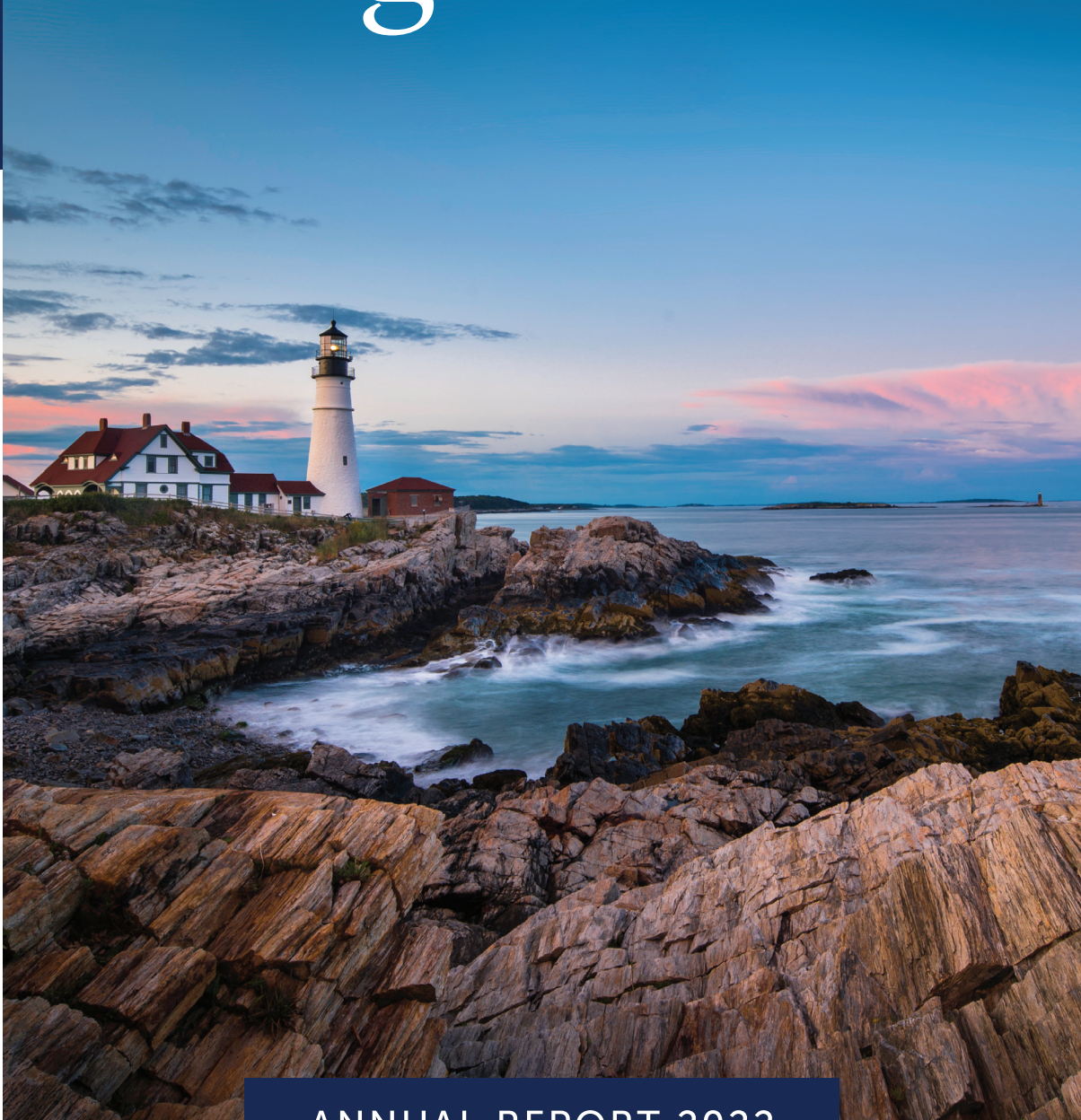


BARINGS

Barings BDC Inc.



ANNUAL REPORT 2022

Dear Shareholders,

Thank you for your continued trust and partnership.

2022 was marked by a myriad of challenges, from high inflation and a decidedly hawkish U.S. Federal Reserve, to concerns of a looming recession and escalating geopolitical conflict. Private credit, broadly speaking, has remained resilient. While pricing in the market did not move much initially, we began to see a notable repricing of risk toward year-end. Commensurate with that, leverage and terms improved notably to compensate for the different market conditions we are now living in. Through this period, Barings BDC, Inc. (BBDC) progressed significantly, growing its investment portfolio from \$1.8 billion to over \$2.4 billion as we position the fund for a competitive 2023 and beyond.

The early part of the year looked and felt much like 2021. Spreads were tight, fundraising was fruitful, and the possibility that inflation was still transitory was at the top of investors' minds. Market buoyancy quickly faded, however, as the prospect of rising rates, and the potential effects on the economy, came into view. Understandably, the effects in our market, which is dominated by floating-rate debt, are twofold: investment income is going up, and portfolio companies are facing higher borrowing costs. While most direct lenders view rate increases as largely positive for the asset class, an overly aggressive policy can also pose challenges for certain managers. Indeed, whether or not you have underwritten your portfolio conservatively to withstand today's higher base rates will become evident in the next year or two.

In February, we closed the acquisition of Sierra Income Corporation (SIC), which added over \$400 million of assets to BBDC's portfolio. By year end, more than \$100 million of assets from the acquired portfolio had been paid down at par, allowing us to rotate into Barings-originated assets. We view the rapid rotation of SIC's portfolio as advantageous, as it puts us in a position to redeploy that capital into what is one of the most attractive markets for private credit in over a decade. While the SIC and MVC acquisitions have helped to diversify the portfolio, BBDC's core strategy remains reliant upon Barings' origination efforts in the middle-market and cross-platform segments.

Other key financial and operational highlights for fiscal year 2022 include:

- Net investment income of \$116 million, or \$1.12 per share
- Middle-market private debt investments of over \$856 million across 75 new portfolio companies
- Paid quarterly dividends totaling \$0.95 per share, a 16% increase over the prior year
- Increased revolver capacity by \$190 million to fund new investments

As we look ahead to the remainder of the year, one key question is how portfolios will fare amid a potentially more difficult economic backdrop. While manager performance can look similar during the good times, what we are likely to see over the next year—as the challenges at hand today materialize more meaningfully in private market portfolios—is much greater differentiation in performance. For managers that have been disciplined in the way they have pulled their capital structures together, and that have selected high-quality companies, we expect to see continued opportunities to capitalize on improving market conditions.

Ultimately, performance in this market comes down to asset selection, and BBDC seeks to drive performance in a number of ways. Our portfolio consists primarily of traditional middle market loans to companies operating in a wide array of industries, as well as differentiated and often uncorrelated investments sourced across the Barings platform. We tend to avoid investing in sectors of the economy that have higher degrees of cyclicity, and we require covenants in each transaction we execute. While it can be tempting to reach for yield in sectors of the economy that we are less comfortable with, we feel it is prudent to stay in the channels that have served us well through the ups and downs of various credit and economic cycles. As the economic backdrop becomes more challenging, it is also worth reiterating that BBDC's incentive fee is reduced or eliminated in the event of capital losses.

Managing capital is a competitive and challenging business, and we thank you again for the trust you place in us as we invest and manage your capital responsibly.



ERIC LLOYD
Chief Executive Officer

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 814-00733

Barings BDC, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

**300 South Tryon Street, Suite 2500
Charlotte, North Carolina**

(Address of principal executive offices)

06-1798488

(I.R.S. Employer Identification No.)

28202
(Zip Code)

Registrant's telephone number, including area code:
(704) 805-7200

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.001 per share	BBDC	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report.
If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting common stock held by non-affiliates of the registrant (assuming solely for the purpose of this disclosure that all executive officers, directors and 10% or more stockholders of the registrant are "affiliates") as of June 30, 2022, based on the closing price on that date of \$9.31 on the New York Stock Exchange, was \$890,410,104.

The number of shares outstanding of the registrant's common stock on February 23, 2023 was 107,916,166.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to the registrant's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the registrant's fiscal year, are incorporated by reference in Part III of this Annual Report on Form 10-K as indicated herein.

BARINGS BDC, INC.
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FORWARD-LOOKING STATEMENTS

Some of the statements in this Annual Report on Form 10-K constitute forward-looking statements because they relate to future events or our future performance or financial condition. Forward-looking statements may include, among other things, statements as to our future operating results, our business prospects and the prospects of our portfolio companies, the impact of the investments that we expect to make, the ability of our portfolio companies to achieve their objectives, our expected financings and investments, the adequacy of our cash resources and working capital, and the timing of cash flows, if any, from the operations of our portfolio companies. Words such as “expect,” “anticipate,” “target,” “goals,” “project,” “intend,” “plan,” “believe,” “seek,” “estimate,” “continue,” “forecast,” “may,” “should,” “potential,” variations of such words, and similar expressions indicate a forward-looking statement, although not all forward-looking statements include these words. Readers are cautioned that the forward-looking statements contained in this Annual Report on Form 10-K are only predictions, are not guarantees of future performance, and are subject to risks, events, uncertainties and assumptions that are difficult to predict. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the items discussed in Item 1A entitled “Risk Factors” in Part I of this Annual Report on Form 10-K and in Item 1A entitled “Risk Factors” in Part II of our subsequently filed Quarterly Reports on Form 10-Q or in other reports we may file with the Securities and Exchange Commission (the “SEC”) from time to time. Other factors that could cause our actual results and financial condition to differ materially include, but are not limited to, changes in political, economic or industry conditions, including the risks of a slowing economy, rising inflation and risk of recession; the interest rate environment or conditions affecting the financial and capital markets; the impact of global health crises, such as the ongoing COVID-19 pandemic, on our or our portfolio companies’ business and the U.S. and global economies; our, or our portfolio companies’, future business, operations, operating results or prospects; risks associated with possible disruption due to terrorism in our operations or the economy generally; and future changes in laws or regulations and conditions in our or our portfolio companies’ operating areas.

Any forward-looking statements included in this Annual Report on Form 10-K are based on our current expectations, estimates, forecasts, information and projections about the industry in which we operate and the beliefs and assumptions of our management as of the date of this Annual Report on Form 10-K. We assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless we are required to do so by law. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including subsequent annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

PART I

Item 1. *Business.*

Organization

We are a Maryland corporation incorporated on October 10, 2006. We currently operate as a closed-end, non-diversified investment company and have elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). We have elected for federal income tax purposes to be treated, and intend to qualify annually, as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986, as amended (the “Code”), for tax purposes.

Our headquarters are in Charlotte, North Carolina, and our Internet address is www.baringsbdc.com. We are not including the information contained on our website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. We make available free of charge through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (the “SEC”). Copies of this Annual Report on Form 10-K and other reports are also available without charge upon written request to us.

The Asset Sale and Externalization Transactions

In April 2018, we entered into an asset purchase agreement (the “Asset Purchase Agreement”), with BSP Asset Acquisition I, LLC (the “Asset Buyer”), an affiliate of Benefit Street Partners L.L.C., pursuant to which we agreed to sell our December 31, 2017 investment portfolio to the Asset Buyer for gross proceeds of \$981.2 million in cash, subject to certain adjustments to take into account portfolio activity and other matters occurring since December 31, 2017 (such transaction referred to herein as the “Asset Sale Transaction”). Also in April 2018, we entered into a stock purchase and transaction agreement (the “Externalization Agreement”), with Barings LLC (“Barings”) through which Barings agreed to become our investment adviser in exchange for (1) a payment by Barings of \$85.0 million, or approximately \$1.78 per share, directly to our stockholders, (2) an investment by Barings of \$100.0 million in newly issued shares of our common stock at net asset value and (3) a commitment from Barings to purchase up to \$50.0 million of shares of our common stock in the open market at prices up to and including our then-current net asset value per share for a two-year period, after which Barings agreed to use any remaining funds from the \$50.0 million to purchase additional newly-issued shares of our common stock at the greater of our then-current net asset value per share or market price (collectively, the “Externalization Transaction”). The Asset Sale Transaction and the Externalization Transaction are collectively referred to as the “Transactions.” The Transactions were approved by our stockholders at our July 24, 2018 special meeting of stockholders (the “2018 Special Meeting”).

