



SPECIALTY FINANCE & PRIVATE CREDIT

SHAREHOLDER REPORT — MAY 2026

2026 Market Outlook & Shareholder Report

Macroeconomic Conditions, Capital Markets, and Alternative Credit Opportunities

PERIOD

January – May 2026

PREPARED FOR

Accredited Investors &
Shareholders

CLASSIFICATION

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2026 Market Outlook & Shareholder Report

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Executive Summary

The macro environment of 2026 and what it means for disciplined capital allocation



The first five months of 2026 have confirmed what institutional allocators began anticipating in late 2024: we are in a prolonged transitional market cycle characterized by persistent above-target inflation, elevated interest rates, constrained bank lending, and meaningful volatility across traditional asset classes. Rather than the "soft landing" narrative that briefly dominated market commentary, the economic landscape has evolved into something more nuanced—a regime of higher-for-longer rates intersecting with geopolitical disruption, tariff-driven goods inflation, and a Federal Reserve navigating one of its most contentious periods in decades.

"Today's inflation report is certainly another nail in the coffin of the idea that Fed officials will welcome the new Fed Chair with an interest rate cut this year."

— CHRIS RUPKEY, CHIEF ECONOMIST, FWDBONDS, MAY 2026

The Federal Reserve has held its benchmark overnight rate steady between 3.50% and 3.75% since December 2025. Consumer prices accelerated to an annualized 3.8% in April—the fastest pace since May 2023—driven primarily by core services inflation and renewed goods price pressures stemming from tariff effects. The 30-year Treasury bond yield crossed 5%, marking a meaningful inflection for leveraged real estate, corporate debt refinancing, and long-duration asset valuations.

Key Themes of 2026

INFLATION PERSISTENCE

Core services inflation continues to run at 0.4% monthly. Rate cuts appear increasingly unlikely in the near term, extending the restrictive policy environment.

BANKING LIQUIDITY CONSTRAINTS

Regional banks face continued pressure from commercial real estate exposure and deposit competition, compressing their capacity to extend credit to the broader economy.

Portfolio Implications

Traditional 60/40 portfolios face a compounding challenge: equity valuations remain elevated amid concentration in a narrow cohort of mega-cap technology names, while fixed income provides limited real yield after inflation adjustment. Institutional allocators have responded by accelerating diversification into alternative income strategies.

Within this environment, **specialty finance and private credit** platforms occupying non-correlated market segments have demonstrated compelling characteristics: shorter duration, asset-backed underwriting, consistent cash flow, and yield premiums relative to public markets.

PRIVATE CREDIT ASCENDANCY

Non-bank lenders have absorbed lending volume exited by traditional banks. Apollo recently surpassed \$1 trillion in AUM; the top five managers collectively deploy \$1.5 trillion in perpetual capital.

InjuryPro Capital's medical receivables funding platform embodies this thesis—a disciplined, niche credit strategy operating in a sector with demand characteristics largely independent of macroeconomic cycle volatility.

MANAGEMENT PERSPECTIVE

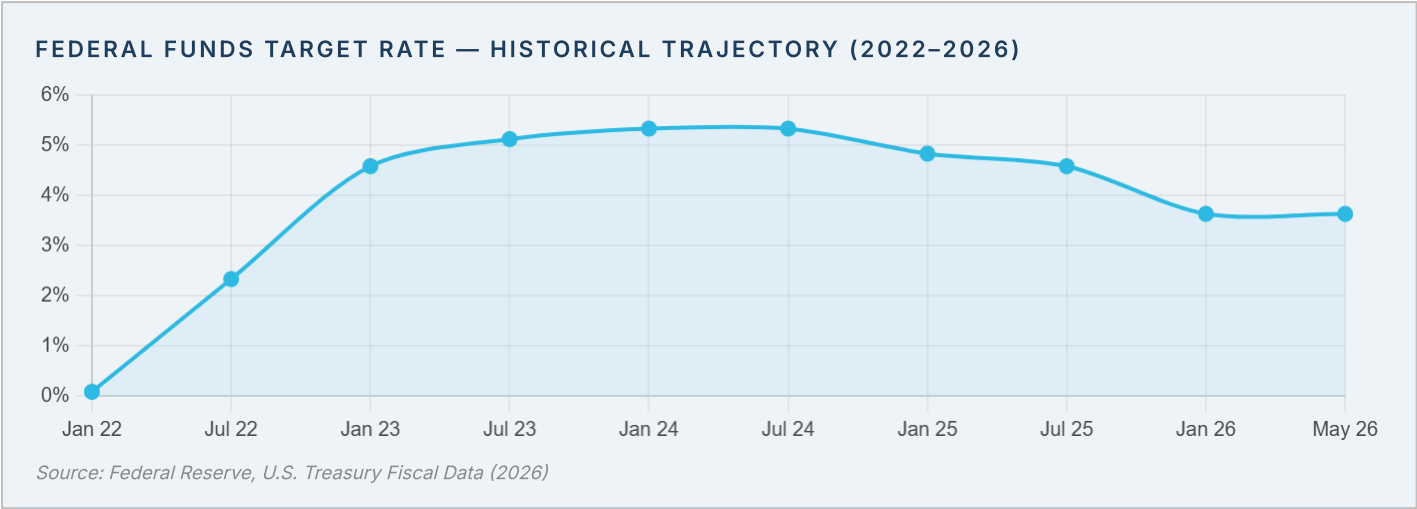
We believe the 2026 environment rewards precision underwriting, short duration positioning, and income-focused strategies that can generate meaningful yield without taking undue correlation risk to public equity markets.

