January 20, 2017

Barings Participation Investors Holds January 2017 Board Meeting

CHARLOTTE, N.C., Jan. 20, 2017 (GLOBE NEWSWIRE) -- The Board of Trustees of Barings Participation Investors (the "Trust") met on January 20, 2017. The Trust's Trustees determined that the Trust's December 31, 2016 net asset value ("NAV") is $136,606,731 or $13.15 per share based on 10,386,173 shares outstanding. The Trust's December 31, 2015 NAV was $135,349,634 or $13.10 per share based on 10,328,391 shares outstanding. The Trust reported a NAV of $141,496,822 or $13.65 per share as of September 30, 2016, based on 10,369,161 shares outstanding. Unlike the NAV reported for quarters ended March 31, June 30, and September 30, the NAV for the quarter ended December 31 reflects the declaration of the quarterly dividend of $0.27 per share, which was paid on January 13, 2017. All figures for 2016 are unaudited.

Net investment income for the year ended December 31, 2016 was $10,190,880 or $0.98 per share. This represents an increase from the year ended December 31, 2015, when net investment income was $9,903,669 or $0.96 per share. For the quarter ended December 31, 2016, net investment income was $3,121,757 or $0.30 per share, of which approximately $376,441 or $0.04 per share represented income due to nonrecurring items. For the quarter ended December 31, 2015, net investment income was $2,499,923 or $0.24 per share, of which approximately $116,583 or $0.01 per share represented income due to nonrecurring items. The Trust earned net investment income of $2,378,431 or $0.23 per share during the quarter ended September 30, 2016.

The Trust realized net capital losses of $1,148,672 or $0.11 per share during the quarter ended December 31, 2016, which resulted in realized net capital gains for the year ended December 31, 2016 of $1,931,283 or $0.19 per share. By comparison, for the year ended December 31, 2015, the Trust realized net capital gains of $502,639 or $0.05 per share. During the quarter ended September 30, 2016, the Trust realized net capital gains of $733,319 or $0.07 per share.

Estimated taxable income of the Trust exceeded net investment income reported in accordance with generally accepted accounting principles ("GAAP") by approximately $1,000,000 or $0.10 per share, for the year ended December 31, 2016. For the year ended December 31, 2016, the Trust's estimated taxable capital loss was $82,015 or $0.01 per share, as compared to GAAP realized capital gains of $1,931,283 or $0.19 per share. Tax versus GAAP net investment income and capital gains figures, respectively, differ from each other due to income and capital gains realized by PI Subsidiary Trust (which the Trust received in the form of a dividend), a capital loss carryforward from 2015 and, in part, due to GAAP and tax timing differences in the recognition of various income and expense items. This dividend of $1,000,000, from the PI Subsidiary Trust, was treated as ordinary income for tax purposes for the Trust.

The market price of the Trust as of December 31, 2016 was $14.20, which equates to a 7.98% premium over the December 31, 2016 NAV per share. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 0.69% 7.03% and 7.14%, respectively.

The Board of Trustees of the Trust announced that the annual shareholders' meeting will be held on Friday, April 21, 2017 at 1:00 PM at Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield, MA. Shareholders of record at the close of business on February 24, 2017 will be entitled to vote at the meeting.

In addition to reviewing the Trust's performance during the past year, the shareholders will be asked to vote on the following matter at the April shareholder meeting:

> -- Election of three members of the Trust's Board of Trustees— Michael H. Brown, Barbara M. Ginader and Maleyne M. Syracuse

Barings Participation Investors is a closed-end management investment company advised by Barings LLC. Its shares are traded on the New York Stock Exchange under the trading symbol ("MPV").

Per share amounts are rounded to the nearest cent.

Cautionary Notice: Certain statements contained in this press release may be "forward looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results to differ materially. These statements are subject to change at any time based upon economic, market or other conditions and may not be relied upon as investment advice or an indication of the fund's trading intent. References to specific securities are not recommendations of such securities, and may not be representative of the fund's current or future investments. We undertake no obligation to publicly update forward looking statements, whether as a result of new information, future events, or otherwise.

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*As of September 30, 2016

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