



Houlihan
Lokey

BDC Monitor

Fall 2025

FIRST LIEN

SOFR

+500 bps

Median Coupon for Newly Issued Loans in Q2 2025

⊖ Unchanged QoQ

99.3%

Weighted Average Loan Price

⬆ +55 bps QoQ

9.90%

Average Yield

⬆ -27 bps QoQ

1.2%

Nonaccrual Rate

⬆ -7 bps QoQ

48.9%

Implied Recovery Rate for Loans on Nonaccrual Status

⬆ -721 bps QoQ

SECOND LIEN

SOFR

+688 bps

Median Coupon for Newly Issued Loans in Q2 2025

⬆ -53 bps QoQ

97.6%

Weighted Average Loan Price

⬆ +44 bps QoQ

12.94%

Average Yield

⬆ -30 bps QoQ

\$481.7B

Aggregate Fair Value of Investments Held in BDC Portfolios

⬆ +\$30.5B QoQ

9,814

Aggregate Number of Unique Investments Held in BDC Portfolios

⬆ +348 QoQ

Source: Advantage Data.

Note: 9,814 aggregate number of unique investments held in BDC portfolios excludes cross-held investments.

Houlihan Lokey's Portfolio Valuation and Fund Advisory Services and Asset Management teams are pleased to present the Fall 2025 edition of the BDC Monitor, which includes key trends for more than 160 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

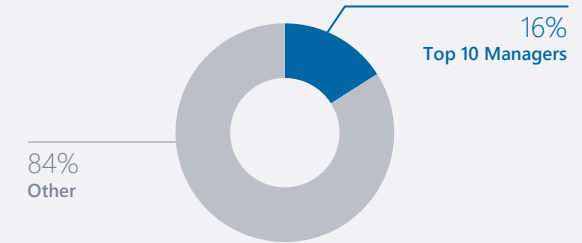
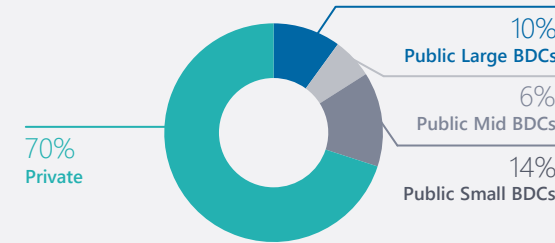
- The top 10 managers represent 16% of the BDCs by fund count and 66% of the BDCs by total assets.
- Direct lending positions continued to grow in number and size in Q2 2025. The total fair value of BDC public and private investments reached \$481.7 billion in Q2 2025 (up from \$451.1 billion in Q1 2025), driven by approximately 348 net additional investments.
- Private BDCs comprise a substantial portion of the market, accounting for more than two-thirds of the 160+ active funds and managing approximately 68% of total assets. Since 2020, their portfolio fair value has risen from \$21.5 billion to \$327.2 billion as of Q2 2025, with their share of the total BDC market by fair value increasing from approximately 17% to about 68%.

Total BDC Net Equity Capital Raised

Number of Funds Tracked, Actual

More Than 160

Total Active Funds

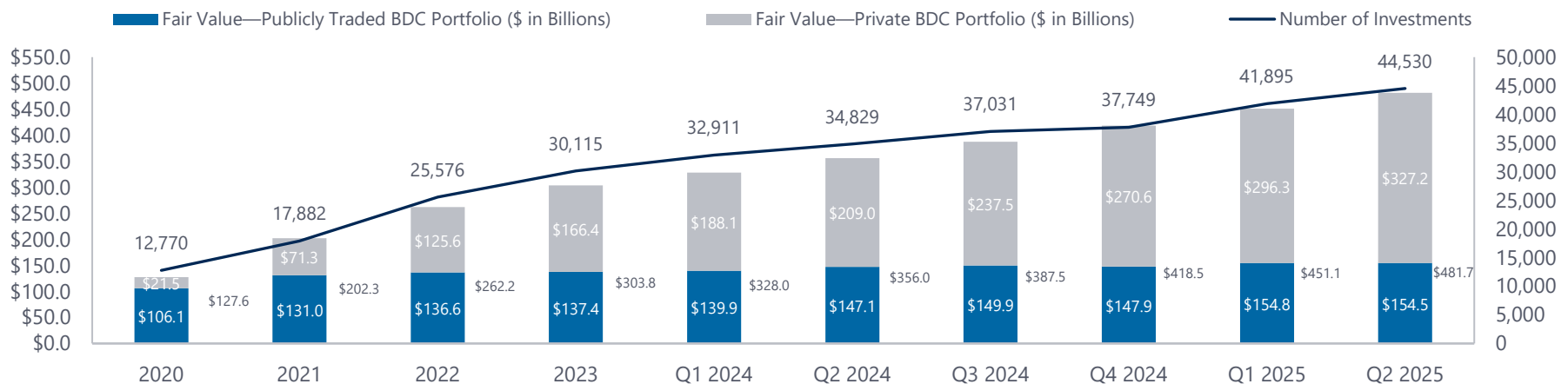
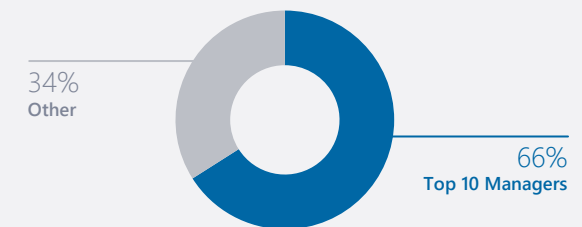
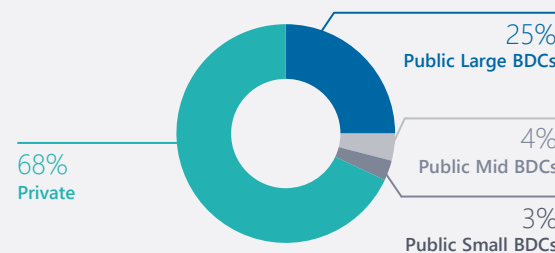


Total Assets of Privately Registered and Publicly Traded BDC Funds

Cumulative Total Assets

\$482 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 October 28, 2025. Excludes outliers. The data is meant to reflect performing loans only. 44,530 number of investments represents cross-held investments across BDCs.

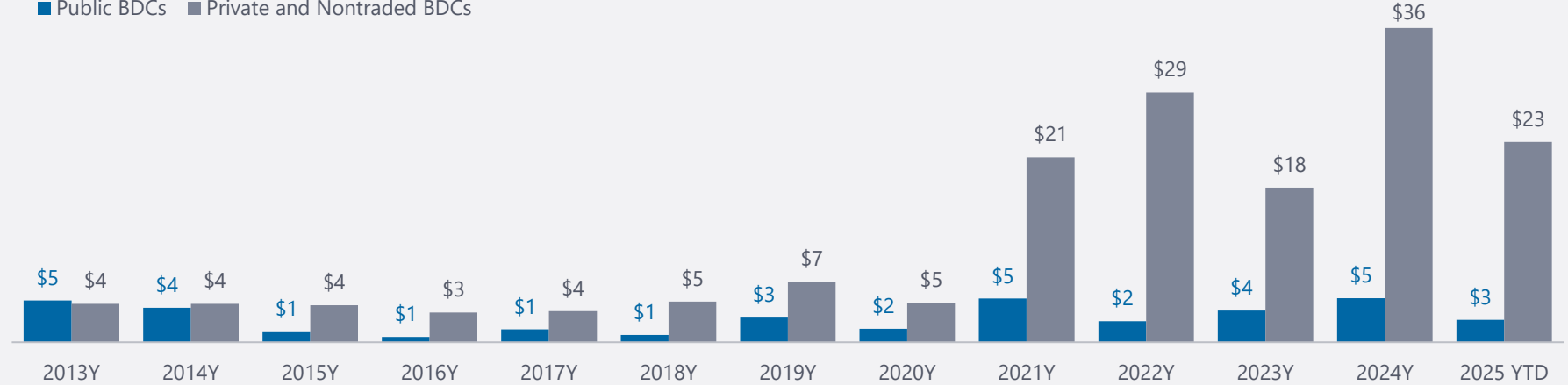
Private BDCs: The Fundraising Powerhouses

- In the past few years, the vast majority of BDC capital has been raised in the private and nontraded channels; managers can raise new equity at NAV, which is not subject to public market volatility and is below the NAV trading price.
- Debt-to-equity climbed steadily from 0.93x in 2020 to a cycle high of 1.09x by year-end 2022. Facing higher borrowing costs, BDCs then deleveraged to 0.94x in 2023, edging down slightly to 0.91x in Q2 2025.
- The gap between gross portfolio yields and fixed-rate debt costs widened from approximately 4.0% in 2020 to a peak of 4.8% in 2023. It has since contracted back to 3.8% as of Q2 2025, reflecting a moderation in net interest margins following a period of strong expansion.