The Externalization Transaction closed on August 2, 2018 (the “Externalization Closing”). Effective as of the Externalization Closing, we changed our name from Triangle Capital Corporation to Barings BDC, Inc. and on August 3, 2018, began trading on the New York Stock Exchange (“NYSE”) under the symbol “BBDC.”

Our former wholly-owned subsidiaries, Triangle Mezzanine Fund LLLP (“Triangle SBIC”), Triangle Mezzanine Fund II LP (“Triangle SBIC II”), and Triangle Mezzanine Fund III LP (“Triangle SBIC III”), were specialty finance limited partnerships that were formed to make investments primarily in lower middle-market companies located throughout the United States. Each of Triangle SBIC, Triangle SBIC II and Triangle SBIC III held licenses to operate as Small Business Investment Companies (“SBICs”), under the authority of the United States Small Business Administration (“SBA”). In connection with the closing of the Asset Sale Transaction, we repaid all of our outstanding SBA-guaranteed debentures and surrendered the SBIC licenses held by Triangle SBIC, Triangle SBIC II, and Triangle SBIC III. Triangle SBIC, Triangle SBIC II, and Triangle SBIC III were dissolved during the year ended December 31, 2019.

Prior to the Externalization Transaction, we were internally managed by our executive officers under the supervision of our Board of Directors (the “Board”). During this period, we did not pay management or advisory fees, but instead incurred the operating costs associated with employing executive management and investment and portfolio management professionals. In connection with the closing of the Externalization Transaction, we entered

into an investment advisory agreement (the “Original Advisory Agreement”) and an administration agreement (the “Administration Agreement”) with Barings, pursuant to which Barings serves as our investment adviser and administrator and manages our investment portfolio which initially consisted primarily of the cash proceeds received in connection with the Asset Sale Transaction.

MVC Capital, Inc. Acquisition

On December 23, 2020 we completed our acquisition of MVC Capital, Inc., a Delaware corporation (“MVC”) (the “MVC Acquisition”) pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the “MVC Merger Agreement”), dated as of August 10, 2020, with MVC, Mustang Acquisition Sub, Inc., a Delaware corporation and our wholly owned subsidiary (“MVC Acquisition Sub”), and Barings. To effect the acquisition, MVC Acquisition Sub merged with and into MVC, with MVC surviving the merger as our wholly owned subsidiary (the “First MVC Merger”). Immediately thereafter, MVC merged with and into us, with us as the surviving company (the “Second MVC Merger” and, together with the First MVC Merger, the “MVC Merger”).

Pursuant to the MVC Merger Agreement, MVC stockholders received the right to the following merger consideration in exchange for each share of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger (other than shares of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger that were held by a subsidiary of MVC or held, directly or indirectly, by us or MVC Acquisition Sub), in accordance with the MVC Merger Agreement: (i) an amount in cash from Barings, without interest, equal to \$0.39492, and (ii) 0.9790836 shares of our common stock, which ratio gave effect to the Euro-dollar exchange rate adjustment mechanism in the MVC Merger Agreement, plus cash in lieu of fractional shares. We issued approximately 17,354,332 shares of our common stock to MVC’s then-existing stockholders in connection with the MVC Merger, thereby resulting in our then-existing stockholders owning approximately 73.4% of the combined company and MVC’s then-existing stockholders owning approximately 26.6% of the combined company.

In connection with the MVC Merger, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program occurred during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and were made in accordance with applicable legal, regulatory and contractual requirements, including covenants under our senior secured credit facility with ING Capital LLC initially entered into in February 2019 (as amended, restated and otherwise modified from time to time, the “February 2019 Credit Facility”). During the year ended December 31, 2022, we repurchased a total of 207,677 shares of common stock in the open market under the authorized program at an average price of \$10.14 per share, including broker commissions. The MVC repurchase program terminated on May 6, 2022.

In connection with the MVC Acquisition on December 23, 2020, following the closing of the MVC Merger, we entered into an amended and restated investment advisory agreement (the “Amended and Restated Advisory Agreement”) with Barings, effective January 1, 2021, which amended the Original Advisory Agreement to, among other things, (i) reduce the annual base management fee payable to Barings from 1.375% to 1.250% of our gross assets, (ii) reset the commencement date for the rolling 12-quarter “look-back” provision used to calculate the income incentive fee and incentive fee cap to January 1, 2021 from January 1, 2020 and (iii) describe the fact that we may enter into guarantees, sureties and other credit support arrangements with respect to one or more of our investments, including the impact of these arrangements on the income incentive fee cap. See “Management Agreements – Investment Advisory Agreement” in this Item 1 of Part I of this Annual Report on Form 10-K for more information.

In connection with the MVC Acquisition on December 23, 2020, promptly following the closing of the MVC Merger, we entered into a Credit Support Agreement (the “MVC Credit Support Agreement”) with Barings, pursuant to which Barings has agreed to provide credit support to us in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. The MVC Credit Support Agreement is intended to give stockholders of the combined company downside protection from net cumulative realized and unrealized losses on the acquired MVC portfolio and insulate the

combined company's stockholders from potential value volatility and losses in MVC's portfolio following the closing of the MVC Merger. There is no fee or other payment by us to Barings or any of its affiliates in connection with the MVC Credit Support Agreement. Any cash payment from Barings to us under the MVC Credit Support Agreement will be excluded from the incentive fee calculations under the Amended and Restated Advisory Agreement. See "Note 2. Agreements and Related Party Transactions" and "Note. 6 Derivative Instruments" in the Notes to our Consolidated Financial Statements included in this Annual Report on Form 10-K for more information.

Sierra Income Corporation Acquisition

On February 25, 2022, we completed our acquisition of Sierra Income Corporation, a Maryland corporation ("Sierra"), pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the "Sierra Merger Agreement"), dated as of September 21, 2021, with Sierra, Mercury Acquisition Sub, Inc., a Maryland corporation and our direct wholly owned subsidiary ("Sierra Acquisition Sub"), and Barings. To effect the acquisition, Sierra Acquisition Sub merged with and into Sierra, with Sierra surviving the merger as our wholly owned subsidiary (the "First Sierra Merger"). Immediately thereafter, Sierra merged with and into us, with Barings BDC, Inc. as the surviving company (the "Second Sierra Merger" and, together with the First Sierra Merger, the "Sierra Merger").

Pursuant to the Sierra Merger Agreement, each share of Sierra common stock, par value \$0.001 per share (the "Sierra Common Stock"), issued and outstanding immediately prior to the effective time of the First Sierra Merger (other than shares of Sierra Common Stock issued and outstanding immediately prior to the effective time of the First Sierra Merger that were held by a subsidiary of Sierra or held, directly or indirectly, by us or Sierra Acquisition Sub) was converted into the right to receive (i) an amount in cash from Barings, without interest, equal to \$0.9783641, and (ii) 0.44973 shares of our common stock, plus any cash in lieu of fractional shares. As a result of the Sierra Merger, former Sierra stockholders received approximately 46.0 million shares of our common stock for their shares of Sierra Common Stock.

In connection with the Sierra Merger, on February 25, 2022, following the closing of the Sierra Merger, we entered into (1) a second amended and restated investment advisory agreement with Barings (the "New Barings BDC Advisory Agreement"), and (2) a credit support agreement (the "Sierra Credit Support Agreement") with Barings, pursuant to which Barings has agreed to provide credit support to us in the amount of up to \$100.0 million relating to the net cumulative realized and unrealized losses on the acquired Sierra investment portfolio over a 10-year period. See "Note 2. Agreements and Related Party Transactions" and "Note. 6 Derivative Instruments" in the Notes to our Consolidated Financial Statements included in this Annual Report on Form 10K for more information.

In addition, in connection with the Sierra Merger, we committed to make open-market purchases of shares of our common stock, pursuant to Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to our compliance with our covenant and regulatory requirements, in an aggregate amount of up to \$30.0 million at then-current market prices at any time the shares of our common stock trade below 90% of our then-most recently disclosed net asset value per share during the 12-month period commencing on April 1, 2022. During the year ended December 31, 2022, we had repurchased the maximum amount of \$30.0 million of common stock authorized under the Sierra share repurchase program. In total under the Sierra share repurchase program, we repurchased a total of 3,179,168 shares of common stock in the open market under the authorized program at an average price of \$9.44 per share, including broker commissions.

Overview of Our Business

Beginning in August 2018, Barings shifted our investment focus to invest in syndicated senior secured loans, bonds and other fixed income securities. Since that time, Barings has transitioned our portfolio to primarily senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries. Barings' existing Securities and Exchange Commission ("SEC") co-investment exemptive relief under the 1940 Act (the "Exemptive Relief") permits us and Barings' affiliated private and SEC-registered funds to co-invest in Barings-originated loans, which allows Barings to efficiently implement its senior secured private debt investment strategy for us.

Barings employs fundamental credit analysis, and targets investments in businesses with relatively low levels of cyclicity and operating risk. The hold size of each position will generally be dependent upon a number of

factors including total facility size, pricing and structure, and the number of other lenders in the facility. Barings has experience managing levered vehicles, both public and private, and will seek to enhance our returns through the use of leverage with a prudent approach that prioritizes capital preservation. Barings believes this strategy and approach offers attractive risk/return with lower volatility given the potential for fewer defaults and greater resilience through market cycles.

Our investment objective is to generate current income by investing directly in privately-held middle-market companies to help these companies fund acquisitions, growth or refinancing. Barings employs fundamental credit analysis, and targets investments in businesses with low levels of cyclicity (i.e., the risk of business cycles or other economic cycles adversely affecting them) and operating risk relative to other businesses in this market segment. The holding size of each position will generally be dependent upon a number of factors including total facility size, pricing and structure, and the number of other lenders in the facility. Barings has experience managing levered vehicles, both public and private, and seeks to enhance our returns through the use of leverage with a prudent approach that prioritizes capital preservation. Barings believes this strategy and approach offers attractive risk/return with lower volatility given the potential for fewer defaults and greater resilience through market cycles. A significant portion of our investments are expected to be rated below investment grade by rating agencies or, if unrated, would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as “junk,” have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal. To a lesser extent, we may make investments in syndicated loan opportunities for cash management and other purposes, which includes but is not limited to maintaining more liquid investments to manage our share repurchase program.

Relationship with Our Adviser, Barings

Our investment adviser, Barings, a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company, is a leading global asset management firm and is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Barings’ primary investment capabilities include fixed income, private credit, real estate, equity, and alternative investments. Subject to the overall supervision of the Board, Barings’ Global Private Finance Group (“Barings GPF”) manages our day-to-day operations, and provides investment advisory and management services to us. Barings GPF is part of Barings’ \$271.3 billion Global Fixed Income Platform (as of December 31, 2022) that invests in liquid, private and structured credit. Barings GPF manages private funds and separately managed accounts, along with multiple public vehicles.

Among other things, Barings (i) determines the composition of our portfolio, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of the investments made by us; (iii) executes, closes, services and monitors the investments that we make; (iv) determines the securities and other assets that we will purchase, retain or sell; (v) performs due diligence on prospective portfolio companies and (vi) provides us with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

Under the terms of the Administration Agreement, Barings (in its capacity as our Administrator) performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operation, including, but not limited to, office facilities, equipment, clerical, bookkeeping and record keeping services at such office facilities and such other services as Barings, subject to review by the Board, will from time to time determine to be necessary or useful to perform its obligations under the Administration Agreement. Barings also, on our behalf and subject to the Board’s oversight, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. Barings is responsible for the financial and other records that we are required to maintain and will prepare all reports and other materials required to be filed with the SEC or any other regulatory authority.

Included in Barings GPF is Barings North American Private Finance Team (the “U.S. Investment Team”), which consists of 50 investment professionals (as of December 31, 2022) located in three offices in the U.S. The U.S. Investment Team provides a full set of solutions to the North American middle market, including revolvers, first and second lien senior secured loans, unitranche structures, mezzanine debt and equity co-investments. The

U.S. Investment Team averages over 20 years of industry experience at the Managing Director and Director level. In addition, Barings believes that it has best-in-class support personnel, including expertise in risk management, legal, accounting, tax, information technology and compliance, among others. We expect to benefit from the support provided by these personnel in our operations.

