

ONLINE APPENDIX

**Evolution of Debt Financing toward  
Less-Regulated Financial Intermediaries in the United States\***

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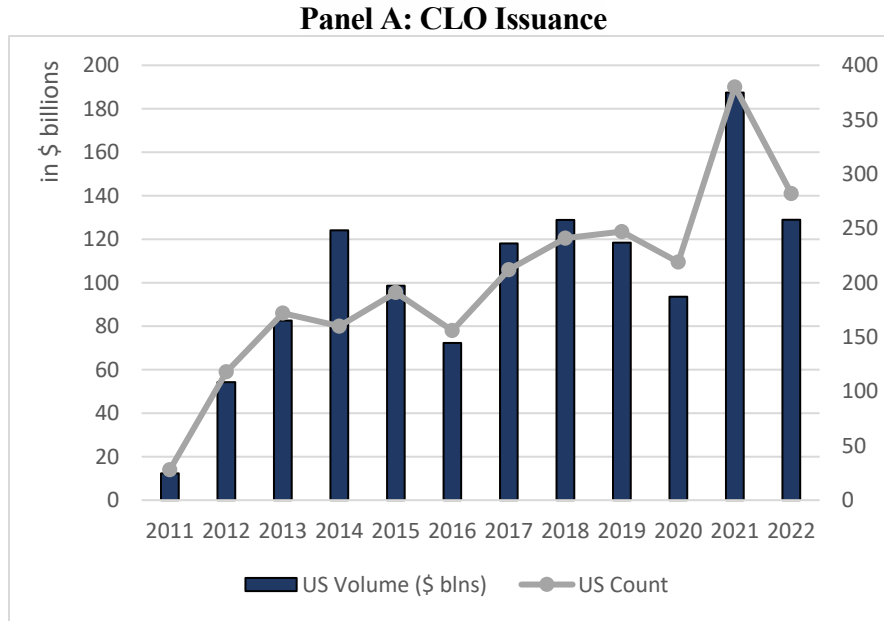
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### Figure OA.1: CLO Issuance and Cov-Lite Leveraged Loans

Panel A shows the growth of the CLOs in the United States. Panel B shows the time series of covenant-lite loans as a percentage of the leveraged syndicated loans in the US. PitchBook classifies loans as leveraged if they are non-investment-grade rated or carry spreads of SOFR +125 or higher and are secured by a first or second lien.

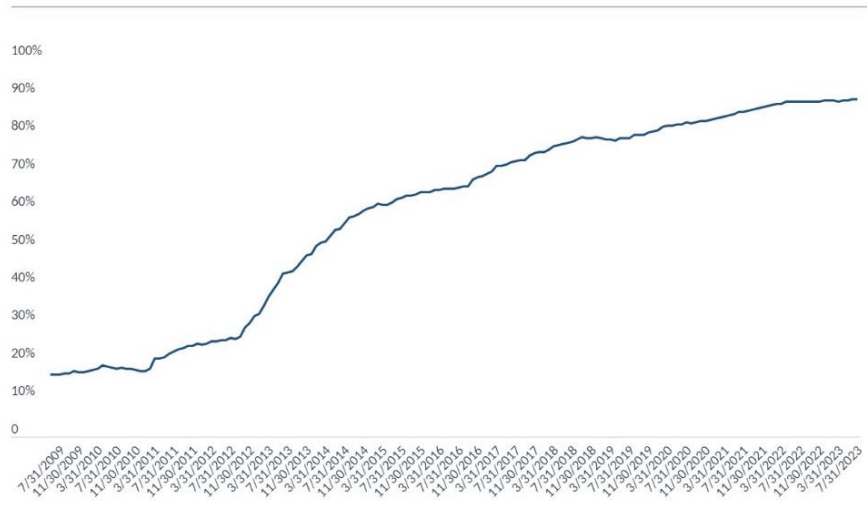
Source, Panel A: LCD

Source, Panel B: <https://pitchbook.com/leveraged-commentary-data/leveraged-loan-primer#second-lien>