Macroeconomic Overview

Federal Reserve policy, inflation dynamics, credit conditions, and the liquidity landscape

Federal Reserve Policy & Rate Environment

The Federal Reserve entered 2026 having reduced the federal funds target rate by 75 basis points across three cuts in the latter half of 2025. However, the pace of normalization has stalled. Inflation—as measured by both the CPI and PCE price index—has proven more resilient than policy forecasts anticipated, partly due to tariff-driven goods price pressures and sticky core services inflation, particularly housing. The FOMC held rates at 3.50%–3.75% at its January 2026 meeting and has signaled continued patience.



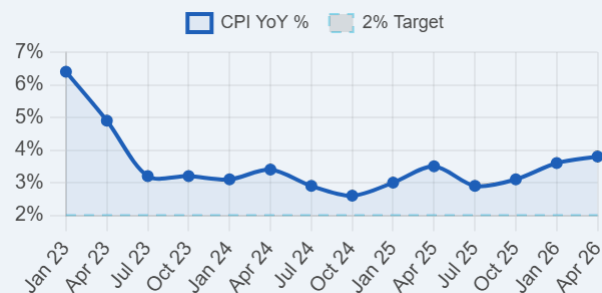
Inflation & CPI Trends

Consumer prices rose 3.8% year-over-year in April 2026, exceeding consensus expectations and reaching the highest reading since May 2023. Core services inflation—driven by owner-equivalent rent, healthcare services, and insurance costs—has remained the primary driver, averaging 0.3%–0.4% per month. Core goods inflation has been more muted but is re-accelerating as tariff effects ripple through supply chains. The Congressional Budget Office projects PCE inflation of 2.7% for full-year 2026, though upside risks are material.

Treasury Yield Curve

The yield curve has bear-steepened as markets reprice rate cut expectations. The 10-year Treasury yield moved above 4.46%, while the 30-year crossed 5.0%. The 2-year note sits near 3.99%, reflecting the market's view that near-term cuts are largely off the table. This configuration creates meaningful pressure on duration-sensitive assets including long-dated bonds, commercial real estate, and leveraged equity strategies.

CPI YEAR-OVER-YEAR % CHANGE (2023–2026)



Source: Bureau of Labor Statistics; CNBC, May 2026

U.S. TREASURY YIELD CURVE — MAY 2026



Source: U.S. Treasury; CNBC, May 12, 2026

Commercial Lending Contraction & Banking Stress

Commercial bank lending conditions have continued to tighten through early 2026. Regional and mid-sized banks—bearing significant exposure to commercial real estate loans made during the near-zero rate era—face mounting refinancing pressure as borrowers grapple with valuations that no longer support legacy debt levels. The FDIC has flagged a growing watchlist of institutions with elevated CRE concentration. Senior Loan Officer Opinion Survey data shows net tightening standards across most commercial loan categories.

2-YR TREASURY

3.99%

May 2026

30-YR MORTGAGE

~7.1%

Near multi-decade high

PCE INFLATION
(CBO)

2.7%

Full-year 2026 est.

GDP GROWTH (2026)

2.3%

CBO projection

"As traditional 60/40 portfolios of public stocks and bonds struggle to deliver consistent returns in volatile markets, private credit has emerged as a compelling alternative for income-oriented investors."

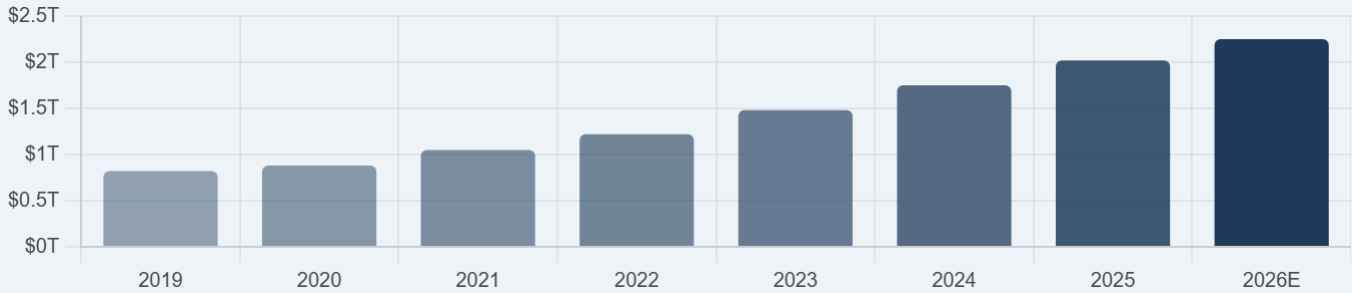
— MICHAEL SMITH, CO-HEAD, ARES CREDIT GROUP, 2026

Private Credit Market Growth

One of the most consequential structural shifts in modern finance has been the rapid expansion of private credit. As banks retrenched from direct lending, non-bank platforms stepped in to fill the void—and the asset class has grown from a niche institutional strategy to a mainstream allocation in most sophisticated portfolios. Apollo recently crossed \$1 trillion in assets under management. The five largest listed private markets managers—Apollo, Ares, Blackstone, Carlyle, and KKR—now collectively manage \$1.5 trillion in perpetual capital, representing approximately 40% of their combined AUM, up from 35% in 2021.

