Houlihan Lokey

BDC Monitor

Spring 2025

FIRST LIEN

SOFR +500 bps Median Coupon for Newly Issued Loans in Q4 2024 Unchanged QoQ	99.3% Weighted Average Loan Price +7 bps QoQ	10.38% Average Yield -36 bps QoQ	1.2% Nonaccrual Rate Unchanged QoQ	45.7% Implied Recovery Rate for Loans on Nonaccrual Status -440 bps QoQ

SECOND LIEN

SOFR +576 bps Median Coupon for Newly Issued Loans in Q4 2024 -99 bps QoQ	97.4% Weighted Average Loan Price +37 bps QoQ	13.06% Average Yield -74 bps QoQ	$418.5B Aggregate Fair Value of Investments Held in BDC Portfolios +$31.0B QoQ	37,749 Aggregate Number of Investments Held in BDC Portfolios +718 QoQ

Source: Advantage Data.

Houlihan Lokey's Portfolio Valuation and Fund Advisory Services and Asset Management teams are pleased to present the Spring 2025 edition of the BDC Monitor, which includes key trends for more than 150 BDCs to help you stay ahead in this constantly evolving industry.

We hope you will find this update to be informative and a valuable resource to you in staying abreast of the market. If there is additional content you would find useful for future updates, please do not hesitate to call or email us with your suggestions. We look forward to staying in touch with you.

Portfolio Valuation and Fund Advisory Services Team

Asset Management Team

BDC Market Landscape

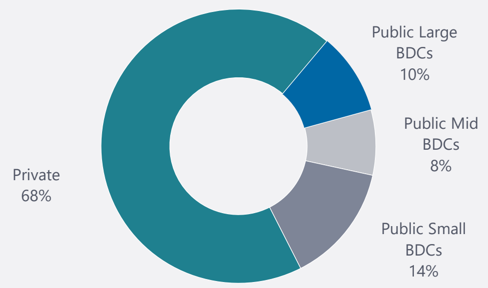
- Top 10 managers represent 20% of the BDCs by fund count and 71% of the BDCs by total assets.
- Direct lending positions continued to grow in number and size in Q4 2024. The total fair value of BDC public and private investments reached $418.5 billion in Q4 2024 (up from $387.5 billion in Q3 2024), driven by approximately 718 net additional investments.
- Private BDCs comprise a substantial portion of the market, accounting for approximately two-thirds of the 150+ active funds and managing nearly 65% of total assets. Since 2020, their portfolio fair value has risen from $21.5 billion to $270.6 billion as of Q4 2024, with their share of the total BDC market by fair value increasing from approximately 17% to nearly 65%.

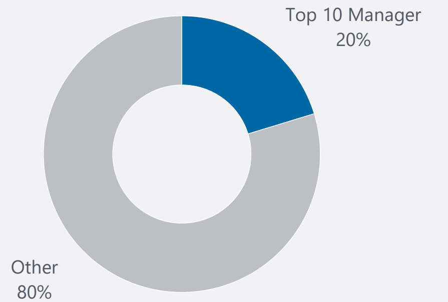
Total Business Development Company Net Equity Capital Raised

Number of Funds Tracked, Actual

More Than 150

Total Active Funds



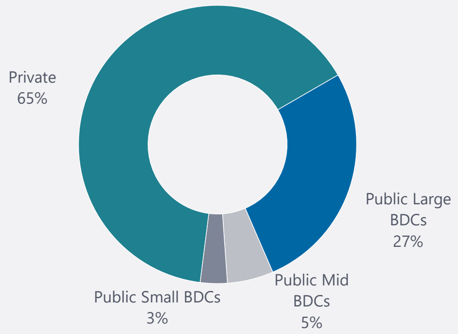


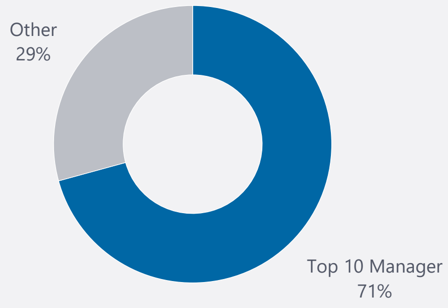
Total Assets of Privately Registered and Publicly Traded BDC Funds

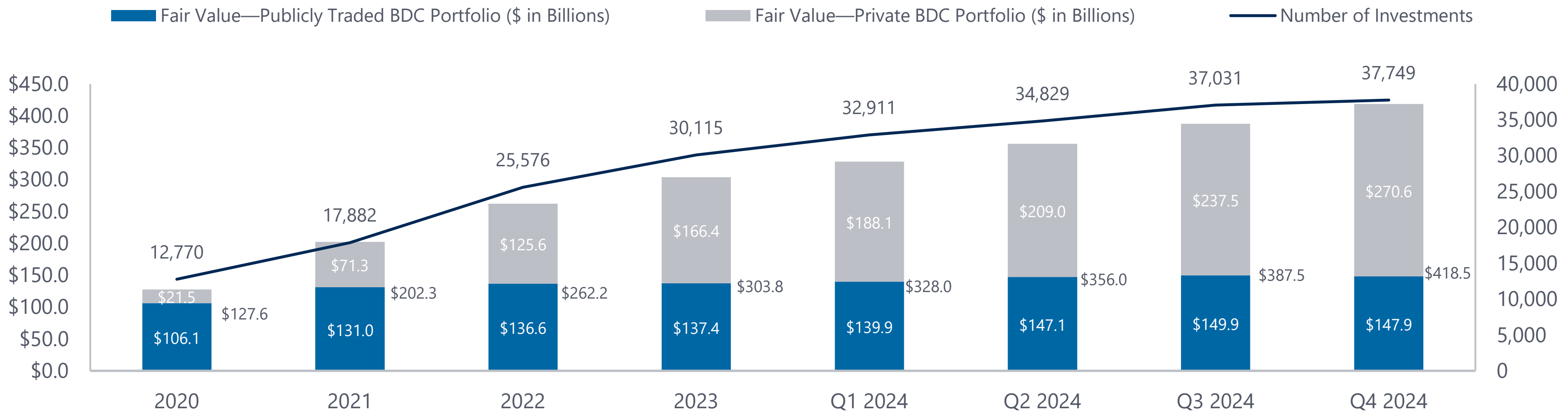
Cumulative Total Assets

$418 Billion

Total Assets







Sources: Advantage Data, SEC Filings, and S&P Capital IQ.

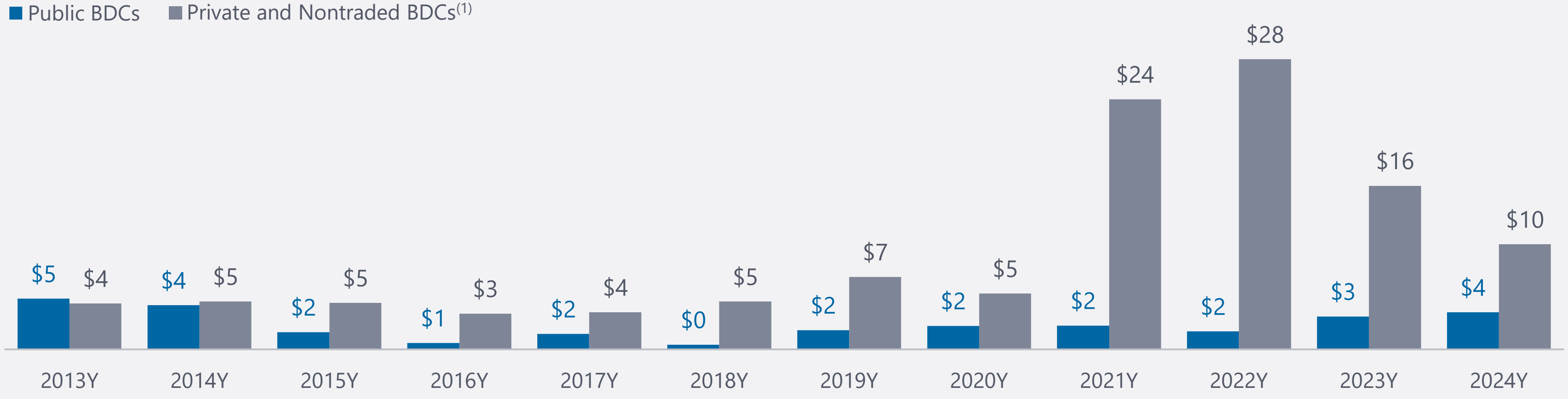
Notes: Represents data for all BDCs tracked by Advantage Data that were filed as of the date of this report. Excludes outliers. The data is meant to reflect performing loans only.

