November 16, 2023

Barings Participation Investors Reports Preliminary Third Quarter 2023 Results

CHARLOTTE, N.C.--(BUSINESS WIRE)-- The Board of Trustees of Barings Participation Investors (NYSE: MPV) (the "Trust") met on November 16, 2023, and would like to report its preliminary financial results for the third quarter of 2023.

Financial Highlights[1]	Three Months Ended September 30, 2023		Three Months Ended June 30, 2023	
	Total Amount	**Per Share**[4]	**Total Amount**	**Per Share**[4]
Net investment income[2]	$ 4,343,755	$ 0.41	$ 3,762,196	$ 0.35
Net realized gains / (losses)[3]	$ (647,807)	$ (0.06)	$ 203,521	$ 0.02
Net unrealized appreciation / (depreciation)	$ 1,138,449	$ 0.11	$ (7,854)	$ (0.00)
Net increase in net assets resulting from operations	$ 4,838,805	$ 0.46	$ 3,994,143	$ 0.38
Total net assets (equity)	$166,232,385	$ 15.68	$164,786,110	$ 15.54

(1) All figures for 2023 are unaudited
(2) Figures include less than $0.01 per share of excise tax benefit
(3) 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 $0.41 per share of net investment income, net of taxes, for the third quarter of 2023, compared to $0.35 per share in the previous quarter. The increase in net investment income was predominantly related to $0.05 per share of non-recurring income (repayment of past due income) received in the third quarter, while core earnings increased $0.01 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. The Trust has increased dividends for the last 5 quarters, which is further confirmation of our credit philosophy, where we focus on leading businesses backed by strong sponsor ownership and conservative capital structures. This approach has historically generated stable returns and relative stability during economic stress."

During the three months ended June 30, 2023, the Trust reported total investment income of $5.3 million, net investment income of $4.3 million, or $0.41 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 September 30, 2023, was $15.68, as compared to $15.54 as of June 30, 2023. The increase in NAV per share was primarily attributable to net investment income exceeding the Trust's quarterly dividend by $0.09 per share and net unrealized appreciation on the Trust's investment portfolio of $0.11 per share, partially offset by net realized losses on the Trust's investment portfolio of $0.06 per share.

On October 10, 2023, the Board of Trustees declared a quarterly dividend of $0.34 per share payable on November 17, 2023, to shareholders of record on November 6, 2023. This represents an increase of $0.02 per share or 6.3% over the previous dividend of $0.32 per share and was the fifth consecutive increase to the quarterly dividend.

The next scheduled meeting of the Board of Trustees will be held on December 14, 2023.

Recent Portfolio Activity

During the three months ended September 30, 2023, the Trust made seven new investments totaling $5.9 million and 24 add-on investments in existing portfolio companies totaling $2.1 million. During the three months ended September 30, 2023, the Trust had one loan repaid at par totaling $1.2 million, one mezzanine debt investment repaid at par totaling $1.2 million and wrote off one mezzanine debt and equity investment that generated realized a loss of $0.7 million.

Liquidity and Capitalization

As of September 30, 2023, the Trust had cash of $4.9 million and $21.5 million of borrowings outstanding. The Trust had unfunded commitments of $10.7 million as of September 30, 2023.

Net Capital Gains

The Trust realized net capital losses of $647,807 or $0.06 per share during the quarter ended September 30, 2023. By comparison, for the quarter ended June 30, 2023, the Trust realized net capital gains of $203,521 or $0.02 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 $347+ 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 September 30, 2023

Per share amounts are rounded to the nearest cent.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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