

**MERCER CAPITAL**

# The Ins and Outs of BUSINESS DEVELOPMENT COMPANIES

## Introduction

With more than thirty five public registrants reporting nearly \$40 billion of assets under management, business development companies, or BDCs, are increasingly important financial intermediaries, matching a wide variety of businesses needing capital with yield-hungry investors eager to provide it.

Compared to private equity funds, BDCs have historically garnered less media and investor awareness, although the persistent low yield environment has helped to raise the profile of BDCs. Like private equity funds, BDCs invest in a portfolio of generally illiquid securities of privately held companies. Unlike private equity funds, which are structured as finite-lived investment partnerships, BDCs are publicly traded vehicles accessible to retail investors, providing permanent capital for investment. As long as certain distribution requirements are met, BDCs are not subject to income tax. Like any other publicly traded company, a BDC must file quarterly and annual reports with the SEC. These reports provide a window into the trends and economic factors influencing the broader universe of investors providing debt and equity capital to middle market companies.

The purpose of this whitepaper is to review the principal financial statement components of BDCs with a view to clarifying the factors that are most likely to influence financial performance.

## The Balance Sheet

The relative value of BDC shares is often evaluated with reference to the corresponding net asset value (book value) per share. Figure 1 presents the aggregate balance sheet for a group of 28 BDCs at September 30, 2013.

**Figure 1**  
**Aggregate BDC Balance Sheet**

*Dollars in millions*

	% of		% Change	
	Sep-13	Assets	Sep-12	Change
Investment Portfolio (at FV)	34,684.7	90.1%	28,421.7	22.0%
Cash & Equivalents	1,941.4	5.0%	1,390.1	39.7%
Other Assets	1,854.1	4.8%	1,696.6	9.3%
<b>TOTAL ASSETS</b>	<b>38,480.2</b>	<b>100.0%</b>	<b>31,508.4</b>	<b>22.1%</b>
Interest-Bearing Debt	12,445.3	32.3%	9,163.6	35.8%
Other Liabilities	1,220.5	3.2%	1,108.0	10.2%
<b>Total Liabilities</b>	<b>13,665.8</b>	<b>35.5%</b>	<b>10,271.6</b>	<b>33.0%</b>
Shareholders' Equity	24,814.4	64.5%	21,236.8	16.8%
<b>TOTAL LIAB &amp; EQUITY</b>	<b>38,480.2</b>	<b>100.0%</b>	<b>31,508.4</b>	<b>22.1%</b>

*Source: SEC Filings, Mercer Capital Analysis*

*BDCs included in group: ARCC, ACAS, PSEC, AINV, FSC, SLRC, BKCC, PNNT, HTGC, MAIN, TICC, GBDC, TCAP, MCGC, MVC, TCRD, GAIN, MCC, FDUS, GLAD, KCAP, NGPC, GSVC, SUNS, HRZN, PFLT, SAR, FULL*

## Investment Portfolio

The largest asset category on a BDCs balance sheet is the investment portfolio. A BDC's investment strategy will be manifest in the composition (and risk) of the investment portfolio. At the most conservative end, some BDCs invest almost exclusively in senior secured loans. Moving down the

right hand side of the borrower’s balance sheet, other BDCs add increasing amounts of subordinated debt, preferred equity, and common equity in the search for higher returns and capital appreciation.

### Portfolio Composition

BDCs report the composition of their portfolio along three dimensions: the degree of control the BDC has over the investee, the portfolio investment’s position in the investee’s capital structure, and the industry in which the investee operates. Figure 2 summarizes data on the first two classifications.

**Figure 2**  
**Portfolio Composition**

*Dollars in millions*

Category	Sep-13	% of		Change
		Assets	Sep-12	
Non-Control, Non-Affiliate	23,962	69.1%	19,565	22.5%
<i>Less than 5% of equity</i>				
Affiliate	1,938	5.6%	1,706	13.6%
<i>5% to 20% of equity</i>				
Control	8,785	25.3%	7,238	21.4%
<i>More than 20% of equity</i>				
TOTAL	\$34,685	100.0%	\$28,510	21.7%
Senior Debt	15,901	45.8%	12,562	26.6%
Subordinated Debt	10,650	30.7%	9,254	15.1%
Total Debt	26,550	76.5%	21,815	21.7%
Preferred Equity	1,956	5.6%	2,059	-5.0%
Common Equity	6,179	17.8%	4,636	33.3%
Total Equity	8,135	23.5%	6,694	21.5%
TOTAL	\$34,685	100.0%	\$28,510	21.7%

Source: SEC Filings, Mercer Capital Analysis

The degree of control is a uniform classification for all BDCs based on the percentage of investee equity owned by the BDC. The classification of an investment’s position in the investee’s capital structure is less consistent across firms; the data in Figure 2 is based on our classification of a sometimes bewildering array of investment descriptions. The composition of a BDC’s investment portfolio influences the effective yield on the portfolio and volatility of investment gains and losses recognized in earnings.

BDCs also provide a summary business description for each portfolio company. Figure 3 presents a summary of the aggregate portfolio composition by economic sector.

**Figure 3**  
**Industry Classifications**

*Dollars in millions*

Industry Group	Sep-13	% of		Change
		Assets	Sep-12	
Consumer Discretionary	\$7,818	22.5%	\$6,205	26.0%
Consumer Staples	1,332	3.8%	1,724	-22.7%
Energy	2,323	6.7%	1,358	71.1%
Financials	6,343	18.3%	5,779	9.8%
Health Care	5,007	14.4%	3,820	31.1%
Industrials	5,792	16.7%	5,374	7.8%
Information Technology	4,246	12.2%	2,658	59.8%
Materials	1,398	4.0%	1,120	24.8%
Telecommunication Svcs	397	1.1%	357	11.3%
Utilities	28	0.1%	116	-76.2%
TOTAL	\$34,685	100.0%	\$28,510	21.7%

Source: SEC Filings, Mercer Capital Analysis

The inescapable consequence of fair value reporting is that the reported value of the largest asset on a BDCs balance sheet is subject to a healthy dose of judgment

While Figures 2 and 3 present aggregate portfolio statistics for BDCs, the composition of individual portfolios can deviate significantly from that of the overall group. Investment strategies include targeting a particular point in the investee's capital structure and/or focusing on particular industries. A comparison of portfolio composition across BDCs can provide investors with relevant information regarding potential future earnings and dividends for a particular BDC.

### Fair Value

BDCs are required to report investments on the balance sheet at fair value rather than historical cost. Fair value is defined in ASC 820 as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”<sup>1</sup>

Fair value is measured from the perspective of a market participant that is a party to a hypothetical transaction for the subject asset or liability at the measurement date. Market participants are defined as 1) unrelated parties, who are 2) knowledgeable of the subject asset, 3) able to transact, and 4) motivated but not compelled to transact.<sup>2</sup> Fair value is the so-called “exit price” of the subject asset for a market participant in the principal or (in the absence of such a market) most advantageous market for the asset.

ASC 820 states that valuation techniques consistent with the market approach, income approach, and/or cost approach should be used to measure fair value. Inputs to the

various valuation techniques may be either observable or unobservable; the FASB has established a hierarchy which prioritizes inputs into three broad levels.

- » Level 1 inputs are observable quoted prices in active markets for identical assets;
- » Level 2 inputs generally include observable quoted prices for similar assets in active markets or quoted prices for identical assets in markets that are not active; and,
- » Level 3 inputs are unobservable inputs that are developed based upon the best information available under the circumstances, which might include the reporting entity's own data.

Unobservable inputs should reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.<sup>3</sup>

BDCs generally measure the fair value of portfolio investments using techniques under the market or income approaches. Valuation techniques are often selected with reference to the subject investment's position in the investee's capital structure.

- » Equity investments are most commonly measured using a market multiple of EBITDA or some other performance benchmark to derive the fair value

... while the inevitable vagaries of fair value measurement influence the reported earnings of the BDC from quarter to quarter, the cash flows and dividend-paying capacity of the BDC are determined by realized investment exits

of the enterprise as a whole. A “waterfall” analysis is then performed in which the balances of senior securities are deducted to measure the fair value of the residual equity. Less frequently, a discounted cash flow technique under the income approach is used to measure the fair value of the enterprise (prior to application of the waterfall) or the subject equity investment directly.

- » Senior debt investments are usually measured with a yield-based technique under the income approach. Using this technique, future interest payments and return of principal are discounted to the measurement date at a yield that is commensurate with changes in market yields and coverage ratios for the subject investment since origination.
- » Performing junior debt investments are also usually measured using a yield-based technique. Fair value measurement of distressed or non-performing debt investments may be supplemented by use of a waterfall methodology (i.e., as if an equity investment).

The degree of control the BDC exerts over the portfolio company may also influence the principal or most advantageous market for an investment, which may affect the selection of valuation techniques.

The inescapable consequence of fair value reporting is that the reported value of the largest asset on a BDCs balance sheet is subject to a healthy dose of judgment. One should bear in mind, however, that interim fair value measurements are ultimately exposed to the discipline of realized exits. In other words, while the inevitable vagaries of fair value measurement influence the reported earnings of the BDC from quarter to quarter, the cash flows and dividend-paying capacity of the BDC are determined by realized investment exits.

## Cash & Equivalents

A BDC’s cash balance provides a measure of the investment capacity available without accessing the capital markets or liquidating a portion of the investment portfolio. A larger cash balance provides greater investing flexibility, but is also a drag on the effective yield on assets (and, therefore, on dividend-paying capacity). In other words, the cash position of a BDC is a trade-off between investment flexibility and asset yield. As noted in Figure 1, cash & equivalents represented approximately 5.0% of total BDC assets at September 30, 2013.

