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BDC portfolio marks move lower for majority of funds that have reported 4Q24 earnings

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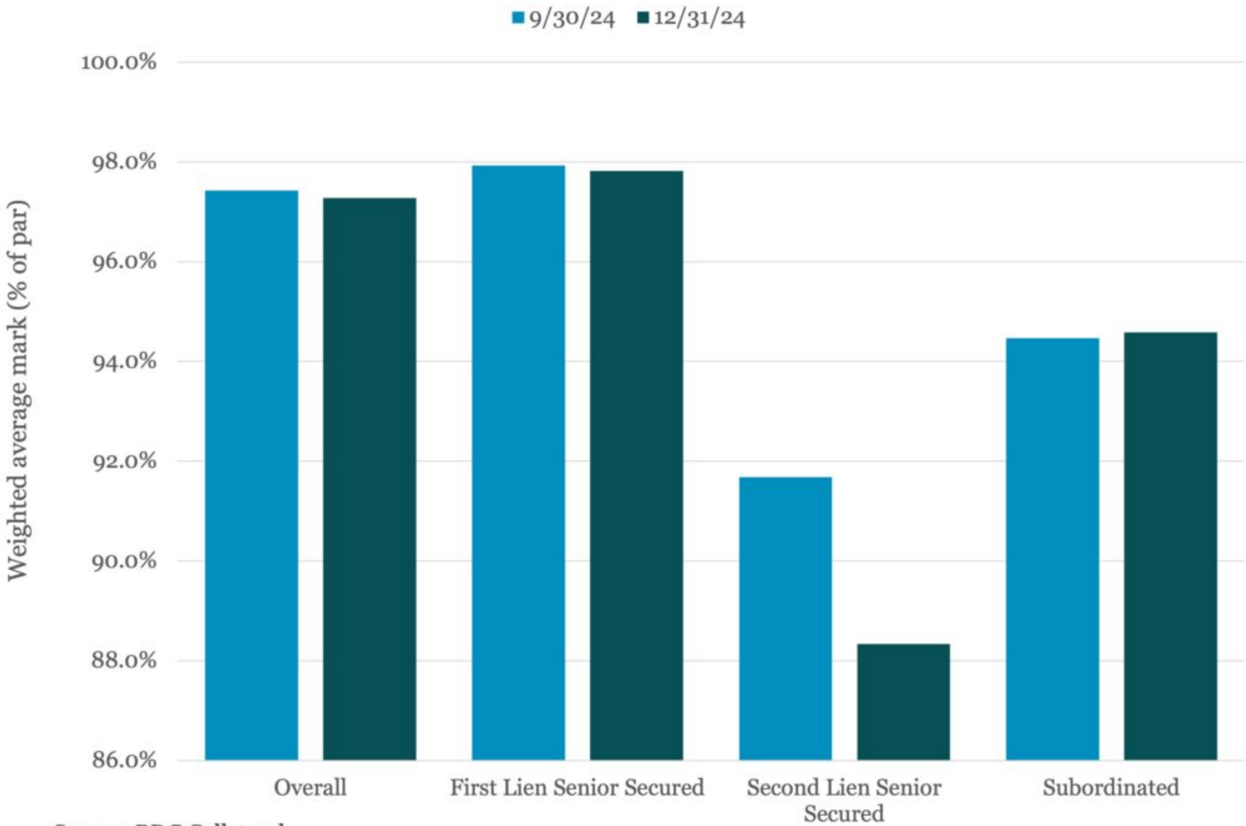

Source: BDC Collateral

BDC earnings season is underway, with 50 funds having filed their 4Q24 results as of February 28th. For this cohort of BDCs, portfolio loan valuations have moved lower for nearly 60% funds. On an aggregate basis, the weighted average mark on debt holdings slipped to 97.28% in 4Q24 from 97.43% in the prior quarter. Marks fell across the risk spectrum, with first-lien debt edging lower by 11bp to 97.82%, while second liens falling by over 3 points to 88.34%. Though marks did decline for the majority of BDC's in this universe, 54% of them posted an increase in net asset value per share, with another 6% holding steady. From a credit quality perspective, the weighted average non-accrual rate for this early reporting cohort ticked lower to 1.84% in 4Q24 from 2.05% in 3Q24. Notably, there is a considerable variation in non-accrual rates across this universe of BDCs.