

Briefing Global Economic & Credit Market Week 46 Ending – November 17, 2023

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Economic Calendar

- o Tuesday, November 21: Existing Home Sales
- Wednesday, November 22: Initial Jobless Claims

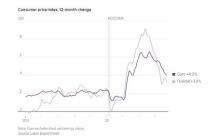
Key Market Metrics

- S&P 500: +2.24% WoW; +17.41% YTD; +14.38% YoY; 13.4x LTM EBITDA; 12.5x NTM EBITDA
- Dow Jones: +1.94% WoW; +5.25% YTD; +4.18% YoY; 10.6x LTM EBITDA; 12.1x NTM EBITDA
- Nasdaq: +2.37% WoW; +34.56% YTD; +26.74% YoY
- Ten Year US Treasury Yield: 4.50% (22) bps YTD; +72 bps YoY
- Currency:
 - British Pound per USD: \$1.25; 1.9% WoW; 3.1% YTD; 5.0% YoY
 - Euro per USD: \$1.09; 2.1% WoW; 2.0% YTD; 5.3% YoY
 - USD per Yen: ¥149.63; (1.2%)WoW; 14.1% YTD; 6.7% YoY
 - Swiss franc per EUR: 1.03 CHF; (0.2%)WoW; 2.4% YTD; 2.1% YoY

U.S. News

Consumer Price Index

- Consumer prices overall were flat in October and rose
 3.2% from a year earlier, a slower pace than in
 September as prices for gasoline fell
- Core prices, which exclude food and energy items, rose 0.2% in October from the prior month and increased 4% from a year earlier, the smallest annual change since September 2021



 The slowdown reflected lower prices for cars and airfares and milder growth in housing costs

Purchasing Managers Index

- The Purchasing Managers Index, which tracks prevailing economic trends in the manufacturing and service sectors, slipped to 46.7 in October
- The index was 2.3 percentage points lower than the 49 percent recorded in September
- The data underscores that companies are managing outputs appropriately as order softness continues



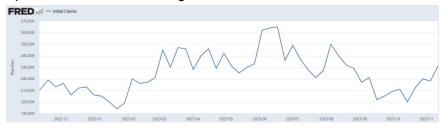
Retail Sales

- Sales at retailers nationwide fell 0.1% in October and dropped for the first time in seven months
- Auto dealers posted a 1% decline in sales to weigh down headline retail numbers
- However, sales at internet retailers, bars and restaurants both rose slightly in October, indicating that consumers still have discretionary income to spend on wants instead of needs



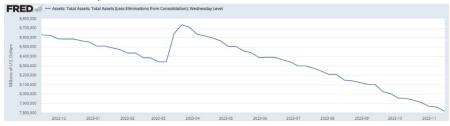
Jobless Claims

- Initial jobless claims, a measure of how many workers were laid off across the U.S.,
 increased to 231,000 in the week ended November 10, up 13,000 from the prior week
- o The four-week moving average was 220,250, up 7,750 from the prior week
- Continuing claims those filed by workers unemployed for longer than a week –
 increased by 32,000 to 1.865 million in the week ended November 3. This figure is
 reported with a one-week lag



Fed's Balance Sheet

- The Federal Reserve's assets totaled \$7.815 trillion in the week ended November 17, down \$45.7 billion from the prior week
- o Treasury holdings totaled \$4.869 trillion, down \$4.1 billion from the prior week
- Holdings of mortgage-backed securities (MBS) were \$2.46 trillion in the week, up \$0.0 billion from the prior week



Total Public Debt

- Total public debt outstanding was \$33.74 trillion as of November 17, an increase of 7.8% from the previous year
- Debt held by the public was \$26.58 trillion, and intragovernmental holdings were \$7.12 trillion





