



Pearl Diver Credit Company Inc. (NYSE: PDCC)

2024 Q3 Earnings Presentation

October 29, 2024

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You are cautioned not to place undue reliance on these forward-looking statements.

Forward-looking statements include, but are not limited to, the following:

- Statements relating to the Company's future business and financial performance;
- Statements relating to the Company's competitive position; and
- Other material future developments that you may take into consideration.

Actual results of the Company's operations may differ materially from information contained in the forward-looking statements as a result of risk factors described in the Company's registration statement.





Introduction to PDCC Inc.

PDCC Inc. Overview

Focused on maximizing a diversified CLO equity portfolio’s total return while generating high current income

Overview	Portfolio as of September 30, 2024	
<ul style="list-style-type: none">IPO on July 18, 2024 – traded on the NYSE: PDCCAmong the largest teams globally dedicated exclusively to CLO tranche investingCombined 140+ years of experience in analyzing, structuring, and trading CLOsPearl Diver leverages its existing internally developed technology and trading infrastructure curated over 15+ yearsActively-managed, agile, and relative value focused approach to investing and portfolio construction	<div>\$134.1M Portfolio Fair Value</div>	<div>40 CLOs Highly Diverse Portfolio</div>
	<div>26 CLO Managers Diversified Across CLO Management Styles</div>	<div>13.2%¹ Annualized Dividend Yield</div>
	<div>1,500+ Unique Corporate Debt Exposures</div>	<div>B+/B Average Credit Rating of Underlying Loans</div>

1: Annualized dividend yield as of 9/30/2024 based on 9/30/2024 share price. If distributions exceed PDCC's investment company taxable income in a tax year, such excess will represent a return of capital, which is in effect a partial return of the amount a stockholder invested in SPMC securities. Past performance is not indicative of future results.

Key Investment Highlights

Top-tier Global Investment Team	<p>Specialists in structuring, valuing, and investing in portfolio of senior secured corporate loans/CLOs</p> <ul style="list-style-type: none">▪ Consistent industry-leading 15-year track record of strong, risk adjusted returns▪ Dedicated specialist CLO note investor, not a CLO issuer, no conflict of interest
Deep Industry Relationships & Trading Expertise	<p>Well-positioned to source high quality paper in the CLO equity market, build balanced portfolios, and manage risk</p> <ul style="list-style-type: none">▪ Strong primary CLO issuance relationships with CLO managers and investment banks▪ Highly automated trading infrastructure for accessing CLO equity investments in secondary markets
Differentiated Investment Process	<p>Corporate loan level credit analytics platform complemented with a proprietary data science infrastructure</p> <ul style="list-style-type: none">▪ Credit team with deep experience in corporate credit and broadly syndicated loans▪ Quantitative team with engineering, natural sciences and mathematics backgrounds
CLO Equity an Attractive Asset Class	<p>CLO equity is a smart way to access corporate credit while generating large cash-on-cash returns</p> <ul style="list-style-type: none">▪ Managed and diversified corporate loan portfolios underlying each CLO reduces risk of defaults from individual companies▪ Floating rate nature of investments protects investors from changing rates





The Investment Adviser – Pearl Diver Capital LLP

Leadership Team

Formed in 2008 by Indranil “Neil” Basu and Chandrajit “CJ” Chakraborty
Deep expertise in credit, structured finance, and investment business management



Indranil “Neil” Basu
CEO, Managing Partner

16 Firm Tenure 32 Years Experience



Chandrajit “CJ” Chakraborty
CIO, Managing Partner

16 Firm Tenure 26 Years Experience



Matthew Layton
Head of Europe, Co-Head Credit, Partner

15 Firm Tenure 22 Years Experience



Tim Carroll
Business Development, Partner

6 Firm Tenure 21 Years Experience



Kelvin Ho
COO, CCO, Partner

8 Firm Tenure 15 Years Experience



Kerrill Gaffney
Co-Head Credit, Partner

11 Firm Tenure 16 Years Experience



Michael Brown
Head of Structuring, Partner

13 Firm Tenure 13 Years Experience



Pak Sum Chan
Quantitative Analytics, Partner

9 Firm Tenure 9 Years Experience




As of June 2024. “Years Experience” denotes years-of-experience in the financial industry. “Firm Tenure” denotes years-of-employment by Pearl Diver Capital LLP. All rights to trademarks and/or logos herein belong to their respective owners and Pearl Diver’s use thereof does not imply an affiliation with, or an endorsement by, the owners of these trademarks and/or logos.