Non-traded BDCs alone have grown from zero in 2021 to more than \$200 billion today, and if '40 Act funds continue attracting capital at recent rates, the vehicle class is projected to surpass \$1 trillion by 2028.

PRIVATE CREDIT AUM GROWTH — SELECT MAJOR MANAGERS (2019–2026E, \$B)



Source: With Intelligence, Ares Management, Apollo, Blackstone; company disclosures (2026)

Real Estate Market Analysis

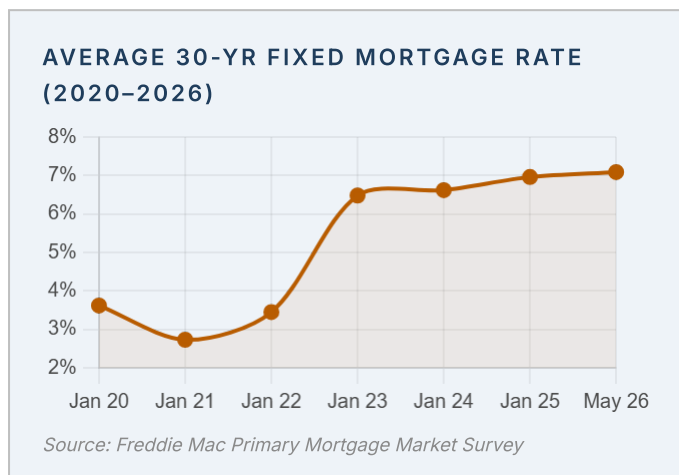
Cap rate expansion, refinancing walls, and the structural repricing of leveraged real estate

03

The U.S. real estate market remains under significant fundamental pressure as elevated interest rates erode the value proposition that defined the 2010–2021 cycle. Transaction volume has declined sharply as the bid-ask spread between sellers anchored to peak-cycle valuations and buyers demanding returns commensurate with current financing costs has yet to fully close. Capital markets activity across most property types remains well below historical averages.

Residential & Multifamily

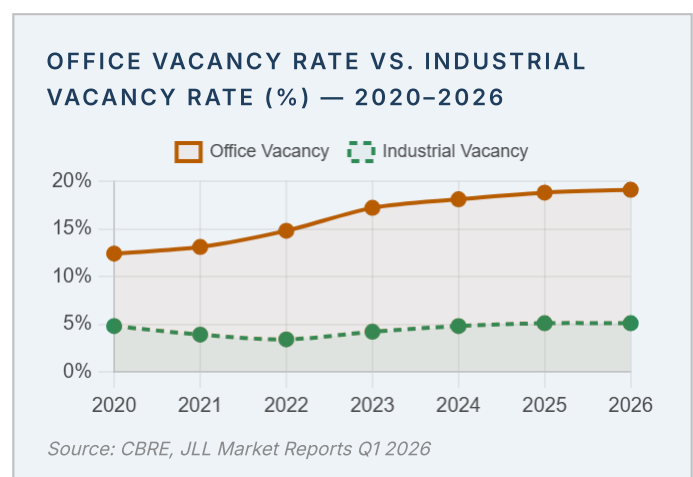
The 30-year fixed mortgage rate has hovered near 7.0%–7.2%, suppressing purchase activity as potential buyers face monthly payments 50%–60% higher than they would have incurred in 2021 on equivalent homes. Existing home sales remain near multi-decade lows. Multifamily cap rates have expanded 150–200 basis points from cycle troughs, and a significant supply overhang from 2022–2024 construction completions is pressuring rent growth in Sunbelt markets.



Commercial Office & Industrial

The office sector continues to face secular demand headwinds beyond the cyclical rate challenge. National office vacancy rates exceed 19%—the highest on record—as hybrid work patterns have become institutionalized in corporate space planning. Major gateway city submarkets face particularly acute distress, with some Class B properties trading at 50–70 cents on the dollar relative to 2019 valuations.

Industrial and logistics assets have fared considerably better, supported by e-commerce demand and nearshoring-driven distribution requirements. However, even this resilient sector has seen cap rate expansion of 75–100 basis points as investors demand higher unlevered returns.



CMBS Debt Maturity Wall & Refinancing Pressure

Perhaps the most significant near-term risk in commercial real estate is the looming debt maturity wall. An estimated \$1.5 trillion in commercial mortgages originated during the low-rate era are scheduled to mature between 2025 and 2028. Many of these loans were underwritten at cap rates of 4.5%–5.5% against terminal interest rates of 2%–3%. In today's environment, refinancing requires either significant new equity injection,

partial loan paydown, or debt restructuring. Borrowers who cannot bridge the gap face forced sales or lender-led resolution—creating distressed acquisition opportunities for well-capitalized alternative credit platforms.

