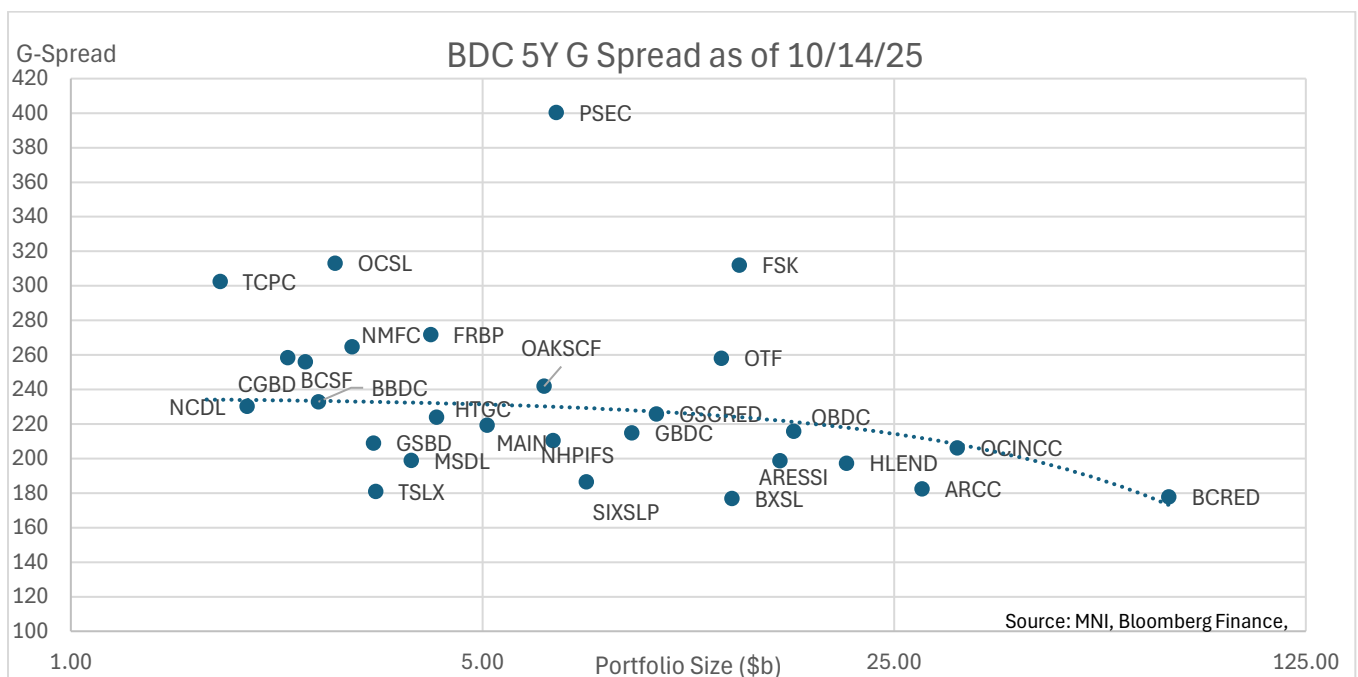


## MNI US Credit Sector Overview - 15 October 2025

### MNI US BDC Sector Overview – Q2 2025

#### Overview

Welcome to our inaugural US BDC Quarterly Overview. To provide relative value across the US BDC universe of public bond issuers – a sector with perceived opaqueness - we will highlight, after each quarterly reporting period, certain credit and portfolio variables that can help investors analyse the sector. Ranking and providing relative value analysis of BDCs at times can be more of an art than science, but we hope these analyses will provide insights to make informed investment decisions. We also always will include a chart showing current trading levels of 5Y BDC bonds and discuss those levels relative to our findings. As always, please feel free to follow up with us at MNI with any questions or observations.