Private BDCs: The Fundraising Powerhouses

- In the past few years, nearly all new BDC capital has been raised in the private and nontraded channels; managers can raise new equity at net asset value, which is not subject to public market volatility and is below the net asset value trading price.
- Debt-to-equity climbed steadily from 0.71x in 2018 to a cycle high of 1.07x by year-end 2022. Facing higher borrowing costs, BDCs then deleveraged to 0.92x in 2023, edging up slightly to 0.94x in 2024.
- The gap between gross portfolio yields and fixed-rate debt costs widened from approximately 4.0% in 2020 to a peak of 4.7% in 2023, before tightening to 4.1% in 2024, reflecting a moderation in net interest margins following a period of strong expansion.

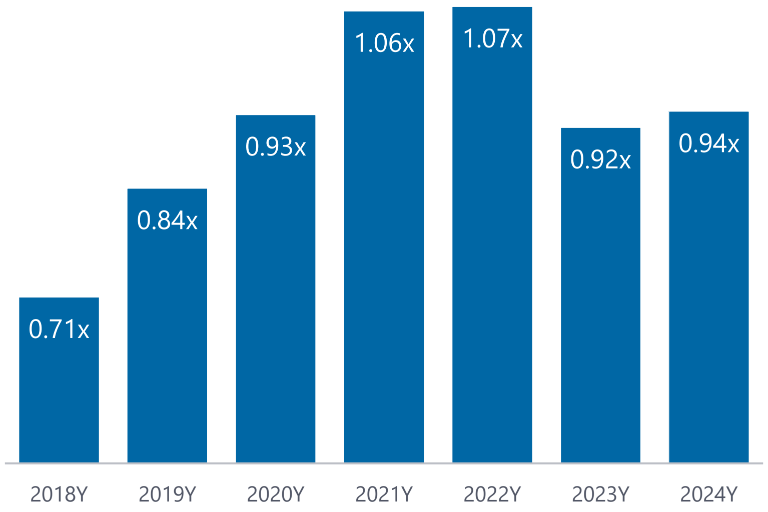
Total Business Development Company Net Equity Capital Raised

$ in Billions



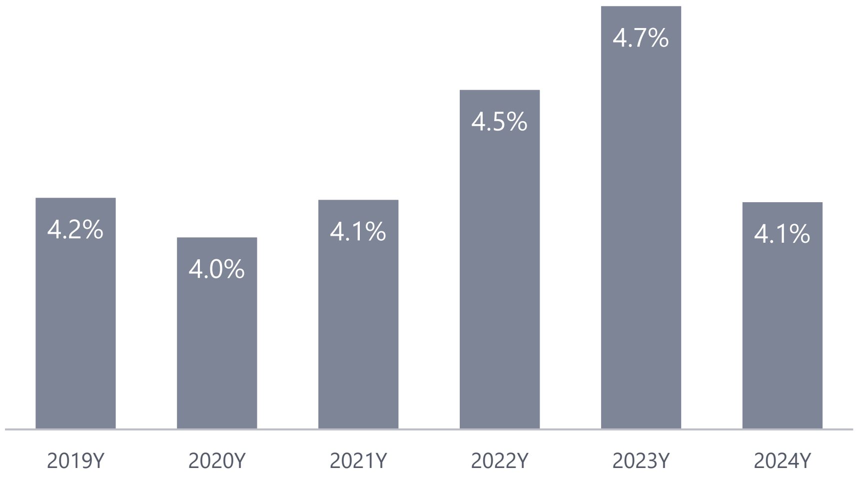
Leverage Still Near Highs

Industry Debt-to-Equity Ratios



Net Interest Spread Has Tightened

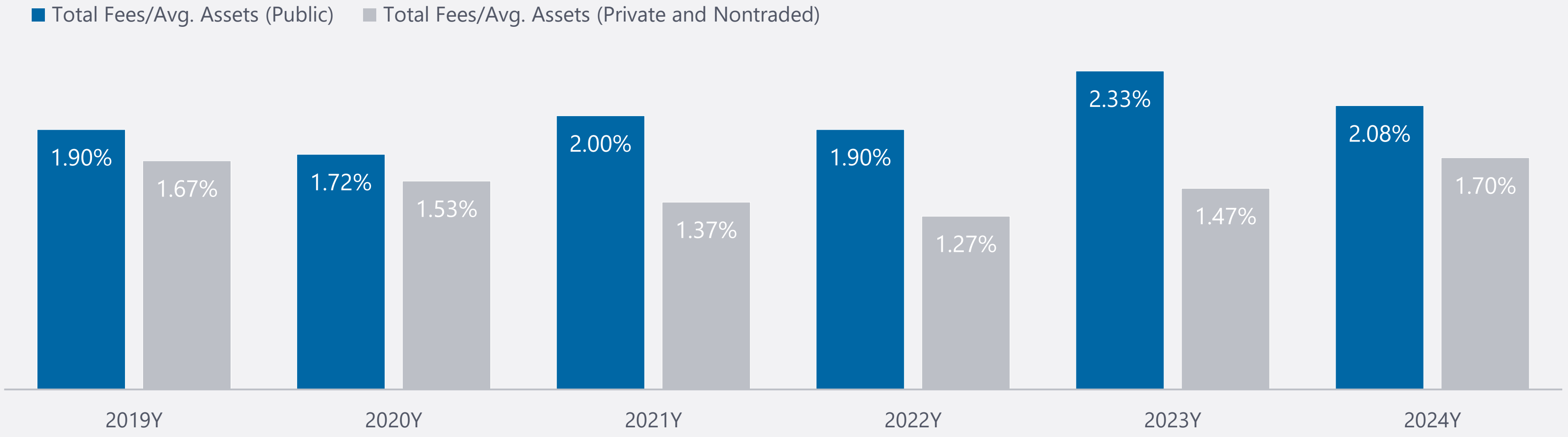
Difference Between Interest Income and Interest Expense Rates



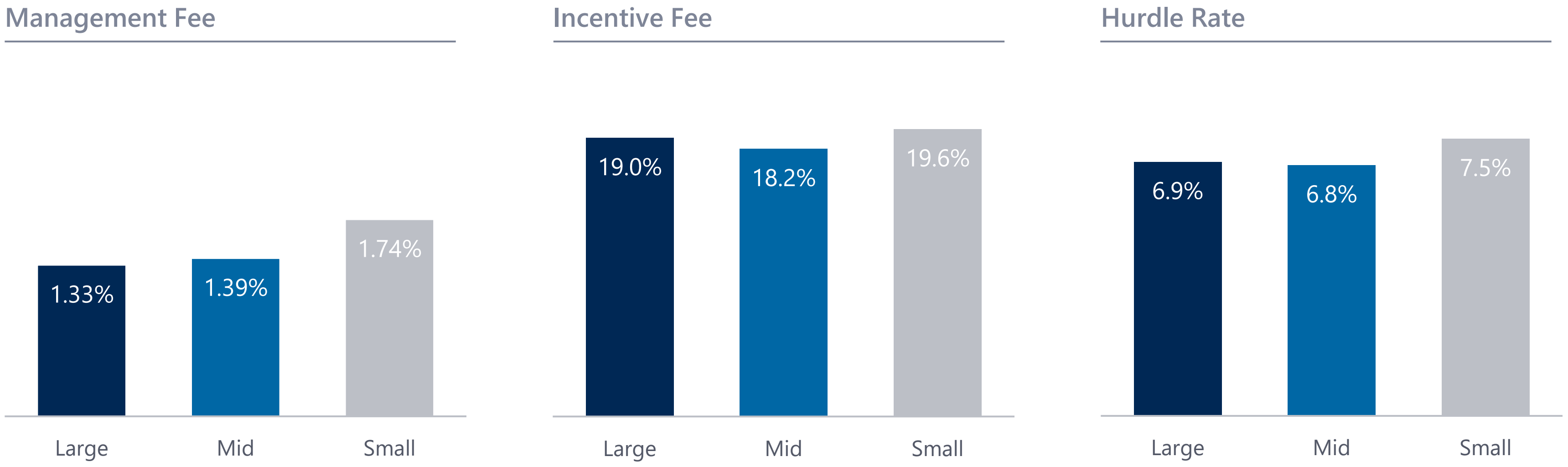
(1) Private BDCs are offered to accredited investors under Regulation D with Form 10 automatically effective after SEC review; Nontraded BDCs are publicly offered under the Securities Act of 1933 using Form N-2, which is declared effective by the SEC.
Sources: SEC filings and S&P Capital IQ.

