



**Houlihan
Lokey**

BDC Monitor

Summer 2025

FIRST LIEN

SOFR

+500 bps

Median Coupon for Newly Issued Loans in Q1 2025

⊖ Unchanged QoQ

98.8%

Weighted Average Loan Price

⬇ -48 bps QoQ

10.16%

Average Yield

⬇ -22 bps QoQ

1.3%

Nonaccrual Rate

⬆ +8 bps QoQ

49.6%

Implied Recovery Rate for Loans on Nonaccrual Status

⬆ +389 bps QoQ

SECOND LIEN

SOFR

+740 bps

Median Coupon for Newly Issued Loans in Q1 2025

⬆ +164 bps QoQ

97.2%

Weighted Average Loan Price

⬇ -18 bps QoQ

13.24%

Average Yield

⬆ +18 bps QoQ

\$451.1B

Aggregate Fair Value of Investments Held in BDC Portfolios

⬆ +\$32.6B QoQ

9,466

Aggregate Number of Unique Investments Held in BDC Portfolios

⬆ +469 QoQ

Source: Advantage Data.

(i) 9,466 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 Summer 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 20% of the BDCs by fund count and 64% of the BDCs by total assets.
- Direct lending positions continued to grow in number and size in Q1 2025. The total fair value of BDC public and private investments reached \$451.1 billion in Q1 2025 (up from \$418.5 billion in Q4 2024), driven by approximately 469 net additional investments.
- Private BDCs comprise a substantial portion of the market, accounting for approximately two-thirds of the 160+ active funds and managing approximately 66% of total assets. Since 2020, their portfolio fair value has risen from \$21.5 billion to \$296.3 billion as of Q1 2025, with their share of the total BDC market by fair value increasing from approximately 17% to about 66%.

Total Business Development Company Net Equity Capital Raised

Number of Funds Tracked, Actual

More Than 160

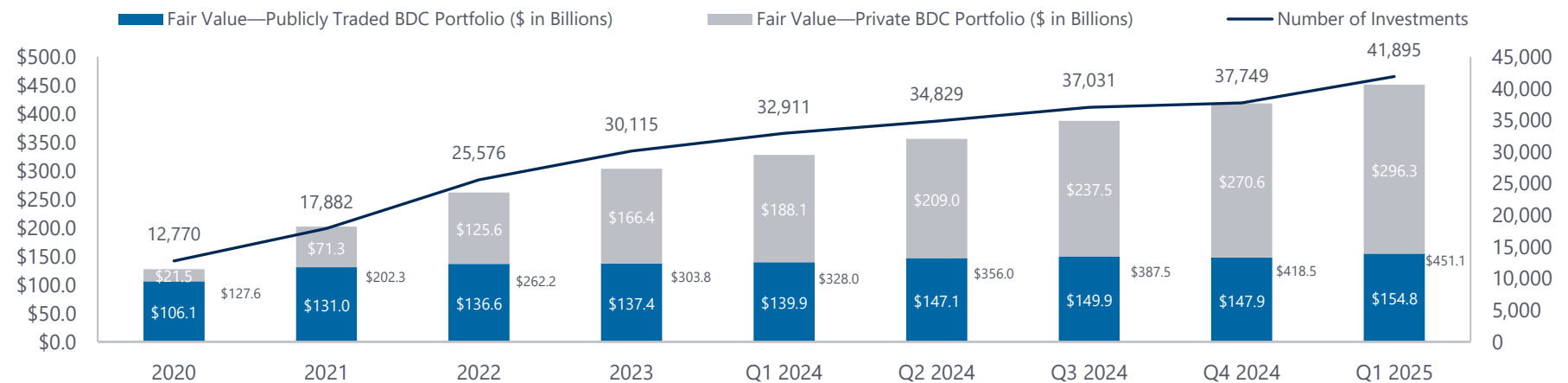
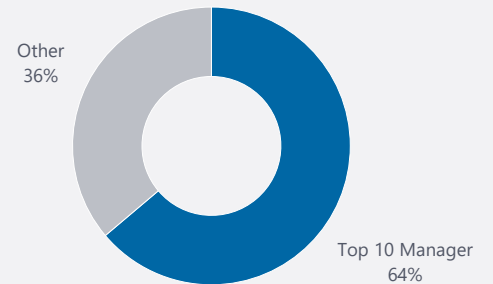
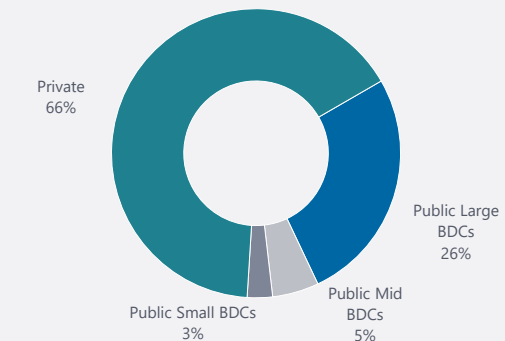
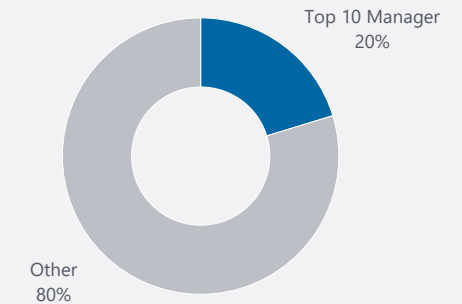
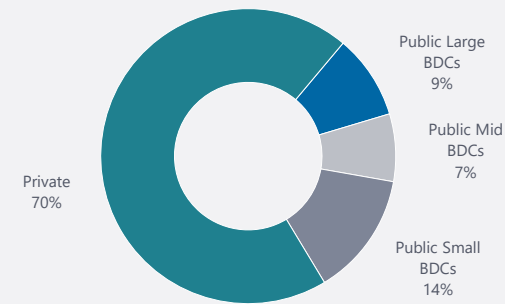
Total Active Funds

Total Assets of Privately Registered and Publicly Traded BDC Funds

Cumulative Total Assets

\$451 Billion

Total Assets



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

(i) Represents data for all BDCs tracked by Advantage Data that were filed as of July 8, 2025. Excludes outliers. The data is meant to reflect performing loans only.

(ii) 41,895 number of investments represents cross-held investments across BDCs.

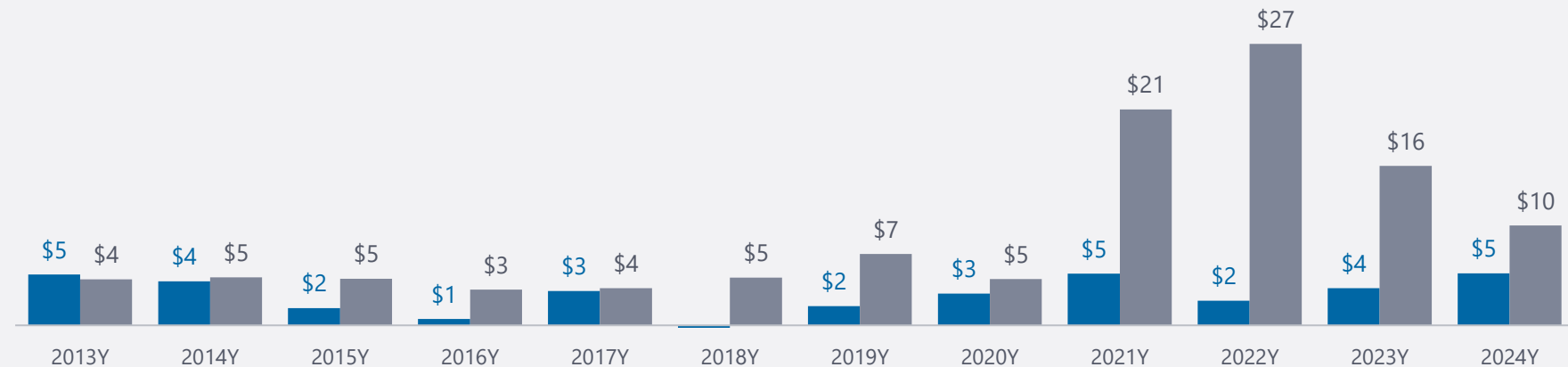
Private BDCs: The Fundraising Powerhouses

- 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 0.84x in 2019 to a cycle high of 1.06x by year-end 2022. Facing higher borrowing costs, BDCs then deleveraged to 0.92x in 2023, edging up slightly to 0.95x in Q1 2025.
- 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. It has since contracted back to under 4.0% as of Q1 2025, reflecting a moderation in net interest margins following a period of strong expansion.