## Interest-Bearing Debt

Financial leverage for BDCs is limited under the 1940 Act to 50% of total assets. As noted in Figure 1, BDCs are currently maintaining financial leverage well below this limit. Used judiciously, interest-bearing debt (having a blended effective pre-tax cost of approximately 5.5% at September 30, 2013) increases the return on shareholders' equity. However, in a period of falling asset values (as experienced in 2008 and 2009), financial leverage constrains a BDC's investment flexibility, potentially triggering asset sales at less than fair value in order to maintain compliance with investment company regulations. In other words, a margin call at an inopportune time.

Some BDCs establish Small Business Investment Corporation subsidiaries, or SBICs, to secure access to SBA-guaranteed debentures. BDCs with SBICs may issue up to \$225 million of long-term (10-year) debentures at fixed rates that are generally lower than rates on comparable non-guaranteed financing. SBICs are required to provide financing to small businesses (defined as having tangible equity of not more than \$18 million and average annual net income of not more than \$6 million). SBA-guaranteed debentures are generally excluded from the calculation of the asset coverage test under the 1940 Act.

## Net Asset Value Per Share

Net asset value (NAV) per share is an important reference point for BDCs and is disclosed on the face of the balance sheet. The ratio of stock price to NAV per share is an important barometer of relative value for BDCs.

Given distribution requirements, BDCs cannot increase NAV per share meaningfully by retaining net investment income. Instead, NAV per share fluctuates primarily with appreciation or depreciation in underlying portfolio investments. Alternatively, issuing new shares at a premium to NAV (or repurchasing shares at a discount to NAV) is accretive to NAV per share. BDCs are generally required to obtain special shareholder permission to issue new shares at a price less than NAV per share. This can effectively close the market for new equity issuances for BDCs trading at a price-to-book ratio of less than 1.0x, which in turn, limits the BDC's ability to grow the balance sheet.

BDCs that focus primarily on senior secured loans report effective asset yields on the order of 8.0%, while portfolios concentrated in more subordinate positions may report effective yields between 11.0% and 14.0%.

## The Income Statement

Figure 4 summarizes aggregate income statement data of the publicly traded BDCs for the quarter ended September 30, 2012.

**Figure 4**  
**Aggregate BDC Income Statement**

Quarters Ended September 30

Dollars in Millions

	Q3, 2013	Q3, 2012
Investment Income	\$1,057.9	\$912.1
Interest Expense	172.0	126.5
Other Expenses	380.6	317.2
Net Investment Income	\$505.3	\$468.4
Net Realized Gains (Losses)	(42.8)	(36.7)
Net Change in Unrealized Gains (Losses)	103.9	210.3
Other Items	(0.7)	(4.3)
Net Increase (Decrease) in Equity	\$565.7	\$637.7
Common Size Performance Measures		
Effective Yield on Assets	11.0%	11.6%
Effective Cost of Funds	5.5%	5.5%
Other Expenses as % of Assets	4.0%	4.0%
Net Investment Income as % of Assets	5.3%	5.9%
Net Investment Income as % of Equity	8.1%	8.8%
Total Return on Assets	5.9%	8.1%
Total Return on Equity	9.1%	12.0%

Source: SEC Filings, Mercer Capital Analysis

As with any financial institution, the income statement for a BDC is closely tied to the balance sheet. In the following sections of this article, we will review some of the key relationships between the balance sheet and income statement.

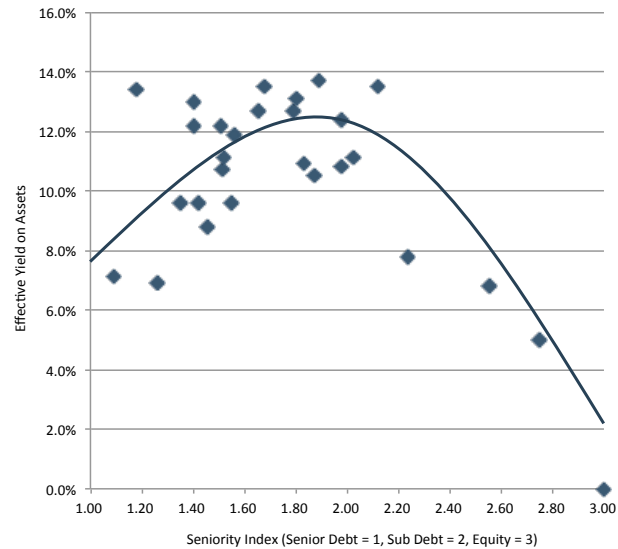
## Investment Income

Investment income represents the revenue of a BDC: interest income from debt investments, dividends from equity investments, and various fees for loan origination and the like. While some BDCs generate significant amounts of fee income, interest and dividends from portfolio investments comprise the bulk of investment income.

The effective yield on assets is primarily determined by the composition of the investment portfolio. BDCs that focus primarily on senior secured loans report effective asset yields on the order of 8.0%, while portfolios concentrated in more subordinate positions may report effective yields between 11.0% and 14.0%. While the required returns on equity investments are likely to be even greater, the current return component may be modest (or non-existent), which can deflate effective yields. Dividends on equity investments tend to be “lumpier” than interest income on debt investments, which can increase the volatility of reported investment income.

Figure 5 illustrates the effect of asset composition on effective yield. The horizontal axis plots an index score for the composition of the BDCs investment portfolio where a value of 1.0 corresponds to a portfolio consisting exclusively of senior secured debt and a value of 3.0 corresponds to a portfolio consisting exclusively of equity investments. Effective yields peak with a concentration in subordinated debt and fall off with increasing equity exposure.

**Figure 5**  
**Current Yield and Portfolio Composition**



### Interest Expense

As discussed previously, BDCs may use financial leverage to fund investment portfolios and boost equity returns. Compared to depository institutions and other financial intermediaries, the 1940 Act limits BDCs to a moderate amount of leverage (maximum asset coverage ratio (assets divided by equity) of 200%). Perhaps chastened by the experience of the Great Recession, BDCs are at present well below the maximum

allowable amount of leverage. The current financial leverage of the BDCs resulted in a total return on equity during third quarter 2013 of 9.1%, compared to an unlevered 5.9% return on assets.

The effective cost of funds for BDCs was 5.5% during the quarter, implying a net spread (excess of yield on assets over cost of funds) of 5.5%. Ten of the 28 BDCs analyzed in this whitepaper have SBIC subsidiaries, providing access to lower-cost funding from the SBA.

### Other Expenses

Other expenses consist primarily of the overhead associated with managing the existing investment portfolio, originating new investments, and other administrative tasks (legal, financial reporting, and the like).

BDCs may be managed internally or externally. Twenty-two of the twenty-eight BDCs for which we have aggregated financial data for this whitepaper are externally managed. Externally managed BDCs are advised by an affiliated management company in exchange for a fee. The management fee includes two components: (1) a base management fee (generally on the order of 1.5% to 2.0% of assets under management), and (2) an incentive fee, payable as a percentage of income (generally 20%) over a hurdle rate (often a quarterly rate of 1.75% to 2.00% of net assets). In addition to the management fee, externally



managed BDCs also incur professional fees and other general and administrative expenses. Internally managed BDCs pay compensation and related overhead expenses associated with managing the portfolio directly.

During the third quarter of 2013, operating expenses, measured as a percentage of assets, averaged 2.9% for internally managed BDCs compared to 3.8% for externally managed firms. The overall average for the group was 3.6%.

### **Net Investment Income**

BDCs have two sources of potential return: current income and capital appreciation. Net investment income measures the current income return on the BDC's investment portfolio. On an unlevered basis, net investment income for the group during the third quarter represented a 5.3% return on assets; including the effect of leverage, the current income return on equity registered 8.1%. As demonstrated in the preceding chart, BDCs with a greater equity concentration in their investment portfolio report lower net investment income (as a percentage of assets and equity) since a greater portion of their total expected investment return is attributable to capital appreciation.

### **Net Realized Gains & Losses**

Upon exiting an investment, BDCs record a gain or loss measured by the difference between the proceeds received upon exit and the amortized cost of the investment. Net realized gains or losses during a period provide perspective on the credit performance of management's prior investment decisions, but do not directly reflect investment performance during the period. For example, a realized loss on investment may be deferred simply by not exiting the investment; conversely, a gain may be realized during a given quarter even if the decision to sell the investment and realize the gain was not optimal from an investment perspective.

On a cumulative basis, the net realized gains and losses permit evaluation of a BDC's underwriting and investment process without the period to period "noise" associated with reporting the investment portfolio at fair value.

### **Net Change in Unrealized Gains & Losses**

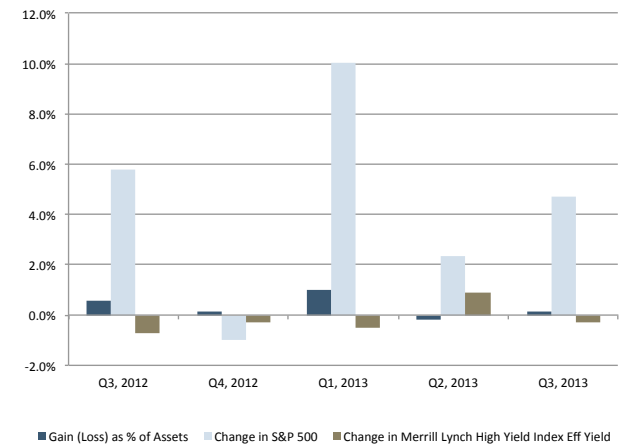
The difference between the fair value and amortized cost of a portfolio investment is the unrealized gain or loss. As the fair value of a portfolio investment is remeasured each quarter, the unrealized gain or loss associated with the investment may fluctuate. The sum of the increases or decreases in unrealized gain or loss across the portfolio during a period is recognized in the earnings of the current period.

Upon exiting an investment, the unrealized gain or loss for that investment reduces to zero; this “reversal” offsets the portion of the realized gain or loss that was recognized in earnings prior to the period in which the investment was disposed. The sum of the net realized gain and the net change in unrealized gain provides a measure of the capital appreciation return on the investment portfolio during the period.

