

Blackstone Mortgage Trust Fourth Quarter and Full Year 2025 Investor Call February 11, 2026 at 9:00am ET

Tim Hayes: Good morning, and welcome, everyone, to Blackstone Mortgage Trust's Fourth Quarter and Full-Year 2025 Earnings Conference Call.

I'm joined today by Tim Johnson, Chief Executive Officer; Tony Marone, Blackstone's Global Head of Real Estate Finance; Austin Peña, President; and Marcin Urbaszek, Incoming Chief Financial Officer. This morning, we filed our 10-K and issued a press release with a presentation of our results, which are available on our website and have been filed with the SEC. I'd like to remind everyone that today's call may include forward-looking statements, which are subject to risks, uncertainties, and other factors outside of the company's control. Actual results may differ materially.

For a discussion of some of the risks that could affect results, please see the Risk Factors section of our most recent 10-K. We do not undertake any duty to update forward-looking statements. We will also refer to certain non-GAAP measures on this call, and for reconciliations, you should refer to the press release and 10-K. This audiocast is copyrighted material of Blackstone Mortgage Trust and may not be duplicated without our consent. For the fourth quarter, we reported GAAP net income of \$0.24 per share while distributable earnings were negative \$2.07 per share, and distributable earnings prior to charge-offs were \$0.51 per share. A few weeks ago, we paid a dividend of \$0.47 per share with respect to the fourth quarter.

With that, I will now turn the call over to Tim.

Tim Johnson: Thank you, Tim. BXMT reported strong fourth quarter results, further building upon the positive momentum in earnings power and credit performance achieved throughout 2025. We reported \$0.51 per share of distributable earnings prior to charge-offs in the fourth quarter, an increase of over 20% from Q1 and covering our dividend for the second consecutive quarter.

Our loan portfolio is now 99% performing, reflecting strong progress on loan resolutions in the quarter, and we've actively rotated our portfolio, concentrating new investment in our highest conviction themes. We closed approximately \$7 billion of investments in 2025, nearly 85% of which were in multifamily and industrial loans, our growing net lease strategy, and two bank loan portfolios we acquired at discounts. We've strategically broadened BXMT's scope to target these complementary investment channels, supporting capital deployment over the past year and reinforcing earnings power with greater diversification and duration.

Turning to markets. The real estate credit market today is highly liquid and underpinned by solid real estate fundamentals, with new construction still sharply lower from pre-cycle levels and values steadily increasing. CMBS issuance accelerated in 2025 to its highest level since the GFC, up 40% year-over-year and demonstrating a significant increase in debt capital availability as performance in the sector has improved. As a result, we've seen the deal dam start to break with more enthusiasm from investors to transact. We see this in our loan origination business, where new loan requests in January were up 50% from the prior year. Within this backdrop, the breadth and expertise of our global real estate debt platform with over 170 professionals is a differentiator, providing BXMT access to a proprietary pipeline of diverse investments across the US, Europe, and Australia. In 2025, our global platform closed over \$20 billion of private loan originations and acquisitions and traded more than \$15 billion of real estate securities. The robust data and insights gained from our private and publicly traded market activity guides our investment decisions and positions us well to source attractive opportunities across various markets. With such a wide funnel and a well-invested portfolio, we can pick and choose our spots and lean in where we see compelling relative value.

Our activity also informs our balance sheet and capital market strategy, where BXMT has capitalized, executing over \$5 billion of corporate and securitized debt transactions in the past 12 months, including \$2.8 billion of corporate term loan repricings and extensions, which reduced our weighted-average borrowing spread by nearly 90 basis points over the year-over-year. These transactions extended the duration of our liabilities, drove funding costs lower, and further diversified and strengthened our capital structure.

