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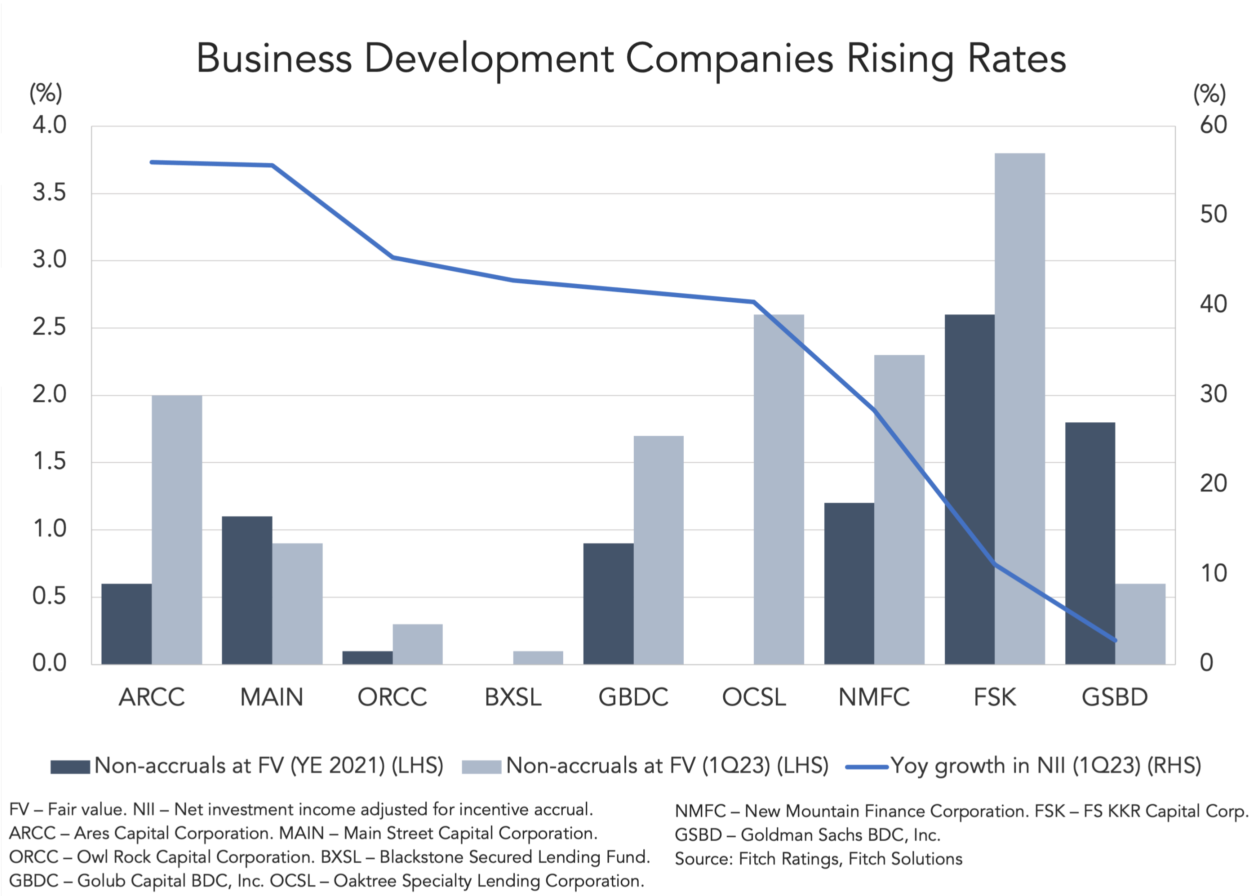
How Have BDCs Performed Due to Rapidly Rising Interest Rates?

Fitch Ratings | July 26, 2023



BDCs were well positioned to benefit from rising rates, given largely floating rate portfolios and the increase in fixed-rate funding following meaningful unsecured debt issuance in 2H20 through 1H22.

Net investment income, adjusted for the non-cash accrual of incentive income, was up an average of 47.3% in 1Q23, YoY, for the 20 Fitch-rated BDCs, as weighted average portfolio yields increased 350bps.

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