Capital appreciation is a more significant component of financial performance for BDCs with greater equity exposure. For debt-focused BDCs, unrealized gains and losses can result from changes in the yields used to measure the fair value of performing loans or changes in credit status (i.e., impairment or recovery), which can often be more significant.

The capital appreciation component of BDC earnings is more volatile than net investment income and can generally be correlated to the performance of equity and debt markets during the period. For example, as shown in Figure 6, during the first quarter of 2013, BDCs reported a net gain on assets of approximately 1.0% while the S&P 500 registered a 10.0% gain. During the second quarter, however, the BDCs reported a net loss on assets despite a 2.4% increase in the S&P 500 as the yield on high-yield loans increased from 5.82% to 6.74%.

**Figure 6**  
BDC Portfolio Capital Appreciation vs. Benchmarks



Source: SEC filings, Mercer Capital analysis, St. Louis FED

## Earnings: Net Increase (Decrease) in Equity Resulting from Operations

The net income of a BDC, referred to as “Net Increase in Equity Resulting from Operations,” is the sum of the net investment income and capital appreciation on the underlying portfolio. Figure 7 summarizes the various aggregate earnings measures for BDCs for the quarter ended September 30, 2013.

**Figure 7**  
**Components of BDC Earnings**

Quarters Ended September 30

	Q3, 2013		Q3, 2012	
	Unlevered (ROA)	Levered (ROE)	Unlevered (ROA)	Levered (ROE)
Effective Yield on Assets	11.0%	nm	11.6%	nm
Net Investment Income	5.3%	8.1%	5.9%	8.8%
Capital Appreciation	0.6%	1.0%	2.2%	3.2%
Net Increase in Equity from Op	5.9%	9.1%	8.1%	12.0%

Source: SEC Filings, Mercer Capital Analysis

For BDCs, the closely watched dividend yield is a function of the current income return on equity, payout ratio, and price-to-book ratio. Since dividends approximate net investment income over the long-term (i.e., payout ratio of 100%) and median price-to-book ratios are currently anchored around 1.0x, the current income return on equity approximates the median dividend yield for the group.

**Figure 8**  
**Components of Dividend Yield**

$$\frac{\text{Dividends}}{\text{Market Value}} = \frac{\frac{\text{Net Investment Income}}{\text{Book Value}} \times \frac{\text{Dividends}}{\text{Net Investment Income}}}{\frac{\text{Market Value}}{\text{Book Value}}}$$

$$\text{Dividend Yield} = \frac{\text{Current Income ROE} \times \text{Payout Ratio}}{\text{Price-to-Book}}$$

Given relatively constant dividend payout ratios, share price appreciation for BDCs over the long-term can be driven only by capital appreciation on the underlying investment portfolio or a reduction in dividend yield requirements on behalf of investors.

## Statement of Cash Flows

The statement of cash flows for a BDC reveals the linkages between reported earnings and balance sheet growth (or shrinkage) during the period. Figure 9 summarizes selected aggregate cash flow measures of the publicly traded BDCs for the quarter ended September 30, 2013.

**Figure 9**  
**Aggregate BDC Cash Flow Data**

Quarters Ended September 30  
Dollar figures in millions

	Q3, 2013	Q3, 2012	Change %
<b>Investment Activity</b>			
Investment Purchases	\$3,982	\$3,503	13.7%
As % of Assets	10.3%	11.1%	
Investment Sales	\$2,854	\$2,016	41.6%
As % of Assets	7.4%	6.4%	
<b>Financing Activity</b>			
Proceeds from Stock Issuance	\$509	\$1,034	-50.8%
As % of Equity	2.1%	4.9%	
Net Proceeds from Debt Issuance	\$1,347	\$265	408.1%
As % of Debt	10.8%	2.9%	
Dividends Paid	\$469	\$364	28.7%
As % of Net Investment Inc	92.7%	77.7%	

Source: SEC Filings, Mercer Capital Analysis

## Investment Activity

BDC statements of cash flow often do not include a separate section for investing activities. Instead, purchases and sales of portfolio investments are often included as components of the operating activities section. Regardless of the financial statement classification, data on the volume of originations and exits in a given period are critical to assessing BDC performance.

The pace of origination volume is a key measure of a BDC's long-run sustainability. A significant portion of a BDC's operating expense base relates to screening, selecting, and funding new portfolio investments. The menu of potential investment opportunities (middle market firms seeking financing) is a function of the macroeconomic environment and the refinancing cycle. The investment capacity of BDCs depends on the pace of investment exits and the availability of incremental debt and equity funding.

If investment exits exceed investment purchases, cash accumulates in the BDC, creating a drag on investment yield and income. On the other hand, purchases of new investments in excess of sales of existing investments requires new financing and/or realized gains on portfolio investments.

## Financing Activity

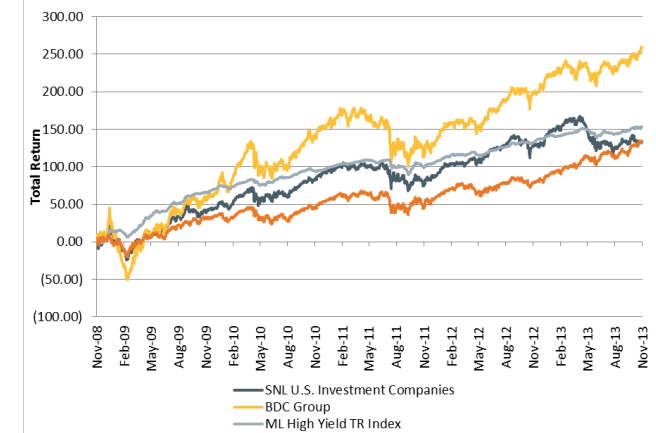
The net financing activity of BDCs can be segregated into three primary components: proceeds from new stock issuance, net proceeds from lenders, and dividends paid to shareholders. Since dividend payments approximate net investment income over the long haul, BDC growth requires access to the capital markets. (In Figure 9, dividends paid as a percentage of net investment income is artificially depressed because one of the largest BDCs, American Capital, Ltd. (ACAS), is currently repurchasing shares in lieu of paying dividends. The median ratio for the group is 100.9%.)

Taking advantage of the continuing accommodation at the Fed, BDCs borrowed aggressively during the quarter to refinance existing debt and to increase leverage. At September 30, the aggregate equity/assets ratio for the group stood at 64.5%, compared to 67.4% one year earlier.

Furthermore, since BDCs are generally prohibited from issuing new shares at less than book value and leverage capacity is limited to 50% of assets, only BDCs priced at or above book value can achieve sustainable balance sheet growth. In November 2013, 20 of the 28 referenced BDCs are trading at a premium to book value, compared to fifteen one year earlier, allowing more BDCs to potentially access the equity markets and grow.

## Market Performance

As depicted in the following chart, the total return for investors in the BDC space over the past five years has outpaced that of the S&P 500, high-yield bonds (as measured by the Bank of America Merrill Lynch US High Yield Master II Total Return Index), and the SNL U.S. Investment Companies index.



Sources: SNL Financial, St. Louis Federal Reserve

Relative to the S&P 500, the BDCs' cumulative performance has been buoyed by dividend yields on the order of 6% to 10% over the latter half of the period. Meanwhile, capital appreciation attributable to equity investments in BDC portfolios has boosted returns relative to the high-yield bond index.

The confluence of middle market companies requiring additional growth capital, private equity buyers, and yield-starved investors searching for current income suggests that BDCs will become a more prominent fixture in the financial landscape in the next few years

## Conclusion

Until recently, BDCs occupied a relatively obscure corner of the financial universe. However, the number of publicly traded vehicles has grown markedly over the past five years. The confluence of middle market companies requiring additional growth capital, private equity buyers, and yield-starved investors searching for current income suggests that BDCs will become a more prominent fixture in the financial landscape in the next several years.

Looking forward, BDC performance and investor returns will likely be driven by a few key factors:

- » *Competition for loans.* On a year over year basis, the aggregate effective yield on assets slipped from 11.6% to 11.0%. With funding and operating costs largely fixed, the contraction in effective yield pressures ROA and ROE by a comparable amount. If the increasing efficiency of financial intermediation for middle market companies drives borrowing costs for such companies down, BDCs will have to choose between supplying smaller cash dividends to shareholders or taking on more credit risk (through either borrower profile or subordination) to maintain net investment income.
- » *Balance sheet leverage and credit quality.* BDCs have been taking advantage of open credit markets over the past year, pushing leverage ratios higher.

Reported credit quality is holding steady, but the pain associated with credit deterioration in the event of economic softening will be heightened by the additional leverage.

- » *Investor comfort with the sector and demand for yield.* Given their payout obligations and leverage limitations, BDCs ultimately depend on secondary offerings for growth. As BDCs become larger and investor awareness grows, the potential for additional investor capital could pressure dividend yields and boost price/NAV ratios.
- » *Interest rate sensitivity.* While it appears the Fed will continue to favor a low rate environment over the foreseeable future, rising rates could pressure the fair value of loan portfolios and NAV per share. In the aggregate, approximately 31% of interest-bearing BDC assets bear fixed rates, but at the individual level, balance sheet sensitivity to interest rate changes varies significantly.

For more information or to discuss a valuation or transaction issue in confidence, do not hesitate to contact us at 901.685.2120.

### ENDNOTES

<sup>1</sup> ASC 820-10-20. Glossary.

<sup>2</sup> Ibid.

<sup>3</sup> ASC 820-10-25-53 (formerly SFAS 157, paragraphs 22-30).