Total BDC Net Equity Capital Raised

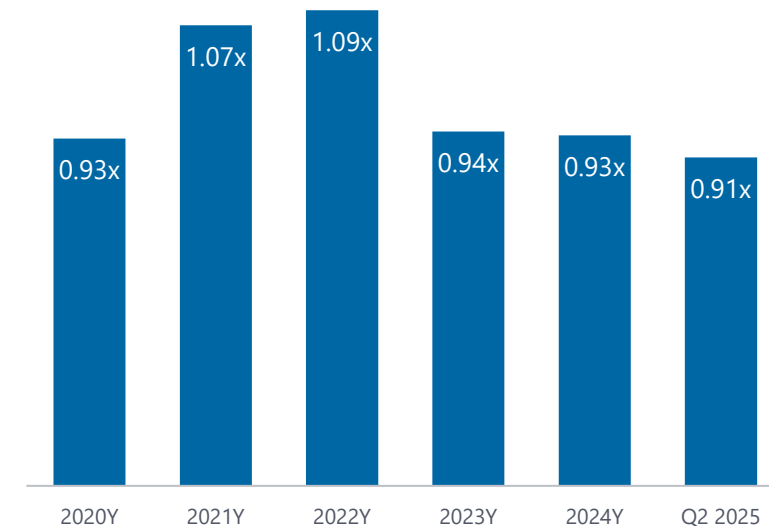
\$ in Billions

■ Public BDCs ■ Private and Nontraded BDCs



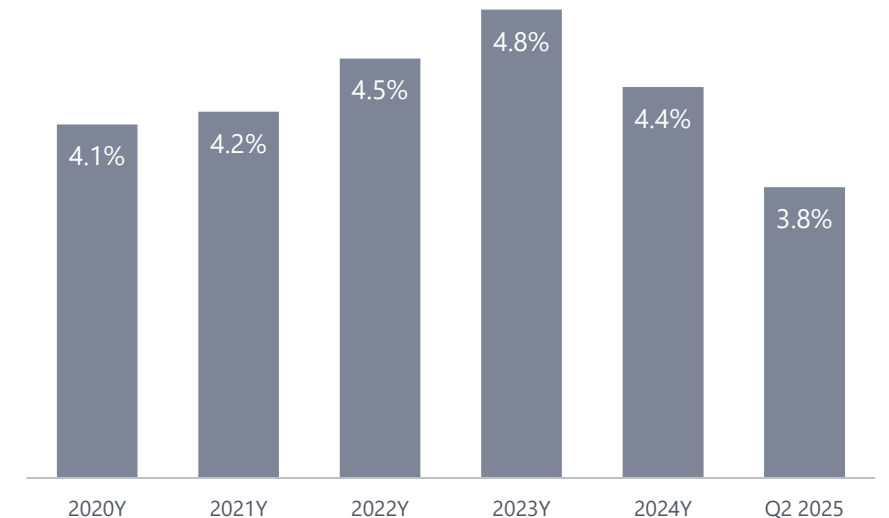
Leverage Trending Lower Since 2022 High

Industry Debt-to-Equity Ratios



Net Interest Spread Has Tightened

Difference Between Interest Income and Interest Expense Rates



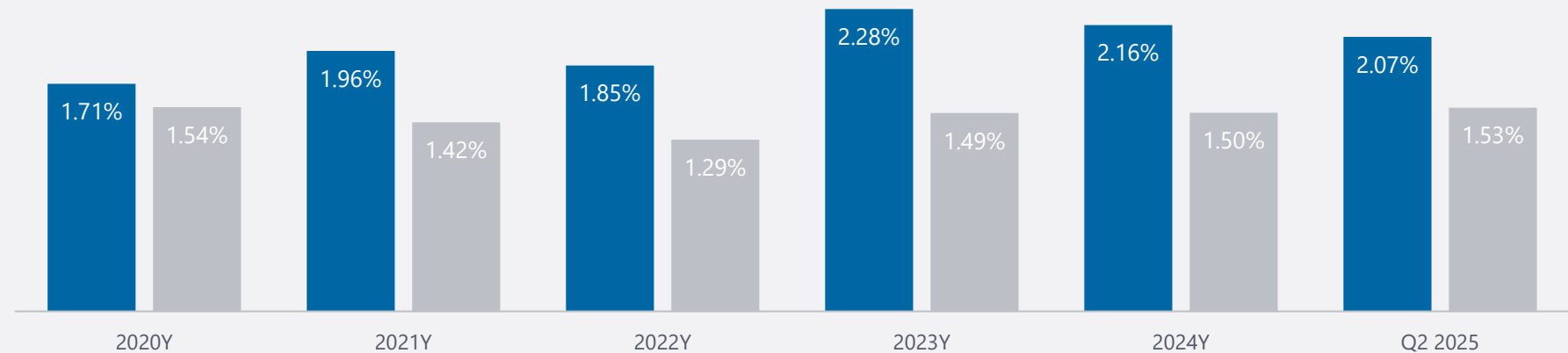
Sources: SEC filings and S&P Capital IQ as of October 31, 2025.

Note: 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.

Management Fee Rates and Selected Recent Observations

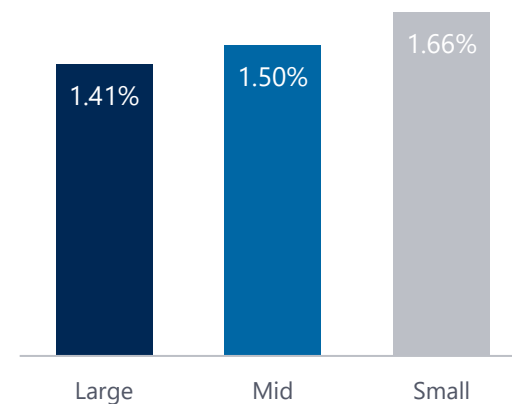
- Recent operating trends that have led to greater BDC profitability have also resulted in higher relative fees for managers, though relative fees remain lower for larger BDCs and in the private and nontraded channels.
- Recently observed related-party BDC mergers have typically been structured near or at 1.00x NAV-to-NAV.
- 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.

■ Total Fees/Avg. Assets (Public) ■ Total Fees/Avg. Assets (Private and Nontraded)

