StepStone Private Credit Income Fund (CRDEX)

STEPSTONE

March 31, 2026

MARKET OVERVIEW

Yield Advantage –Gross yields remain attractive at ~9%, with early indications of spreads[16] widening 25–50 basis points[19] in recent months as deployment pressure eases, improving entry points for selective lenders.

Borrower Fundamentals – Payment defaults remain contained at ~1.1–1.3%, shadow defaults[20] have been declining recently, leverage normalized to ~5.0–5.2x, and interest coverage ratios[17] improved to ~2.0x. We believe this suggests stable borrower health.

Lending Terms – Covenant-lite[18] and payment-in-kind features are increasingly common in larger deals. Disciplined underwriting standards and a focus on cash-paying core middle market transactions, with covenants remain the center of CRDEX's strategy.

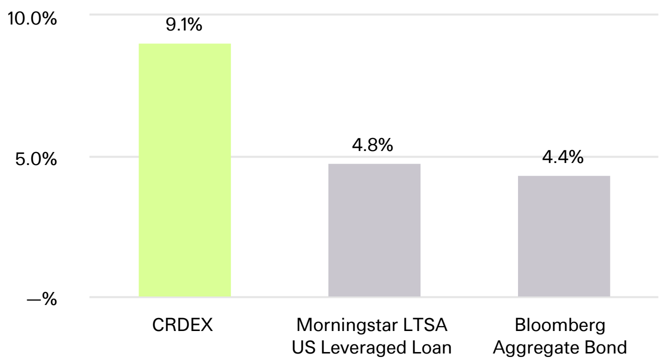
Market Outlook – Deal volumes slowed in early 2026, shifting the supply-demand balance in lenders' favor. Secondary market activity has begun to accelerate, creating increasingly attractive opportunities to acquire assets at discounts to par for platforms with the scale and access to participate.

CRDEX FOCUS

Focus on first-lien, senior-secured private loans to US middle-market companies—primarily implemented through co-investments.

FUND RETURN (LAST TWELVE MONTHS) COMPARISON[7]

Class I Shares



FUND FACTS

Investments at fair value[2]	$1,338.0M
Net assets	$1,055.5M
Distribution Rate[14]	10.2%
Borrowers[3]	1,500+
Weighted average EBITDA[4 5]	$119.6M
Investment partners	102

PORTFOLIO STATISTICS

First lien senior secured[3]	99.6%
Weighted average LTV[4 5]	39.1%
Floating rate loans[3 6]	99.0%
Private investments	100%
Weighted average price[4 5]	98.9
Weighted average gross asset yield	9.4%
Non-accruals (at cost)	0.0%
Payment-in-kind (PIK, % of income)	0.5%

PERFORMANCE HISTORY[8]

Class I Shares

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	ANNUALIZED RETURN SINCE INCEPTION	1-YEAR RETURN
2026	0.76%	0.45%	0.37%										**1.58%**	**8.84%**	**9.06%**
2025	0.79%	0.59%	0.69%	0.45%	0.79%	0.88%	0.70%	0.88%	0.74%	0.90%	0.81%	1.02%	**9.60%**	**9.20%**	**9.60%**
2024	—%	—%	—%	—%	—%	0.40%	0.80%	0.69%	0.69%	0.80%	0.59%	0.76%	**4.83%**	**8.50%**	**N/A**

Past performance is not indicative of future results. Actual performance may vary.

1. StepStone Private Debt Outlook Q1 2026.
2. Fair Value is calculated in accordance with the Fund's Valuation Policy, based on the NAV as of the dealing day. This may differ from the Statement of Investments in the financial statements, which reflects adjustments for post-dealing day trade activity. Valuations may fail to match the amount ultimately realized with respect to the disposition of such securities.
3. Calculated based on the most recent available information from direct and underlying loan exposure, excluding positions without applicable loan-level data. As such, the figure may not fully capture the total portfolio exposure.
4. Provided metrics exclude pooled investment vehicles.
5. Borrower financials are derived from the most recently available portfolio company financial statements, which have not been independently verified and may reflect a normalized or adjusted amount. Accordingly, CRDEX makes no representation or warranty in respect of this information. EBITDA is a portfolio company's earnings before interest, taxes, depreciation and amortization. Loan-to-Value (LTV) ratio is the percentage of a portfolio company's total value compared to the size of the loan.
6. Calculated as a percentage of CRDEX's private credit investments, excluding cash and cash equivalents. A floating rate loan earns income based on a spread over a benchmark, 'The Secured Overnight Financing Rate' (SOFR) rate published by the US department of the treasury.
7. CRDEX returns reflect Class I Shares. The Morningstar LSTA US Leveraged Loan Index is a market-value weighted index designed to measure the performance of the US leveraged loan market. The Bloomberg US Agg Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency). Both indices are CRDEX's primary benchmarks.
8. Returns shown are net of applicable fees and reflect the percent change in the NAV per share from the beginning of the applicable period, plus the amount of any distribution per share declared in the period. All returns shown assume reinvestment of distributions pursuant to CRDEX's distribution reinvestment plan. The date of inception for all share classes is June 3, 2024 with an initial starting NAV of $10.00. Effective January 17, 2025, Class T Shares were converted into Class S Shares and Class T Shares are no longer offered.