ANALYSIS OF BUSINESS DEVELOPMENT COMPANIES  
AS OF NOVEMBER 13, 2013

QUARTERLY FINANCIAL SNAPSHOT

Ticker	BALANCE SHEET & RETURN DATA										MARKET PRICING DATA									
	Assets (\$Mil)	Equity (\$Mil)	Equity/Assets	Total Return on Equity (LTM)	Shares Out (Mil)	NAV per Share	Fair Value (\$Mil)	Investment Portfolio Amortized Cost (\$Mil)	FV as % of Cost	Price for 11/13/13	Price for 9/30/13	Price for 11/13/12	Equity Market Cap (\$Mil)	Price/Book	Dividend Yield Current	Dividend Yield Next	Price Change (LTM)	Total Return (LTM)		
<b>Total Assets &gt; \$1.0B</b>																				
Ares Capital Corp	ARCC	7,754.1	4,392.4	56.6%	12.8%	268.6	\$16.35	7,385.3	7,277.7	101.5%	\$17.72	\$17.29	\$15.31	4,759.5	108.4%	8.6%	8.7%	9.0%	15.7%	24.3%
American Capital Ltd	ACAS	6,271.0	5,419.0	86.4%	9.1%	277.3	\$19.54	5,035.0	5,272.0	95.5%	\$14.19	\$13.75	\$11.58	3,934.9	72.6%	0.0%	nm	nm	22.5%	22.5%
Prospect Capital Corp	PSEC	4,783.6	2,909.8	60.8%	10.6%	271.4	\$10.72	4,553.1	4,642.3	98.1%	\$11.42	\$11.06	\$9.11	3,099.4	106.5%	11.6%	11.6%	11.6%	25.4%	37.0%
Apollo Investment Corp	AINV	3,139.8	1,864.6	59.4%	7.7%	224.7	\$8.30	3,029.7	3,080.9	98.3%	\$8.68	\$8.15	\$6.92	1,950.8	104.6%	9.2%	9.2%	9.5%	25.4%	34.7%
Fifth Street Finance Corp	FSC	1,896.8	1,197.3	63.1%	10.2%	121.0	\$9.90	1,802.1	1,776.1	101.5%	\$10.15	\$10.09	\$9.15	1,228.1	102.5%	11.3%	11.3%	11.3%	10.9%	22.3%
Solar Capital Ltd	SLRC	1,255.8	986.1	78.5%	7.5%	44.3	\$22.25	1,133.4	1,173.7	96.6%	\$22.29	\$22.18	\$20.46	988.0	100.2%	7.2%	9.0%	7.5%	8.9%	16.1%
Main Street Capital Corp	MAIN	1,239.3	794.2	64.1%	14.9%	39.7	\$20.01	1,152.4	1,014.6	113.6%	\$30.81	\$29.77	\$28.36	1,223.1	154.0%	6.4%	6.4%	6.4%	8.6%	15.1%
Hercules Technology Growth Capital Inc	HTGC	1,227.5	643.4	52.4%	17.9%	61.8	\$10.42	983.4	983.0	100.0%	\$16.71	\$14.97	\$9.48	1,031.9	160.4%	7.4%	6.7%	7.6%	76.3%	83.7%
BlackRock Kelso Capital Corp	BKCC	1,193.6	696.3	58.3%	9.1%	74.2	\$9.38	1,139.1	1,039.2	109.6%	\$9.47	\$9.48	\$8.75	703.1	101.0%	11.0%	11.0%	10.9%	8.2%	19.2%
PennantPark Investment Corp	PNNT	1,153.3	697.5	60.5%	13.4%	66.5	\$10.49	1,078.2	1,091.5	98.8%	\$11.34	\$11.28	\$9.46	754.1	108.1%	9.9%	9.9%	9.9%	19.9%	29.7%
TICC Capital Corp	TICC	1,021.7	528.1	51.7%	12.8%	53.3	\$9.90	941.4	925.3	101.7%	\$10.26	\$9.74	\$8.31	547.1	103.6%	11.3%	11.3%	11.3%	23.5%	34.8%
Golub Capital BDC Inc	GBDC	1,015.8	601.5	59.2%	8.8%	39.8	\$15.12	967.8	962.5	100.6%	\$17.68	\$17.33	\$14.20	703.5	116.9%	7.2%	7.2%	7.6%	24.5%	31.7%
GROUP MEDIAN		1,247.6	890.2	59.9%	10.4%					100.3%				1,127.5	105.6%	8.9%	9.2%	9.5%	21.2%	27.0%
<b>Total Assets &gt; \$300MM</b>																				
Triangle Capital Corp	TCAP	806.7	441.3	54.7%	18.4%	27.7	\$15.94	630.5	613.7	102.7%	\$28.64	\$29.37	\$23.31	792.7	179.7%	7.5%	7.5%	7.7%	22.9%	30.4%
Medley Capital Corp	MCC	724.9	420.2	58.0%	9.9%	33.2	\$12.65	686.4	695.6	98.7%	\$14.13	\$13.79	\$12.46	469.5	111.7%	10.5%	10.3%	10.9%	13.4%	23.9%
THL Credit Inc	TCRD	598.2	453.8	75.9%	10.4%	33.9	\$13.38	571.7	571.2	100.1%	\$16.25	\$15.61	\$12.46	551.0	121.4%	8.4%	8.6%	8.5%	30.4%	38.8%
MVC Capital Inc	MVC	583.4	392.8	67.3%	7.5%	22.6	\$17.36	416.4	355.8	117.0%	\$13.95	\$12.93	\$11.39	315.5	80.4%	3.9%	3.9%	5.5%	22.5%	26.3%
MCG Capital Corp	MCGC	546.0	363.5	66.6%	7.0%	71.2	\$5.10	395.5	589.3	67.1%	\$4.59	\$4.91	\$3.82	326.9	90.0%	10.9%	10.9%	10.9%	20.2%	31.1%
KCAP Financial Inc	KCAP	468.0	265.1	56.6%	12.8%	33.3	\$7.96	431.4	471.0	91.6%	\$8.16	\$8.70	\$7.32	271.8	102.5%	12.3%	13.1%	12.3%	11.5%	23.7%
Fidus Investment Corp	FDUS	371.0	219.4	59.1%	13.8%	13.7	\$15.98	277.4	279.9	99.1%	\$20.21	\$19.40	\$14.59	277.6	126.5%	7.5%	8.6%	8.4%	38.5%	46.0%
Gladstone Investment Corp	GAIN	347.1	241.4	69.6%	13.3%	26.5	\$9.12	287.2	354.2	81.1%	\$7.29	\$6.89	\$6.41	193.0	79.9%	9.9%	9.2%	9.9%	13.7%	23.6%
GSV Capital Corp	GSVC	324.5	254.3	78.4%	-2.2%	19.3	\$13.16	253.0	245.2	103.2%	\$13.29	\$14.82	\$6.92	256.8	101.0%	0.0%	nm	nm	92.1%	92.1%
NGP Capital Resources Co	NGPC	305.7	189.9	61.8%	0.4%	20.5	\$9.22	213.5	227.8	93.7%	\$7.57	\$7.43	\$6.41	155.2	82.1%	8.5%	8.0%	8.5%	18.1%	26.6%
GROUP MEDIAN		507.0	314.3	64.2%	10.2%					98.9%				296.5	101.8%	8.4%	8.6%	8.5%	21.3%	28.5%
<b>Total Assets &lt; \$300MM</b>																				
Solar Senior Capital Ltd	SUNS	285.6	206.3	72.3%	4.0%	11.5	\$17.91	276.3	280.3	98.6%	\$18.29	\$17.97	\$16.52	210.8	102.1%	7.7%	7.7%	7.7%	10.7%	18.4%
Horizon Technology Finance Corp	HRZN	281.9	143.4	50.9%	2.4%	9.6	\$14.95	241.3	248.1	97.3%	\$14.03	\$13.10	\$12.78	134.5	93.8%	9.8%	9.8%	10.3%	9.8%	19.6%
Gladstone Capital Corp	GLAD	281.2	180.7	64.3%	4.9%	21.0	\$8.60	255.3	353.8	72.2%	\$9.22	\$8.60	\$7.24	193.6	107.2%	9.1%	9.1%	9.1%	27.3%	36.5%
PennantPark Floating Rate Capital Ltd	PFLT	263.2	144.1	54.7%	8.7%	10.3	\$13.98	250.5	253.5	98.8%	\$13.35	\$13.69	\$11.82	137.6	95.5%	8.1%	8.0%	nm	12.9%	21.0%
Saratoga Investment Corp	SAR	224.1	112.4	50.2%	9.5%	4.7	\$23.77	187.8	184.2	102.0%	\$15.96	\$16.16	\$14.85	75.5	67.1%	0.0%	nm	nm	7.5%	7.5%
Full Circle Capital Corp	FULL	116.5	56.6	48.6%	1.2%	7.6	\$7.48	109.6	113.6	96.5%	\$7.77	\$8.47	\$6.65	58.8	103.9%	10.3%	11.6%	11.1%	16.8%	27.2%
GROUP MEDIAN		272.2	143.7	52.8%	4.5%					97.9%				136.1	98.8%	8.8%	9.1%	9.7%	11.8%	20.3%
AVERAGE		1,278.0	824.9	62.7%	8.6%					97.8%				840.4	105.4%	7.8%	9.1%	9.2%	24.8%	
MEDIAN		583.4	392.8	60.8%	9.1%					98.8%				326.9	102.5%	8.5%	9.0%	9.1%	19.9%	
GROUP TOTAL		38,480.2	24,814.4	64.5%	10.3%			34,684.7	35,075.9	98.9%				25,344.2						