Stockholder Approval of Reduced Asset Coverage Ratio

On July 24, 2018, our stockholders voted at the 2018 Special Meeting to approve a proposal to authorize us to be subject to a reduced asset coverage ratio of at least 150% under the 1940 Act. As a result of the stockholder approval at the 2018 Special Meeting, effective July 25, 2018, our applicable asset coverage ratio under the 1940 Act has been decreased to 150% from 200%. As a result, we are permitted under the 1940 Act to incur indebtedness at a level that is more consistent with a portfolio of senior secured debt. As of December 31, 2022, our asset coverage ratio was 183.0%.

Our Business Strategy

We seek attractive returns by generating current income primarily from directly-originated debt investments in middle-market companies located primarily in the United States. We also have investments in middle-market companies located outside the United States. Our strategy includes the following components:

- *Leveraging Barings GPFG's Origination and Portfolio Management Resources.* As of December 31, 2022 Barings GPFG has over 90 investment professionals located in seven different offices in the U.S., Europe, Australia/New Zealand and Asia. These regional investment teams have been working together in their respective regions for a number of years and have extensive experience advising, investing in and lending to companies across changing market cycles. In addition, the individual members of these teams have diverse investment backgrounds, with prior experience at investment banks, commercial banks, and privately and publicly held companies. We believe this diverse experience provides an in-depth understanding of the strategic, financial and operational challenges and opportunities of middle-market companies.
- *Utilizing Long-Standing Relationships to Source Investments.* Barings GPFG has worked diligently over decades to build strategic relationships with private equity firms globally. Based on Barings GPFG's long history of providing consistent, predictable capital to middle-market sponsors, even in periods of market dislocation, Barings believes it has a reputation as a reliable partner. Barings also maintains extensive personal relationships with entrepreneurs, financial sponsors, attorneys, accountants, investment bankers, commercial bankers and other non-bank providers of capital who refer prospective portfolio companies to us. These relationships historically have generated significant investment opportunities. We believe that this network of relationships will continue to produce attractive investment opportunities.
- *Focusing on the Middle-Market.* We primarily invest in middle-market companies. These companies tend to be privately owned, often by a private equity sponsor, and are companies that typically generate annual earnings before interest, taxes, depreciation and amortization, as adjusted ("Adjusted EBITDA"), of \$10.0 million to \$75.0 million.
- *Providing One-Stop Customized Financing Solutions.* Barings believes that Barings GPFG's ability to commit to and originate larger hold positions (in excess of \$200 million) in a given transaction is a differentiator to middle-market private equity sponsors. In today's market, it has become increasingly important to have the ability to underwrite an entire transaction, providing financial sponsors with certainty of close. Barings GPFG offers a variety of financing structures and has the flexibility to structure investments to meet the needs of our portfolio companies.
- *Applying Consistent Underwriting Policies and Active Portfolio Management.* We believe robust due diligence on each investment is paramount due to the illiquid nature of a significant portion of our assets. With limited ability to liquidate holdings, private credit investors must take a longer-term, "originate-to-hold" investment approach. Barings has implemented underwriting policies and procedures that are followed for each potential transaction. This consistent and proven fundamental underwriting process includes a thorough analysis of each potential portfolio company's competitive position, financial performance, management team operating discipline, growth potential and industry attractiveness, which Barings believes

allows it to better assess the company's prospects. After closing, Barings maintains ongoing access to both the sponsor and portfolio company management in order to closely monitor investments and suggest or require remedial actions as needed to avoid a default.

- *Maintaining Portfolio Diversification.* While we focus our investments in middle-market companies, we seek to invest across various industries and in both United States-based and foreign-based companies. Barings monitors our investment portfolio to ensure we have acceptable industry balance, using industry and market metrics as key indicators. By monitoring our investment portfolio for industry balance, we seek to reduce the effects of economic downturns associated with any particular industry or market sector. Notwithstanding our intent to invest across a variety of industries, we may from time to time hold securities of a single portfolio company that comprise more than 5.0% of our total assets and/or more than 10.0% of the outstanding voting securities of the portfolio company. For that reason, we are classified as a non-diversified management investment company under the 1940 Act.
- *Other Investments.* To a lesser extent, we will invest opportunistically in assets such as, without limitation, equity, special situations, structured credit (e.g., private asset-backed securities), syndicated loan opportunities, high yield investments and/or mortgage securities. Our special situation investments generally comprise of investments in stressed and distressed corporate debt instruments which are expected to include (but which are not limited to) senior secured loans (including assignments and participations), second lien loans and subordinated debt (including mezzanine and payment-in-kind ("PIK") securities), secured floating rate notes and secured fixed rate notes, unsecured loans, unsecured senior and subordinated corporate bonds, debentures, notes, commercial paper, convertible debt obligations, equity investments (including preferred stock and common equity instruments), hedging arrangements, other forms of subordinated debt, structured credit (e.g., asset-backed securities) and equity instruments.

Investments

Debt Investments

The terms of our directly originated debt investments in middle market companies are tailored to the facts and circumstances of each transaction and prospective portfolio company, negotiating a structure that seeks to protect lender rights and manage risk while creating incentives for the portfolio company to achieve its business plan. We also seek to limit the downside risks of our investments by negotiating covenants that are designed to protect our investments while affording our portfolio companies as much flexibility in managing their businesses as possible. Such restrictions may include affirmative and negative covenants, default penalties, lien protections, change of control provisions, put rights and a pledge of the operating companies' stock which provides us with additional exit options in downside scenarios. Other lending protections may include term loan amortization, excess cash flow sweeps (effectively additional term loan amortization), limitations on a company's ability to make acquisitions, maximums on capital expenditures and limits on allowable dividends and distributions. Further, up-front closing fees of typically 1-3% of the loan amount act effectively as pre-payment protection given the cost to a company to refinance early. Additionally, we will typically include call protection provisions effective for the first six to twelve months of an investment to enhance our potential total return.

We invest in predominately senior secured private debt investments in, well-established middle-market businesses that operate across a wide range of industries. Senior secured private debt investments are negotiated directly with the borrower, rather than marketed by a third party or bought and sold in the secondary market. We believe that negotiated senior secured private debt investments may offer higher returns and certain more favorable protections than syndicated senior secured loans. Fees generated in connection with our debt investments are recognized over the life of the loan using the effective interest method or, in some cases, recognized as earned. We invest primarily in loans that have terms of between five and seven years, and bear interest at rates ranging from LIBOR (or an applicable successor rate) plus 450 basis points to LIBOR plus 650 basis points per annum.

Equity Investments

On a limited basis, we may acquire equity interests in portfolio companies. In such cases, we generally seek to structure our equity investments as non-control investments that provide us with minority rights.

Investment Criteria

We utilize the following criteria and guidelines in evaluating investment opportunities in middle market companies. However, not all of these criteria and guidelines have been, or will be, met in connection with each of our investments.

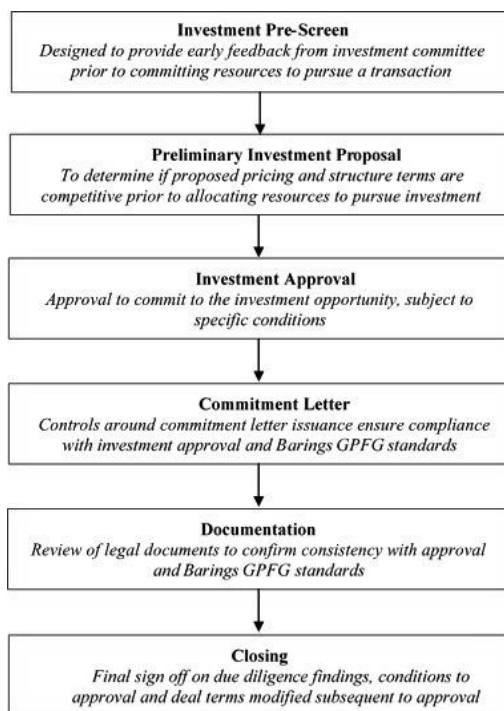
- *Established Companies With Positive Cash Flow.* We seek to invest in later-stage or mature companies with a proven history of generating positive cash flows. We typically focus on companies with a history of profitability and trailing twelve-month Adjusted EBITDA ranging from \$10.0 million to \$75.0 million.
- *Experienced Management Teams.* Based on our prior investment experience, we believe that a management team with significant experience with a portfolio company or relevant industry experience is essential to the long-term success of the portfolio company. We believe management teams with these attributes are more likely to manage the companies in a manner that protects our debt investment.
- *Strong Competitive Position.* We seek to invest in companies that have developed strong positions within their respective markets, are well positioned to capitalize on growth opportunities and compete in industries with barriers to entry. We also seek to invest in companies that exhibit a competitive advantage, which may help to protect their market position and profitability.
- *Varied Customer and Supplier Bases.* We prefer to invest in companies that have varied customer and supplier bases. Companies with varied customer and supplier bases are generally better able to endure economic downturns, industry consolidation and shifting customer preferences.
- *Significant Invested Capital.* We believe the existence of significant underlying equity value provides important support to investments. We seek to identify portfolio companies that we believe have well-structured capital beyond the layer of the capital structure in which we invest.

Investment Process

Our investment origination and portfolio monitoring activities for middle-market companies are performed by Barings GPF. The Investment Committee at Barings GPF is responsible for all aspects of our investment process for investments in middle-market companies; however, other investment committees within Barings are primarily responsible for the investment process for our opportunistic investments in special situations, structured credit (e.g., private asset-backed securities), high-yield investments and mortgage securities. Each of Barings' investment processes is designed to maximize risk-adjusted returns, minimize non-performing assets and avoid investment losses. In addition, the investment process is also designed to provide sponsors and/or prospective portfolio companies with efficient and predictable deal execution.

Origination

Barings GPFPG's typical origination process for investments in middle-market companies is summarized in the following chart:



Investment Pre-Screen

The investment pre-screen process typically begins with a review of an offering memorandum or other high-level prospect information by an investment originator. A fundamental bottoms-up credit analysis is prepared and independent third-party research is gathered in addition to the information received from the sponsor. The investment group focuses on a prospective investment's fundamentals, sponsor/source and proposed investment structure. This review may be followed by a discussion between the investment originator and an investment group head to identify investment opportunities that should be passed on, either because they fall outside of Barings GPFPG's stated investment strategy or offer an unacceptable risk-adjusted return. If the originator and investment group head agree that an investment opportunity is worth pursuing, a credit analyst assists the originator with preparation of a screening memorandum. The screening memorandum is typically discussed internally with the investment group head and other senior members of the investment group, and in certain instances, the investment group head may elect to review the screening memorandum with the investment committee prior to the preliminary investment proposal.

Preliminary Investment Proposal

Following the screening memorandum discussion, if the decision is made by the investment group head to pursue an investment opportunity, key pricing and structure terms may be communicated to the prospective borrower verbally or via a non-binding standard preliminary term sheet in order to determine whether the proposed terms are competitive.

Investment Approval

Upon acceptance by a sponsor/prospective borrower of preliminary key pricing and structure terms, the investment process continues with formal due diligence. The investment team typically attends meetings with the prospective portfolio company's management, reviews historical and forecasted financial information and third-

party diligence reports, conducts research to support preparation of proprietary financial models including both base case and downside scenarios, valuation analyses, and ultimately, an underwriting memorandum for review by the investment committee. A majority of the votes cast at a meeting at which a majority of the members of the Investment Committee is present is required to approve all investments in new middle-market portfolio companies.

Commitment Letter

For investments that require written confirmation of commitment, commitment letters are typically reviewed by Barings GPFPG's internal legal team or outside counsel. Commitment letters typically include customary conditions as well as any conditions specified by the investment committee. Such conditions could include, but are not limited to, specific confirmatory due diligence, minimum pre-close Adjusted EBITDA, minimum capitalization, satisfactory documentation, satisfactory legal due diligence and absence of material adverse change. Unless specified by the investment committee as a condition to approval, commitment letters need not include final investment committee approval as a condition precedent.

Documentation

Once an investment opportunity has been approved, negotiation of definitive legal documents occurs, usually simultaneously with completion of any third-party confirmatory due diligence. Typically, legal documentation will be reviewed by Barings GPFPG's internal legal team or by outside legal counsel to ensure that our security interest can be perfected and that all other terms of the definitive loan documents are consistent with the terms approved by the investment committee.