Inflation Factors

- o CPI:
 - The consumer-price index rose 3.2% in October year over year
 - On a monthly basis, the CPI increased 0.0% in October on a seasonally adjusted basis, after increasing 0.4% in September
 - The index for all items less food and energy (core CPI) rose 0.2% in October, after rising 0.3% in September
 - Core CPI increased 4.0% for the 12 months ending October
- Food & Beverages:
 - The food at home index increased 2.1% in October from the same month a year earlier, and increased 0.3% in October month over month
 - The food away from home index increased 5.4% in October from the same month a year earlier, and increased 0.4% in October month over month
- Commodities:
 - The energy commodities index decreased (4.9%) in October after increasing 2.3%
 - The energy commodities index fell (6.2%) over the last 12 months
 - The energy services index (1.0%) in October after increasing 0.1% in September
 - The energy services index fell (2.3%) over the last 12 months
 - The gasoline index fell (5.3%) over the last 12 months
 - The fuel oil index fell (21.4%) over the last 12 months
 - The index for electricity rose 2.4% over the last 12 months
 - The index for natural gas fell (15.8%) over the last 12 months
- Supply Chain:
 - Drewry's composite World Container Index decreased to \$1,469.00 per 40ft
 - Drewry's composite World Container Index has decreased by (43.3%) over the last 12 months
- O Housing Market:
 - The shelter index increased 0.3% in October after increasing 0.6% in September
 - The rent index increased 0.3% in October after increasing 0.6% in September
 - The index for lodging away from home decreased (6.1%) in October after increasing 0.7% in September

Fed Funds Rate

 The effective Federal Funds Rate is at 5.33%, remaining flat since August and up 1% since the start of 2023





World News

Israel/Middle East

- o Israeli forces have taken control of much of northern Gaza at least the parts that are above ground. However, the war is entering a new phase as the Israeli military takes its fight underground and into Gaza's subterranean tunnel network
- In an effort to prevail, the Israeli military is rolling out revamped tools, such as cameracarrying robots to map the tunnels and container trucks filled with explosive liquids that are pumped into them through hoses
- Israel is gathering new intelligence on the network every day, finding new tunnels and interrogating militants as it puts together pieces that give its military a better picture of the underground city. Israel said that its forces had already discovered at least 500 shafts

Ukraine

- Fierce fighting has erupted between Russian forces and Ukrainian units that crossed over the Dnipro River to the Russian-occupied eastern bank of the river in the southern Kherson region
- Battles are concentrated around a number of villages on the east or left bank of the river where Ukraine has managed to establish several footholds
- Meanwhile, Ukraine's air force said Friday that it shot down nine out of ten Russian drones over the Mykolayiv and Odesa regions in the southern Ukraine, the central Zhytomyr region and the Khmelnytskyi region in the west

Russia

- Russia is not exporting its Lancet drones due to high domestic demand, as the weapon emerges as one of the biggest dangers Ukrainian forces face
- The suicide drones are cheap to make and have been shown capable of destroying Ukraine's valuable Western-donated military equipment, adding difficulties to Kyiv's slow and gruelling counteroffensive

China

- Chinese president Xi Jinping made his first trip to the U.S. in six years, attending a dinner with U.S. corporate executives and other guests
- Xi sought to enlist American corporations' help in easing bilateral tensions, emphasizing the room for both nations to work together
- Throughout his speech, Xi described himself as a leader of the people and stressed the importance of building bilateral ties
- In attendance were chief executives including Apple's Tim Cook and BlackRock's Larry Fink, along with leaders and senior executives from Qualcomm, Boeing, Blackstone, KKR, Pfizer, FedEx and other large U.S. companies, which all invest in China and collectively have trillions of dollars in market value



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Commodities

Oil Prices

- o WTI: \$75.89 per barrel
 - (1.66%) WoW; (4.61%) YTD; (7.04%) YoY
- Brent: \$80.62 per barrel
 - (0.99%) WoW; (3.93%) YTD; (10.20%) YoY

US Production

 U.S. oil production amounted to 13.2 million bpd for the week ended November 10, down 0.0 million bpd from the prior week

Rig Count

The total number of oil rigs amounted to 618, up 2 from last week

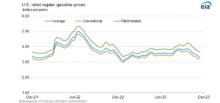
Inventories

Crude Oil

- Total U.S. crude oil inventories now amount to 439.4 million barrels, up 0.9% YoY
- Refiners operated at a capacity utilization rate of 86.1% for the week, up from 85.2% in the prior week
- U.S. crude oil imports now amount to 6.394 million barrels per day, down 14.6% YoY

Gasoline

- Retail average regular gasoline prices amounted to \$3.33 per gallon in the week of November 17, down (10.1%) YoY
 - Gasoline prices on the East Coast amounted to \$3.32, down (10.5%) YoY