Source: Bloomberg, SEC Filings, Mercer Capital analysis

ANALYSIS OF BUSINESS DEVELOPMENT COMPANIES  
AS OF NOVEMBER 13, 2013

HISTORICAL PER SHARE AND OTHER DATA																						
GROWTH		NET ASSET VALUE HISTORY						DIVIDEND HISTORY						OTHER ITEMS								
CAGR 2008 - 2012	NAV per Share	Dividend per Share	Net Asset Value per Share						Dividend per Share						Number of Covering Analysts	LTM as of Date	Portfolio Composition (@ FV)			External / Internal Mgmt		
			2008	2009	2010	2011	2012	Current	2008	2009	2010	2011	2012	Indicated			Curr Est	Next Est	Senior Debt		Sub Debt	Equity
<b>Total Assets &gt; \$1.0B</b>																						
Ares Capital Corp	9.2%	-1.2%	\$11.27	\$11.44	\$14.92	\$15.34	\$16.04	\$16.35	\$1.68	\$1.47	\$1.40	\$1.41	\$1.60	\$1.52	\$1.55	\$1.60	19	Sep-13	45.6%	43.3%	11.1%	External
American Capital Ltd	11.4%	-100.0%	\$11.57	\$8.29	\$10.71	\$13.87	\$17.84	\$19.54	\$2.32	\$1.07	\$0.00	\$0.00	\$0.00	\$0.00	na	na	11	Sep-13	15.2%	14.5%	70.3%	Internal
Prospect Capital Corp	-7.1%	-6.4%	\$14.55	\$12.40	\$10.29	\$10.36	\$10.83	\$10.72	\$1.59	\$1.62	\$1.33	\$1.21	\$1.22	\$1.33	\$1.32	\$1.33	9	Sep-13	54.0%	24.3%	21.7%	External
Apollo Investment Corp	-4.2%	-18.6%	\$9.82	\$10.06	\$10.03	\$8.55	\$8.27	\$8.30	\$1.82	\$1.10	\$1.12	\$1.04	\$0.80	\$0.80	\$0.80	\$0.83	17	Sep-13	52.0%	40.1%	7.9%	External
Fifth Street Finance Corp	-6.6%	na	\$13.02	\$10.84	\$10.43	\$10.07	\$9.92	\$9.90	\$0.31	\$1.20	\$1.31	\$1.28	\$1.18	\$1.15	\$1.15	\$1.15	13	Jun-13	64.7%	30.4%	4.9%	External
Solar Capital Ltd	-3.2%	na	\$25.88	\$52.56	\$22.73	\$22.02	\$22.70	\$22.25	na	na	\$4.28	\$2.40	\$2.40	\$1.60	\$2.00	\$1.68	13	Sep-13	42.5%	25.8%	31.7%	External
Main Street Capital Corp	11.1%	4.6%	\$12.20	\$11.96	\$13.06	\$15.19	\$18.59	\$20.01	\$1.43	\$1.50	\$1.50	\$1.56	\$1.71	\$1.98	\$1.96	\$1.99	8	Sep-13	79.1%	7.1%	13.8%	Internal
Hercules Technology Growth Capital Inc	-4.2%	-7.7%	\$11.56	\$10.29	\$9.50	\$9.83	\$9.75	\$10.42	\$1.32	\$1.26	\$0.80	\$0.88	\$0.96	\$1.24	\$1.12	\$1.27	15	Sep-13	91.0%	0.0%	9.0%	Internal
BlackRock Kelsco Capital Corp	0.2%	-11.8%	\$9.23	\$9.55	\$9.62	\$9.58	\$9.31	\$9.38	\$1.72	\$0.80	\$1.28	\$1.10	\$1.04	\$1.04	\$1.04	\$1.04	9	Sep-13	34.5%	43.7%	21.9%	External
PennantPark Investment Corp	0.5%	5.6%	\$10.00	\$11.85	\$10.69	\$10.13	\$10.22	\$10.49	\$0.90	\$0.96	\$1.03	\$1.07	\$1.12	\$1.12	\$1.12	\$1.12	13	Sep-13	27.8%	61.2%	11.0%	External
TICC Capital Corp	6.6%	1.4%	\$7.68	\$8.36	\$9.85	\$9.30	\$9.90	\$9.90	\$1.06	\$0.60	\$1.62	\$0.99	\$1.12	\$1.16	\$1.16	\$1.16	9	Sep-13	72.4%	3.9%	23.6%	External
Golub Capital BDC Inc	na	na	na	na	\$14.71	\$14.56	\$14.60	\$15.12	na	na	\$0.55	\$1.27	\$1.28	\$1.28	\$1.28	\$1.34	5	Jun-13	45.6%	43.3%	11.1%	External
GROUP MEDIAN		0.2%	-6.4%																48.8%	28.1%	12.4%	
<b>Total Assets &gt; \$300MM</b>																						
Triangle Capital Corp	3.7%	8.8%	\$13.22	\$11.03	\$12.09	\$14.68	\$15.30	\$15.94	\$1.44	\$1.62	\$1.61	\$1.77	\$2.02	\$2.16	\$2.16	\$2.20	12	Sep-13	5.4%	77.6%	17.0%	Internal
Medley Capital Corp	na	na	na	na	na	\$12.57	\$12.52	\$12.65	na	na	na	\$0.37	\$1.20	\$1.48	\$1.46	\$1.54	13	Jun-13	60.0%	39.6%	0.4%	External
THL Credit Inc	na	na	na	na	\$13.06	\$13.24	\$13.20	\$13.38	na	na	\$0.30	\$2.04	\$1.34	\$1.36	\$1.39	\$1.39	9	Sep-13	32.1%	56.8%	11.1%	External
MVC Capital Inc	-1.8%	1.0%	\$17.36	\$17.47	\$17.71	\$17.54	\$16.14	\$17.36	\$0.48	\$0.48	\$0.48	\$0.48	\$0.50	\$0.54	\$0.54	\$0.77	3	Jul-13	0.0%	25.1%	74.9%	External
MCG Capital Corp	-12.1%	-4.9%	\$8.66	\$8.06	\$7.54	\$5.65	\$5.18	\$5.10	\$0.71	\$0.00	\$0.37	\$0.66	\$0.58	\$0.50	\$0.50	\$0.50	5	Sep-13	55.4%	34.6%	10.0%	Internal
KCAP Financial Inc	-3.4%	-10.1%	\$9.03	\$9.56	\$8.21	\$7.85	\$7.85	\$7.96	\$1.44	\$0.92	\$0.68	\$0.69	\$0.94	\$1.00	\$1.07	\$1.00	5	Sep-13	42.5%	17.1%	40.4%	Internal
Fidus Investment Corp	na	na	na	na	na	\$14.90	\$15.32	\$15.98	na	na	na	\$0.64	\$1.46	\$1.52	\$1.74	\$1.70	4	Sep-13	13.5%	70.7%	15.8%	External
Gladstone Investment Corp	-1.7%	-11.1%	\$9.73	\$8.74	\$9.00	\$9.38	\$9.10	\$9.12	\$0.96	\$0.48	\$0.48	\$0.61	\$0.60	\$0.72	\$0.67	\$0.72	7	Sep-13	47.0%	26.0%	27.0%	External
GSV Capital Corp	na	na	na	na	na	\$12.95	\$13.07	\$13.16	na	na	na	na	na	\$0.00	na	na	4	Jun-13	0.0%	0.1%	99.9%	External
NGP Capital Resources Co	-5.8%	-22.9%	\$12.15	\$11.10	\$10.90	\$9.26	\$9.57	\$9.22	\$1.61	\$0.64	\$0.69	\$0.72	\$0.57	\$0.64	\$0.61	\$0.64	4	Sep-13	19.9%	36.8%	43.2%	External
GROUP MEDIAN		-2.6%	-7.5%																26.0%	35.7%	22.0%	
<b>Total Assets &lt; \$300MM</b>																						
Solar Senior Capital Ltd	na	na	na	na	na	\$18.15	\$18.33	\$17.91	na	na	na	\$0.55	\$1.29	\$1.41	\$1.41	\$1.41	6	Sep-13	86.0%	2.0%	12.0%	External
Horizon Technology Finance Corp	na	na	na	na	\$16.75	\$17.01	\$15.15	\$14.95	na	na	\$0.22	\$1.18	\$2.15	\$1.38	\$1.38	\$1.44	9	Sep-13	6.3%	89.7%	4.0%	External
Gladstone Capital Corp	-8.6%	-15.9%	\$12.89	\$11.81	\$11.85	\$10.16	\$8.98	\$8.60	\$1.68	\$1.26	\$0.84	\$0.84	\$0.84	\$0.84	\$0.84	\$0.84	5	Jun-13	52.2%	45.1%	2.7%	External
PennantPark Floating Rate Capital Ltd	na	na	na	na	na	\$13.44	\$13.98	\$13.98	na	na	na	\$0.25	\$0.91	\$1.08	\$1.07	na	5	Jun-13	91.2%	8.7%	0.1%	External
Saratoga Investment Corp	na	na	\$24.23	\$21.37	\$21.38	\$25.12	\$22.98	\$23.77	\$3.04	\$11.91	\$3.58	\$3.00	\$4.25	\$0.00	na	na	1	Aug-13	73.0%	22.1%	4.9%	External
Full Circle Capital Corp	na	na	na	na	na	na	\$8.59	\$7.48	na	na	na	na	\$0.92	\$0.80	\$0.90	\$0.86	3	Sep-13	94.1%	0.0%	5.9%	External
GROUP MEDIAN		-8.6%	-15.9%																79.5%	15.4%	4.5%	
AVERAGE		-1.2%	-12.2%																43.5%	31.0%	24.9%	
MEDIAN		-2.9%	-7.6%																45.6%	30.4%	13.8%	