PROPERTY TYPE	VACANCY RATE	CAP RATE (CURRENT)	CAP RATE (2021 PEAK)	YOY PRICE CHANGE	TRANSACTION VOL. CHANGE
Office (Class A)	18.6%	6.8%	4.2%	-12.4%	-38%
Multifamily	7.2%	5.4%	4.1%	-6.8%	-29%
Industrial	5.1%	5.1%	4.2%	-2.1%	-18%
Retail (Strip)	8.4%	6.6%	5.8%	-4.9%	-22%
Hotel	23.1%	7.8%	6.0%	-8.3%	-41%
Estimates based on CBRE, Green Street Advisors, and JLL Q1 2026 data					

IMPLICATION FOR CAPITAL ALLOCATORS

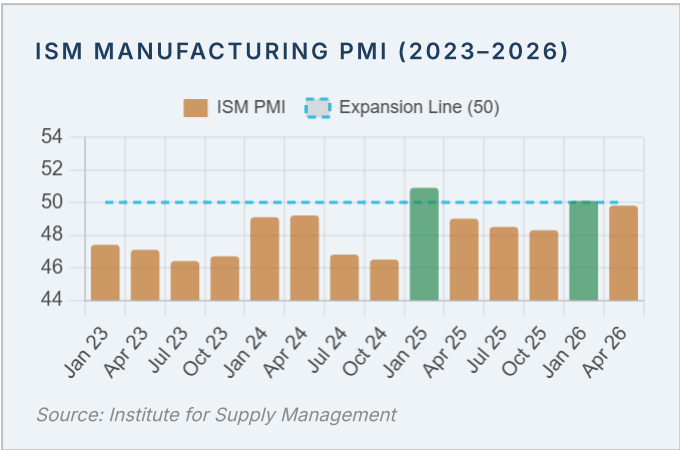
Traditional real estate as an income-generating asset has been fundamentally repriced. Cap rate expansion, while painful for existing owners, creates opportunities for patient capital entering at reset valuations. **Short-duration, cash-flow-oriented credit strategies remain better positioned** than long-duration property ownership in the current rate environment, as they are not subject to the same mark-to-market devaluation dynamics.

Manufacturing & Industrials

Reshoring momentum, rate headwinds, and the uneven industrial recovery of 2026

U.S. manufacturing has experienced a bifurcated trajectory in 2026. Sectors tied to infrastructure investment, defense procurement, and domestic energy production have benefited from sustained government spending and onshoring incentives. Meanwhile, consumer-facing manufacturers continue to face demand softness as household real purchasing power has eroded under persistent inflation, and borrowing costs weigh on capital expenditure planning.

The ISM Manufacturing PMI has oscillated between contraction and mild expansion, reflecting an uneven recovery. New orders have firmed modestly, but elevated input costs, cautious hiring, and financing cost headwinds continue to suppress margins in capital-intensive industries.



Reshoring & Onshoring Trends

One of the defining structural themes of the current cycle is the accelerating onshoring of strategic manufacturing capacity. Driven by post-pandemic supply chain disruptions, geopolitical decoupling from China, and the CHIPS Act and Inflation Reduction Act incentives, domestic manufacturing construction spending has surged to record levels. Semiconductor fabrication, electric vehicle battery production, pharmaceutical manufacturing, and defense-related production have all attracted significant domestic investment commitments.

This reshoring trend is a multi-year structural tailwind for industrial real estate, skilled labor, and specialized supply chains—but it does not alter the near-term cyclical headwinds facing broad manufacturing activity.

KEY SECTOR DYNAMICS

AEROSPACE & DEFENSE

Elevated geopolitical risk driving sustained order books. Constrained supply chains create pricing power for specialty suppliers.

AUTOMOTIVE / EV TRANSITION

Ongoing structural transition creating capex intensity. Traditional OEMs face margin pressure balancing legacy ICE and EV investments simultaneously.

Industrial Production & Labor Market

Industrial production growth has moderated from the post-pandemic surge, now growing at approximately 1.5%–2.0% annually. Manufacturing employment has stabilized, but wage growth in skilled trades and technical roles continues to run above headline inflation, compressing margins for labor-intensive producers. Logistics and supply chain normalization has progressed materially, with freight rates and container shipping costs retreating from 2021–2022 extremes—a modest tailwind for goods-producing sectors.

INDUSTRIAL INDICATOR	CURRENT READING	YEAR-AGO	TREND
ISM Manufacturing PMI	49.8	48.2	Improving
Industrial Production YoY	+1.7%	+0.9%	Improving
Mfg. Employment (000s)	12,810	12,740	Stable
Capacity Utilization	77.8%	78.4%	Declining
Mfg. Construction Spend YoY	+18.4%	+24.1%	Moderating

Energy, Oil/Gas & Natural Resources

Geopolitical volatility, domestic production, and the case for hard asset exposure

Energy markets in 2026 have been shaped by the intersection of geopolitical disruption, robust U.S. production, and evolving energy transition dynamics. The outbreak of conflict in Iran in late February introduced a significant geopolitical risk premium into oil markets, contributing to inflationary pressures on transportation and goods costs that have complicated the Federal Reserve's path to its 2% target.