Market tailwinds are also supporting performance within our portfolio with no new impaired loans or watchlist additions in the fourth quarter. And we expect to see opportunities to selectively exit our owned real estate properties, further supporting earnings as we more efficiently redeploy capital into our core investments. We will remain patient and disciplined with our approach and focus on maximizing long-term shareholder value. While we delivered an attractive 21% total return for shareholders in 2025, we see a strong case for additional upside in the stock. BXMT shares still trade below book value. Our current dividend yield of 9.5% implies a 540 basis point spread to the 10-year treasury. That's approximately 40% above our tightest level, which was achieved when rates were much lower. In contrast, spreads in liquid real estate credit and the broader credit markets have tightened, with BBB CMBS spreads and high-yield bond spreads within 10% to 20% of their all-time highs. This valuation gap is wide and emphasizes the highly compelling relative value proposition of BXMT's stock today. We believe the credit trends in our portfolio and earnings power of the business should warrant further retracement to historical levels, a view we've expressed with another \$60 million of share repurchases this quarter and approximately \$140 million since establishing our program in July of 2024. Before turning it over to Austin to discuss our fourth-quarter investments and portfolio in more detail, I want to thank Tony Marone, who will be stepping down as CFO of BXMT to focus on other responsibilities within Blackstone. Tony has been instrumental in BXMT's growth since inception, joining us through the Capital Trust acquisition in 2012. I'm grateful for his service to the company and our shareholders and wish him all the best. I'd also like to congratulate Marcin Urbaszek, who will be stepping into the role of CFO, completing the transition started when he joined the company in 2024.

With that, Austin, over to you.

Austin Peña: Thanks, Tim. Starting with our investment activity. We closed \$1.5 billion of investments in the fourth quarter, including \$1.4 billion of new loan originations and approximately \$100 million of net lease acquisitions at share. Consistent with our approach in recent quarters, our 4Q loan originations were 100% secured by multifamily and industrial assets, about 80% of which were diversified portfolios. This included a \$419 million loan on a 94% leased 11 asset portfolio of high-quality industrial properties located across the US and owned by a top-tier sponsor. By leveraging the scale and sector expertise of our platform, our team was able to quickly underwrite this loan and provide certainty of execution capturing an investment, which we believe provides attractive relative value.

We like lending on portfolios like this. They diversify BXMT's credit exposure across multiple markets and tenants, limiting the impact of idiosyncratic risks via cross-collateralization. In addition to our new origination activity, we continue to be successful in harvesting opportunities from within our existing portfolio, proactively working with sponsors to retain high-quality investments that were likely candidates to refinance. Given our position as the existing lender, we are able to modify terms and extend duration while maintaining attractive economics relative to new deals in the market today. Our investment portfolio stands at \$20 billion, up from \$19.5 billion last quarter and includes our \$18 billion loan portfolio, \$1.3 billion of owned real estate, and over \$900 million of investments at share held in our bank loan portfolio and net lease joint ventures.

Today, the net lease assets and acquired bank loans now represent 5% of our portfolio, up from zero at

the beginning of 2025. These strategies, which generate fixed or contractually increasing cash flow streams over time, naturally complement our floating-rate lending strategy and provide strong relative value in today's investment environment.

Our loan portfolio ended the year at 99% performing. We resolved \$575 million of impaired loans during the quarter, reducing our impaired loan balance to just under \$90 million, most of which relates to a loan secured by a San Francisco hotel, which we expect to take ownership of in the first quarter. We upgraded six loans in Q4, including one impaired office loan and one watchlist office loan, both demonstrating leasing progress and cash flow growth.

As Tim mentioned, we did not impair or downgrade any new loans to the watchlist this quarter, and one of our watchlist loans repaid in full. We continue to apply a rigorous approach to managing our remaining watchlist loans, of which nearly half have been restructured or modified with significant recent equity commitments, with several others in various stages of negotiation.