The Investment Adviser

History of outperformance spanning 15+ years with combined lifetime net IRR of 13.7%¹
140+ years of collective experience in analyzing, structuring, and trading CLO
10 investment professionals exclusively dedicated to CLO investing

\$2.8B AUM (CLO Investments Only) ²	750+ Number of CLOs Invested in	80+ Active Manager Relationships	13.7% Lifetime Net IRR ¹
15.3% Cash on Cash Return ³	~2,000 Corporate Debt Exposures Underwritten	\$79B CLO Restructuring Volumes Driven by Pearl Diver ⁴	0.57% Pearl Diver CLO Loan Default Rates ⁵

Competitive Positioning			Differentiated Approach	
CLO Issuer	CLO Investor	Both		
				Fundamental Credit Analytics Platform
		 		Proprietary Technology Infrastructure
				Relative Value Driven Investments

1: Calculated using the net liquidation value as of 6/30/2024 for Pearl Diver's closed-ended funds (excluding managed accounts). Past performance is not indicative of future results.
2: Calculated using total contributed capital as of 9/30/2024 for all active funds managed by Pearl Diver Capital, LLP.
3: Cash on cash return calculated based on an annualized time weighted return of interest proceeds on investment cost of all investment in Pearl Diver close-ended funds (realised and unrealised) excluding managed accounts, on a gross basis. As of 6/30/2024, past performance is not indicative of future results.
4: Figure calculated as the sum of original notional of all tranches in CLOs where Pearl Diver owned the subordinated tranche during the corporate actions including refinance, reset, and repack.
5: Number shown on annualized basis. Excluding managed accounts; From 12/31/2013 to 6/30/2024.

Investment Process and Risk Management

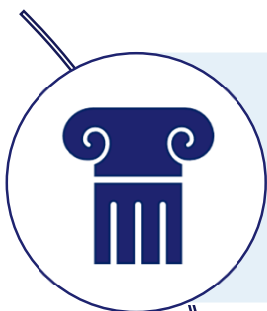
Pearl Diver's investment philosophy and portfolio management are fortified by our technology

Portfolio Construction

Balanced Approach: Mitigate risk through diversification across asset sectors, geographies, and CLO manager styles

Capital Preservation: Investing in assets with strong fundamentals and downside protection mechanisms

Opportunistic and Agile: Quick adjustments made in response to changing market conditions and opportunities



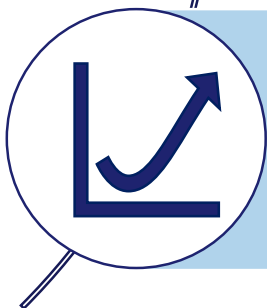
Real-time Credit Risk Pricing

- We take a line-by-line approach to credit, assigning an in-house rating for each loan in every CLO
- A bespoke default vector is generated based on our internal loan-specific rating assumptions



Relative Value Driven

- Analyze CLO trends to identify attractive opportunities within the CLO market
- Use advanced models to price and assess each investment, ensuring strong risk-adjusted returns



Activist Investing

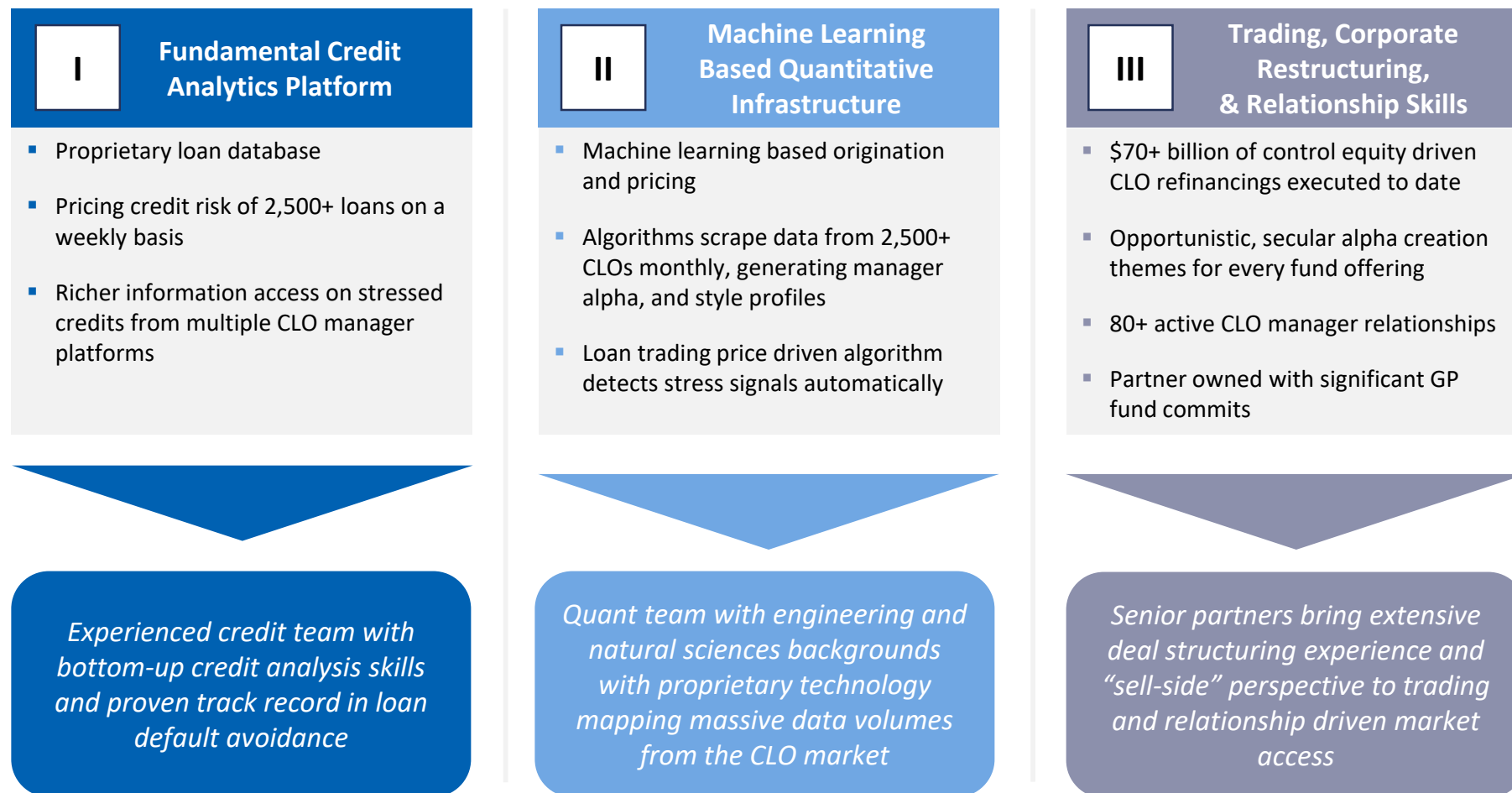
- We regularly monitor the performance of our holdings and aim to influence CLO manager decision-making through regular calls
- We seek to drive CLO corporate actions to maximize the value of our CLO equity holdings