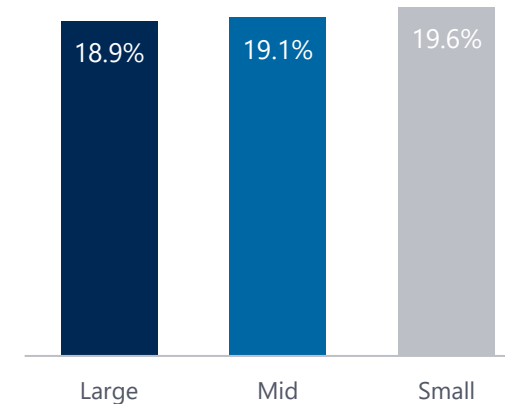


Average Fee Structure by Public BDC Size

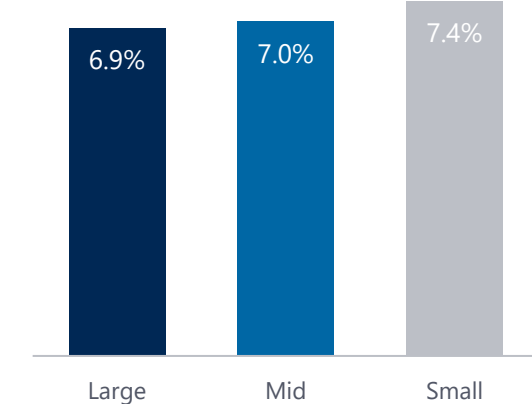
Management Fee



Incentive Fee



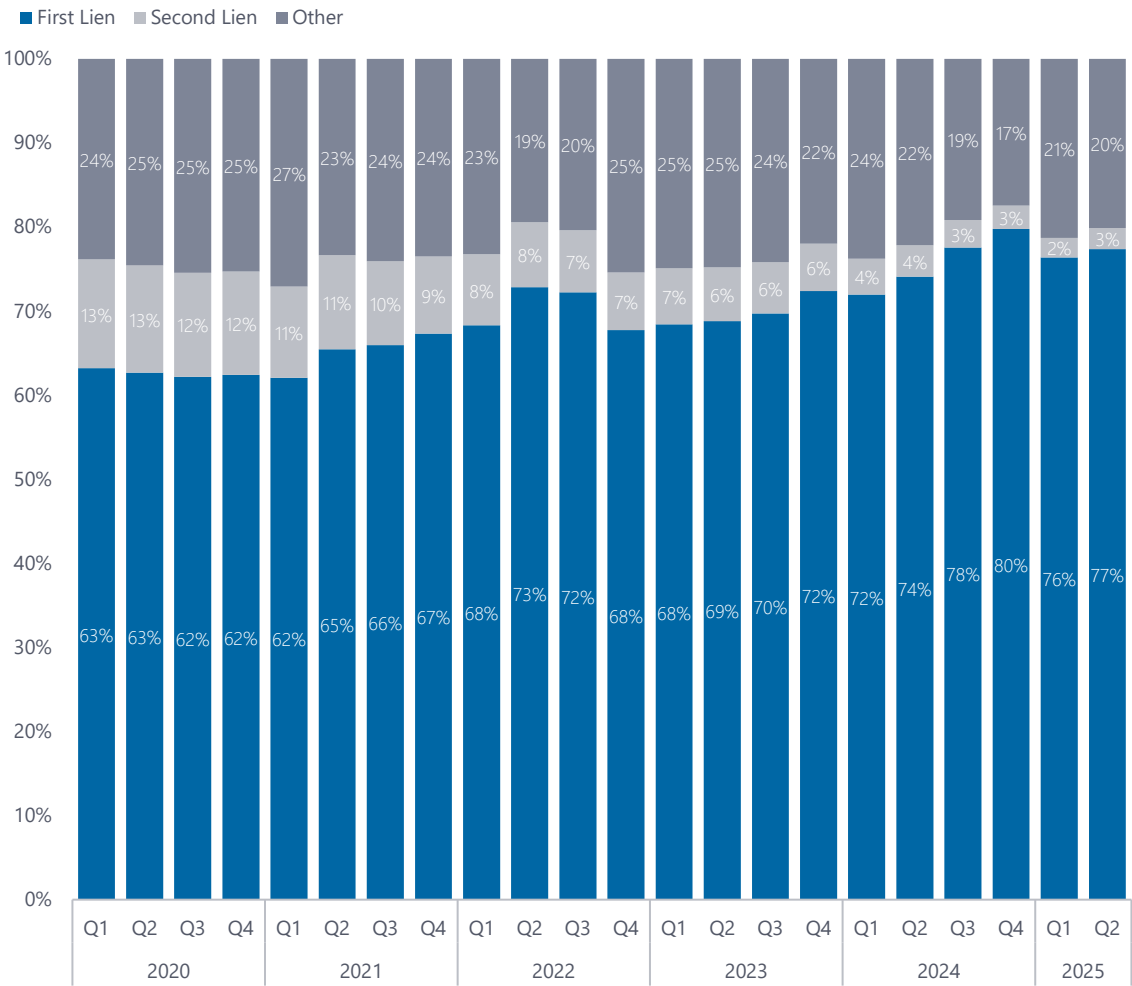
Hurdle Rate



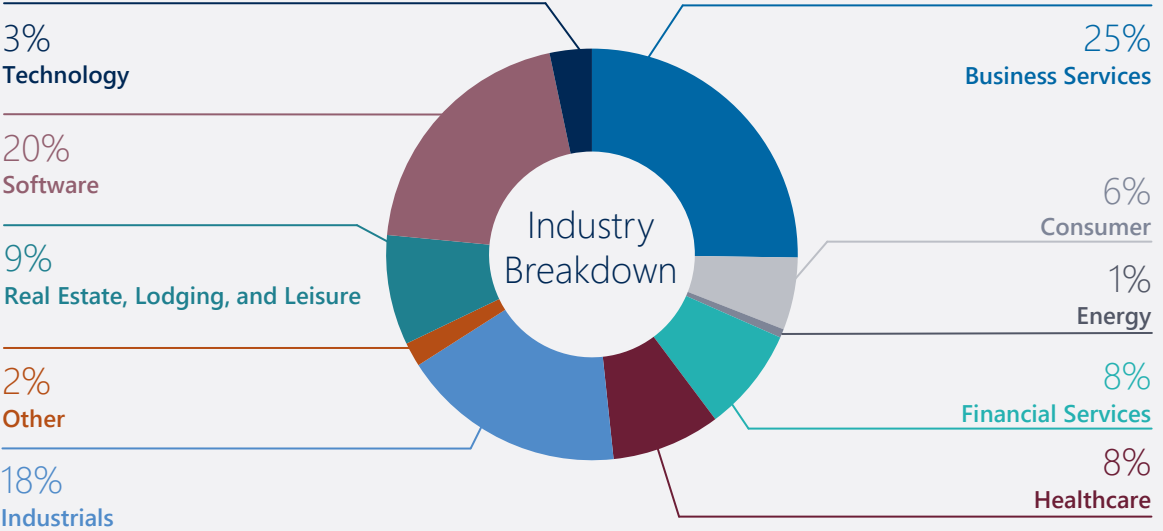
Sources: SEC filings and S&P Capital IQ as of October 31, 2025.

Note: 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



Source: Advantage Data as of June 30, 2025.
Note: The BDC portfolio composition represents the aggregate composition of all BDC portfolios tracked by Advantage Data. Industry breakdown is based on the industry of each BDC portfolio company and is divided by aggregate principal for each BDC investment.



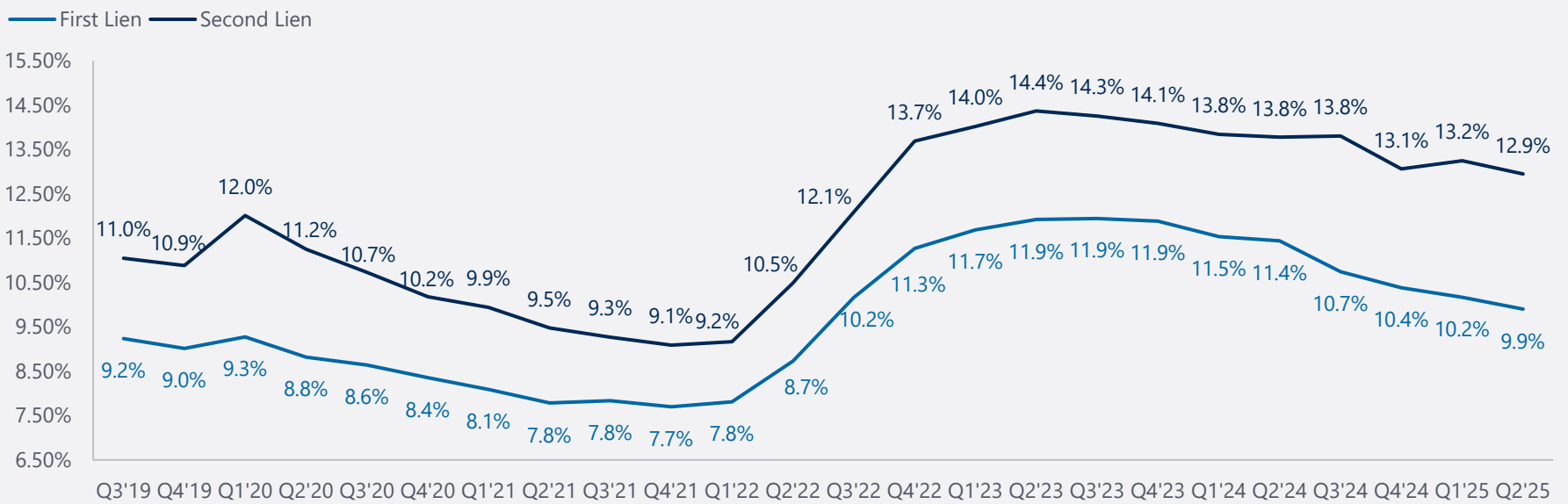
First Lien Yields		Second Lien Yields	
Healthcare	10.3%	Technology	17.1%
Technology	10.3%	Other	16.5%
Other	10.2%	Healthcare	14.7%
Consumer	10.1%	Energy	14.6%
Industrials	10.0%	Industrials	13.5%
Business Services	9.9%	Consumer	12.9%
Software	9.9%	Business Services	12.9%
Real Estate, Lodging, and Leisure	9.7%	Software	12.4%
Energy	9.3%	Real Estate, Lodging, and Leisure	12.4%
Financial Services	9.2%	Financial Services	11.2%