Our loan portfolio is now 50% multifamily and industrial, while office exposure continues to decline, down approximately 50% since year-end 2021. And so far in Q1, we've collected over \$300 million of additional office repayments, further reducing our exposure and driving turnover in the portfolio. Nearly half of our loans are located in international markets, with almost 40% in Europe, where over the past year, we originated approximately \$2 billion of loans backed by industrial portfolios. These investments have a weighted-average LTV of 68%, strong in-place cash flows, and provide compelling relative value, with loan spreads nearly 100 basis points wide of comparable quality US transactions. And similar to the US, European industrial markets are benefiting from limited new supply and e-commerce tailwinds driving demand, resulting in positive net absorption and just mid-single-digit vacancy rates in our core markets.

We continue to leverage the extensive resources of the Blackstone real estate platform to manage our owned real estate and execute business plans to best position them for an eventual exit. Importantly, we carry these assets at a 50% discount to values at the time of loan origination, and half are located in New York and the San Francisco Bay Area, markets where we see broadly improving fundamentals and investor demand.

We currently have one multifamily property in Texas under contract to sell, with several other assets well-positioned for potential sale this year. Meanwhile, our net lease portfolio continues to scale, ending the year at over \$300 million at share with another \$200 million in closing.

Our strategy remains focused on essential use retail with attractive credit characteristics. The portfolio our team has constructed to date generates over 3 times rent coverage with 2% built-in annual rent escalators and lease terms extending over 15 years on average. And importantly, we continue to acquire these assets at discounts to replacement cost.

In 2025, we acquired two portfolios of granular, low-leverage performing loans from regional banks at discounts to par. Today, these portfolios represent approximately \$600 million of principal balance at BXMT's share. And our thesis is playing out as expected, with strong credit performance and improving real estate fundamentals and capital markets driving \$80 million of repayment since acquisition, enhancing returns for BXMT as loans purchased at discounts repay at par. We expect a ripe environment for bank consolidation to bring additional opportunities like this to market.

Our platform is an established leader in this space, having acquired \$23 billion of loan portfolios from banks since December 2023, positioning us well for future transactions as a reliable and trusted counterparty. Overall, we are pleased with the strong investment in asset management results our company achieved in 2025, and our team is excited about the opportunities we see ahead in the

coming year.

And with that, I will pass it over to Tony to unpack our financial results.

Tony Marone: Thank you, Austin, and good morning, everyone. Starting with our fourth quarter results, BXMT reported GAAP net income of \$0.24 per share and distributable earnings or DE of negative \$2.07 per share. DE included \$434 million of reserve charge-offs, largely related to the resolution of five impaired loans as well as the write-off of three subordinate loans, which collectively drove performance of our loan portfolio to its highest level in three years.

These subordinate loans were previously impaired, effectively carried at zero, and as part of our regular quarterly assessment, were deemed unrecoverable in the fourth quarter. Excluding these items, DE prior to charge-offs was \$0.51 per share, up \$0.03 from the prior quarter and \$0.09 from the first quarter of the year. And for the second consecutive quarter, DE prior to charge-offs covered our quarterly dividend of \$0.47 per share, as we continue to drive earnings power through loan resolutions, capital deployment, and accretive corporate debt for financings and stock buybacks. Notably, DE benefited from \$18 million of NOI from owned real estate in Q4, up from \$6 million in the prior quarter, as we recognized a full-quarter impact from properties taken onto the balance sheet in Q3. Our hotels represent one-third of our owned real-estate portfolio, which ended the quarter at \$1.3 billion across 12 properties.

We anticipate cash flows from owned real estate to decline in 1Q, which typically experiences seasonal softening relative to other calendar quarters. However, we expect the portfolio to consistently generate positive DE and provide further balance to earnings and dividend coverage over time as we eventually exit these assets and repatriate capital into new investments at target returns.

We also recognized \$21 million of depreciation and amortization, or D&A, related to our owned real estate in the fourth quarter, which is included in GAAP earnings but excluded from DE. Accumulated D&A is also reflected in our book value, which ended the year at \$20.75 per share. In total, book value includes \$0.47 per share of accumulated D&A and \$1.76 per share of total CECL reserves, of which \$1.24 is attributable to the general reserve and \$0.52 to asset-specific reserves. Our total CECL reserve declined nearly 60% quarter-over-quarter as a result of the reserve charge-offs I mentioned earlier. And importantly, these charge-offs had a de minimis impact on book value, executed largely in line with carrying values.