Source: Bloomberg, SEC Filings, Mercer Capital analysis



ANALYSIS OF BUSINESS DEVELOPMENT COMPANIES  
AS OF NOVEMBER 13, 2013

FINANCIAL PERFORMANCE FOR MOST RECENT QUARTER

	BALANCE SHEET ITEMS						SUMMARY INCOME STATEMENT							COMMON SIZE PERFORMANCE MEASURES							
	Ending Balance Sheet Items						Most Recent Quarter Financial Performance							Most Recent Quarter Financial Performance							
	Fiscal Year	Cash & Market Securities \$(Mil)	Total Assets \$(Mil)	Interest Bearing Debt \$(Mil)	Common Equity \$(Mil)	Equity/Assets	Investment Income \$(Mil)	Interest Expense \$(Mil)	Other Expenses \$(Mil)	Net Investment Income \$(Mil)	Net Realized Gains (Losses) \$(Mil)	Net Unreal. Gains (Losses) \$(Mil)	Other Items \$(Mil)	Net Increase (Decrease) in Equity \$(Mil)	Effective Yield on Assets	Effective Cost of Funds	Other Exp / Assets	Current Income Return on Assets	Current Income Return on Equity	Total Return on Assets	Total Return on Equity
<b>Total Assets &gt; \$1.0B</b>																					
Ares Capital Corp	Dec-12	135.5	7,754.1	3,137.9	4,392.4	56.6%	246.8	44.4	76.2	126.2	8.9	5.6	0.0	140.8	12.7%	5.7%	3.9%	6.5%	11.5%	7.3%	12.8%
American Capital Ltd	Dec-12	633.0	6,271.0	791.0	5,419.0	86.4%	106.0	10.0	73.0	23.0	(39.0)	15.0	0.0	(1.0)	6.8%	5.1%	4.7%	1.5%	1.7%	-0.1%	-0.1%
Prospect Capital Corp	Jun-13	10.4	4,783.6	1,726.2	2,909.8	60.8%	161.0	27.4	51.3	82.3	3.8	(6.2)	0.0	79.9	13.5%	6.4%	4.3%	6.9%	11.3%	6.7%	11.0%
Apollo Investment Corp	Mar-13	4.5	3,139.8	1,082.3	1,864.6	59.4%	93.7	17.5	26.7	49.6	(17.3)	44.1	0.0	76.4	11.9%	6.5%	3.4%	6.3%	10.6%	9.7%	16.4%
Fifth Street Finance Corp	Sep-12	59.6	1,896.8	674.0	1,197.3	63.1%	58.1	9.2	18.5	30.4	(17.5)	13.1	0.0	26.0	12.2%	5.4%	3.9%	6.4%	10.2%	5.5%	8.7%
Solar Capital Ltd	Dec-12	83.3	1,255.8	225.0	986.1	78.5%	43.0	4.2	17.2	21.6	(15.7)	4.6	0.0	10.6	13.7%	7.4%	5.5%	6.9%	8.8%	3.4%	4.3%
Main Street Capital Corp	Dec-12	37.5	1,239.3	405.1	794.2	64.1%	29.7	5.9	6.3	17.5	(7.8)	18.8	(0.5)	28.1	9.6%	5.8%	2.0%	5.6%	8.8%	9.1%	14.1%
Hercules Technology Growth Capital Inc	Dec-12	205.0	1,227.5	570.1	643.4	52.4%	41.0	7.6	11.9	21.6	7.1	8.3	0.0	37.0	13.4%	5.3%	3.9%	7.0%	13.4%	12.1%	23.0%
BlackRock Kelso Capital Corp	Dec-12	13.7	1,193.6	412.9	696.3	58.3%	31.4	5.5	17.1	8.9	0.1	10.8	0.0	19.8	10.5%	5.3%	5.7%	3.0%	5.1%	6.7%	11.4%
PennantPark Investment Corp	Sep-12	58.4	1,153.3	363.9	697.5	60.5%	31.4	4.1	10.3	17.1	3.0	2.4	0.0	22.5	10.9%	4.5%	3.6%	5.9%	9.8%	7.8%	12.9%
TICC Capital Corp	Dec-12	29.0	1,021.7	450.5	528.1	51.7%	27.4	5.0	10.2	12.2	(1.3)	12.7	0.0	23.6	10.7%	4.4%	4.0%	4.8%	9.3%	9.2%	17.9%
Golub Capital BDC Inc	Sep-12	12.9	1,015.8	403.8	601.5	59.2%	22.3	3.0	7.3	12.0	(0.1)	0.7	0.0	12.7	8.8%	2.9%	2.9%	4.7%	8.0%	5.0%	8.4%
GROUP MEDIAN		48.0	1,247.6	510.3	890.2	59.9%									11.4%	5.4%	3.9%	6.1%	9.5%	7.0%	12.1%
<b>Total Assets &gt; \$300MM</b>																					
Triangle Capital Corp	Dec-12	160.0	806.7	354.4	441.3	54.7%	27.3	5.0	5.5	16.8	1.0	4.9	0.5	23.2	13.5%	5.6%	2.7%	8.3%	15.2%	11.5%	21.0%
Medley Capital Corp	Sep-12	13.5	724.9	278.2	420.2	58.0%	23.6	4.0	7.5	12.0	(0.1)	(8.7)	0.0	3.2	13.0%	5.8%	4.2%	6.6%	11.5%	1.7%	3.0%
THL Credit Inc	Dec-12	10.0	598.2	125.9	453.8	75.9%	19.1	1.4	6.1	11.6	(0.4)	(3.1)	(0.3)	7.8	12.7%	4.5%	4.1%	7.8%	10.2%	5.2%	6.8%
MVC Capital Inc	Oct-12	94.6	583.4	164.4	392.8	67.3%	7.2	2.1	7.3	(2.1)	0.2	20.0	0.0	18.1	5.0%	5.1%	5.0%	-1.5%	-2.2%	12.4%	18.4%
MCG Capital Corp	Dec-12	96.4	546.0	179.2	363.5	66.6%	13.2	2.3	2.9	8.0	0.1	(4.7)	(0.1)	3.3	9.6%	5.2%	2.1%	5.8%	8.8%	2.4%	3.6%
KCAP Financial Inc	Dec-12	9.7	468.0	192.5	265.1	56.6%	12.6	2.9	2.2	7.6	(10.4)	3.1	(0.3)	(0.1)	10.8%	6.0%	1.9%	6.5%	11.4%	-0.1%	-0.1%
Fidus Investment Corp	Dec-12	85.9	371.0	144.5	219.4	59.1%	10.3	1.8	3.2	5.3	24.6	(25.4)	0.0	4.5	11.1%	4.9%	3.5%	5.7%	9.6%	4.9%	8.3%
Gladstone Investment Corp	Mar-13	47.2	347.1	101.3	241.4	69.6%	11.4	1.3	3.8	6.2	24.8	(16.1)	0.0	14.9	13.1%	5.2%	4.4%	7.2%	10.3%	17.2%	24.7%
GSV Capital Corp	Dec-12	28.4	324.5	68.3	254.3	78.4%	0.0	0.2	2.8	(3.0)	(0.2)	8.9	0.0	5.7	0.0%	1.1%	3.5%	-3.7%	-4.7%	7.0%	9.0%
NGP Capital Resources Co	Dec-12	42.3	305.7	111.0	188.9	61.8%	6.0	0.7	2.7	2.6	(0.1)	2.5	0.0	5.1	7.8%	2.4%	3.5%	3.4%	5.6%	6.6%	10.7%
GROUP MEDIAN		44.8	507.0	154.5	314.3	64.2%									10.9%	5.2%	3.5%	6.2%	9.9%	5.9%	8.6%
<b>Total Assets &lt; \$300MM</b>																					
Solar Senior Capital Ltd	Dec-12	7.2	285.6	34.8	206.3	72.3%	4.9	0.3	1.3	3.3	(0.5)	(0.2)	0.0	2.6	6.9%	3.5%	1.9%	4.6%	6.4%	3.6%	5.0%
Horizon Technology Finance Corp	Dec-12	27.5	281.9	133.0	143.4	50.9%	8.7	2.2	3.0	3.5	(5.6)	6.0	0.0	3.9	12.4%	6.6%	4.3%	4.9%	9.7%	5.5%	10.8%
Gladstone Capital Corp	Sep-12	17.0	281.2	98.0	180.7	64.3%	8.6	1.4	2.7	4.4	(2.4)	(4.1)	0.0	(2.1)	12.2%	5.9%	3.8%	6.3%	9.8%	-2.9%	-4.6%
PennantPark Floating Rate Capital Ltd	Sep-12	6.9	263.2	85.6	144.1	54.7%	4.7	0.4	1.1	3.2	1.7	(3.3)	0.0	1.6	7.1%	1.8%	1.6%	4.9%	8.9%	2.4%	4.4%
Saratoga Investment Corp	Feb-13	11.6	224.1	88.3	112.4	50.2%	5.4	1.6	1.5	2.3	0.5	(2.9)	0.0	(0.0)	9.6%	7.3%	2.7%	4.1%	8.1%	-0.1%	-0.1%
Full Circle Capital Corp	Jun-13	0.1	116.5	43.1	56.6	48.6%	3.2	0.7	1.3	1.2	(0.7)	(2.8)	0.0	(2.3)	11.1%	6.7%	4.3%	4.3%	8.8%	-7.8%	-15.9%
GROUP MEDIAN		9.4	272.2	87.0	143.7	52.8%									10.3%	6.2%	3.3%	4.7%	8.9%	1.2%	2.1%
AVERAGE		66.3	1,278.0	412.2	824.9	62.7%									10.0%	4.9%	3.6%	4.7%	8.0%	5.5%	8.8%
MEDIAN		29.0	583.4	179.2	392.8	60.8%									10.9%	5.2%	3.6%	5.7%	9.3%	5.9%	9.0%
GROUP TOTAL		1,941.4	38,480.2	12,445.3	24,814.4	64.5%	1,057.9	172.0	380.6	505.3	(42.8)	103.9	(0.7)	565.6	11.0%	5.5%	4.0%	5.3%	8.1%	5.9%	9.1%