Closing

A closing memorandum is provided to the investment committee. The closing memorandum addresses final investment structure and pricing terms, the sources and uses of funds, any variances from the original approved terms, an update related to the prospect's financial performance and, if warranted, updates to internal financial models. The closing memorandum also addresses each of the specific conditions to the approval of the investment by the investment committee, including results of confirmatory due diligence with any exceptions or abnormalities highlighted, and includes an analysis of financial covenants with a comparison to the financial forecast prepared by management.

Portfolio Management and Investment Monitoring

Our portfolio management and investment monitoring processes are overseen by Barings. Barings' portfolio management process is designed to maximize risk-adjusted returns and identify non-performing assets well in advance of potentially adverse events in order to mitigate investment losses. Key aspects of the Barings investment and portfolio management process include:

- *Culture of Risk Management.* The investment team that approves an investment monitors the investment's performance through repayment. We believe this practice encourages accountability by connecting investment team members with the long-term performance of the investment. This also allows us to leverage the underwriting process, namely the comprehensive understanding of the risk factors associated with the investment that an investment team develops during underwriting. In addition, we seek to foster continuous interaction between investment teams and the investment committee. This frequent communication encourages the early escalation of issues to members of the investment committee to leverage their experience and expertise well in advance of potentially adverse events.
- *Ongoing Monitoring.* Each portfolio company is assigned to an analyst who is responsible for the ongoing monitoring of the investment. Upon receipt of information (financial or otherwise) relating to an investment, a preliminary review is performed by the analyst in order to assess whether the information raises any issues that require increased attention. Particular consideration is given to information which may impact the value of an asset. In the event that something material is identified, the analyst is responsible for notifying the relevant members of the deal team and investment committee.

- *Quarterly Portfolio Reviews.* All investments are reviewed on at least a quarterly basis. The quarterly portfolio reviews provide a forum to evaluate the current status of each asset and identify any recent or long-term performance trends, either positive or negative, that may affect its current valuation.
- *Focus Credit List Reviews.* Certain credits are deemed to be on the “Focus Credit List”, or a list of similar meaning and are typically reviewed on a more frequent basis. During these reviews, the investment team provides an update on the situation and discusses potential courses of action with the investment committee to ensure any mitigating steps are taken in a timely manner.
- *Sponsor Relationships.* For middle-market loans, we invest primarily in transactions backed by a private equity sponsor and when evaluating investment opportunities, we take into account the strength of the sponsor (e.g., track record, sector expertise, strategy, governance, follow-on investment capacity, relationship with Barings GPF). Having a strong relationship and staying in close contact with sponsors and management during not only the underwriting process but also throughout the life of the investment allows us to engage the sponsor and management early to address potential covenant breaks or other issues.
- *Robust Investment and Portfolio Management System.* Barings’ investment and portfolio management system serves as the central repository of data used for investment management, including both company-level metrics (e.g., probability of default, Adjusted EBITDA, geography) and asset-level metrics (e.g., price, spread/coupon, seniority). Barings portfolio management has established a set of data that analysts must update quarterly, or more frequently when appropriate, in order to produce a one-page summary for each company, which are used during quarterly portfolio reviews.

Valuation Process and Determination of Net Asset Value

The most significant estimate inherent in the preparation of our financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded. We have a valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (“ASC Topic 820”). Our current valuation policy and processes were established by Barings and were approved by the Board.

Under ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a willing buyer and a willing seller at the measurement date. For our portfolio securities, fair value is generally the amount that we might reasonably expect to receive upon the current sale of the security. The fair value measurement assumes that the sale occurs in the principal market for the security, or in the absence of a principal market, in the most advantageous market for the security. If no market for the security exists or if we do not have access to the principal market, the security should be valued based on the sale occurring in a hypothetical market.

Under ASC Topic 820, there are three levels of valuation inputs, as follows:

Level 1 Inputs – include quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs – include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs – include inputs that are unobservable and significant to the fair value measurement.

A financial instrument is categorized within the ASC Topic 820 valuation hierarchy based upon the lowest level of input to the valuation process that is significant to the fair value measurement. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized as Level 3 investments within the tables in the notes to our consolidated financial statements may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

Our investment portfolio includes certain debt and equity instruments of privately held companies for which quoted prices or other observable inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, the Adviser determines the fair value of our investments in good faith primarily using Level 3 inputs. In certain cases, quoted prices or other observable inputs exist, and if so, the Adviser assesses the appropriateness of the use of these third-party quotes in determining fair value based on (i) its understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer and (ii) the depth and consistency of broker quotes and the correlation of changes in broker quotes with underlying performance of the portfolio company.

There is no single standard for determining fair value in good faith, as fair value depends upon the specific circumstances of each individual investment. The recorded fair values of our Level 3 investments may differ significantly from fair values that would have been used had an active market for the securities existed. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. For a discussion of the risks inherent in determining the value of securities for which readily available market values do not exist, see “Risk Factors — Risks Relating to Our Business and Structure — Our investment portfolio is and will continue to be recorded at fair value as determined in accordance with the Adviser’s valuation policies and procedures and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments” included in Item 1A of Part I of this Annual Report on Form 10-K.

Investment Valuation Process

The Board must determine fair value in good faith for any or all of our investments for which market quotations are not readily available. The Board has designated Barings as valuation designee to perform the fair value determinations relating to the value of these assets. Barings has established a pricing committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets we hold. Barings uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, Barings will utilize alternative methods in accordance with internal pricing procedures established by Barings’ pricing committee.

At least annually, Barings conducts reviews of the primary pricing vendors to validate that the inputs used in the vendors’ pricing process are deemed to be market observable. While Barings is not provided access to proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process Barings continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. Barings believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (i.e. exit prices).

Our money market fund investments are generally valued using Level 1 inputs and our equity investments listed on an exchange or on the NASDAQ National Market System are valued using Level 1 inputs, using the last quoted sale price of that day. Our syndicated senior secured loans and structured product investments are generally valued using Level 2 inputs, which are generally valued at the bid quotation obtained from dealers in loans by an independent pricing service. Our middle-market, private debt and equity investments are generally valued using Level 3 inputs.

Independent Valuation

The fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. Such loans and equity investments are initially held at cost, as that is a reasonable approximation of fair value on the acquisition date, and monitored for material changes that could affect the valuation (for example, changes in interest rates or the credit quality of the borrower). At the quarter end following that of the initial acquisition, such loans and equity investments are generally sent to a valuation provider which will determine the fair value of each investment. The independent valuation providers apply various methods (synthetic rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the “discount rate”) as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of values will be provided by the valuation provider and Barings will determine the point within that range that it will use. If the Barings pricing committee disagrees with the price range provided, it may make a fair value recommendation to Barings that is outside of the range provided by the independent valuation provider and the reasons therefore. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders’ best interests, to request an independent valuation firm to perform an independent valuation on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio.

For a further discussion of our valuation procedures, see the section entitled “Critical Accounting Policies and Use of Estimates — Investment Valuation” included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Item 7 of Part II of this Annual Report on Form 10-K.

Valuation Inputs

The Adviser’s valuation techniques are based upon both observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Adviser’s market assumptions. The Adviser’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, the Adviser will utilize alternative approaches such as broker quotes or manual prices. The Adviser attempts to maximize the use of observable inputs and minimize the use of unobservable inputs. The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security.

Valuation of Investments in Jocassee, Thompson Rivers, Waccamaw River, Sierra JV and MVC Private Equity Fund LP

As Jocassee, Thompson Rivers, Waccamaw River, Sierra JV and MVC Private Equity Fund LP are investment companies with no readily determinable fair values, the Adviser estimates the fair value of our investments in these entities using net asset value of each company and our ownership percentage as a practical expedient. The net asset value is determined in accordance with the specialized accounting guidance for investment companies.

Quarterly Net Asset Value Determination

We determine the net asset value per share of our common stock on at least a quarterly basis. The net asset value per share is equal to the value of our total assets minus total liabilities and any preferred stock outstanding divided by the total number of shares of common stock outstanding.

Competition

We compete for investments with a number of investment funds including public funds, private equity funds, other BDCs, as well as traditional financial services companies such as commercial banks and other sources of financing. Some of these entities have greater financial and managerial resources than we do. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider more investments and establish more relationships than we do. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC.

We use the expertise of the investment professionals of Barings to assess investment risks and determine appropriate pricing for our investments in portfolio companies. We believe the relationship we have with Barings enables us to learn about, and compete for financing opportunities with companies in middle-market businesses that operate across a wide range of industries. For additional information concerning the competitive risks we face, see “Risk Factors — Risks Relating to Our Business and Structure — We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses” included in Item 1A of Part I of this Annual Report on Form 10-K.

Brokerage Allocation and Other Practices

We did not pay any brokerage commissions during the three years ended December 31, 2022 in connection with the acquisition and/or disposal of our investments. We generally acquire and dispose of our investments in privately negotiated transactions; therefore, we infrequently use brokers in the normal course of our business. Barings is primarily responsible for the execution of any publicly traded securities portion of our portfolio transactions and the allocation of brokerage commissions. We do not expect to execute transactions through any particular broker or dealer, but will seek to obtain the best net results for us, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm’s risk and skill in positioning blocks of securities. While we will generally seek reasonably competitive trade execution costs, we will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, if we use a broker, we may select a broker based partly upon brokerage or research services provided to us. In return for such services, we may pay a higher commission than other brokers would charge if we determine in good faith that such commission is reasonable in relation to the services provided.

Dividend Reinvestment Plan

We have adopted a dividend reinvestment plan that provides for reinvestment of our distributions on behalf of our common stockholders, unless a common stockholder elects to receive cash as provided below. As a result, if the Board authorizes, and we declare, a cash dividend, then our common stockholders who have not “opted out” of our dividend reinvestment plan will have their cash dividends automatically reinvested in additional shares of our common stock, rather than receiving the cash dividends.

No action will be required on the part of a registered common stockholder to have his or her cash dividend reinvested in shares of our common stock. A registered common stockholder may elect to receive an entire dividend in cash by notifying Computershare, Inc., the “Plan Administrator” and our transfer agent and registrar, in writing so that such notice is received by the Plan Administrator no later than three days prior to the payment date fixed by the Board for the dividend. The Plan Administrator will set up an account for shares acquired through the plan for each common stockholder who has not elected to receive dividends in cash and hold such shares in non-certificated form. Upon request by a common stockholder participating in the plan, received in writing not less than three days prior to the payment date, the Plan Administrator will, instead of crediting shares to the participant’s account, issue a certificate registered in the participant’s name for the number of whole shares of our common stock and a check for any fractional share. Those common stockholders whose shares are held by a broker or other financial intermediary may receive dividends in cash by notifying their broker or other financial intermediary of their election.

We intend to use primarily newly issued shares to implement the plan, so long as our shares are trading at or above net asset value. If our shares are trading below net asset value, we intend to purchase shares in the open market in connection with our implementation of the plan. If we use newly issued shares to implement the plan, the number of shares to be issued to a common stockholder is determined by dividing the total dollar amount of the dividend payable to such common stockholder by the market price per share of our common stock at the close of regular trading on the NYSE on the dividend payment date. Market price per share on that date will be the closing price for such shares on the NYSE or, if no sale is reported for such day, at the average of their reported bid and asked prices. If we purchase shares in the open market to implement the plan, the number of shares to be received by a common stockholder is determined by dividing the total dollar amount of the dividend payable to such common stockholder by the average price per share for all shares purchased by the Plan Administrator in the open market in connection with the dividend. The number of shares of our common stock to be outstanding after giving effect to payment of the dividend cannot be established until the value per share at which additional shares will be issued has been determined and elections of our common stockholders have been tabulated.

There will be no brokerage charges or other charges to common stockholders who participate in the plan. However, certain brokerage firms may charge brokerage charges or other charges to their customers. We will pay the Plan Administrator's fees under the plan. If a participant elects by written notice to the Plan Administrator to have the Plan Administrator sell part or all of the shares held by the Plan Administrator in the participant's account and remit the proceeds to the participant, the Plan Administrator is authorized to deduct a \$15.00 transaction fee plus a \$0.10 per share brokerage commission from the proceeds.

