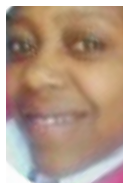




# Unlocking The Value Of Asset Rich Small Firms With Equus Total Return Fund

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Unlocking value in asset rich companies is often the ultimate goal for value investors. And while at first it might seem like a hectic and risky business, Equus Total Return Fund provides

the ideal vehicle for investors. The Fund is a Business Development Company, that invests in small asset rich companies with the potential of blowing up into success in the future.

Equus Total Return Fund has been in business since the 80s and its investment strategy focuses on equity investments in small and mid-sized companies. The Fund believes that there is always potential in such small firms and with the right

financial backing, technical help, and professional advice, these small companies can grow and fulfill their full potential.

## **What Is Equus Total Return Fund All About?**

Equus Total Return Fund is a Business Development Corporation that trades as a closed end fund at the NYSE. The company's stock price is at \$1.75 a share after closing on Friday and with a Net Asset Value of \$3.09, the Fund offers investors a great discount to get in on its investments. Approximately 50% of The Fund's assets are in cash and the remainder divided into five separate investments. The Fund owns 100% of Equus Energy, LLC, its largest holding. Equus Energy, LLC owns and operates oil and gas fields in Texas and Oklahoma.

The Energy Company constitutes up to 40% of the total investments



◀ made by the Fund. Equus Total Return Fund also has investments in Equus Media Development Company, LLC, a media company that explores commercial opportunities in creative media. In 2001 the Fund also invested in PalletOne, Inc., a leading wooden pallet manufacturer in the US. Equus Total Return Fund is also pursuing a merger with MVC Capital, Inc. The move was initiated in 2014 and efforts are still going on to close the deal.

### **Equus Total Return Fund Investment Approach**

The approach Equus Total Return Fund takes is pretty basic. The goal is to invest in small and midsized companies that have potential. However, the Fund has had to endure a trying period in recent years. In 2011, a move to invest in Energy

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especially oil and gas seemed to be a wise decision but then the prices of oil plummeted. There has been a sudden improvement with prices hovering above the \$50 a barrel but it's not easy to discount the impact plummeting oil prices have had on Equus Total Return Fund.

A merger with MVC Capital LLC was also initiated in 2014 but with the collapse of the private equity market, the deal stalled. All this is simply down to bad luck but the great thing is that these investments can still pull through. Oil and gas prices are definitely on the rise and

there is hope they will continue the trajectory. The Funds current stock price is trading at a significant discount to NAV so there is still a lot of upside potential. In addition to this, financial results for Pallet One, Inc on a 12 year range were significantly improved. All this factors provide a ray of hope for the Fund and clearly things are looking up.

### **Final Thoughts.....**

**Equus Total Return Fund** is an investment vehicle primarily designed for value investors. The company's investments so far are looking like they will pay off especially Equus Energy and Pallet One. But if you are looking for long term gains while investing in high potential asset rich companies, Equus Total Return Fund is the perfect vehicle to unlock this value.

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