Source: Bloomberg, SEC Filings, Mercer Capital analysis

ANALYSIS OF BUSINESS DEVELOPMENT COMPANIES  
AS OF NOVEMBER 13, 2013

FINANCIAL PERFORMANCE FOR TRAILING TWELVE MONTH PERIOD																					
BALANCE SHEET ITEMS						SUMMARY INCOME STATEMENT								COMMON SIZE PERFORMANCE MEASURES							
Average Balance Sheet Items						Trailing Twelve Month Period Financial Performance								Trailing Twelve Month Period Financial Performance							
Fiscal Year	Cash & Market Securities \$(Mil)	Total Assets \$(Mil)	Interest Bearing Debt \$(Mil)	Common Equity \$(Mil)	Equity/Assets	Investment Income \$(Mil)	Interest Expense \$(Mil)	Other Expenses \$(Mil)	Net Investment Income \$(Mil)	Net Realized Gains (Losses) \$(Mil)	Net Unreal. Gains (Losses) \$(Mil)	Other Items \$(Mil)	Net Increase (Decrease) in Equity \$(Mil)	Effective Yield on Assets	Effective Cost of Funds	Other Exp / Assets	Current Return on Assets	Current Return on Equity	Total Return on Assets	Total Return on Equity	
<b>Total Assets &gt; \$1.0B</b>																					
Ares Capital Corp	Dec-12	120.5	7,027.7	2,675.3	4,150.5	59.1%	860.1	163.5	283.3	413.4	94.9	21.5	(2.7)	529.8	12.2%	6.1%	4.0%	5.9%	10.0%	7.5%	12.8%
American Capital Ltd	Dec-12	468.5	6,268.5	797.0	5,397.5	86.1%	549.0	44.0	318.0	187.0	(59.0)	347.0	210.0	489.0	8.8%	5.5%	5.1%	3.0%	3.5%	7.8%	9.1%
Prospect Capital Corp	Jun-13	6.4	3,848.1	1,281.1	2,396.5	62.3%	613.7	90.2	190.3	333.2	(24.2)	(55.5)	0.0	253.5	15.9%	7.0%	4.9%	8.7%	13.9%	6.6%	10.6%
Apollo Investment Corp	Mar-13	5.5	2,962.5	1,008.5	1,790.1	60.4%	358.2	63.4	108.7	186.1	(128.5)	80.7	0.0	138.3	12.1%	6.3%	3.7%	6.3%	10.4%	4.7%	7.7%
Fifth Street Finance Corp	Sep-12	82.7	1,610.7	583.8	1,004.7	62.4%	207.1	30.4	68.1	108.6	(54.1)	48.3	2.4	102.8	12.9%	5.2%	4.2%	6.7%	10.8%	6.4%	10.2%
Solar Capital Ltd	Dec-12	48.2	1,228.0	236.7	931.9	75.9%	169.7	13.0	66.1	90.6	(39.8)	18.8	3.4	69.7	13.8%	5.5%	5.4%	7.4%	9.7%	5.7%	7.5%
Main Street Capital Corp	Dec-12	29.6	1,055.6	351.1	673.7	63.8%	109.3	19.0	19.5	70.7	3.8	32.8	(7.0)	100.2	10.4%	5.4%	1.9%	6.7%	10.5%	9.5%	14.9%
Hercules Technology Growth Capital Inc	Dec-12	156.0	1,068.5	500.5	556.2	52.1%	133.9	29.3	37.3	67.3	12.4	19.7	0.0	99.4	12.5%	5.9%	3.5%	6.3%	12.1%	9.3%	17.9%
BlackRock Kelso Capital Corp	Dec-12	8.4	1,159.3	398.8	699.9	60.4%	136.5	19.8	65.4	51.4	(73.7)	85.8	0.0	63.4	11.8%	5.0%	5.6%	4.4%	7.3%	5.5%	9.1%
PennantPark Investment Corp	Sep-12	33.0	1,086.1	329.2	683.6	62.9%	129.2	15.4	48.8	67.0	17.7	7.1	(5.4)	91.8	11.9%	4.7%	4.3%	6.2%	9.8%	8.4%	13.4%
TICC Capital Corp	Dec-12	76.0	896.1	384.0	467.5	52.2%	95.0	18.2	28.6	48.2	20.4	(8.7)	0.0	60.0	10.6%	4.7%	3.2%	5.4%	10.3%	6.7%	12.8%
Golub Capital BDC Inc	Sep-12	15.5	863.6	366.8	487.9	56.5%	77.2	12.2	25.2	39.8	1.6	5.9	0.0	43.0	8.9%	3.3%	2.9%	4.6%	8.2%	5.0%	8.8%
GROUP MEDIAN		40.6	1,193.6	449.6	815.9	61.4%									12.0%	5.4%	4.1%	6.2%	10.1%	6.6%	10.4%
<b>Total Assets &gt; \$300MM</b>																					
Triangle Capital Corp	Dec-12	110.1	755.6	316.5	430.0	56.9%	104.0	20.0	20.2	63.8	7.8	7.9	(1.0)	79.0	13.8%	6.3%	2.7%	8.4%	14.8%	10.5%	18.4%
Medley Capital Corp	Sep-12	8.3	548.8	213.5	319.2	58.2%	75.6	11.4	25.0	39.1	0.1	(7.6)	0.0	31.6	13.8%	5.3%	4.6%	7.1%	12.3%	5.8%	9.9%
THL Credit Inc	Dec-12	18.0	501.0	88.0	400.8	80.0%	72.5	4.8	26.4	41.3	2.7	(1.2)	0.0	41.8	14.5%	5.5%	5.3%	8.2%	10.3%	8.3%	10.4%
MVC Capital Inc	Oct-12	59.8	524.1	107.2	392.8	74.9%	26.4	5.4	17.5	3.6	48.1	(22.4)	(0.0)	29.3	5.0%	5.0%	3.3%	0.7%	0.9%	5.6%	7.5%
MCG Capital Corp	Dec-12	81.1	592.2	214.1	371.1	62.7%	52.7	9.4	14.7	28.7	(26.4)	23.8	(0.5)	26.0	8.9%	4.4%	2.5%	4.8%	7.7%	4.4%	7.0%
KCAP Financial Inc	Dec-12	6.1	385.5	140.3	236.0	61.2%	46.6	9.6	8.6	28.4	(11.8)	13.9	0.0	30.2	12.1%	6.9%	2.2%	7.4%	12.0%	7.8%	12.8%
Fidus Investment Corp	Dec-12	77.0	349.5	143.0	200.8	57.4%	40.2	7.0	15.1	18.1	25.7	(16.1)	0.0	27.7	11.5%	4.9%	4.3%	5.2%	9.0%	7.9%	13.8%
Gladstone Investment Corp	Mar-13	70.1	360.3	137.5	219.3	60.9%	36.4	4.5	11.9	20.1	24.9	(15.9)	0.0	29.1	10.1%	3.3%	3.3%	5.6%	9.1%	8.1%	13.3%
GSV Capital Corp	Dec-12	27.4	292.4	34.2	257.1	87.9%	0.0	0.2	10.6	(10.7)	(9.8)	15.0	0.0	(5.5)	0.0%	0.6%	3.6%	-3.7%	-4.2%	-1.9%	-2.2%
NGP Capital Resources Co	Dec-12	37.1	300.6	96.8	198.1	65.9%	27.5	3.2	11.1	13.2	(18.7)	6.3	0.0	0.8	9.1%	3.3%	3.7%	4.4%	6.6%	0.3%	0.2%
GROUP MEDIAN		48.4	443.3	138.9	288.1	61.9%									10.8%	5.0%	3.5%	5.4%	9.1%	6.8%	10.2%
<b>Total Assets &lt; \$300MM</b>																					
Solar Senior Capital Ltd	Dec-12	5.4	265.4	45.4	191.5	72.2%	20.3	1.3	5.8	13.2	(0.2)	(5.2)	0.0	7.7	7.6%	2.8%	2.2%	5.0%	6.9%	2.9%	4.0%
Horizon Technology Finance Corp	Dec-12	16.6	258.6	104.6	150.2	58.1%	32.8	7.4	12.1	13.3	(5.7)	(4.0)	(0.1)	3.6	12.7%	7.1%	4.7%	5.1%	8.8%	1.4%	2.4%
Gladstone Capital Corp	Sep-12	13.2	301.4	114.2	183.8	61.0%	36.8	3.7	14.9	18.2	(10.2)	1.0	0.0	9.0	12.2%	3.3%	4.9%	6.0%	9.9%	3.0%	4.9%
PennantPark Floating Rate Capital Ltd	Sep-12	5.1	211.4	69.9	119.8	56.7%	16.3	1.8	6.0	8.5	3.5	(1.5)	0.0	10.5	7.7%	2.6%	2.8%	4.0%	7.1%	5.0%	8.7%
Saratoga Investment Corp	Feb-13	6.1	175.0	51.6	108.9	62.3%	20.6	4.0	7.5	9.2	1.2	(0.1)	0.0	10.3	11.8%	7.7%	4.3%	5.2%	8.4%	5.9%	9.5%
Full Circle Capital Corp	Jun-13	0.1	111.2	34.8	54.8	49.3%	12.5	2.2	4.9	5.4	(4.0)	(0.7)	0.0	0.6	11.2%	6.3%	4.4%	4.8%	9.8%	0.6%	1.2%
GROUP MEDIAN		5.8	235.0	60.7	135.0	59.5%									11.5%	4.8%	4.3%	5.0%	8.8%	3.0%	4.5%
AVERAGE		55.0	1,162.7	357.9	768.3	64.4%									10.4%	4.8%	3.8%	5.0%	8.3%	5.3%	8.6%
MEDIAN		29.6	524.1	143.0	371.1	61.9%									11.5%	5.0%	3.7%	5.4%	9.1%	5.8%	9.1%
GROUP TOTAL		1,591.5	35,007.7	10,823.9	23,074.2	65.9%	4,060.2	614.3	1,469.4	1,976.5	(201.2)	596.7	199.2	2,372.6	11.6%	5.7%	4.2%	5.6%	8.6%	6.8%	10.3%

