.
- European High Yield (“HY”) is more susceptible to the forthcoming 2024/25 maturity wall due to less interest rate hedging compared to European Loans.

Less Stress in Europe²

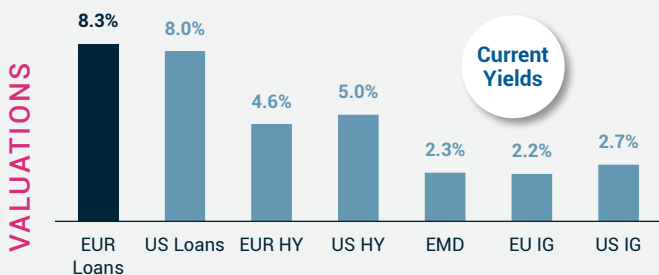
FUNDAMENTALS

- Issuer fundamentals remain robust with earnings growth across most sectors.
- Defaults remain low and while they may rise in 2024, we expect them to remain below long-term averages.
- Defensive sector bias, healthy interest coverage ratios, and significant interest rate hedging should provide resilience to any macro softness.
- Maturity wall is low in European Loans compared to High Yield.
- Low levels of stress in the European Loan market contrasts to the US Loan market and High Yield markets.



Attractive Income Driving Relative Appeal³

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- With supportive technicals and fundamentals, EU Loans offer attractive value on an absolute and relative basis.
- Compared to the other markets, EU Loans offers higher yields, credit spreads and income with significantly lower volatility.
- Given the high income and some capital upside potential given year-end average price at 96, we expect EU Loans to generate strong performance in 2024.

Source: Alcentra, CS, ECB, ICE and LCD. Data as at 31 December 2023. EUR Loans: Credit Suisse Western European Leveraged Loan Index ex USD; US Loans: Credit Suisse Leveraged Loan Index, EU HY (HP00): ICE BofA European Currency High Yield Index; US HY (HOA0): ICE BofA US High Yield Index; EU IG (ER00): ICE BofA Euro Corporate Index; US IG (COA0): ICE BofA US Corporate Index; EMD (EMIB): ICE BofA HG EM Corporate Plus Index. These benchmarks are broad-based indices which are used for comparative purposes only and have been selected as they are well known and easily recognizable by investors.

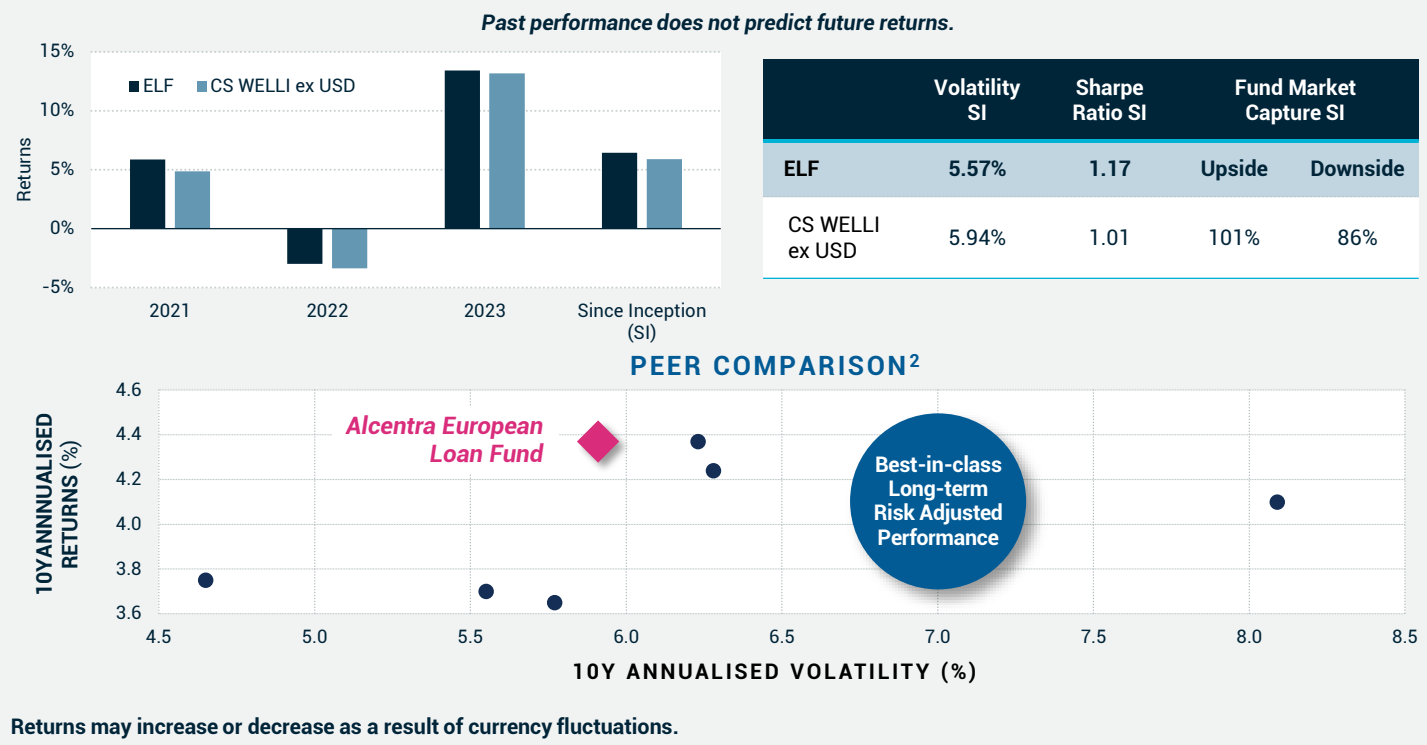
1. Forward volume reflects the volume of transactions that have been announced but have not yet been launched via bank meeting. This includes senior and second lien volume. When amounts have not yet been publicly announced, an estimate is made based upon the transaction size and the average senior/second lien debt share of launched transactions over the past six months.