Management Fee Rates and Selected Recent Observations

- Recent operating trends that have led to greater BDC profitability have also resulted in higher relative fees for managers, though relative fees remain lower for larger BDCs, and in the private and nontraded channels.
- Recently observed related party BDC mergers have typically been structured near or at 1.00x net asset value-to-net asset value.
- To help ensure net investment income accretion to shareholders, managers have been willing to (i) waive certain parts of the management and/or incentive fees to the pro forma entity to support dividends or (ii) reset fees.
- Other manager benefits have also included reimbursing transaction-related fees or first loss pro forma realized credit losses up to a certain threshold.

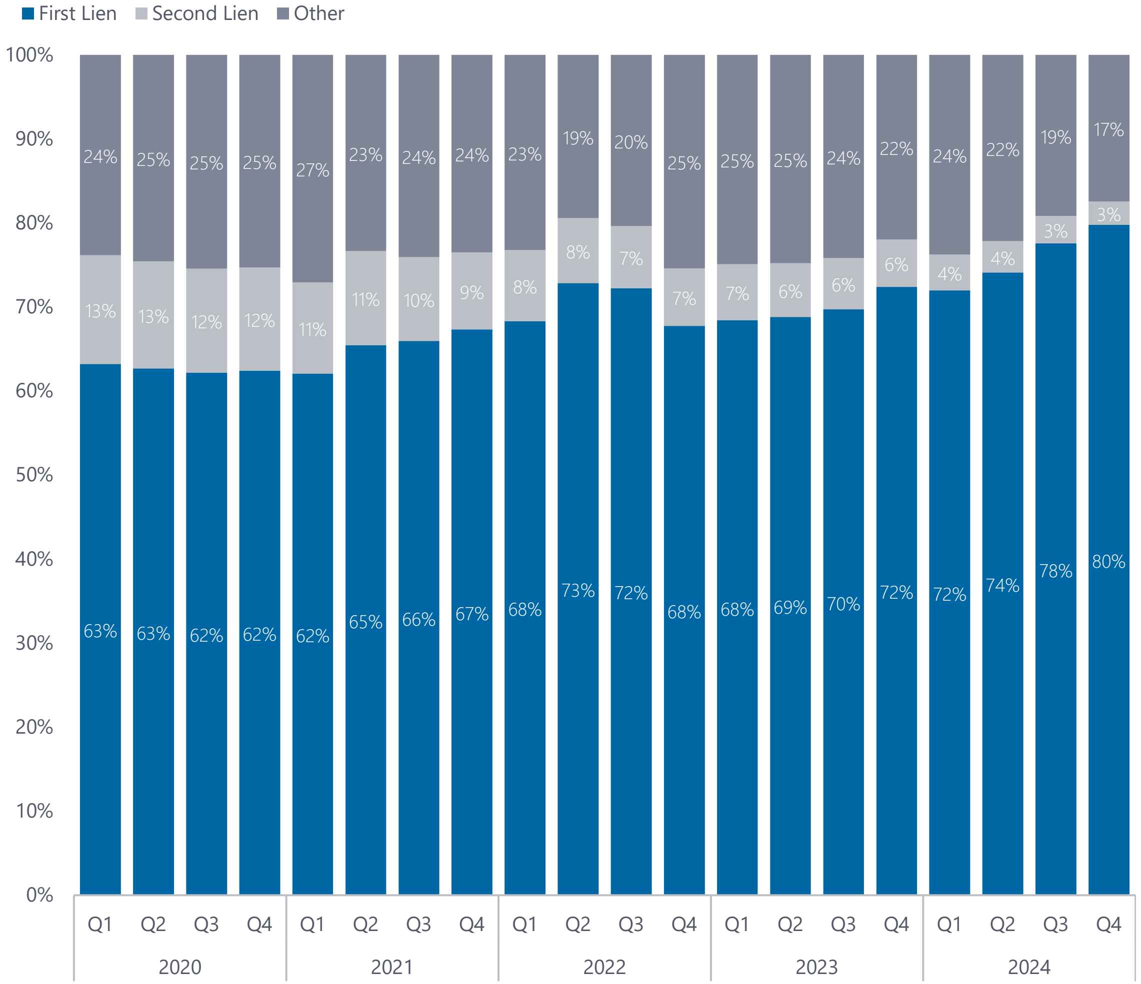


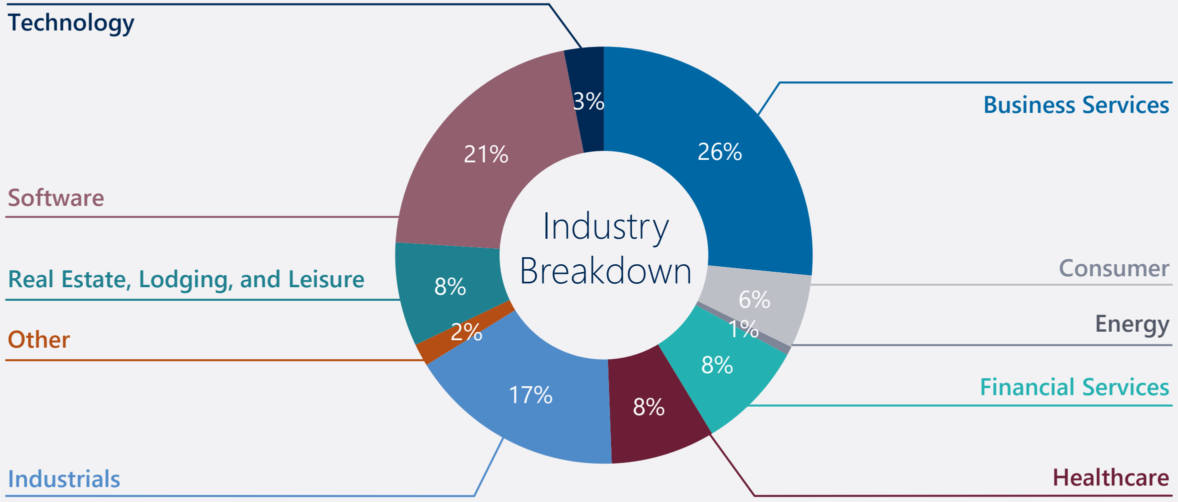
Average Fee Structure by Public BDC Size



Source: SEC filings and S&P Capital IQ.
Notes: Financial data as of December 31, 2024. Small, mid, and large BDCs are funds with NAV under $500 million, between $500 million and $1 billion, and above $1 billion, respectively.

BDC Portfolio Composition





Industry	First Lien Yields
Healthcare	10.8%
Technology	10.7%
Other	10.7%
Consumer	10.6%
Software	10.5%
Business Services	10.4%
Industrials	10.4%
Real Estate, Lodging, and Leisure	10.3%
Energy	9.7%
Financial Services	9.6%

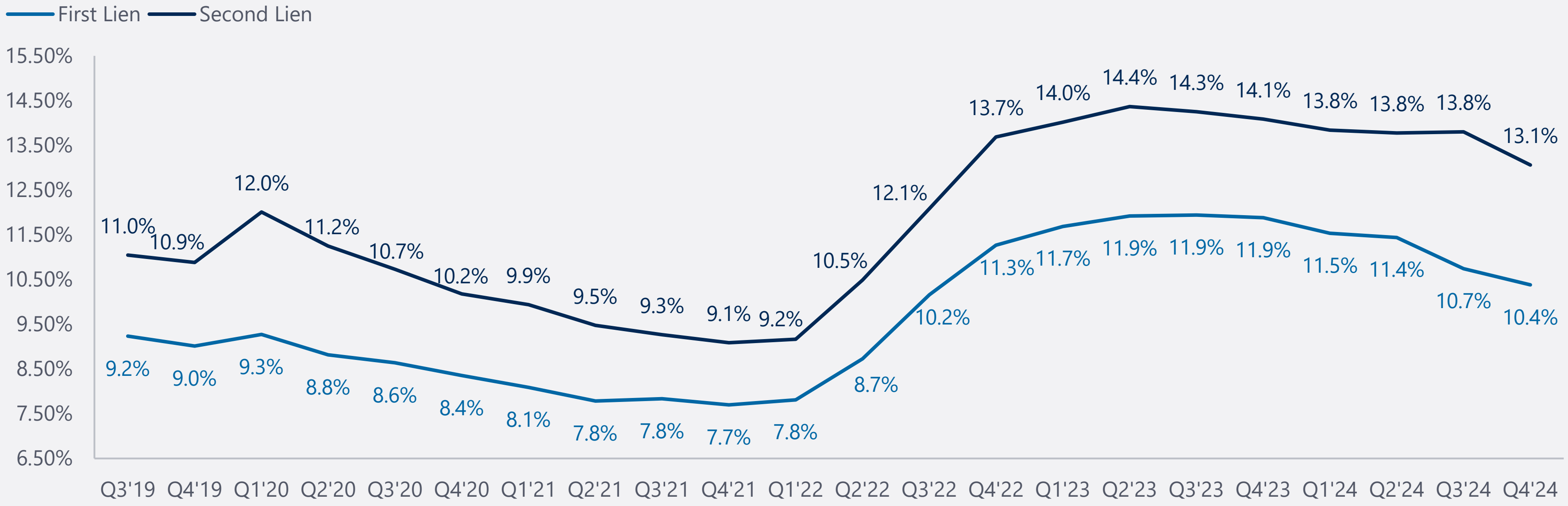
Industry	Second Lien Yields
Technology	16.7%
Healthcare	14.4%
Consumer	13.9%
Business Services	13.3%
Real Estate, Lodging, and Leisure	13.3%
Industrials	13.2%
Other	13.0%
Energy	12.5%
Software	12.0%
Financial Services	11.4%

Notes:
1. BDC portfolio composition represents the aggregate composition of all BDC portfolios tracked by Advantage Data.
2. Industry breakdown is based on the industry of each BDC portfolio company and is divided by aggregate principal for each BDC investment.

