February 26, 2024

Barings Participation Investors Reports Preliminary Fourth Quarter 2023 Results

CHARLOTTE, N.C.--(BUSINESS WIRE)-- The Board of Trustees of Barings Participation Investors (NYSE: MPV) (the "Trust") met on February 26, 2024, and would like to report its preliminary financial results for the fourth quarter of 2023.

Financial Highlights[1]	**Three Months Ended December 31, 2023**		**Three Months Ended September 30, 2022**	
	Total Amount	**Per Share**[4]	**Total Amount**	**Per Share**[4]
Net investment income[2]	$ 3,529,750	$ 0.33	$ 4,343,755	$ 0.40
Net realized gains / (losses)[3]	$ 198,004	$ 0.02	$ (647,807)	$ (0.06)
Net unrealized appreciation	$ 631,658	$ 0.06	$ 1,138,449	$ 0.11
Net increase in net assets resulting from operations	$ 4,449,487	$ 0.42	$ 4,838,805	$ 0.46
Total net assets (equity)	$163,366,715	$ 15.41	$166,232,385	$ 15.68

(1) All figures for 2023 are unaudited

(2) December 31, 2023 figures net of approximately $0.04 per share of excise tax

(3) December 31, 2023 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 year, Christina Emery, President, stated, "We are pleased to have grown net investment income, net of taxes, during 2023 to $1.50 per share compared to $0.97 per share in 2022. The increase is a function of both the sound credit quality and diversity of the portfolio coupled with rising base rates. During 2023, Barings continued to drive origination flow into quality, 1st lien senior secured middle-market investments. The Trust has increased dividends for the last 6 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. 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."

In 2023, the Trust's dividend increased by $0.02 per share in the third quarter and $0.01 per share in the fourth quarter for a total annual dividend of $1.29 per share, representing a 50.0% increase to the 2022 total annual dividend of $0.86 per share. Based on the Trust's

December 31, 2023, share price of $15.60 per share, the most recent distribution of $0.35 per share represents an annualized yield of 9.0%.

During the three months ended December 31, 2023, the Trust reported total investment income of $5.0 million, net investment income of $3.5 million, or $0.33 per share, and a net increase in net assets resulting from operations of $4.4 million, or $0.42 per share.

Net asset value ("NAV") per share as of December 31, 2023, was $15.41, as compared to $15.68 as of September 30, 2023. The decrease in NAV per share was primarily attributable to the payment of a $0.35 per share dividend on November 17, 2023, and the declaration of a $0.35 per share dividend which was paid on January 19, 2024, partially offset by net investment income of $0.33 per share, net unrealized appreciation on investments of $0.05 per share and net realized gains of approximately $0.03 per share.

Recent Portfolio Activity

During the three months ended December 31, 2023, the Trust made six new investments totaling $3.4 million and 23 add-on investments in existing portfolio companies totaling $1.3 million. During the three months ended December 31, 2023, the Trust had one loan repaid at par totaling $0.4 million, one mezzanine debt investment repaid at par totaling $1.3 million and realized four equity investments totaling $1.4 million for a realized gain of $0.2 million, or approximately $0.02 per share.

Liquidity and Capitalization

As of December 31, 2023, the Trust had cash of $6.4 million and $21.75 million of borrowings outstanding. The Trust had unfunded commitments of $9.16 million as of December 31, 2023.

Net Capital Gains

The Trust realized net capital gains of $198,004 or $0.02 per share during the quarter ended December 31, 2023, which resulted in realized net capital losses for the year ended December 31, 2023, of $333,114 or $0.03 per share. By comparison, for the year ended December 31, 2022, the Trust realized net capital losses of $437,446 or $0.04 per share. During the quarter ended September 30, 2023, the Trust realized net capital losses of $647,807 or $0.06 per share.

Annual Meeting

The Trust’s annual shareholders' meeting will be held on Thursday, May 16, 2024. Shareholders of record at the close of business on March 18, 2024, will be entitled to vote at the meeting.

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 $381+ 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 December 31, 2023

Per share amounts are rounded to the nearest cent.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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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Source: Barings LLC