



Harry Domash's

# DIVIDEND DETECTIVE

If you like dividends,  
you'll LOVE Dividend Detective

## D.D. Premium

[D.D. Home](#) • [Premium Members Home](#)

[Customer Service](#) • [Ask Harry](#)

# Business Development Corporations (BDCs)

Click [here](#) for printable (PDF) version

[Returns](#) • [Portfolio Details](#) • [Company Analysis & Recent News](#) • [Dividend Calendar](#)

### Background

Business Development Corporations lend money to, and often take equity positions in client companies. Learn more [here](#). Click [here](#) for a list of all BDCs.

[Tell us how could we make this page more useful to you.](#)

## February Wrap-Up (3/2/24)

BDC Returns <i>Returns: price changes plus dividends</i>	Date Added	Last Month's Return	Year To Date Return	Return Since Added
Ares Capital	11/1/21	-0.1%	0.9%	9.3%
Golub Capital	10/1/23	4.6%	5.7%	11.8%
OFS Capital	8/1/22	-1.1%	-1.7%	23.6%
Runway Growth Finance	7/1/22	5.2%	10.1%	45.0%
<b>Portfolio Returns:</b>		<b>2.1%</b>	<b>3.6%</b>	

Looking at December quarter reports, Golub Capital reported mostly strong growth numbers. Ares Capital reported mixed, but generally disappointing numbers. Runway Growth reports after the bell on March 7. OFS Capital hasn't yet set an announce date.

Looking at returns since added to the portfolio, Runway Growth Finance, up 45% since added in July 2022, is the champ. Ares Capital, up only 9% since added in November 2021 is the laggard. Carlyle Secured Lending (CGBD), which pays 11.8% and has returned 21% annually over the past three years would be a good candidate to replace Ares Capital.

Click for: [Company Analysis & Recent News](#) • [Dividend Calendar](#)

**Federal Tax Issues: BDC dividends are not "qualified." They are taxable at ordinary rates.**

**Risk Rating: one is lowest risk, three is average, and five is highest risk.**

Ticker	Portfolio Details <small>data 2/29/23</small> <small>Unless otherwise noted, all picks are "buy" rated</small>	Recent Price	Div. Yield	Exp. Div. Growth	Risk
<b>ARCC</b>	<b>Ares Capital</b>	20.21	9.5%	5%	3
Ares Capital Corporation focuses on acquisition, recapitalization, mezzanine debt, restructurings and leveraged buyouts of middle market companies. <a href="#">More QUOTE</a>					
<b>GBDC</b>	<b>Golub Capital</b>	15.57	9.5%	12%	3
Golub Capital, an externally managed closed-end non-diversified management investment company, invests in debt and minority equity investments in middle-market companies. <a href="#">More QUOTE</a>					
<b>OFS</b>	<b>OFS Capital</b>	11.50	11.8%	15%	1
Offers capital to, and makes equity investments in North American middle market companies. Debt investments include senior secured, unitranche, second-lien and mezzanine loans. <a href="#">More QUOTE</a>					
<b>RWAY</b>	<b>Runway Growth Finance</b>	13.43	10.7	10%	2
An October 2021 IPO, Runway Growth Finance provides flexible capital solutions to late and growth-stage companies seeking alternatives to raising equity. <a href="#">More QUOTE</a>					

Information believed correct, but accuracy not guaranteed. Investing in stocks and/or funds involves risk. Readers should not assume that recommendations will be profitable or will equal the performance of past recommendations. Before investing, consult with a financial advisor to determine if the stocks and/or funds described here are suitable investments for you.

<b>Dividend Calendar</b> last update 3/2/24	Dividend Amount	Vs. Year-Ago	Ex-Div Date	Pay Date	Notes
<b>Ares Capital</b>	<b>0.48</b>	<b>0%</b>	<b>3/14/24</b>	<b>3/29/24</b>	
<b>Golub Capital</b>	<b>0.39</b>	<b>+18%</b>	<b>2/29/24</b>	<b>3/29/24</b>	
<b>OFS Capital</b>	<b>0.34</b>	+17%	12/21/23	12/29/23	
<b>Runway Growth Finance</b>	<b>0.47</b>	+4%	2/9/24	2/28/24	regular + supp

**Bold** indicates increased dividend, *Data not guaranteed, verify before taking action.*

## Company Analysis & Recent News

[ARCC](#) [OFS](#) [RWAY](#)

3/2/24

BDCs grow shareholder value by achieving (capital) gains on their equity ownership of client companies as well as by interest and consulting fees. The net asset value (NAV) of a BDC's portfolio, similar to book value, is the best value measure. Ideally, a BDC's NAV should steadily grow over time.

