

# August 2022 Portfolio Update

## Highlights

**2.13%**

**Inception to Date  
Total Return<sup>1</sup>**

**\$4.2B**

**Investments at Fair  
Value**

**99%**

**Senior Secured<sup>2</sup>**

**99%**

**Floating Rate<sup>3</sup>**

## Portfolio Update

Public credit market activity remained largely shuttered throughout the month of August with banks choosing to wait to come to the market after Labor Day with revised terms and structures for the prior larger-scale commitments that are still held on their balance sheets. Both equities and bond markets sold off following the Federal Reserve's commentary in late August regarding its continued commitment to tight monetary policy to combat inflation despite the near-term downward pressure it may place on the economy.

Amid this backdrop, we have continued to remain active and take advantage of rising rates, widening spreads and more lender-friendly structural terms with the goal of delivering attractive risk-adjusted returns for our shareholders. During the month of August, HLEND committed to nearly \$750 million of new privately originated investments in new portfolio companies.

HLEND's net asset value per share was \$24.51 as of August 31, 2022, up slightly from \$24.48 as of the prior month. The August movement in NAV was primarily driven by net investment income earned in excess of distribution. In addition, HLEND declared a distribution of \$0.1464 per share<sup>4</sup> to shareholders of record on August 31, 2022, generating a return of 0.72% for August and an inception-to-date total return of 2.13% for all share classes (without giving effect to any upfront placement fee)<sup>5</sup>.

HLEND's \$4.2 billion investment portfolio as of August 31, 2022 included investments in 175 portfolio companies operating across 34 different industries. 99% of HLEND's debt portfolio was in floating rate loans and 99% of its portfolio was in senior secured investments. Credit quality of the overall portfolio remained solid with 100% of assets on accrual status and a weighted average loan-to-value across the private investment portfolio of 42%.

## Yield and Returns

	Class I	Class D	Class F
Net Asset Value	\$24.51	\$24.51	\$24.51
August Declared Distribution <sup>4</sup>	\$0.1464	\$0.1464	\$0.1464
August Total Return <sup>1</sup>	0.72%	0.72%	0.72%
3-Month Total Return <sup>1</sup>	1.40%	1.40%	1.40%
ITD Total Return (Since 2/3/22) <sup>1</sup>	2.13%	2.13%	2.13%

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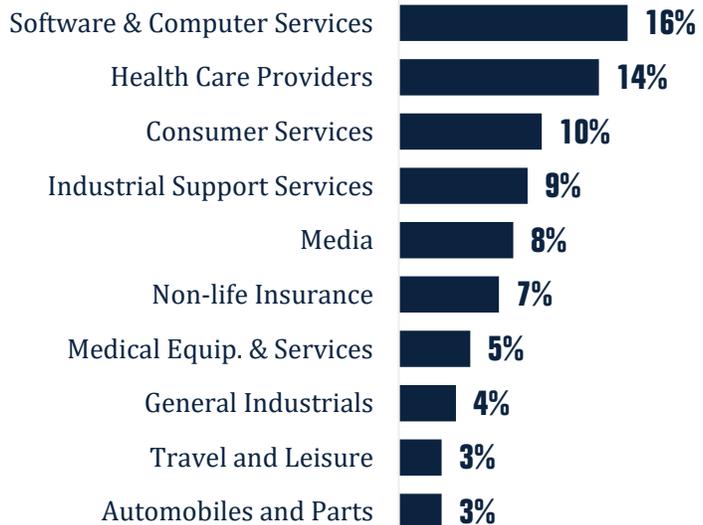
## Portfolio Overview<sup>6</sup>

### By Seniority

- First Lien  
**98.4%**
- Second Lien  
**0.4%**
- Unsecured  
**0.7%**
- Equities & Other<sup>7</sup>  
**0.6%**