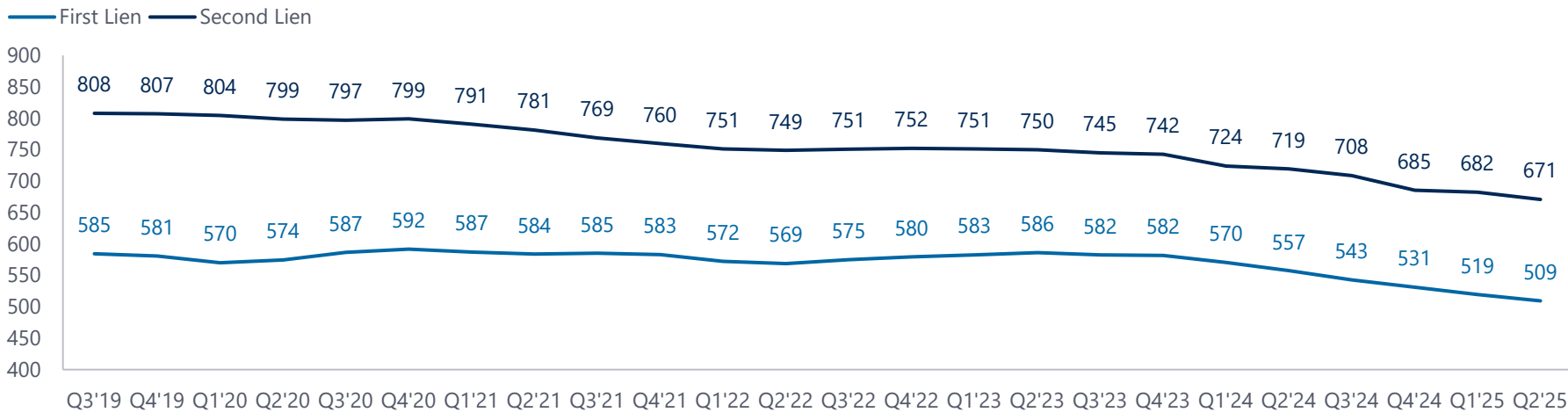
Yields and Spreads Compress Due to a Highly Competitive Market

- The beginning of Q2 2025 saw little activity amid market volatility and uncertainty tied to tariffs and geopolitical tensions, but deal flow accelerated sharply in June, setting a positive tone for the second half of 2025.
- Q2 2025 continued to see tightening credit spreads driven by heightened lender competition and strong capital inflows, reinforcing borrower-friendly market conditions.
- Average first lien yields across BDC portfolios decreased from 10.16% in Q1 2025 to 9.90% in Q2 2025, marking the first drop below 10% in nearly three years. On a year-over-year basis, first lien yields decreased by 154 bps in Q2 2025.
- Average second lien yields decreased from 13.24% in Q1 2025 to 12.94% in Q2 2025. On a year-over-year basis, second lien yields decreased by 83 bps in Q2 2025.

Average Yields



Average Coupon (Spread Over SOFR)

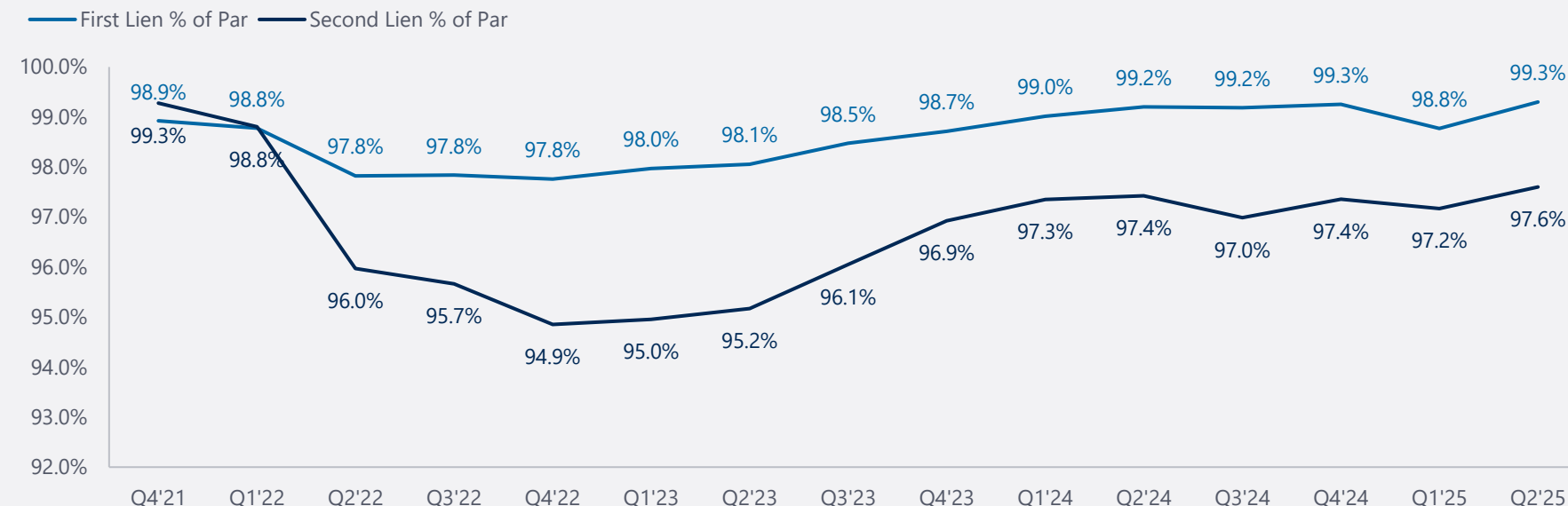


Sources: PitchBook and Advantage Data as of June 30, 2025.
 Note: Yield is based on reported fair value, stated maturity, and stated interest rate. Represents data for all BDCs tracked by Advantage Data. Excludes outliers.