WTI CRUDE (SPOT) ~\$82 Per barrel, elevated YTD	NATURAL GAS (HENRY HUB) ~\$3.40 YoY improvement	U.S. OIL PRODUCTION 13.5M Barrels/day, near record	ENERGY SECTOR RETURN YTD +6.2% Outperforming S&P 500
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U.S. Production & LNG Expansion

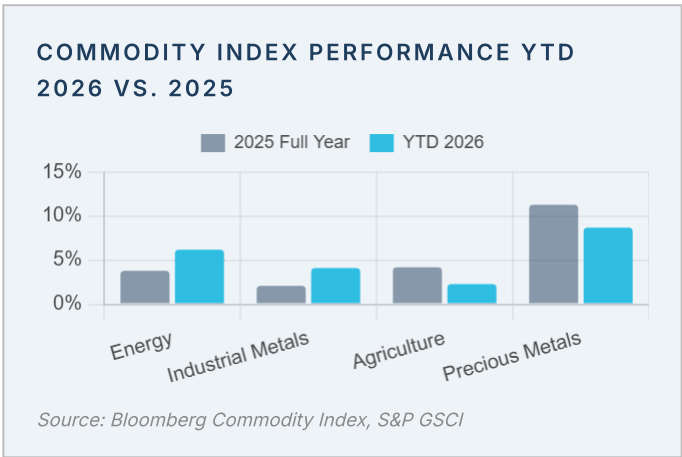
U.S. crude oil production remains near record levels, supported by continued Permian Basin activity and improving well productivity. LNG export capacity expansion has accelerated as European and Asian buyers seek to diversify away from Russian energy supplies. Several major LNG export terminal expansions are progressing toward completion, which should increase U.S. natural gas export volumes materially through 2027–2028.

The uranium and nuclear energy sector has attracted significant institutional interest as the energy transition conversation has evolved toward acknowledging the baseload reliability requirements of a decarbonized grid. Several major technology companies have signed long-term power purchase agreements with nuclear operators, supporting investment in both existing fleet uprates and next-generation reactor development.

Hard Assets in Inflationary Cycles

Historically, periods of above-target inflation have supported allocations to hard assets, commodities, and energy equities as stores of value with natural inflation pass-through mechanisms. Energy companies, in particular, benefit from pricing power that allows revenue to track input cost inflation, providing a degree of protection unavailable in fixed-rate debt instruments.

Institutional portfolios have responded by increasing energy and real asset allocations as a hedge against scenarios where inflation proves more persistent than central bank projections. This realignment reflects a structural reassessment of portfolio construction rather than a tactical trade.



Public Equity & Fixed Income Markets

Valuation concerns, concentration risk, and the erosion of the traditional 60/40 framework

Equity Market Dynamics

The S&P 500 entered 2026 trading at approximately 21–22x forward earnings—elevated relative to historical averages, particularly given the persistence of above-target inflation and restricted monetary policy. Concentration risk remains an acute structural concern: the ten largest S&P 500 constituents now represent approximately 37% of total index market capitalization, with much of that weight concentrated in a handful of mega-cap technology and AI-adjacent names. This concentration means that broad index performance has become a function of a narrow cohort's earnings trajectory rather than broad economic health.

Volatility has been episodic, with the market experiencing several sharp intraday swings in response to inflation data, Federal Reserve commentary, and geopolitical developments. The VIX has averaged elevated readings in 2026, reflecting persistent uncertainty.

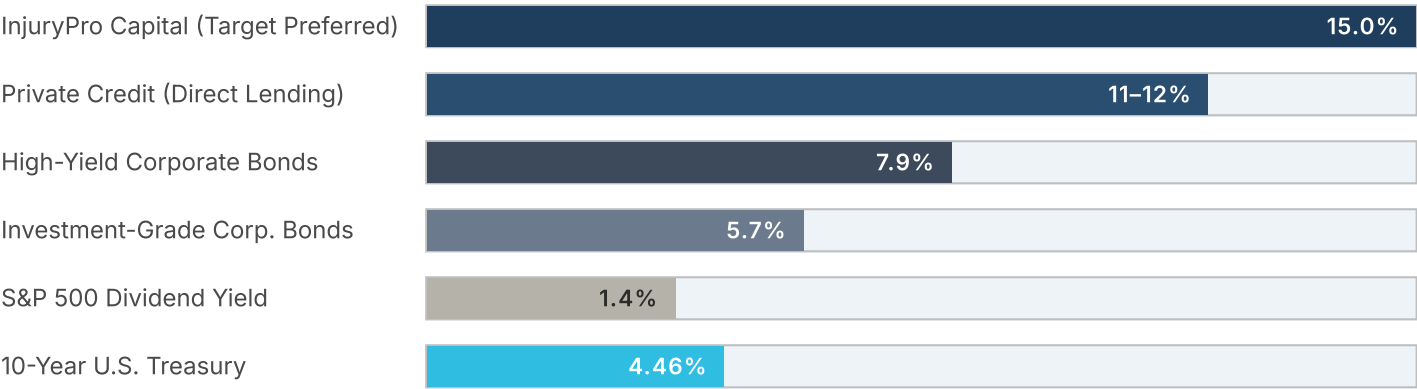
Fixed Income Challenges

The bond market has provided limited refuge. With the 10-year Treasury near 4.46% and inflation at 3.8%, real yields remain marginally positive but hardly compelling as a risk-adjusted return vehicle. Duration risk has been punishing: investors holding long-dated Treasuries or investment-grade corporate bonds purchased at 2020–2021 prices have endured significant mark-to-market losses as rates moved higher. The 60/40 portfolio—long the foundation of moderate-risk asset allocation—has delivered disappointing risk-adjusted returns as the negative stock-bond correlation that historically buffered portfolio volatility has broken down.