### By Industry (Top 10)



**175** Portfolio Companies

**\$167M** Wtd. Avg. EBITDA<sup>8</sup>

**42%** Wtd. Avg. Loan to Value<sup>8</sup>

## Investment Highlights<sup>9</sup>



HPS Direct Lending<sup>10</sup> served as joint lead arranger in providing \$3.4 billion of first lien senior secured facilities to finance the acquisition of Information Resources Inc. (“IRI”) by the NPD Group (“NPD”), a portfolio company of Hellman & Friedman. IRI is a leading provider of sales and marketing data, analytic solutions and consulting and technology applications to manufacturers and retailers in the consumer packaged goods (“CPG”) and consumer markets, mainly in the U.S. and Europe. NPD is a leading provider of consumer purchase data to North American non-CPG manufacturers and retailers. HPS had been a long-time investor in IRI’s capital structure under prior ownership, and was well positioned to play a meaningful role in the acquisition financing due to both familiarity with the credit and industry, as well as longstanding relationship with Hellman & Friedman.



HPS Direct Lending<sup>10</sup> served as the sole lead arranger and administrative agent in providing \$200 million of first lien senior secured facilities to finance the acquisition of Parker Food Group by Investindustrial. Parker Food Group develops and manufactures custom specialty ingredients including toppings, inclusions, grinds, flavor bases, cookie components, and other related products. HPS’s ability to be a sole debt provider to support Investindustrial’s bid for the Company led to securing the financing mandate.

**PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.** Data as of August 31, 2022. This information is not complete without the attached Important Disclosures page.

# Important Disclosures

There are currently no Class S shares issued. All statistics are as of August 31, 2022 unless otherwise noted.

<sup>1</sup> Total return is calculated as the change in monthly NAV per share during the period plus distributions per share (assuming any distributions, net of shareholder servicing fees, are reinvested in accordance with the Fund's distribution reinvestment plan) divided by the beginning NAV per share, which is calculated after the deduction of ongoing expenses that are borne by investors, such as management fees, incentive fees, servicing fees, interest expense, offering costs, professional fees, director fees and other general and administrative expenses. Inception to date figures for Class F, Class D, and Class I shares use the initial offering price of \$25.00 per share as the beginning NAV. Returns are prior to the impact of any potential upfront placement fees. An investment in the Fund is subject to a maximum upfront placement fee of 3.5% for Class S and 2.0% for Class D, Class F, and Class I, which would reduce the amount of capital available for investment, if applicable. Inception date of Class D, Class F, and Class I is February 3, 2022. Class S has not commenced operations as of August 31, 2022. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS, and there can be no assurance that HLEND will achieve its objectives or avoid substantial losses. The information presented is for a very limited amount of time and is not representative of the long-term performance of the Fund.

<sup>2</sup> Percentage based on the aggregate fair value of the investment portfolio.

<sup>3</sup> Percentage based on aggregate fair value of debt investments.

<sup>4</sup> On August 31, 2022, HLEND's Board of Trustees ("Board") declared a regular monthly dividend of \$0.1464 per share for shareholders of record on August 31, 2022, which shall be payable on or around September 30, 2022. Amounts displayed may be rounded. The payment of future distributions is subject to the discretion of HLEND's Board, and there can be no assurance as to the amount or timing of any such future distributions. Distributions are not guaranteed. Distributions may be funded through sources other than the Fund's cash flow. See HLEND's prospectus for more information and HLEND's website for notices regarding distributions subject to Section 19(a).

<sup>5</sup> An investment in the Fund is subject to a maximum upfront sales load of 3.5% for Class S and 2.0% for Class D, Class F, and Class I, which would reduce the amount of capital available for investment, if applicable.

<sup>6</sup> All statistics based on the aggregate fair value of the investment portfolio unless otherwise noted.

<sup>7</sup> Other includes structured finance investments.

<sup>8</sup> Calculated with respect to all private investments, including investments for which fair value is determined by HLEND's board of Trustees in conjunction with a third-party valuation firm and, in the case of weighted average EBITDA only, excludes investments where net debt to EBITDA may not be the appropriate measure of credit risk. Figures are derived from the most recent financial statements from portfolio companies. Loan to value is calculated as net debt through investment layer divided by enterprise value or value of underlying collateral of the portfolio company.