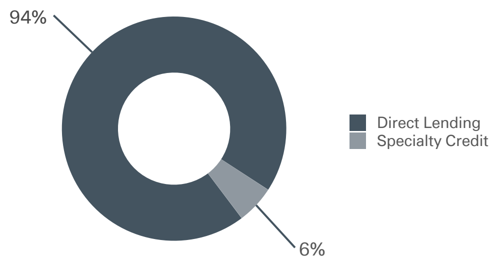
PORTFOLIO DIVERSIFICATION AND SELECTIVITY

We believe we have maintained attractive performance with low volatility, driven by our continued focus on private, first-lien senior secured loans. This, combined with our robust diversification strategy—including a wide array of borrowers and co-investment partners—has contributed to the Fund's performance profile.

We believe we remain highly selective, leveraging our sourcing capabilities and strategically broadening our opportunity set, which includes directly held loans from 334 borrowers and over 1,500 on a look-though basis. These transactions have been sourced through 102 investment partners, 7 more than in December 2025. As of March 31, 2026 the Fund had exposure to 65 industries.

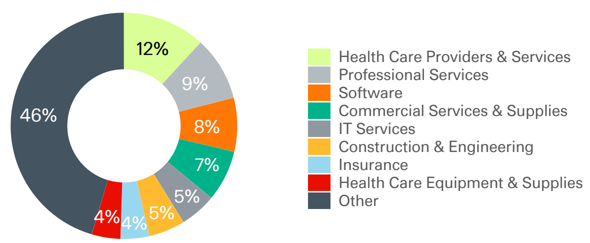
As a result, investments at fair value increased by $113 million (~9%). Additionally, by the end of March, ~99.6% of the Fund's investments, on a look-through basis, were in first-lien senior secured loans. We believe specialty credit remains an underpenetrated area of the market with opportunities for lower correlation to direct lending, potential for higher income and enhanced diversification, and we anticipate a growing allocation to this strategy over time amid a steadily expanding opportunity set for CRDEX.[11]

STRATEGY COMPOSITION[9]



INDUSTRY COMPOSITION[10]

AS OF 2/28/2026



CASE STUDIES[11]

Case Study A

- CRDEX co-invested alongside a GP in a senior secured credit facility supporting a take-private leveraged buyout. The company provides software for brands to verify their digital ad spending and ensure brand safety. It is considered a mission-critical platform serving a sticky, diversified customer base that includes Fortune 500 companies and 2,000+ global brands across a mix of industries.
- The investment was made at 98.5% of par, with a rate of Secured Overnight Financing Rate (SOFR) + 500 basis points[19] and a maturity of seven years.

Case Study B

- CRDEX also co-invested alongside another GP in a fund finance transaction representing a senior claim on distributions from a portfolio of PE buyout exposures. The underlying portfolio is highly diversified, with 600+ underlying assets backed by blue-chip GPs across a range of vintages, geographies and sectors.
- The investment was made at 96.1% of NAV, with a term of seven years.

CHARACTERISTICS OF CO-INVESTMENTS

We believe co-investments—the core focus of CRDEX—offer several key potential benefits. A broad deal funnel allows for high selectivity, targeting what we believe to be the most attractive opportunities. Capital can be deployed more swiftly, supporting income generation. We believe the strategy is flexible across market cycles, with the ability to allocate across lower, middle, and upper markets to capture relative value. Co-investments also have the potential to enhance diversification across sectors, geographies, GPs, and borrowers, while a lean fee structure—without double layers—may enhance net returns.