High-yield spreads have widened modestly but remain below historical recession averages, suggesting the market has not yet fully priced lower-quality credit risk in a sustained high-rate environment.

Cross-Asset Yield Comparison

The following comparison illustrates the current yield environment across major asset classes on a gross basis. Risk-adjusted comparisons would further favor shorter-duration, collateral-backed private credit strategies.



THE CASE FOR INCOME DIVERSIFICATION

The above comparison highlights a fundamental challenge for yield-seeking investors in 2026: public market options either carry duration risk (Treasuries and investment-grade bonds), meaningful credit risk at elevated spreads (high-yield), or negligible income (equities). Private credit and specialty finance strategies offer yield premiums that compensate investors for illiquidity, while providing the portfolio benefit of **low correlation to public market volatility**.

Private Credit & Alternative Investments

The institutional expansion of private credit and the structural dynamics driving allocator interest

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Private credit has emerged as one of the defining investment categories of the post-2022 rate cycle. Once the exclusive domain of pension funds, sovereign wealth funds, and insurance companies, the asset class has democratized rapidly as non-traded BDCs, interval funds, and semi-liquid structures have expanded access to high-net-worth and mass-affluent investors. The structural logic is compelling and well-established: banks have retrenched from direct lending due to regulatory capital requirements and balance sheet constraints, leaving a significant lending gap that non-bank platforms have systematically filled.

"We've seen a seismic shift in how companies are financed. It used to be in the domain of the banks. That has shifted in a major way toward institutions like Ares."

— KIPP DEVEER, HEAD OF CREDIT, ARES MANAGEMENT, 2026

Why Institutional Capital Is Moving

The rationale for increasing private credit allocations is multi-dimensional. First, **yield premium**: direct lending and specialty finance strategies consistently generate returns 400–600 basis points above comparable public credit instruments, compensating for illiquidity. Second, **downside protection**: private credit is predominantly senior secured, with loan-to-value ratios and covenant packages that afford lenders meaningful control and collateral coverage in stress scenarios. Third, **floating rate exposure**: the predominance of floating-rate structures means private credit portfolios have benefited from the rate-hiking cycle rather than suffering from it, unlike duration-sensitive fixed income.

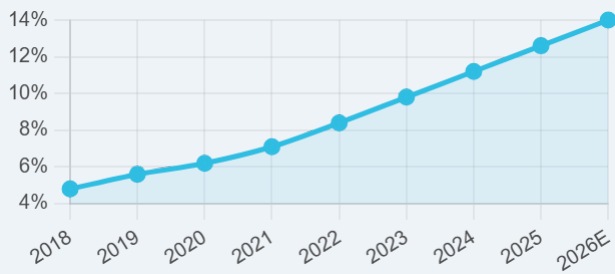
Ares Management's portfolio companies, for example, have demonstrated annualized double-digit earnings growth in U.S. holdings despite the challenging macro environment—a testament to the credit quality of direct lending portfolios and the contractual income nature of the asset class.

The Mega-Manager Landscape

The private credit industry is now anchored by a group of scaled, institutionalized platforms that have fundamentally altered the competitive dynamics of lending markets:

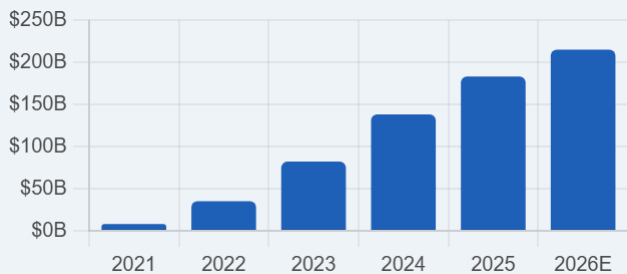
- **Apollo Global Management** — Recently surpassed \$1 trillion in AUM. The largest credit-focused alternative manager, with plans for daily private credit pricing by late 2026 as a transparency differentiator.
- **Ares Management** — One of the largest direct lending platforms globally, with portfolio company performance demonstrating resilience across credit cycles.
- **Blackstone Credit & Insurance** — Scaling aggressively across private credit, insurance, and asset-based finance. Recently partnered with Willis Lease Finance for aircraft engine leasing.
- **KKR** — Over \$1.3 trillion AUM; plans to source up to 50% of future capital from high-net-worth clients. High Conviction rating among institutional analysts.
- **Blue Owl Capital** — Leading force in direct lending and GP solutions. Recently arranged \$5 billion in consumer loan forward flow agreements with SoFi.

