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BDC portfolio marks edge higher in most recent quarter*

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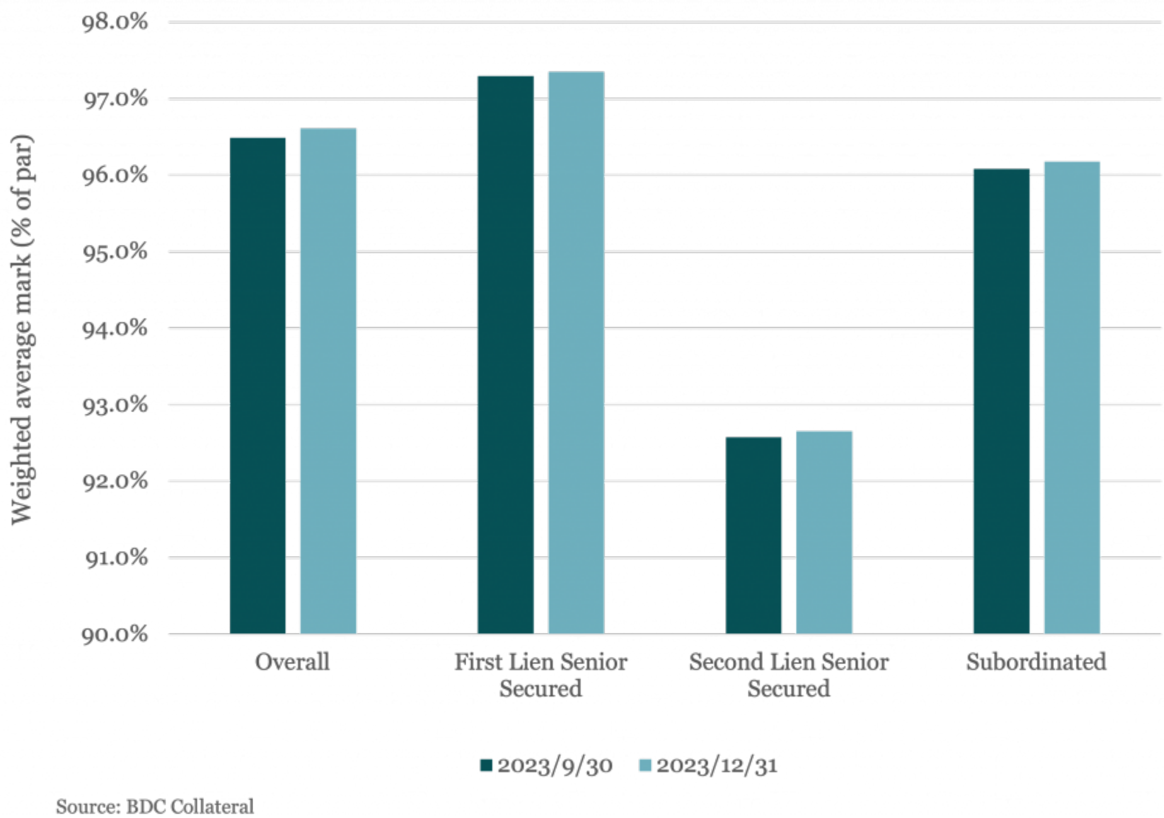

**Based on universe of BDCs that have reported 4Q23 earnings as of 2/13/24*

BDC earnings season is in its early stages, with the vast majority of funds still yet to file. However, taking a look at the 16 BDCs that have published their 4Q23 results as of February 13 shows that portfolio loan valuations have edged higher overall, as hopes of an economic soft landing increased and credit spreads tightened. For the universe of BDCs that have reported 4Q23 earnings, roughly two-thirds of them posted an increase in net asset value per share.

The weighted average mark on debt holdings increased to 96.61% from 96.49% in the prior quarter. Digging deeper, marks climbed modestly across the risk spectrum, with first-lien debt increasing by 6bp to 97.25%. and second liens gaining 8bp to 92.65%. At the fund level, 10 out of the 16 BDCs saw the weighted average mark on their debt portfolio move higher in 4Q23. From a credit quality perspective, the weighted average non-accrual rate for this early reporting cohort remained low but increased to 2.09% in 4Q23 from 1.89% in 3Q23. Notably, there is a considerable variation in non-accrual rates across this universe of BDCs.

(Past performance is no guarantee of future results.)