26-S-0060
July 3, 2026

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

CRED RN-D Cayman LLC

<Assignment>
Notes: BBB

Rationale

The subject of this rating is the issuance program for the Notes issued by CRED RN-D Cayman LLC, a Cayman Islands limited liability company, as issuer. The Issuer makes an LP investment in CRED RN-D Fund LP, the Fund, through the Blocker. The substantive underlying assets are real estate debt and other investments in which the Fund invests with advice from Canyon Partners Real Estate LLC ("CPRE" or the "Investment Advisor").

1 Overview

(1) Scheme

1. The Issuer uses the proceeds from the issuance of the Notes to make an LP investment in the Fund through the Blocker. The Fund invests in real estate debt and other investments, depending on investment opportunities, with advice from the Investment Advisor.
2. The Fund distributes to LP investors income, including interest, generated from its investments. From the income sourced from such distributions, the Issuer deducts specified expenses and the reserves described below. To the extent any amount remains, the Issuer pays such amount to investors as interest on the Notes. The Notes do not bear interest at a stated rate. Instead, interest payments are made quarterly on a performance-based distribution basis.
3. The Notes do not have a pre-determined redemption schedule. If the Notes investors do not give notice relating to redemption, or if the date for commencement of redemption has not yet arrived, principal recovered by the Fund is, in principle, used for reinvestment. Once redemption of the Notes has commenced, amounts received by the Issuer that derive from return of capital, together with reserve funds, are applied to principal repayment of the Notes. Even after redemption of the Notes has commenced, the Fund is not obligated to promptly dispose of investment assets through the secondary market. Under normal circumstances, the Notes are redeemed through repayments from the borrowers of the assets that substantively support the Notes.

(2) Fund Investment Targets

1. The investment targets consist of senior loans, mezzanine loans, preferred equity and other real estate-related investments. The underlying real estate properties are expected to be located in major U.S. markets.
2. The Fund is expected to primarily invest in loans with terms of approximately three to five years.
3. With respect to property types, the Fund focuses on rental housing properties, including multifamily, senior housing and student housing. It also invests in industrial, hospitality, retail, office, studio, storage, life science facilities, data centers, cold storage, self-storage, educational facilities and other property types. Land is an investment target only in limited circumstances. Within three years from the initial closing, the Fund targets investing more than 50% of its net asset value in multifamily and other housing strategies.
4. The loan-to-value ratio of each investment at the time of investment is 65% or less, calculated on an as-stabilized basis.
5. In principle, the Fund invests in performing loans. It does not invest in securitized products, non-performing loans, or investments whose primary collateral is land that has not substantially received the necessary development permits and entitlements.
6. With respect to portfolio construction, in principle, the Fund's investment in any single investment may not exceed 20% of the Fund's aggregate Commitments, measured as of the date of investment in such investment.

(3) Reserve

The Issuer establishes a cash reserve in accordance with specified criteria before making interest payments on the Notes. Interest payments are restricted until the reserve reaches the required level. The required level is the amount that has item 1 below as its minimum and includes items 2 and 3 below, together with any additional reserves that the Issuer determines to be necessary.

1. Base Reserve: the greatest of 5% of the aggregate outstanding principal amount of the Notes, 50% of the principal amount of the largest Senior Exposure, and 100% of the principal amount of the largest Non-Senior Exposure.
2. LTV Reserve: if the LTV of an individual investment exceeds 65%, the amount necessary to effectively reduce such LTV to 65%.
3. Realized Loss Reserve: an amount corresponding to realized losses.

2 Key Risks and Mitigating Factors

(1) Risk of Decline in Real Estate Value

The recoverability of the transaction depends on the value of the underlying real estate. If the value of the underlying real estate declines, there is a risk that the principal of the debt, preferred equity and other investments held by the Fund may be impaired, which could adversely affect repayment of principal on the Notes. To address this risk, the transaction includes a restriction under which the LTV at the time of investment is limited to 65% or lower based on as-stabilized value. In addition, if the LTV of an individual underlying asset exceeds 65%, the structure provides for an amount necessary to effectively limit that LTV to 65% to be retained as the LTV Reserve. This mechanism is designed to limit losses at the level of each individual investment. In addition, because the Base Reserve is established, the structure includes a mechanism under which, even if principal impairment occurs in the Fund’s investment portfolio, losses up to a certain level can be absorbed by that reserve. Further, if an actual principal loss occurs on an investment, an amount equal to that loss is additionally reserved as the Realized Loss Reserve, so that the Base Reserve is not reduced. As a result, the loss-absorbing capacity provided by the Base Reserve is maintained until the principal of the Notes has been repaid in full. In addition, if losses are expected to exceed the Base Reserve, the Issuer may increase reserves on a precautionary basis at its discretion. These features mitigate the risk associated with a decline in real estate values.

(2) Risk Attributable to the Investment Advisor’s Investment Management Capabilities

In the transaction, the effectiveness of CPRE’s investment selection, investment decisions, and post-investment management and recovery activities affects the performance of the underlying assets. If collateral value or exit strategies are not assessed sufficiently, recovery rates from the investments may deteriorate, which could adversely affect the likelihood of principal repayment on the Notes.