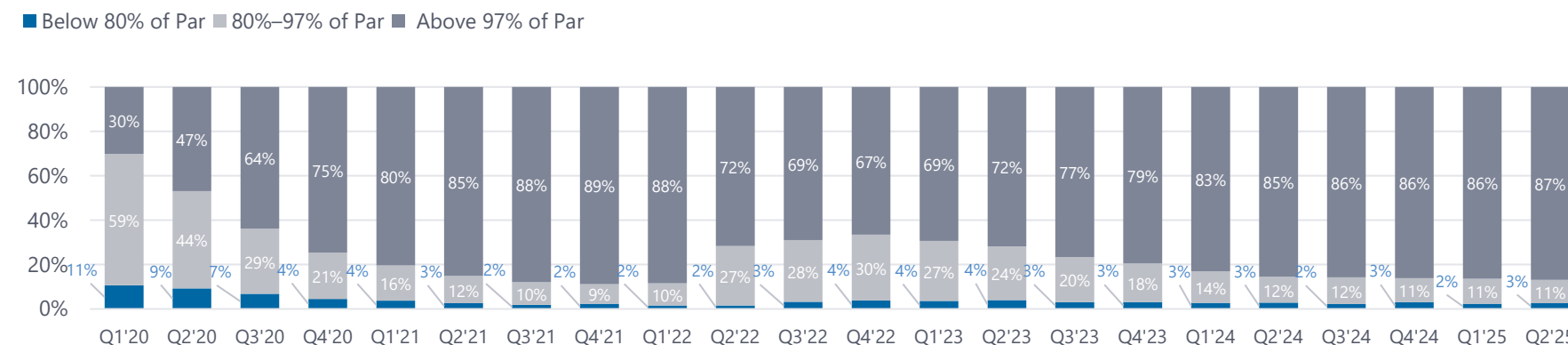
Loan Pricing

- The weighted average price for first lien loans increased from 98.77% of par in Q1 2025 to 99.32% of par in Q2 2025.
- The weighted average price for second lien loans increased from 97.17% of par to 97.61% of par over the same period.
- Several BDCs categorize their portfolios by risk level. As of Q2 2025, an average of 5.9% of BDC portfolios were deemed riskier than at underwriting, 7.6% were considered less risky, and 86.5% matched the original underwriting risk.
- An alternative approach to risk-level categorization is to categorize loan portfolios based on pricing tiers. Although various factors influence 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 Q2 2025, 2.6% of BDC loans were priced below 80.0% of par, 10.5% were in the range of 80.0%–97.0% of par, and 86.9% 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 as of June 30, 2025.

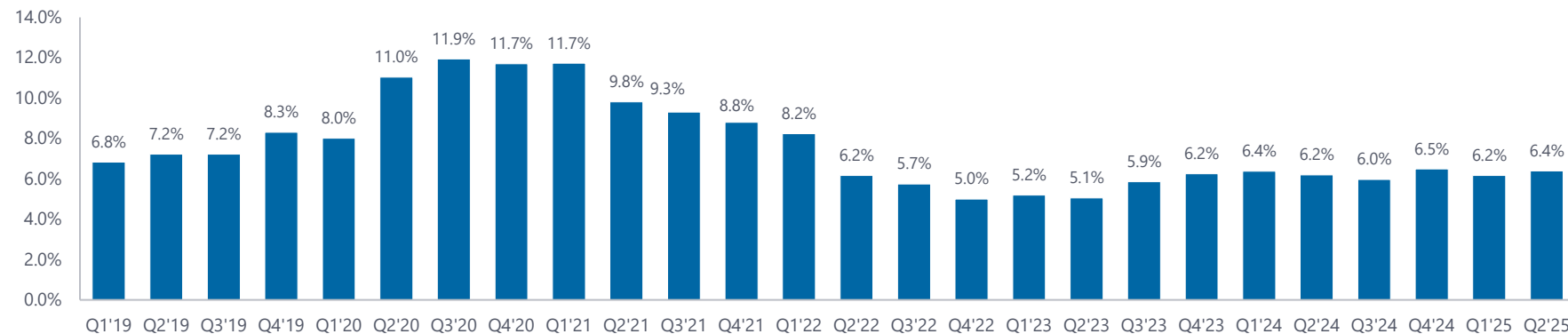
(1) Expressed as a percentage of par. Represents data for all BDCs tracked by Advantage Data that were filed as of the date of this report. Excludes outliers. The data is meant to reflect performing loans only.

(2) Reflects the allocation of loans into buckets based on their fair value percentage of par. The relative allocation is based on cost.

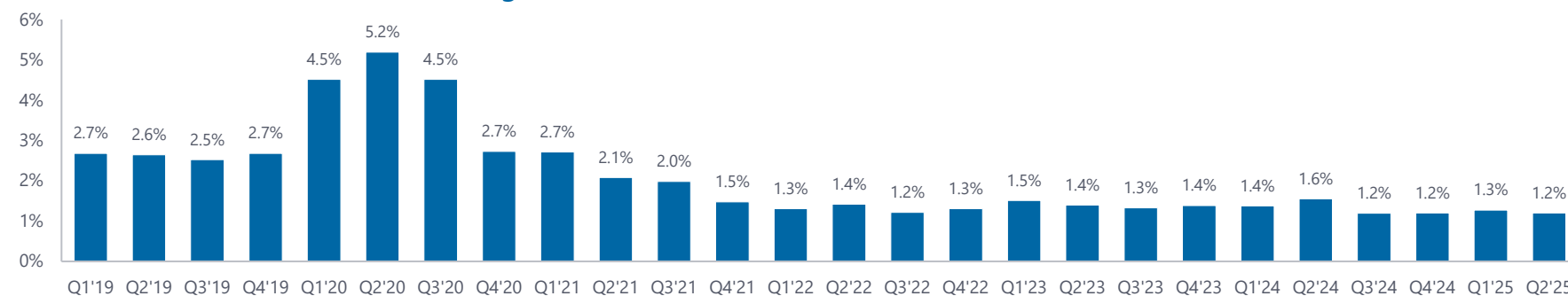
Distress Remains Low and Implied Recovery Rates Remain Steady

- PIK as a percentage of total interest income increased by 0.2% from Q1 2025 to Q2 2025.
- At the end of Q2 2025, the nonaccrual percentage for BDC loans was 1.2% (a decrease of 7 bps from the prior quarter). This remains within a low to moderate range, reflecting disciplined underwriting practices. Trends varied slightly by capitalization: small-cap BDCs exhibited more dispersion due to company-specific stress, while mid- and large-cap BDCs demonstrated greater stability.
- The implied recovery rate on nonaccrual investments declined slightly to 48.9%, a decrease of 72 basis points quarter-over-quarter, reflecting isolated valuation adjustments and idiosyncratic credit resolutions. Broader asset quality remained stable, with tariff and geopolitical uncertainty exerting limited indirect influence on deal flow rather than portfolio fundamentals.
- As of Q2 2025, the public M&A and origination markets saw signs of a rebound, yet deal volumes remained down year-to-date compared to previous years due to regulatory uncertainty around tariffs, geopolitical tensions, and elevated interest rates.

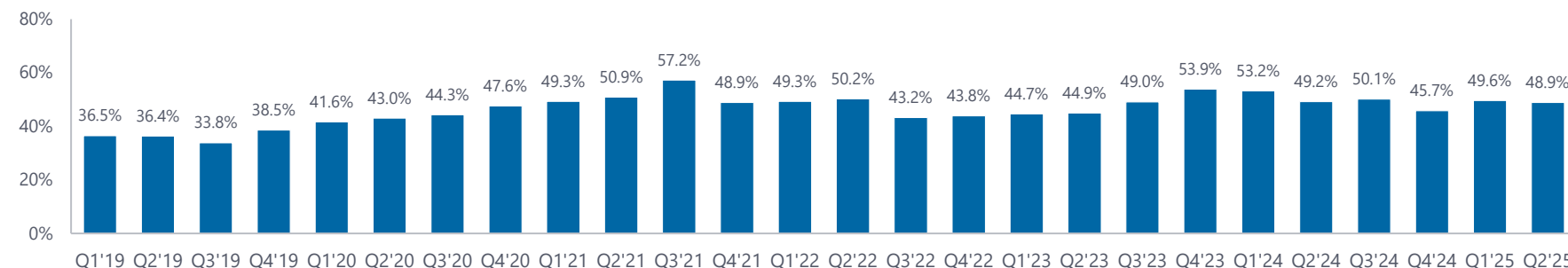
PIK as a Percentage of Total Interest Income⁽¹⁾



Nonaccrual Investments as a Percentage of Total Portfolio⁽²⁾



Nonaccrual Investments Implied Recovery Rate⁽³⁾



Source: Advantage Data as of June 30, 2025.

(1) Reflects PIK income as a percentage of total interest income for BDCs tracked by Advantage Data.

(2) Reflects the cost of nonaccrual investments as a percentage of total portfolio cost for BDCs tracked by Advantage Data.

(3) Reflects the fair value of nonaccrual investments as a percentage of the cost of nonaccrual investments for BDCs tracked by Advantage Data.