#### Panel B: Covenant-Lite Loans

##### Covenant-lite share of outstandings: US leveraged loans

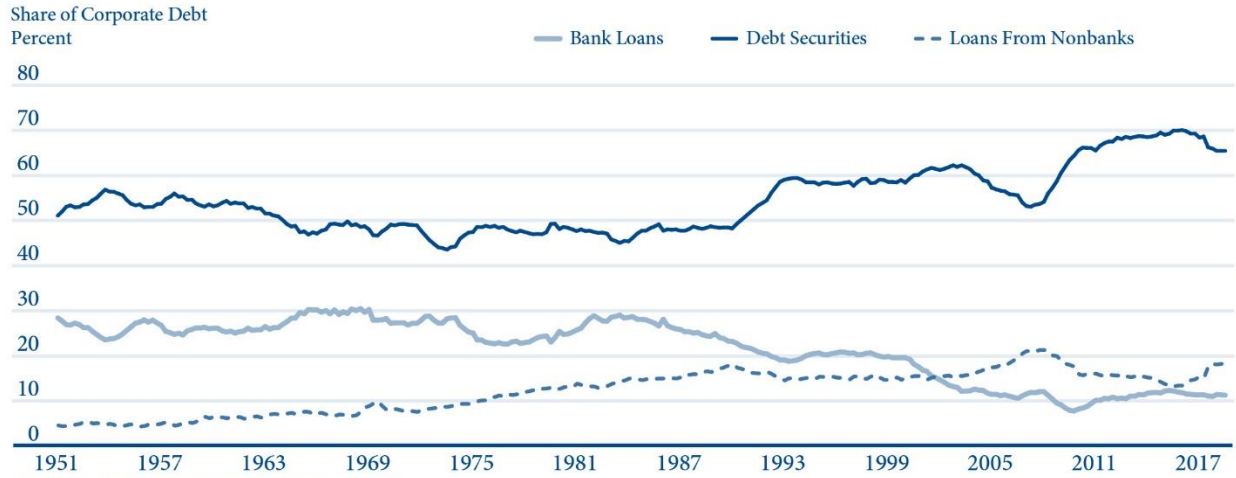


Source: PitchBook | LCD • Data through July 31, 2023

### Figure OA.2: Corporate Borrowings in the United States

This figure presents a time series of the shares of different forms of corporate borrowings – debt securities, bank, and nonbank loans – in the 1951-2018 period.

Source: FDIC Quarterly, 2019, Volume 13, Number 4, <https://www.fdic.gov/analysis/quarterly-banking-profile/fdic-quarterly/2019-vol13-4/fdic-v13n4-3q2019.pdf>

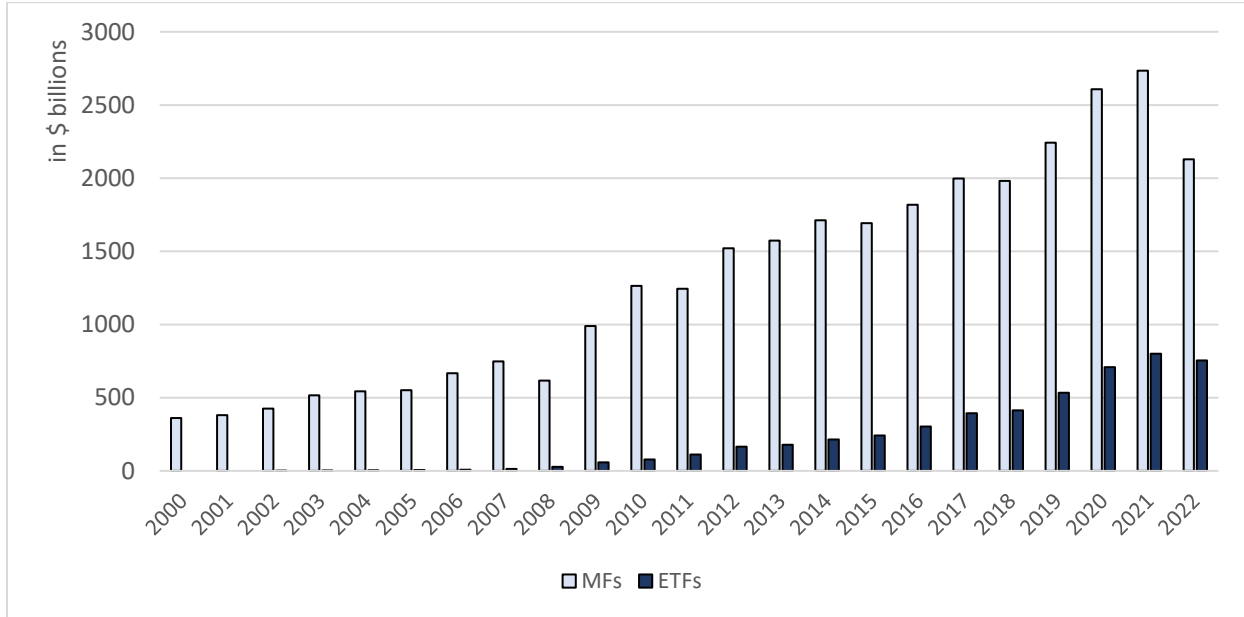


Source: Federal Reserve Board (Haver Analytics).

Notes: Bank loans do not include mortgages. Data are through second quarter 2019.