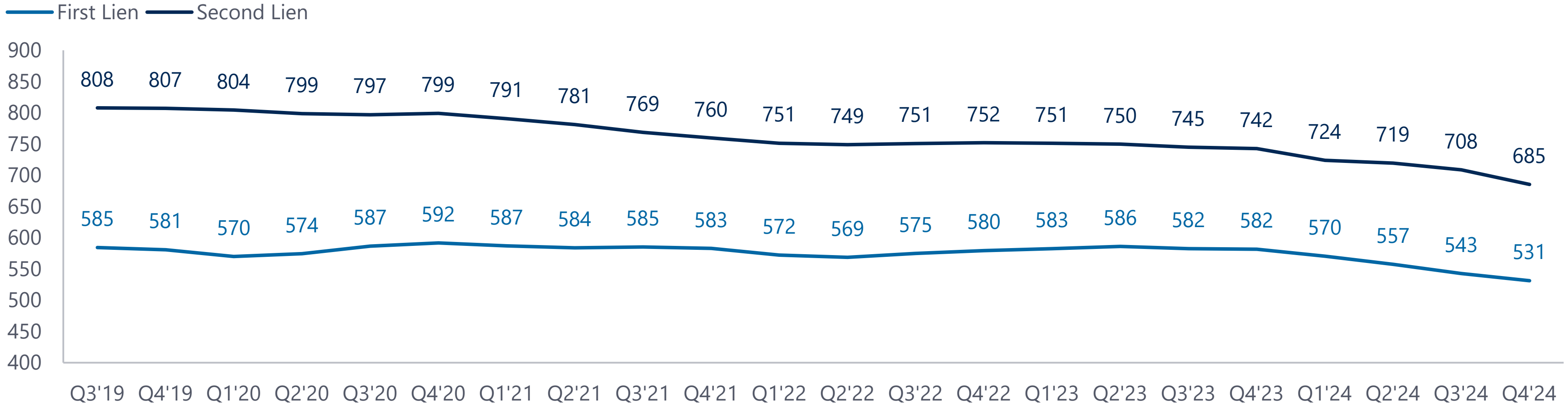
Yields and Spread Continued to Decline

- Refinancing and repricing activity continued the momentum from Q3 2024 as credit spreads across the market landscape tightened.
- December 2024 was characterized by repricings, as the Fed's decision to cut rates again drove additional U.S. borrowers to negotiate lower spreads on existing debt.
- Average first lien yields across BDC portfolios decreased from 10.74% in Q3 2024 to 10.38% in Q4 2024. On a year-over-year basis, first lien yields decreased by 150 bps in Q4 2024.
- Average second lien yields decreased from 13.80% in Q3 2024 to 13.06% in Q4 2024. On a year-over-year basis, second lien yields decreased by 103 bps in Q4 2024.

Average Yields



Average Coupon (Spread Over SOFR)

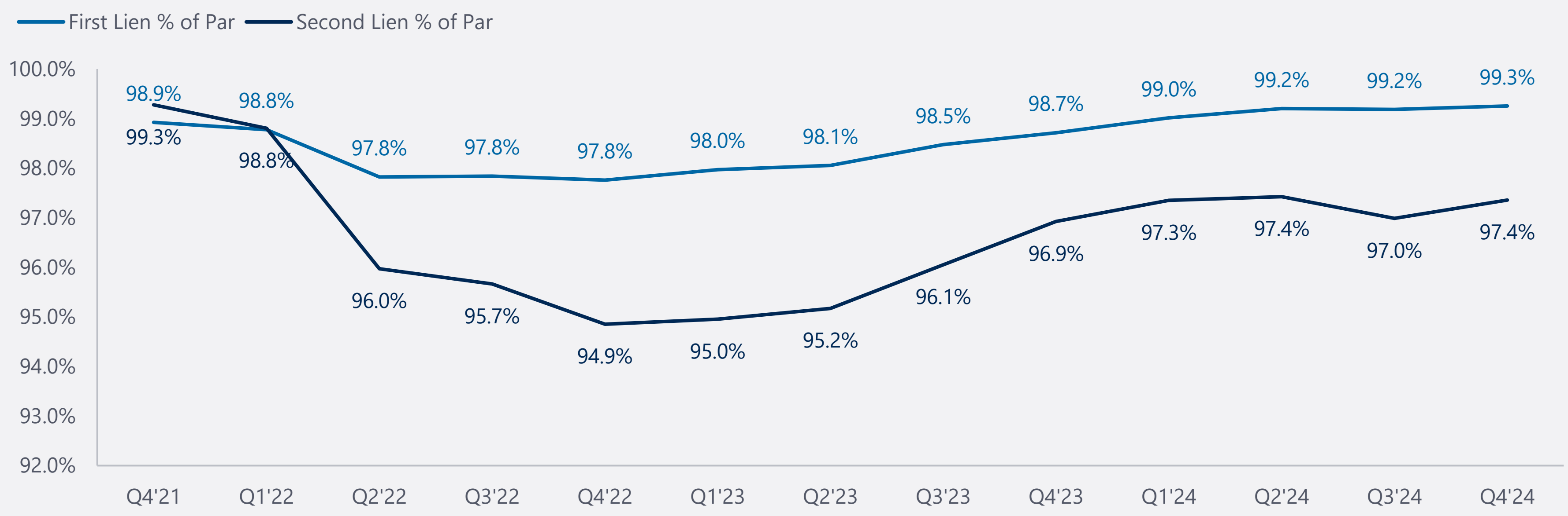


Sources: PitchBook and Advantage Data.
Notes: Yield is based on reported fair value, stated maturity, and stated interest rate. Represents data for all BDCs tracked by Advantage Data. Excludes outliers.

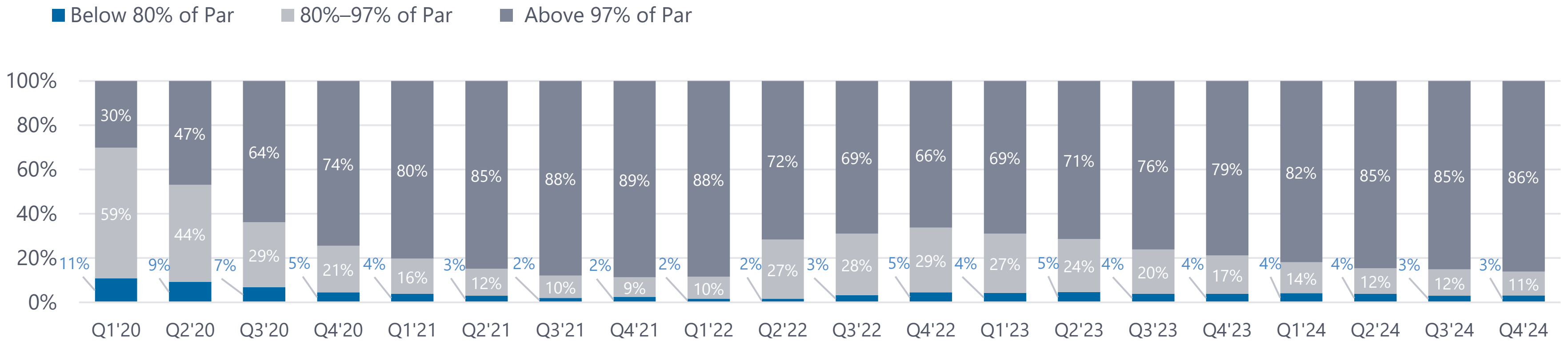
Loan Pricing

- The weighted average price for first lien loans was roughly flat at 99.25% of par in Q4 2024 compared to 99.18% of par in Q3 2024.
- The weighted average price for second lien loans increased from 97.00% of par to 97.36% of par over the same period.
- Several BDCs categorize their portfolios by risk level. As of Q4 2024, an average of 5.8% of BDC portfolios were deemed riskier than at underwriting, 7.6% were considered less risky, and 86.6% matched the original underwriting risk.
- An alternative approach to risk-level categorization is to categorize loan portfolios based on pricing tiers. Although various factors affect loan pricing, this type of tiered analysis aims to provide a more objective, market-driven evaluation of portfolio health and serves as an early indicator of potential portfolio degradation or distress as the distribution across these pricing tiers evolves over time.
- As of the fourth quarter of 2024, 3.0% of BDC loans were priced below 80.0% of par, 10.8% were in the range of 80.0%–97.0% of par, and 86.1% were priced above 97.0% of par. Using loans priced below 80.0% as an indicator of distress, it appears that BDC portfolios are not experiencing an uptick in distressed loans, with levels at or below historical norms.