Common stockholders who receive dividends in the form of stock generally are subject to the same federal, state and local tax consequences as are common stockholders who elect to receive their dividends in cash. A common stockholder's basis for determining gain or loss upon the sale of stock received in a dividend from us will be equal to the total dollar amount of the dividend payable to the common stockholder. Any stock received in a dividend will have a holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. common stockholder's account. Stock received in a dividend may generate a wash sale if such shareholder sold out stock at a realized loss within 30 days either before or after such dividend.

Participants may terminate their accounts under the plan by notifying the Plan Administrator via its website at www.computershare.com/investor, by filling out the transaction request form located at the bottom of their statement and sending it to the Plan Administrator at Computershare, Inc., P.O. Box 43006, Providence, Rhode Island 02940 or by calling the Plan Administrator at (866) 228-7201.

We may terminate the plan upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend by us. All correspondence concerning the plan should be directed to the Plan Administrator by mail at Computershare, Inc., P.O. Box 43006, Providence, Rhode Island 02940.

Employees

We do not currently have any employees and do not expect to have any employees. The services necessary for our business are provided by individuals who are employees of Barings, pursuant to the terms of the New Barings BDC Advisory Agreement and our Administration Agreement. Each of our executive officers is an employee of Barings and our day-to-day investment activities are managed by Barings.

Management Agreements

On August 2, 2018, we entered into the Original Advisory Agreement and the Administration Agreement with Barings, an investment adviser registered under the Advisers Act. Our then-current board of directors unanimously approved the Original Advisory Agreement at an in-person meeting on March 22, 2018. Our stockholders approved the Original Advisory Agreement at the 2018 Special Meeting. In connection with the MVC Acquisition, we entered into the Amended and Restated Advisory Agreement on December 23, 2020, following approval of the Amended and Restated Advisory Agreement by our stockholders at our December 23, 2020 special meeting of stockholders. The Amended and Restated Advisory Agreement was approved on September 9, 2020 by the then-current Board, including a majority of the directors on the Board who are not "interested persons," as defined in Section 2(a)(19) of the 1940 Act, of the Company or Barings. The terms of the Amended and Restated Advisory Agreement became

effective on January 1, 2021. In connection with the Sierra Merger, we entered into the New Barings BDC Advisory Agreement on February 25, 2022. The New Barings BDC Advisory Agreement was most recently approved by our Board, including a majority of the directors on the Board who are not “interested persons,” as defined in Section 2(a)(19) of the 1940 Act, of the Company or Barings, on May 5, 2022.

Investment Advisory Agreement

Pursuant to the New Barings BDC Advisory Agreement, Barings manages our day-to-day operations and provides us with investment advisory services. Among other things, Barings (i) determines the composition of our portfolio, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of our investments; (iii) executes, closes, services and monitors the investments that we make; (iv) determines the securities and other assets that we will purchase, retain or sell; (v) performs due diligence on prospective portfolio companies and (vi) provides us with such other investment advisory, research and related services we may, from time to time, reasonably require for the investment of its funds.

The New Barings BDC Advisory Agreement provides that, absent fraud, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Barings, and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with Barings (collectively, the “IA Indemnified Parties”), are entitled to indemnification from us for any damages, liabilities, costs, demands, charges, claims and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) incurred by the IA Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of us or our security holders) arising out of any actions or omissions or otherwise based upon the performance of any of Barings’ duties or obligations under the New Barings BDC Advisory Agreement or otherwise as our investment adviser. Barings’ services under the New Barings BDC Advisory Agreement are not exclusive, and Barings is generally free to furnish similar services to other entities so long as its performance under the New Barings BDC Advisory Agreement is not adversely affected.

Barings has entered into a personnel-sharing arrangement with its affiliate, Baring International Investment Limited (“BIIL”). BIIL is a wholly-owned subsidiary of Baring Asset Management Limited, which in turn is an indirect, wholly-owned subsidiary of Barings. Pursuant to this arrangement, certain employees of BIIL may serve as “associated persons” of Barings and, in this capacity, subject to the oversight and supervision of Barings, may provide research and related services, and discretionary investment management and trading services (including acting as portfolio managers) to us on behalf of Barings. This arrangement is based on no-action letters of the staff of the SEC that permit SEC-registered investment advisers to rely on and use the resources of advisory affiliates or “participating affiliates,” subject to the supervision of that SEC-registered investment adviser. BIIL is a “participating affiliate” of Barings, and the BIIL employees are “associated persons” of Barings.

Under the New Barings BDC Advisory Agreement, we pay Barings (i) a base management fee (the “Base Management Fee”) and (ii) an incentive fee (the “Incentive Fee”) as compensation for the investment advisory and management services it provides us thereunder.

Pre-January 1, 2021 Base Management Fee

For the period from January 1, 2020 through December 31, 2020, the Base Management Fee was calculated based on our gross assets, including the MVC Credit Support Agreement, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.375%.

The Base Management Fee was payable quarterly in arrears on a calendar quarter basis. The Base Management Fee was calculated based on the average value of our gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter were appropriately pro-rated.

Post-December 31, 2020 Base Management Fee

Beginning January 1, 2021, the Base Management Fee is calculated based on our gross assets, including the credit support agreements, assets purchased with borrowed funds or other forms of leverage and excluding cash and

cash equivalents, at an annual rate of 1.25%. The Base Management Fee is payable quarterly in arrears on a calendar quarter basis, and is calculated based on the average value of our gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter will be appropriately pro-rated.

Pre-January 1, 2021 Incentive Fee

For the period from August 2, 2018 through December 31, 2020, under the Original Advisory Agreement, the Incentive Fee was comprised of two parts: (1) a portion based on our pre-incentive fee net investment income (the “Pre-2021 Income-Based Fee”) and (2) a portion based on the net capital gains received on our portfolio of securities on a cumulative basis for each calendar year, net of all realized capital losses and all unrealized capital depreciation for that same calendar year (the “Pre-2021 Capital Gains Fee”).

The Pre-2021 Income-Based Fee was calculated as follows:

- (i) For each quarter from and after August 2, 2018 through December 31, 2019 (the “Pre-2020 Period”), the Pre-2021 Income-Based Fee was calculated and payable quarterly in arrears based on the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter for which such fees were being calculated. In respect of the Pre-2020 Period, “Pre-Incentive Fee Net Investment Income” meant interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the relevant calendar quarter, minus our operating expenses for such quarter (including the Base Management Fee, expenses payable under the Administration Agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee Net Investment Income included, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income did not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.
- (ii) For each quarter beginning on and after January 1, 2020 (the “Post-2019 Period”), the Pre-2021 Income-Based Fee was calculated and payable quarterly in arrears based on the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter and the eleven preceding calendar quarters (or such fewer number of preceding calendar quarters counting each calendar quarter beginning on or after January 1, 2020) (each such period referred to as the “Pre-2021 Trailing Twelve Quarters”) for which such fees were being calculated and was payable promptly following the filing of the Company’s financial statements for such quarter. In respect of the Post-2019 Period, “Pre-Incentive Fee Net Investment Income” meant interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that we receive from portfolio companies) accrued during the relevant Pre-2021 Trailing Twelve Quarters, minus our operating expenses for such Pre-2021 Trailing Twelve Quarters (including the Base Management Fee, expenses payable under the Administration Agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee) divided by the number of quarters that comprise the relevant Pre-2021 Trailing Twelve Quarters. Pre-Incentive Fee Net Investment Income included, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income did not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.
- (iii) Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets (defined as total assets less senior securities constituting indebtedness and preferred stock) at the end of the calendar quarter for which such fees were being calculated, was compared to a “hurdle rate”, expressed as a rate of return on the value of our net assets at the end of the most recently completed calendar quarter, of 2% per quarter (8% annualized). We paid Barings the Pre-2021 Income-Based Fee with respect to our Pre-Incentive Fee Net Investment Income in each calendar quarter as follows:

- (1) (a) With respect to the Pre-2020 Period, no Pre-2021 Income-Based Fee for any calendar quarter in which our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) did not exceed the hurdle rate;

(b) With respect to the Post-2019 Period, no Pre-2021 Income-Based Fee for any calendar quarter in which our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) did not exceed the hurdle rate;
- (2) (a) With respect to the Pre-2020 Period, 100% of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income for such quarter, if any, that exceeded the hurdle rate but was less than 2.5% (10% annualized) (the “Pre-2020 Catch-Up Amount”). The Pre-2020 Catch-Up Amount was intended to provide Barings with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) when our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) reached 2% per quarter (8% annualized);

(b) With respect to the Post-2019 Period, 100% of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above), if any, that exceeded the hurdle rate but was less than 2.5% (10% annualized) (the “Post-2019 Catch-Up Amount”). The Post-2019 Catch-Up Amount was intended to provide Barings with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) when our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) reached 2% per quarter (8% annualized);
- (3) (a) With respect to the Pre-2020 Period, 20% of the amount of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for such quarter, if any, that exceeded the Pre-2020 Catch-Up Amount; and

(b) With respect to the Post-2019 Period, 20% of the amount of our Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above), if any, that exceeded the Post-2019 Catch-Up Amount.

However, with respect to the Post-2019 Period, the Pre-2021 Income-Based Fee paid to Barings would in no event be in excess of the Pre-2021 Incentive Fee Cap. With respect to the Post-2019 Period, the “Pre-2021 Incentive Fee Cap” for any quarter was an amount equal to (a) 20% of the Cumulative Net Return (as defined below) during the relevant Pre-2021 Trailing Twelve Quarters minus (b) the aggregate Pre-2021 Income-Based Fee that was paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Pre-2021 Trailing Twelve Quarters.

Cumulative Net Return meant (x) the aggregate net investment income in respect of the relevant Pre-2021 Trailing Twelve Quarters minus (y) any Net Capital Loss (as defined below), if any, in respect of the relevant Pre-2021 Trailing Twelve Quarters. If, in any quarter, the Pre-2021 Incentive Fee Cap was zero or a negative value, we paid no Pre-2021 Income-Based Fee to Barings for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was a positive value but was less than the Pre-2021 Income-Based Fee that was payable to Barings for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, we paid a Pre-2021 Income-Based Fee to Barings equal to the Pre-2021 Incentive Fee Cap for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was equal to or greater than the Pre-2021 Income-Based Fee that was payable to Barings for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, we paid a Pre-2021 Income-Based Fee to Barings equal to the Pre-2021 Income-Based Fee calculated as described above for such quarter without regard to the Pre-2021 Incentive Fee Cap.

Net Capital Loss in respect of a particular period meant the difference, if positive, between (i) aggregate capital losses, whether realized or unrealized, in such period and (ii) aggregate capital gains, whether realized or unrealized, in such period.

The Pre-2021 Capital Gains Fee was determined and payable in arrears as of the end of each calendar year, commencing with the calendar year ended on December 31, 2018, and was calculated at the end of each applicable year by subtracting (1) the sum of our cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) our cumulative aggregate realized capital gains, in each case calculated from August 2, 2018. If such amount was positive at the end of such year, then the Pre-2021 Capital Gains Fee payable for such year was equal to 20% of such amount, less the cumulative aggregate amount of Pre-2021 Capital Gains Fees paid in all prior years. If such amount was negative, then there was no Pre-2021 Capital Gains Fee payable for such year.

Post-December 31, 2020 Incentive Fee

Following December 31, 2020, the Incentive Fee continues to consist of two components that are independent of each other, with the result that one component may be payable even if the other is not. A portion of the Incentive Fee is based on our income (the “Income-Based Fee”) and a portion is based on our capital gains (the “Capital Gains Fee”), each as described below:

- (i) The Income-Based Fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate “Pre-Incentive Fee Net Investment Income” (as defined below) in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of our first eleven calendar quarters that commences on or after January 1, 2021) (in either case, the “Trailing Twelve Quarters”) exceeds (y) the Hurdle Amount (as defined below) in respect of the Trailing Twelve Quarters. The Hurdle Amount will be determined on a quarterly basis, and will be calculated by multiplying 2.0625% (8.25% annualized) by the aggregate of our net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. For this purpose, “Pre-Incentive Fee Net Investment Income” means interest income, dividend income and any other income (including, without limitation, any accrued income that we have not yet received in cash and any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses accrued during the calendar quarter (including, without limitation, the Base Management Fee, administration expenses and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Income-Based Fee and the Capital Gains Fee). For the avoidance of doubt, Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The calculation of the Income-Based Fee for each quarter is as follows:

- (A) No Income-Based Fee will be payable to Barings in any calendar quarter in which our aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters does not exceed the Hurdle Amount;
- (B) 100% of our aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters, if any, that exceeds the Hurdle Amount but is less than or equal to an amount (the “Catch-Up Amount”) determined on a quarterly basis by multiplying 2.578125% (10.3125% annualized) by our net asset value at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. The Catch-Up Amount is intended to provide Barings with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income when our Pre-Incentive Fee Net Investment Income reaches the Catch-Up Amount for the Trailing Twelve Quarters; and
- (C) For any quarter in which our aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters exceeds the Catch-Up Amount, the Income-Based Fee shall equal 20% of the amount of our Pre-Incentive Fee Net Investment Income for such Trailing Twelve Quarters, as the Hurdle Amount and Catch-Up Amount will have been achieved.