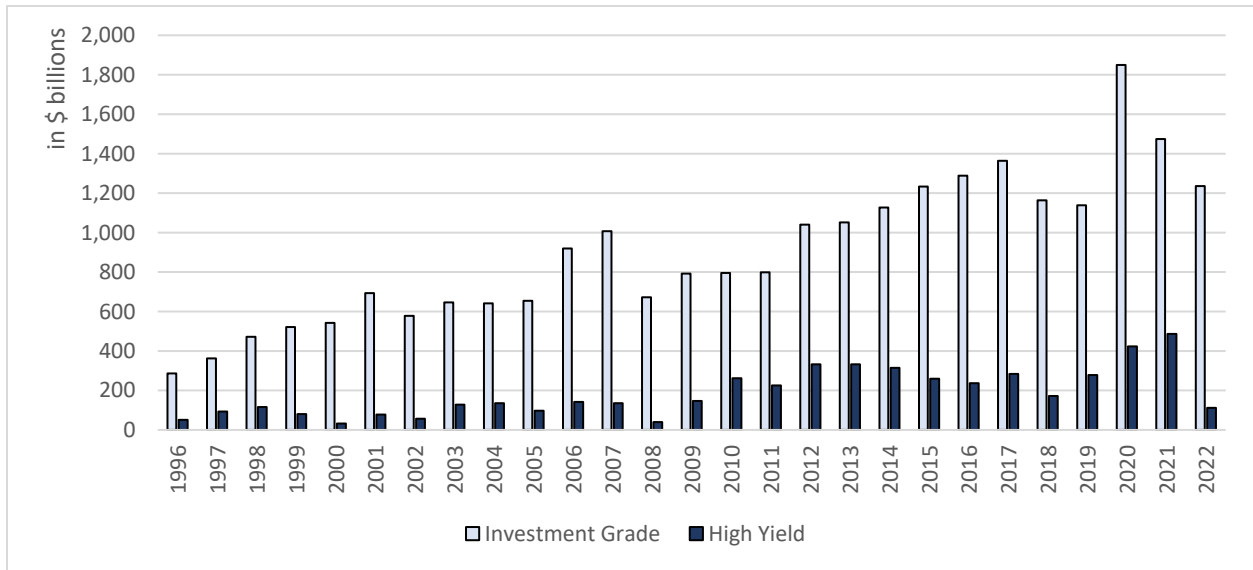
### Figure OA.3: Bond Holdings of US Mutual Funds and ETFs

This figure shows the time series of bond holdings of mutual funds and ETFs. The data is from the US federal flow of funds account.



### Figure OA.4: Volume of Bond Issuance Across Time

This figure shows the time series of the investment-grade (IG) and high-yield (HY) bond issuance in the United States. The data is from Sifma.

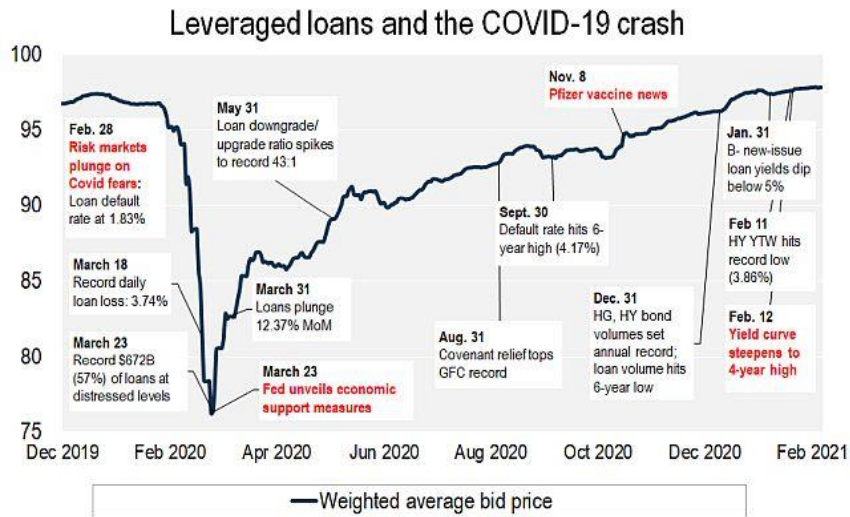


### Figure OA.5: Leveraged Lending in the COVID-19 Era

These figures plot the dynamics of loan issuance around and during the COVID-19 crash. See Kakauris (2021) for the full report:

<https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/from-trough-to-froth-us-leveraged-loan-market-a-year-after-the-covid-19-crash-63204895>

#### Panel A:



Data through Feb. 28, 2021.  
Sources: LCD, an offering of S&P Global Market Intelligence; S&P/LSTA Leveraged Loan Index

#### Panel B:



Data through March 14, 2021. March 2021 data is 30 days through March 14.  
Source: LCD, an offering of S&P Global Market Intelligence

**Figure OA.6: Net Inflows to US Fixed-Income Mutual Funds Over Time**

This figure shows the time series of monthly net inflow to domestic and foreign US fixed-income mutual funds. Graphs are constructed using the CRSP Mutual Fund Database. The sample is restricted to the following investment styles defined via the `crsp_obj_cd` variable: I, ICQ, and IF.