Information presented on this page reflects Pearl Diver's opinion as of the date of this presentation and it is subject to change without notice. The information provided above is presented for illustrative purposes only and should not be considered a recommendation regarding the appropriateness of any particular investment or investments in CLOs generally nor should it be relied upon as a promise or a representation as to future performance.



Investment Platform

Exclusively focused CLO investor with integrated quantitative approach to credit, securitization analytics, and trading



Pearl Diver overview are provided for illustrative purposes only and is not a promise or representation as to future portfolio construction and/or performance and is subject to change without notice.



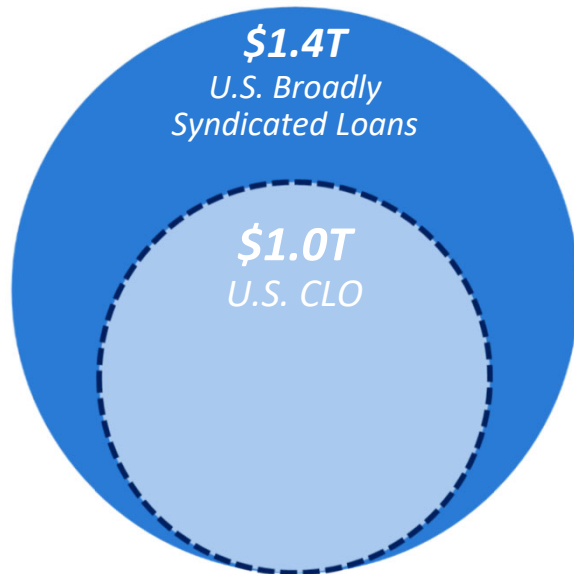


