May 18, 2023

Barings Participation Investors Reports Preliminary First Quarter 2023 Results and Announces Increased Quarterly Cash Dividend Of $0.28 Per Share

CHARLOTTE, N.C.--(BUSINESS WIRE)-- The Board of Trustees of Barings Participation Investors (NYSE: MPV) (the "Trust") met on May 18, 2023 and would like to report its preliminary financial results for the first quarter of 2023.

Financial Highlights[1]	**Three Months Ended March 31, 2023**		**Three Months Ended December 31, 2022**	
	Total Amount	**Per Share**[4]	**Total Amount**	**Per Share**[4]
Net investment income[2]	$ 4,241,315	$ 0.40	$ 2,886,244	$ 0.27
Net realized (losses) / gains[3]	$ (86,833)	$ (0.01)	$ 336,781	$ 0.03
Net unrealized appreciation	$ 712,560	$ 0.07	$ 76,791	$ 0.01
Net increase in net assets resulting from operations	$ 4,836,869	$ 0.46	$ 3,299,816	$ 0.31
Total net assets (equity)	$163,760,443	$ 15.45	$ 158,923,575	$ 14.99

(1) All figures for 2023 are unaudited

(2) December 31, 2022 figures net of approximately $0.03 per share of excise tax. March 31, 2023 figures include less than $0.01 per share of excise tax benefit

(3) December 31, 2022 figures net of approximately $0.01 per share of capital gains tax

(4) Based on shares outstanding at the end of the period of 10,601,700

Key Highlights:

Commenting on the quarter, Christina Emery, President, stated, "The Trust earned $0.40 per share of net investment income, net of taxes, for the first quarter of 2023, compared to $0.27 per share in the previous quarter. The increase in net investment income was predominantly due to higher base rates as well as the repayment of past due income ($0.06) from an investment previously on non-accrual. During the quarter, Barings continued to drive origination flow into quality, 1st lien senior secured middle-market investments. When constructing portfolios, we focus on investing in high-quality businesses that are leaders in their space and offer defensive characteristics that will allow them to perform through economic cycles.”

The Board of Trustees declared a quarterly dividend of $0.28 per share, payable on June 9, 2023, to shareholders of record on May 31, 2023. This represents an increase of $0.04 per share or 16.7% over the previous dividend of $0.24 per share and the third consecutive quarterly increase. This represents the highest quarterly dividend payment in the past ten years.

During the three months ended March 31, 2023, the Trust reported total investment income of $5.2 million, net investment income of $4.2 million, or $0.40 per share, and a net increase in net assets resulting from operations of $4.8 million, or $0.46 per share.

Net asset value ("NAV") per share as of March 31, 2023, was $15.45, as compared to $14.99 as of December 31, 2022. The increase in NAV per share was primarily attributable to net investment income, net of taxes, of $0.40 per share, net unrealized appreciation on the Trust's investment portfolio of approximately $0.07 per share, partially offset by net realized losses of approximately $0.01 per share.

Recent Portfolio Activity

During the three months ended March 31, 2023, the Trust made five new investments totaling $4.2 million and 14 add-on investments in existing portfolio companies totaling $1.1 million. During the three months ended March 31, 2023, the Trust had two loans repaid at par totaling $2.6 million and one mezzanine debt investment repaid at par totaling $1.4 million.

Liquidity and Capitalization

As of March 31, 2023, the Trust had cash of $4.0 million and $21.5 million of borrowings outstanding. The Trust had unfunded commitments of $9.0 million as of March 31, 2023.

Net Capital Gains

The Trust realized net capital losses of $86,833 or $0.01 per share during the quarter ended March 31, 2023. By comparison, for the quarter ended December 31, 2022, the Trust realized net capital gains of $76,791 or $0.01 per share.

Annual Meeting

At the Annual Meeting, which was held on Thursday, May 18, 2023, shareholders elected Michael H. Brown, Barbara M. Ginader and Maleyne M. Syracuse as Independent Trustees for three-year terms.

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 $362+ 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.

*Assets under management as of March 31, 2023

Per share amounts are rounded to the nearest cent.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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