Total Business Development Company Net Equity Capital Raised

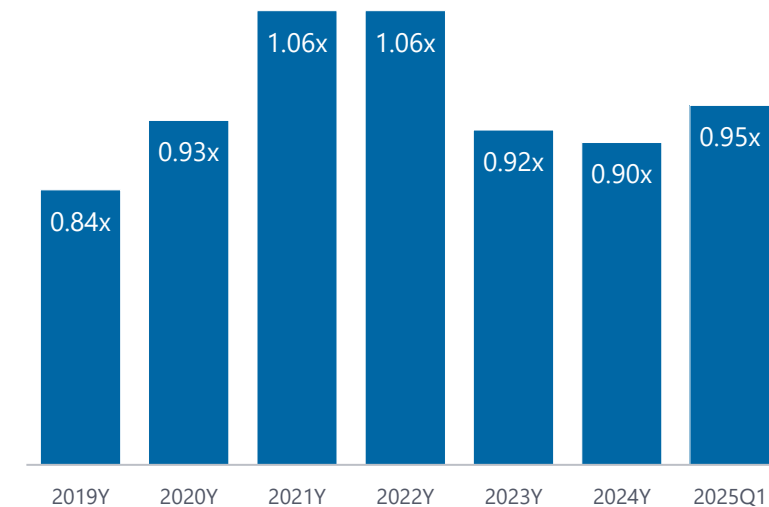
\$ in Billions

■ Public BDCs ■ Private and Nontraded BDCs⁽¹⁾



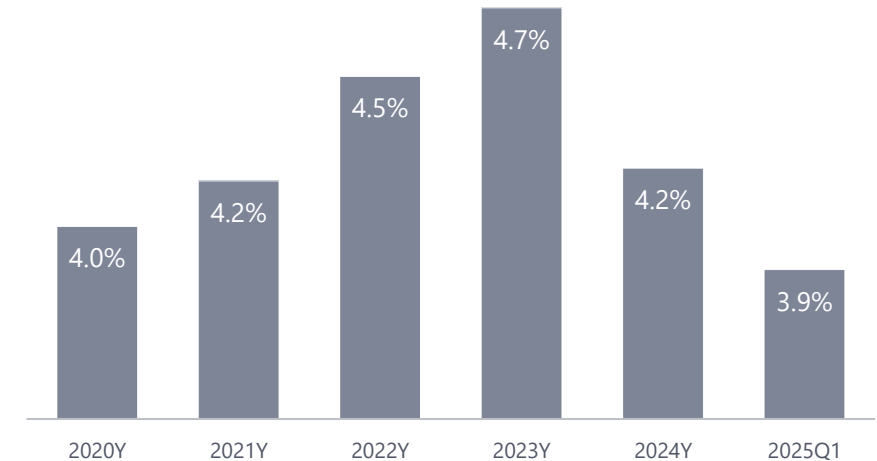
Leverage Still Near Highs

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.

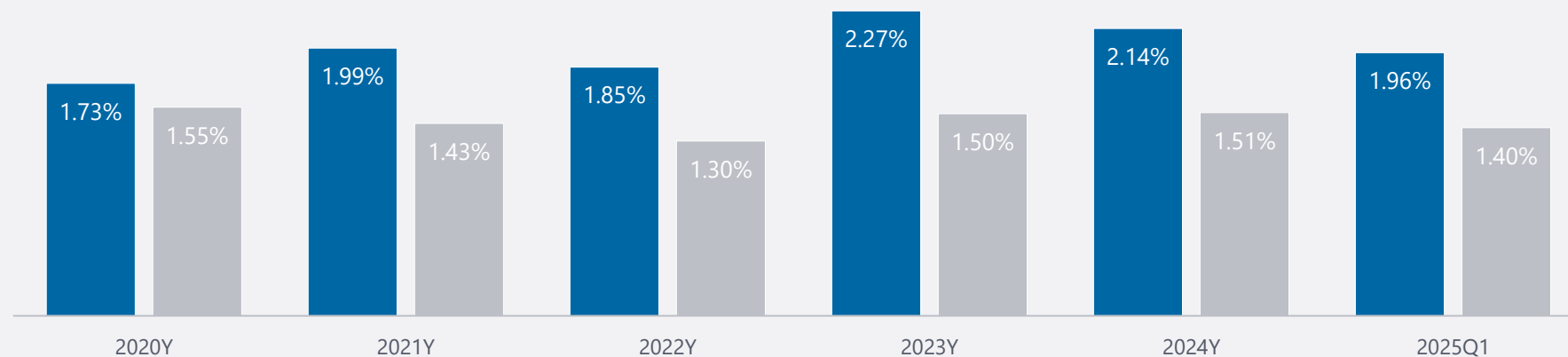
Sources: SEC filings and S&P Capital IQ.



Management Fee Rates and Selected Recent Observations

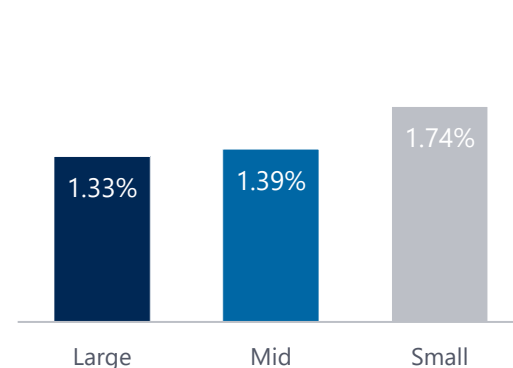
- Recent operating trends that have led to greater BDC profitability have also resulted in higher relative fees for managers, though relative fees remain lower for larger BDCs and in the private and nontraded channels.
- Recently observed related-party BDC mergers have typically been structured near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