Looking back over the course of 2025, book value benefited from a net \$33 million CECL recovery from resolutions executed above carrying values. This, alongside stock buybacks, added \$0.30 per share to book value this year. Earnings from our unconsolidated joint ventures also continued to grow, generating \$7 million of DE in 4Q versus \$3 million in the prior quarter. This was driven by income and repayments in our bank loan portfolios, which accelerated their unamortized purchase discount, and the continued growth in our net lease portfolio that Austin mentioned earlier. As a reminder, our balance sheet reflects our \$217 million net equity investment in the net lease and bank loan portfolio joint ventures. But as also noted, on a gross basis, our share of the investments in these strategies totaled \$940 million and are a growing component of our increasingly diverse investment portfolio. Turning to BXMT's capitalization, our balance sheet remains in excellent shape. We ended the year with \$1 billion of liquidity, debt-to-equity within our target range, and weighted-average corporate debt maturities of 4.3 years with no maturities until 2027.

As Tim mentioned, we've been active in securitized debt markets, positioning our balance sheet for further resilience. We priced a \$1 billion CLO in January, our sixth CLO transaction, and completed our inaugural European CMBS issuance in December, which adds yet another tool to our toolkit and demonstrates the constant innovation of our financing strategies by our capital markets team.

We ended the year with 15 bank counterparties providing \$19 billion of total borrowing capacity. We added one new counterparty in 2025 and another just recently in February. And given our strong track record as a borrower and the deep relationships with these lenders across Blackstone, we have successfully added or converted nearly \$6 billion of credit facilities to a non-mark-to-market construct, driving total non-mark-to-market borrowings from 67% at the beginning of the year to nearly 85% today.

As my tenure as CFO comes to an end, I can confidently say that all aspects of BXMT's business are in great shape, and the company is on strong footing to capitalize on opportunities as real estate and capital markets continue to recover. I am thrilled for Marcin to take the CFO role at an exciting time for the company and look forward to watching him and the rest of the team continue delivering strong results for BXMT shareholders.

I will now ask the operator to open the call to questions.

Operator: Thank you. We will take our first question from Doug Harter with UBS.

Doug Harter: Thanks. Obviously, you've been kind of showing your support for the stock through share repurchase. And I'm sure you saw what the actions of one of your competitors earlier this month. Just thoughts on other ways you might look to kind of validate or support the value of the loans in the portfolio?

Tim Johnson: Thanks, Doug. This is Tim. I think that we certainly take a look at all opportunities to maximize shareholder value in the market. And I think we feel really good about the direction of the stock to date given the performance in 2025 and where we stand, we still have a discount to book value to make up, but a relatively modest one. So we'll continue to look at all options during the quarter, as you mentioned, a really good tool in the toolkit was definitely in stock buybacks, and we analyze everything that we have in terms of optionality in the markets, but we feel really good about where we stand today.

Doug Harter: Great. I appreciate that. Thank you.

Operator: Thank you. We'll take our next question from Jade Rahmani with KBW.

Jade Rahmani: Thank you very much. Could you provide your views on the REO portfolio? Do you see upside in key assets? And can you also discuss the New York office REO that took place in December 2025 based on the disclosure? It looks like an attractive basis, so I wanted to get your thoughts there.

Austin Peña: Yeah, Jade, hey, it's Austin. I would say with respect to REO, I think the way we look at that, as we've discussed before, it's really a go forward return analysis in terms of our decision-making there. And these are really investment decisions that we think are really well-informed due to the unique data and information that we have access to.

I think specifically, we are seeing some improved fundamentals and investor demand in places like New York. With respect to that asset, as you mentioned, it is an asset in New York that we hold at a very low basis, significant discount to the value when the loan was originated. And we are seeing improvement in markets like that. And so as we think about sort of the potential to exit these assets over time, as I mentioned in my earlier remarks, we do think several assets are well-positioned to look to exit over the course of the year. We'll be very thoughtful and strategic about that. We are selling one asset in Texas. We're also seeing positive trends in San Francisco. And so as we go through the rest of the year, I think we'll start to look at those sale opportunities as the market opportunities sort of present themselves.