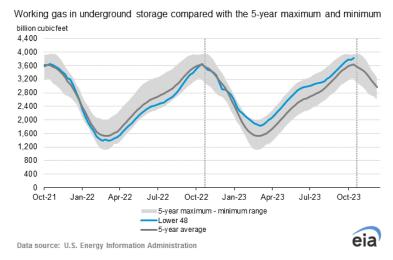
- Gasoline prices in the Midwest amounted to \$3.26, down (13.1%) YoY
- Gasoline prices on the Gulf Coast amounted to \$2.90, down (10.0%)
- Gasoline prices in the Rocky Mountain region amounted to \$3.45, down (9.7%) YoY
- Gasoline prices on the West Coast amounted to \$4.65, down (7.8%)
- Motor gasoline inventories were down by 1.5 million barrels from the prior
- Motor gasoline inventories amounted to 215.7 million barrels, up 3.7% YoY
- Production of motor gasoline averaged 9.42 million bpd, down (3.8%) YoY
- Demand for motor gasoline amounted to 8.949 million bpd, up 2.4% YoY

Distillates

- Distillate inventories decreased by -1.4 million in the week of November 17
- Total distillate inventories amounted to 106.6 million barrels, down (0.7%)
- Distillate production averaged 4.753 million bpd, down (6.7%) YoY
- Demand for distillates averaged 4.109 million bpd in the week, up 6.4% YoY

Natural Gas

- Natural gas inventories increased by 60 billion cubic feet last week
- Total natural gas inventories now amount to 3,833 billion cubic feet, up 5.2% YoY





Geopolitical Hotspots

Spain

 Spain's parliament re-elected Pedro Sánchez as prime minister, following months of political uncertainty and widespread protests after the center-left politician promised an amnesty for Catalan separatists in return for their support

United Kingdom

 The U.K. government has sanctioned 29 entities and individuals operating in and supporting Russia's gold and oil sectors, in an effort to cut off revenue streams funding its war in Ukraine

Germany

 Germany is working on a plan to send some asylum seekers to Africa while their cases are decided, marking a U-turn for a country that has long been open to migrants but is straining under a surge in arrivals

Pakistan

 Pakistan has started rounding up tens of thousands of undocumented Afghans for deportation back to the country they fled, prompting fears that some awaiting resettlement to the U.S. could be swept up

India

Apple notified a number of Indian opposition lawmakers this week that their phones were likely targets of state-sponsored attackers, prompting several of the individuals to express concern about the possible use of surveillance by the government of Prime Minister Narendra Modi

Italy

 In recent months, more than a thousand minor earthquakes have rattled the area around the Campi Flegrei volcano in southern Italy, stoking fears that it may soon erupt again after nearly five centuries

Finland

Finland said that a Chinese ship's anchor likely caused a mysterious rupture of an undersea gas pipeline in the Baltic Sea last month. The finding has raised concerns about the vulnerability of European infrastructure to sabotage amid mounting tensions between Russia and the West



Credit News

High yield bond yields decreased 15bps to 8.72% and spreads widened 5bps to 415bps (a low of 403 was hit midweek). Leveraged loan yields decreased 18bps to 9.93% and spreads tightened 5bps to 558bps. WTD Leveraged loan returns were positive 29bps. WTD high yield bond returns were positive 73bps. Credit markets continued a multi-week rally with ongoing significant inflows. The two-week inflow into high yield has now reached ~\$10bn, the largest recorded since 2020. The two-week period ending 6/4/20 saw a ~\$12bn inflow.

High-yield:

Week ended 11/17/2023

Yields & Spreads1

Current Week		Prior Week		Δ (k	Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread	
8.72%	415	8.87%	410	(15)	5	

Pricing & Returns¹

Pricing				Ret	urns	
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2022
\$88.38	\$87.84	54	0.73%	2.69%	8.09%	-10.55%

Fund Flows²

•	uu
	Total Flows (\$)
	Total Flows (Ψ)
	\$4,500mm

New Issue²

Wee	ek	YTD			
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY	
7	\$4.7bn	\$294 4bn	\$212 8bn	+38%	

Distressed Level (trading in excess of 1,000 bps)²

	10/31/23 8.70%	9/30/23 7.10%	8/31/23 7.30%
•	Total HY	Defaults	
	10/31/23	9/30/23	8/31/23
	1.76%	1.32%	1.29%

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan



Leveraged loans:

Week ended 11/17/2023

Yields & Spreads¹

Current Week		Prior	Prior Week		Δ (bps)	
Yield	Spread	Yield	Spread	Yield	Spread	
9.93%	558	10.11%	563	(18)	(5)	