9. As of March 31, 2026, private credit investments accounted for 95.72% of CRDEX's total assets, with the remainder held in cash, cash equivalents, or other non-investment assets.
10. Calculated as a percent of the total fair value of CRDEX's investments as of February 28, 2026.
11. Past performance does not predict future returns and there can be no assurance that the fund will be able to implement its strategy or achieve its investment objectives, including due to an inability to access sufficient investment opportunities.

DIRECT LENDING UPDATE: MARKET CONDITIONS AND FUND POSITIONING

Borrower fundamentals remain constructive. Payment default rates are contained at ~1.1–1.3%, which is within historical norms, while the shadow default rate—capturing distressed exchanges, Liability Management Exercises[21], and PIK usage has declined, suggesting credit stress is stabilizing beneath the surface with risks remaining largely idiosyncratic rather than systemic. Median leverage for US first-lien credits has stabilized around ~5.0–5.2x, trending down from the 2022 peak. Interest coverage ratios ("ICR") have continued to improve to ~2.0x, up from a trough of ~1.65x in mid-2023, supported by easing base rates. The share of borrowers with ICR below 1x and negative EBITDA has also declined, indicating the tail of weaker credits is shrinking rather than expanding.[12]

Gross asset yields in direct lending remain at ~9%, supported by spreads of 450–550 bps and original issue discounts[15] of 1.0–1.5%. With policy rates expected to remain broadly stable, all-in yields should hold near current levels. The illiquidity premium remains at 200–300 bps over broadly syndicated loans and 300–400 bps over high yield, underpinned by direct lending's structural advantages including stronger documentation, more efficient workouts, and greater certainty of execution. Volumes slowed in early 2026 but remain within historical norms, driven mainly by refinancing, add-ons, and dividend recaps.

Evergreen redemption trends have served as a constructive real-time stress test. In Q4 2025, net flows across non-traded private business development companies[22] remained positive, and while redemption requests increased in Q1 2026, many managers fulfilled them at or above the standard 5% quarterly gate without forced selling. Outcomes vary widely by fund—pressure has concentrated in retail-heavy products, while institutionally focused vehicles have continued to attract record capital.[13] We believe CRDEX's disciplined liquidity framework and robust cash flow profile can support continued income generation and limit risks from evergreen market pressures.

AI is expected to drive sector-level dispersion in software lending but remains a selective risk rather than a systemic one. Further, much of the financing linked to AI infrastructure build-out has far taken place outside of core middle-market direct lending. CRDEX is well-positioned through its relatively low software exposure (~8%), strict leverage caps, and investment guidelines that limit exposure to Annual Recurring Revenue-based loans. Overall, the market is increasingly defined by dispersion and selectivity, favoring platforms with strong access, scale, and rigorous underwriting. CRDEX's diversified, first-lien, and cost-efficient approach—supported by strong inflows and disciplined portfolio construction—positions it well to capture attractive risk-adjusted returns in this environment.

We believe CRDEX maintains conservative positioning—emphasizing senior secured, floating-rate loans in domestic service industries with low export dependency. The underwriting approach and broad diversification may potentially position the Fund to navigate volatility and capture relative value in a shifting market.