## I. Fundamental and Liquidity Variables

- For some of the more important variables for comparing BDCs, we use overall **portfolio size, bond liquidity and public market capitalization**. We note that some BDCs are private with no public shares outstanding and therefore not covered by the equity analyst community. The first 3 charts below show, based on information available as of Q2 2025, the rank order of BDCs along these criteria.
- The chart below shows that **the largest BDC by far is BCRED** (we do not include loan funds in our charts). It has the largest portfolio and the second largest amount of bonds outstanding. However, because BCRED is a private BDC, it does not have a market capitalization. **ARCC is largest public BDC** when considering portfolio size and bonds outstanding. Both BCRED and ARCC trade among the tightest in our universe.
- The smallest public BDC on our list, TCPC**, has the second smallest portfolio in our universe and is at the smaller end of the spectrum for bonds outstanding. **Blue Owl Capital Corp II** has the smallest portfolio among BDCs, the second fewest bonds outstanding and is not public. These smaller BDCs trade at the wider end of the range of BDCs in our universe (Note: OBDCII does not have a 5 YR bond outstanding).

BDCs Portfolio Size as of 6/30/25			BDCs Total Corporate Bonds Outstanding as of 6/30/25			BDCs Public Market Capitalization as of 10/2/25		
BDC	Ticker	\$Billions	BDC	Ticker	\$Billions	BDC	Ticker	\$Billions
Blackstone Private Credit Fund	BCRED	\$ 73,176	Ares Capital Corp	ARCC	\$ 10,470	Ares Capital Corp	ARCC	\$ 14,382
Blue Owl Credit Income Corp	OQINOC	32,004	Blackstone Private Credit Fund	BCRED	9,776	Bleu Owl Technology Finance Corp	OTF	6,577
Ares Capital Corp	ARCC	27,886	Blue Owl Credit Income Corp	OQINOC	6,683	Blue Owl Capital Corp	OBDC	6,506
HPS Corporate Lending Fund	HLEND	20,757	Ares Strategic Income Fund	ARESSI	5,400	Blackstone Secured Lending Fund	BXSL	6,120
Blue Owl Capital Corp	OBDC	16,869	FS KKR Capital Corp	FSK	4,750	Main Street Capital Corp	MAIN	5,721
Ares Strategic Income Fund	ARESSI	15,994	Blue Owl Capital Corp	OBDC	4,675	FS KKR Capital Corp	FSK	4,285
FS KKR Capital Corp	FSK	13,648	Blackstone Secured Lending Fund	BXSL	4,400	Golub Capital BDC Inc	GBDC	3,660
Blackstone Secured Lending Fund	BXSL	13,253	HPS Corporate Lending Fund	HLEND	4,200	Hercules Capital Inc	HTGC	3,406
Bleu Owl Technology Finance Corp	OTF	12,729	Bleu Owl Technology Finance Corp	OTF	2,675	Sixth Street Specialty Lending Inc	TSXL	2,121
Golub Capital BDC Inc	GBDC	8,962	Golub Capital BDC Inc	GBDC	2,400	Morgan Stanley Direct Lending Fund	MSDL	1,424
Sixth Street Lending Partners	SIXSLP	7,507	Sixth Street Lending Partners	SIXSLP	2,100	Prospect Capital Corp	PSEC	1,284
Prospect Capital Corp	PSEC	6,674	Main Street Capital Corp	MAIN	1,600	Franklin BSP Capital Corp	FRBP	1,276
North Haven Private Income Fund	NHPIFS	6,585	Prospect Capital Corp	PSEC	1,377	Oaktree Specialty Lending Corp	OCSL	1,157
Oaktres Strategic Credit Fund	OAKSCF	6,363	Hercules Capital Inc	HTGC	1,313	Goldman Sachs BDC Inc	GSBD	1,156
Main Street Capital Corp	MAIN	5,093	Goldman Sachs BDC Inc	GSBD	1,300	New Mountain Finance Corp	NMFC	1,022
Hercules Capital Inc	HTGC	4,176	Sixth Street Specialty Lending Inc	TSXL	1,250	Carlyle Secured Lending	CGSD	926
Franklin BSP Capital Corp	FRBP	4,083	Oaktres Strategic Credit Fund	OAKSCF	1,150	Bain Capital Specialty Finance	BCSF	920
Morgan Stanley Direct Lending Fund	MSDL	3,785	Morgan Stanley Direct Lending Fund	MSDL	1,125	Barings BDC Inc	BBDC	915
Sixth Street Specialty Lending Inc	TSXL	3,295	New Mountain Finance Corp	NMFC	1,059	Nuveen Churchill Direct Lending	NCDL	696
Goldman Sachs BDC Inc	GSBD	3,265	Franklin BSP Capital Corp	FRBP	1,000	BlackRock TCP Capital Corp	TCPC	520
New Mountain Finance Corp	NMFC	3,001	Oaktree Specialty Lending Corp	OCSL	950	Blackstone Private Credit Fund	BCRED	(private)
Oaktree Specialty Lending Corp	OCSL	2,809	Barings BDC Inc	BBDC	950	Blue Owl Credit Income Corp	OQINOC	(private)
Barings BDC Inc	BBDC	2,633	Bain Capital Specialty Finance	BCSF	950	Ares Strategic Income Fund	ARESSI	(private)
Bain Capital Specialty Finance	BCSF	2,502	BlackRock TCP Capital Corp	TCPC	650	HPS Corporate Lending Fund	HLEND	(private)
Carlyle Secured Lending	CGSD	2,335	North Haven Private Income Fund	NHPIFS	600	Sixth Street Lending Partners	SIXSLP	(private)
Nuveen Churchill Direct Lending	NCDL	1,993	Carlyle Secured Lending	CGSD	600	Oaktres Strategic Credit Fund	OAKSCF	(private)
BlackRock TCP Capital Corp	TCPC	1,792	Blue Owl Capital Corp II	OBDCII	350	North Haven Private Income Fund	NHPIFS	(private)
Blue Owl Capital Corp II	OBDCII	1,700	Nuveen Churchill Direct Lending	NCDL	300	Blue Owl Capital Corp II	OBDCII	(private)