The CLO Market and CLO Equity

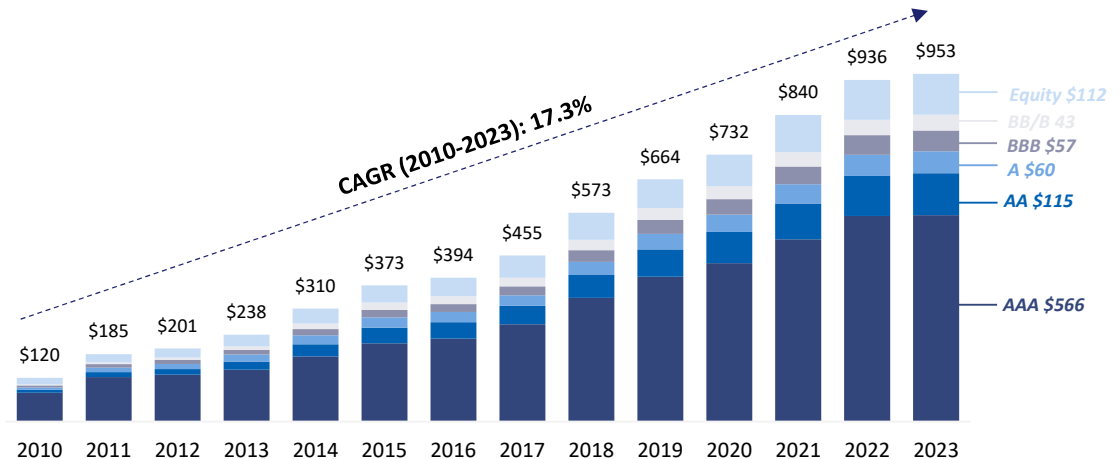
CLO Market Size

Market Size in Context¹

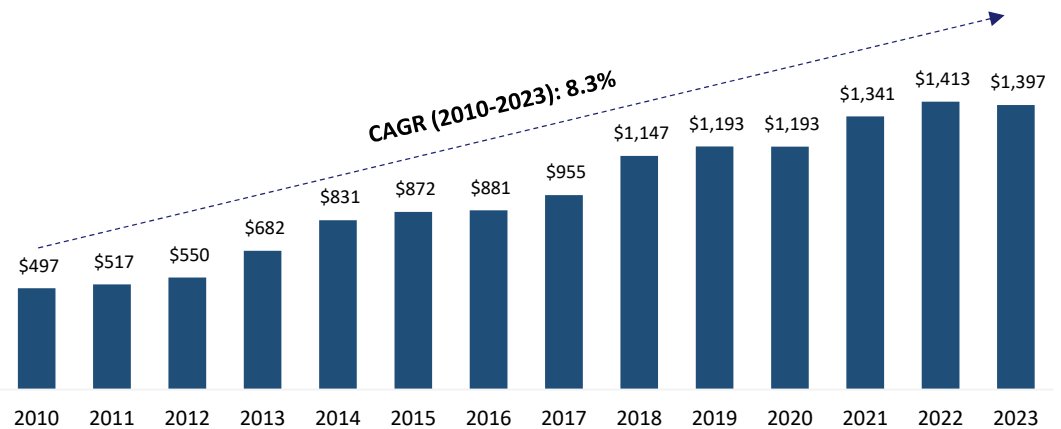
- Outstanding CLO paper stands at ~\$950 billion in the U.S. and \$215 billion in Europe
- Investment grade tranches account for 83.4% while CLO mezzanine and equity account for the remaining 16.6%
- U.S. broadly syndicated loan market stands at ~\$1.4 trillion. CLOs hold around 2/3 of this total



U.S. CLO Market Size by Year²



U.S. Broadly Syndicated Loan Market Size by Year³



1: Source: Pearl Diver Capital, Moody's, S&P LSTA.

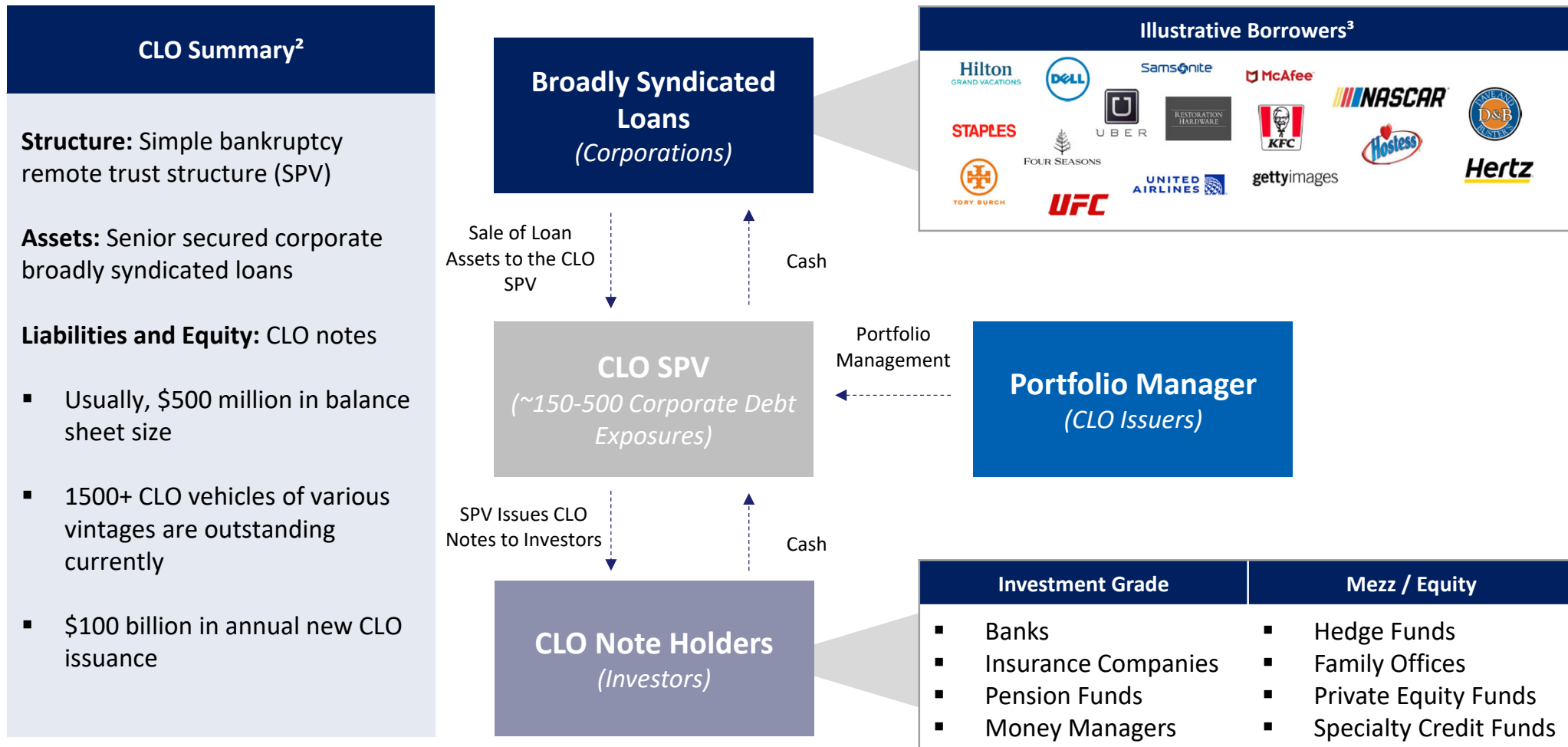
2: Dollars in millions. Source: Pearl Diver Capital, Moody's. Calculated based on outstanding tranche notional using the latest available trustee report for each CLO as of corresponding year.

