Nuveen Churchill Direct Lending

Leading credit platform backed by a premier global financial; Initiate at Buy

Initiating Coverage: BUY | PO: 19.00 USD | Price: 17.70 USD

Benefits from scale and industry tailwinds; Initiate at Buy

We are initiating coverage of Nuveen Churchill Direct Lending (NCDL) with a Buy rating and establishing a $19 price objective (PO), implying a total return of roughly 19%. NCDL is a business development company (BDC) established in 2018 and externally managed by Churchill, the private capital manager of TIAA and Nuveen. Traditional capital providers are de-emphasizing the unrated middle market credit while demand for capital remains robust. We believe NCDL is well positioned to capitalize on this supply/demand imbalance and deliver attractive risk-adjusted returns for investors.

Fee waivers rewarded investors with special dividends

We establish a core EPS forecast for 2024/2025E of $2.20/$1.95 and a DPS forecast of $2.10/$1.97. Our dividend forecast includes previously declared special quarterly dividends of $0.10/share for the first 4 quarters post IPO (i.e. 2Q24-1Q25). While we forecast a 12.5% ROE in 2024, our forecast includes over $22M of fee waivers, which boost 2024 earnings by ~$0.43/share and support the special dividends. When mgmt fee waivers end, we expect ROEs to normalize to ~10.2%. Despite this lower normalized ROE, we think NCDL deserves to trade at a premium due to its superior credit, differentiated platform, shareholder alignment, and lower mgmt fees.

Portfolio credit should continue to outperform peers

Since inception, credit metrics have outperformed peers. Asset quality in BDCs that have reported Q4 earnings (about 33% of large BDCs have released Q4 results) as well as trends in the liquid credit markets (a proxy for BDC credit), suggest defaults should remain below LT averages in the near-term. Still, when credit markets weaken, we think NCDL's portfolio will likely outperform due to its focus on late-cycle credit and strong asset management. As of 3Q23, the portfolio was 86% first lien debt, with just 0.2% of the portfolio on non-accrual status (peer average ~2.6%).

Attractive valuation, shares should re-rate higher in NT

We think NCDL is attractively valued at ~0.98x NAV/share of $18.08, a slight discount to the peer average of 1.0x NAV. That said, peers that consistently deliver strong economic returns are trading at closer to 1.1x NAV, while those that lag due to credit stress and other idiosyncratic concerns trade closer to 0.85x NAV. Our $19 PO is based on a 1.05x NAV multiple, which we view as achievable as NCDL delivers relatively stable margins and continued growth. Downside risks include tighter credit spreads and/or credit stress.

Estimates (Dec) (US$)	2021A	2022A	2023E	2024E	2025E
EPS	1.58	1.95	2.47	2.20	1.95
EPS Change (YoY)	50.5%	23.4%	26.7%	-10.9%	-11.4%
DPS	1.39	1.81	2.41	2.10	1.97
Valuation (Dec)					
P/E	11.2x	9.1x	7.2x	8.0x	9.1x
Dividend Yield	7.9%	10.2%	13.6%	11.9%	11.1%

Refer to important disclosures on page 21 to 23. Analyst Certification on page 18. Price Objective Basis/Risk on page 18. 12661343

Timestamp: 20 February 2024 06:00AM EST

20 February 2024

Equity

Derek Hewett
Research Analyst
BofAS
+1 646 855 2087
derek.hewett@bofa.com

Eric Dray, CFA
Research Analyst
BofAS
eric.dray@bofa.com

Stock Data

Price	17.70 USD
Price Objective	19.00 USD
Date Established	20-Feb-2024
Investment Opinion	C-1-8
52-Week Range	17.25 USD -17.96 USD
Mrkt Val / Shares Out (mn)	970 USD / 54.8
Free Float	95.7%
Average Daily Value	NA
BofA Ticker / Exchange	NCDL / NYS
Bloomberg / Reuters	NCDL US / NCDL.N
ROE (2023E)	14.2%

BDC: Business Development Company

iQprofile℠ Nuveen Churchill Direct Lending

Income Statement Data (Dec)

(US$ Millions)	2021A	2022A	2023E	2024E	2025E
Net Interest Income	26	57	101	143	149
% change	200.1%	114.5%	77.5%	41.8%	4.2%
Net Fee Income	NA	NA	NA	NA	NA
Securities Gains / (Losses)	NA	NA	NA	NA	NA
Total Operating Income	26	57	101	143	149
Operating Expenses	(6)	(11)	(17)	(24)	(43)
% change	72.4%	81.9%	51.9%	39.5%	78.2%
Provisions Expense	NA	NA	NA	NA	NA
% change	NA	NA	NA	NA	NA
Operating Pre-Tax Income	20	45	84	119	106
Operating Net Income to Comm S/Hold.	20	45	84	119	106
GAAP Net Income	20	45	84	119	106

Balance Sheet Data (Dec)

(US$ Millions)	2021A	2022A	2023E	2024E	2025E
Total Assets	821	1,254	1,769	2,273	2,273
Average Interest Earning Assets	NA	NA	NA	NA	NA
Total Gross Customer Loans	0	0	0	0	0
% change	NA	NA	NA	NA	NA
Total Customer Deposits	NA	NA	NA	NA	NA
% change	NA	NA	NA	NA	NA
Tangible Equity	NA	NA	NA	NA	NA
Common Shareholders' Equity	374	525	745	987	986

Key Metrics (Dec)

(US$ Millions)	2021A	2022A	2023E	2024E	2025E
Net Interest Margin	NA	NA	NA	NA	NA
Effective Tax Rate	NM	NM	NM	NM	NM
Loan / Deposit Ratio	NA	NA	NA	NA	NA
Tangible Common Equity / Assets	0%	0%	0%	0%	0%
ROA	NA	NA	NA	NA	NA
ROE	8.2%	10.4%	14.2%	12.5%	10.8%
RoTE	NA	NA	NA	NA	NA
Dividend Payout Ratio	88.2%	92.7%	97.6%	95.5%	101.2%
Efficiency Ratio (Cost / Income Ratio)	23.5%	19.9%	17.0%	16.7%	28.6%

Quality of Earnings (Dec)

(US$ Millions)	2021A	2022A	2023E	2024E	2025E
Total Non-Interest Inc / Operating Inc	0%	0%	0%	0%	0%
NPLs plus Foreclosed Real Estate / Loans	NA	NA	NA	NA	NA
Loan Loss Reserves / NPLs	NA	NA	NA	NA	NA
Loan Loss Reserves / Total Loans	NA	NA	NA	NA	NA

Company Sector

Financial Services-Consumer/Commercial

Company Description

NCDL was established in 2019 and is a specialty finance company, regulated as a BDC under the Investment Company Act of 1940, as amended, which invests in middle market debt. NCDL's investment objective is to generate attractive risk-adjusted returns primarily through current income.

Investment Rationale

We rate NCDL Buy. We believe it has a differentiated strategy which can generate solid risk-adjusted returns due to: (1) Propriety deal flow due to its partnership with TIAA / Nuveen, (2) superior portfolio credit, (3) strong shareholder alignment from management. That said, NCDL has limited operating history, and has not navigated through a business cycle. We think current valuation is attractive.

Stock Data

Average Daily Volume	NA

Quarterly Earnings Estimates

	2022	2023
Q1	0.44A	0.60A
Q2	0.44A	0.60A
Q3	0.51A	0.62A
Q4	0.61A	0.64E

Initiating at Buy with $19 PO

We are initiating coverage of Nuveen Churchill Direct Lending Corp ("NCDL" or "the Company") with a Buy rating and a $19 price objective (PO), implying total upside of 19% including a roughly 11.9% dividend yield based on our 2024 dividend outlook and the current share price. The dividend yield is 10.2% excluding previously declared special dividends. NCDL is a business development company (BDC) that primarily invests in senior secured loans to private equity-owned middle market companies in the US. Investments are primarily focused on companies generating between $10M and $100M of annual EBITDA. The company is externally managed by Churchill Asset Management (Churchill), the private capital manager arm of Nuveen Asset Management (Nuveen), which is owned by TIAA (the parent company and an anchor investor).

Churchill Asset Management is a leading middle market capital provider, with ~$50B of committed capital and over 450 portfolio investments. Churchill is able to leverage its 17+ year track record, scale, and partnership with TIAA, creating greater alignment with shareholders (TIAA invests side by side with third party funds, including NCDL and TIAA owns over 12% of the outstanding shares of NCDL) while generating strong risk-adjusted returns, in our view. Notably, Churchill was the most active private equity lender in the US during 3Q23. Churchill is headquartered in New York City and was founded in 2006 before joining Nuveen in 2015.