Source: MNI, Company Reports, Bloomberg Finance, LP

## II. Balance Sheet Strength and Operating Performance

- **Balance sheet health** of BDCs in our coverage universe varies. Also, the **differences in operating performance** of the BDCs in our coverage universe warrant further scrutiny.
- The first table examines the **health of the BDCs' balance sheet**. Because some BDCs are private we're using debt as a percentage of total assets for comparison purposes. We note a broad range (23.4 - 60.9%) with little consistency between the largest and smallest BDCs. This metric highlights two issues: it shows which BDCs are still in their earlier stages of development (**OAKSCF and GSCRED**) and likely will add more debt capital to their capital structure to fuel their growth; and then conversely it shows which BDCs (**TCPC and NMFC**) have become more reliant on debt, rather than equity or other structured vehicles, to achieve their growth targets. It also can indicate the depreciating value of some of their riskier assets.
- The second table looks at the **realized/unrealized gains and losses** within our BDC universe. Again, the range is broad, from companies that showed a gain on their assets in the most recent quarter, to those who were writing down the value of assets. **FSK**, like most BDCs as of late, has seen fluctuation QoQ between gains and losses, though in FSK's case, it often in the hundreds of millions of dollars. This past quarter the majority of BDCs reported net realized/unrealized losses, implying that asset valuations are marginally declining across much of the industry due to macroeconomic conditions.
- Finally, our third table examines what we call the **liquidity to commitments ratio**. This looks at the total liquidity a BDC reports and compares it to the number of announced commitments in various asset types within its portfolio. While only two, **BBDC and BCRED**, have more announced commitments than reported liquidity, we note there are 4 others whose liquidity just matches their commitments. While we don't doubt that most BDCs would be able to arrange additional lines of credits from their syndicate of banks (many already have negotiated features allowing them to quickly increase their credit lines), we note that during the SVB crisis in 2023, more than 1 BDC had to hastily arrange a credit facility expansion to make sure they had more than sufficient funds to meet all their commitments. During times of extreme market stress, it is not uncommon to see companies draw down on available facilities to ensure they have enough cash to weather market turmoil. **To be clear, there were no liquidity events at the BDCs in 2023**, but some BDCs had more conservative balance sheet controls in place than others.