2. Views expressed are those of Alcentra as of January 2024 and are subject to change. Alcentra has defined the measure of distress in the EU Loans market to be loans priced below 80 and rated CCC & below, and the measure of distress in the EU HY market to be bonds with OAS above 1000.

3. All Yields shown are EUR-Hedged. EMIB, ER00 and COA0 current yields are derived from the par weighted price, par weighted coupon and currency adjustment where applicable. Yields sourced from Bloomberg. A currency adjustment is applied for all USD indices to calculate the equivalent EUR hedged yields.

WHY ALCENTRA FOR EUROPEAN LOANS?

Consistent Outperformance with Lower Volatility Leads to a Desirable Return Profile¹



413 Employees

174 Investment Professionals

~45 Liquid Credit Analysts
including

~30 Sector-focused Research Analysts

Daire Wheeler
Head of European Liquid Credit
19 years Experience | 9 years at Alcentra

Ross Curran
Liquid Credit PM & Head of RI
19 years Experience | 17 years at Alcentra

Graham Rainbow
Senior Portfolio Advisor
30 years Experience | 15 years at Alcentra

One of the largest global platforms with a long tenure and track record.

Highly complementary platform with industry-leading expertise in structured credit, direct lending and special situations to synergistically source, vet and execute investments.

Past performance does not predict future returns. Returns may increase or decrease as a result of currency fluctuations.

12m Returns to Dec ³	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
ELF (Gross)	13.43%	-2.99%	5.87%	2.44%	4.46%	1.31%	4.17%	5.82%	6.53%	4.30%	9.85%	15.11%	1.38%	11.34%
ELF (Net)	12.70%	-3.59%	5.23%	1.80%	3.87%	0.69%	3.53%	5.23%	5.87%	3.72%	8.58%	12.92%	0.12%	9.74%
CS WELLI ex USD	13.17%	-3.39%	4.87%	2.81%	4.38%	1.25%	3.71%	5.42%	4.39%	2.49%	9.38%	10.51%	-1.23%	8.75%

Source: CS and Alcentra. Data as at 31 December 2023. EUR Loans: Credit Suisse Western European Leveraged Loan Index ex USD. The benchmark is a broad-based index used for comparative purposes only and was selected as it is well known and easily recognizable by investors.

- Figures are denominated in Euros. Performance shown is gross of fees and expenses.
- Alcentra defined customised peer group of direct competitors using the same benchmark in broadly the same Universe. As of 30 November 2023.
- There is a risk of losing all or part of the investment. Net performance figures are net of fees and expense but include the reinvestment of dividends and other earnings.

Key Risks:

Past performance does not predict future returns

The value of investments and the income from them is not guaranteed and can fall as well as rise due to market and currency movements

Investments in private funds are speculative and involve special risks, and there can be no assurance that a fund's investment objectives will be realized or that appropriate investments may be identified. An investor could lose all or a substantial portion of his or her investment. Investments may involve complex tax structures resulting in delays in distributing important tax information. The manager or their administrator may fair value securities and other instruments for which there is no readily available market or third party pricing, or for which the manager believes the third party pricing does not accurately reflect the value of those securities, and such value may be based on proprietary or other models. Private funds may not be required to provide periodic pricing or valuation information to investors. Performance may be volatile as underlying managers may employ leverage and other speculative investment practices the use of leverage increases risks, such that a relatively small movement in the value of an investment may result in a disproportionately large movement, unfavorable as well as favorable, in the value of that investment and, in turn, the value of the Fund. Additionally, high fees and expenses of a private fund may offset an investor's profits. A manager may reserve the right to limit transparency and other notifications to investors. There may be restrictions on transferring interests in private funds, and there is generally no secondary market for such interests. This is not an inclusive list of all risk factors, and investments in private funds may be appropriate only for certain investors. A comprehensive list of potential risk factors is outlined in the Fund's private offering memorandum. Also, investors should independently investigate any investment strategy or manager, and consult with qualified investment, legal, and tax professionals before making an investment. Investments may involve complex tax structures resulting in delays in distributing important tax information. Alcentra may fair value securities and other instruments for which there is no readily available market or third party pricing, or for which Alcentra believes the third party pricing does not accurately reflect the value of those securities, and such value may be based on proprietary or other models. Leverage and other speculative investment practices may increase the risk of investment loss, and adherence to risk control mechanisms does not guarantee investment returns. Additionally, fees and expenses of the Fund may offset an investor's profits. A lack of strategy diversification may result in higher risk. The Fund may limit transparency and other notification to investors, there may be restrictions on transferring interests in the Fund vehicle, and there is generally no secondary market for an investor's interest in the Fund. This is not an inclusive list of all risk factors, and investments in private funds may be appropriate only for certain investors. A comprehensive list of potential risk factors is outlined in the Fund's private offering memorandum.

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