Weighted Average Loan Price[1]



Investment Percentage of Par Buckets[2]

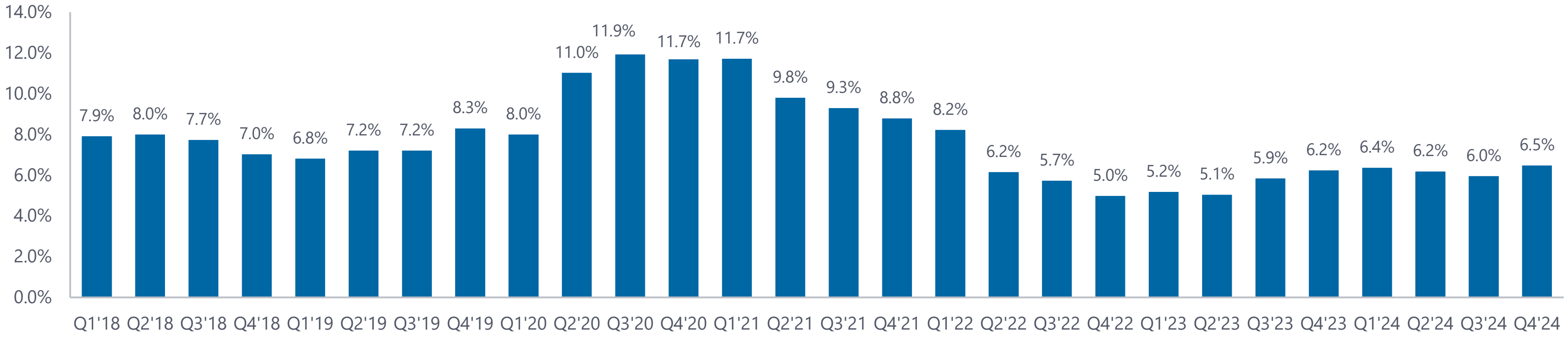


Source: Advantage Data.
(1) Expressed as a percent of par. Represents data for all BDCs tracked by Advantage Data that were filed as of the date of this report. Excludes outliers. The data is meant to reflect performing loans only.
(2) Reflects the allocation of loans into buckets based on their fair value percentage of par. The relative allocation is based on cost.

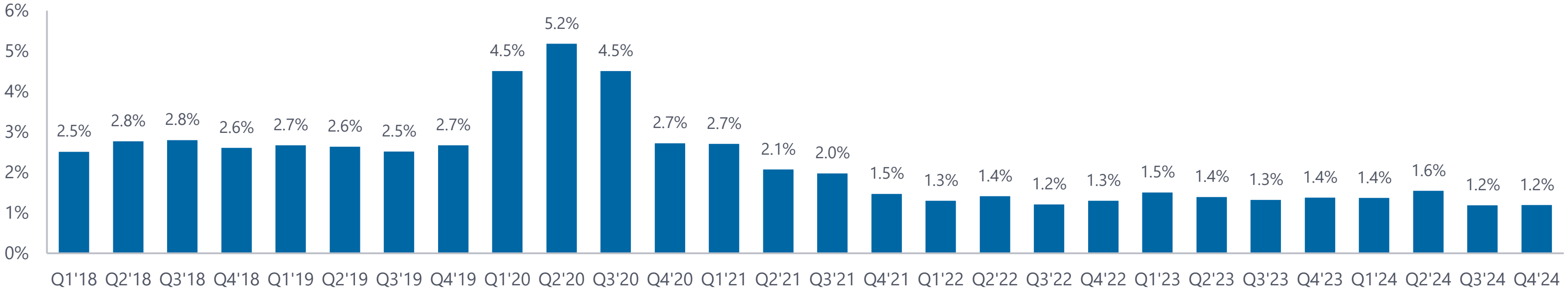
Distress Remains Low Despite Fall in Implied Recovery Rates

- The use of PIK in both new issuances and amendments remained popular, given that PIK as a percent of total interest income increased by 0.5% from Q3 2024 to Q4 2024. Spread compression in larger cash-pay deals has made PIK junior deals relatively more attractive.
- At the end of Q4 2024, the nonaccrual percent for BDC loans was 1.2% (flat from the prior quarter) and the implied recovery rate for nonaccrual investments was 45.7% (a decrease of 440 bps from the prior quarter), driven by a deterioration in asset quality.
- As of Q4 2024, the public M&A markets saw increased deal flow. This trend was expected to continue into 2025; however, increased geopolitical and regulatory uncertainties, particularly tariffs, are being closely monitored and could influence the timing and volume of deals.

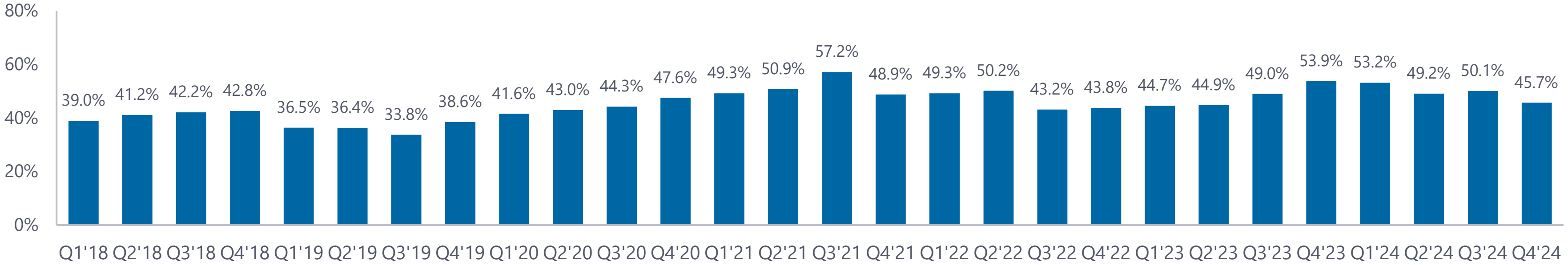
PIK as % of Total Interest Income[1]



Nonaccrual Investments as a Percent of Total Portfolio[2]



Nonaccrual Investments Implied Recovery Rate[3]



Source: Advantage Data.
(1) Reflects PIK income as a percent of total interest income for BDCs tracked by Advantage Data.
(2) Reflects the cost of nonaccrual investments as a percent of total portfolio cost for BDCs tracked by Advantage Data.
(3) Reflects the fair value of nonaccrual investments as a percent of the cost of nonaccrual investments for BDCs tracked by Advantage Data.

Publicly Traded BDC Market Snapshot
Large-Cap

As of Q4 2024, large-cap BDCs reported robust new deal activity, driven by increased originations in sponsor-backed transactions and continued strength in middle-market financing. Following earlier spread tightening, new investment spreads stabilized toward year-end. Portfolio companies continued to display solid fundamentals, with average loan-to-value ratios remaining comfortably in the mid-40% range. Interest coverage ratios improved slightly, supported by consistent EBITDA growth and moderated base rates.

Nonaccrual rates for large-cap BDCs generally stabilized or improved during the quarter, reversing the rising trend observed earlier in 2024. Overall net asset value movements were mixed, with modest appreciation offset by targeted depreciation in selected investments. The outlook remains positive, bolstered by substantial private equity dry powder and an anticipated increase in M&A activity, setting the stage for sustained or growing deal volumes into 2025.