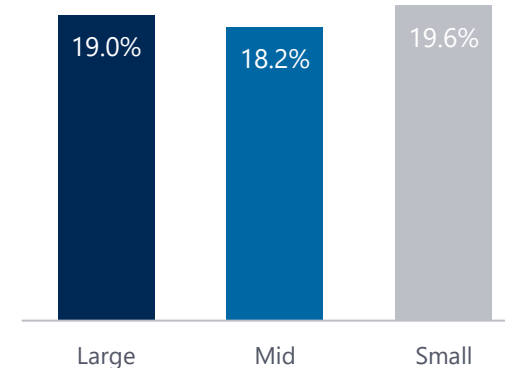


Average Fee Structure by Public BDC Size

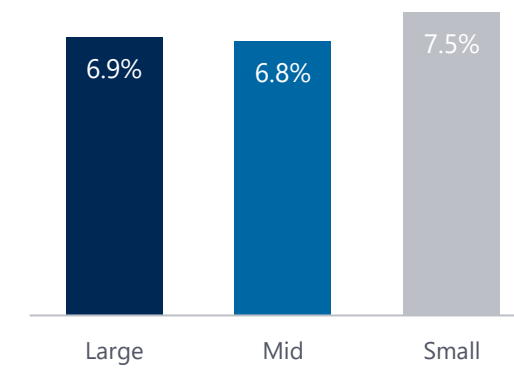
Management Fee



Incentive Fee



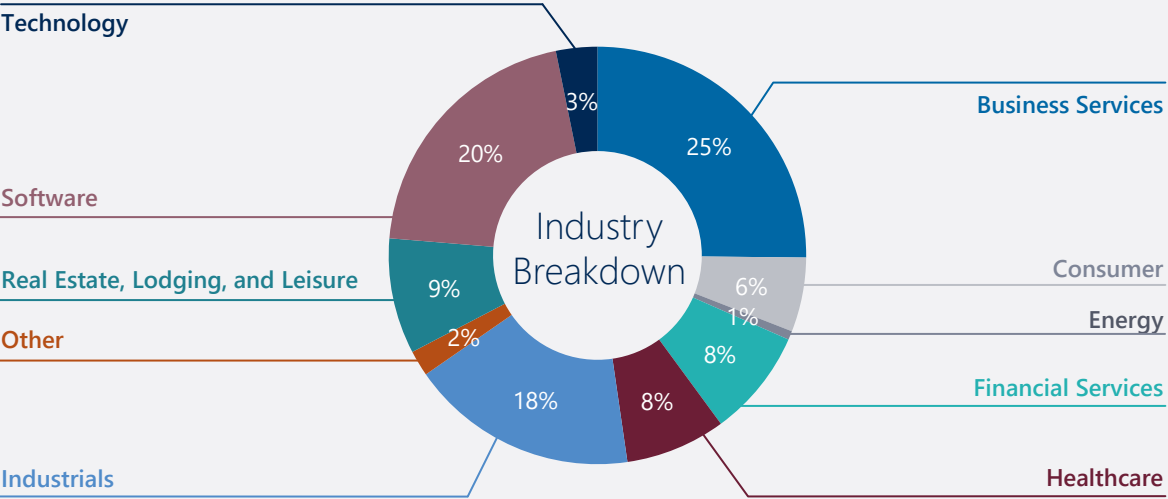
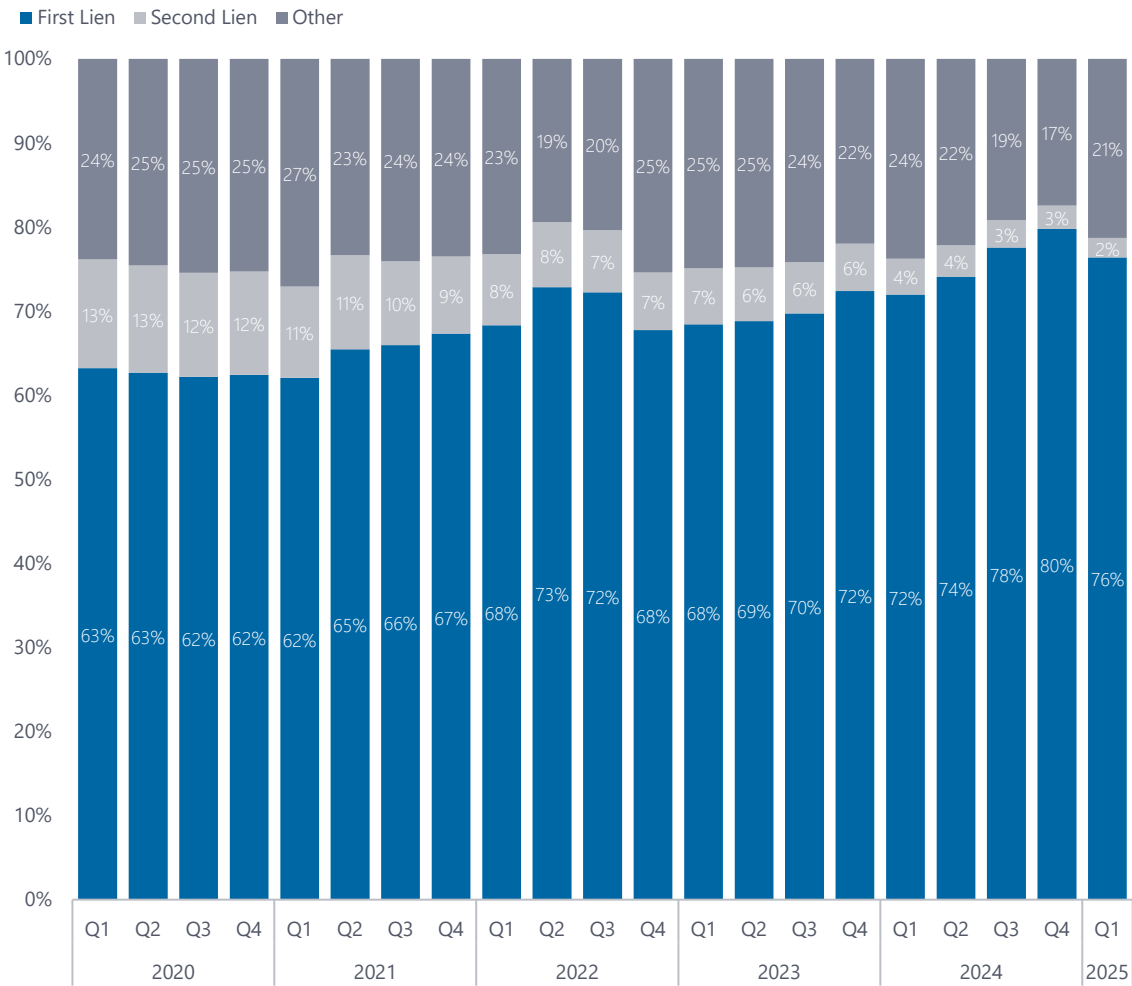
Hurdle Rate



Sources: SEC filings and S&P Capital IQ.

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



First Lien Yields		Second Lien Yields	
Industry		Industry	
Technology	10.7%	Technology	16.3%
Healthcare	10.6%	Healthcare	15.9%
Other	10.6%	Other	14.5%
Industrials	10.2%	Consumer	13.9%
Consumer	10.2%	Industrials	13.7%
Software	10.2%	Business Services	13.3%
Business Services	10.2%	Real Estate, Lodging, and Leisure	13.0%
Real Estate, Lodging, and Leisure	9.9%	Energy	12.5%
Energy	9.7%	Software	11.9%
Financial Services	9.4%	Financial Services	11.5%

Notes:

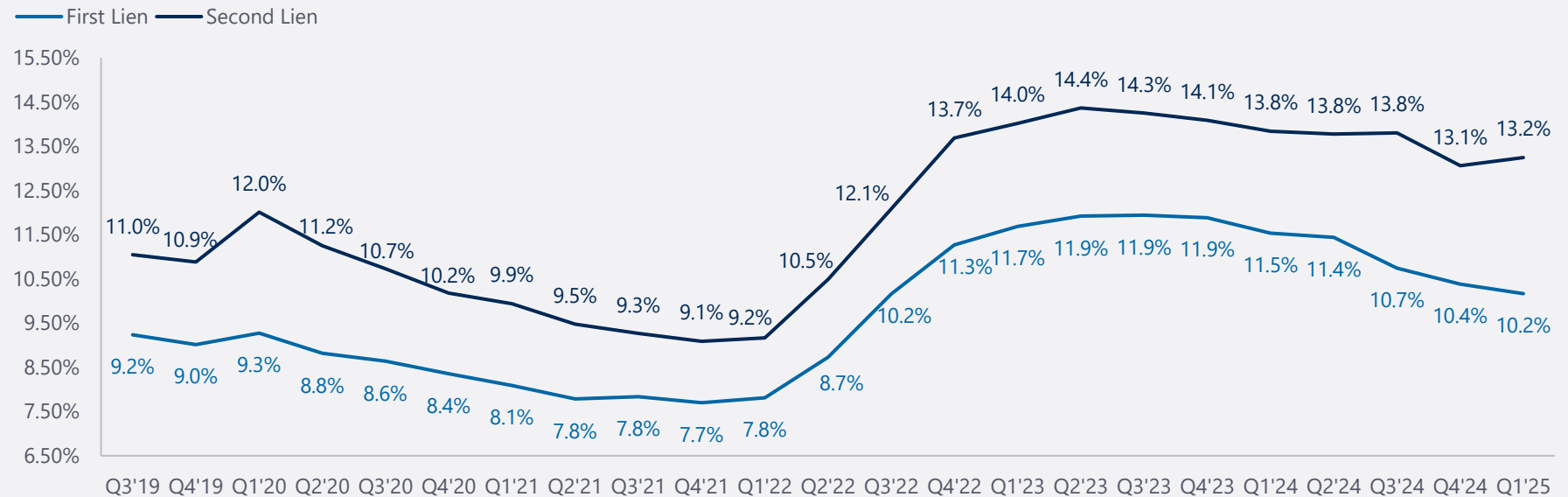
1. BDC portfolio composition represents the aggregate composition of all BDC portfolios tracked by Advantage Data.