We think NCDL is well positioned to capitalize on lending opportunities in the middle market due to the supply/demand imbalance for middle market credit. Banks and other traditional capital providers have de-emphasized lending to these smaller, un-rated firms due to regulatory scrutiny of leveraged transactions and higher capital and liquidity requirements. Additionally, borrowers/sponsors prefer the confidentiality of a direct lending solution and financing certainty with a known price and terms (no "flex" or syndication risk). This scarcity of capital combined with strong borrower/sponsor demand has created a significant opportunity for nonbank lenders with scaled platforms and the ability to provide flexible financial solutions such as NCDL to fill the void, generating attractive risk-adjusted returns for shareholders.

We forecast 2024E and 2025E core EPS of $2.20 and $1.95, respectively and we estimate 2023E core EPS is $2.47. For the first 5 quarters following the IPO, management fees will remain at pre-IPO levels (0.75% base management fee on gross assets and no incentive fee). Management fees normalize (1.0% base management fee on gross assets and a 15% incentive fee) beginning 2Q25. Our EPS outlook implies a core ROE of 12.5% in 2024 and 10.8% in 2025 (decline y/y due to fee normalization and lower base rates based on the forward curve). NCDL's target leverage is ~1.25x, in-line with other higher quality BDC peers with investment grade ratings. We estimate management fee waivers benefit 2024 core EPS by ~$0.43 (~2.3% benefit to ROE) and benefit 2025 core EPS by ~$0.14 (~0.5% benefit to ROE).

Asset quality in the private credit markets (and liquid credit markets) remains solid. However, should U.S. economic growth stall or the credit markets meaningfully weaken, NCDL would likely experience NAV/share and earnings pressure as credit costs increase. However, we believe NCDL's portfolio is more durable than most peers due to its proprietary origination platform to source and manage risk, scale to offer "one stop" capital solutions, late-cycle portfolio construction, and strong asset management capabilities. Still, NCDL has a limited operating history and the portfolio has not been tested through a full economic cycle.

Valuation

We believe NCDL is attractively valued at $17.70 or roughly 0.98x NAV/share of $18.08 (pre-announced 4Q23 NAV/share was between $18.05 and $18.10), generating an ~11.9% dividend yield based on current price and the BofA 2024 dividend forecast. Excluding pre-announced special dividends of $0.30 in 2024, the dividend yield is ~10.2%. BDC peers currently trade at ~1.0x NAV/share, roughly in line with the long-term average and offer an ~10.9% dividend yield (Exhibit 1). That said, there is dispersion from the mean. Higher quality BDCs that have delivered strong economic returns for shareholders the past few years are trading at a premium of ~1.1x NAV and a roughly 10.7% dividend yield, while lower quality peers that have underperformed due to credit stress and other idiosyncratic risks are trading closer to 0.85x NAV, or an ~11.6% dividend yield.

Our $19 PO is based on an approximate 1.05x multiple of estimated 4Q23 NAV/share of $18.08. While profitability has been largely in line with peers the past couple of years given the relatively benign credit backdrop, we think profitability will begin to outperform in this “higher for longer” complex market environment. We believe our $19 PO is achievable as NCDL delivers stable returns, scales the portfolio, and manages credit through the current uncertain macro backdrop. However, there is potential for the shares to re-rate more in line with top quartile externally managed BDCs (~1.1x NAV) over time as NCDL grows the portfolio and generates consistent risk-adjusted returns.

Exhibit 1: BDC comp sheet

Industry currently trades around long-term P/BV multiple of ~1.0x; NCDL in-line with peers

	Tick. Sym.	S&P Rating	Total Assets ($M)	Market Cap. ($M)	Shares Out. (F.D.)	Stock Price 2/18/24	BV Current	P/BV Current	Div. Yield	'23 Earn. Yield	Core '23e ROE	Core '24e ROE	52 Week High	52 Week Low	Debt/ equity
Ares Capital Corp	ARCC	BBB-	$22,920	$11,734	582.3	$20.15	$19.01	1.06x	9.6%	11.8%	12.0%	12.4%	$20.65	$16.95	1.07x
FS KKR Capital Corp	FSK	NR	$15,384	$5,657	280.1	$20.20	$24.89	0.81x	13.7%	15.3%	12.4%	12.1%	$20.94	$16.85	1.15x
Blue Owl Capital Corp	OBDC	BBB-	$13,462	$5,834	389.7	$14.97	$15.40	0.97x	10.4%	12.9%	12.5%	12.2%	$15.27	$11.51	1.18x
Blackstone Secured Lending Fund	BXSL	BBB-	$9,802	$5,379	183.2	$29.37	$26.54	1.11x	9.9%	12.9%	14.2%	13.4%	$29.44	$23.61	1.08x
Prospect Capital Corp	PSEC	BBB-	$7,854	$2,414	414.0	$5.83	$9.25	0.63x	12.3%	17.6%	10.3%	8.4%	$7.68	$5.03	0.66x
Golub Capital BDC Inc	GBDC	BBB-	$5,733	$2,700	170.6	$15.83	$15.02	1.05x	10.8%	11.7%	12.3%	12.7%	$15.89	$12.23	1.22x
Main Street Capital Corp	MAIN	BBB-	$4,468	$3,758	83.7	$44.88	$28.33	1.58x	8.2%	9.1%	14.3%	13.7%	$46.04	$35.88	0.82x
Goldman Sachs BDC Inc	GSBD	NR	$3,558	$1,681	109.6	$15.34	$14.61	1.05x	11.7%	14.6%	15.4%	14.8%	$16.52	$12.75	1.17x
Hercules Capital Inc	HTGC	NR	$3,336	$2,946	158.4	$18.60	$10.93	1.70x	9.0%	11.2%	17.5%	18.6%	$18.65	$10.77	0.99x
New Mountain Finance Corp	NMFC	NR	$3,280	$1,282	101.4	$12.64	$13.06	0.97x	10.5%	11.8%	11.5%	11.5%	$13.13	$11.12	1.41x
Oaktree Specialty Lending Corp	OCSL	NR	$3,218	$1,597	79.0	$20.23	$19.63	1.03x	11.0%	12.0%	12.5%	11.9%	$21.64	$17.64	1.06x
Sixth Street Specialty Lending Inc	TSLX	BBB-	$3,174	$1,909	87.8	$21.73	$16.97	1.28x	9.3%	10.6%	13.3%	13.5%	$22.35	$16.77	1.09x
Barings BDC Inc	BBDC	NR	$2,742	$959	106.5	$9.00	$11.25	0.80x	11.3%	13.2%	10.5%	10.6%	$9.47	$6.96	1.27x
Bain Capital Specialty Finance	BCSF	NR	$2,566	$990	64.6	$15.34	$17.54	0.87x	10.4%	14.2%	12.4%	11.3%	$16.80	$11.06	1.21x
SLR Investment Corp	SLRC	NR	$2,539	$819	54.6	$15.01	$18.06	0.83x	10.9%	10.5%	8.7%	9.6%	$16.09	$13.48	1.21x
MidCap Financial Investment Corp	MFIC	NR	$2,455	$928	65.3	$14.22	$15.28	0.93x	10.7%	12.3%	11.5%	11.0%	$14.27	$10.39	1.44x
Carlyle Secured Lending Inc	CGBD	NR	$1,957	$782	50.8	$15.39	$16.86	0.91x	11.4%	13.3%	11.9%	11.6%	$15.86	$13.01	1.11x
BlackRock TCP Capital Corp	TCPC	NR	$1,719	$645	57.8	$11.17	$12.72	0.88x	13.4%	16.8%	14.8%	14.0%	$12.69	$9.32	1.32x
Crescent Capital BDC Inc	CCAP	NR	$1,624	$607	37.1	$16.39	$19.70	0.83x	10.5%	13.7%	11.3%	10.9%	$18.00	$13.11	1.17x
PennantPark Investment Corp	PNNT	NR	$1,157	$432	65.2	$6.62	$7.70	0.86x	12.7%	16.5%	14.1%	12.1%	$7.27	$4.70	1.03x
BlackRock Capital Investment	BKCC	NR	$618	$274	72.6	$3.77	$4.38	0.86x	10.6%	13.1%	11.3%	10.5%	$4.03	$3.03	0.87x
						Average		**1.00x**	**10.9%**	**13.1%**	**12.6%**	**12.2%**			**1.12x**
Cliffwater BDC Index - Total Return	CWBDC					$4,406	$4,252	1.04x	10.6%	NA	11.9%		$4,459	$3,387	
Nuveen Chuchill Direct Lending	**NCDL**	**NR**	**$1,539**	**$970**	**54.8**	**$17.70**	**$18.08**	**0.98x**	**11.9%**		**14.2%**	**12.5%**	**$17.96**	**$17.25**	**1.35x**

Source: Bloomberg, S&P Capital IQ Pro, BofA Global Research

Shaded BDCs are internally managed

BofA GLOBAL RESEARCH

Investment positives

TIAA/Nuveen affiliation drives growth and mitigates risk

We view the alignment between NCDL and its external manager Churchill / Nuveen / TIAA as particularly strong. TIAA owns over 12% of NCDL's outstanding shares and also will invest side by side with NCDL in certain deals. We also think NCDL has an informational advantage due to its TIAA affiliation as many borrowers use a TIAA credit facility, which gives NCDL insights into liquidity needs of portfolio companies.

