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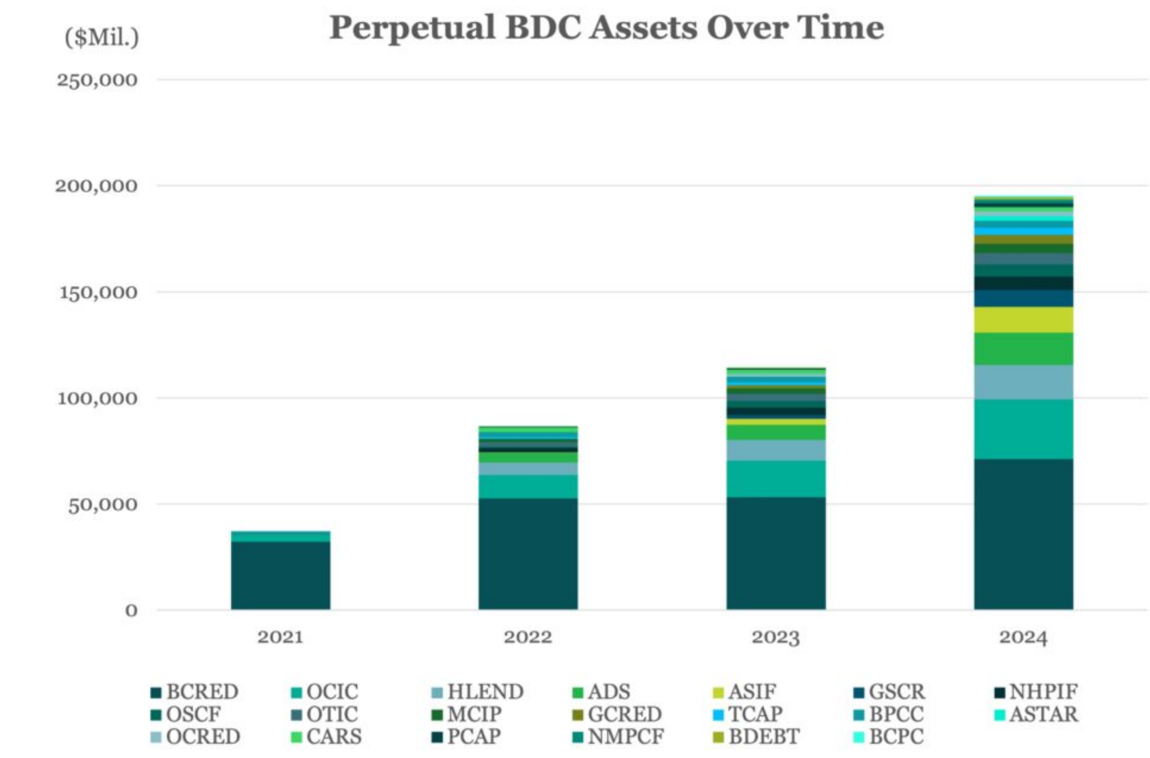
Growth at Perpetual BDCs Drives an Increase in Competition

Fitch Ratings | April 9, 2025



Source: Fitch Ratings, SEC Filings.

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U.S. perpetual non-traded business development companies (BDCs) have grown rapidly since the launch of Blackstone Private Credit Fund in January 2021. Fitch Ratings expects the very competitive underwriting environment for BDCs to continue in 2025 due to significant capital being raised, especially in perpetual non-traded BDCs, and below normal M&A activity. Elevated competition will maintain pressure on spreads, deal structures, and terms across the middle market which could negatively affect earnings and asset quality metrics.