<sup>9</sup> Investments Highlights presented herein feature one or more of the top quartile investment commitment sizes made by HLEND in the last six months where HPS Direct Lending held a titled role.

<sup>10</sup> HPS Direct Lending includes all funds and accounts following HPS's Core Senior Lending and Specialty Direct Lending strategies, as well as the HPS Corporate Lending Fund.

## Important Disclosures

The contents of this communication: (i) do not constitute an offer of securities or a solicitation of an offer to buy securities, (ii) offers can be made only by the respective offering documents which are available upon request, (iii) do not and cannot replace the offering documents and is qualified in its entirety by the offering documents, and (iv) may not be relied upon in making an investment decision related to any investment offering by the issuer of the securities, or any affiliate, or partner thereof ("Issuer"). All potential investors must read the offering documents and no person may invest without acknowledging receipt and complete review of the offering documents. With respect to any "targeted" goals outlined herein, these do not constitute a promise of performance, nor is there any assurance that the investment objectives of any program will be attained. All investments carry the risk of loss of some or all of the principal invested. These "targeted" factors are based upon reasonable assumptions more fully outlined in the offering documents for the respective investment opportunity. Consult the offering documents for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to any investment. Past performance is no guarantee of future results. All information is subject to change. You should always consult a tax and/or finance professional prior to investing. Issuer does not warrant the accuracy or completeness of the information contained herein. Thank you for your cooperation.

*Securities offered through Emerson Equity LLC Member: FINRA/SIPC. Only available in states where Emerson Equity LLC is registered. Emerson Equity LLC is not affiliated with any other entities identified in this communication.*

# Important Disclosures

## Summary of Risk Factors

HPS Corporate Lending Fund (“HLEND”) is a non-exchange traded business development company (“BDC”) that invests in at least 80% of its total assets (net assets plus borrowings for investment purposes) in private credit investments (bonds and other credit instruments that are issued in private offerings or issued by private companies). This investment involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. You should read the prospectus carefully for a description of the risks associated with an investment in HLEND. These risks include, but are not limited to, the following:

- We have limited operating history and there is no assurance that we will achieve our investment objectives.
- This is a “blind pool” offering and thus you will not have the opportunity to evaluate our investments before we make them.
- You should not expect to be able to sell your shares regardless of how we perform.
- You should consider that you may not have access to the money you invest for an extended period of time.
- We do not intend to list our shares on any securities exchange, and we do not expect a secondary market in our shares to develop prior to any listing.
- Because you may be unable to sell your shares, you will be unable to reduce your exposure in any market downturn.
- We intend to implement a share repurchase program, but only a limited number of shares will be eligible for repurchase and repurchases will be subject to available liquidity and other significant restrictions.
- An investment in our Common Shares is not suitable for you if you need access to the money you invest. See “Suitability Standards” and “Share Repurchase Program” in the prospectus.
- We cannot guarantee that we will make distributions, and if we do, we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources. A return of capital (1) is a return of the original amount invested, (2) does not constitute earnings or profits and (3) will have the effect of reducing the basis such that when a shareholder sells its shares the sale may be subject to taxes even if the shares are sold for less than the original purchase price.
- Distributions may also be funded in significant part, directly or indirectly, from temporary fee waivers or expense reimbursements borne by HPS or its affiliates, that may be subject to reimbursement to HPS or its affiliates. The repayment of any amounts owed to our affiliates will reduce future distributions to which you would otherwise be entitled.
- We expect to use leverage, which will magnify the potential for loss on amounts invested in us.
- We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act and we cannot be certain if the reduced disclosure requirement applicable to emerging growth companies will make our Common Shares less attractive to investors.
- We intend to invest primarily in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as “junk,” have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. They may also be illiquid and difficult to value.
- We do not own the HPS name, but we are permitted to use it as part of our corporate name pursuant to the investment advisory agreement between HLEND and HPS Investment Partners, LLC (together with its affiliates, “HPS”). Use of the name by other parties or the termination of the use of the HPS name under the investment advisory agreement may harm our business