Jade Rahmani: Thank you. And just a follow-up on the New York REO, could you give any color as to origination vintage, current percent occupancy rate, and also dollar amount of capex you anticipate spending on the asset?

Austin Peña: Yes. This was a loan that we originated before COVID. As I mentioned, we hold it at a very significant discount to the prior value at origination. The asset is pretty well-leased today, there has been strong leasing demand, and to the extent further leasing were to appear, were to materialize, I think we'd look at that and analyze whether that would be accretive for us to invest the capital to capture those leasing opportunities. That's really how we look at all investment in our REO assets. I'd say to the extent you look at our prior disclosures, this loan was impaired and we had a significant reserve against it. And so when we think about the go-forward opportunity in terms of exiting the asset, we see the opportunity to capture additional upside potentially on that asset and others over time.

Jade Rahmani: Thank you very much.

Operator: We'll take our next question from Chris Muller with Citizens Capital Markets.

Chris Muller: Hey, guys, thanks for taking the questions, and congrats on a really solid progress on loan markouts in the quarter. I see in the 10-K that you guys made a \$75 million investment in the Blackstone BREDS Fund. Can you just talk about the type of investments that will go into that fund? And if there's any overlap on what you guys are already doing?

Austin Peña: Yeah, this is Austin. I can take that. As you mentioned, we did make an investment in a new Blackstone-managed real estate credit fund. That fund will be focused on high-quality core plus real estate in the US and Canada. We really think it's a great example of BXMT's ability to sort of deliver unique and compelling investments for our investors due to our scale of our platform and our affiliation with the Blackstone real estate credit business. I should note that BXMT pays no fees for this fund commitment. The investments will be sourced and underwritten and managed by our team. Ultimately, we do think that having -- adding some exposure to this profile investment to BXMT is a good risk-adjusted return. And so adding investments in a diversified way with this type of profile we think is quite attractive for BXMT.

Chris Muller: Got it. And that's a good segue into my follow-up. So I guess you guys have made some small relative to your size investments over the last year or so, the agency multifamily lending JV, the net lease, the BREDS investment and the bank loan JV. So I guess my question would be is what do you guys expect BXMT to look like over the coming years? And I guess, how does the bridge business fit into that? Is it going to stay the primary focus? Or will those other businesses kind of grow over time?

Austin Peña: Yeah, I think -- as you noted, I think you have seen an intentional effort for us to diversify the portfolio. I don't think we're going to be -- we're going to always be a large lender in a sort of our core lending strategy that isn't going away. But when you look at the profile of the investments that we've been making, adding net lease, adding the granular bank loan portfolios, these other ways to sort of further diversify the earnings composition and profile of the investments that we have within the company, that is definitely intentional. And so over time, we would expect to continue to sort of pursue that strategy. In any way -- if there is any way for us to really just diversify our credit exposures and risks and generate the risk-adjusted returns that we believe are compelling for the company, we're going to continue to pursue that.

Chris Muller: Got it. Makes a lot of sense. Appreciate you guys taking the questions today.

Operator: We'll take our next question from Gabe Poggi with Raymond James

Gabe Poggi: Hey, good morning. Thanks for taking the questions. You guys provided some detail on the new origination front as it pertains to industrial. Can you put any color around what you guys are doing in multifamily? And then a second question, I'll just give it to you now, is how are you thinking about total leverage? You're almost 3.9 times right now. How do you think about that going forward? Thanks.