Price to NAV

Main Street Capital Corporation	1.68x
Hercules Capital, Inc.	1.45x
Sixth Street Specialty Lending, Inc.	1.16x
Blackstone Secured Lending Fund	1.03x
Ares Capital Corporation	1.01x
Morgan Stanley Direct Lending Fund	0.92x
Golub Capital BDC, Inc.	0.91x
Blue Owl Capital Corporation	0.88x
FS KKR Capital Corp.	0.80x
Oaktree Specialty Lending Corporation	0.79x
Goldman Sachs BDC, Inc.	0.76x
MidCap Financial Investment Corporation	0.75x
New Mountain Finance Corporation	0.74x
Prospect Capital Corporation	0.46x
Mean	0.95x
Median	0.89x

Dividend Yield

FS KKR Capital Corp.	15.4%
Prospect Capital Corporation	15.1%
New Mountain Finance Corporation	14.7%
MidCap Financial Investment Corporation	13.6%
Golub Capital BDC, Inc.	13.6%
Blue Owl Capital Corporation	12.6%
Goldman Sachs BDC, Inc.	12.5%
Oaktree Specialty Lending Corporation	12.1%
Morgan Stanley Direct Lending Fund	11.5%
Hercules Capital, Inc.	11.0%
Blackstone Secured Lending Fund	11.0%
Sixth Street Specialty Lending, Inc.	10.4%
Ares Capital Corporation	9.6%
Main Street Capital Corporation	7.9%
Mean	12.2%
Median	12.3%

Total Assets ($ in Millions)

Ares Capital Corporation	$28,254
FS KKR Capital Corp.	$14,219
Blue Owl Capital Corporation	$13,866
Blackstone Secured Lending Fund	$13,472
Golub Capital BDC, Inc.	$9,009
Prospect Capital Corporation	$7,235
Main Street Capital Corporation	$5,121
Morgan Stanley Direct Lending Fund	$3,912
Hercules Capital, Inc.	$3,832
Goldman Sachs BDC, Inc.	$3,603
Sixth Street Specialty Lending, Inc.	$3,582
New Mountain Finance Corporation	$3,247
MidCap Financial Investment Corporation	$3,191
Oaktree Specialty Lending Corporation	$3,084
Mean	$8,259
Median	$4,517

ROA

Main Street Capital Corporation	13.2%
Sixth Street Specialty Lending, Inc.	9.8%
Hercules Capital, Inc.	9.6%
Morgan Stanley Direct Lending Fund	9.4%
Blackstone Secured Lending Fund	8.6%
Ares Capital Corporation	8.5%
Blue Owl Capital Corporation	7.7%
New Mountain Finance Corporation	7.7%
MidCap Financial Investment Corporation	7.5%
Golub Capital BDC, Inc.	7.4%
FS KKR Capital Corp.	7.1%
Oaktree Specialty Lending Corporation	5.7%
Goldman Sachs BDC, Inc.	4.9%
Prospect Capital Corporation	2.5%
Mean	7.8%
Median	7.7%

ROE

Main Street Capital Corporation	19.3%
Hercules Capital, Inc.	13.9%
Blackstone Secured Lending Fund	12.6%
Ares Capital Corporation	12.4%
Morgan Stanley Direct Lending Fund	12.1%
Sixth Street Specialty Lending, Inc.	12.0%
Blue Owl Capital Corporation	9.9%
Golub Capital BDC, Inc.	9.4%
FS KKR Capital Corp.	8.7%
New Mountain Finance Corporation	8.4%
MidCap Financial Investment Corporation	8.2%
Goldman Sachs BDC, Inc.	4.0%
Oaktree Specialty Lending Corporation	3.7%
Prospect Capital Corporation	0.8%
Mean	9.7%
Median	9.7%

Nonaccrual

Oaktree Specialty Lending Corporation	4.5%
Goldman Sachs BDC, Inc.	4.4%
Prospect Capital Corporation	3.8%
Sixth Street Specialty Lending, Inc.	3.6%
Main Street Capital Corporation	3.5%
MidCap Financial Investment Corporation	2.1%
Blue Owl Capital Corporation	1.9%
FS KKR Capital Corp.	1.7%
Ares Capital Corporation	1.7%
Hercules Capital, Inc.	1.6%
New Mountain Finance Corporation	1.3%
Golub Capital BDC, Inc.	0.9%
Blackstone Secured Lending Fund	0.3%
Morgan Stanley Direct Lending Fund	0.2%
Mean	2.3%
Median	1.8%

Sources: S&P Capital IQ and SEC filings.
Note: As of April 14, 2025.
Large-cap = market cap greater than $1 billion.
ROA = (net change in net assets + interest expense) / average assets.
ROE = net change in net assets / average equity.

Publicly Traded BDC Market Snapshot
Mid-Cap

As of Q4 2024, mid-cap BDCs delivered robust origination volumes, achieving record or near-record activity primarily due to substantial new investments and ongoing financings to support existing portfolio companies. Despite earlier competitive pressure that led to narrower spreads, pricing for new deals stabilized toward the end of the year, typically settling between SOFR + 475 bps and + 575 bps. Portfolio companies maintained prudent leverage levels, with loan-to-value ratios generally between 35% and 50%, and exhibited strong interest coverage ratios.

Nonaccrual rates declined or remained steady during the quarter, reflecting solid credit quality and proactive risk management practices. Fair value adjustments varied, driven by specific credit conditions and market factors, resulting in overall stability in mid-cap BDCs' net asset values. Looking forward, mid-cap BDCs hold an optimistic yet cautious outlook for 2025, expecting an uptick in M&A activity driven by significant private equity dry powder. However, they remain attentive to competitive market dynamics and broader economic uncertainties.

Price to NAV

Capital Southwest Corporation	1.16x
Gladstone Capital Corporation	1.14x
Trinity Capital Inc.	1.06x
Fidus Investment Corporation	0.94x
PennantPark Floating Rate Capital Ltd.	0.85x
Carlyle Secured Lending, Inc.	0.84x
Bain Capital Specialty Finance, Inc.	0.82x
SLR Investment Corp.	0.82x
Nuveen Churchill Direct Lending Corp.	0.81x
Barings BDC, Inc.	0.75x
Crescent Capital BDC, Inc.	0.74x
BlackRock TCP Capital Corp.	0.71x
Mean	0.89x
Median	0.83x

Dividend Yield

BlackRock TCP Capital Corp.	15.9%
Nuveen Churchill Direct Lending Corp.	14.9%
Trinity Capital Inc.	14.4%
Capital Southwest Corporation	13.3%
Carlyle Secured Lending, Inc.	13.0%
Crescent Capital BDC, Inc.	12.9%
PennantPark Floating Rate Capital Ltd.	12.8%
Fidus Investment Corporation	12.7%
Bain Capital Specialty Finance, Inc.	12.4%
Barings BDC, Inc.	12.4%
SLR Investment Corp.	11.0%
Gladstone Capital Corporation	8.1%
Mean	12.8%
Median	12.8%

Total Assets ($ in Millions)

Barings BDC, Inc.	$2,696
Bain Capital Specialty Finance, Inc.	$2,632
SLR Investment Corp.	$2,449
PennantPark Floating Rate Capital Ltd.	$2,344
Nuveen Churchill Direct Lending Corp.	$2,144
Carlyle Secured Lending, Inc.	$1,926
BlackRock TCP Capital Corp.	$1,923
Capital Southwest Corporation	$1,789
Trinity Capital Inc.	$1,774
Crescent Capital BDC, Inc.	$1,656
Fidus Investment Corporation	$1,164
Gladstone Capital Corporation	$816
Mean	$1,943
Median	$1,925

ROA

Gladstone Capital Corporation	15.8%
Trinity Capital Inc.	11.5%
Nuveen Churchill Direct Lending Corp.	10.1%
PennantPark Floating Rate Capital Ltd.	9.2%
Fidus Investment Corporation	9.1%
Crescent Capital BDC, Inc.	8.2%
Bain Capital Specialty Finance, Inc.	7.6%
Capital Southwest Corporation	7.3%
Barings BDC, Inc.	7.3%
SLR Investment Corp.	6.7%
Carlyle Secured Lending, Inc.	4.6%
BlackRock TCP Capital Corp.	0.4%
Mean	8.2%
Median	7.9%

ROE

Gladstone Capital Corporation	22.3%
Trinity Capital Inc.	16.1%
Nuveen Churchill Direct Lending Corp.	13.5%
Fidus Investment Corporation	12.6%
PennantPark Floating Rate Capital Ltd.	12.1%
Bain Capital Specialty Finance, Inc.	10.5%
Crescent Capital BDC, Inc.	9.9%
Carlyle Secured Lending, Inc.	9.8%
SLR Investment Corp.	9.7%
Barings BDC, Inc.	9.2%
Capital Southwest Corporation	8.6%
BlackRock TCP Capital Corp.	-8.6%
Mean	10.5%
Median	10.2%

Nonaccrual

BlackRock TCP Capital Corp.	13.3%
Capital Southwest Corporation	5.2%
Fidus Investment Corporation	3.9%
Gladstone Capital Corporation	3.7%
Trinity Capital Inc.	2.3%
Crescent Capital BDC, Inc.	2.1%
Barings BDC, Inc.	1.6%
Bain Capital Specialty Finance, Inc.	1.3%
Carlyle Secured Lending, Inc.	1.0%
PennantPark Floating Rate Capital Ltd.	0.8%
SLR Investment Corp.	0.5%
Nuveen Churchill Direct Lending Corp.	0.3%
Mean	3.0%
Median	1.9%

Sources: S&P Capital IQ and SEC filings.
Note: As of April 14, 2025.
Mid-cap = market cap less than $1 billion and greater than $500 million.
ROA = (net change in net assets + interest expense) / average assets.
ROE = net change in net assets / average equity.

