January 28, 2021

# Barings Participation Investors Reports Preliminary Fourth Quarter 2020 Results

CHARLOTTE, N.C., Jan. 28, 2021 /PRNewswire/ -- The Board of Trustees of Barings Participation Investors (NYSE: MPV) (the "Trust") met on January 28, 2021 and would like to report its preliminary financial results for the fourth quarter of 2020.

| *Financial Highlights*[1] | Three Months Ended **December 31, 2020** | | Three Months Ended **September 30, 2020** | |
|---|---|---|---|---|
| | **Total Amount** | **Per Share**[2] | **Total Amount** | Per **Share**[2] |
| Net investment income | $ 3,695,116 | $ 0.35 | $ 2,123,496 | $ 0.20 |
| Net realized gains / (losses) | $ 241,437 | $ 0.02 | $ (1,798,178) | $ (0.17) |
| Net unrealized appreciation | $ 2,132,242 | $ 0.20 | $ 5,534,895 | $ 0.52 |
| Net increase in net assets resulting from operations | $ 6,810,062 | $ 0.64 | $ 5,858,427 | $ 0.55 |
| Total net assets (equity) | $ 144,095,259 | $ 13.59 | $ 141,525,877 | $ 13.35 |

(1) All figures for 2020 are unaudited
(2) Based on shares outstanding at the end of the period of 10,601,700

## Key Highlights:

Commenting on the quarter, Christina Emery, President, stated, "During the fourth quarter, Barings continued to drive origination flow into high quality, 1st lien senior secured middle-market investments while further continuing our efforts to realize value in select equity sales and mezzanine assets currently on non-accrual."

During the three months ended December 31, 2020, the Trust reported total investment income of $4.3 million, net investment income of $3.7 million, or $0.35 per share, and a net increase in net assets resulting from operations of $6.8 million, or $0.64 per share. Results were driven by $0.16 per share of non-recurring income related to dividends received from Filtration Group and the repayment of past due income from Sunvair Aerospace Group and Sunrise Windows previously on non-accrual.

Net asset value ("NAV") per share as of December 31, 2020 was $13.59, as compared to $13.35 as of September 30, 2020. The increase in NAV per share was primarily attributable to net realized gains on investments of approximately $0.02 per share, net unrealized appreciation on the Trust's investment portfolio of approximately $0.20 per share and net investment income of $0.35 per share, partially offset by the payment of $0.20 per share dividend on November 13, 2020 and the declaration of a $0.20 dividend which was paid on January 15, 2021.

**Recent Portfolio Activity**

During the three months ended December 31, 2020, the Trust made 10 new investments totaling $15.6 million and 13 add-on investments in existing portfolio companies totaling $3.8 million. During the three months ended December 31, 2020, the Trust had two loans repaid at par totaling $3.9 million and five mezzanine investments repaid debt and equity totaling $8.1 million. In addition, the Trust sold $0.4 million of equity investments for a realized gain of $0.4 million, or approximately $0.03 per share.

**Liquidity and Capitalization**

As of December 31, 2020, the Trust had cash of $12.6 million, commercial paper investments of $5.0 million, and $15.0 million of borrowings outstanding. The Trust had unfunded commitments of $5.7 million as of December 31, 2020.

**Net Capital Gains**

The Trust realized net capital gains of $241,437 or $0.02 per share during the quarter ended December 31, 2020, which resulted in realized net capital losses for the year ended December 31, 2020 of $234,879 or $0.02 per share. By comparison, for the year ended December 31, 2019, the Trust realized net capital gains of $1,348,868 or $0.13 per share. During the quarter ended September 30, 2020, the Trust realized net capital losses of $1,798,178 or $0.17 per share.

At the December 15, 2020 meeting of the Board of Trustees, the Trustees voted to have the Trust retain net long-term capital gains, if any, realized by the Trust in 2020 for future growth and to pay the required federal capital gains tax thereon. The Trust ended 2020 with no net long-term capital gains; therefore, IRS Form 2439, Notice to Shareholders of Undistributed Long-Term Capital Gains, will not be sent out to shareholders.

**Annual Meeting**

Due to ongoing concerns regarding the coronavirus (COVID-19) pandemic, the Board of the Trust announced that the Trust's annual shareholders' meeting will be held virtually on Friday, April 23, 2021 at the following website https://viewproxy.com/barings/broadridgevsm/. Shareholders of record at the close of business on February 22, 2021 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— Edward P. Grace, III as an Independent Trustee and Clifford M. Noreen as an Interested Trustee for three year terms and Eric J. Lloyd as an Interested Trustee for a one-year term.

## About Barings Participation Investors

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").

## About Barings LLC

Barings is a $345 billion* global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate, and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment. Learn more at [www.barings.com](http://www.barings.com).

*Assets under management as of December 31, 2020

## Contact

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Per share amounts are rounded to the nearest cent.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS



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