Source: Bloomberg, SEC Filings, Mercer Capital analysis

ANALYSIS OF BUSINESS DEVELOPMENT COMPANIES  
AS OF NOVEMBER 13, 2013

	CASH FLOW ANALYSIS - MOST RECENT QUARTER											CASH FLOW ANALYSIS - LAST TWELVE MONTHS											
	CASH FLOW MEASURES						COMMON SIZE MEASURES					CASH FLOW MEASURES						COMMON SIZE MEASURES					
	Purchases \$(Mil)	Investment Activity		Net \$(Mil)	Financing Activity			Purch Ending Assets	Sales / Ending Assets	Stock Issued / Average Equity	Net Borrow / (Repay) of Debt / Average Debt	Div Paid / Nil	Purchases \$(Mil)	Investment Activity		Net \$(Mil)	Financing Activity			Purch Average Assets	Sales / Average Assets	Stock Issued / Average Equity	Net Borrow / (Repay) of Debt / Average Debt
Sales \$(Mil)		Net \$(Mil)	Stock Issued \$(Mil)		Borrow / (Repay) of Debt \$(Mil)	Div Paid \$(Mil)	Sales \$(Mil)							Net \$(Mil)	Stock Issued \$(Mil)		Borrow / (Repay) of Debt \$(Mil)	Div Paid \$(Mil)	Sales \$(Mil)				
<b>Total Assets &gt; \$1.0B</b>																							
Ares Capital Corp	931.2	350.0	581.3	(0.0)	572.5	97.1	12.0%	4.5%	0.0%	18.2%	76.9%	3,487.5	2,173.3	1,314.2	333.4	917.8	385.3	49.6%	30.9%	8.0%	34.3%	93.2%	
American Capital Ltd	65.0	223.0	(158.0)	(176.0)	176.0	0.0	1.0%	3.6%	-3.2%	22.3%	0.0%	635.0	1,095.0	(460.0)	(230.0)	(14.0)	0.0	10.1%	17.5%	-4.3%	-1.8%	0.0%	
Prospect Capital Corp	522.6	164.2	358.4	235.8	43.2	80.1	10.9%	3.4%	8.1%	2.5%	97.2%	2,765.8	937.6	1,828.2	985.4	890.2	278.4	71.9%	24.4%	41.1%	69.5%	83.6%	
Apollo Investment Corp	411.5	470.2	(58.7)	0.0	(53.1)	44.9	13.1%	15.0%	0.0%	-4.9%	90.6%	2,143.4	1,790.5	352.9	182.3	141.8	166.7	72.4%	60.4%	10.2%	14.1%	89.6%	
Fifth Street Finance Corp	236.6	184.4	52.2	151.8	473.3	31.1	12.5%	9.7%	12.7%	70.2%	102.2%	1,095.2	507.8	587.4	386.3	722.5	107.8	68.0%	31.5%	38.5%	123.8%	99.3%	
Solar Capital Ltd	68.8	308.7	(239.9)	0.0	(143.8)	26.2	5.5%	24.6%	0.0%	-63.9%	102.2%	566.2	538.4	27.7	146.9	(23.4)	97.6	46.1%	43.8%	15.8%	-9.9%	107.6%	
Main Street Capital Corp	179.8	147.7	32.1	131.5	(113.9)	20.3	14.5%	11.9%	16.6%	-28.1%	116.0%	775.3	489.6	285.7	208.4	106.1	70.1	73.4%	46.4%	30.9%	30.2%	99.1%	
Hercules Technology Growth Capital Inc	69.8	124.1	(54.3)	(0.8)	(7.8)	16.5	5.7%	10.1%	-0.1%	-1.4%	76.7%	616.0	451.2	164.8	126.5	138.2	57.4	57.6%	42.2%	22.7%	27.6%	85.3%	
BlackRock Kelso Capital Corp	125.2	16.0	109.3	0.0	98.1	18.0	10.5%	1.3%	0.0%	23.7%	202.4%	438.9	430.5	8.3	0.0	29.5	71.7	37.9%	37.1%	0.0%	7.4%	139.5%	
PennantPark Investment Corp	187.2	166.0	21.2	0.0	31.0	18.1	16.2%	14.4%	0.0%	8.5%	105.6%	504.4	437.1	67.2	(0.1)	71.8	68.5	46.4%	40.2%	0.0%	21.8%	102.2%	
TICC Capital Corp	108.7	59.7	48.9	6.0	0.0	14.6	10.6%	5.8%	1.1%	0.0%	119.4%	748.2	350.0	398.2	120.5	132.5	54.9	83.5%	39.1%	25.8%	34.5%	113.8%	
Golub Capital BDC Inc	265.5	92.6	172.9	101.6	18.1	12.1	26.1%	9.1%	16.9%	4.5%	100.9%	659.9	349.5	310.4	223.4	72.0	39.1	76.4%	40.5%	45.8%	19.6%	98.3%	
GROUP MEDIAN							11.5%	9.4%	0.0%	3.5%	101.5%							62.8%	39.7%	19.3%	24.7%	98.7%	
<b>Total Assets &gt; \$300MM</b>																							
Triangle Capital Corp	75.3	98.4	(23.1)	0.0	11.6	14.1	9.3%	12.2%	0.0%	3.3%	84.3%	232.8	255.5	(22.7)	0.0	75.6	56.0	30.8%	33.8%	0.0%	23.9%	87.7%	
Medley Capital Corp	147.1	48.6	98.5	63.8	43.6	12.0	20.3%	6.7%	15.2%	15.7%	99.3%	520.0	197.6	322.4	209.8	125.5	38.9	94.7%	36.0%	65.7%	58.8%	99.4%	
THL Credit Inc	97.1	31.2	65.9	0.0	55.9	14.2	16.2%	5.2%	0.0%	44.4%	122.7%	423.5	227.7	195.8	111.0	75.9	41.9	84.5%	45.4%	27.7%	86.3%	101.4%	
MVC Capital Inc	42.5	15.6	26.8	(10.9)	83.9	3.1	7.3%	2.7%	-2.8%	51.0%	-143.6%	79.5	117.2	(37.8)	(16.7)	114.4	12.7	15.2%	22.4%	-4.2%	106.7%	350.9%	
MCG Capital Corp	2.9	60.9	(58.0)	0.0	(25.8)	8.9	0.5%	11.2%	0.0%	-14.4%	111.8%	195.4	247.9	(52.4)	(27.2)	(69.9)	35.8	33.0%	41.9%	-7.3%	-32.6%	124.9%	
KCAP Financial Inc	94.8	28.7	66.1	0.0	(5.5)	9.1	20.3%	6.1%	0.0%	-2.9%	120.4%	263.1	114.7	148.3	50.4	113.1	31.6	68.2%	29.8%	21.4%	80.7%	111.1%	
Fidus Investment Corp	20.3	53.6	(33.3)	0.0	0.0	5.4	5.5%	14.5%	0.0%	0.0%	102.7%	107.4	97.7	9.7	28.9	3.0	19.3	30.7%	27.9%	14.4%	2.1%	106.7%	
Gladstone Investment Corp	20.4	50.7	(30.3)	0.0	(19.0)	4.0	5.9%	14.6%	0.0%	-18.8%	63.8%	80.3	68.0	12.3	31.0	(71.5)	15.9	22.3%	18.9%	14.1%	-52.0%	79.1%	
GSV Capital Corp	5.1	(10.9)	16.1	0.0	69.0	0.0	1.6%	-3.4%	0.0%	101.0%	0.0%	37.2	6.9	30.3	0.0	69.0	0.0	12.7%	2.3%	0.0%	202.0%	0.0%	
NGP Capital Resources Co	2.2	0.8	1.3	0.0	(6.0)	3.3	0.7%	0.3%	0.0%	-5.4%	124.6%	99.0	90.3	8.7	(5.9)	28.5	13.4	32.9%	30.0%	-3.0%	29.5%	101.9%	
GROUP MEDIAN							6.6%	6.4%	0.0%	1.6%	101.0%							31.9%	29.9%	7.1%	44.1%	101.7%	
<b>Total Assets &lt; \$300MM</b>																							
Solar Senior Capital Ltd	77.0	50.1	26.8	0.0	(4.6)	3.9	27.0%	17.6%	0.0%	-13.2%	119.9%	233.5	186.7	46.8	37.2	(21.1)	14.9	88.0%	70.4%	19.4%	-46.5%	112.8%	
Horizon Technology Finance Corp	11.5	18.0	(6.5)	0.0	0.0	3.2	4.1%	6.4%	0.0%	0.0%	91.4%	121.3	93.4	27.9	(0.0)	56.7	13.8	46.9%	36.1%	0.0%	54.2%	104.2%	
Gladstone Capital Corp	10.0	15.1	(5.0)	0.0	3.2	4.4	3.6%	5.4%	0.0%	3.3%	100.0%	73.5	103.4	(29.9)	34.9	(66.7)	17.6	24.4%	34.3%	19.0%	-58.4%	96.8%	
PennantPark Floating Rate Capital Ltd	114.3	46.4	67.9	6.3	51.4	2.4	43.4%	17.6%	4.4%	60.0%	73.1%	227.1	135.1	92.0	48.3	31.2	7.4	107.4%	63.9%	40.3%	44.7%	87.0%	
Saratoga Investment Corp	54.9	29.9	25.0	0.0	0.0	0.0	24.5%	13.4%	0.0%	0.0%	0.0%	131.2	61.9	69.3	0.0	73.5	3.3	75.0%	35.4%	0.0%	142.4%	35.9%	
Full Circle Capital Corp	35.0	10.1	24.9	0.0	(4.8)	1.7	30.1%	8.7%	0.0%	-11.1%	140.5%	135.7	122.2	13.6	10.7	15.5	6.8	122.1%	109.9%	19.5%	44.6%	126.0%	
GROUP MEDIAN							25.7%	11.0%	0.0%	0.0%	95.7%							81.5%	50.0%	19.2%	44.6%	100.5%	
AVERAGE							11.9%	8.3%	2.2%	11.7%	85.3%							53.5%	37.2%	15.0%	43.0%	98.1%	
MEDIAN							10.5%	6.7%	0.0%	1.6%	100.9%							46.9%	35.4%	14.1%	30.2%	99.4%	
GROUP TOTAL	3,982.3	2,853.9	1,128.4	509.1	1,346.5	468.6	10.3%	7.4%	2.1%	10.8%	92.7%	17,396.1	11,676.8	5,719.4	2,995.2	3,737.7	1,726.7	49.7%	33.4%	13.0%	34.6%	87.4%	

Source: Bloomberg, SEC Filings, Mercer Capital analysis

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