Publicly Traded BDC Market Snapshot

Large-Cap

- As of Q2 2025, large-cap BDCs delivered mixed results amid macroeconomic volatility and a slow start to the quarter, but deal activity rebounded sharply in June. While broader M&A remained muted, platforms leaned on incumbent relationships and saw strong late-quarter momentum. New deal spreads showed signs of modest tightening due to increased competition but generally stabilized, with some firms finding opportunities to capture higher spreads by sourcing deals outside traditional sponsor channels. The trajectory for the second half of 2025 looks positive.
- Leverage remained manageable, often below recent averages. Interest coverage ratios landed at approximately 2.0x, driven by stable-to-improving EBITDA performance. Average loan-to-value ratios were stable, falling in the low 40% range. Nonaccrual rates across large-cap BDCs continued to indicate solid credit performance. Most firms reported unchanged or better results, with several outperforming both historical and peer benchmarks.
- Large-cap BDCs are poised to see increased deal flow in the second half of 2025 and into 2026, driven by significant dry powder, pressure to return capital to limited partners, and increasing clarity on economic and regulatory policy.

Sources: S&P Capital IQ and SEC filings.

Note: As of October 28, 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.

Price to NAV

Main Street Capital Corp.	1.81x
Hercules Capital, Inc.	1.51x
Sixth Street Specialty Lending, Inc.	1.33x
Capital Southwest Corp.	1.26x
Trinity Capital Inc.	1.15x
Ares Capital Corp.	1.03x
Blackstone Secured Lending Fund	0.99x
Golub Capital BDC, Inc.	0.95x
Blue Owl Capital Corp.	0.88x
Oaktree Specialty Lending Corp.	0.85x
Morgan Stanley Direct Lending Fund	0.84x
MidCap Financial Investment Corp.	0.84x
New Mountain Finance Corp.	0.80x
Goldman Sachs BDC, Inc.	0.77x
FS KKR Capital Corp.	0.70x
Prospect Capital Corp.	0.43x

Mean	1.01x
Median	0.91x

ROA

Main Street Capital Corp.	13.0%
MidCap Financial Investment Corp.	11.9%
Sixth Street Specialty Lending, Inc.	9.7%
Hercules Capital, Inc.	8.8%
Capital Southwest Corp.	8.2%
Morgan Stanley Direct Lending Fund	8.1%
Blackstone Secured Lending Fund	7.7%
Blue Owl Capital Corp.	7.7%
MidCap Financial Investment Corp.	7.5%
Golub Capital BDC, Inc.	7.5%
Ares Capital Corp.	7.3%
Goldman Sachs BDC, Inc.	7.2%
New Mountain Finance Corp.	6.4%
Oaktree Specialty Lending Corp.	5.3%
FS KKR Capital Corp.	4.6%
Prospect Capital Corp.	-4.5%

Mean	7.3%
Median	7.6%

Dividend Yield

Prospect Capital Corp.	19.3%
FS KKR Capital Corp.	18.2%
MidCap Financial Investment Corp.	13.4%
New Mountain Finance Corp.	13.2%
Goldman Sachs BDC, Inc.	12.7%
Morgan Stanley Direct Lending Fund	12.7%
MidCap Financial Investment Corp.	12.3%
Capital Southwest Corp.	12.2%
Blue Owl Capital Corp.	12.2%
Blackstone Secured Lending Fund	11.3%
Oaktree Specialty Lending Corp.	11.3%
Golub Capital BDC, Inc.	11.3%
Hercules Capital, Inc.	10.4%
Ares Capital Corp.	9.3%
Sixth Street Specialty Lending, Inc.	8.9%
Main Street Capital Corp.	7.3%

Mean	12.2%
Median	12.2%

ROE

Main Street Capital Corp.	19.7%
MidCap Financial Investment Corp.	17.3%
Hercules Capital, Inc.	12.9%
Sixth Street Specialty Lending, Inc.	11.7%
Blackstone Secured Lending Fund	10.6%
Ares Capital Corp.	10.1%
Capital Southwest Corp.	9.9%
Blue Owl Capital Corp.	9.8%
Goldman Sachs BDC, Inc.	9.4%
Morgan Stanley Direct Lending Fund	9.3%
Golub Capital BDC, Inc.	9.3%
MidCap Financial Investment Corp.	8.3%
New Mountain Finance Corp.	6.1%
FS KKR Capital Corp.	3.4%
Oaktree Specialty Lending Corp.	3.1%
Prospect Capital Corp.	-9.5%

Mean	8.8%
Median	9.6%

Total Assets

(\$ in Millions)

Ares Capital Corp.	\$30,806
Blue Owl Capital Corp.	\$17,398
FS KKR Capital Corp.	\$14,593
Blackstone Secured Lending Fund	\$13,711
Golub Capital BDC, Inc.	\$9,237
Prospect Capital Corp.	\$6,805
Main Street Capital Corp.	\$5,288
Hercules Capital, Inc.	\$4,284
Morgan Stanley Direct Lending Fund	\$3,913
MidCap Financial Investment Corp.	\$3,462
Sixth Street Specialty Lending, Inc.	\$3,416
Goldman Sachs BDC, Inc.	\$3,410
New Mountain Finance Corp.	\$3,160
Oaktree Specialty Lending Corp.	\$2,964
MidCap Financial Investment Corp.	\$2,045
Capital Southwest Corp.	\$1,882

Mean	\$7,898
Median	\$4,099

Nonaccrual

Oaktree Specialty Lending Corp.	5.3%
FS KKR Capital Corp.	5.1%
Main Street Capital Corp.	5.0%
Prospect Capital Corp.	4.1%
MidCap Financial Investment Corp.	2.8%
MidCap Financial Investment Corp.	2.8%
Capital Southwest Corp.	2.6%
Goldman Sachs BDC, Inc.	2.5%
Sixth Street Specialty Lending, Inc.	2.1%
Ares Capital Corp.	2.0%
Blue Owl Capital Corp.	1.6%
Golub Capital BDC, Inc.	1.2%
New Mountain Finance Corp.	1.0%
Morgan Stanley Direct Lending Fund	0.7%
Blackstone Secured Lending Fund	0.3%
Hercules Capital, Inc.	0.2%

Mean	2.5%
Median	2.3%

Publicly Traded BDC Market Snapshot Mid-Cap

- As of Q2 2025, mid-cap BDCs reported mixed origination activity against a backdrop of heightened macroeconomic uncertainty, but deal flow accelerated sharply in June. Platforms noted that the retreat of regional banks led to increased market opportunities through asset-based lending, especially to lower-middle-market portfolio companies. Pricing trends reflected a competitive environment, as spreads tightened early but generally stabilized. Market expectations point to a strengthening outlook for the second half of 2025.
- Nonaccrual rates decreased and were generally low, at a median of 1.9% versus 3.0% observed during Q1 2025. Most platforms reported flat NAVs, with special dividend payments or employee stock grants impacting NAVs in some cases. Leverage ratios remained conservative at roughly the 3x–5x range, with interest coverage ratios ranging from approximately 2x to 3.5x.
- Mid-cap BDCs noted that potential interest rate cuts by the Federal Reserve could be beneficial, as they would lower borrowing costs and may spur prepayments that generate additional fee income.

Price to NAV

Gladstone Investment Corp.	1.09x
Fidus Investment Corp.	1.08x
SLR Investment Corp.	0.85x
PennantPark Floating Rate Capital Ltd.	0.85x
Bain Capital Specialty Finance, Inc.	0.82x
Nuveen Churchill Direct Lending Corp.	0.82x
Barings BDC, Inc.	0.82x
Carlyle Secured Lending, Inc.	0.79x
Crescent Capital BDC, Inc.	0.75x
BlackRock TCP Capital Corp.	0.68x

Mean	0.85x
Median	0.82x

ROA

Gladstone Investment Corp.	11.5%
Fidus Investment Corp.	8.8%
Nuveen Churchill Direct Lending Corp.	8.8%
PennantPark Floating Rate Capital Ltd.	7.3%
Bain Capital Specialty Finance, Inc.	7.2%
Barings BDC, Inc.	6.9%
SLR Investment Corp.	6.3%
Crescent Capital BDC, Inc.	6.3%
Carlyle Secured Lending, Inc.	3.2%
BlackRock TCP Capital Corp.	2.9%