BDCs Debt /Assets as of 6/30/25			BDCs Q2'25 Realized/Unrealize Gain/Loss as of 6/30/25			BDCs Liquidity/Commitments Ratio as of 6/30/25		
BDC	Ticker	Debt/Assets	BDC	Ticker	Realized/Unrealized Gain/Loss (\$M)	BDC	Ticker	Ratio of Liquidity/Commitments
Oaktree Strategic Credit Fund	OAKSCF	23.4%	Ares Capital Corp	ARCC	117	Prospect Capital Corp	PSEC	14.0x
Goldman Sachs Private Credit Corp	GSCRED	26.8%	Ares Strategic Income Fund	ARESSI	68	Hercules Capital Inc	HTGC	5.1x
Prospect Capital Corp	PSEC	30.7%	Sixth Street Specialty Lending Inc	TSIX	59	Main Street Capital Corp	MAIN	4.4x
Blue Owl Technology Finance Corp	OTF	36.4%	Blue Owl Technology Finance Corp	OTF	41	New Mountain Finance Corp	NMFC	4.4x
Blackstone Private Credit Fund	BCRED	39.2%	Sixth Street Lending Partners	SKSLP	11	BlackRock TCP Capital Corp	TCPC	3.7x
Blue Owl Capital Corp II	OBDCII	40.8%	Oaktree Specialty Lending Corp	OCSL	5	Sixth Street Specialty Lending Inc	TSIX	3.4x
Main Street Capital Corp	MAIN	41.9%	Main Street Capital Corp	MAIN	1	Oaktree Specialty Lending Corp	OCSL	3.2x
Ares Strategic Income Fund	ARESSI	42.2%	Oaktree Strategic Credit Fund	OAKSCF	1	Sixth Street Lending Partners	SKSLP	3.1x
Blue Owl Credit Income Corp	OCINCC	44.0%	Goldman Sachs Private Credit Corp	GSCRED	-3	Blue Owl Capital Corp II	OBDCII	2.5x
North Haven Private Income Fund	NHPIFS	45.5%	Goldman Sachs BDC Inc	GSBD	-5	Ares Strategic Income Fund	ARESSI	2.2x
HPS Corporate Lending Fund	HLEND	46.9%	Nuveen Churchill Direct Lending	NCDL	-7	Blue Owl Capital Corp	OBDC	2.2x
Sixth Street Lending Partners	SKSLP	48.4%	Bain Capital Specialty Finance	BCSF	-7	Morgan Stanley Direct Lending Fund	MSDL	2.2x
Hercules Capital Inc	HTGC	48.6%	North Haven Private Income Fund	NHPIFS	-7	Blue Owl Technology Finance Corp	OTF	2.2x
Ares Capital Corp	ARCC	48.8%	Morgan Stanley Direct Lending Fund	MSDL	-8	Goldman Sachs BDC Inc	GSBD	1.7x
Oaktree Specialty Lending Corp	OCSL	48.8%	Hercules Capital Inc	HTGC	-10	Ares Capital Corp	ARCC	1.7x
Sixth Street Specialty Lending Inc	TSIX	50.9%	Golub Capital BDC Inc	GBDC	-11	Oaktree Strategic Credit Fund	OAKSCF	1.6x
Carlyle Secured Lending	CGBD	51.5%	Franklin BSP Capital Corp	FRBP	-12	Nuveen Churchill Direct Lending	NCDL	1.5x
Blackstone Secured Lending Fund	BXSL	52.0%	Carlyle Secured Lending	CGBD	-14	Bain Capital Specialty Finance	BCSF	1.5x
Morgan Stanley Direct Lending Fund	MSDL	52.3%	Blue Owl Capital Corp II	OBDCII	-15	Blackstone Secured Lending Fund	BXSL	1.4x
Blue Owl Capital Corp	OBDC	53.0%	Barings BDC Inc	BBDC	-15	HPS Corporate Lending Fund	HLEND	1.4x
Goldman Sachs BDC Inc	GSBD	53.0%	Blackstone Secured Lending Fund	BXSL	-21	Goldman Sachs Private Credit Corp	GSCRED	1.2x
Franklin BSP Capital Corp	FRBP	53.2%	New Mountain Finance Corp	NMFC	-27	North Haven Private Income Fund	NHPIFS	1.2x
Nuveen Churchill Direct Lending	NCDL	53.7%	Blue Owl Credit Income Corp	OCINCC	-30	Carlyle Secured Lending	CGBD	1.2x
FS KKR Capital Corp	FSK	55.4%	Blackstone Private Credit Fund	BCRED	-35	Golub Capital BDC Inc	GBDC	1.1x
Golub Capital BDC Inc	GBDC	55.5%	BlackRock TCP Capital Corp	TCPC	-66	Blue Owl Credit Income Corp	OCINCC	1.1x
Bain Capital Specialty Finance	BCSF	56.7%	Blue Owl Capital Corp	OBDC	-79	Franklin BSP Capital Corp	FRBP	1.1x
Barings BDC Inc	BBDC	56.7%	HPS Corporate Lending Fund	HLEND	-109	FS KKR Capital Corp	FSK	1.0x
New Mountain Finance Corp	NMFC	56.9%	Prospect Capital Corp	PSEC	-275	Blackstone Private Credit Fund	BCRED	0.9x
BlackRock TCP Capital Corp	TCPC	60.9%	FS KKR Capital Corp	FSK	-368	Barings BDC Inc	BBDC	0.6x