2. Industry breakdown is based on the industry of each BDC portfolio company and is divided by aggregate principal for each BDC investment.

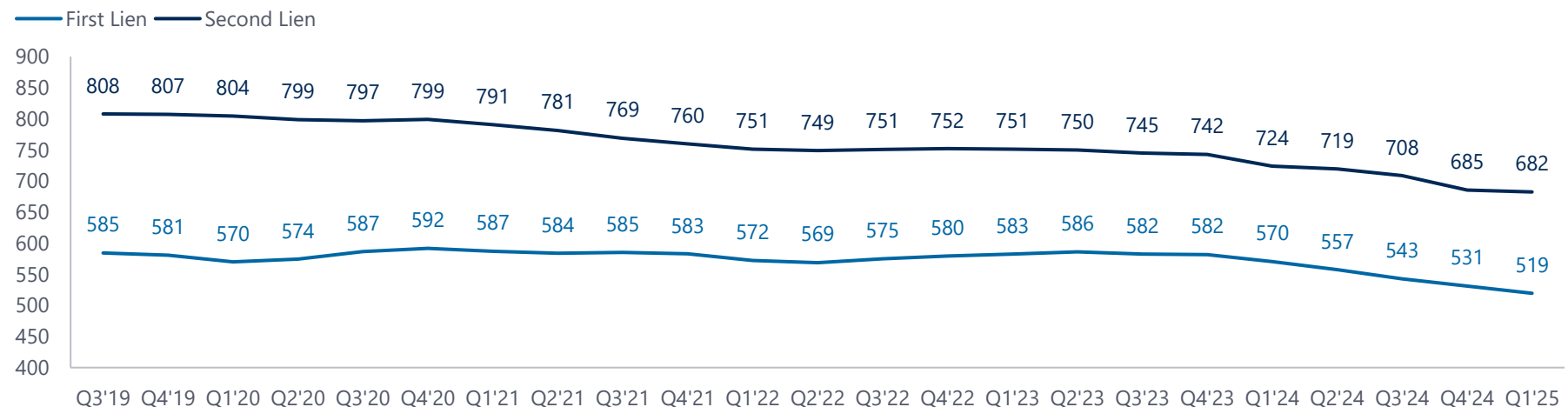
Second Lien Yields and Spreads Are Largely Flat While First Lien Continues to Decline

- Driven largely by a slow 2024, during which many lenders were late to deploy capital, activity picked up in Q4 2024 and into Q1 2025 as the push to close deals intensified.
- Q1 2025 was characterized by a continuing tightening of spreads amid persistent lender competition, resulting in borrower-friendly market conditions.
- Average first lien yields across BDC portfolios decreased from 10.38% in Q4 2024 to 10.16% in Q1 2025. On a year-over-year basis, first lien yields decreased by 137 bps in Q1 2025.
- Average second lien yields increased from 13.06% in Q4 2024 to 13.24% in Q1 2025. On a year-over-year basis, second lien yields decreased by 60 bps in Q1 2025.

Average Yields



Average Coupon (Spread Over SOFR)



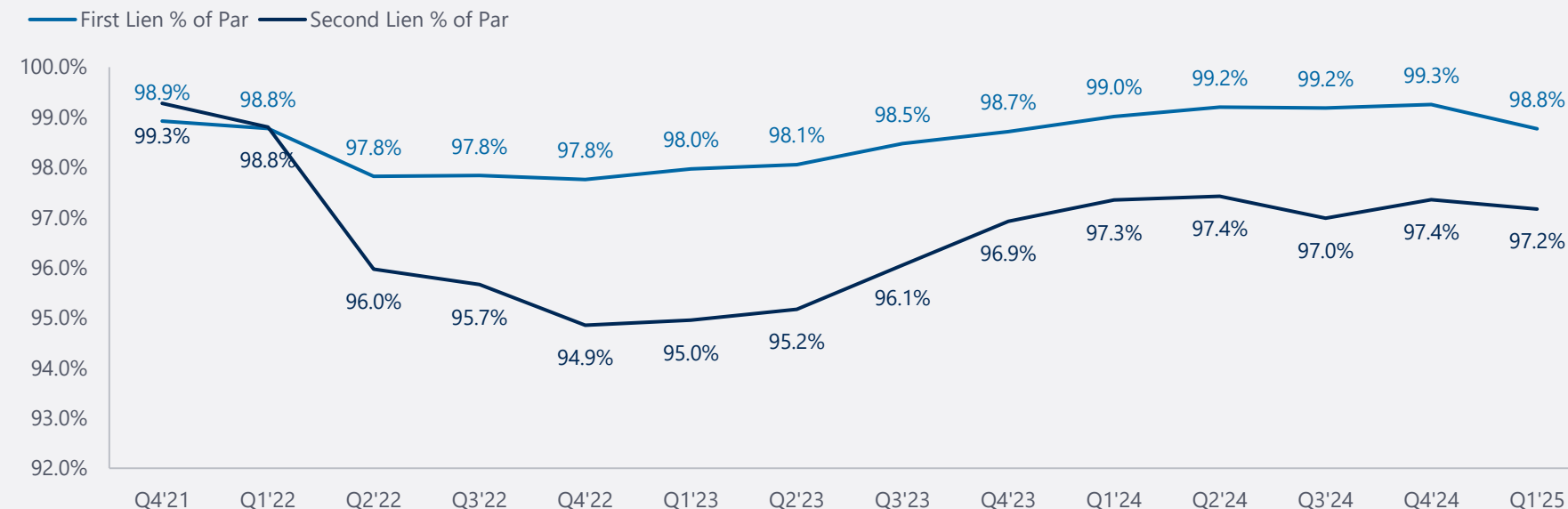
Sources: PitchBook and Advantage Data.

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.