Mean	6.9%
Median	7.1%

Dividend Yield

BlackRock TCP Capital Corp.	20.7%
Gladstone Investment Corp.	15.6%
Nuveen Churchill Direct Lending Corp.	13.7%
PennantPark Floating Rate Capital Ltd.	13.3%
Crescent Capital BDC, Inc.	12.6%
Bain Capital Specialty Finance, Inc.	12.5%
Carlyle Secured Lending, Inc.	12.4%
Barings BDC, Inc.	11.4%
Fidus Investment Corp.	10.7%
SLR Investment Corp.	10.6%

Mean	13.3%
Median	12.5%

ROE

Gladstone Investment Corp.	16.5%
Fidus Investment Corp.	11.8%
Nuveen Churchill Direct Lending Corp.	10.4%
Bain Capital Specialty Finance, Inc.	9.4%
SLR Investment Corp.	8.9%
Barings BDC, Inc.	8.4%
PennantPark Floating Rate Capital Ltd.	7.4%
Carlyle Secured Lending, Inc.	6.6%
Crescent Capital BDC, Inc.	6.0%
BlackRock TCP Capital Corp.	-1.5%

Mean	8.4%
Median	8.7%

Total Assets

(\$ in Millions)

Barings BDC, Inc.	\$2,793
Bain Capital Specialty Finance, Inc.	\$2,774
Carlyle Secured Lending, Inc.	\$2,575
SLR Investment Corp.	\$2,537
PennantPark Floating Rate Capital Ltd.	\$2,522
Nuveen Churchill Direct Lending Corp.	\$2,074
BlackRock TCP Capital Corp.	\$1,937
Crescent Capital BDC, Inc.	\$1,654
Fidus Investment Corp.	\$1,257
Gladstone Investment Corp.	\$1,054

Mean	\$2,118
Median	\$2,298

Nonaccrual

BlackRock TCP Capital Corp.	9.2%
Gladstone Investment Corp.	9.1%
Crescent Capital BDC, Inc.	3.7%
Fidus Investment Corp.	2.7%
Carlyle Secured Lending, Inc.	2.3%
Bain Capital Specialty Finance, Inc.	1.5%
Barings BDC, Inc.	1.4%
PennantPark Floating Rate Capital Ltd.	1.2%
SLR Investment Corp.	0.4%
Nuveen Churchill Direct Lending Corp.	0.4%

Mean	3.2%
Median	1.9%

Sources: S&P Capital IQ and SEC filings.

Note: As of October 28, 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 Q2 2025, small-cap BDCs reported subdued origination activity as macroeconomic uncertainty and tariff-related concerns dampened M&A activity early on before picking up momentum in June. Deal flow was largely driven by add-on financing and refinancing existing positions. Competitive dynamics continued to apply pressure to spreads as managers focused on maintaining discipline in their underwriting and holding a cautious stance on leverage and pricing. The tone across platforms suggested a conservative but improved outlook for the second half of 2025.
- Nonaccrual rates declined quarter-over-quarter, with certain investments returning to accrual status, indicating successful restructuring efforts. While NAVs declined, movements were modest due to a mix of unrealized gains and losses across lender portfolios. Firms with significant exposure to artificial intelligence across their portfolios observed dramatic increases in NAVs due to events such as the CoreWeave IPO. Leverage ratios ranged between high 4x and low 5x on a weighted average basis. Interest coverage ratios for underlying portfolio companies hovered around 2.5x.
- Small-cap BDCs passed on a higher percentage of deals in Q2 2025 due to concerns about pricing, leverage, credit quality, and capital deployment. However, overall credit quality remained strong, supported by cautious underwriting and tariff mitigation strategies such as shifting supply chains and focusing on domestically oriented businesses.

Sources: S&P Capital IQ and SEC filings.

Notes: As of October 28, 2025.

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.

Price to NAV

SuRo Capital Corp.	0.98x
NewtekOne, Inc.	0.97x
Gladstone Capital Corp.	0.93x
Stellus Capital Investment Corp.	0.93x
PennantPark Investment Corp.	0.90x
Oxford Square Capital Corp.	0.90x
Saratoga Investment Corp.	0.89x
Horizon Technology Finance Corp.	0.84x
Monroe Capital Corp.	0.83x
Chicago Atlantic BDC, Inc.	0.77x
Runway Growth Finance Corp.	0.74x
Equus Total Return, Inc.	0.73x
Rand Capital Corp.	0.73x
OFS Capital Corp.	0.66x
CION Investment Corp.	0.66x
TriplePoint Venture Growth BDC Corp.	0.66x
BCP Investment Corp.	0.66x
Great Elm Capital Corp.	0.65x
WhiteHorse Finance, Inc.	0.62x
Medallion Financial Corp.	0.56x
PhenixFIN Corp.	0.55x
Investcorp Credit Management BDC, Inc.	0.54x
Princeton Capital Corp.	0.39x

Mean	0.74x
Median	0.73x

ROA

SuRo Capital Corp.	22.9%
Gladstone Capital Corp.	12.6%
Chicago Atlantic BDC, Inc.	11.6%
Runway Growth Finance Corp.	11.0%
Investcorp Credit Management BDC, Inc.	10.2%
Great Elm Capital Corp.	9.4%
TriplePoint Venture Growth BDC Corp.	8.9%
NewtekOne, Inc.	7.6%
PennantPark Investment Corp.	7.4%
Stellus Capital Investment Corp.	7.3%
Saratoga Investment Corp.	7.1%
OFS Capital Corp.	6.4%
PhenixFIN Corp.	5.6%
Medallion Financial Corp.	4.9%
Monroe Capital Corp.	4.7%
CION Investment Corp.	4.4%
WhiteHorse Finance, Inc.	4.3%
Oxford Square Capital Corp.	2.3%
BCP Investment Corp.	2.1%
Horizon Technology Finance Corp.	1.2%
Rand Capital Corp.	-9.2%
Equus Total Return, Inc.	-23.1%
Princeton Capital Corp.	-26.0%

Mean	4.1%
Median	6.4%

Dividend Yield

WhiteHorse Finance, Inc.	24.4%
Horizon Technology Finance Corp.	22.8%
Oxford Square Capital Corp.	22.7%
Great Elm Capital Corp.	19.4%
OFS Capital Corp.	18.9%
Investcorp Credit Management BDC, Inc.	17.7%
TriplePoint Venture Growth BDC Corp.	16.2%
BCP Investment Corp.	16.2%
CION Investment Corp.	15.6%
Monroe Capital Corp.	14.6%
PennantPark Investment Corp.	14.5%
Runway Growth Finance Corp.	13.8%
Chicago Atlantic BDC, Inc.	13.3%
Saratoga Investment Corp.	13.1%
Stellus Capital Investment Corp.	13.1%
Rand Capital Corp.	12.1%
Gladstone Capital Corp.	10.5%
NewtekOne, Inc.	7.0%
Medallion Financial Corp.	4.9%
PhenixFIN Corp.	3.3%
SuRo Capital Corp.	2.8%
Equus Total Return, Inc.	0.0%
Princeton Capital Corp.	0.0%

Mean	12.9%
Median	13.8%

ROE

SuRo Capital Corp.	29.4%
NewtekOne, Inc.	18.2%
Investcorp Credit Management BDC, Inc.	17.7%
Gladstone Capital Corp.	16.1%
Runway Growth Finance Corp.	14.3%
Great Elm Capital Corp.	13.2%
Chicago Atlantic BDC, Inc.	12.4%
TriplePoint Venture Growth BDC Corp.	11.8%
Stellus Capital Investment Corp.	10.9%
PennantPark Investment Corp.	10.7%
Saratoga Investment Corp.	9.0%
Medallion Financial Corp.	8.8%
OFS Capital Corp.	6.8%
PhenixFIN Corp.	4.0%
WhiteHorse Finance, Inc.	1.2%
Monroe Capital Corp.	1.0%
Oxford Square Capital Corp.	-0.9%
CION Investment Corp.	-1.3%
BCP Investment Corp.	-4.8%
Horizon Technology Finance Corp.	-7.3%
Rand Capital Corp.	-11.5%
Princeton Capital Corp.	-26.6%
Equus Total Return, Inc.	-39.2%

Mean	4.1%
Median	8.8%

Total Assets

(\$ in Millions)

