



# NYSE:EQS – Leading Name in BDC Investment Expertise Catering Well to Long Term Investors

15 April 2019  
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As stock valuations continue to become more volatile each day, investors are turning toward new asset sectors that offer protective qualities. As such, business development companies (BDCs) carry promising potential to help investors generate gains in the months ahead.

A BDC is a publicly traded company making investments in small-medium sized companies so that the latter can generate growth in the initial development stages. Majority of BDCs have very similar characteristics to closed-end funds in that they offer retail investors highly diversified access to private companies – that would otherwise be only accessible to funds and institutional investors.

Compared to a venture capital fund, a BDC offers an important

advantage – offering relatively smaller investors much better access and exposure to ‘emerging growth’ companies. In this regard, NYSE:EQS (Equus Total Return Inc.) has emerged as a vanguard in the BDC space, offering long-term investors with well-diversified options.

## Why BDCs Have Become a Popular Option for Smaller Investors

A rather obvious reason so as to why BDCs have become popular

◀ over the years is their ability to offer protective asset positioning in an unpredictable market environment. They also offer permanent capital solutions to companies in the early developmental stages by taking advantage of a broad range of resources, such as hybrid financial instruments, debt and equity.

At its core, a BDC is a closed-end fund so to speak, making investments in emerging companies and firms that are financially constrained. This is especially important to investors who seek growth opportunities in a market environment that is otherwise overvalued and only accessible to 'big shot' names in the investment world.

Equus Total Return Inc. trading as a closed-end fund on the New York Stock Exchange (NYSE) reported 46.6 million in net assets during the last quarter of 2018 – gains equivalent to about \$2.5 million since 30th June, 2018. Net asset value per share was \$3.26 in as of 30th June, 2018 which increased to \$3.45 by 30th September, 2018.

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up by 10.93 percent – an increase which has been a direct result of noticeable operational streamlining in core asset holdings.

However, even more impressive is the fact that Equus Energy's market performances have contributed significantly to the fund's success as of late;

Equus holds an 18.7% stake in PalletOne, the biggest wooden pallet manufacturers in the US today. During the 3rd quarter of 2018, PalletOne's fair value rose to \$20.5 million from the previous \$19.0 million.

Additional gains were seen at Equus, thanks to MVC Capital Inc.'s

quarterly performance – gaining 1.58% during the previous quarter – with Equus receiving 8,047 MVC shares in the form of dividends during this year. By 30th September, 2018, this led to an increase from \$4.85 million to \$5.0 million in their holding fair value.

### **Is Investing in a BDC for You?**

BDCs offer exposure to equity and debt investments in firms that are public with relatively smaller capitalizations or predominantly private – assets which are typically quite difficult to access.

Therefore, investments in a BDC can help you diversify investment portfolios through securities, with the result that you can enjoy returns significantly unique to bonds or stocks.

As a leading player in the BDC space, Equus Total Return Inc. can offer shareholders a gateway in the quarters ahead, to help them benefit from the improved performances reported in the above assets.