Subject to the Incentive Fee Cap described below, the amount of the Income-Based Fee that will be paid to Barings for a particular quarter will equal the excess of the aggregate Income-Based Fee so calculated less the

aggregate Income-Based Fees that were paid to Barings in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters.

- (ii) The Income-Based Fee is subject to a cap (the “Incentive Fee Cap”). The Incentive Fee Cap in any quarter is an amount equal to (a) 20% of the Cumulative Pre-Incentive Fee Net Return (as defined below) during the relevant Trailing Twelve Quarters less (b) the aggregate Income-Based Fee that were paid to Barings in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters. For this purpose, “Cumulative Pre-Incentive Fee Net Return” during the relevant Trailing Twelve Quarters means (x) Pre-Incentive Fee Net Investment Income in respect of the Trailing Twelve Quarters less (y) any Net Capital Loss, if any, in respect of the Trailing Twelve Quarters. If, in any quarter, the Incentive Fee Cap is zero or a negative value, we will pay no Income-Based Fee to Barings in that quarter. If, in any quarter, the Incentive Fee Cap is a positive value but is less than the Income-Based Fee calculated in accordance with paragraph (i) above, we will pay Barings the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap is equal to or greater than the Income-Based Fee calculated in accordance with paragraph (i) above, we will pay Barings the Income-Based Fee for such quarter.

“Net Capital Loss” in respect of a particular period means the difference, if positive, between (i) aggregate capital losses on our assets, whether realized or unrealized, in such period and (ii) aggregate capital gains or other gains on our assets (including, for the avoidance of doubt, the value ascribed to any credit support arrangement in our financial statements even if such value is not categorized as a gain therein), whether realized or unrealized, in such period.

- (iii) The second part of the Incentive Fee (the “Capital Gains Fee”) will be determined and payable in arrears as of the end of each calendar year (or upon termination of the New Barings BDC Advisory Agreement), commencing with the calendar year ended on December 31, 2018, and is calculated at the end of each applicable year by subtracting (1) the sum of our cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) our cumulative aggregate realized capital gains, in each case calculated from August 2, 2018. If such amount is positive at the end of such year, then the Capital Gains Fee payable for such year is equal to 20% of such amount, less the cumulative aggregate amount of Capital Gains Fees paid in all prior years commencing with the calendar year ended on December 31, 2018. If such amount is negative, then there is no Capital Gains Fee payable for such year. If this Agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying a Capital Gains Fee.

Under the New Barings BDC Advisory Agreement, the “cumulative aggregate realized capital gains” are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in our portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The “cumulative aggregate realized capital losses” are calculated as the sum of the differences, if negative, between (a) the net sales price of each investment in our portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The “aggregate unrealized capital depreciation” is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in our portfolio as of the applicable Capital Gains Fee calculation date and (b) the accreted or amortized cost basis of such investment.

Under the New Barings BDC Advisory Agreement, the “accreted or amortized cost basis of an investment” shall mean the accreted or amortized cost basis of such investment as reflected in our financial statements.

Payment of Company Expenses

Under the New Barings BDC Advisory Agreement, all investment professionals of Barings and its staff, when and to the extent engaged in providing services required to be provided by Barings under the New Barings BDC Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by Barings and not by us, except that all costs and expenses relating to our

operations and transactions, including, without limitation, those items listed in the New Barings BDC Advisory Agreement, will be borne by us.

Duration and Termination of Advisory Agreement

The New Barings BDC Advisory Agreement was most recently approved on May 5, 2022 by our Board, including a majority of the directors on the Board who are not “interested persons,” as defined in Section 2(a)(19) of the 1940 Act, of the Company or Barings, for an additional one-year term ending on December 23, 2023. Thereafter, it will continue automatically for successive one-year periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board, or by the vote of a majority of the outstanding voting securities of the Company, and (ii) the vote of a majority of the directors on the Board who are not “interested persons,” as defined in Section 2(a)(19) of the 1940 Act, of the Company or Barings. The New Barings BDC Advisory Agreement may be terminated at any time, without the payment of any penalty, upon 60 days’ written notice, (i) by the vote of a majority of the outstanding voting securities of the Company or (ii) by the vote of the Board, or (iii) by the Adviser. The New Barings BDC Advisory Agreement will automatically terminate in the event of its “assignment” (as such term is defined under the 1940 Act).

Administration Agreement

Under the terms of the Administration Agreement, Barings performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operation, including, but not limited to, office facilities, equipment, clerical, bookkeeping and record-keeping services at such office facilities and such other services as Barings, subject to review by the Board, from time to time, determines to be necessary or useful to perform its obligations under the Administration Agreement. Barings also, on our behalf and subject to oversight by the Board, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, valuation experts, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

We will reimburse Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount to be negotiated and mutually agreed to by us and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by us under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. The costs and expenses incurred by Barings on our behalf under the Administration Agreement include, but are not limited to:

- the allocable portion of Barings’ rent for our Chief Financial Officer and Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the usage thereof by such personnel in connection with their performance of administrative services under the Administration Agreement;
- the allocable portion of the salaries, bonuses, benefits and expenses of our Chief Financial Officer and Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the time spent by such personnel in connection with performing administrative services for us under the Administration Agreement;
- the actual cost of goods and services used for us and obtained by Barings from entities not affiliated with us, which is reasonably allocated to us on the basis of assets, revenues, time records or other methods conforming with generally accepted accounting principles;
- all fees, costs and expenses associated with the engagement of a sub-administrator, if any; and
- costs associated with (a) the monitoring and preparation of regulatory reporting, including registration statements and amendments thereto, prospectus supplements, and tax reporting, (b) the coordination and oversight of service provider activities and the direct cost of such contractual

matters related thereto and (c) the preparation of all financial statements and the coordination and oversight of audits, regulatory inquiries, certifications and sub-certifications.

The Administration Agreement will continue automatically for successive annual periods so long as such continuance is specifically approved at least annually by the Board, including a majority of the independent directors. The Administration Agreement may be terminated at any time, without the payment of any penalty, by vote of the Board, or by Barings, upon 60 days' written notice to the other party. The Administration Agreement may not be assigned by a party without the consent of the other party.

Election to be Regulated as a Business Development Company and Regulated Investment Company

We are a closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. In addition, we have elected to be treated, and intend to qualify annually, as a RIC under Subchapter M of the Code. Our election to be regulated as a BDC and our election to be treated as a RIC for U.S. federal income tax purposes have a significant impact on our operations. Some of the most important effects on our operations of our election to be regulated as a BDC and our election to be treated as a RIC are outlined below.

- **We report our investments at market value or fair value with changes in value reported through our consolidated statements of operations.**

In accordance with the requirements of Article 6 of Regulation S-X, we report all of our investments, including debt investments, at market value or, for investments that do not have a readily available market value, at their "fair value" in accordance with the Barings valuation policy. Changes in these values are reported through our statements of operations under the caption of "net unrealized appreciation (depreciation) of investments." See "Valuation Process and Determination of Net Asset Value" above.

- **We intend to distribute substantially all of our income to our stockholders. We generally will be required to pay income taxes only on the portion of our taxable income we do not distribute, actually or constructively, to stockholders.**

As a RIC, so long as we meet certain minimum distribution, source-of-income and asset diversification requirements, we generally are required to pay U.S. federal income taxes only on the portion of our taxable income and gains we do not distribute (actually or constructively) and certain built-in gains. We intend to distribute to our stockholders substantially all of our income. We may, however, make deemed distributions to our stockholders of any retained net long-term capital gains. If this happens, our stockholders will be treated as if they received an actual distribution of the net capital gains and reinvested the net after-tax proceeds in us. Our stockholders also may be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to their allocable share of the corporate-level U.S. federal income tax we pay on the deemed distribution. See "Material U.S. Federal Income Tax Considerations." We met the minimum distribution requirements for 2020, 2021 and 2022 and continually monitor our distribution requirements with the goal of ensuring compliance with the Code.

In addition, we have wholly-owned taxable subsidiaries, or the Taxable Subsidiaries, which hold a portion of one or more of our portfolio investments that are listed on the Consolidated Schedule of Investments. The Taxable Subsidiaries are consolidated for financial reporting purposes in accordance with U.S. GAAP, so that our consolidated financial statements reflect our investments in the portfolio companies owned by the Taxable Subsidiaries. The purpose of the Taxable Subsidiaries is to permit us to hold certain interests in portfolio companies that are organized as partnerships or limited liability companies, or LLCs (or other forms of pass-through entities) and still satisfy the RIC tax requirement that at least 90.0% of our gross income for U.S. federal income tax purposes must consist of qualifying investment income. Absent the Taxable Subsidiaries, a proportionate amount of any gross income of a partnership or LLC (or other pass-through entity) portfolio investment would flow through directly to us. To the extent that such income did not consist of investment income, it could jeopardize our ability to qualify as a RIC and therefore cause us to incur significant amounts of corporate-level U.S. federal income taxes. Where interests in partnerships or LLCs (or other pass-through entities) are owned by the Taxable Subsidiaries, however, the income from such interests is taxed to the Taxable Subsidiaries and does not flow through to us, thereby helping us preserve our RIC status and resultant tax advantages. The Taxable Subsidiaries are not consolidated for U.S. federal income tax purposes and may

generate income tax expense as a result of its ownership of the portfolio companies. This income tax expense, if any, is reflected in our Statement of Operations.

- **Our ability to use leverage as a means of financing our portfolio of investments is limited.**

As a BDC, and as a result of the stockholder vote to approve the proposal to authorize us to be subject to the reduced asset coverage ratio of at least 150% under the 1940 Act, we are required to meet a coverage ratio of total assets to total senior securities of at least 150%. For this purpose, senior securities include all borrowings and any preferred stock we may issue in the future. Additionally, our ability to continue to utilize leverage as a means of financing our portfolio of investments may be limited by this asset coverage test.

- **We are required to comply with the provisions of the 1940 Act applicable to business development companies.**

As a BDC, we are required to have a majority of directors who are not “interested persons” under the 1940 Act. In addition, we are required to comply with other applicable provisions of the 1940 Act, including those requiring the adoption of a code of ethics, fidelity bonding and investment custody arrangements. See “Regulation of Business Development Companies” below.

Exemptive Relief

As a BDC, we are required to comply with certain regulatory requirements. For example, we generally are not permitted to make loans to companies controlled by Barings or other funds managed by Barings. We are also not permitted to make any co-investments with Barings or its affiliates (including any fund managed by Barings or an investment adviser controlling, controlled by or under common control with Barings) without exemptive relief from the SEC, subject to certain exceptions. The Exemptive Relief that the SEC has granted to Barings permits certain present and future funds, including us, advised by Barings (or an investment adviser controlling, controlled by or under common control with Barings) to co-invest in suitable negotiated investments. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

Regulation of Business Development Companies

The following is a general summary of the material regulatory provisions affecting BDCs. It does not purport to be a complete description of all of the laws and regulations affecting BDCs.

We have elected to be regulated as a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates, principal underwriters and affiliates of those affiliates or underwriters. The 1940 Act requires that a majority of the directors on a BDC's board of directors be persons other than “interested persons,” as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities.