Late-cycle, diversified portfolio; minimal non-accruals since inception

The portfolio has been defensively constructed since over 85% is first lien senior secured, while still generating meaningful returns for shareholders. The portfolio is also highly diversified by borrower, industry, sponsor, and other metrics therefore a single default will not materially impact portfolio performance. The top 10 investments represent only 11% of the portfolio (top 10 investments for many high performing BDC peers is elevated at roughly 15% to 30%). Since inception in 2018, there have been two non-accrual investments; currently there is 1 non-accrual investment totaling 0.2% of the portfolio at cost (the peer average is ~2.6%).

Favorable fee structure should create greater shareholder alignment

NCDL's fee structure is more favorable to investors, in our view, creating greater shareholder alignment. And NCDL will waive certain management fees for first 4 quarters post-IPO; the savings will be used to reward shareholders with 4 quarterly special dividends of $0.10/share from 2Q24 thru 1Q25. Importantly, NCDL implemented a credit lookback to avoid compensating the advisor when there are realized investment losses that erode NAV/share.

Supply/demand imbalance in middle market

Traditional financial institutions have de-emphasized lending to the broad middle market due to increased regulatory scrutiny of leveraged transactions. The scarcity of capital providers introduces a significant opportunity for non-bank financials to fill a void in the market and generate attractive risk-adjusted returns.

Large and growing U.S. middle market

The U.S. middle market is the largest market by most measures, represents a significant growth segment of the economy, and often requires substantial capital investments for growth. The estimated size of the US direct lending market is over $1 trillion.

Favorable pricing power and lower risk structures

Middle market companies have larger equity contributions, less leverage, and lower defaults with higher recovery rates, compared to broadly syndicated loans. Middle market loans also tend to achieve more attractive pricing and structures, than broadly syndicated loans, in part due to the illiquidity and complexity premiums.

Churchill / Nuveen affiliation drives proprietary deal flow

The middle market reflects a dynamic where relationships with financial sponsors and capital markets advisors can dictate lending opportunities. Affiliation with Churchill (and TIAA/Nuveen) allows access to relationships and institutional knowledge from its large team of experienced investment professionals.

Senior secured first lien-focused portfolio limits risk

The investment strategy is to invest in variable rate investments at the upper end of the capital structure. This conservative portfolio construction limits portfolio sensitivity to the capital and credit markets.

Experienced management

The management team has a long track record of managing credit for institutional investors over multiple credit cycles. Additionally, over 17 years of continuity within the Churchill management team and the investment committee.

Investment risks

Economic risk

The middle market remains partially driven by the broader economy and financial market performance, increasing performance volatility and risk to NAV/share. In a recession, middle market companies are more likely to default on their loans and NCDL's earnings growth trajectory is likely to be challenged.

Execution risk

Performance depends on its success in sourcing attractive investments, efficiently financing those investments and managing risk effectively. Substandard investment selection, poor portfolio management and financial instability could undermine portfolio and stock performance.

Capital markets risk

The success of BDCs is generally dependent on the ability to recycle capital at acceptable yields given statutory restrictions on leverage and capital retention. Disruptions in the capital markets or equity value deterioration could limit assets under management (AUM) growth and/or force de-levering.

Conflicts of interest with the external structure

The external fee structure can incentivize indiscriminate platform growth. Additionally, if the primary drivers of value creation, largely margins and leverage, are relatively static or declining, the benefits of the capital raise only accrue to the external manager, while EPS and NAV/share are relatively unchanged.

Regulatory risk

Dismantling of the Dodd-Frank Act, easing of bank capital surcharges, or rescinding explicit restrictions on leveraged lending for banks could negatively impact the BDC industry. Yield starved banks have a lower cost of capital and could aggressively compete for certain transactions. That said, bank participation in leverage lending has been in decline since the late 1990s.

Conflicts of interest with other investment vehicles

Churchill manages other funds that are pursuing a similar investment strategy as NCDL, some of which may seek new capital. Churchill allocates investment opportunities that are equitable over time and according to its allocation policy.

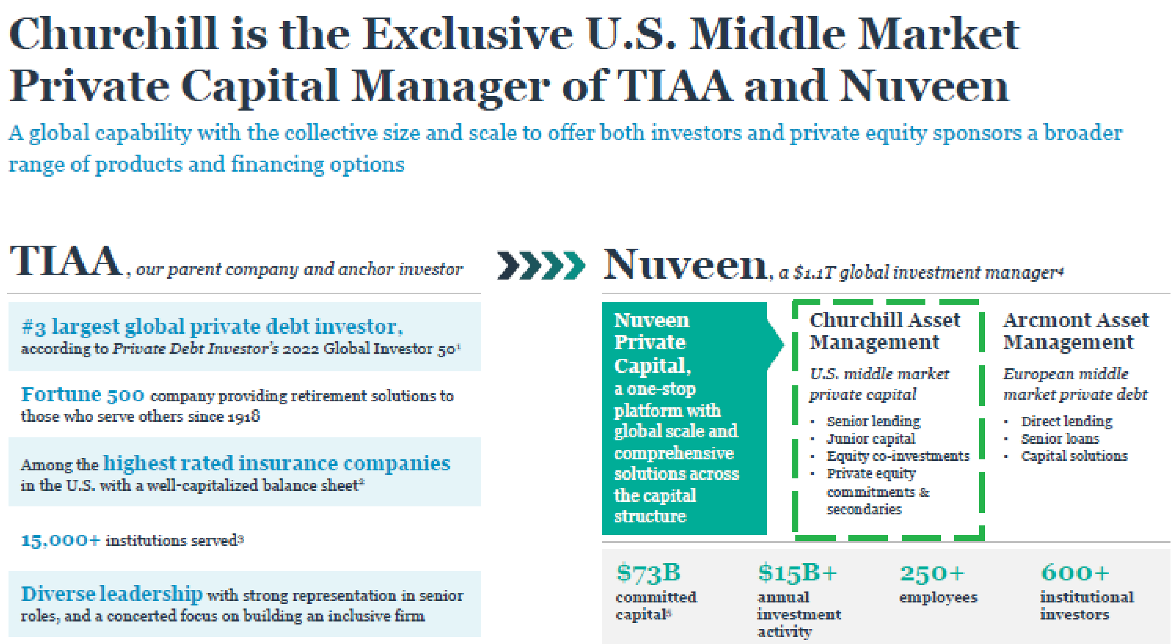
Company description

Nuveen Churchill Direct Lending Corp is an externally managed business development company (BDC) that provides senior secured loans to private equity-owned core middle market businesses. NCDL's investment objective is to generate attractive risk-adjusted returns primarily through current income. NCDL is external managed by Churchill, the private capital manager of Nuveen and TIAA.

TIAA & Nuveen Platform

NCDL's external manager Churchill is the investment-specialist affiliate of Nuveen, whose parent company is TIAA (Teachers Insurance and Annuity Association of America). TIAA is the 3rd largest global private debt investor and has over 40 years of experience in private debt and equity. Nuveen, the investment manager for TIAA, has over $1.1T of AUM as of 3Q23.