3: Dollars in millions. Source: S&P LSTA.



CLO Legal Structure

CLOs resemble the structure of a simplified bank and facilitate the flow of capital from investors to borrowers¹



1: Reflects Pearl Diver's Opinion as of the date of this presentation and is subject to change without notice. Information is provided for illustrative purposes only and should not be considered a recommendation regarding the appropriateness of any particular investment or investments in CLOs generally.

2: Typical loan characteristics and CLO structural features are provided for illustrative purposes only and is a generalization of the structure of the CLOs in which PDCC will likely invest. The actual terms of any loan PDCC invests in may vary. Past performance is not indicative of future results.

3: The representative borrowers shown may not reflect a meaningful part of the portfolios of our CLO investments and have been selected to provide context regarding the general types of borrowers of U.S. senior secured loans. Most of such borrowers are not as recognizable to the public as those shown. All rights to trademarks and/or logos herein belong to their respective owners and Pearl Diver's use thereof does not imply an affiliation with, or an endorsement by, the owners of those trademarks and/or logos.

CLO Equity Overview

CLOs are securitizations of diverse portfolios of senior secured loans

Structure Highlights ¹	Representative CLO Balance Sheet ¹		
<p>Cash-flow CLOs fund purchase of a diverse portfolio of senior secured corporate loans</p> <p>Achieved through issuance of long-term CLO notes/liabilities, providing stable funding for CLO equity investments</p> <p>Loan assets acquired and actively managed by CLO manager</p> <p>No forced sales or margin calls based on the performance of loans held by CLOs</p> <p>Optionality to call or refinance liabilities lies with CLO equity</p>	Assets	Liabilities & Equity	
	<p>SOFR + 3.70%²</p> <p>Diverse Portfolio Primarily Senior Secured Corporate Loans</p> <p>~150-500 Unique Corporate Loans</p>	<p>SOFR + 2.07%²</p> <p>CLO Liabilities</p> <p>(AAA-BB Rated) ~90% of Structure</p> <p>~Yields in High-teens CLO Equity ~10% of Structure</p>	<p>Primarily floating rate debt</p> <p>PDCC's Focus</p>

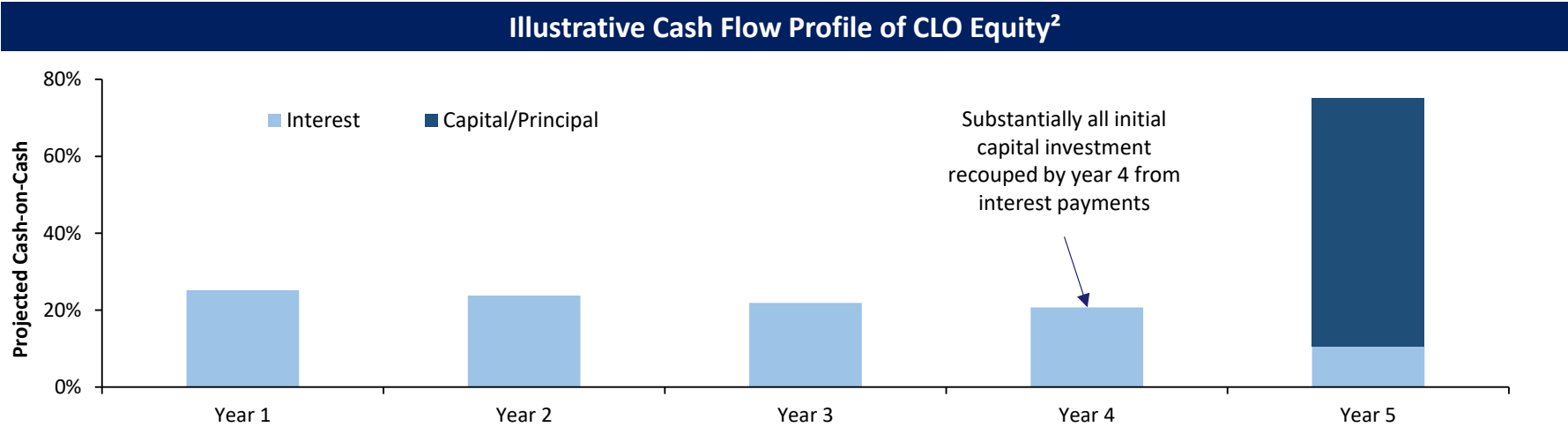
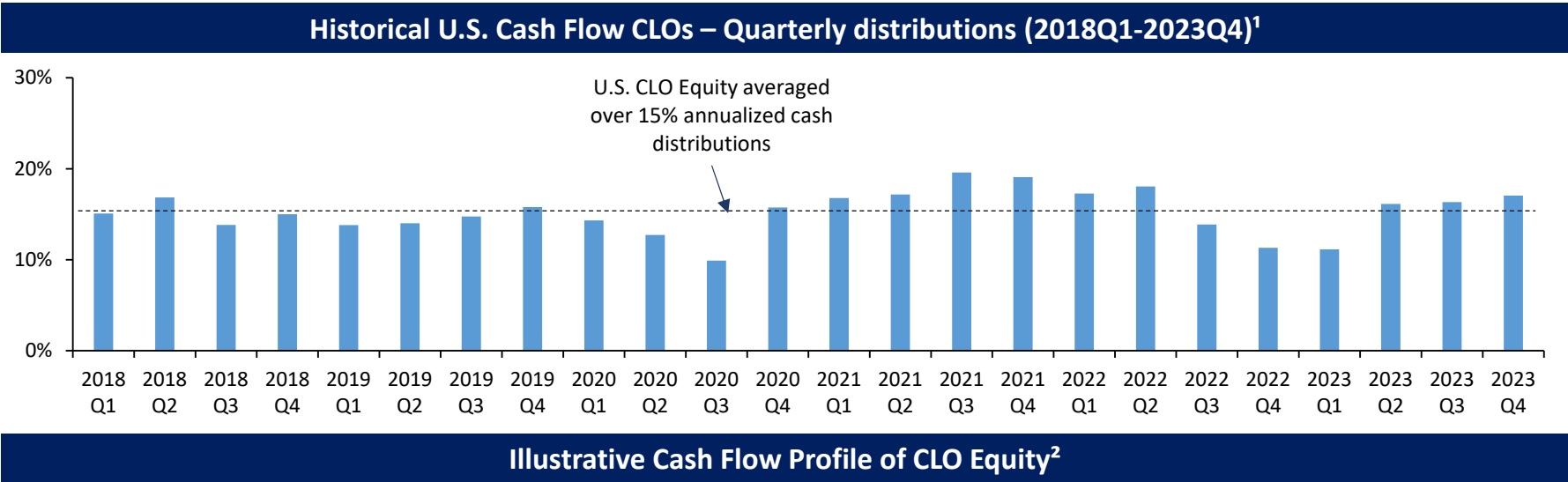
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2: Computed as of 4/30/2024 for PDCC seed portfolio, weighted by fair value of each position. Source: Moody's, Bloomberg, Pearl Diver Capital. Past performance is not indicative of future results.