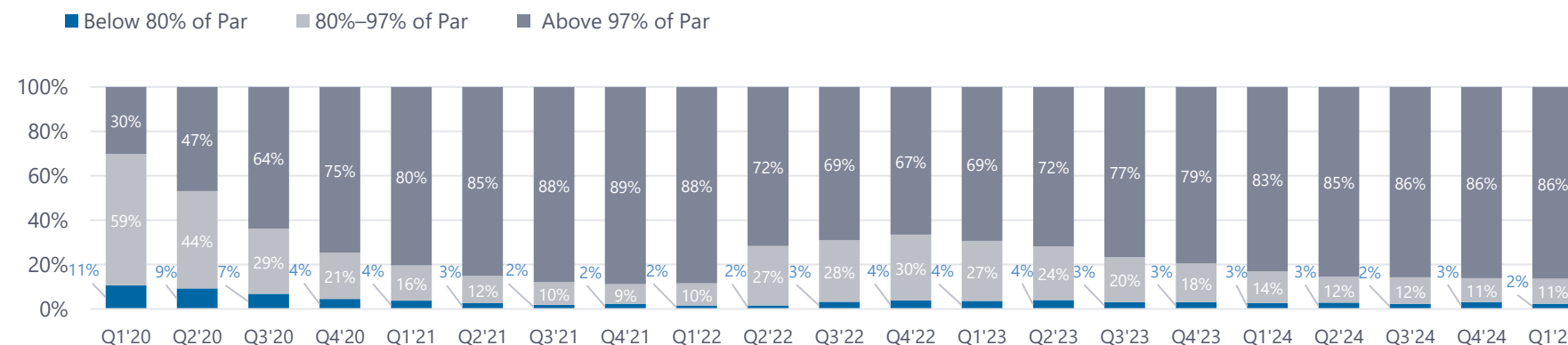
Loan Pricing

- The weighted average price for first lien loans decreased from 99.25% of par in Q4 2024 to 98.77% of par in Q1 2025.
- The weighted average price for second lien loans decreased from 97.36% of par to 97.17% of par over the same period.
- Several BDCs categorize their portfolios by risk level. As of Q1 2025, an average of 5.7% of BDC portfolios were deemed riskier than at underwriting, 7.9% were considered less risky, and 86.4% 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 first quarter of 2025, 2.4% of BDC loans were priced below 80.0% of par, 11.3% were in the range of 80.0%–97.0% of par, and 86.4% 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.

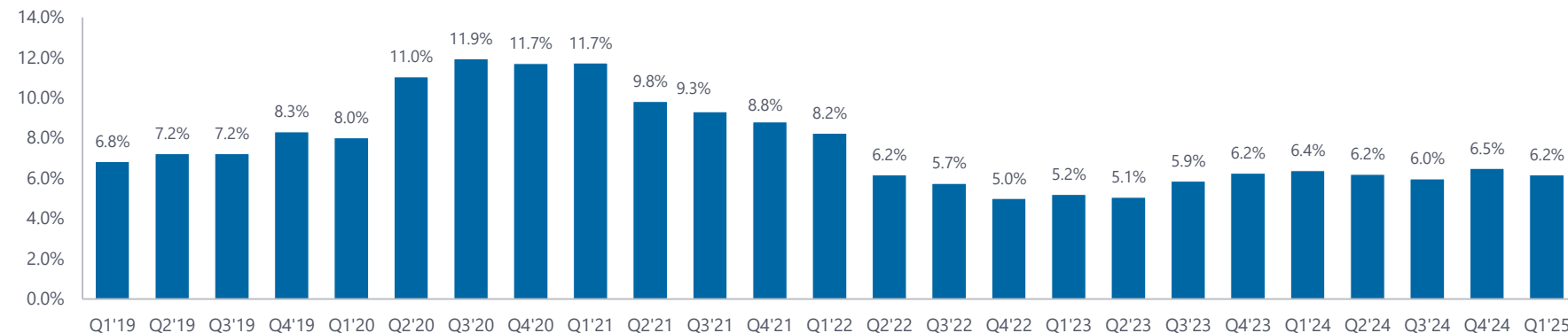
(1) Expressed as a percent of par. Represents data for all BDCs tracked by Advantage Data that were filed as of the date of this report. Excludes outliers. The data is meant to reflect performing loans only.

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

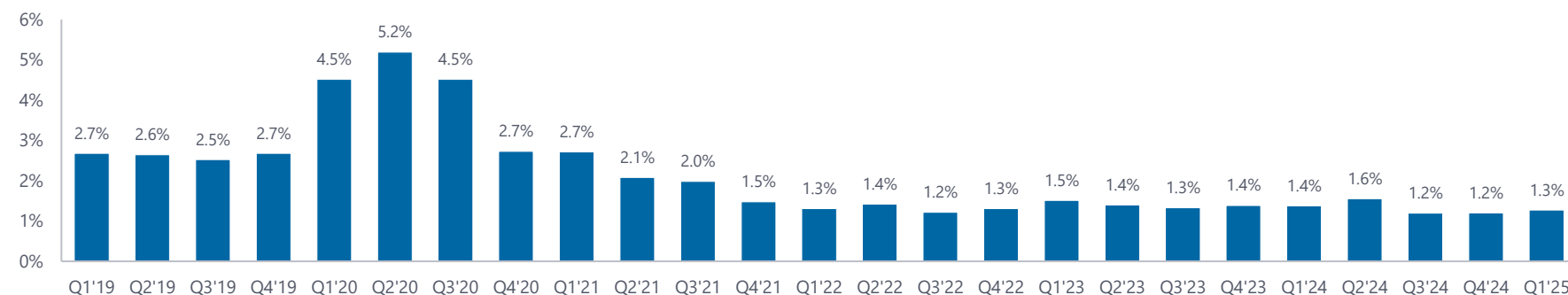
Distress Remains Low as Implied Recovery Rates Rise

- The use of PIK in both new issuances and amendments remained popular. However, PIK as a percent of total interest income decreased by 0.3% from Q4 2024 to Q1 2025.
- At the end of Q1 2025, the nonaccrual percent for BDC loans was 1.3% (an increase of 8 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 showed more dispersion due to company-specific stress, while mid- and large-cap BDCs demonstrated greater stability.
- The implied recovery rate on nonaccrual investments rose to 49.6%, an increase of 389 basis points quarter-over-quarter, driven by improved asset quality as BDCs became more selective and risk-conscious, with much of the deal activity concentrated in existing borrower relationships.
- As of Q1 2025, the public M&A markets saw muted deal flow, weighed down by regulatory uncertainty around tariffs, geopolitical tensions, and elevated interest rates. This marked a shift from earlier expectations of a strong rebound in 2025.

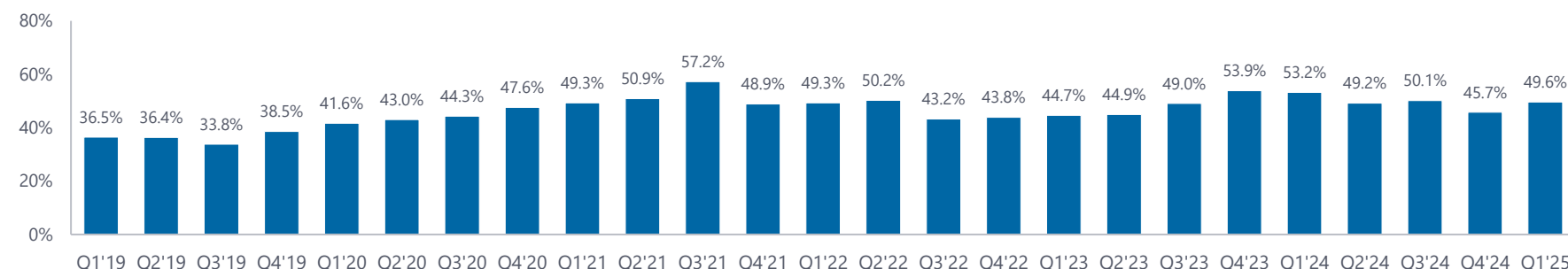
PIK as a Percent of Total Interest Income⁽¹⁾



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 Q1 2025, large-cap BDCs delivered mixed results amid growing macroeconomic uncertainty and a slowdown in traditional M&A channels. While broader deal activity softened, BDC platforms remained active, benefiting from a shift away from the broadly syndicated loan market. Many new deals came from repeat borrowers, with BDCs emphasizing disciplined underwriting and incumbent-led financings. New deal spreads showed signs of modest widening late in the quarter as market volatility returned. Although spreads were initially tighter early in the quarter, many BDCs observed a 25-bps to 50-bps widening by quarter-end.
- Leverage ratios generally declined or held steady, and interest coverage ratios improved modestly, supported by resilient EBITDA performance. Average loan-to-value ratios remained conservative, typically in the low to mid-40% range. Nonaccrual rates for large-cap BDCs continued to reflect strong credit quality. Most firms reported flat or improved metrics, with several well below historical and peer averages.
- With ample dry powder, strong sponsor relationships, and defensively positioned portfolios, large-cap BDCs are set up to maintain steady deal flow heading into Q2 2025.