Exhibit 2: Churchill's scale benefits NCDL shareholders
Churchill is part of Nuveen and TIAA



Source: Company reports

BofA GLOBAL RESEARCH

We think affiliation with TIAA and Nuveen provides NCDL with significant competitive advantages for multiple reasons: 1) TIAA invests side by side with third-party clients, including NCDL, creating greater alignment with investors. TIAA has several billion dollars of capital it uses to invest directly in senior loans, and we estimate TIAA co-invests in 20-30% of every senior secured loan Churchill originates; 2) TIAA owns over 12% of NCDL's outstanding shares; 3) About 70-80% of NCDL borrowers have a separate revolving credit facility to manage daily liquidly needs. This facility is held by TIAA but managed by Churchill which provides greater insights into a borrower's real time liquidly needs; 4) proprietary deal flow due to TIAA's scale as a private investor and through TIAA's strong relationships with PE sponsors through LP commitments.

Initial Public Offering

Nuveen Churchill Direct Lending completed its initial public offering (IPO) in January 2024. The company issued 5.5M million shares of its common stock at $18.05 per share (~1.0x pro forma NAV/share) for gross proceeds of roughly $99 million. Post-IPO, TIAA owns 12.4% of NCDL shares. Pre-IPO shareholders are subject to a lock-up schedule: affiliated entities for 1-year, non-affiliated in tranches of 15% after 90 days, 35% after 180 days, and the remaining 50% after 270 days.

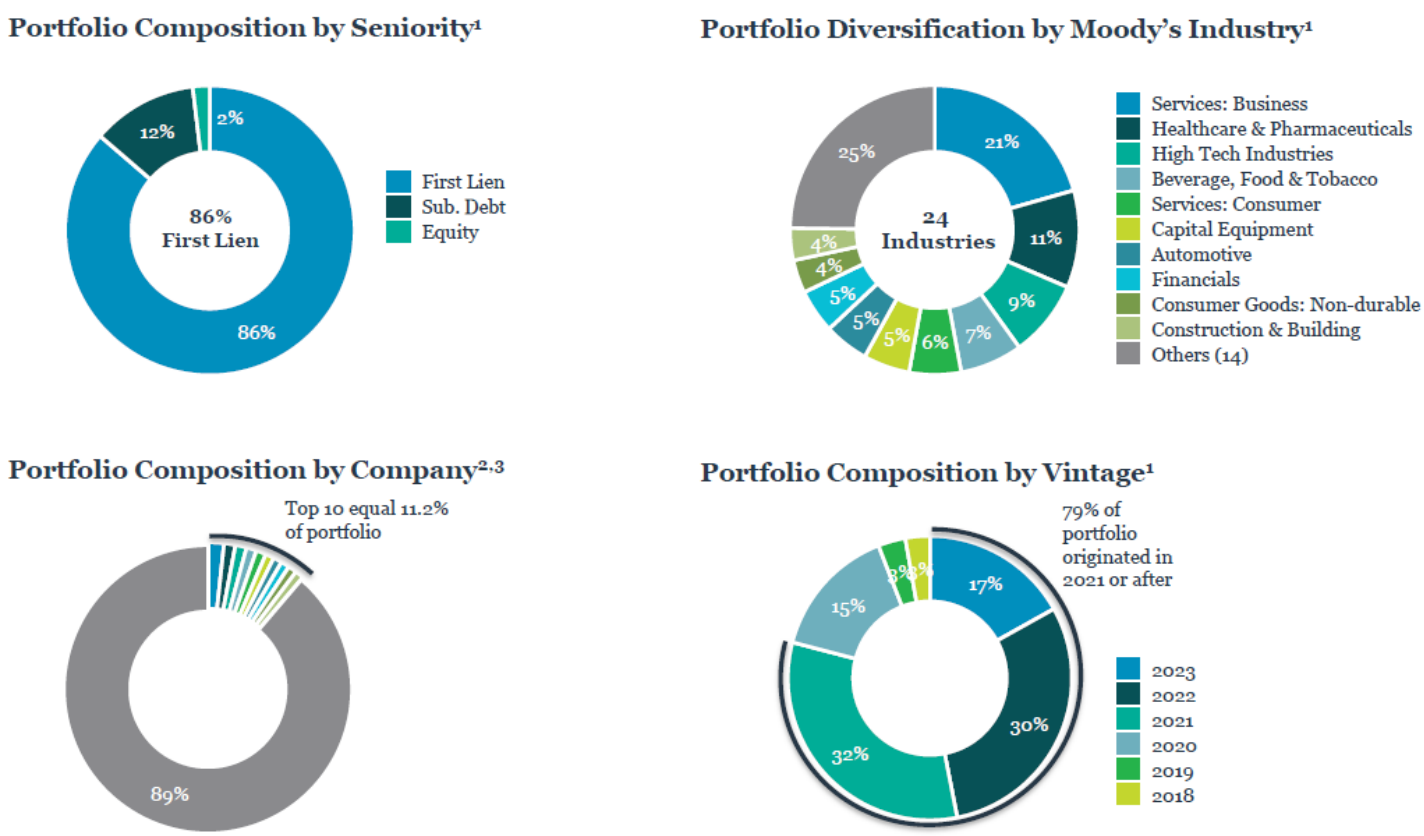
Portfolio details

NCDL targets middle market businesses in the "core middle market" which they define as $10M-$100M of annual EBITDA (as of 3Q23, weighted avg portfolio company EBITDA was $74M). NCDL views this size as the sweet spot, where they can still demand traditional covenants on the loans and utilize their extensive relationships without sacrificing business quality.

All borrowers are backed by private equity sponsors who typically have contributed 50%-60% of the value; NCDL loan LTV's are 40% to 50%. As of 3Q, the portfolio was 86% first lien debt diversified across 24 industries. The top 10 investments represented just 11.2% of the portfolio as of 3Q23, which should benefit credit metrics. We note that the top 10 investments for many high performing BDC peers is elevated at roughly 15% to 30%.

Exhibit 3: NCDL has a diversified, defensive portfolio

86% first lien and diversified by borrower and industry

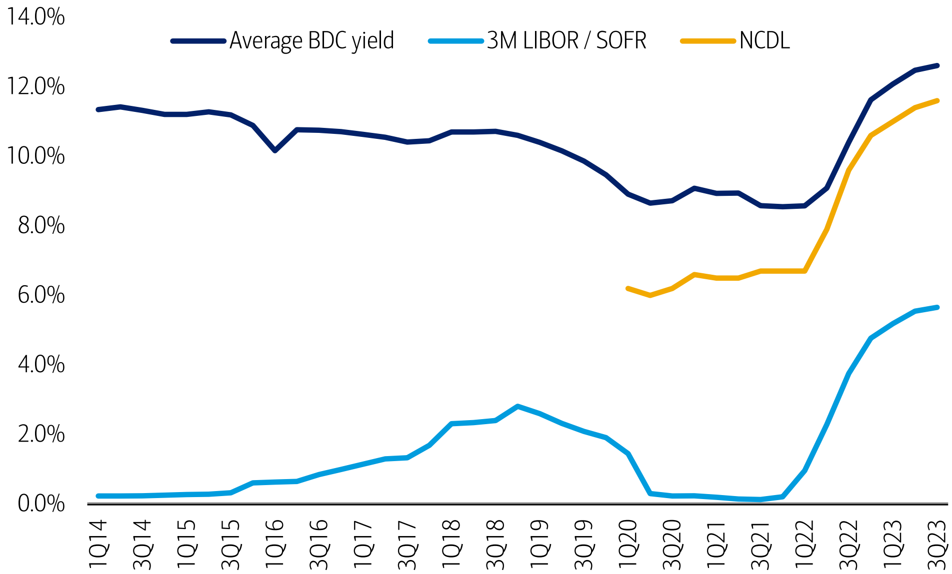


Source: Company reports

BofA GLOBAL RESEARCH

NCDL has benefited from rising base rates. The weighted average yield of debt and income producing securities at cost for NCDL is ~11.6% vs. peer average of ~12.6% as of 3Q23. While the portfolio yield is about 100bp lower than the peer average, we think NCDL can generate an attractive risk-adjusted return due to lower fees. Excluding fee waivers that end 1Q25, NCDL's base management fee is 1.0% of gross assets (median BDC peer fee is 1.5%) and the incentive fee is 15% (median BDC peer fee is 17.5%).