CLO Equity Overview

Generated strong and stable historical returns
A CLO equity typically offers a short payback period with high front-loaded quarterly cash flows



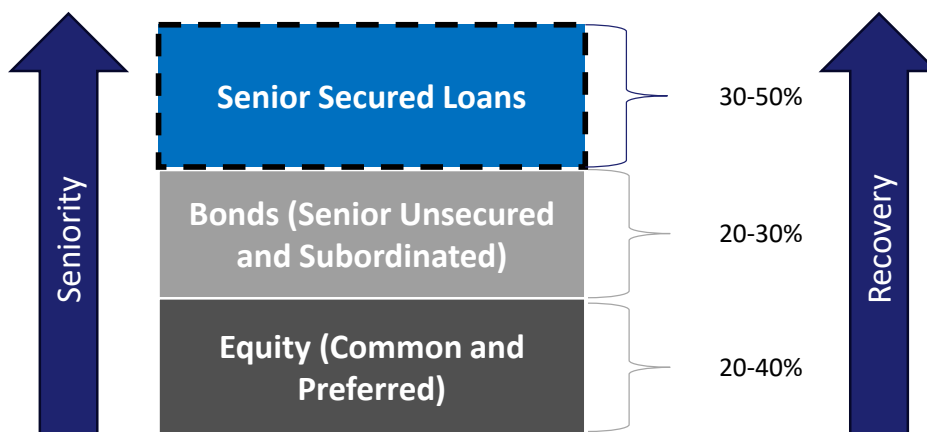
1: Presented numbers are annualized. Quarterly distributions were calculated by dividing total cash received by CLO Equity and dividing it by its notional amount, results were averaged over outstanding CLOs. Source: Moody's, Pearl Diver Capital. There can be no assurance that the trends and/or performance illustrated will continue or that future investments in CLO equity will perform comparably.
2: The example cash flows presented above are for illustrative purposes only and do not represent a projection or prediction of the Company's future results. Actual results may vary significantly.

Broadly Syndicated Corporate Loans –The Feedstock of CLOs

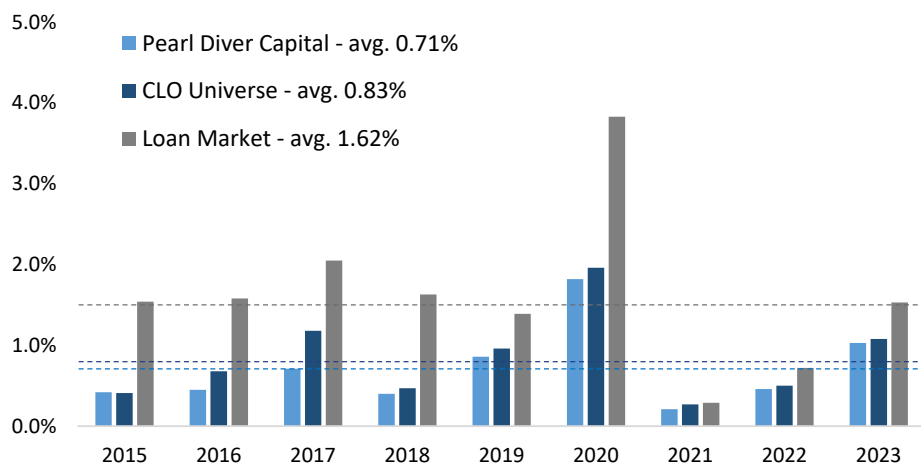
Attributes

- Senior:** Senior position in corporate borrower's capital structure
- Secured:** First lien security interest on corporate borrower's assets
- Floating Rate:** Mitigates interest rate risk associated with fixed rate bonds
- Low LTV:** Average loan-to-value ratio of ~ 40%-60%

