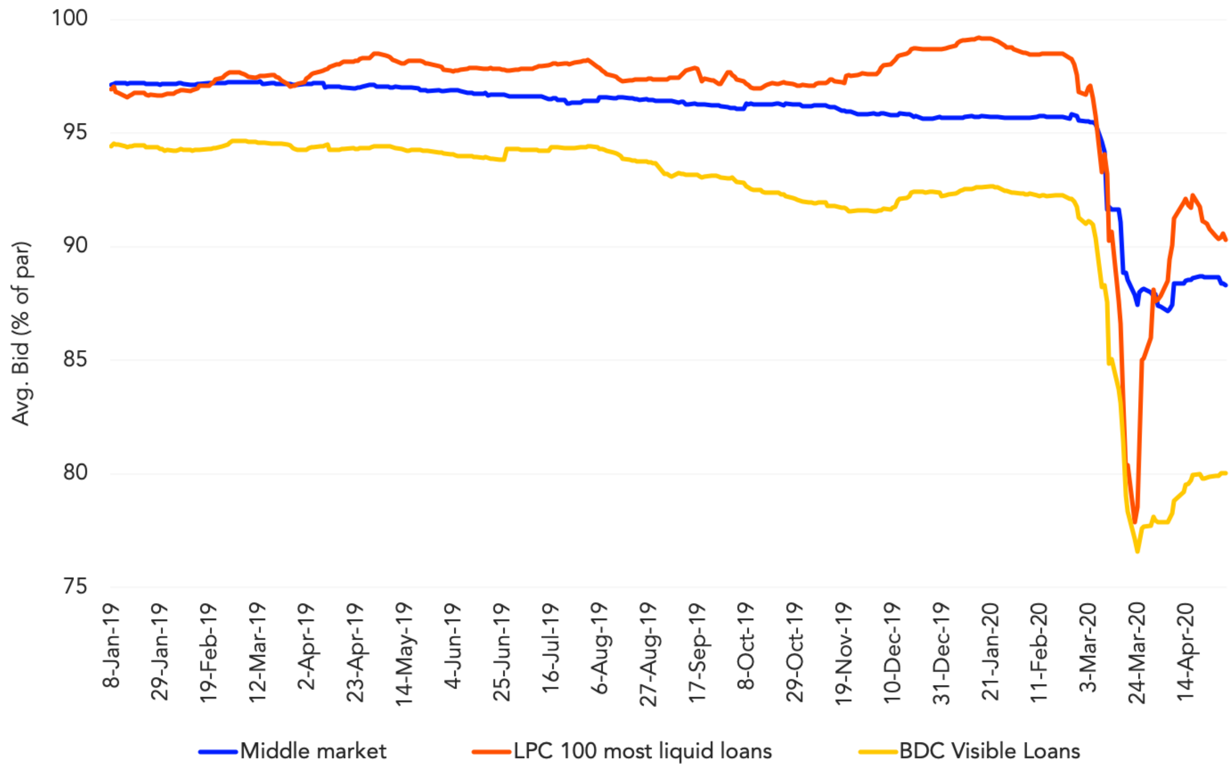
THE LEAD
https://theleadpc.com/leveraged-loan-insight-analysis-5-4-2020/

Avg. bid on Refinitiv's BDC Visible Loans Benchmark remains at the 80 context

LSEG | May 7, 2020



Loans held by business development companies with mark-to-market pricing have stabilized in the 80 context in the last few days. Refinitiv's BDC Visible Loans Benchmark provides investors with a daily mark on roughly US$20bn in first and second lien loans held by BDCs. After being in the 93-94 context for most of 2019, the average bid on loans held by BDCs plummetted to a low of 76 in late March, but has since moved up slightly and stabilized at around 80. However, BDC-held loans remain well below the LPC100 which is at 90 and the average bid on middle market loans at 88. BDCs are in the heat of 1Q20 earnings season with many reporting this week and so far BDCs are marking their books very differently. Barings BDC reported last week and the average mark on their debt portfolio fell to 85% at 3/31/20 from 91% at 12/31/19 while Oxford Square's average fair value-to-par mark dropped to 75% from 91%. Meanwhile, Horizon and Fidus only marked their books down mildly to 93% from 96% for Horizon and to 96% from 98% for Fidus. Based on the BDCs reporting so far, the loans to show the biggest fall in value quarter over quarter are in the energy, retail, leisure and healthcare sectors.