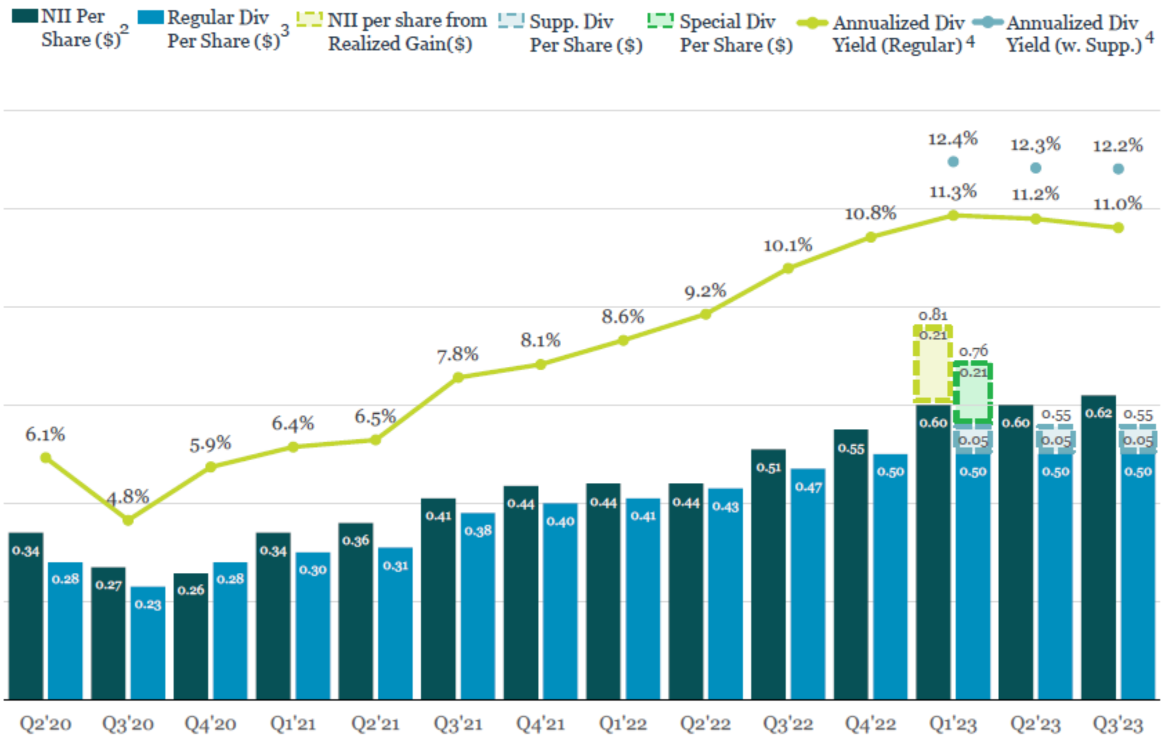
Exhibit 4: NCDL yields have risen more sharply than peers as base rates increased over 500bp
NCDL portfolio yield vs peers and 3M Libor/SOFR



Source: Company reports, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 5: NCDL has shown solid earnings and dividend growth since inception
NCDL earnings and dividend, 2Q20-3Q23



Source: Company reports

BofA GLOBAL RESEARCH

Funding strategy

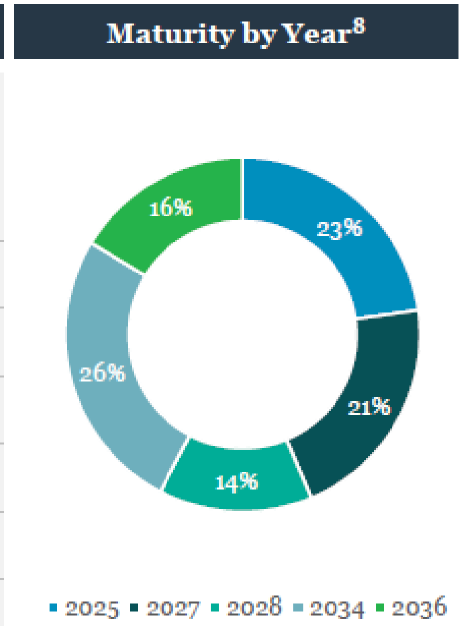
NCDL uses various credit facilities and two CLOs to fund the portfolio and manage liquidity. There are no near-term maturities (Nov 2025 next maturity). NCDL's funding approach provides flexibility to closely match the duration of assets and liabilities, minimizing liquidity and rollover risk. We think NCDL's terms are largely favorable (weighted average rate of S+2.20% rate, no floors, etc), and there is over $214M of available capacity for growth as of 3Q23. While NCDL does not have unsecured funding, an important non mark to market source of capital during periods of elevated volatility, we expect an inaugural unsecured debt issuance in 2024 of $100M (~9% of funding). Longer term, we expect unsecured debt to represent 30-50% of overall funding, which is in line with top performing peers.

Exhibit 6: NCDL utilizes credit facilities and CLOs for funding; capacity to expand
NCDL debt details

Financings[1]

	Revolving Credit Facility ($M)	SMBC Financing Facility ($M)[2]	Wells Fargo Financing Facility ($M)	CLO-I ($M)[3]	*(Issued After Q3'23)* CLO-II ($M)[4]
Lender	Multiple	SMBC	Wells Fargo	Capital Markets	Capital Markets
Total Commitment	$185.0	$300.0	$275.0	$342.0	$215.0
Amount Outstanding	$52.5	$286.3	$185.7	$342.0	$215.0
Unused Amount	$132.5	$13.7	$89.3	-	-
Pricing	S+2.25% (no floor)	S+2.15% (no floor)	S+2.20% (no floor)	S+2.01%[5] (no floor)	S+2.50%[6] (no floor)
Maturity	June 2028	November 2025	March 2027	April 2034	January 2036

Weighted Average Facility Pricing: S+2.20% (no floor) [1,7]



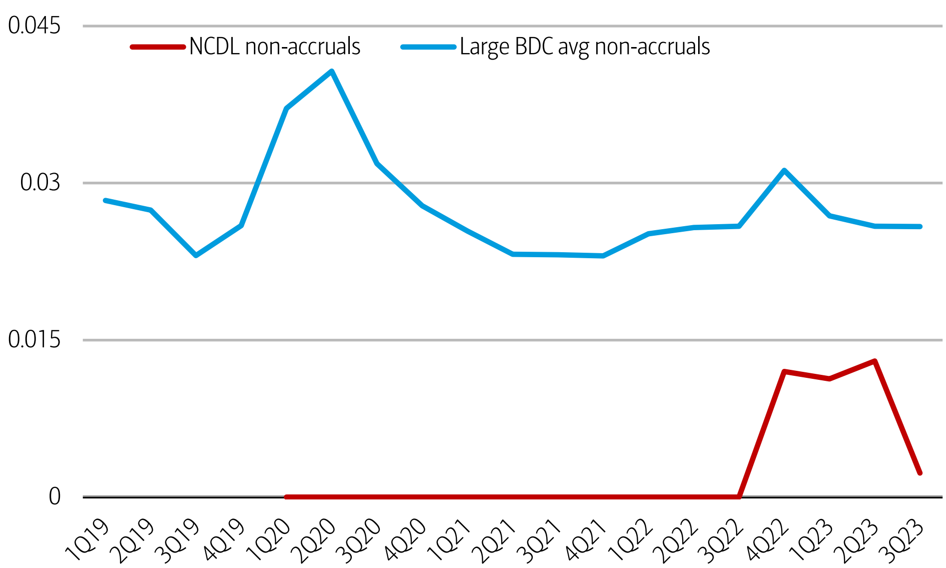
Source: Company reports

BofA GLOBAL RESEARCH

Credit and non-accruals

NCDL's credit has outperformed peers and there have been only 2 non-accrual investments since inception; one non-accrual was resolved during 3Q23. Additionally, only 4% of the portfolio was on the "watch list" as of 3Q23. Average non-accrual investments for peers are currently 2.6% and peaked at 4.3% during 2Q20 the past 5 years.

Exhibit 7: NCDL has had strong credit since inception; non-accruals as of 3Q23 just 0.2%
NCDL non-accruals vs large BDC peers



Source: Company reports, BofA Global Research estimates

BofA GLOBAL RESEARCH

Earnings outlook

We forecast 2024E and 2025E core EPS of $2.20 and $1.95, respectively and we estimate 2023E core EPS is $2.47. For the first 5 quarters following the IPO (1Q24 through 1Q25), management fees will remain at pre-IPO levels (0.75% base management fee on gross assets and no incentive fee). Management fees normalize (1.0% base management fee of 1.0% of gross assets and a 15% incentive fee; 6% hurdle) beginning 2Q25. Our EPS outlook implies a core ROE of 12.5% in 2024 and 10.8% in 2025. The YoY decline in EPS during 2024/2025 is largely due to fee normalization and lower base rates based on the forward curve.