Medallion Financial Corp.	\$2,880
NewtekOne, Inc.	\$2,126
CION Investment Corp.	\$1,881
PennantPark Investment Corp.	\$1,253
Saratoga Investment Corp.	\$1,206
Runway Growth Finance Corp.	\$1,041
Stellus Capital Investment Corp.	\$1,035
TriplePoint Venture Growth BDC Corp.	\$788
Gladstone Capital Corp.	\$780
Horizon Technology Finance Corp.	\$759
WhiteHorse Finance, Inc.	\$671
BCP Investment Corp.	\$428
Great Elm Capital Corp.	\$409
OFS Capital Corp.	\$395
Monroe Capital Corp.	\$395
Chicago Atlantic BDC, Inc.	\$332
PhenixFIN Corp.	\$307
SuRo Capital Corp.	\$295
Oxford Square Capital Corp.	\$275
Investcorp Credit Management BDC, Inc.	\$224
Rand Capital Corp.	\$58
Equus Total Return, Inc.	\$37
Princeton Capital Corp.	\$19

Mean	\$765
Median	\$428

Nonaccrual

Princeton Capital Corp.	59.7%
OFS Capital Corp.	11.1%
Horizon Technology Finance Corp.	9.3%
Rand Capital Corp.	8.9%
Stellus Capital Investment Corp.	6.4%
Monroe Capital Corp.	6.2%
BCP Investment Corp.	6.2%
NewtekOne, Inc.	6.0%
TriplePoint Venture Growth BDC Corp.	4.7%
WhiteHorse Finance, Inc.	3.9%
Investcorp Credit Management BDC, Inc.	3.2%
CION Investment Corp.	2.8%
Gladstone Capital Corp.	2.4%
PhenixFIN Corp.	2.4%
Great Elm Capital Corp.	1.9%
Medallion Financial Corp.	1.2%
PennantPark Investment Corp.	1.2%
SuRo Capital Corp.	0.9%
Runway Growth Finance Corp.	0.4%
Saratoga Investment Corp.	0.4%
Equus Total Return, Inc.	0.0%
Chicago Atlantic BDC, Inc.	0.0%
Oxford Square Capital Corp.	0.0%

Mean	6.0%
Median	2.8%

Cumulative Total Return

Percentage as of October 28, 2025

	One Year	Five Years
S&P 500	19.9%	126.9%
S&P 600 Financials	5.8%	82.0%
High-Yield Corporate ETF (HYG)	8.3%	26.9%
S&P BDC Index	-1.5%	117.3%



Source: LSEG.





Unparalleled BDC Experience

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

Related Party/Third Party

 <p>LOGAN RIDGE FINANCE CORPORATION</p> <p>PORTMAN RIDGE</p>  <p>BC PARTNERS</p> <p>Logan Ridge has been acquired by Portman Ridge, both entities externally managed by advisory affiliates of BC Partners</p> <p>Sellside Advisor</p>	 <p>TCP CAPITAL CORP.</p> <p>BlackRock Capital Investment Corporation™</p> <p>TCP Capital Corp. has merged with BlackRock Capital Investment Corporation</p> <p>Fairness Opinion</p>	 <p>OAKTREE OCSL Specialty Lending Corporation</p> <p>OAKTREE OAKTREE STRATEGIC INCOME II, INC.</p> <p>Oaktree Specialty Lending Corporation has merged with Oaktree Strategic Income II, Inc.</p> <p>Special Committee Advisor</p>	 <p>SLR SENIOR INVESTMENT CORP.</p> <p>SLR INVESTMENT CORP.</p> <p>SLR Senior Investment Corporation has merged with SLR Investment Corporation</p> <p>Sellside Advisor</p>	 <p>OAKTREE OCSL Strategic Income Corporation</p> <p>OAKTREE OCSL Specialty Lending Corporation</p> <p>Oaktree Strategic Income Corporation has merged with Oaktree Specialty Lending Corporation</p> <p>Special Committee Advisor</p>	 <p>Alcentra Capital Corporation</p> <p>CRESCENT Crescent Capital BDC, Inc.</p> <p>Alcentra Capital Corporation has merged with Crescent Capital BDC</p> <p>Exclusive Sellside Advisor</p>	 <p>FC Full Circle Capital</p> <p>GREAT ELM CAPITAL</p> <p>Full Circle Capital has merged with Great Elm Capital</p> <p>Financial Advisor</p>
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Asset Sale

 <p>MEDLEY CAPITAL CORPORATION</p> <p>GOLUB CAPITAL</p> <p>Medley Capital Corporation has sold its interests in the MCC Senior Loan Strategy JV Portfolio to a private fund managed by Golub Capital</p> <p>Sellside Advisor</p>	 <p>TCAP TRIANGLE CAPITAL CORPORATION</p> <p>BENEFIT STREET PARTNERS</p> <p>Triangle Capital Corporation sold its entire Investment Portfolio for \$793 million to funds advised by Benefit Street Partners, LLC</p> <p>Sellside Advisor</p>
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Investment Management Agreement

 <p>KCAP FINANCIAL, INC.</p> <p>BC Partners</p> <p>KCAP Financial, Inc. externalized management to an affiliate of BC Partners</p> <p>Buyside Advisor</p>	 <p>TCAP TRIANGLE CAPITAL CORPORATION</p> <p>BARINGS</p> <p>Triangle Capital Corporation has externalized management of the Company for \$235 million in total financial commitments from Barings, LLC</p> <p>Sellside Advisor</p>	 <p>FIFTH STREET</p> <p>OAKTREE</p> <p>Fifth Street has closed the effective transfer of certain external investment management agreements to Oaktree</p> <p>Special Committee Advisor</p>	 <p>BENEFIT STREET PARTNERS</p> <p>BDCA Business Development Corporation of America</p> <p>Benefit Street Partners has been appointed as the external advisor of Business Development Corporation of America (BDCA)</p> <p>Strategic Advisor</p>
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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	Charlotte	Houston	Minneapolis	São Paulo
	Baltimore	Chicago	Los Angeles	New York	Washington, D.C.
	Boston	Dallas	Miami	San Francisco	
EUROPE AND MIDDLE EAST	Amsterdam	London	Milan	Stockholm	
	Dubai	Madrid	Munich	Zurich	
	Frankfurt	Manchester	Paris		
ASIA-PACIFIC	Beijing	Hong Kong SAR	Shanghai	Sydney	
	Gurugram	Mumbai	Singapore	Tokyo	

Our Service Areas



Derivatives Valuation and Risk Management



Fair Valuation for Financial Reporting



Fund Manager Valuation



Fund Opinions



Valuation Governance and Best Practices



Pre-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, fund of funds, BDCs, REITs, and permanent capital vehicles.

Featured Transactions

LOGAN RIDGE
FINANCIAL CORPORATION

PORTMAN RIDGE

BC PARTNERS

Logan Ridge has been acquired by Portman Ridge, both entities externally managed by advisory affiliates of BC Partners

Sellside Advisor

TCP CAPITAL CORP.

BlackRock
Capital Investment Corporation™

TCP Capital Corp. has merged with BlackRock Capital Investment Corporation

Fairness Opinion

Agility Perella Weinberg Partners
Capital Management LP

LIGHTYEAR CAPITAL

CERITY PARTNERS **GENSTAR**

Agility, a business of Perella Weinberg Partners, has combined with Cerity Partners, backed by Lightyear Capital & Genstar

Sellside Advisor

BENEFIT STREET REALTY TRUST

CAPSTEAD

Benefit Street Partners Realty Trust, Inc. has merged with Capstead Mortgage Corporation

Buyside Advisor

NAPIER PARK

First Eagle Investments

Napier Park Global Capital has been acquired by First Eagle Investments

Sellside Advisor

FTAI AVIATION

FTAI Aviation has completed the internalization of its management operations

Financial Advisor

LENNAR

MILLROSE PROPERTIES

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.

BC Partners

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

Buyside Advisor

KENNEDY LEWIS INVESTMENT MANAGEMENT

AZIMUT

Kennedy Lewis Investment Management has sold a minority equity GP stake to Azimut Alternative Capital Partners

Sellside Advisor

Tombstones included herein represent transactions closed from 2019 forward.

No. 1 Financial Services Advisor

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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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.



Asset Management Team



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Corporate Finance
Financial Restructuring
Financial and Valuation Advisory

HL.com