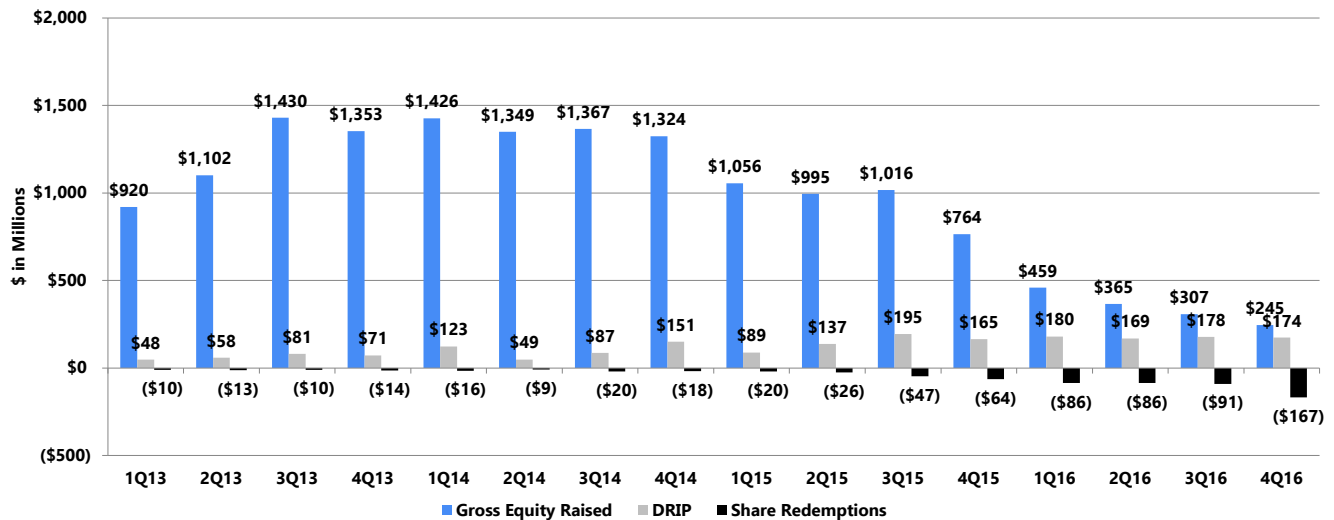


# Non-Listed BDC Equity Capital Raise Historical Summary

Non-Listed BDC Equity Capital Raise - Historical Summary



**Note:** Historical capital raise includes effective and closed non-listed BDCs but excludes non-listed BDCs that invest primarily in real estate securities.

Non-listed BDC fundraising continued its steady decline in 4Q16. **Gross Equity Capital:** Gross equity raise averaged \$1.0 billion per quarter from 1Q15 through 3Q15. The gross equity raise then had a steady fall over the next five quarters to only \$245 million in 4Q16. Regulatory changes, credit market disruptions, and economic uncertainty will continue to present significant headwinds for non-listed BDC fundraising going into 2017. **Reinvested Distributions:** Reinvested distributions represent a significant source of equity capital for non-listed BDCs. In 4Q16, non-listed BDCs raised \$174 million through distribution reinvestments. Unless closed non-listed BDCs have liquidity events near-term, which is unlikely given recent public market declines and volatility, reinvested distributions will continue to provide significant capital for new investments by non-listed BDCs. **Share Redemptions:** Share redemptions have increased steadily over the last seven quarters. Share redemptions increased from \$18 million in 4Q14 to a record \$167 million in 4Q16. Most non-listed BDCs cap annual share redemptions at 10% to 15% of outstanding shares, and certain non-listed BDCs have hit their quarterly redemption limits. The same factors that will create headwinds for non-listed BDC fundraising over the next few quarters will also continue to drive higher share redemptions. Non-listed BDCs with lower total returns, distribution coverage issues, and rising credit risk should see the steepest increases in share redemptions.