Leveraged Loan Index¹

Pricing				Ret	turns	
Current Week	Prior Week	Δ (bps)	WTD	MTD	YTD	2022
\$94.58	\$94.48	10	0.29%	0.91%	10.91%	-1.06%

Fund Flows²

Total Flows (\$) \$245mm

New Issue²

Wee	ek		YTD			
# New Deals	Total (\$)	Total (\$)	Prior Year YTD	CY vs PY		
9	\$6.7bn	\$296.4bn	\$212.8bn	+39%		

Distressed Level (loan price below \$80)¹

10/31/23	9/30/23	8/31/23
7.20%	6.20%	7.30%

Total Loan Defaults

10/31/23	9/30/23	8/31/23
2.01%	1.90%	2.24%

Default activity:

Most recent defaults include: Air Methods (\$1.7bn, 10/24/23), WeWork (\$1.6bn, 10/15/23), Rite Aid (\$3.0bn 10/16/23), Mallinckrodt (\$2.8bn 8/28/23), Yellow Corp (\$485mm 8/8/23), Anchor Glass (\$675mm 7/11/23), Instant Brands (\$391mm 6/12/23), Cyxtera Technologies (\$768mm 6/4/23), Diebold (\$2.0bn 6/1/23), Envision Health (\$7.7bn 5/14/23), Venator Materials (\$1.1bn 5/12/23), Bed Bath & Beyond (\$5.2bn 4/22/23), David's Bridal (\$254mn 4/17/23), Monitronics International (\$794mm 4/15/23), Catalina (\$222mn 3/29/23), Diamond Sports (\$8.6bn, 2/15/23), Avaya (\$2.9bn, 2/14/23), Heritage Power (\$485mn, 1/24/23), Serta Simmons Bedding(\$1.9bn, 1/23/23), Party City Holdings (\$1.0bn, 01/17/23), Exela Intermediate (\$1.4bn, 1/15/23)

CLOs:

Week ended 11/17/2023

New U.S. CLO Issuance²

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Week of	# Priced	Total (\$)	New Issue	Refis/Resets		
11/17/2023	6	\$2.5bn	\$2.0bn	\$0.5bn		

New U.S. CLO YTD Issuance²

Total U.S. CLOs	Total (\$)	New Issue	Refis/Resets	Prior Year YTD	CY vs. PY
258	\$110.7bn	\$108.3bn	\$2.4bn	\$137.6bn	-20%

Note: High-yield and leveraged loan yields and spreads are swap-adjusted

¹ Source: Credit Suisse High Yield and Leveraged Loan Index

² Source: JP Morgan

Ratings activity:

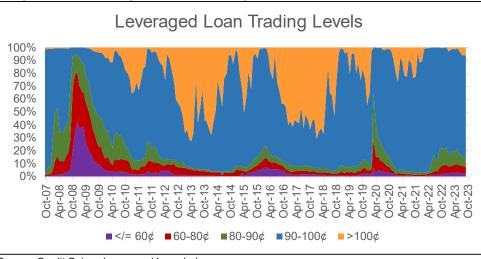
S&P and Moody's High Yield Ratings

our and moody	S&P Moody's							
	Downgrades	Upgrades	Ratio	Downgrades	Upgrades	Ratio		
Full Year 2022	404	314	1.3x	375	312	1.2x		
Week Ending 01/06/23	8	2	4.0x	0	0	n/a		
Week Ending 01/13/23	12	4	3.0x	12	1	12.0x		
Week Ending 01/20/23	8	5	1.6x	8	3	2.7x		
Week Ending 01/27/23	2	0	n/a	5	0	n/a		
Week Ending 02/03/23	11	13	0.8x	15	22	0.7x		
Week Ending 02/10/23	5	6	0.8x	2	1	2.0x		
Week Ending 02/17/23	12	7	1.7x	8	1	8.0x		
Week Ending 02/24/23	15	7	2.1x	8	10	0.8x		
Week Ending 03/03/23	4	8	0.5x	11	17	0.6x		
Week Ending 03/10/23	8	10	0.8x	26	5	5.2x		
Week Ending 03/17/23	41	9	4.6x	11	8	1.4x		
Week Ending 03/24/23	16	4	4.0x	13	4	3.3x		
Week Ending 03/31/23	7	4	1.8x	8	6	1.3x		
Week Ending 04/06/23	7	5	1.4x	6	1	6.0x		
Week Ending 04/14/23	13	12	1.1x	7	5	1.4x		
Week Ending 04/21/23	8	8	1.0x	11	5	2.2x		
Week Ending 04/28/23	18	4	4.5x	15	4	3.8x		
Week Ending 05/05/23	6	4	1.5x	14	7	2.0x		
Week Ending 05/12/23	10	5	2.0x	11	5	2.2x		
Week Ending 05/19/23	18	5	3.6x	9	2	4.5x		
Week Ending 05/26/23	6	2	3.0x	6	1	6.0x		
Week Ending 06/02/23	16	8	2.0x	16	5	3.2x		
Week Ending 06/09/23	14	7	2.0x	6	2	3.0x		
Week Ending 06/16/23	5	3	1.7x	17	5	3.4x		
Week Ending 06/23/23	10	4	2.5x	11	4	2.8x		
Week Ending 06/30/23	17	6	2.8x	7	11	0.6x		
Week Ending 07/07/23	10	6	1.7x	5	3	1.7x		
Week Ending 07/14/23	4	2	2.0x	5	13	0.4x		
Week Ending 07/21/23	11	2	5.5x	10	9	1.1x		
Week Ending 07/28/23	12	2	6.0x	14	5	2.8x		
Week Ending 08/04/23	4	8	0.5x	1	4	0.3x		
Week Ending 08/11/23	13	10	1.3x	6	8	0.8x		
Week Ending 08/18/23	22	4	5.5x	7	3	2.3x		
Week Ending 08/25/23	13	9	1.4x	11	6	1.8x		
-								
Week Ending 09/01/23	23	14	1.6x	7	4	1.8x		
Week Ending 09/08/23	5	4	1.3x	4	5	0.8x		
Week Ending 09/15/23	10	4	2.5x	12	8	1.5x		
Week Ending 09/22/23	12	12	1.0x	15	6	2.5x		
Week Ending 09/29/23	7	10	0.7x	10	5	2.0x		
Week Ending 10/06/23	8	9	0.9x	9	14	0.6x		
Week Ending 10/13/23	2	4	0.5x	0	1	0.0x		
Week Ending 10/20/23	7	4	1.8x	5	4	1.3x		
Week Ending 10/27/23	6	2	3.0x	7	7	1.0x		
Week Ending 11/03/23	9	5	1.8x	14	7	2.0x		
Week Ending 11/10/23	7	5	1.4x	6	4	1.5x		
Week Ending 11/17/23	10	7	1.4x	16	7	2.3x		
YTD 2023	492	275	1.8x	427	258	1.7x		
Source: Bloomberg								

Source: Bloomberg

Appendix:

Diagram A: Leveraged Loan Trading Levels



Source: Credit Suisse Leveraged Loan Index

Diagram B: High Yield and Leveraged Loan LTM Price

High Yield and Leveraged Loan Data [1]									
	LTM Price								
	Avg. Price	High [2]	Low [3]	LTM High vs. Low Δ					
High Yield	87.3	89.6	85.2	4.4					
Leveraged Loans	93.4	95.2	91.9	3.3					

^[1] Data is from Credit Suisse High Yield Market Index and Credit Suisse Leveraged Loan Index

Diagram C: Leveraged Loan and High Yield Returns

Diagram of Lovoragoa Loan and riigh From Rotaino									
Leveraged Loan and High Yield Returns									
	Leveraged L	oan Indices	High Yield Indices						
	Credit Suisse [1]	Credit Suisse [1] S&P/LSTA [2]		S&P [2]					
Weekly Return	0.29%	0.26%	0.73%	0.59%					
MTD Return	0.91%	0.89%	2.69%	2.52%					
YTD Return	10.91%	10.93%	8.09%	5.39%					

^[1] Credit Suisse Total Return information is calculated weekly. Yield data is as of 11/16/2023

^[2] HY high price as of 2/2/23. LL high price as of 9/19/23

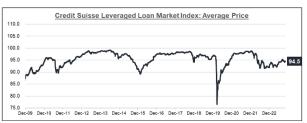
^[3] HY low price as of 12/29/22. LL low price as of 12/30/22

^[2] Yield data as of 11/16/2023

Diagram D: Average Bid Price of High Yield Bonds & Loans



Source: CSFB High Yield Index (formerly DLJ High Yield Index) Average Price, expressed as a % of par value. Data is reported daily.