Austin Peña: Yeah. Hey, it's Austin. Thanks, Gabe. I'll take the first part of that question, then I'll pass it over to Marcin for the second point. I think -- in terms of multifamily, we really like the opportunity we see in multifamily today. You know, with respect to the performance that we've seen in our portfolio, our multifamily is 100% performing. And when we think about the opportunity set in that space, we really just like the setup for multifamily and rental housing in general. It's structurally undersupplied. New construction starts are down 60% from peak, and it's a really highly liquid and granular asset class. And so that's why you see us lending in that space. I think that -- again, when you look at the performance in our portfolio, I think that's been demonstrated. And so that's the profile, I'd say, and the reason we're active in that area. Maybe, Marcin, if you want to handle the second part of it.

Marcin Urbaszek: Sure, happy to. Look, I think our leverage -- we think of it -- excuse me, in terms of where it is within our targets, as Tony mentioned, it is within our target where we are. It's a function also of what type of leverage we have. As Tony mentioned, a lot of our financing is non-mark-to-market. We have been active in addressing different maturities within our corporate debt profile as well as reducing costs, on both the asset financing and corporate financing.

So it's a function of investment opportunities, where the balance sheet is, what's available to us from a financing perspective in the market. So we're very thoughtful about it. But again, it's within our targets, and we will maintain where it is.

Operator: Thank you. We'll take our next question from Rick Shane with J.P. Morgan.

Rick Shane: Thank you, guys, for taking my questions. And Tony, thank you for all your help over the years, and Marcin, congratulations on the new gig. Most of my questions have been asked and answered at this point, but as we sort of look forward to 2026, it feels like the expectation is given where you are on leverage, and unless there is additional equity capital available at some point, portfolio will be roughly flat in size, maybe modest growth. I'm curious sort of the timeline as you resolve loans and redeploy capital potentially from REO resolutions. What do you think the path back to normalized ROE might look like?

Austin Peña: Yeah, Rick. Hey, it's Austin. I can take that. You know, as Marcin mentioned, the portfolio is -- we think we're pretty well-invested. And I do think that, you know, there is -- we have capacity, we have liquidity of \$1 billion today. But we think that's actually a good position to be in. We have a very broad pipeline. There's a lot of opportunities, but given the position we're in, we can be pretty selective across that pipeline.

In terms of the REO timeline and sort of exiting those assets, as I mentioned earlier, I think some of those assets are pretty well-positioned for us to look at exiting over the course of this year. Some others may take longer. But we do think that those loans or those assets are earning -- generating a below-target ROE. And so as we exit those positions and redeploy that capital at our target returns, that should be supportive of earnings over time.

Rick Shane: Got it. Okay. That's helpful. And then just one other question. As you continue to -- or as you've substantially exited your non-accruing assets and assets with specific reserves, and starting to

deploy a little bit more capital, what should we think about as an initial general reserve on new loans, sort of ballpark range, so we can start to sort of dial in what our overall reserves will look like?

Austin Peña: Yeah. I think if you just look at the general reserve today, I think that's a pretty good proxy for where we see the reserve for the vast majority of the portfolio as being appropriate. And so as we grow the portfolio or shrink the portfolio, I think that's a pretty good place to look.

Rick Shane: Great. Thank you, guys, so much.

Operator: We'll take our next question from John Nickodemus with BTIG.

John Nickodemus: Thank you and good morning. Obviously, we were encouraged to see the significant headway made on your impaired loan balance during the quarter. Was that more a matter of strategy and timing on your team's end, or for the specific assets? Or was there a notable shift in the broader market as a whole that made these resolutions more achievable? Thanks.

Tim Johnson: Thanks, John. This is Tim. I'd say it's reflective of a couple of things. One, just the strength of our asset management team and their ability to work through challenges pretty swiftly. We have a large-scale team. It's one of the benefits of our platform. So that's certainly part of it. I think market liquidity does help as well, just there is more transparency in the market in terms of valuations today that makes decision-making a little quicker for both owners and lenders to figure out which direction to go in. And I think that that's -- that just is reflective of a stabilized real estate market where we sit today, with valuations steadily stable and increasing. That's just a better backdrop for quicker resolutions in general.