Publicly Traded BDC Market Snapshot
Small-Cap

As of Q4 2024, small-cap BDCs reported moderate new origination volumes, primarily driven by incremental financings to existing portfolio companies, while new platform investments were limited due to subdued M&A activity and a cautious market environment. Although competition throughout the year placed pressure on pricing, spreads on new deals began to stabilize toward year-end, typically settling between SOFR + 450 bps and + 600 bps, with somewhat better terms still accessible in certain nonsponsored segments. Portfolio companies generally maintained conservative leverage profiles, and interest coverage metrics remained comfortably supportive, reflecting prudent financial structuring.

Nonaccrual rates across small-cap BDCs were largely stable or improved modestly, underscoring solid credit quality and effective risk management practices. Fair value movements varied due to specific credit developments and broader market factors, though overall net asset values held steady. Looking forward, small-cap BDCs hold a cautiously optimistic view for 2025, anticipating gradual improvements in transaction volumes, but remain vigilant given ongoing competitive pressures and macroeconomic uncertainties, including the trajectory of interest rates, inflation dynamics, and tariff impacts.

Price to NAV

Oxford Square Capital Corp.	1.13x
Gladstone Investment Corporation	1.01x
Horizon Technology Finance Corporation	0.99x
NewtekOne, Inc.	0.98x
Stellus Capital Investment Corporation	0.92x
Great Elm Capital Corp.	0.84x
Saratoga Investment Corp.	0.84x
PennantPark Investment Corporation	0.83x
Monroe Capital Corporation	0.81x
Chicago Atlantic BDC, Inc.	0.80x
WhiteHorse Finance, Inc.	0.75x
Rand Capital Corporation	0.70x
TriplePoint Venture Growth BDC Corp.	0.69x
SuRo Capital Corp.	0.69x
Runway Growth Finance Corp.	0.64x
OFS Capital Corporation	0.64x
PhenixFIN Corporation	0.63x
Princeton Capital Corporation	0.63x
Portman Ridge Finance Corporation	0.60x
CION Investment Corporation	0.59x
Logan Ridge Finance Corporation	0.57x
Investcorp Credit Management BDC, Inc.	0.49x
Medallion Financial Corp.	0.49x
Equus Total Return, Inc.	0.42x
Mean	0.74x
Median	0.70x

Dividend Yield

TriplePoint Venture Growth BDC Corp.	20.1%
WhiteHorse Finance, Inc.	19.4%
Investcorp Credit Management BDC, Inc.	19.2%
Portman Ridge Finance Corporation	18.5%
CION Investment Corporation	17.0%
Runway Growth Finance Corp.	16.5%
OFS Capital Corporation	16.5%
Horizon Technology Finance Corporation	16.4%
Oxford Square Capital Corp.	16.2%
Great Elm Capital Corp.	15.5%
PennantPark Investment Corporation	15.3%
Monroe Capital Corporation	13.9%
Saratoga Investment Corp.	12.9%
Stellus Capital Investment Corporation	12.8%
Chicago Atlantic BDC, Inc.	12.8%
Gladstone Investment Corporation	12.3%
Rand Capital Corporation	9.4%
Logan Ridge Finance Corporation	8.0%
NewtekOne, Inc.	7.4%
Medallion Financial Corp.	5.4%
PhenixFIN Corporation	2.8%
Equus Total Return, Inc.	0.0%
Princeton Capital Corporation	0.0%
SuRo Capital Corp.	0.0%
Mean	12.0%
Median	13.4%

Total Assets ($ in Millions)

Medallion Financial Corp.	$2,869
NewtekOne, Inc.	$2,060
CION Investment Corporation	$1,946
PennantPark Investment Corporation	$1,412
Saratoga Investment Corp.	$1,220
Runway Growth Finance Corp.	$1,091
Gladstone Investment Corporation	$1,088
Stellus Capital Investment Corporation	$981
Horizon Technology Finance Corporation	$822
TriplePoint Venture Growth BDC Corp.	$763
WhiteHorse Finance, Inc.	$677
Monroe Capital Corporation	$491
Portman Ridge Finance Corporation	$454
OFS Capital Corporation	$428
Great Elm Capital Corp.	$342
PhenixFIN Corporation	$312
Chicago Atlantic BDC, Inc.	$310
Oxford Square Capital Corp.	$300
SuRo Capital Corp.	$232
Investcorp Credit Management BDC, Inc.	$207
Logan Ridge Finance Corporation	$193
Rand Capital Corporation	$72
Equus Total Return, Inc.	$30
Princeton Capital Corporation	$21
Mean	$763
Median	$472

ROA

Rand Capital Corporation	12.9%
Runway Growth Finance Corp.	10.9%
OFS Capital Corporation	10.0%
Gladstone Investment Corporation	9.8%
Investcorp Credit Management BDC, Inc.	9.4%
PhenixFIN Corporation	8.8%
Stellus Capital Investment Corporation	8.2%
PennantPark Investment Corporation	7.6%
NewtekOne, Inc.	7.6%
TriplePoint Venture Growth BDC Corp.	7.2%
Saratoga Investment Corp.	7.2%
CION Investment Corporation	6.6%
Monroe Capital Corporation	6.3%
Great Elm Capital Corp.	6.3%
WhiteHorse Finance, Inc.	5.5%
Chicago Atlantic BDC, Inc.	4.8%
Oxford Square Capital Corp.	4.8%
Medallion Financial Corp.	4.5%
Logan Ridge Finance Corporation	4.2%
Horizon Technology Finance Corporation	3.3%
Portman Ridge Finance Corporation	3.0%
SuRo Capital Corp.	-13.1%
Equus Total Return, Inc.	-30.2%
Princeton Capital Corporation	-40.6%
Mean	2.7%
Median	6.5%

ROE

NewtekOne, Inc.	18.7%
OFS Capital Corporation	17.0%
Investcorp Credit Management BDC, Inc.	15.4%
Gladstone Investment Corporation	14.7%
Rand Capital Corporation	14.0%
Runway Growth Finance Corp.	13.9%
Stellus Capital Investment Corporation	13.3%
PennantPark Investment Corporation	10.9%
PhenixFIN Corporation	10.6%
Saratoga Investment Corp.	9.3%
TriplePoint Venture Growth BDC Corp.	9.3%
Medallion Financial Corp.	8.4%
Chicago Atlantic BDC, Inc.	5.0%
Monroe Capital Corporation	4.9%
CION Investment Corporation	4.0%
Oxford Square Capital Corp.	3.8%
WhiteHorse Finance, Inc.	3.6%
Great Elm Capital Corp.	3.0%
Logan Ridge Finance Corporation	0.0%
Horizon Technology Finance Corporation	-1.7%
Portman Ridge Finance Corporation	-3.0%
SuRo Capital Corp.	-21.1%
Princeton Capital Corporation	-41.0%
Equus Total Return, Inc.	-48.3%
Mean	2.7%
Median	6.7%