PRIVATE CREDIT AS % OF INSTITUTIONAL PORTFOLIO (2018–2026E)



Source: Preqin Institutional Investor Survey 2026

NON-TRADED BDC AUM GROWTH (\$B) (2021–2026E)



Source: With Intelligence, company disclosures (2026)

Specialty Finance Within Private Credit

Within the broader private credit ecosystem, **specialty finance**—encompassing asset-based lending, receivables financing, consumer credit, and sector-specific platforms—has emerged as a particularly active segment. Blue Owl has arranged forward flow agreements to purchase up to \$5 billion in personal loans from SoFi and \$2.4 billion from Pagaya. Ares established a joint venture to acquire consumer loans across education finance, home improvement, and solar lending. Sixth Street agreed to purchase up to \$4 billion in consumer loans from Affirm Holdings. These transactions reflect institutional recognition that specialty finance—particularly short-duration, cash-flow-oriented strategies—offers attractive risk-adjusted yield with structural protections not available in broadly syndicated markets.

SHORT DURATION ADVANTAGE

Specialty finance assets typically carry 6–24 month durations, limiting mark-to-market sensitivity to rate movements while enabling rapid capital recycling.

ASSET-BACKED PROTECTION

Collateralized structures provide lenders with a defined path to recovery, reducing dependence on general borrower creditworthiness and enterprise value assumptions.

LOW MARKET CORRELATION

Cash flows derived from contractual receivables and structured payment obligations exhibit limited correlation to public equity and credit market volatility.

Why InjuryPro Capital's Strategy Makes Sense

Positioning within specialty finance: medical receivables as a niche, defensive, income-oriented platform

InjuryPro Capital operates within a niche but structurally compelling segment of the specialty finance and private credit markets: the funding of medical receivables associated with personal injury and accident-related healthcare services. This strategy combines the structural advantages of asset-backed lending with the defensive characteristics of a demand category that is largely insulated from macroeconomic cycle volatility.

Healthcare-related financial demand does not pause during recessions, rate cycles, or equity market corrections. Injuries occur, treatment is rendered, and funding for that receivable is needed—creating a consistent, mission-driven deployment opportunity for disciplined capital.

— INJURYPRO CAPITAL, INVESTMENT PHILOSOPHY

The Medical Receivables Opportunity

Personal injury medical receivables represent a well-defined asset class: healthcare providers who have rendered services to patients with pending legal claims often elect to monetize those receivables at a discount rather than wait 12–36 months for case resolution. This creates a financing opportunity for platforms with the underwriting expertise to evaluate claim merit, settlement probability, and recovery timing.

Several characteristics distinguish medical receivables as an investment-grade specialty finance segment:

- **Non-correlated demand:** Injury incidence is a function of accident rates, not economic cycles. Demand for receivables funding is structurally independent of interest rate policy, equity market volatility, or credit spread movements.
- **Short duration:** Average receivable duration is typically 12–24 months, limiting duration risk and enabling rapid capital recycling and yield compounding.
- **Asset-backed structure:** The underlying receivable is the collateral. Underwriting focuses on claim documentation, liability assessment, and insurance coverage—not general borrower creditworthiness.
- **Consistent healthcare demand:** The U.S. healthcare system continues to grow in cost and complexity,

The 15% Preferred Return Framework

InjuryPro Capital's targeted 15% annual preferred return for investors reflects the risk-adjusted yield available in this niche segment of specialty finance. This target is underpinned by:

YIELD PREMIUM TO PUBLIC MARKETS

At 15% target, the strategy offers a meaningful premium to high-yield bonds (~8%), direct lending (~11–12%), and U.S. Treasuries (~4.5%), compensating for the specialized, illiquid nature of the underlying assets.

QUARTERLY DISTRIBUTION CADENCE

Quarterly income distributions provide investors with regular cash flow, enabling portfolio income planning and compounding that is not dependent on terminal capital events.

COLLATERAL-FOCUSED UNDERWRITING

Each position is underwritten on the merits of the underlying receivable, not the general creditworthiness of a corporate borrower. This collateral-first discipline supports consistent recovery profiles.

expanding the universe of billable services and the volume of receivables requiring monetization.

INCOME-ORIENTED PORTFOLIO CONSTRUCTION

The strategy is designed to generate income, not capital appreciation. This orientation aligns with the objectives of investors seeking yield diversification without undue equity market exposure.

Competitive Positioning: Why This Segment Now

The macro environment of 2026 creates an unusually favorable backdrop for disciplined specialty finance platforms. Traditional bank lending is constrained. Public market yields are insufficient to generate meaningful real income after inflation. Real estate is burdened by rate-driven repricing. And public equity valuations remain elevated relative to fundamentals.

Against this backdrop, a short-duration, asset-backed, income-oriented strategy operating in a segment with non-correlated demand characteristics represents precisely the type of differentiated allocation that institutional theory—and an increasing body of practitioner experience—supports.

