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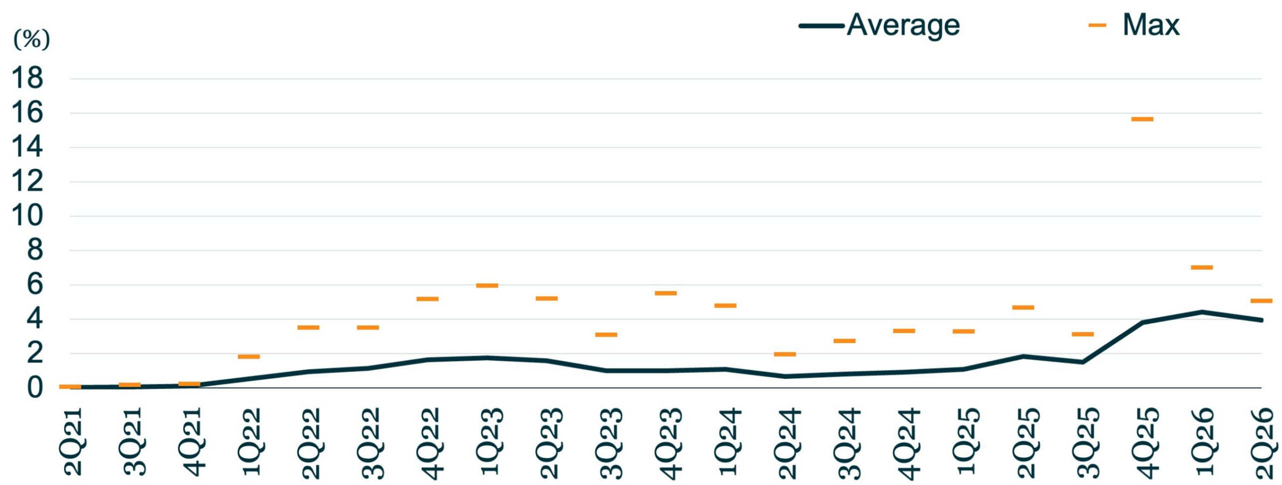
US Private Credit Transparency Highlights Uneven BDC Performance

Fitch Ratings | September 22, 2026



Source: Fitch Ratings, Company Filings.

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Credit performance across business development company (BDC) portfolios remains uneven, although reported losses and non-accruals were broadly stable quarter over quarter, according to Fitch Ratings' Private Credit Transparency Monitor for 2Q26.

BDC payment-in-kind (PIK) income remained elevated at about 8% of interest and dividend income but has also stabilized in recent quarters. Portfolio loan-to-value ratios increased, largely reflecting markdowns in software investments and investments on non-accrual.

Redemptions from perpetual BDC vehicles remained elevated, although all vehicles tracked by Fitch capped redemptions at 5% in 2Q26. Aggregate net flows remained negative and were weaker than in 1Q26.