Our 2024E and 2025E dividend per share forecast is $2.10, and $1.97. In the BofA model, the total quarterly dividend is made up of three components: (1) a core dividend of $0.45/share per quarter; (2) four $0.10/share special dividends in the 4 quarters immediately following the IPO (2Q24-1Q25) declared by the board on January 10, 2024; and (3) a quarterly variable supplemental dividend (50% of the excess of quarterly core EPS above the quarterly dividend, subject to NAV stability beginning 2Q25 (following the payment of the last previously declared $0.10/share special dividend). We estimate the variable supplemental dividend will total $0.07/share in 2025.

Our earnings outlook implies a core ROE of 12.5% in 2024 and 10.8% in 2025. The YoY decline in profitability is largely related to the previously discussed management fee normalization in 2025 and expectations of lower short term rates based on the forward curve. We estimate management fee waivers benefit 2024 core EPS by ~$0.43 (~2.3% benefit to ROE) and benefit 2025 core EPS by ~$0.14 (~0.5% benefit to ROE). Fee waivers help support the 4 quarterly special dividends of $0.10/share during 2Q24-1Q25.

Exhibit 8: NCDL summary model

Core EPS forecast for 2023-2025 is $2.47/$2.20/$1.95, respectively

		BofA forecast	
	2023E	**2024E**	**2025E**
Total revenue	162,414	223,802	230,484
Total interest expense	61,640	80,870	81,595
Total other expense	17,163	23,935	42,651
Core net income	83,611	118,996	106,238
Core EPS	**$2.47**	**$2.20**	**$1.95**
Core dividend	2.00	1.80	1.80
Supplemental/Special dividend/share	0.41	0.30	0.17
Dividend per share	**$2.41**	**$2.10**	**$1.97**
Dividend payout ratio	98%	96%	101%
Book value per share	**$18.04**	**$18.08**	**$18.06**
Total capital raise	$227,853	242,000	-
Net portfolio growth - millions	508	500	-
Total investments (FV) - millions	1,708	2,208	2,208
Core ROE	**14.2%**	**12.5%**	**10.8%**
EOP leverage	**1.32x**	**1.25x**	**1.26x**

Source: Company reports, BofA Global Research estimates

BofA GLOBAL RESEARCH

Earnings most sensitive to asset yields and leverage

Asset yields and leverage are two of the more important drivers of earnings since operating expense is largely variable due to the advisory fee structure and funding costs should be relatively stable. Below is an EPS/ROE sensitivity table based on various portfolio yield and leverage scenarios. Our base case for 2024 assumes an average portfolio yield and leverage of 10.8% and 1.18x, respectively, driving our EPS estimate of $2.20. Our base case for 2025 assumes an average portfolio yield and leverage of 10.4% and 1.25x, respectively, driving our EPS estimate of $1.95. The primary variance between our 2024 and 2025 earnings forecast is higher management fees and a lower portfolio yield based on the forward rate curve.

Exhibit 9: Our 2024 EPS est assumes 10.8% portfolio yield with 1.18x leverage

Asset yield and average leverage – 2024 EPS sensitivity

		Average Portfolio Yield 2024						
	$2.20	9.5%	10.0%	10.5%	10.8%	11.0%	11.3%	11.5%
Avg Leverage 2024	1.00x	$1.62	$1.80	$1.97	$2.08	$2.15	$2.23	$2.32
	1.05x	$1.64	$1.82	$2.00	$2.11	$2.18	$2.27	$2.36
	1.10x	$1.66	$1.85	$2.03	$2.14	$2.21	$2.31	$2.40
	1.18x	$1.70	$1.89	$2.08	$2.20	$2.27	$2.36	$2.46
	1.20x	$1.70	$1.90	$2.09	$2.21	$2.28	$2.38	$2.47
	1.25x	$1.72	$1.92	$2.12	$2.24	$2.32	$2.41	$2.51
	1.30x	$1.75	$1.95	$2.15	$2.27	$2.35	$2.45	$2.55

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 10: Our 2024 forecast implies ROE of 12.5%

Asset yield and average leverage – 2024 ROE sensitivity

		Average Portfolio Yield 2024						
	$0.12	9.5%	10.0%	10.5%	10.8%	11.0%	11.3%	11.5%
Avg Leverage 2024	1.00x	9.2%	10.2%	11.2%	11.8%	12.2%	12.7%	13.2%
	1.05x	9.3%	10.3%	11.3%	12.0%	12.4%	12.9%	13.4%
	1.10x	9.4%	10.5%	11.5%	12.2%	12.6%	13.1%	13.6%
	1.18x	9.6%	10.7%	11.8%	12.5%	12.9%	13.4%	14.0%
	1.20x	9.7%	10.8%	11.8%	12.5%	12.9%	13.5%	14.0%
	1.25x	9.8%	10.9%	12.0%	12.7%	13.1%	13.7%	14.2%
	1.30x	9.9%	11.0%	12.2%	12.9%	13.3%	13.9%	14.5%

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 11: Our 2025 EPS est assumes 10.4% portfolio yield with 1.25x leverage

Asset yield and average leverage – 2025 EPS sensitivity

		Average Portfolio Yield 2025						
	$1.95	9.8%	10.0%	10.3%	10.4%	10.5%	10.8%	11.0%
Avg Leverage 2025	1.10x	$1.64	$1.72	$1.81	$1.87	$1.89	$1.98	$2.06
	1.15x	$1.66	$1.75	$1.83	$1.90	$1.92	$2.00	$2.09
	1.20x	$1.68	$1.77	$1.85	$1.92	$1.94	$2.03	$2.12
	1.25x	$1.70	$1.79	$1.88	$1.95	$1.97	$2.06	$2.15
	1.30x	$1.72	$1.81	$1.90	$1.97	$1.99	$2.08	$2.17
	1.35x	$1.73	$1.83	$1.92	$1.99	$2.02	$2.11	$2.20
	1.40x	$1.75	$1.85	$1.94	$2.02	$2.04	$2.14	$2.23

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 12: Our 2025 forecast implies ROE of 10.8%
Asset yield and average leverage – 2025 ROE sensitivity

Average Portfolio Yield 2025

Avg Leverage 2025		9.8%	10.0%	10.3%	10.4%	10.5%	10.8%	11.0%
	1.10x	9.1%	9.5%	10.0%	10.4%	10.5%	10.9%	11.4%
	1.15x	9.2%	9.7%	10.1%	10.5%	10.6%	11.1%	11.6%
	1.20x	9.3%	9.8%	10.3%	10.6%	10.7%	11.2%	11.7%
	1.25x	9.4%	9.9%	10.4%	10.8%	10.9%	11.4%	11.9%
	1.30x	9.5%	10.0%	10.5%	10.9%	11.0%	11.5%	12.0%
	1.35x	9.6%	10.1%	10.6%	11.0%	11.2%	11.7%	12.2%
	1.40x	9.7%	10.2%	10.8%	11.2%	11.3%	11.8%	12.4%

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 13: 2024 unit economics
BofAe 2024 unit economics

All in yield	**10.8%**
Cost of funds	7.2%
Average debt-to-equity	1.18x
Net levered return	15.1%
Net levered return on equity	15.0%
Mgmt fee	1.6%
OpEx	0.9%
	2.5%
Levered rtn before incentive fee	12.5%
Incentive fee	0.0%
ROE	**12.5%**
EPS	$2.20

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 14: 2025 unit economics
BofAe 2024 unit economics

All in yield	**10.4%**
Cost of funds	6.6%
Average debt-to-equity	1.25x
Net levered return	15.3%
Net levered return on equity	15.1%
Mgmt fee	2.1%
OpEx	0.9%
	3.0%
Levered rtn before incentive fee	12.1%
Incentive fee	1.3%
ROE	**10.8%**
EPS	$1.95

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

$100 million buyback authorization to support the shares

The company is authorized to repurchase shares of common stock through an open market repurchase program for up to $100 million (~10% of market cap) I the shares trade below the most recently announced NAV/share. This is authorized to begin 60 days after the IPO and has an initial term of 12 months.

Investor friendly fee structure

Management fees for BDCs, which are typically 1.5% of assets under management and 17.5% performance related (Exhibit 13), are an increasingly contentious issue with investors, with many investors demanding a decrease. In general, the AUM fee can incentivize indiscriminate platform growth and other suboptimal capital allocation decisions that conflict with shareholders, which can limit valuation. Additionally, if the primary drivers of value creation, largely margins and leverage, are relatively static or declining, the benefits of capital issuance only accrue to the external manager, while EPS and NAV/share are relatively unchanged. This is important since BDC valuation gravitates around NAV/share and the dividend yield.