Sources: S&P Capital IQ and SEC filings.

Note: As of July 8, 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.	1.90x
Hercules Capital, Inc.	1.58x
Sixth Street Specialty Lending, Inc.	1.41x
Capital Southwest Corp.	1.36x
Blackstone Secured Lending Fund	1.13x
Ares Capital Corp.	1.13x
Golub Capital BDC, Inc.	0.99x
PennantPark Floating Rate Capital Ltd.	0.95x
Blue Owl Capital Corp.	0.95x
Morgan Stanley Direct Lending Fund	0.92x
FS KKR Capital Corp.	0.91x
Goldman Sachs BDC, Inc.	0.88x
New Mountain Finance Corp.	0.86x
MidCap Financial Investment Corp.	0.86x
Oaktree Specialty Lending Corp.	0.84x
Carlyle Secured Lending, Inc.	0.83x
Prospect Capital Corp.	0.46x
Mean	1.06x
Median	0.95x

ROA

Main Street Capital Corp.	12.9%
Sixth Street Specialty Lending, Inc.	9.3%
Morgan Stanley Direct Lending Fund	8.8%
Blackstone Secured Lending Fund	8.2%
Hercules Capital, Inc.	8.0%
Ares Capital Corp.	7.8%
MidCap Financial Investment Corp.	7.7%
New Mountain Finance Corp.	7.5%
Golub Capital BDC, Inc.	7.4%
Capital Southwest Corp.	7.3%
PennantPark Floating Rate Capital Ltd.	7.3%
Blue Owl Capital Corp.	7.3%
FS KKR Capital Corp.	6.6%
Goldman Sachs BDC, Inc.	4.6%
Oaktree Specialty Lending Corp.	4.2%
Carlyle Secured Lending, Inc.	3.4%
Prospect Capital Corp.	-1.3%
Mean	6.9%
Median	7.4%

Dividend Yield

Prospect Capital Corp.	16.3%
FS KKR Capital Corp.	13.7%
Carlyle Secured Lending, Inc.	13.3%
New Mountain Finance Corp.	12.3%
MidCap Financial Investment Corp.	11.9%
Blue Owl Capital Corp.	11.7%
PennantPark Floating Rate Capital Ltd.	11.6%
Morgan Stanley Direct Lending Fund	11.5%
Oaktree Specialty Lending Corp.	11.3%
Capital Southwest Corp.	11.2%
Goldman Sachs BDC, Inc.	11.0%
Golub Capital BDC, Inc.	10.5%
Hercules Capital, Inc.	10.1%
Blackstone Secured Lending Fund	9.9%
Sixth Street Specialty Lending, Inc.	8.6%
Ares Capital Corp.	8.6%
Main Street Capital Corp.	6.9%
Mean	11.2%
Median	11.3%

ROE

Main Street Capital Corp.	19.3%
Blackstone Secured Lending Fund	11.6%
Hercules Capital, Inc.	11.4%
Sixth Street Specialty Lending, Inc.	11.1%
Morgan Stanley Direct Lending Fund	10.6%
Ares Capital Corp.	10.3%
Blue Owl Capital Corp.	9.5%
Golub Capital BDC, Inc.	8.9%
MidCap Financial Investment Corp.	8.6%
Capital Southwest Corp.	8.6%
New Mountain Finance Corp.	8.1%
FS KKR Capital Corp.	8.0%
PennantPark Floating Rate Capital Ltd.	7.6%
Carlyle Secured Lending, Inc.	6.9%
Goldman Sachs BDC, Inc.	3.3%
Oaktree Specialty Lending Corp.	0.6%
Prospect Capital Corp.	-4.8%
Mean	8.2%
Median	8.6%

Total Assets

(\$ in Millions)

Ares Capital Corp.	\$28,317
Blue Owl Capital Corp.	\$18,376
FS KKR Capital Corp.	\$14,915
Blackstone Secured Lending Fund	\$13,969
Golub Capital BDC, Inc.	\$8,950
Prospect Capital Corp.	\$6,996
Main Street Capital Corp.	\$5,273
Hercules Capital, Inc.	\$4,031
Morgan Stanley Direct Lending Fund	\$3,912
Goldman Sachs BDC, Inc.	\$3,504
Sixth Street Specialty Lending, Inc.	\$3,499
MidCap Financial Investment Corp.	\$3,356
New Mountain Finance Corp.	\$3,197
Oaktree Specialty Lending Corp.	\$3,079
Carlyle Secured Lending, Inc.	\$2,534
PennantPark Floating Rate Capital Ltd.	\$2,472
Capital Southwest Corp.	\$1,883
Mean	\$7,545
Median	\$3,912

Nonaccrual

Oaktree Specialty Lending Corp.	6.5%
Prospect Capital Corp.	4.7%
Goldman Sachs BDC, Inc.	4.6%
Main Street Capital Corp.	4.4%
Sixth Street Specialty Lending, Inc.	3.7%
FS KKR Capital Corp.	3.5%
Capital Southwest Corp.	3.5%
PennantPark Floating Rate Capital Ltd.	2.8%
Carlyle Secured Lending, Inc.	1.9%
Hercules Capital, Inc.	1.8%
MidCap Financial Investment Corp.	1.7%
Blue Owl Capital Corp.	1.4%
Ares Capital Corp.	1.3%
Golub Capital BDC, Inc.	1.2%
New Mountain Finance Corp.	1.0%
Blackstone Secured Lending Fund	0.3%
Morgan Stanley Direct Lending Fund	0.2%
Mean	2.6%
Median	1.9%



Publicly Traded BDC Market Snapshot

Mid-Cap

- As of Q1 2025, mid-cap BDCs reported mixed origination activity against a backdrop of heightened macroeconomic uncertainty and a slowdown in M&A. While overall deal flow softened, direct lending markets remained accessible, and several platforms achieved notable origination volumes, particularly from existing borrowers. A large share of new commitments came from add-on financings. Pricing trends were somewhat fragmented. While earlier quarters had seen signs of spread compression, Q1 marked a turning point for some, with managers noting a 25-bps to 50-bps widening in new deal spreads toward quarter-end.
- Nonaccrual rates were generally low or declined modestly, reflecting continued credit stability. Most platforms reported flat or slightly improved NAVs, with fair value movements largely contained. Leverage ratios were conservative, generally in the 3x to 5x range, with interest coverage often above 2x. Loan-to-value levels were typically between 35% and 45%.
- Macroeconomic uncertainty, particularly surrounding tariffs and trade policy, was a recurring theme. While direct exposure to tariff-impacted sectors remained limited, many BDCs expressed concern about second-order effects on deal activity, hiring, and investment. Some BDCs cited a “wait-and-see” attitude from sponsors, contributing to deal delays or deferrals. Nonetheless, BDCs are anticipating more attractive pricing and terms if market dislocations persist.