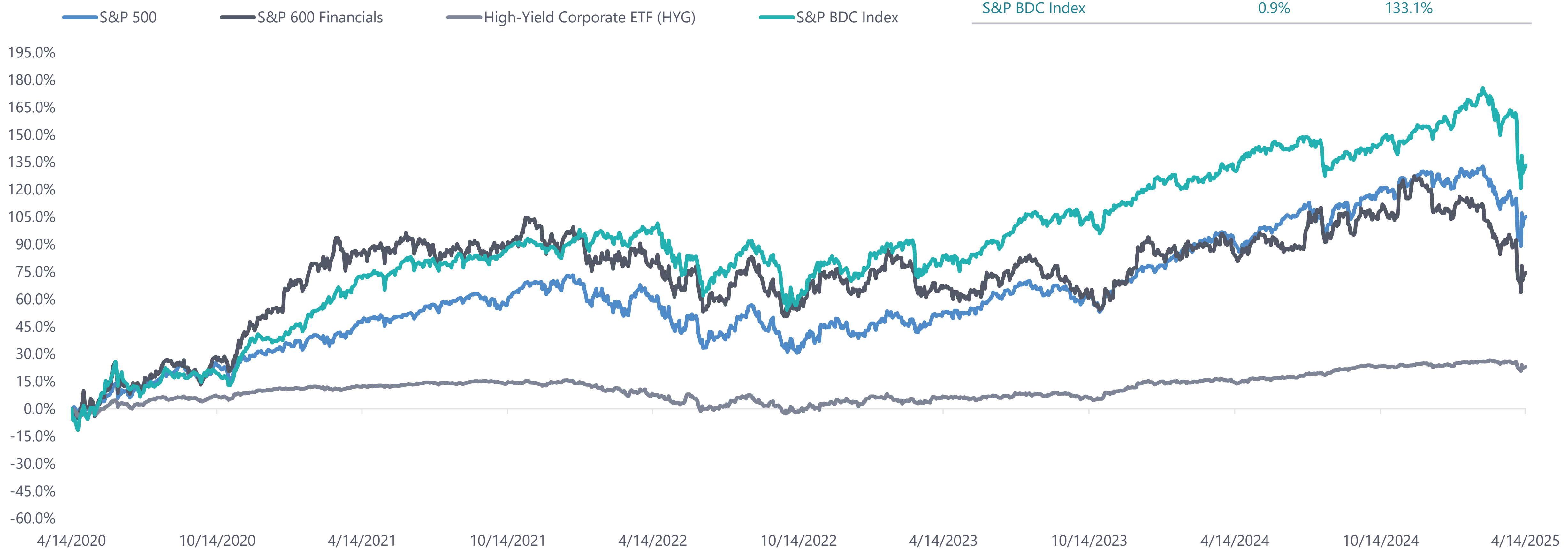
Nonaccrual

Princeton Capital Corporation	13.2%
OFS Capital Corporation	10.8%
WhiteHorse Finance, Inc.	9.8%
Logan Ridge Finance Corporation	9.0%
Gladstone Investment Corporation	8.8%
Stellus Capital Investment Corporation	7.8%
PhenixFIN Corporation	6.1%
Horizon Technology Finance Corporation	5.6%
Investcorp Credit Management BDC, Inc.	5.4%
TriplePoint Venture Growth BDC Corp.	5.0%
Oxford Square Capital Corp.	4.5%
Monroe Capital Corporation	4.5%
NewtekOne, Inc.	3.9%
Portman Ridge Finance Corporation	3.4%
CION Investment Corporation	3.1%
PennantPark Investment Corporation	2.0%
Great Elm Capital Corp.	1.4%
Medallion Financial Corp.	1.1%
SuRo Capital Corp.	0.9%
Runway Growth Finance Corp.	0.8%
Saratoga Investment Corp.	0.3%
Equus Total Return, Inc.	0.0%
Rand Capital Corporation	0.0%
Chicago Atlantic BDC, Inc.	0.0%
Mean	4.5%
Median	4.2%

Sources: S&P Capital IQ and SEC filings.
Notes: As of April 14, 2025. NA refers to not available.
Small-cap = market cap less than $500 million.
ROA = (net change in net assets + interest expense) / average assets.
ROE = net change in net assets / average equity.

Cumulative Total Return
% as of April 14, 2025

	One Year	Five Years
S&P 500	6.9%	105.1%
S&P 600 Financials	-5.7%	74.4%
High-Yield Corporate ETF (HYG)	7.1%	22.9%
S&P BDC Index	0.9%	133.1%



Source: LSEG.

Unparalleled BDC Experience

Houlihan Lokey's Asset Management team is a leading advisor on BDC-related transactions.

Related Party/Third Party

TCP Capital Corp.
has merged with
BlackRock Capital Investment Corporation™
Special Committee Advisor

Oaktree OCSL | Specialty Lending Corporation
has merged with
Oaktree Strategic Income II, Inc.
Special Committee Advisor

SLR Senior Investment Corp
has merged with
SLR Investment Corp
Sellside Advisor

Oaktree OCSI | Strategic Income Corporation
has merged with
Oaktree OCSL | Specialty Lending Corporation
Special Committee Advisor

Alcentra Capital Corporation
has merged with
Crescent Capital BDC, Inc.
Exclusive Sellside Advisor

FC | Full Circle Capital
has merged with
Great Elm Capital
Financial Advisor

Asset Sale

Medley Capital Corporation
has sold its interests in the MCC Senior Loan Strategy JV Portfolio to a private fund managed by
Golub Capital
Sellside Advisor

TCAP Triangle Capital Corporation
sold its entire Investment Portfolio for $793 million to funds advised by
Benefit Street Partners
Sellside Advisor

Investment Management Agreement

KCAP Financial, Inc.
externalized management to an affiliate of
BC Partners
Buyside Advisor

TCAP Triangle Capital Corporation
has externalized management of the Company for $235 million in total financial commitments from
Barings
Sellside Advisor

Fifth Street®
has closed the effective transfer of certain external investment management agreements to
Oaktree
Special Committee Advisor

Benefit Street Partners
has been appointed as the external advisor of
BDCA Business Development Corporation of America
Strategic Advisor

Tombstones included herein represent transactions closed from 2016 forward.

About
Portfolio Valuation and Fund Advisory Services

Houlihan Lokey's Portfolio Valuation and Fund Advisory Services practice is a leading advisor to many of the world's largest asset managers who rely on our strong reputation with regulators, auditors, and investors; private company, structured product, and derivative valuation experience; and independent voice.

We value illiquid assets on behalf of hundreds of hedge funds, private equity firms, financial institutions, corporations, and investors.

We rapidly mobilize the right team for the job, drawing on our expertise in a wide variety of asset classes and industries, along with our real-world transaction experience and market knowledge from our dedicated global Financial and Valuation Advisory business.

Our Office Locations

AMERICAS	Atlanta Baltimore Boston	Charlotte Chicago Dallas	Houston Los Angeles Miami	Minneapolis New York San Francisco	São Paulo Washington, D.C.
EUROPE AND MIDDLE EAST	Amsterdam Antwerp Dubai	Frankfurt London Madrid	Manchester Milan Munich	Paris Stockholm Zurich	
ASIA-PACIFIC	Beijing Gurugram	Hong Kong SAR Mumbai	Shanghai Singapore	Sydney Tokyo	

Our Service Areas

- Derivatives Valuation and Risk Management
- Fair Valuation for Financial Reporting
- Fund Manager Valuation
- Fund Opinions
- Valuation Governance and Best Practices
- Portfolio Acquisition and Divestiture Services
- Securitization and Regulatory Compliance
- Structured Products Valuation Advisory

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If there is additional content you would find useful for future updates, please do not hesitate to call or email us with your suggestions. We look forward to staying in touch with you.

Portfolio Valuation and Fund Advisory Services

About
Our Asset Management Team

The global Houlihan Lokey Financial Services Group has more than 80 dedicated professionals with senior officers located in five offices around the world, including Atlanta, Chicago, Miami, New York, and Tokyo.

The Asset Management practice, which operates within Houlihan Lokey's Financial Services Group, has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital-raising, restructuring, and financial and valuation advisory services.

We are deeply experienced in advising clients across business models of all types, including traditional asset managers, alternative asset managers, asset allocators and fund of funds, BDCs, REITs, and permanent capital vehicles.

Featured Transactions

TCP Capital Corp.
has merged with
BlackRock Capital Investment Corporation
Fairness Opinion

Agility
a business of
Perella Weinberg Partners Capital Management LP
has combined with
Cerity Partners
backed by
Lightyear Capital
Genstar
Sellside Advisor

Benefit Street Partners Realty Trust
has merged with
Capstead
Buyside Advisor

NapierPark
has been acquired by
First Eagle Investments
Sellside Advisor

FTAI Aviation
has completed the internalization of its management operations
Financial Advisor

Lennar
has completed the spin-off of
Millrose Properties
Houlihan Lokey served as financial advisor to the independent directors serving on the Lennar Board
Financial Advisor & Financial Opinions

KCAP Financial, Inc.
externalized management to an affiliate of
BC Partners
Buyside Advisor

Kennedy Lewis Investment Management
has sold a minority equity GP stake to
Azimut
Sellside Advisor

No. 1

2024 M&A Advisory Rankings
All Global Financial Services Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**56**
2	Goldman Sachs	46
3	JP Morgan	41
4	Rothschild	40
5	Morgan Stanley	36

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers. Excludes banks.

2024 M&A Advisory Rankings
All U.S. Financial Services Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**39**
2	Goldman Sachs	19
3	JP Morgan	18
4	Evercore	16
4	MarshBerry	16

Source: LSEG (formerly Refinitiv).
Excludes banks.

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Asset and Wealth Management

Tombstones included herein represent transactions closed from 2020 forward.

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Financial Restructuring

Financial and Valuation Advisory

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