Business Development Companies

At A Glance
Business development companies ("BDCs") are closed-end investment vehicles designed to provide financing for, and make investments in, small and middle-market companies. BDCs elect to be subject to Sections 55 through 65 of the Investment Company Act of 1940 and benefit from pass-through tax treatment. As traditional financing sources reduce exposure to and make fewer loans and investments in small and mid-sized businesses, BDCs can play an ever increasing role in addressing the unmet capital needs of these businesses.

Asset Class
- 30 BDCs focus on middle-market companies
- 4 BDCs focus on smaller companies
- 8 BDCs focus on lower middle-market companies
- 5 BDCs focus on technology/healthcare companies
- 1 BDC focuses on service companies

1940 Act Co-investment Relief
- Obtained relief for co-investment with SBIC subsidiary and/or other affiliated entities
- Have applied for relief but have not obtained it

48 Public BDCs Listed On an Exchange
- 14 Listed on the NYSE
- 34 Listed on Nasdaq

Base Management Fees for Adviser
- 13 BDCs have external advisers
- 7 are internally managed

Hurdle Rate for Adviser’s Incentive Fees
- 6 BDCs
- 19 BDCs

Catch-Up Rate for Adviser’s Incentive Fees
- 5 BDCs
- 16 BDCs

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