Price to NAV

Gladstone Capital Corp.	1.30x
Trinity Capital Inc.	1.08x
Fidus Investment Corp.	1.07x
Gladstone Investment Corp.	1.04x
Nuveen Churchill Direct Lending Corp.	0.93x
SLR Investment Corp.	0.89x
Bain Capital Specialty Finance, Inc.	0.86x
BlackRock TCP Capital Corp.	0.85x
Barings BDC, Inc.	0.82x
Crescent Capital BDC, Inc.	0.72x
CION Investment Corp.	0.68x

Mean	0.93x
Median	0.89x

ROA

Gladstone Capital Corp.	13.8%
Trinity Capital Inc.	12.0%
Gladstone Investment Corp.	9.9%
Nuveen Churchill Direct Lending Corp.	9.1%
Fidus Investment Corp.	8.8%
Bain Capital Specialty Finance, Inc.	7.2%
Crescent Capital BDC, Inc.	6.7%
Barings BDC, Inc.	6.7%
SLR Investment Corp.	6.3%
CION Investment Corp.	4.2%
BlackRock TCP Capital Corp.	1.3%

Mean	7.8%
Median	7.2%

Dividend Yield

Gladstone Investment Corp.	15.6%
BlackRock TCP Capital Corp.	15.1%
CION Investment Corp.	14.8%
Trinity Capital Inc.	14.4%
Crescent Capital BDC, Inc.	14.1%
Nuveen Churchill Direct Lending Corp.	12.7%
Barings BDC, Inc.	11.2%
Bain Capital Specialty Finance, Inc.	11.1%
Fidus Investment Corp.	10.8%
SLR Investment Corp.	10.1%
Gladstone Capital Corp.	7.1%

Mean	12.5%
Median	12.7%

ROE

Gladstone Capital Corp.	18.8%
Trinity Capital Inc.	17.6%
Gladstone Investment Corp.	13.2%
Fidus Investment Corp.	12.1%
Nuveen Churchill Direct Lending Corp.	10.6%
Bain Capital Specialty Finance, Inc.	9.9%
SLR Investment Corp.	8.9%
Barings BDC, Inc.	8.2%
Crescent Capital BDC, Inc.	6.7%
CION Investment Corp.	-1.9%
BlackRock TCP Capital Corp.	-5.5%

Mean	9.0%
Median	9.9%

Total Assets

(\$ in Millions)

Barings BDC, Inc.	\$2,791
Bain Capital Specialty Finance, Inc.	\$2,642
SLR Investment Corp.	\$2,503
Nuveen Churchill Direct Lending Corp.	\$2,173
BlackRock TCP Capital Corp.	\$1,899
CION Investment Corp.	\$1,896
Trinity Capital Inc.	\$1,857
Crescent Capital BDC, Inc.	\$1,666
Fidus Investment Corp.	\$1,242
Gladstone Investment Corp.	\$1,006
Gladstone Capital Corp.	\$777

Mean	\$1,859
Median	\$1,896

Nonaccrual

BlackRock TCP Capital Corp.	11.4%
Gladstone Investment Corp.	9.6%
Gladstone Capital Corp.	3.9%
Fidus Investment Corp.	3.7%
Crescent Capital BDC, Inc.	3.3%
CION Investment Corp.	3.0%
Trinity Capital Inc.	2.7%
Barings BDC, Inc.	1.8%
Bain Capital Specialty Finance, Inc.	1.4%
Nuveen Churchill Direct Lending Corp.	1.0%
SLR Investment Corp.	0.5%

Mean	3.8%
Median	3.0%

Sources: S&P Capital IQ and SEC filings.

Note: As of July 8, 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 Q1 2025, small-cap BDCs reported subdued origination activity as macroeconomic uncertainty and tariff-related concerns weighed on M&A and underwriting momentum. Deal flow was largely driven by add-on financings to existing portfolio companies, while new platform investments remained limited. Several managers noted that tariff uncertainty created a “chilling effect” on decision-making, compounding the impact of elevated interest rates and valuation disconnects between buyers and sellers. While some platforms maintained healthy pipelines, others observed a slowdown toward quarter-end as sponsors adopted a more cautious stance.
- Nonaccrual rates were flat or declined modestly across many platforms, though some isolated credit events did result in markdowns. Net asset value movements were mixed, often driven by unrealized losses tied to specific portfolio companies or shifting market multiples. While a few BDCs reported modest NAV gains from exits or share repurchases, others experienced pressure from stressed assets and a constrained exit environment, particularly in venture-backed and consumer-facing sectors. Portfolio company debt levels were generally modest, with many BDCs reporting average leverage ratios near or below 4x EBITDA for new deals. Portfolio companies generally demonstrated stable or improving interest coverage. Loan-to-value ratios often ranged from the high 20s to around 50%, reflecting a preference for a healthy equity cushion.
- Despite limited direct tariff exposure across most portfolios, lending remained defensively positioned. First-lien, senior secured loans continued to dominate portfolio allocations, offering structural protection in a volatile environment.

Sources: S&P Capital IQ and SEC filings.

Notes: As of July 8, 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.	1.27x
NewtekOne, Inc.	1.12x
Stellus Capital Investment Corp.	1.10x
Oxford Square Capital Corp.	1.09x
Horizon Technology Finance Corp.	1.03x
Saratoga Investment Corp.	0.98x
Great Elm Capital Corp.	0.95x
PennantPark Investment Corp.	0.94x
TriplePoint Venture Growth BDC Corp.	0.83x
Chicago Atlantic BDC, Inc.	0.82x
Runway Growth Finance Corp.	0.82x
WhiteHorse Finance, Inc.	0.76x
Rand Capital Corp.	0.75x
Monroe Capital Corp.	0.73x
OFS Capital Corp.	0.72x
Portman Ridge Finance Corp.	0.67x
Logan Ridge Finance Corp.	0.64x
PhenixFIN Corp.	0.63x
Medallion Financial Corp.	0.57x
Equus Total Return, Inc.	0.55x
Investcorp Credit Management BDC, Inc.	0.52x
Princeton Capital Corp.	0.38x

Mean	0.81x
Median	0.79x

ROA

Rand Capital Corp.	11.8%
OFS Capital Corp.	11.2%
Runway Growth Finance Corp.	10.4%
Investcorp Credit Management BDC, Inc.	9.4%
TriplePoint Venture Growth BDC Corp.	8.8%
Chicago Atlantic BDC, Inc.	8.3%
NewtekOne, Inc.	7.5%
PennantPark Investment Corp.	7.3%
Saratoga Investment Corp.	7.2%
Stellus Capital Investment Corp.	7.2%
PhenixFIN Corp.	6.9%
Great Elm Capital Corp.	6.6%
Monroe Capital Corp.	5.7%
WhiteHorse Finance, Inc.	5.1%
Medallion Financial Corp.	4.8%
Oxford Square Capital Corp.	2.6%
Portman Ridge Finance Corp.	1.8%
Logan Ridge Finance Corp.	0.4%
Horizon Technology Finance Corp.	-0.4%
SuRo Capital Corp.	-4.9%
Equus Total Return, Inc.	-18.1%
Princeton Capital Corp.	-27.8%

Mean	3.3%
Median	6.7%

Dividend Yield

WhiteHorse Finance, Inc.	19.5%
Oxford Square Capital Corp.	18.4%
Investcorp Credit Management BDC, Inc.	17.0%
Horizon Technology Finance Corp.	16.9%
TriplePoint Venture Growth BDC Corp.	16.7%
Monroe Capital Corp.	15.8%
OFS Capital Corp.	15.7%
Portman Ridge Finance Corp.	15.5%
Great Elm Capital Corp.	14.1%
PennantPark Investment Corp.	13.7%
Runway Growth Finance Corp.	12.9%
Chicago Atlantic BDC, Inc.	12.5%
Saratoga Investment Corp.	12.0%
Stellus Capital Investment Corp.	11.0%
Rand Capital Corp.	10.1%
Logan Ridge Finance Corp.	7.6%
NewtekOne, Inc.	6.3%
Medallion Financial Corp.	4.9%
PhenixFIN Corp.	0.7%
Equus Total Return, Inc.	0.0%
Princeton Capital Corp.	0.0%
SuRo Capital Corp.	0.0%