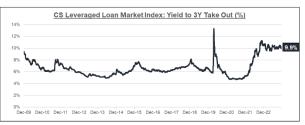


Source: CSFB Leveraged Loan Index Average Price, expressed as a % of par value. Data is reported daily.

Diagram E: Leveraged Loans Spreads & Yields



Source: CSFB Leveraged Loan Index Discount Margin to 3Y take-out, expressed in basis points. Data is reported daily.



Source: CSFB Leveraged Loan Index Yield to 3Y take-out, expressed as a percentage. Data is reported daily.

Diagram F: High Yield Bonds Spreads & Yields



Source: CSFB High Yield Index (formerly DLJ High Yield Index) Spread-to-Worst, expressed in basis points. Data is reported daily.



Source: CSFB High Yield Index (formerly DLJ High Yield Index) Yield-to-Worst, expressed as a percentage. Data is reported daily.

Diagram G: Spread between High Yield Bonds and Leveraged Loans



Source: CSFB HY Index and CSFB LL Index. Data is reported daily.

Diagram H: Percentage of Leveraged Loan and High Yield Market Trading at Distressed Levels





Source: CSFB. Data is reported monthly.

Source: JPM. Data is reported monthly.

Diagram I: High Yield Upgrades and Downgrades

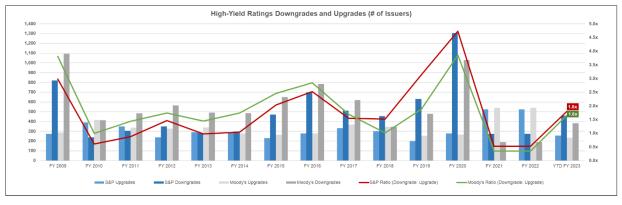
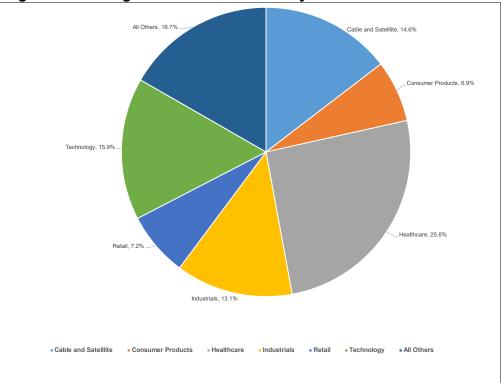


Diagram J: Leveraged Loan + HY Defaults by Sector - LTM



Source: JP Morgan Default Monitor.



Diagram L: CLO Economics

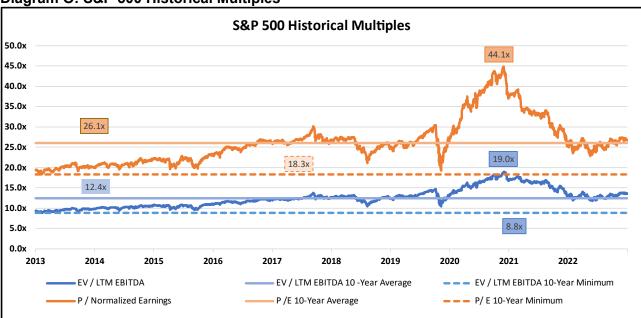
CLO Economics								
AAA Coupons	AAA DMs	WAC Liabilities	DM Liabilities	Leverage	Asset WAS	All In WAS [1]	IRR est.	Cash on Cash est.
L+135-150	L+135-150	L+200-240	L+220-280	9-11x	L+300-360	L+330-390	9-12%	10-14%

^{*}Assumptions: 2% Default / 65% Recovery / 4 year Reinvestment Period

Diagram N: Developed Country GovBond Yields (%)

