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More than 70% of public BDCs now trade below 0.80x NAV

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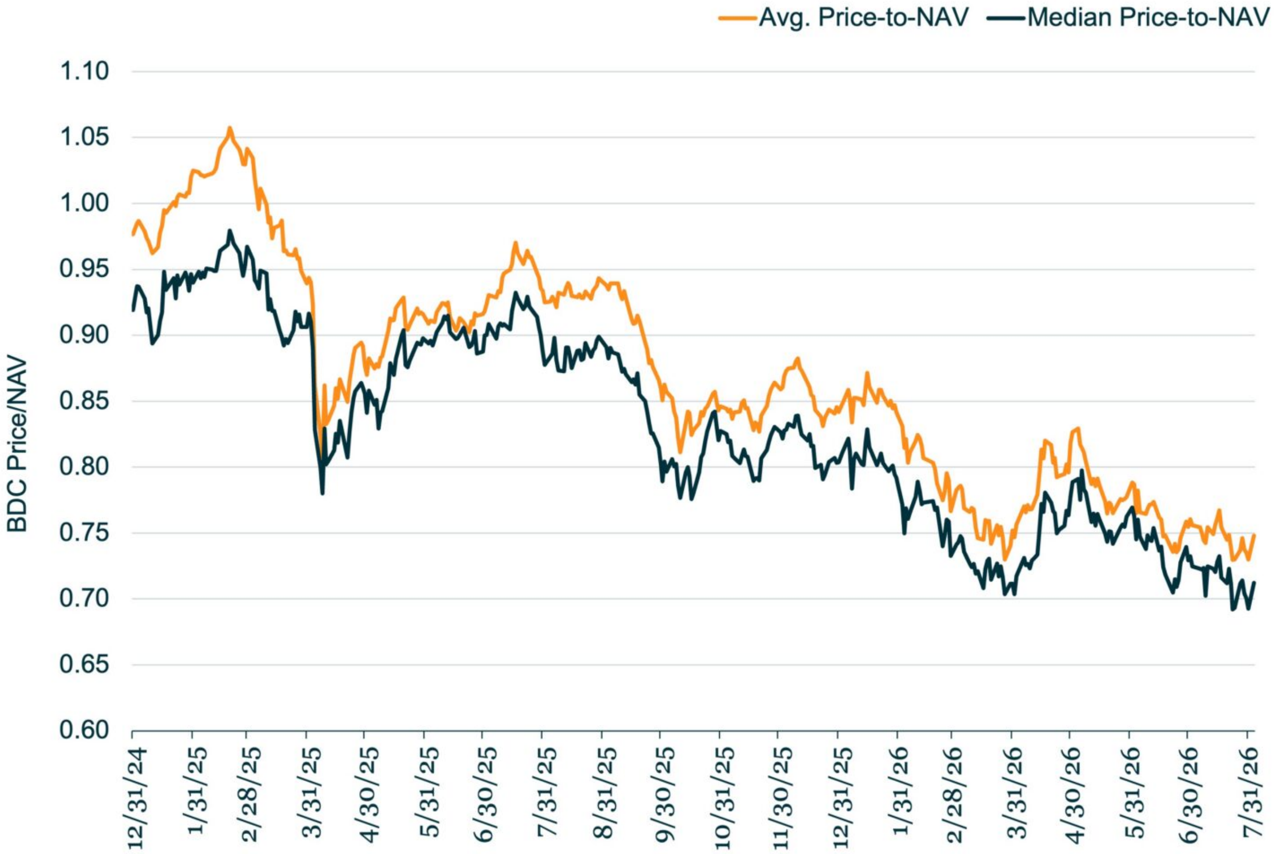

Source: LSEG Workspace

BDC valuations remain under pressure as investors have become more selective toward private credit this year. Concerns over AI-related risks in software portfolios and broader scrutiny of private credit valuations have driven wider discounts to NAV despite generally stable underlying credit fundamentals. The average public BDC is currently trading at 0.75x price-to-NAV, down from 0.84x at the end of 2025 and the 0.87x year-to-date peak reached in January. Just 12% of public BDCs trade at a premium to NAV, compared with 16% at the start of the year. Meanwhile, more than 70% of BDCs trade below 0.80x NAV, up from 50% at the end of 2025 and 28% a year earlier. The highest price-to-NAV valuations are commanded by Main Street Capital Corp. (1.67x), Capital Southwest Corp. (1.43x) and Hercules Capital Inc. (1.38x). At the other end of the spectrum, Investcorp Credit Management BDC (0.22x), Prospect Capital Corp. (0.36x) and OFS Capital Corp. (0.41x) trade at the deepest discounts to NAV.