Click [here](#) for Archives including previously sold BDC picks

### Ares Capital

Ares reported December quarter earnings (core) of \$0.63 per share, \$0.03 above analyst forecasts, and even with year-ago. Net investment income \$0.60 per share vs. year-ago \$0.68. Total portfolio investments up 5% vs. year-ago to \$22.874 billion. Net asset value \$19.24 per share vs. year-ago \$18.40. **Mixed, but generally disappointing numbers from Ares Capital.**

#### Background

Ares Capital focuses on acquisition, recapitalization, mezzanine debt, restructurings and leveraged buyouts of middle market companies. Ares Capital is externally managed by Ares Management, which has over \$200 billion in assets under management.

#### Quarterly Reports

September'23: (core) EPS \$0.59, up 18% vs. year-ago. Net investment income \$0.52 per share vs. year-ago \$0.57. Total portfolio investments up 1% vs. December to \$21,929 billion. Net asset value \$18.99 per share vs. year-ago \$18.56.

June'23: (core) EPS \$0.58, up 26% vs. year-ago. Net investment income \$0.57 per share vs. year-ago \$0.52. Total portfolio investments up 2% to \$21,496 billion. Net asset value \$18.58 per share vs. year-ago \$18.81.

March'23: (core) EPS \$0.57, up 36%. Net investment income \$0.60 vs. \$0.41. Total portfolio investments up 9% to \$21,148 billion. Net asset value \$18.45 per share vs. year-ago \$19.03.

December'22: Core EPS 0.63, up 16%. Net investment income \$0.68 \$0.52. Total portfolio investments up 9% to \$21,780 billion. Net asset value \$18.40 per share vs. year-ago \$18.96. In October, regular quarterly dividend up 12% to \$0.48, also declared \$0.03 special payout.

Sept'22: Core EPS \$0.50, up \$0.02. Net investment income \$0.57 vs. \$0.40. Total portfolio investments up 21% vs. 339 billion. Net asset value \$18.56 per share vs. \$16.48. In July, dividend up \$0.01 (2%) to \$0.43. Also paid previously declared a \$0.03 special.

June '22: Core EPS \$0.46 vs. \$0.53. Net investment income \$0.52 vs. year-ago \$0.39. Total portfolio investments up 24% vs. to \$21,170 billion. Net asset value \$18.81 per share vs. \$18.16.

March '22: Core EPS \$0.42, \$0.10, down \$0.01. Net investment income \$0.41 vs. \$0.87. Total portfolio investments down 1% to \$19,486 billion. Net asset value \$19.03 per share vs. year-ago \$18.96. In February, raised quarterly dividend by 2% to \$0.42. Also declared \$0.03 special dividend.

December '21: Core EPS \$0.58, up 7%. Net investment income \$0.52 vs. \$0.54. Total portfolio investments up 29% to \$20.009 billion. Net asset value \$18.96 per share vs. \$16.97.

September '21: Core EPS \$0.47, up 21%. Net investment income up 11% to \$184 million. Total portfolio investments up 23% to \$17.677 billion. Net asset value \$18.52 per share vs. \$16.48.

### Golub Capital

Golub reported December quarter earnings (adjusted) of \$0.50 per share, \$0.01 below analyst forecasts, but up 35% vs. year-ago.

In January, Golub Capital raised its quarterly dividend by 5% to \$0.39 per share, which is 18% above its year-ago payout.

In January, Golub Capital said it was acquiring its sister BDC, GBDC3. The deal increased GBDC's fair value to \$8.1 billion from \$5.5 billion, but wasn't expected to meaningfully affect Golub's outlook.

### Background

Golub, externally managed, invests in debt and minority equity investments in middle-market companies that are usually sponsored by private equity investors. It typically invests in diversified consumer services, automobiles, healthcare technology, insurance, health care equipment and supplies, hotels, restaurants and leisure, healthcare providers and services, IT services and specialty retail operations.

### Quarterly Reports

Sept'23: EPS (adjusted) \$0.50, up 52% vs. year-ago. Investment income up 38% to \$164.5 million. Revenues up 38% to \$164.5 million. In August, quarterly dividend up 12% to \$0.37 per share, which was 23% above its year-ago payout and also declared a \$0.04 per share special dividend. .

June'23: EPS \$0.44, up 26% vs. year-ago. Revenues up 62% to \$154.7 million. Net asset value up 0.6% from March quarter to \$14.83 per share. Raised quarterly dividend by 12% to \$0.37 per share, and declared \$0.04 per share.

### OFS Capital

No significant recent news.