Mean	11.0%
Median	12.7%

ROE

OFS Capital Corp.	19.6%
NewtekOne, Inc.	18.2%
Investcorp Credit Management BDC, Inc.	15.1%
Rand Capital Corp.	13.0%
Runway Growth Finance Corp.	12.3%
Stellus Capital Investment Corp.	10.8%
TriplePoint Venture Growth BDC Corp.	10.7%
PennantPark Investment Corp.	9.6%
Saratoga Investment Corp.	9.3%
Medallion Financial Corp.	8.7%
Chicago Atlantic BDC, Inc.	8.7%
PhenixFIN Corp.	6.6%
Monroe Capital Corp.	3.6%
Great Elm Capital Corp.	3.6%
WhiteHorse Finance, Inc.	3.1%
Oxford Square Capital Corp.	-0.3%
Portman Ridge Finance Corp.	-5.5%
Logan Ridge Finance Corp.	-8.6%
SuRo Capital Corp.	-10.0%
Horizon Technology Finance Corp.	-11.2%
Princeton Capital Corp.	-28.4%
Equus Total Return, Inc.	-31.1%

Mean	2.6%
Median	7.6%

Total Assets

(\$ in Millions)

Medallion Financial Corp.	\$2,848
NewtekOne, Inc.	\$2,137
PennantPark Investment Corp.	\$1,258
Saratoga Investment Corp.	\$1,202
Runway Growth Finance Corp.	\$1,033
Stellus Capital Investment Corp.	\$1,012
Horizon Technology Finance Corp.	\$790
TriplePoint Venture Growth BDC Corp.	\$735
WhiteHorse Finance, Inc.	\$679
Monroe Capital Corp.	\$462
Portman Ridge Finance Corp.	\$439
OFS Capital Corp.	\$412
Great Elm Capital Corp.	\$351
Chicago Atlantic BDC, Inc.	\$314
PhenixFIN Corp.	\$301
Oxford Square Capital Corp.	\$285
SuRo Capital Corp.	\$232
Investcorp Credit Management BDC, Inc.	\$208
Logan Ridge Finance Corp.	\$181
Rand Capital Corp.	\$68
Equus Total Return, Inc.	\$36
Princeton Capital Corp.	\$19

Mean	\$682
Median	\$425

Nonaccrual

Princeton Capital Corp.	53.1%
WhiteHorse Finance, Inc.	11.0%
OFS Capital Corp.	10.5%
Logan Ridge Finance Corp.	8.7%
Horizon Technology Finance Corp.	7.4%
Monroe Capital Corp.	6.9%
Stellus Capital Investment Corp.	6.3%
PhenixFIN Corp.	5.7%
NewtekOne, Inc.	5.4%
TriplePoint Venture Growth BDC Corp.	5.1%
Portman Ridge Finance Corp.	4.7%
Runway Growth Finance Corp.	3.5%
Investcorp Credit Management BDC, Inc.	2.4%
PennantPark Investment Corp.	1.6%
Medallion Financial Corp.	1.2%
SuRo Capital Corp.	0.9%
Saratoga Investment Corp.	0.4%
Equus Total Return, Inc.	0.0%
Rand Capital Corp.	0.0%
Chicago Atlantic BDC, Inc.	0.0%
Great Elm Capital Corp.	0.0%
Oxford Square Capital Corp.	0.0%

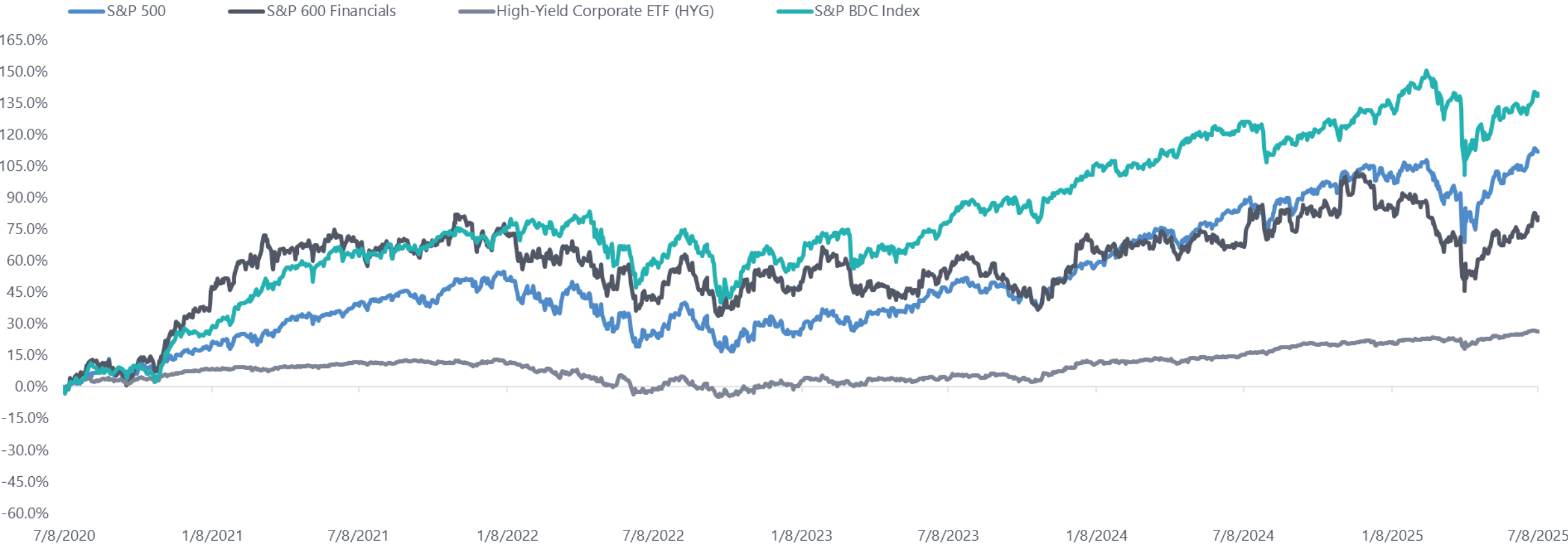
Mean	6.1%
Median	4.1%



Cumulative Total Return

Percentage as of July 8, 2025

	One Year	Five Years
S&P 500	13.2%	111.8%
S&P 600 Financials	7.7%	80.9%
High-Yield Corporate ETF (HYG)	9.5%	26.4%
S&P BDC Index	5.9%	139.7%




Source: LSEG.

Unparalleled BDC Experience

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








Related Party/Third Party

 LOGAN RIDGE FINANCE CORPORATION has been acquired by PORTMAN RIDGE both entities externally managed by advisory affiliates of  BC PARTNERS Sellside Advisor	 TCP CAPITAL CORP. has merged with BlackRock Capital Investment Corporation™ Special Committee Advisor	 OAKTREE OCSL Specialty Lending Corporation has merged with  OAKTREE 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 Crescent Capital BDC, Inc. Exclusive Sellside Advisor	 FC Full Circle Capital has merged with  GREAT ELM CAPITAL Financial Advisor
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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
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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
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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.

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	Boston	Dallas	Miami	San Francisco	
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	Antwerp	London	Milan	Stockholm	
	Dubai	Madrid	Munich	Zurich	
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

 Portfolio Acquisition and Divestiture Services

 Securitization and Regulatory Compliance

 Structured Products Valuation Advisory

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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



LOGAN RIDGE
FINANCE CORPORATION

has been acquired by




PORTMAN
RIDGE

both entities externally managed by
advisory affiliates of



BC PARTNERS

Sellside Advisor



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
REALTY TRUST

has merged with



CAPSTEAD

Buyside Advisor



NAPIER PARK

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



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