In addition, the 1940 Act defines “a majority of the outstanding voting securities” as the lesser of (i) 67.0% or more of the voting securities present at a meeting if the holders of more than 50.0% of our outstanding voting securities are present or represented by proxy, or (ii) 50.0% of our voting securities.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70.0% of the company's total assets. The principal categories of qualifying assets relevant to our business are any of the following:

- (1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio

company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act and rules adopted pursuant thereto as any issuer which:

(a) is organized under the laws of, and has its principal place of business in, the United States;

(b) is not an investment company (other than an SBIC wholly-owned by the BDC) or a company that would be an investment company but for exclusions under the 1940 Act for certain financial companies such as banks, brokers, commercial finance companies, mortgage companies and insurance companies; and

(c) satisfies any of the following:

(i) does not have any class of securities with respect to which a broker or dealer may extend margin credit;

(ii) is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company;

(iii) is a small and solvent company having total assets of not more than \$4.0 million and capital and surplus of not less than \$2.0 million;

(iv) does not have any class of securities listed on a national securities exchange; or

(v) has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than \$250.0 million.

(2) Securities in companies that were eligible portfolio companies when we made our initial investment if certain other requirements are satisfied.

(3) Securities of any eligible portfolio company that we control.

(4) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance (other than conventional lending or financing arrangements).

(5) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60.0% of the outstanding equity of the eligible portfolio company.

(6) Securities received in exchange for or distributed on or with respect to securities described in (1) through (5) above, or pursuant to the exercise of warrants or rights relating to such securities.

(7) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2), (3) or (4) above.

Managerial Assistance to Portfolio Companies

In order to count portfolio securities as qualifying assets for the purpose of the 70.0% test, we must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where we purchase such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available “significant managerial assistance” means, among other things, any arrangement whereby we, through our directors, officers or employees, offer to provide, and, if accepted, do so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Barings provides such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services.

Temporary Investments

Pending investment in other types of “qualifying assets,” as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70.0% of our assets are qualifying assets. We may invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. Government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25.0% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the asset diversification tests required to maintain our tax treatment as a RIC for U.S. federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our management team will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

On July 24, 2018, our stockholders voted at the 2018 Special Meeting to approve a proposal to authorize us to be subject to a reduced asset coverage ratio of at least 150% under the 1940 Act. As a result of the stockholder approval at the 2018 Special Meeting, effective July 25, 2018, our applicable asset coverage ratio under the 1940 Act decreased to 150% from 200%. Thus, we are permitted, under specified conditions, to issue multiple classes of debt and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150% immediately after each such issuance. In addition, while any senior securities remain outstanding (other than senior securities representing indebtedness issued in consideration of a privately arranged loan which is not intended to be publicly distributed), we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5.0% of the value of our total assets for temporary purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see “Item 1A.— Risk Factors Risks Relating to Our Business and Structure — Incurring additional leverage may magnify our exposure to risks associated with changes in leverage, including fluctuations in interest rates that could adversely affect our profitability” included in this Annual Report on Form 10-K.

Code of Business Conduct and Ethics and Corporate Governance Guidelines

We and Barings have adopted a code of ethics (the “Global Code of Ethics Policy”) and corporate governance guidelines, which collectively cover ethics and business conduct. These documents apply to our and Barings’ directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and any person performing similar functions, and establish procedures for personal investments and restrict certain personal securities transactions. Personnel subject to the Global Code of Ethics Policy and corporate governance guidelines may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements. Our Global Code of Ethics Policy and corporate governance guidelines are publicly

available on the Investor Relations section of our website under “Corporate Governance” at <https://ir.barings.com/governance-docs>. We will report any amendments to or waivers of a required provision of our Global Code of Ethics Policy and corporate governance guidelines on our website or in a Current Report on Form 8-K. Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider that information to be part of this Annual Report on Form 10-K.

Compliance Policies and Procedures

We and Barings have adopted and implemented written policies and procedures reasonably designed to prevent violation of the U.S. federal securities laws, and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation, and to designate a chief compliance officer to be responsible for administering such policies and procedures. Gregory MacCordy serves as our Chief Compliance Officer.

Proxy Voting Policies and Procedures

We delegate our proxy voting responsibilities to Barings. Barings votes proxies relating to our portfolio securities in a manner which we believe will be in the best interest of our stockholders. Barings reviews on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although Barings generally votes against proposals that may have a negative impact on our portfolio securities, they may vote for such a proposal if there exists compelling long-term reasons to do so.

The proxy voting decisions of Barings are made by the investment professionals who are responsible for monitoring each of its clients’ investments. To ensure that their vote is not the product of a conflict of interest, Barings requires that: (i) anyone involved in the decision making process disclose to our chief compliance officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal in order to reduce any attempted influence from interested parties.

Stockholders may, without charge, obtain information regarding how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202 or by calling our investor relations department at 888-401-1088.

Other

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of those members of the Board who are not interested persons and, in some cases, prior approval by the SEC. The 1940 Act prohibits us from making certain negotiated co-investments with affiliates absent prior approval of the SEC. Barings’ existing Exemptive Relief permits us and Barings’ affiliated private funds and SEC-registered funds to co-invest in loans originated by Barings, which allows Barings to implement its senior secured private debt investment strategy for us.

We are periodically examined by the SEC for compliance with the 1940 Act.

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person’s office.

Securities Exchange Act of 1934 and Sarbanes-Oxley Act Compliance

We are subject to the reporting and disclosure requirements of the Exchange Act, including the filing of quarterly, annual and current reports, proxy statements and other required items. In addition, we are subject to the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), which imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. For example:

- pursuant to Rule 13a-14 of the Exchange Act, our Chief Executive Officer and Chief Financial Officer are required to certify the accuracy of the financial statements contained in our periodic reports;
- pursuant to Item 307 of Regulation S-K, our periodic reports are required to disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management is required to prepare a report regarding its assessment of our internal control over financial reporting and must obtain an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal control over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The New York Stock Exchange Corporate Governance Regulations

The NYSE has adopted corporate governance regulations that listed companies must comply with. We believe we currently are in compliance with such corporate governance listing standards. We intend to monitor our compliance with all future listing standards and to take all necessary actions to ensure that we stay in compliance.

Material U.S. Federal Income Tax Considerations

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to us and to an investment in our shares. This summary does not purport to be a complete description of the income tax considerations applicable to us or to investors in such an investment. For example, we have not described tax consequences that we assume to be generally known by investors or certain considerations that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts, financial institutions, U.S. stockholders (as defined below) whose functional currency is not the U.S. dollar, persons who mark-to-market our shares and persons who hold our shares as part of a “straddle,” “hedge” or “conversion” transaction. This summary assumes that investors hold shares of our common stock as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this Annual Report on Form 10-K and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

For purposes of our discussion, a “U.S. stockholder” means a beneficial owner of shares of our common stock that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in place to be treated as a U.S. person.

For purposes of our discussion, a “Non-U.S. stockholder” means a beneficial owner of shares of our common stock that is neither a U.S. stockholder nor a partnership (including an entity treated as a partnership for U.S. federal income tax purposes).

If an entity treated as a partnership for U.S. federal income tax purposes (a “partnership”) holds shares of our common stock, the tax treatment of a partner or member of the partnership will generally depend upon the status of the partner or member and the activities of the partnership. A prospective stockholder that is a partner or member in a partnership holding shares of our common stock should consult his, her or its tax advisors with respect to the purchase, ownership and disposition of shares of our common stock.

Tax matters are very complicated and the tax consequences to an investor of an investment in our shares will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any changes in the tax laws.

Election to be Taxed as a RIC

We have qualified and elected to be treated as a RIC under Subchapter M of the Code commencing with our taxable year ended December 31, 2007. As a RIC, we generally are not subject to corporate-level U.S. federal income taxes on any income that we distribute to our stockholders from our tax earnings and profits. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to obtain RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our “investment company taxable income” (“ICTI”), which is generally our net ordinary income plus the excess, if any, of realized net short-term capital gain over realized net long-term capital loss, (the “Annual Distribution Requirement”). Even if we qualify for tax treatment as a RIC, we generally will be subject to corporate-level U.S. federal income tax on our undistributed taxable income and could be subject to U.S. federal excise, state, local and foreign taxes.

Taxation as a RIC

Provided that we qualify for tax treatment as a RIC, we will not be subject to U.S. federal income tax on the portion of our ICTI and net capital gain (which we define as net long-term capital gain in excess of net short-term capital loss) that we timely distribute to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (i) 98.0% of our ordinary income for each calendar year, (ii) 98.2% of our capital gain net income for the calendar year and (iii) any income recognized, but not distributed, in preceding years and on which we paid no U.S. federal income tax.

In order to qualify for tax treatment as a RIC for U.S. federal income tax purposes, we must, among other things:

- meet the Annual Distribution Requirement;
- qualify to be treated as a BDC or be registered as a management investment company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock or other securities or foreign currencies or other income derived with respect to our business of investing in such stock, securities or currencies and net income derived from an interest in a “qualified publicly traded partnership” (as defined in the Code), or the 90% Income Test; and
- diversify our holdings so that at the end of each quarter of the taxable year:
 - at least 50% of the value of our assets consists of cash, cash equivalents, U.S. Government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer (which for these purposes includes the equity securities of a “qualified publicly traded partnership”); and
 - no more than 25% of the value of our assets is invested in the securities, other than U.S. Government securities or securities of other RICs, (i) of one issuer (ii) of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) of one or more “qualified publicly traded partnerships,” or the Diversification Tests.

To the extent that we invest in entities treated as partnerships for U.S. federal income tax purposes (other than a “qualified publicly traded partnership”), we generally must include the items of gross income derived by the partnerships for purposes of the 90% Income Test, and the income that is derived from a partnership (other than a “qualified publicly traded partnership”) will be treated as qualifying income for purposes of the 90% Income Test only to the extent that such income is attributable to items of income of the partnership which would be qualifying income if realized by us directly. In addition, we generally must take into account our proportionate share of the assets held by partnerships (other than a “qualified publicly traded partnership”) in which we are a partner for purposes of the Diversification Tests.

In order to meet the 90% Income Test, we utilize the Taxable Subsidiaries, and in the future may establish additional such corporations, to hold assets from which we do not anticipate earning dividend, interest or other qualifying income under the 90% Income Test. Any investments held through the Taxable Subsidiaries generally are subject to U.S. federal income and other taxes, and therefore we can expect to achieve a reduced after-tax yield on such investments.

We may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash.

Because any original issue discount or other amounts accrued will be included in our ICTI for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement and to avoid the 4.0% U.S. federal excise tax, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the Annual Distribution Requirement necessary to obtain and maintain RIC tax treatment under the Code. We may have to sell some of our investments at

times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax.

Furthermore, a portfolio company in which we invest may face financial difficulty that requires us to work-out, modify or otherwise restructure our investment in the portfolio company. Any such restructuring may result in unusable capital losses and future non-cash income. Any restructuring may also result in our recognition of a substantial amount of non-qualifying income for purposes of the 90% Income Test, such as cancellation of indebtedness income in connection with the work-out of a leveraged investment (which, while not free from doubt, may be treated as non-qualifying income) or the receipt of other non-qualifying income.

Gain or loss realized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term, depending on how long we held a particular warrant.

Investments by us in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes, and therefore, our yield on any such securities may be reduced by such non-U.S. taxes. Stockholders will generally not be entitled to claim a credit or deduction with respect to non-U.S. taxes paid by us.

If we purchase shares in a “passive foreign investment company,” or PFIC, we may be subject to U.S. federal income tax on a portion of any “excess distribution” or gain from the disposition of such shares even if such income is distributed as a taxable dividend by us to our stockholders. Additional charges in the nature of interest may be imposed on us in respect of deferred taxes arising from such distributions or gains. If we invest in a PFIC and elect to treat the PFIC as a “qualified electing fund” under the Code, or QEF, in lieu of the foregoing requirements, we will be required to include in income each year a portion of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed to it. Alternatively, we can elect to mark-to-market at the end of each taxable year our shares in a PFIC; in this case, we will recognize as ordinary income any increase in the value of such shares and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in income. Under either election, we may be required to recognize in a year income in excess of our distributions from PFICs and our proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the 4% U.S. federal excise tax.

Under Section 988 of the Code, gain or loss attributable to fluctuations in exchange rates between the time we accrue income, expenses, or other liabilities denominated in a foreign currency and the time we actually collect such income or pay such expenses or liabilities are generally treated as ordinary income or loss. Similarly, gain or loss on foreign currency forward contracts and the disposition of debt denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also treated as ordinary income or loss.