### Background

Externally managed OFS Capital Offers capital to, and sometimes makes equity investments in, North American middle market companies. Debt investments include senior secured, unitranche, second-lien and mezzanine loans. Typically increases dividend by around 3% every quarter.

### Quarterly Reports

September '23: Net investment income \$0.40, up 21% vs. year-ago. Net asset value \$12.74 vs. year-ago \$13.58. In August, dividend \$0.01 (3%) to \$0.34.

June '23: Net investment income \$0.38 per share, down 19% vs. year-ago. Net asset value \$12.94 vs. year-ago \$14.57.

March '23: Net investment income up 55% to \$0.37. Net asset value \$13.42 vs. \$14.57. Hiked quarterly dividend 10% to \$0.33.

Dec '22: Net investment income \$0.35, up 6%. Net asset value \$13.47 vs. year-ago \$15.08.

Sept '22: Net investment income (adjusted) \$0.33 per share, up 32%. Net asset value \$13.58 vs. June quarter \$14.57.

June '22: Net investment income (adjusted) \$0.24 per share, even with year-ago. Net asset value \$14.57 vs. March quarter \$15.18. Total investment income down 9% to \$10.432 million.

March '22: OFS reported March quarter net investment income (adjusted) \$0.30 per share, down 33% vs. December '21. Net asset value \$15.52 vs. December quarter \$15.18. Revenues up 4% vs. year-ago to \$10.9 million. Quarterly dividend up 3.6% to \$0.29.

### Runway Growth Finance

Runway reports December quarter results after the bell on March 7. Analysts expect earnings of \$0.49 per share vs. year-ago \$0.45. The conference call is set for 5 pm Eastern on March 7.

In October, Runway declared regular plus supplemental dividends totaling \$0.46 per share, up 28% vs. year-ago.

### Background

An October 2021 IPO, Runway Growth Finance provides flexible capital solutions to late and growth-stage companies seeking alternatives to raising equity. Runway Growth is externally managed by Runway Growth Capital LLC, a registered investment advisor that was formed in 2015. Runway Finance paid its first dividend, \$0.25 per share, in November 2021.

### Quarterly Reports

September '23: Net investment EPS \$0.54, up 50% vs. year-ago. Total investment portfolio up 24% vs. year-ago to \$1.011 billion. Net asset value even with year-ago at \$14.08 per share. *Mostly good year-over-year growth numbers from Runway.*

June '23: Net investment EPS \$0.49, \$0.02, up 40% vs. year-ago. Total investment portfolio up 36% vs. year-ago to \$1.095 billion. Net asset value even with year-ago at \$14.17 per share.

March '23: Net investment EPS \$0.45, up 30%. Total investment portfolio up 49% vs. year-ago to \$1.125 billion. Net asset value down 3% to \$14.07 per share. In February, dividend up 11% to \$0.40 per share, which was 48% year-ago. Runway also declared a \$0.05 per share supplemental payout, to be paid concurrently with its regular quarterly dividend.

Dec '22: Net investment EPS \$0.45, up 61%. Total investment portfolio up 51% vs. year-ago to \$1.1 billion. Net asset value down 3% to \$14.22 per share. In October, dividend up 9% to \$0.36.

Sept '22: Net investment EPS \$0.36, up 13%. Total investment portfolio up 13% vs. June to \$807.7 million. Net asset value even with June 30 at \$14.12 per share. In July, dividend up 10% to \$0.33.

June '22: Net investment EPS \$0.35, up \$0.05 vs. March. Total investment portfolio up 7% vs. March to \$807.7 million. Net asset value down 12% vs. March 31 to \$14.14 per share. In April, declared \$0.30

second quarter dividend, up 11% vs. previous payout.

March '22: Net investment EPS \$0.30, up \$0.02 vs. December Q. Total investment portfolio up 3% vs. December to \$754.3 million. Net asset value down 1% vs. December 31 to \$14.45 per share. Declared \$0.27 per share March quarter dividend.

December '21: Net investment EPS \$0.28. Annualized portfolio yield 14.0%. Total investment portfolio at 12/31 \$729.5 million. Net asset value \$14.65 per share.

**Best Seller!**

**Fundamental Analysis Handbook.**

**FIRE YOUR STOCK ANALYST.**

Step-by-Step Guide by Harry Domash.

**DIVIDEND DETECTIVE.**

[Cancellation, Refund and Privacy Policies.](#)

**Learn How to Invest.**

**WINNING INVESTING**

Free site dedicated to making you a **winning investor.**

published by **Dividend Detective**

199 Quail Run Rd • Aptos, CA 95003 • (800) 276-7721 • email: [support@DividendDetective.com](mailto:support@DividendDetective.com)