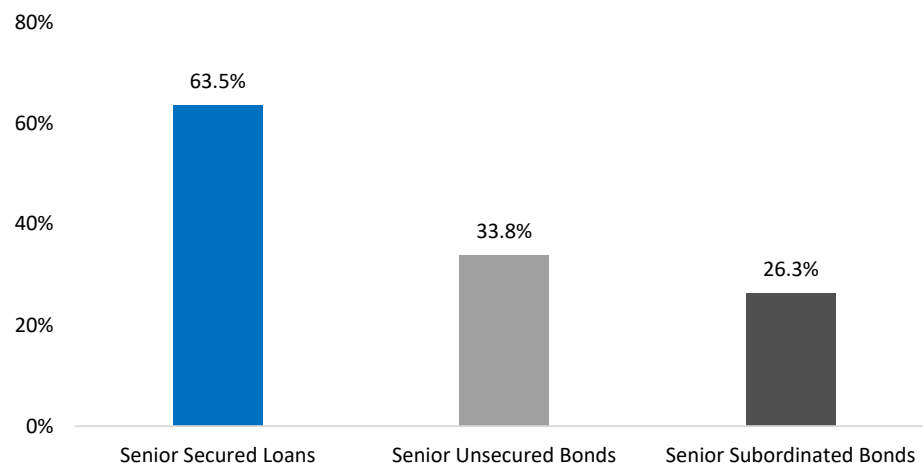
Representative Capital Structure



Historical Annualised Loan Default Rates¹



Recovery Rate by Seniority (25-yr avg.)²



1: Source: Pearl Diver Capital. Since 2015. Annual default rates for the CLO universe are adjusted by CLO vintage.

2: Source: J.P. Morgan; PitchBook Data, Inc.; Bloomberg Finance L.P. Notes: Recovery rates are issuer-weighted and based on price 30 days after default date. 2009 Adj. recoveries are based on year-end prices.

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Q3 Earnings and Portfolio Highlights

Results for the Period July 18 – September 30

Operating Results

- **Investment income of \$3.9 million**, or \$0.58 per share
- **Net investment income of \$2.7 million**, or \$0.40 per share
- **Unrealized gain on investments of \$0.5 million**, or \$0.08 per share

Portfolio and Investment Activity

- **Invested \$43.7 of IPO proceeds** in primary and secondary CLO equity investments
- **Total portfolio weighted average effective yield of 16.3%**

Dividend and Capital Activity

- **NAV per share of \$20.05**
- **Distributed \$0.22 per share** dividend in August and September, and \$0.22 per share on October 30
- **Annualized dividend yield of 13.2%** based on the closing share price on September 30, 2024



Portfolio Highlights at September 2024

Top 10 Obligor Exposure

ASURION, LLC	0.7%
TRANSDIGM INC.	0.6%
CLOUD SOFTWARE GROUP, INC.	0.4%
WEC US HOLDINGS LTD.	0.4%
MEDLINE BORROWER, LP	0.4%
ALLIED UNIVERSAL HOLDCO LLC	0.4%
ENTAIN HOLDINGS (GIBRALTAR) LIMITED	0.4%
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.	0.4%
PERATON CORP.	0.4%
ENSEMBLE RCM, LLC	0.4%
Total	4.5%

Top 10 CLO managers

Ares	10.9%
Apollo	10.2%
Putnam	7.7%
Investcorp	7.2%
York	5.7%
Napier	5.6%
OakTree	5.1%
Sound Point	4.9%
LCM	4.7%
TCW	3.8%
Total	65.8%