Source: MNI, Company Reports, Bloomberg Finance, LP

### III. Portfolio Composition

- One of the most important analyses to be done each quarter is on the **portfolio composition** of the 28 BDCs in our coverage universe. BDC portfolios differ meaningfully and provide good insight into the risk appetite of the BDC managers.
- The first table looks at the **percentage of secured debt in each BDC's portfolio**. Secured debt is generally perceived as the least risky asset held by BDCs. Other assets held by BDC include unsecured debt, asset backed securities, real estate loans, structured product tranches, equity, and warrants. What stands out to us is that some of the larger and tighter trading BDCs have the least amount of secured debt in their portfolios – namely **ARCC, OBDC and MAIN**. One caveat – some BDCs have substantial equity investments in other external portfolio entities so getting an accurate read through on secured assets can be tricky.
- The second table examines the **weighted average yield of the investments** in BDC's portfolio. This is a good measurement of risk in the portfolio – that is, the higher the yield, the more risk. **HGTC** has historically had among the highest portfolio yield given its focus on startup and VC backed firms, many of them in the tech sector. One of the more modestly sized BDCs, **MAIN** also has a relatively high average weighted yield on its portfolio with its focus on smaller SMEs.
- The third table measures **PIK (paid-in-kind) income** as a source of reported revenues by BDCs. The two companies with the highest level of PIK revenue are also two that trade the widest in our universe and are going through meaningful portfolio transitions. In the case of **PSEC**, it was downgraded to junk earlier this year. A rise in PIK revenues can indicate additional stress at portfolio companies.