INVESTMENT ATTRIBUTE	PUBLIC EQUITIES	INVESTMENT GRADE BONDS	DIRECT LENDING	INJURYPRO CAPITAL
Gross Yield / Return Target	~8–10%	~5.7%	~11–12%	~15%
Duration Risk	Medium–High	High	Low (floating)	Low
Market Correlation	High	Moderate	Low	Very Low
Income Certainty	Variable	Contractual	Contractual	Contractual
Asset-Backed Security	No	No (unsecured)	Partial	Yes
Recession Demand Sensitivity	High	High	Moderate	Low

SHORT DURATION

ASSET-BACKED

NON-CORRELATED

QUARTERLY INCOME

COLLATERAL-FOCUSED

SPECIALTY FINANCE

DEFENSIVE DEMAND

MEDICAL RECEIVABLES

RISK-ADJUSTED YIELD

Forward Outlook & Closing Remarks

The 6–12 month macro horizon and why disciplined private credit remains central to the investment case

6–12 Month Macroeconomic Outlook

BASE CASE SCENARIO

The Congressional Budget Office projects PCE inflation declining to approximately 2.7% for full-year 2026, with further gradual normalization toward 2.0% by 2030. The Federal Reserve is expected to maintain its current 3.50%–3.75% target range through at least mid-2026, with the possibility of one modest cut late in the year contingent on inflation data trajectory. GDP growth is projected at 2.3%—resilient but below trend—suggesting a "muddle through" scenario rather than either recession or accelerated expansion.

Commercial bank lending conditions are likely to remain tight. Regional bank CRE exposure will continue to surface in credit quality statistics, and the FDIC's watchlist may expand. Non-bank lenders are well-positioned to absorb incremental lending demand that traditional institutions cannot or will not accommodate.

KEY RISK SCENARIOS

UPSIDE INFLATION RISK

Further tariff escalation or energy supply disruption could re-accelerate inflation, pushing rate cut expectations further into 2027. Duration-sensitive assets would face renewed pressure.

LIQUIDITY STRESS IN REAL ESTATE

The CMBS maturity wall could trigger broader commercial real estate distress if refinancing conditions do not improve materially. Systemic risk from concentrated regional bank CRE exposure warrants monitoring.

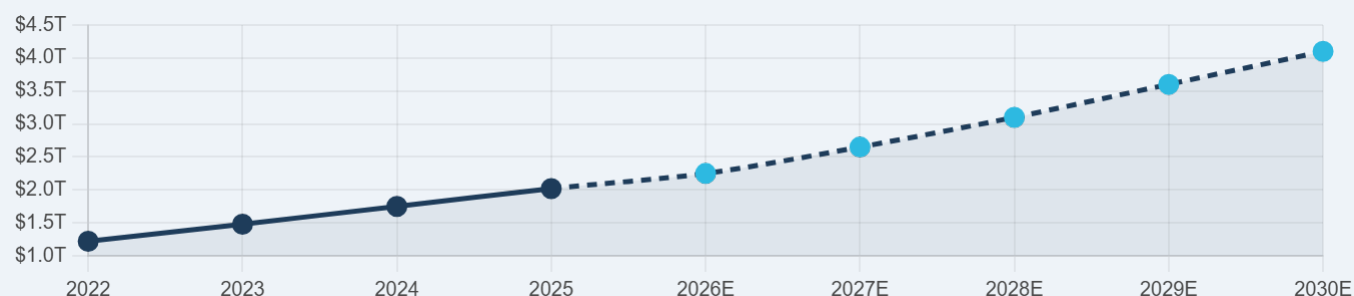
OPPORTUNITY IN CREDIT DISLOCATION

Periods of credit market stress historically create attractive entry points for well-capitalized non-bank lenders. InjuryPro Capital's capital-light, short-duration model is positioned to take advantage of yield expansion in target markets.

Institutional Capital Flows Into Private Credit

Perhaps most significant for InjuryPro Capital and its investor base is the sustained, structural movement of institutional capital into private credit and specialty finance. The trend is being driven by pension funds, endowments, insurance companies, family offices, and increasingly, registered investment advisors serving high-net-worth individuals. KKR has publicly stated plans to source up to 50% of its future capital from individual investors. Apollo's move toward daily private credit pricing signals the industry's recognition that the investable universe for private credit will expand materially as transparency and liquidity mechanisms improve. If '40 Act funds continue attracting capital at recent rates, combined AUM in these vehicles is projected to approach \$1 trillion by 2028.

PROJECTED PRIVATE CREDIT AUM GROWTH THROUGH 2030 (\$T)



Source: With Intelligence, Preqin; projections based on historical CAGR analysis

Closing Remarks

A MESSAGE TO OUR INVESTORS

The first five months of 2026 have reinforced the investment thesis underpinning InjuryPro Capital's strategy. Inflation has proven more persistent than consensus anticipated. Traditional fixed income has failed to deliver adequate real income. Public equity concentration has made broad index exposure an inadvertent bet on a handful of mega-cap outcomes. Real estate faces structural repricing. And yet the demand for medical receivables funding—our core business—has continued uninterrupted, driven by forces entirely independent of these macroeconomic currents.

We remain committed to **collateral-focused underwriting**, **disciplined portfolio construction**, and the delivery of a **risk-adjusted income yield** that serves our investors' objectives. We believe the current macro environment does not diminish our strategy—it validates it.

As institutional capital continues to migrate toward alternative income, and as the structural advantages of non-correlated, short-duration specialty finance become more widely understood, we are confident that InjuryPro Capital's platform is well-positioned to serve as a differentiated income-generation vehicle for our shareholders.

InjuryPro Capital

SPECIALTY FINANCE & PRIVATE CREDIT

For inquiries regarding this report or investment information, please contact your InjuryPro Capital relationship manager.

IMPORTANT DISCLOSURES & LEGAL NOTICES

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