August 17, 2023

# Barings Participation Investors Reports Preliminary Second Quarter 2023 Results and Announces Increased Quarterly Cash Dividend Of $0.32 Per Share

CHARLOTTE, N.C.--(BUSINESS WIRE)-- The Board of Trustees of Barings Participation Investors (NYSE: MPV) (the "Trust") met on August 17, 2023 and would like to report its preliminary financial results for the second quarter of 2023.

| *Financial Highlights*[(1)] | **Three Months Ended June 30, 2023** | | **Three Months Ended March 31, 2023** | |
|---|---|---|---|---|
| | **Total Amount** | **Per Share**[(4)] | **Total Amount** | **Per Share**[(4)] |
| Net investment income[(2)] | $ 3,762,196 | $ 0.35 | $ 4,241,315 | $ 0.40 |
| Net realized gains / (losses)[(3)] | $ 203,521 | $ 0.02 | $ (86,833) | $ (0.01) |
| Net unrealized appreciation / (depreciation) | $ (7,854) | $ (0.00) | $ 712,560 | $ 0.07 |
| Net increase in net assets resulting from operations | $ 3,994,143 | $ 0.38 | $ 4,836,869 | $ 0.46 |
| | | | | |
| Total net assets (equity) | $ 164,786,110 | $ 15.54 | $ 163,760,443 | $ 15.45 |

(1) All figures for 2023 are unaudited

(2) Figures include less than $0.01 per share of excise tax benefit

(3) June 30, 2023 figures net of less than $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 $0.35 per share of net investment income, net of taxes, for the second quarter of 2023, compared to $0.40 per share in the previous quarter. The decrease in net investment income was predominantly related to $0.06 per share of non-recurring income (repayment of past due income) received in the first quarter, while core earnings increased $0.02 per share due to higher base rates. During the quarter, Barings continued to invest in 1st lien senior secured and mezzanine debt in middle-market companies. 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 $0.32 per share, payable on September 8, 2023, to shareholders of record on August 28, 2023. This represents an increase of $0.04 per share or 14.3% over the previous dividend of $0.28 per share and the fourth consecutive quarterly increase.

During the three months ended June 30, 2023, the Trust reported total investment income of $4.7 million, net investment income of $3.8 million, or $0.35 per share, and a net increase in net assets resulting from operations of $4.0 million, or $0.38 per share.

Net asset value ("NAV") per share as of June 30, 2023, was $15.54, as compared to $15.45 as of March 31, 2023. The increase in NAV per share was primarily attributable to net investment income, net of taxes, of $0.35 per share and net realized gains on the Trust's investment portfolio of approximately $0.01 per share.

## Recent Portfolio Activity

During the three months ended June 30, 2023, the Trust made two new investments totaling $2.2 million and 16 add-on investments in existing portfolio companies totaling $1.1 million. During the three months ended June 30, 2023, the Trust had two loans repaid at par totaling $3.6 million and realized one equity investment totaling $0.5 million that generated realized gains of $0.3 million.

## Liquidity and Capitalization

As of June 30, 2023, the Trust had cash of $8.6 million and $21.5 million of borrowings outstanding. The Trust had unfunded commitments of $8.2 million as of June 30, 2023.

## Net Capital Gains

The Trust realized net capital gains of $203,521 or $0.02 per share during the quarter ended June 30, 2023. By comparison, for the quarter ended March 31, 2023, the Trust realized net capital losses of $86,333 or $0.01 per share.

## 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 $351+ 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 June 30, 2023

Per share amounts are rounded to the nearest cent.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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