- Finally, the fourth table measures **non-accruals** across the portfolios of BDCs. Non-accruals are not necessarily assets that are non-performing but often are those that will likely non-perform – so they are not always loans in default. Non-accruals are modest for the industry with all less than 4% of their total portfolio. Three BDCs are at 3% or higher, **TCPC**, **OCSL** and **FSK**, and these names trade among the widest in our coverage universe. There currently are 3 BDCs (**SIXSLP**, **ARESSI** and **GSCRED**) with zero non-accruals – they all are private, new vintage BDCs.

BDC's % of Secured Debt in Portfolios as of 6/30/25			Avg Weighted Portfolio Yield as of 6/30/25			PIK Income as a % of Total Income as of 6/30/25			Non-accruals as a % of Total Portfolio as of 6/30/25		
Goldman Sachs Private Credit Corp	GSCRED	99.9%	Hercules Capital Inc	HTGC	13.4%	FS KKR Capital Corp	FSK	13.3%	BlackRock TCP Capital Corp	TCPC	3.7%
Blackstone Secured Lending Fund	BXSL	99.0%	Main Street Capital Corp	MAIN	12.8%	Prospect Capital Corp	PSEC	12.5%	Oaktree Specialty Lending Corp	OCSL	3.2%
North Haven Private Income Fund	NHPIFS	99.0%	Sixth Street Specialty Lending Inc	TSXL	11.7%	Blue Owl Technology Finance Corp	OTF	12.4%	FS KKR Capital Corp	FSK	3.0%
Morgan Stanley Direct Lending Fund	MSDL	98.3%	Goldman Sachs BDC Inc	GSBD	11.4%	BlackRock TCP Capital Corp	TCPC	10.6%	Blue Owl Capital Corp II	OBDCII	2.7%
Sixth Street Lending Partners	SIXSLP	97.9%	Carlyle Secured Lending	CGBD	11.1%	Bain Capital Specialty Finance	BCSF	10.6%	Carlyle Secured Lending	CGBD	2.1%
Goldman Sachs BDC Inc	GSBD	97.4%	Sixth Street Lending Partners	SIXSLP	10.8%	Hercules Capital Inc	HTGC	10.0%	Main Street Capital Corp	MAIN	2.1%
HPS Corporate Lending Fund	HLEND	97.2%	BlackRock TCP Capital Corp	TCPC	10.6%	Blue Owl Capital Corp II	OBDCII	9.8%	Franklin BSP Capital Corp	FRBP	1.8%
Barings BDC Inc	BBDC	97.0%	Blue Owl Capital Corp II	OBDCII	10.5%	Goldman Sachs BDC Inc	GSBD	8.3%	Blue Owl Capital Corp	OBDC	1.8%
Blackstone Private Credit Fund	BCRED	94.9%	Blackstone Secured Lending Fund	BXSL	10.2%	New Mountain Finance Corp	NMFC	8.3%	Goldman Sachs BDC Inc	GSBD	1.6%
Sixth Street Specialty Lending Inc	TSXL	94.9%	Morgan Stanley Direct Lending Fund	MSDL	10.2%	Carlyle Secured Lending	CGBD	7.7%	New Mountain Finance Corp	NMFC	1.2%
Blue Owl Credit Income Corp	OCINCC	93.7%	Nuveen Churchill Direct Lending	NCDL	10.2%	Ares Capital Corp	ARCC	7.7%	Ares Capital Corp	ARCC	1.2%
Hercules Capital Inc	HTGC	93.7%	Ares Capital Corp	ARCC	10.1%	Franklin BSP Capital Corp	FRBP	7.4%	North Haven Private Income Fund	NHPIFS	1.1%