Exhibit 15: NCDL fee structure is below peer median
Large BDC fee structures

					Base Fee	Incentive Fee			Other	
	Name	Ticker	Total Assets ($M)	IPO/ Listing YR	Pct of AUM	NOI Incentive Fee	Hurdle Rate	Capital Gains	Total Return Hurdle?	Fee Concessions Notes
	Ares Capital Corp.	ARCC	$22,231	2004	1.50%	20%	7.0%	20%	No	1
	Prospect Capital Corp.	PSEC	$7,862	2004	2.00%	20%	7.0%	20%	No	
**	MidCap Finl Invt Corp	MFIC	$2,503	2004	0.75%	20%	7.0%	20%	Y - 3 Year	
	Barings BDC Inc.	BBDC	$2,730	2007	1.25%	20%	8.0%	20%	Y - 3 Year	
	PennantPark Investment Corp.	PNNT	$1,156	2007	1.50%	17.5%	7.0%	17.5%	No	1
	Oaktree Specialty Lending Corp	OCSL	$3,336	2008	1.50%	17.5%	6.0%	17.5%	No	1
	Golub Capital BDC Inc.	GBDC	$5,737	2010	1.00%	20%	8.0%	20%	Y - Cumulative	
	SLR Investment Corp.	SLRC	$2,553	2010	1.50%	20%	7.0%	20%	No	1
	New Mountain Finance Corp.	NMFC	$3,297	2011	1.25%	20%	8.0%	20%	No	
*	BlackRock TCP Capital Corp.	TCPC	$1,793	2012	1.25%	17.5%	7.0%	17.5%	Y - Cumulative	1
	Sixth St Spclty Lending Inc.	TSLX	$3,141	2014	1.50%	17.5%	6.0%	17.5%	No	1
	FS KKR Capital Corp	FSK	$15,488	2014	1.50%	17.5%	7.5%	17.5%	No	1
	Goldman Sachs BDC Inc.	GSBD	$3,637	2015	1.00%	20%	7.0%	20%	Y - 3 Year	
	Carlyle Secured Lending Inc.	CGBD	$1,983	2017	1.50%	17.5%	6.0%	17.5%	No	1
	Bain Capital Specialty Finance	BCSF	$2,675	2018	1.50%	17.5%	6.0%	17.5%	Y - 3 Year	1
	Blue Owl Capital Corp.	OBDC	$13,393	2019	1.50%	17.5%	6.0%	17.5%	No	1
	Crescent Capital BDC Inc.	CCAP	$1,625	2020	1.25%	17.5%	7.0%	17.5%	No	
	Blackstone Secured Lending Fun	BXSL	$9,572	2021	1.00%	17.5%	6.0%	17.5%	Y - 3 Year	
	Median				**1.50%**	**17.5%**	**7.0%**	**17.5%**		
	Nuveen Churchill Direct Lending	**NCDL**	**$1,539**	**2024**	**1.00%**	**15.0%**	**6.0%**	**15.0%**	**Y - 3 Year**	

* pro forma for pending merger
** base mgmt fee is 1.75% of net assets or ~0.75% of gross assets
(1) 1% AUM fee on assets above 1:1 leverage

Source: Company reports, BofA Global Research

BofA GLOBAL RESEARCH

The normalized base management fee for NCDL is 1.00% of average total assets and the incentive fee is 15.0% of core income after achieving a 6% hurdle rate. The base management fee is meaningfully below the median peer of 1.50%, which is positive for investors. That said, the hurdle rate is also lower, which offsets risk to the external manager. We note that NCDL implemented a total return hurdle with a three-year lookback, to avoid compensating the advisor when there are realized investment losses that erode NAV/share. In our view, a total return hurdle provides significant investor comfort given the imbedded conflicts within the externally managed BDC structure.

Management team

Experienced team that is aligned with shareholders

We believe Nuveen Churchill senior executives and investment professionals bring significant experience investing in private credit. The Churchill team leverages the scale, capital and resources of TIAA and Nuveen. Churchill has a 17+ year track record and the leadership has an average of 26 years of experience that spans over multiple credit and economic cycles.

Ken Kencel, Chief Executive Officer

Ken Kencel is the President and CEO of Churchill Asset Management as well as NCDL. Mr. Kencel joined Nuveen / Churchill 17 years ago has over 35 years of investment industry experience, which include as President of Carlyle Secured Lending, the publicly traded BDC of the Carlyle Group. Prior to that, he founded Churchill Financial Group and was the Head of Leveraged Finance for Royal Bank of Canada.

Randy Schwimmer, co-head of senior lending

Randy Schwimmer is the co-head of senior lending and oversees senior lending origination and capital markets for Churchill Asset Management. Mr. Schwimmer joined Nuveen / Churchill 17 years ago; prior to joining the firm, he was the head of leveraged finance syndication for BNP Paribas.

Mathew Linett, co-head of senior lending

Mathew Linett is the co-head of senior lending and oversees senior loan underwriting and portfolio management for Churchill Asset Management. Mr. Linett joined Nuveen / Churchill 8 years ago; prior to joining the firm, he served as a credit portfolio manager at Loeb King Capital and Havens Advisors.

Jason Strife, head of junior capital and private equity solutions

Jason Strife manages Churchill's private equity and junior capital platform as well as a member of the Investment Committee. Mr. Strife joined Nuveen / Churchill 12 years ago; prior to joining the firm, he was a Principal at Bison Capital, which focused on junior capital investments.

Shai Vichness, Chief Financial Officer

Shai Vichness is the Chief Financial Officer of Churchill Asset Management as well as NCDL. Mr. Vichness joined Nuveen / Churchill 18 years ago and previously served as the head of senior leveraged lending for Nuveen.

Exhibit 16: NCDL income statement
2021A-2025 ests

Income Statement (thousand)	2021A	2022A	2023E	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E
Interest Income	34,902	79,868	159,039	50,227	55,791	57,131	58,470	221,619	227,885
PIK interest income	113	789	1,823	-	-	-	-	-	-
Dividend income	213	225	72	39	47	48	49	183	199
Other income	1,062	1,571	1,479	500	500	500	500	2,000	2,400
Total Investment Income	**36,290**	**82,453**	**162,414**	**50,766**	**56,338**	**57,679**	**59,019**	**223,802**	**230,484**
Interest and other debt financing costs	9,827	25,695	61,640	18,853	20,221	20,453	21,343	80,870	81,595
Net Interest Income	**26,463**	**56,758**	**100,774**	**31,913**	**36,117**	**37,225**	**37,676**	**142,932**	**148,889**
Non-Interest Expense	6,210	11,298	17,163	5,929	5,906	6,003	6,097	23,935	42,651
Net Investment Income	**20,253**	**45,460**	**83,611**	**25,984**	**30,211**	**31,223**	**31,579**	**118,996**	**106,238**
Net Realized Gain/(Loss) on Investments	819	(262)	(6,408)	-	-	-	-	-	-
Net Unrealized Gain/(Loss) on Investments	6,194	(27,912)	(3,805)	-	-	-	-	-	-
Net gain on Investments	7,013	(28,174)	(10,213)	-	-	-	-	-	-
Net Increase in Net Assets from Operations	27,266	17,286	73,398	25,984	30,211	31,223	31,579	118,996	106,238
Diluted Shares Outstanding (thousand)	12,849	23,279	33,864	52,780	54,595	54,595	54,595	54,141	54,595
End of Period Shares	19,294	28,651	41,295	54,595	54,595	54,595	54,595	54,595	54,595
Earnings per Share									
GAAP EPS (diluted)	$2.12	$0.74	$2.17	$0.49	$0.55	$0.57	$0.58	$2.20	$1.95
Core EPS (diluted)	**$1.58**	**$1.95**	**$2.47**	**$0.49**	**$0.55**	**$0.57**	**$0.58**	**$2.20**	**$1.95**
Annualized EPS Growth (Linked)									
Dividends Paid	$1.39	$1.81	$2.41	$0.45	$0.55	$0.55	$0.55	$2.10	$1.97
NAV (Book Value) per Share	**$19.39**	**$18.32**	**$18.04**	**$18.03**	**$18.03**	**$18.05**	**$18.08**	**$18.08**	**$18.06**

Source: Company reports, BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk

Nuveen Churchill Direct Lending (NCDL)

Our $19 PO is based on a roughly 1.05x multiple to current NAV/share, which we think is achievable as NCDL delivers stable margins, continued growth and outperforms on credit.