John Nickodemus: Great. Thanks, Tim. Really helpful. And then the other one for me. Your loan portfolio mix now sits at half collateralized by multifamily or industrial properties. Obviously, these are high-conviction sectors for BXMT, but what are you thinking for the target allocation for your portfolio between those two asset classes going forward? Thanks.

Austin Peña: Thanks, John. This is Austin. I would say, first and foremost, our top priority in terms of capital allocation is really finding the right investments with the best risk-adjusted returns. That allocation will obviously depend on where we see those opportunities over time. And as we said earlier, we're very focused on diversifying our portfolio across sectors and geographies. You see that in the sector selection, you see it in the geographic concentration of the Company, and you've seen us further diversify into things like the net lease and the bank loan portfolios that we've acquired. You've also seen us allocate capital towards buying back stock. As Tim mentioned, \$140 million since inception of that program where we thought that offered a compelling risk-adjusted return. And so ultimately, what really matters to us is performance. So, really just trying to set up our Company to deliver for investors over the long-term.

John Nickodemus: Thanks, Austin. Appreciate the time.

Operator: Thank you. We'll take our final question from Harsh Hemnani with Green Street.

Harsh Hemnani: Thank you. So you mentioned the transaction market in the US is becoming more transparent, more liquid. Does that sort of start to pivot some of the deal volume that's been more levered towards Europe over the last year? Does that start to shift a little bit more to the US? And then maybe how do you weigh the pros and cons between a more liquid transaction market, more visibility into values, but also somewhat lower spreads that are available today versus a year ago?

Tim Johnson: Yeah, it's a great question. I think you're right, you are seeing more liquidity in the US. You certainly have seen that in 2025 in our CMBS market, and early in 2026 with much more liquidity. I

think that's overall a positive for the business. It just means there's more velocity to the portfolio, and you see that in the loan repayment activity, and you see that in loan repayments of loans that have been pre-rate hike cycle and pre-COVID repaying. So I think that generally is helpful.

We're in, I'd say, a liquid but more normalized market today, which is a good operating environment for us. And as we said at the beginning, having the scale of our platform, the different styles of investment capabilities we have, the global reach, we can really look across the full set of opportunities and pick and choose what we want to do. Austin referenced it before; we're pretty well-invested today. So we have the luxury of looking for the best relative value out there in the market. So even though spreads have tightened, back leverage has tightened as well, so that's offset a bunch of that spread tightening. But the opportunity set today still feels compelling, and deal activity is increasing. So that's a pretty good setup for us overall.

Harsh Hemnani: Got it. And then maybe on -- you mentioned back leverage has tightened as well, and it feels like the CLO market has opened up. Of course, you guys issued a CLO in January. How are you sort of weighing the cost-of-capital between CLOs and bank facilities today, and how should we expect that financing mix to shift over the course of the year?

Austin Peña: Yeah. Harsh, hey, it's Austin. I can take that. I think what you saw us really do over the course of 2025 was really a broad approach across all the different capital markets that we're active in and a very proactive one. As we mentioned earlier, we accessed about \$5 billion of transactions across term-loan CLO markets. And as we think about the CLO market versus where we can finance our assets on facilities, it's obviously price is important, structure is also important, and really our goal is to build a well-structured, well-diversified balance sheet and really have a healthy mix across all those markets, so that we can be nimble when the market opportunities presents ourselves.

As we mentioned earlier, we reduced our corporate term-loan borrowing spread by about 90 basis points over the course of the year. That's very significant. And as we -- and we've been adding more credit facility counterparties, you know, 15 different counterparties today, which really allows us to drive down the cost of that capital. And so when we think about having all these different options available to us, we think that ultimately benefits the Company. And so I think you'll continue to see really a mix of activity across all those different channels.

Harsh Hemnani: Got it. Thank you.

Operator: That will conclude our question-and-answer session. At this time, I'd like to turn the call back over to Tim Hayes for any additional or closing remarks.

Tim Hayes: Thanks, Katie, and to everyone joining today's call. Please reach out with any questions.