					Change				
Ву	10/26/23	11/2/23	11/9/23	11/16/23	Weekly	Q4 2022	Q3 2022	Q2 2022	Q1 2022
France - 10 year	3.49%	3.32%	3.23%	3.15%	(8 bps)	40 bps	80 bps	94 bps	78 bps
Germany - 10 year	2.86%	2.72%	2.65%	2.59%	(6 bps)	46 bps	77 bps	79 bps	73 bps
Italy - 10 year	4.87%	4.63%	4.51%	4.35%	(16 bps)	20 bps	126 bps	123 bps	87 bps
Japan - 10 year	0.88%	0.93%	0.84%	0.79%	(5 bps)	18 bps	1 bps	1 bps	15 bps
UK - 10 year	4.60%	4.38%	4.27%	4.15%	(12 bps)	(87 bps)	211 bps	75 bps	72 bps
US									
US - 2 year	5.04%	4.99%	5.02%	4.84%	(18 bps)	15 bps	133 bps	62 bps	160 bps
US - 5 year	4.80%	4.63%	4.64%	4.42%	(22 bps)	(9 bps)	105 bps	58 bps	120 bps
US - 10 year	4.84%	4.66%	4.62%	4.44%	(19 bps)	5 bps	82 bps	67 bps	83 bps
US - 30 year	4.99%	4.80%	4.76%	4.61%	(15 bps)	19 bps	59 bps	74 bps	54 bps
Source: Bloomberg		1.0070	1070	1.0170	(10 000)	.5 505	00 bp3	, . bps	_ 5 T DP

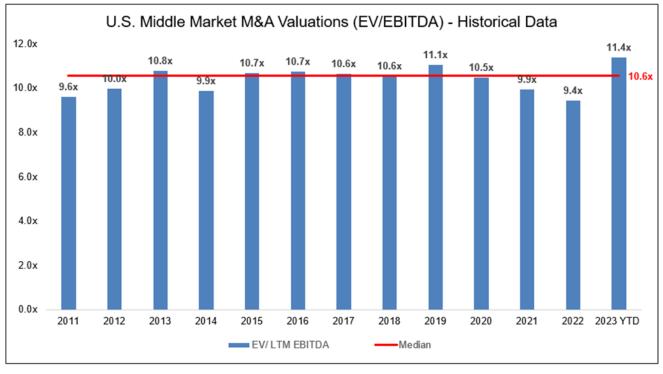
Diagram O: S&P 500 Historical Multiples



Source: S&P Capital IQ

^[1] Spread includes OID benefit based on 4 year repayment

Diagram P: U.S. Middle-Market M&A Valuations (EV/EBITDA)



Source: Pitchbook

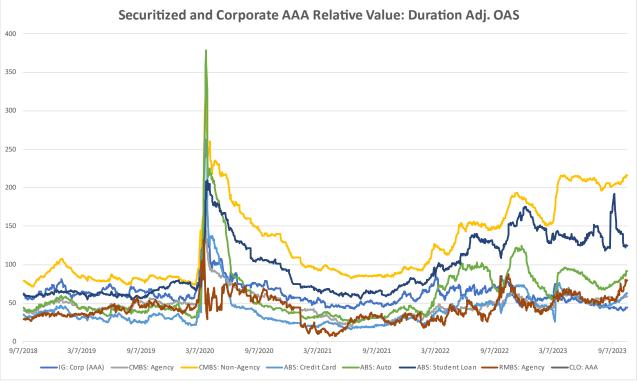
Diagram Q: Dry Powder for All Private Equity Buyouts



Source: Pitchbook

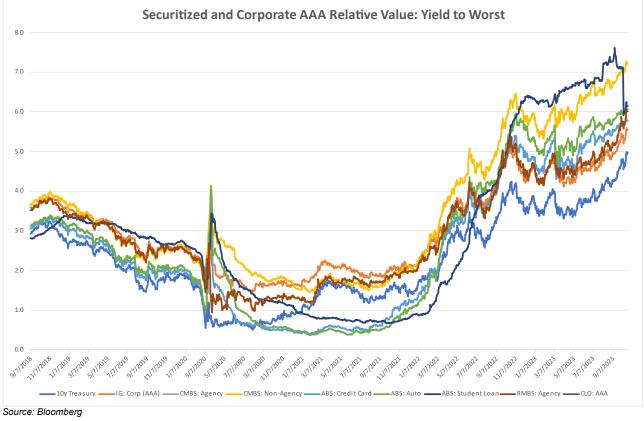
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Diagram R: Structured Credit Spreads