Downside risks to achieving our PO include: 1) a material weakening in credit markets, 2) a deteriorating macroeconomic environment, 3) disruptions in capital markets, and 4) weaker than expected investment performance.

Analyst Certification

I, Derek Hewett, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Ares Capital Corporation	ARCC	ARCC US	Derek Hewett
	Ares Commercial Real Estate Corporation	ACRE	ACRE US	Derek Hewett
	Bank of Montreal	BMO	BMO US	Ebrahim H. Poonawala
	Bank of Montreal	YBMO	BMO CN	Ebrahim H. Poonawala
	Barings BDC Inc	BBDC	BBDC US	Derek Hewett
	Blackstone Mortgage Trust Inc	BXMT	BXMT US	Derek Hewett
	Blue Owl Capital Corporation	OBDC	OBDC US	Derek Hewett
	Carlyle Secured Lending Inc	CGBD	CGBD US	Derek Hewett
	Citigroup Inc.	C	C US	Ebrahim H. Poonawala
	Compass Diversified Holdings	CODI	CODI US	Derek Hewett
	Crescent Capital BDC	CCAP	CCAP US	Derek Hewett
	Cullen/Frost Bankers Inc	CFR	CFR US	Ebrahim H. Poonawala
	East West Bancorp, Incorporated	EWBC	EWBC US	Ebrahim H. Poonawala
	Fifth Third Bank	FITB	FITB US	Ebrahim H. Poonawala
	First Bancorp Puerto Rico	FBP	FBP US	Brandon Berman
	First Horizon Corporation	FHN	FHN US	Ebrahim H. Poonawala
	FNB Corporation of Pennsylvania	FNB	FNB US	Brandon Berman
	Goldman Sachs	GS	GS US	Ebrahim H. Poonawala
	JPMorgan Chase & Co.	JPM	JPM US	Ebrahim H. Poonawala
	KeyCorp	KEY	KEY US	Ebrahim H. Poonawala
	M&T Bank	MTB	MTB US	Ebrahim H. Poonawala
	Morgan Stanley	MS	MS US	Ebrahim H. Poonawala
	New Mountain Finance Corporation	NMFC	NMFC US	Derek Hewett
	Northern Trust Corporation	NTRS	NTRS US	Ebrahim H. Poonawala
	Nuveen Churchill Direct Lending	NCDL	NCDL US	Derek Hewett
	Royal Bank of Canada	RY	RY US	Ebrahim H. Poonawala
	Royal Bank of Canada	YRY	RY CN	Ebrahim H. Poonawala
	Safehold, Inc	SAFE	SAFE US	Derek Hewett
	Sixth Street Specialty Lending, Inc	TSLX	TSLX US	Derek Hewett
	Starwood Property Trust	STWD	STWD US	Derek Hewett
	Synovus Financial Corp.	SNV	SNV US	Ebrahim H. Poonawala
	The Bank of New York Mellon Corporation	BK	BK US	Ebrahim H. Poonawala
	Truist Financial	TFC	TFC US	Ebrahim H. Poonawala
	U.S. Bancorp	USB	USB US	Ebrahim H. Poonawala
	Webster Financial Corp.	WBS	WBS US	Brandon Berman
	Wells Fargo & Company	WFC	WFC US	Ebrahim H. Poonawala
	Western Alliance Bancorp	WAL	WAL US	Ebrahim H. Poonawala
NEUTRAL				
	AGNC Investment Corp	AGNC	AGNC US	Derek Hewett
	Ally Financial	ALLY	ALLY US	Brandon Berman
	Annaly Capital Management	NLY	NLY US	Derek Hewett

North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Apollo Commercial Real Estate Finance	ARI	ARI US	Derek Hewett
	Associated Banc-Corp	ASB	ASB US	Brandon Berman
	Bain Capital Specialty Finance, Inc.	BCSF	BCSF US	Derek Hewett
	Bank of Nova Scotia	YBNS	BNS CN	Ebrahim H. Poonawala
	Bank of Nova Scotia	BNS	BNS US	Ebrahim H. Poonawala
	Blackstone Secured Lending Fund	BXSL	BXSL US	Derek Hewett
	BrightSpire Capital Inc.	BRSP	BRSP US	Derek Hewett
	Canadian Imperial Bank of Commerce	CM	CM US	Ebrahim H. Poonawala
	Canadian Imperial Bank of Commerce	YCM	CM CN	Ebrahim H. Poonawala
	Citizens Financial Group	CFG	CFG US	Ebrahim H. Poonawala
	Comerica Incorporated	CMA	CMA US	Brandon Berman
	Commerce Bancshares Inc.	CBSH	CBSH US	Brandon Berman
	Goldman Sachs BDC, Inc.	GSBD	GSBD US	Derek Hewett
	Golub Capital BDC, Inc.	GBDC	GBDC US	Derek Hewett
	Huntington Bancshares Inc.	HBAN	HBAN US	Ebrahim H. Poonawala
	Ladder Capital Corp	LADR	LADR US	Derek Hewett
	New York Community Bancorp	NYCB	NYCB US	Ebrahim H. Poonawala
	Palmer Square Capital BDC	PSBD	PSBD US	Derek Hewett
	PennyMac Mortgage Investment Trust	PMT	PMT US	Derek Hewett
	Popular Inc	BPOP	BPOP US	Brandon Berman
	Regions Financial	RF	RF US	Ebrahim H. Poonawala
	The PNC Financial Services Group, Inc.	PNC	PNC US	Ebrahim H. Poonawala
	Toronto-Dominion Bank	TD	TD US	Ebrahim H. Poonawala
	Toronto-Dominion Bank	YTD	TD CN	Ebrahim H. Poonawala
	TPG RE Finance Trust, Inc.	TRTX	TRTX US	Derek Hewett
UNDERPERFORM				
	Bank of Hawaii Corp.	BOH	BOH US	Brandon Berman
	First Hawaiian Inc.	FHB	FHB US	Brandon Berman
	Guild Holdings Company	GHLD	GHLD US	Derek Hewett
	Invesco Mortgage Capital, Inc.	IVR	IVR US	Derek Hewett
	loanDepot Inc	LDI	LDI US	Derek Hewett
	MidCap Financial Investment Co	MFIC	MFIC US	Derek Hewett
	Prosperity Bancshares Inc	PB	PB US	Ebrahim H. Poonawala
	State Street Corporation	STT	STT US	Ebrahim H. Poonawala
	Texas Capital Bancshares Inc.	TCBI	TCBI US	Brandon Berman
	Zions Bancorp	ZION	ZION US	Brandon Berman

*iQ*method℠ Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings	**Numerator**	**Denominator**
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt – Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit	**Numerator**	**Denominator**
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

Valuation Toolkit	Numerator	Denominator

iQmethod SM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

iQdatabase ® is our real-time global research database that is sourced directly from our equity analysts' earnings models and includes forecasted as well as historical data for income statements, balance sheets, and cash flow statements for companies covered by BofA Global Research.

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Financial Services Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	156	53.79%	Buy	94	60.26%
Hold	72	24.83%	Hold	48	66.67%
Sell	62	21.38%	Sell	35	56.45%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships R1	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

R1 Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. VOLATILITY RISK RATINGS, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. INVESTMENT RATINGS reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster R2
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

R2 Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: Nuveen Churchill DL.
BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: Nuveen Churchill DL.
The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: Nuveen Churchill DL.
BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: Nuveen Churchill DL.
The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: Nuveen Churchill DL.
BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: Nuveen Churchill DL.
BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: Nuveen Churchill DL.
BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: Nuveen Churchill DL.
BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

Other Important Disclosures

BofAS together with its affiliates beneficially owns a net long position of 0.5% or more of the total issued share capital of this issuer. Ownership positions speak as of a date no more than three trading days prior to the date of this report: Nuveen Churchill DL.
One or more research producing entities within the Bank of America group beneficially owns a net long position of 0.5% or more of the total issued share capital of this issuer. Ownership positions speak as of a date no more than three trading days prior to the date of this report: Nuveen Churchill DL.
From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.
Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.
The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.
Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.
Refer to BofA Global Research policies relating to conflicts of interest.
"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.

Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:
BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofaml.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSFC); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.
This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSFC; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the Electronic Communications Disclaimers for further information.
This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.
General Investment Related Disclosures:
Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.
This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.
Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.
This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.
BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.
Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments, including ADRs, effectively assume currency risk.
BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.
BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.
In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to

herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.

Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BofA Securities policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.