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BDC first-lien debt valuations increased but second-lien and subordinated marks fell in 1Q23

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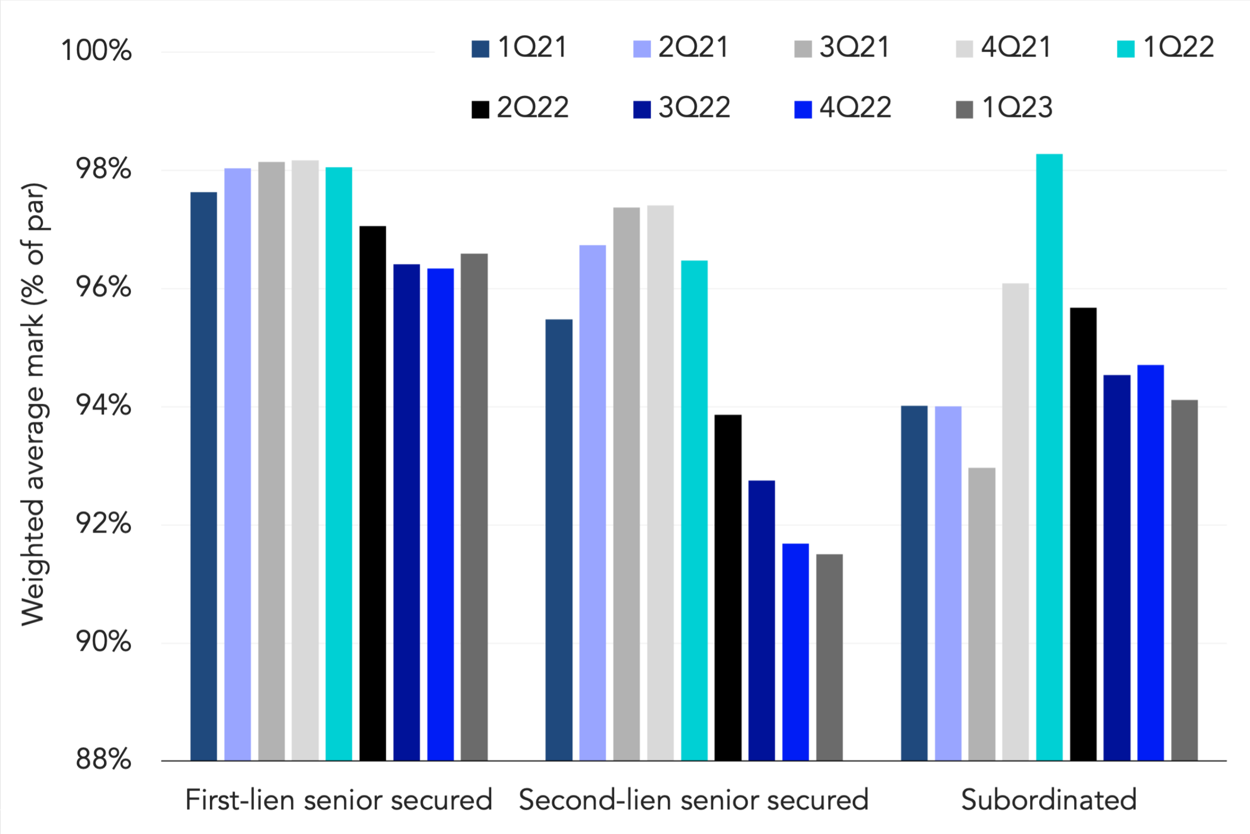

Source: Refinitiv's BDC Collateral

BDC first-lien debt valuations climbed but second-lien and subordinated debt marks fell in 1Q23. The weighted average mark on BDC first-lien debt holdings increased by 25bp, to 96.59% in the most recent quarter. In contrast, second-lien and subordinated debt declined by 18bp and 59bp, respectively, to 91.50% and 94.12%. At the fund level, a small majority (55%) of BDCs saw the weighted average marks on their debt portfolio move higher in 1Q23. Looking lower down the price spectrum, just over half (52%) of BDCs have more than 5% of their loan portfolio marked below 85%. Digging deeper, 23% of BDCs have more than 10% of their portfolio marked below 85%.

(Past performance is no guarantee of future results.)