Golub Capital BDC Inc	GBDC	92.6%	Blue Owl Capital Corp	OBDC	10.1%	Sixth Street Lending Partners	SIXSLP	6.9%	Morgan Stanley Direct Lending Fund	MSDL	0.7%
Ares Strategic Income Fund	ARESSI	91.8%	New Mountain Finance Corp	NMFC	10.1%	Oaktree Specialty Lending Corp	OCSL	6.7%	Bain Capital Specialty Finance	BCSF	0.6%
Oaktree Strategic Credit Fund	OAKSCF	90.3%	Bain Capital Specialty Finance	BCSF	10.1%	Blackstone Secured Lending Fund	BXSL	6.4%	Golub Capital BDC Inc	GBDC	0.6%
Nuveen Churchill Direct Lending	NCDL	90.0%	HPS Corporate Lending Fund	HLEND	10.0%	Barings BDC Inc	BBDC	6.1%	Sixth Street Specialty Lending Inc	TSXL	0.6%
Oaktree Specialty Lending Corp	OCSL	89.1%	Blackstone Private Credit Fund	BCRED	10.0%	Blue Owl Capital Corp	OBDC	6.0%	HPS Corporate Lending Fund	HLEND	0.6%
Franklin BSP Capital Corp	FRBP	87.7%	Oaktree Strategic Credit Fund	OAKSCF	10.0%	Golub Capital BDC Inc	GBDC	5.9%	Barings BDC Inc	BBDC	0.5%
Blue Owl Capital Corp II	OBDCII	87.5%	FS KKR Capital Corp	FSK	9.9%	Blackstone Private Credit Fund	BCRED	5.7%	Prospect Capital Corp	PSEC	0.3%
BlackRock TCP Capital Corp	TCPC	84.3%	North Haven Private Income Fund	NHPIFS	9.8%	Ares Strategic Income Fund	ARESSI	5.3%	Blue Owl Credit Income Corp	OCINCC	0.3%
Blue Owl Capital Corp	OBDC	83.2%	Barings BDC Inc	BBDC	9.8%	Sixth Street Specialty Lending Inc	TSXL	5.1%	Blue Owl Technology Finance Corp	OTF	0.2%
Main Street Capital Corp	MAIN	81.6%	Golub Capital BDC Inc	GBDC	9.8%	HPS Corporate Lending Fund	HLEND	4.9%	Hercules Capital Inc	HTGC	0.2%
Blue Owl Technology Finance Corp	OTF	81.3%	Blue Owl Credit Income Corp	OCINCC	9.7%	Nuveen Churchill Direct Lending	NCDL	4.3%	Blackstone Private Credit Fund	BCRED	0.2%
Carlyle Secured Lending	CGBD	79.8%	Oaktree Specialty Lending Corp	OCSL	9.6%	Blue Owl Credit Income Corp	OCINCC	4.2%	Nuveen Churchill Direct Lending	NCDL	0.2%
Prospect Capital Corp	PSEC	78.9%	Blue Owl Technology Finance Corp	OTF	9.6%	Morgan Stanley Direct Lending Fund	MSDL	3.9%	Blackstone Secured Lending Fund	BXSL	0.1%
FS KKR Capital Corp	FSK	78.8%	Prospect Capital Corp	PSEC	9.6%	Main Street Capital Corp	MAIN	3.4%	Oaktree Strategic Credit Fund	OAKSCF	0.1%
New Mountain Finance Corp	NMFC	69.8%	Goldman Sachs Private Credit Corp	GSCRED	9.2%	Goldman Sachs Private Credit Corp	GSCRED	3.2%	Sixth Street Lending Partners	SIXSLP	0.0%
Bain Capital Specialty Finance	BCSF	65.3%	Franklin BSP Capital Corp	FRBP	9.0%	North Haven Private Income Fund	NHPIFS	3.0%	Ares Strategic Income Fund	ARESSI	0.0%
Ares Capital Corp	ARCC	65.0%	Ares Strategic Income Fund	ARESSI	8.9%	Oaktree Strategic Credit Fund	OAKSCF	1.5%	Goldman Sachs Private Credit Corp	GSCRED	0.0%

Source: MNI, Company Reports, Bloomberg Finance, LP.