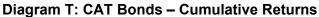


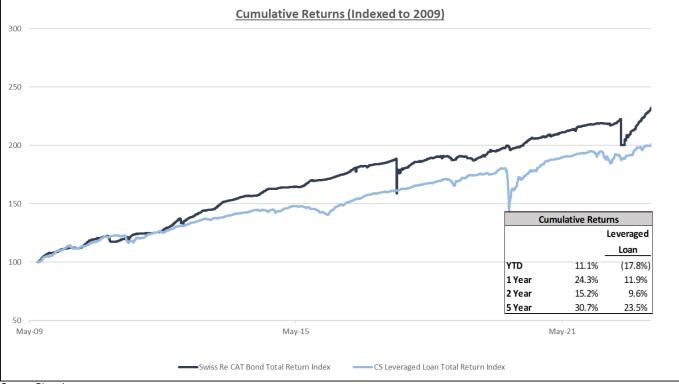
Source: Bloomberg

Diagram S: Structured Credit Yield



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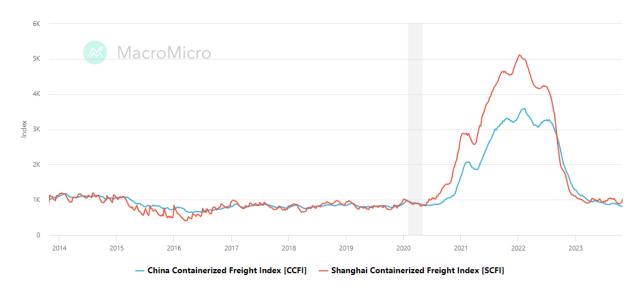
Source: Bloomberg

Freight Rates

Drewry World Container Index



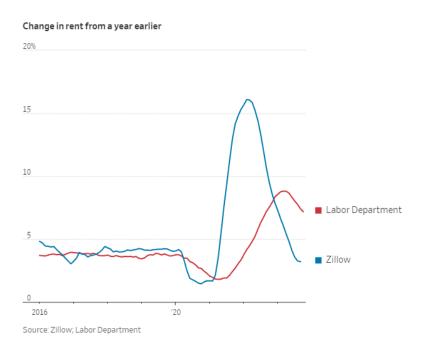
China-Global & Shanghai Export Container Freight Index



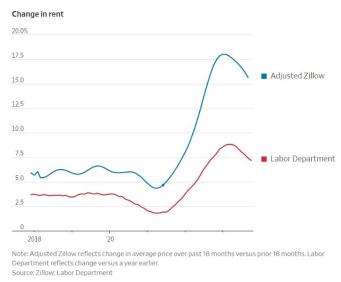
ZCG

Real Estate

US Rental Housing Price Trends Outlook



- Shelter costs are calculated using owner's equivalent rent and include all rents paid, whether
 that is a new lease signed or an ongoing lease with a rate determined last year. Whereas
 Zillow's rent index only accounts for recently signed leases
- Zillow peaked 13 months before the Labor Department's peak this past March



- WSJ adjusted Zillow to average rent over the last 18 months, and the trend mirrored the Labor Department's data
- The Zillow rent index can help provide a rough earlier approximation of inflation trends
- As for a forecast, the Labor Department's measure of rent inflation, and by extension shelter inflation, has nowhere to go but down



About Z Capital Group, L.L.C.

Z Capital Group, L.L.C. ("ZCG") is a leading, privately held merchant bank comprised of private markets asset management, business consulting services, technology development and solutions.

ZCG has approximately \$7B of AUM with a global team comprised of approximately 400 professionals. **www.zcg.com**

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Z Capital Partners, LLC ("ZCP") is the private equity fund management platform of ZCG. ZCP pursues a strategy of acquiring companies that are growth platforms, corporate carve-outs, buy & build, go-private transactions, and turn arounds.

Z Capital Credit Partners, LLC ("ZCCP") is the credit fund management platform of ZCG. ZCCP invests across a range of credit investments including leveraged loans, private debt, direct lending, and opportunistic credit. ZCCP manages closed and open ended funds as well as structured vehicles of strategic debt.

Both investment platforms share ZCG common resources, including infrastructure, legal, and cross global intelligence.

ZCG Consulting

ZCG Consulting ("ZCGC"), the strategic management consulting platform of ZCG, is a team of operating professionals within various disciplines of expertise including: financial reporting & planning, technology assessment & implementation, talent acquisition & analysis, global supply chain & logistics, c-suite advisory, real estate operations & management, insurance & risk management, in support of portfolio companies. The team works closely with company management teams and investment professionals to optimize operations and financial rigor, ultimately leading to value creation and increased performance.

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AUM is Gross Pro-Forma as of May 31, 2023, and reflects certain transactions set to close prior to the end of Q3 2023.