CPRE has a long track record in U.S. real estate debt investment and has established a framework covering transaction sourcing, post-investment management and workout activities. In addition, with respect to loans involving development and construction risk, risk is mitigated through the review of the general contractor’s track record, construction contracts, the construction budget, and the construction schedule, among other matters. Taking into account CPRE’s investment track record to date, JCR views this risk as being reasonably contained. However, JCR will continue to monitor whether there are any changes in CPRE’s investment framework, investment stance or other relevant factors.

(3) Concentration Risk

If the portfolio has a high concentration in an individual investment, there is a risk that credit deterioration of that investment would have a greater impact on repayment of principal on the Notes. To address this risk, the transaction includes an explicit limit on concentration in any single investment, under which the investment amount in any single investment generally may not exceed 20% of the Fund’s aggregate Commitments as of the date of investment. In addition, the transaction provides for a mechanism under which, before any interest payments are made on the Notes, the Base Reserve is funded in accordance with specified criteria, with an amount at least equal to the greater of 50% of the principal amount of the largest Senior Exposure and 100% of the principal amount of the largest Non-Senior Exposure being reserved. JCR believes that these measures provide certain risk mitigants against concentration risk.

(4) Leverage Risk

The Fund has a policy not to use ongoing fund-level leverage for the purpose of expanding the scale of its investments through borrowings backed by the investment assets. The Fund may, however, use a subscription-backed Credit Facility for which investors' unfunded capital commitments and capital call rights serve as the source of repayment and collateral, but such facility is temporary and supplemental financing and does not enable the Issuer to make investments in excess of the issuance limit for the Notes. Accordingly, JCR believes that it does not adversely affect repayment of principal on the Notes.

In addition, in certain investments, the Fund may participate in a manner such that the potential maximum loss exceeds the amount of a single investment to a certain extent. In such cases, depending on the contractual terms, it should be noted that the Fund's loss burden may increase if recoveries from the underlying collateral are insufficient. Mitigating factors for this risk include restrictions on LTV and CPRE's track record. It should also be noted that, if such loans represent a larger portion of the Fund's portfolio, the LGD on the Notes is more likely to increase.

(5) Risk That the Maturity of the Corresponding Underlying Assets Exceeds the Maturity of the Notes

In the transaction, unless repayment of principal on the Notes has commenced, the Fund reinvests principal recovered from its investments. The maturities of the Fund's investments are expected to be primarily approximately three to five years. However, if reinvestments are repeated, there is a risk that those maturities may extend beyond the maturity of the Notes. In that case, repayment of principal on the Notes would be exposed to price fluctuation risk in the secondary market for the investments and to refinancing risk for the Notes themselves. To address this risk, the transaction documents expressly permit an extension of the maturity date of the Notes. In addition, the Notes are expected to be managed so that their maturity date is set with a certain cushion after the latest maturity date among the Fund's investments. As long as this management approach is followed, this risk does not materialize. JCR will continue to monitor whether such management is actually implemented.

(6) Disaster Risk

If the underlying real estate is damaged by natural disasters or similar events, there is a risk that collateral value and recoverability may decline. With respect to the underlying real estate in the transaction, appropriate property and casualty insurance is to be maintained in light of industry practice, thereby mitigating the risk.

3 Rating Assessment

The transaction has strengths in its restriction that the LTV at the time of investment be 65% or lower based on as-stabilized value, its well-designed reserve mechanism, and CPRE's strong investment management capabilities supported by its investment track record. Although JCR needs to continue to review the composition of future investment assets, the diversification of the portfolio, market trends relating to the underlying real estate and other matters, JCR has determined that, taking into account the risk mitigants for the various risks described above, the certainty of principal repayment on the Notes is recognized even under stress scenarios. Based on the foregoing, JCR has assigned a rating of "BBB" to the Notes.

Tomohiko Iwasaki, Kengo Umezawa

Rating

<Assignment>

Instrument Name:	Master Notes
Issue Amount:	USD 150,000,000
Final Redemption Date:	July 1, 2037
Coupon Type:	Performance-based
Rating:	BBB

<Information on Outline of Issue>

Issue Date:	July 1, 2026
Mandatory Redemption Commencement Date:	July 1, 2037
Redemption Method:	Pass-through redemption, excluding reserves
Credit Enhancement & Liquidity Facility:	Reserve

<Information on Structure and Stakeholders>

Issuer:	CRED RN-D Cayman LLC

Arranger:	Canyon Partners, LLC
Investment Advisor:	Canyon Partners Real Estate LLC

<Information on Underlying Assets>

Outline of Underlying Assets:	LP Interest in the Fund held through the Blocker

Rating Assignment Date: July 1, 2026

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (https://www.jcr.co.jp/en/).

Outline of the rating methodology is shown as "Real Estate (Securitization)" (August 2, 2021), "Real Estate Development Projects" (June 2, 2014) and "Investment Funds" (November 22, 2019) in Information about JCR Ratings on JCR's website (https://www.jcr.co.jp/en/). Rating methodologies for other ancillary points such as eligible deposit accounts and bankruptcy remoteness are also shown within the same page.

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

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