12. Source: StepStone & Kroll benchmarks as of March 2026.
13. Goldman Sachs, respective funds SEC filings and StepStone Research. As of March 31, 2026.
14. Based on Class I Shares, the distribution had a record date of April 2, 2026 and a payment date of April 7, 2026. This distribution reflects income earned during the quarter ended March 31, 2026. Distribution rate is calculated by dividing the distribution by the average of daily NAVs for the same quarter, then annualizing the result, assuming reinvestment of distributions. The distribution rate for the April 2, 2026 distribution was 10.2% for Class D and 16.8% for Class S. Timing and amounts of subscriptions and redemptions may materially impact the results. As of April 2, 2026, 100% of inception-to-date distributions have been funded from net investment income, with no portion classified as a return of capital. Distribution rates may vary by investor and should not be considered forward-looking. There is no assurance that market conditions or other factors will not cause the Fund's distribution rate to change in the future.
15. Refers to the difference between the face value of a loan and its issue price when the loan is sold at a discount.
16. Refers to the additional yield (interest rate premium) over a benchmark rate that a lender charges a borrower.
17. Measures a borrower's ability to meet interest payment from its operating earnings, measured as EBITDA/Interest Expense
18. Refers to loans that have fewer or less restrictive financial maintenance requirements, like leverage or interest coverage, compared to traditional loans.
19. Basis Points ("bps"): One hundredth of a percent (0.01%). Used to measure changes in or differences between yields or interest rates.
20. The "shadow default rate" refers to an estimate of the proportion of borrowers experiencing economic distress or impairment that may not be formally classified as a default under traditional definitions (e.g., missed payments or bankruptcy). This measure often captures borrowers undergoing restructurings, covenant relief, payment-in-kind (PIK) increases, or liability management transactions, which may indicate elevated credit risk despite remaining current on contractual obligations.
21. A liability management exercise (LME) refers to a transaction or series of transactions undertaken by a borrower to modify, refinance, or restructure its existing debt obligations. LMEs may include exchanges, amendments, discounted repurchases, new debt issuance with different terms or priorities, or transfers of collateral. While such transactions can improve liquidity or extend maturities, they may also alter creditor rights, recovery prospects, or capital structure priorities, and are often associated with increased credit risk.
22. Business Development Companies (BDCs) are closed-end investment companies regulated under the Investment Company Act of 1940 that provide capital to small and middle-market businesses. BDCs typically invest in debt and equity of private companies and are required to distribute a significant portion of their income to shareholders to maintain favorable tax treatment. Publicly traded BDCs are listed on exchanges, while non-traded BDCs are not; both are subject to specific regulatory, leverage, and reporting requirements.

IMPORTANT RISKS/DISCLOSURES

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained from StepStone Private Wealth at 704.215.4300 or by visiting stepstonepw.com. An investor should read the prospectus carefully before investing.

An investment in the Fund involves risks. The Fund should be considered a speculative investment that entails substantial risks, and a prospective investor should invest in the Fund only if it can sustain a complete loss of its investment. Fund fees and expenses may offset trading profits. Fund shares are illiquid and appropriate only as a long-term investment. There is no market exchange available for shares of the Fund thereby making them difficult to liquidate. Use of leverage may increase the Fund's volatility. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Investments may consist of loans to small and/or less well-established privately held companies that have reduced access to the capital markets, resulting in diminished capital resources and the ability to withstand financial distress.

Debt securities are subject to the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. Several factors may impair the ability of an issuer to make such payments and result in defaults on, and declines in, the value of its debt, including interest rate risk, prepayment risk, and adverse changes in the financial condition of an issuer. A significant portion of the Fund's investments may be originated, which will depend on several factors, including the availability of opportunities for the origination or acquisition of target investments, the level and volatility of interest rates, the availability of adequate short and long-term financing, conditions in the financial markets and economic conditions.

The current lending market in which the Fund participates is competitive and rapidly changing, and the Fund may face increasing competition for access to loans (especially direct loans) as the lending industry continues to evolve. The fact that a loan is secured does not guarantee that the Fund will receive principal and interest payments according to the loan's terms, or at all, or that the Fund will be able to collect on the loan should the remedies be enforced. Private Market Assets may include investments in fixed income securities rated investment grade or non-investment grade (commonly referred to as high yield securities or "junk" securities) and may include investments in unrated fixed income securities, all of which may involve a substantial risk of default. Please see the prospectus for details of these and other risks.

While the Fund provides transparent disclosure of structure, strategy, holdings, and financial condition, the valuation of the Fund's investments in Private Markets Investment Funds is ordinarily determined based upon valuations provided by the Investment Managers on a quarterly basis. A large percentage of these securities do not have a readily ascertainable market price and are fair valued by the Investment Manager subject to future adjustment or revision. No assurances can be given regarding accuracy of the valuation methodology or the sufficiency of systems utilized by any Investment Manager, and an Investment Manager's valuation of the securities may fail to match the amount ultimately realized with respect to the disposition of such securities.

Diversification does not ensure a profit nor protect against loss in a declining market. Holdings in private credit assets do not guarantee downside protection of an investment in the Fund and a complete loss of investor's principal is possible.

The Fund is distributed by Distribution Services, LLC which is not affiliated with StepStone Group. CRDEX is a newly formed investment company with limited operating and performance history that Shareholders can use to evaluate the Fund.

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For more information regarding StepStone Private Wealth offerings, please contact us at stepstonepw.com or call 704.215.4300.