February 27, 2025

Barings Participation Investors Reports Preliminary Fourth Quarter 2024 Results

CHARLOTTE, N.C.--(BUSINESS WIRE)-- The Board of Trustees of Barings Participation Investors (NYSE: MPV) (the "Trust") met on February 27, 2025, and would like to report its preliminary financial results for the fourth quarter of 2024.

Financial Highlights(1)	Three Months Ended December 31, 2024		Three Months Ended September 30, 2023	
	Total Amount	Per Share(5)	Total Amount	Per Share(4)
Net investment income(2)	$ 5,077,391	$ 0.48	$ 3,553,378	$ 0.33
Net realized gains / (losses)(3)	$ 327,989	$ 0.03	$ (1,505,789)	$ (0.14)
Net unrealized appreciation / (depreciation)	$ (295,452)	$ (0.03)	$ 1,604,338	$ 0.15
Net increase in net assets resulting from operations	$ 5,390,925	$ 0.50	$ 3,658,567	$ 0.34
Total net assets (equity)	$165,121,426	$ 15.46	$168,387,245	$ 15.80

(1) All figures for 2024 are unaudited
(2) December 31, 2024 figures net of approximately $0.04 per share of excise tax
(3) December 31, 2024 figures net of approximately $0.02 per share of capital gains tax
(4) Based on shares outstanding at the end of the period of 10,660,746.61
(5) Based on shares outstanding at the end of the period of 10,680,266.61

Key Highlights:

Commenting on the year, Christina Emery, President, stated, "We are pleased to have grown net investment income, net of taxes, during 2024 to $1.55 per share compared to $1.50 per share in 2023. The increase is a function of both the sound credit quality and diversity of the portfolio coupled with rising base rates. Both credit quality and capital structure of portfolio companies are key factors in our analysis, along with the quality of the ownership and management groups. As fundamental long-term investors, we believe it is imperative to remain disciplined and underwrite capital structures which will remain sound through economic cycles (and varying interest rate environments). We also seek to maintain a high level of portfolio diversification overall, looking at both industry and individual credit concentration. This approach has historically generated stable returns and relative stability during economic stress."

In 2024, the Trust's dividend increased by $0.01 per share in the first quarter to $0.37 per share and remained at $0.37 per share for the second, third and fourth quarter. In addition to the regular dividend, the Trust paid a special dividend in the fourth quarter of $0.10 per share made possible by non-recurring dividend income received from one of the equity investments. This results in a total annual dividend of $1.57 per share, representing a 7.3% increase to the 2023 total annual dividend of $1.29 per share. Based on the Trust's December 31, 2024, share price of $17.09 per share, the most recent regular quarterly distribution of $0.37 per share represents an annualized yield of 8.7%.

During the three months ended December 31, 2024, the Trust reported total investment income of $6.6 million, net investment income of $5.1 million, or $0.48 per share, and a net increase in net assets resulting from operations of $5.4 million, or $0.50 per share.

Net asset value ("NAV") per share as of December 31, 2024, was $15.46, as compared to $15.80 as of September 30, 2024. The decrease in NAV per share was primarily attributable to the payment of a $0.37 per share dividend on November 15, 2024, and the declaration of a $0.37 per share regular dividend and a $0.10 per share special dividend which were both paid on January 17, 2025, net unrealized depreciation of $0.03 per share, net realized gains of $0.03 per share, partially offset by net investment income of $0.48 per share.

Recent Portfolio Activity

During the three months ended December 31, 2024, the Trust made nine new private investments totaling $7.9 million, six new public investments totaling $7.6 million and 30 add-on investments in existing private portfolio companies totaling $3.7 million. During the three months ended December 31, 2024, the Trust had six loans repaid at par totaling $7.9 million and realized three equity investments totaling $1.3 million for a realized gain of $0.8 million, or approximately $0.08 per share.

Liquidity and Capitalization

As of December 31, 2024, the Trust had cash of $7.0 million and $23.5 million of borrowings outstanding. The Trust had unfunded commitments of $15.6 million as of December 31, 2024.

Net Capital Gains

The Trust realized net capital gains of $327,989 or $0.03 per share during the quarter ended December 31, 2024, which resulted in realized net capital losses for the year ended December 31, 2024, of $860,920 or $0.06 per share. By comparison, for the year ended December 31, 2023, the Trust realized net capital losses of $1,447,280 or $0.07 per share. During the quarter ended September 30, 2023, the Trust realized net capital losses of $1,970,622 or $0.10 per share.

Annual Meeting

The Trust's annual shareholders' meeting will be held on Thursday, May 15, 2025. Shareholders of record at the close of business on March 17, 2025, 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 $421+ 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, 2024

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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