Top 10 Positions

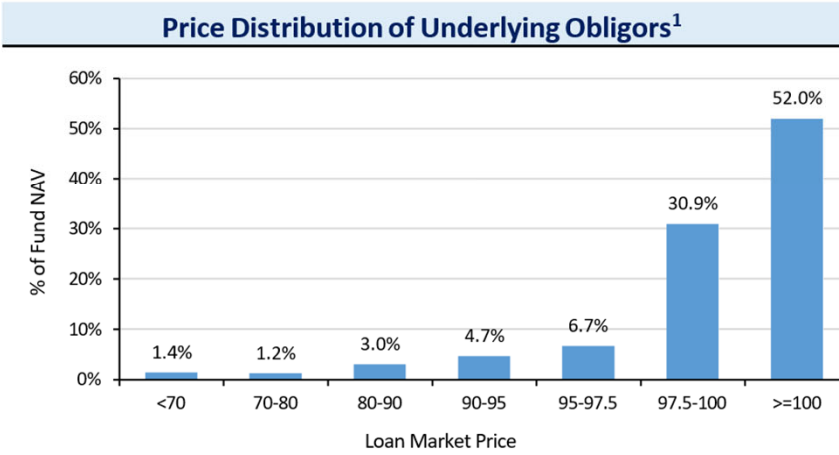
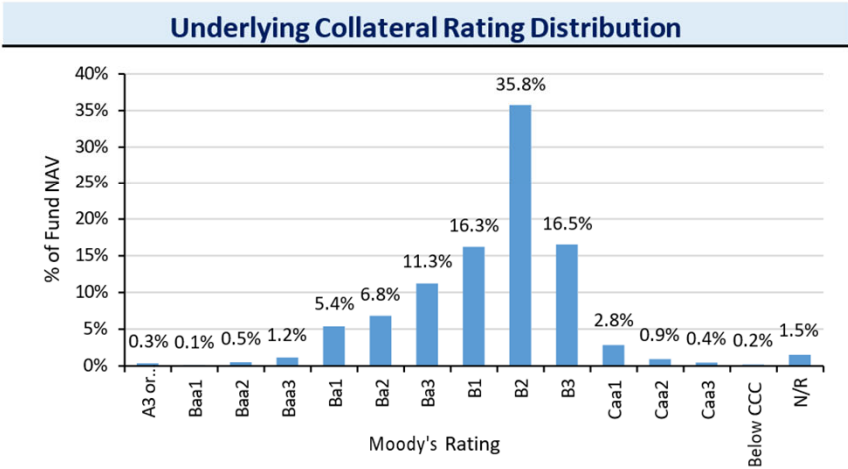
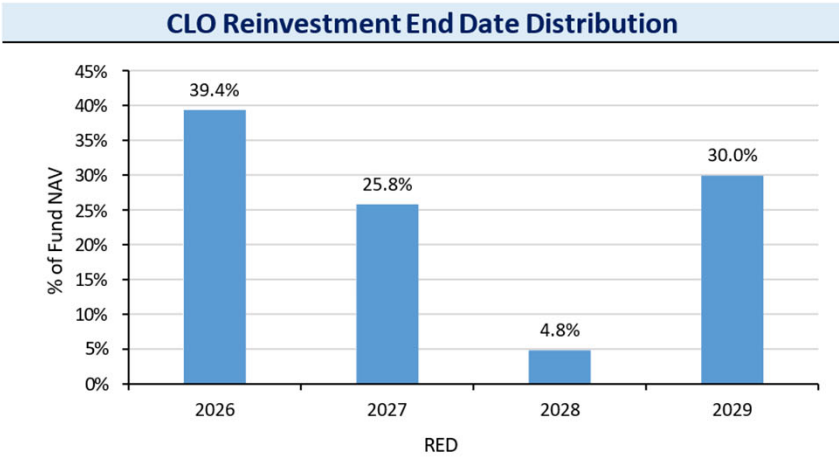
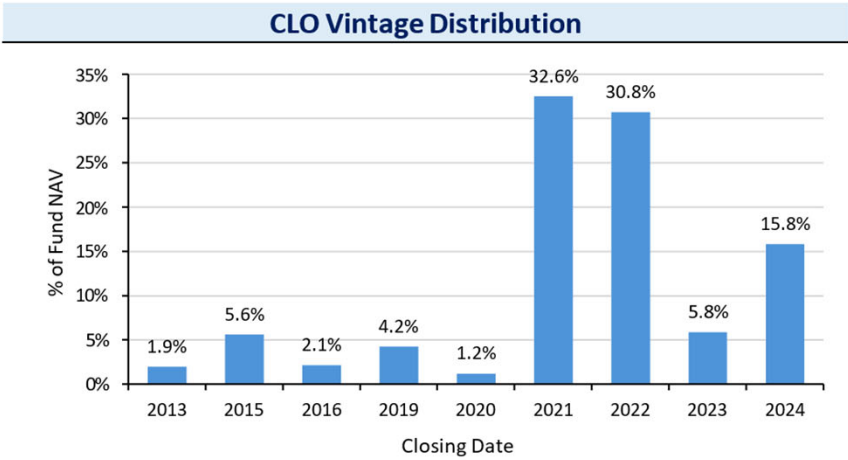
Regatta XIX Funding Ltd.	4.7%
LCM 39 Ltd.	4.5%
37 Capital CLO 2 Ltd.	4.0%
RR 19 Ltd.	4.0%
Harvest US CLO 2024-1 Ltd.	3.9%
TCW CLO 2024-2 Ltd.	3.7%
PPM CLO 5 Ltd.	3.6%
37 Capital CLO 1 Ltd.	3.5%
Generate CLO 11 Ltd.	3.2%
Harvest US CLO 2024-2 Ltd.	3.1%
Total	38.3%

Top 10 Industry Exposure

Software	8.9%
Health Care Providers & Services	5.4%
Chemicals	5.0%
Media	4.5%
Hotels, Restaurants & Leisure	4.3%
Commercial Services & Supplies	4.2%
Professional Services	4.0%
Aerospace & Defense	3.3%
Insurance	3.3%
Diversified Financial Services	3.3%
Total	46.1%



Portfolio Highlights at September 2024



¹ Calculated using market mid prices of loans in CLO portfolios, excluding bonds.



Company Information

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