We are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. Under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. See “Regulation of Business Development Companies — Qualifying Assets” and “Regulation of Business Development Companies — Senior Securities” above. Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (i) the illiquid nature of our portfolio and/or (ii) other requirements relating to our tax treatment as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid the excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

If we fail to satisfy the Annual Distribution Requirement or otherwise fail to qualify for tax treatment as a RIC in any taxable year, we will be subject to tax in that year on all of our taxable income, regardless of whether we make any distributions to our stockholders. In that case, all of such income will be subject to corporate-level U.S. federal income tax, reducing the amount available to be distributed to our stockholders. See “Failure To Obtain RIC Tax Treatment” below.

As a RIC, we are not allowed to carry forward or carry back a net operating loss for purposes of computing our ICTI in other taxable years. U.S. federal income tax law generally permits a RIC to carry forward (i) the excess of its

net short-term capital loss over its net long-term capital gain for a given year as a short-term capital loss arising on the first day of the following year and (ii) the excess of its net long-term capital loss over its net short-term capital gain for a given year as a long-term capital loss arising on the first day of the following year. Future transactions we engage in may cause our ability to use any capital loss carryforwards, and unrealized losses once realized, to be limited under Section 382 of the Code. Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert lower taxed long-term capital gain and qualified dividend income into higher taxed short-term capital gain or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause us to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the characterization of certain complex financial transactions and (vii) produce income that will not be qualifying income for purposes of the 90% Income Test. We will monitor our transactions and may make certain tax elections in order to mitigate the effect of these provisions.

As described above, to the extent that we invest in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes, the effect of such investments for purposes of the 90% Income Test and the Diversification Tests will depend on whether or not the partnership is a “qualified publicly traded partnership” (as defined in the Code). If the entity is a “qualified publicly traded partnership,” the net income derived from such investments will be qualifying income for purposes of the 90% Income Test and will be “securities” for purposes of the Diversification Tests. However, if the entity is not treated as a “qualified publicly traded partnership,” the consequences of an investment in the partnership will depend upon the amount and type of income and assets of the partnership allocable to us. The income derived from such investments may not be qualifying income for purposes of the 90% Income Test and, therefore, could adversely affect our tax treatment as a RIC. We intend to monitor our investments in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes to prevent our disqualification from tax treatment as a RIC.

We may invest in preferred securities or other securities the U.S. federal income tax treatment of which may not be clear or may be subject to recharacterization by the IRS. To the extent the tax treatment of such securities or the income from such securities differs from the expected tax treatment, it could affect the timing or character of income recognized, requiring us to purchase or sell securities, or otherwise change our portfolio, in order to comply with the tax rules applicable to RICs under the Code.

We may distribute taxable dividends that are payable in cash or shares of our common stock at the election of each stockholder. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable in cash or in shares of stock at the election of stockholders are treated as taxable dividends. The Internal Revenue Service has published guidance indicating that this rule will apply even where the total amount of cash that may be distributed is limited to no more than 20% of the total distribution (10% in case of distributions through June 30, 2022). Under this guidance, if too many stockholders elect to receive their distributions in cash, the cash available for distribution must be allocated among the stockholders electing to receive cash (with the balance of the distribution paid in stock). If we decide to make any distributions consistent with this guidance that are payable in part in our stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend (whether received in cash, our stock, or a combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. stockholder sells the stock it receives in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock.

Failure to Obtain RIC Tax Treatment

If we fail to satisfy the 90% Income Test or the Diversification Tests for any taxable year, we may nevertheless continue to qualify for tax treatment as a RIC for such year if certain relief provisions are applicable (which may, among other things, require us to pay certain corporate-level federal taxes or to dispose of certain assets).

If we were unable to obtain tax treatment as a RIC, we would be subject to tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to stockholders, nor would they be required to be made. Distributions would generally be taxable to our stockholders as dividend income to the extent of our current and accumulated earnings and profits (in the case of non-corporate U.S. stockholders, generally at a maximum U.S. federal income tax rate applicable to qualified dividend income of 20%). Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain.

If we fail to meet the RIC requirements for more than two consecutive years and then, seek to re-qualify for tax treatment as a RIC, we would be subject to corporate-level taxation on any built-in gain recognized during the succeeding five-year period unless we made a special election to recognize all such built-in gain upon our re-qualification for tax treatment as a RIC and to pay the corporate-level tax on such built-in gain.

Possible Legislative or Other Actions Affecting Tax Considerations

Prospective investors should recognize that the present U.S. federal income tax treatment of an investment in our stock may be modified by legislative, judicial or administrative action at any time, and that any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could affect the tax consequences of an investment in our stock. See "Risk Factors - Risk Relating to Our Business and Structure - We cannot predict how tax reform legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business" included in Item 1A or Part I of this Annual Report on Form 10-K.

Withholding

Our distributions generally will be treated as dividends for U.S. tax purposes and will be subject to U.S. income or withholding tax unless the shareholder receiving the dividend qualifies for an exemption from U.S. tax or the distribution is subject to one of the special look-through rules described below. Distributions paid out of net capital gains can qualify for a reduced rate of taxation in the hands of an individual U.S. shareholder and an exemption from U.S. tax in the hands of a non-U.S. shareholder.

Under an exemption, properly reported dividend distributions by RICs paid out of certain interest income (such distributions, "interest-related dividends") are generally exempt from U.S. withholding tax for non-U.S. shareholders. Under such exemption, a non-U.S. shareholder generally may receive interest-related dividends free of U.S. withholding tax if the shareholder would not have been subject to U.S. withholding tax if it had received the underlying interest income directly. No assurance can be given as to whether any of our distributions will be eligible for this exemption from U.S. withholding tax or, if eligible, will be reported as such by us. In particular, the exemption does not apply to distributions paid in respect of a RIC's non-U.S. source interest income, its dividend income or its foreign currency gains. In the case shares of our stock are held through an intermediary, the intermediary may withhold U.S. federal income tax even if we report the payment as a dividend eligible for the exemption.

State and Local Tax Treatment

The state and local tax treatment may differ from U.S. federal income tax treatment.

The discussion set forth herein does not constitute tax advice, and potential investors should consult their own tax advisors concerning the tax considerations relevant to their particular situation.

Available Information

We intend to make this Annual Report on Form 10-K, as well as our quarterly reports on Form 10-Q, our current reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act, publicly available on our website (www.baringsbdc.com) without charge as soon as reasonably practicable following our filing of such reports with the SEC. Our SEC reports can be accessed through the investor relations section of our website. The information found on our website is not part of this or any other report we file with or furnish to the SEC. We assume no obligation to update or revise any statements in this Annual Report on Form 10-K or in other reports filed with the SEC, whether as a result of new information, future events or otherwise, unless we are required to do so by law. A copy of this Annual Report on Form 10-K and our other reports is available without charge upon written request to Investor Relations, Barings BDC, Inc., 300 South Tryon Street, Suite 2500 Charlotte, North Carolina 28202. The SEC maintains an Internet site at www.sec.gov that contains our periodic and current reports, proxy and information statements and our other filings.

Item 1A. Risk Factors.

Investing in our securities involves a number of significant risks. In addition to the other information contained in this Annual Report on Form 10-K, you should consider carefully the following information before making an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value, the trading price of our common stock and the value of our other securities could decline, and you may lose all or part of your investment.

The following is a summary of the principal risk factors associated with an investment in our securities. Further details regarding each risk included in the below summary list can be found further below.

- We are dependent upon Barings' access to its investment professionals for our success.
- Our investment portfolio is and will continue to be recorded at fair value as determined in accordance with the Adviser's valuation policies and procedures and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.
- We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.
- There are potential conflicts of interest, including the management of other investment funds and accounts by Barings, which could impact our investment returns.
- The fee structure under the New Barings BDC Advisory Agreement may induce Barings to pursue speculative investments and incur leverage, which may not be in the best interests of our stockholders.
- Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital.
- Our financing agreements contain various covenants, which, if not complied with, could accelerate our repayment obligations thereunder, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions.
- We are exposed to risks associated with changes in interest rates.
- Inflation could adversely affect the business, results of operations, and financial conditions of our portfolio companies.
- Incurring additional leverage may magnify our exposure to risks associated with changes in leverage, including fluctuations in interest rates that could adversely affect our profitability.
- Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.
- Our investments in portfolio companies may be risky, and we could lose all or part of our investment.
- Shares of closed-end investment companies, including BDCs, frequently trade at a discount to their net asset value, and may trade at premiums that may prove to be unsustainable.

Risks Relating to Our Business and Structure

We are dependent upon Barings' access to its investment professionals for our success.

We depend on the diligence, skill and network of business contacts of Barings' investment professionals to source appropriate investments for us. We depend on members of Barings' investment team to appropriately analyze our investments and the relevant investment committee to approve and monitor our portfolio investments. Barings' investment teams evaluate, negotiate, structure, close and monitor our investments. Our future success depends on the continued availability of the members of Barings' investment committee and the other investment professionals available to Barings. We do not have employment agreements with these individuals or other key personnel of Barings, and we cannot provide any assurance that unforeseen business, medical, personal or other circumstances would not lead any such individual to terminate his or her relationship with Barings. If these individuals do not

maintain their existing relationships with Barings and its affiliates or do not develop new relationships with other sources of investment opportunities, we may not be able to identify appropriate replacements or grow our investment portfolio. The loss of any member of Barings' investment committee or of other investment professionals of Barings and its affiliates may limit our ability to achieve our investment objectives and operate as we anticipate, which could have a material adverse effect on our financial condition, results of operations and cash flows. Barings evaluates, negotiates, structures, closes and monitors our investments in accordance with the terms of the New Barings BDC Advisory Agreement. We can offer no assurance, however, that the investment professionals of Barings will continue to provide investment advice to us or that we will continue to have access to Barings' investment professionals or its information and deal flow. Further, there can be no assurance that Barings will replicate its own historical success, and we caution you that our investment returns could be substantially lower than the returns achieved by other funds managed by Barings.

Our business model depends to a significant extent upon strong referral relationships, and our inability to maintain or develop these relationships, as well as the failure of these relationships to generate investment opportunities, could adversely affect our business.

We depend upon Barings' and its affiliates' relationships with sponsors, and we intend to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If Barings or its affiliates fail to maintain such relationships, or to develop new relationships with other sponsors or sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom the principals of Barings have relationships are not obligated to provide us with investment opportunities, and, therefore, we can offer no assurance that these relationships will generate investment opportunities for us in the future.

Our financial condition and results of operations will depend on our ability to manage and deploy capital effectively.

Our ability to continue to achieve our investment objectives will depend on our ability to effectively manage and deploy our capital, which will depend, in turn, on Barings' ability to continue to identify, evaluate, invest in and monitor companies that meet our investment criteria. We cannot assure you that we will continue to achieve our investment objectives.

Accomplishing this result on a cost-effective basis will be largely a function of Barings' handling of the investment process, their ability to provide competent, attentive and efficient services and our access to investments offering acceptable terms. In addition to monitoring the performance of our existing investments, Barings' investment professionals may also be called upon to provide managerial assistance to our portfolio companies. These demands on their time may distract them or slow the rate of investment.

Even if we are able to grow and build upon our investment operations in a manner commensurate with any capital made available to us as a result of our operating activities, financing activities and/or offerings of our securities, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects. The results of our operations will depend on many factors, including the availability of opportunities for investment, readily accessible short- and long-term funding alternatives in the financial markets and general economic conditions. Furthermore, if we cannot successfully operate our business or implement our investment policies and strategies as described in this Annual Report on Form 10-K, it could negatively impact our ability to pay distributions and cause you to lose part or all of your investment.

Our investment portfolio is and will continue to be recorded at fair value as determined in accordance with the Adviser's valuation policies and procedures and, as a result, there is and will continue to be uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined in good faith by the Board. The Board has designated Barings as valuation designee to perform our fair value determinations relating to the value of our assets for which market quotations are not readily available.

Typically there is not a public market for the securities of the privately held middle-market companies in which we have invested and will generally continue to invest. The Adviser conducts the valuation of such investments, upon which the Company's net asset value is primarily based, in accordance with its valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and ASC Topic 820. Our current valuation policy and processes were established by the Adviser and have been approved by the Board. The Adviser has established a pricing committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets held by us. The Adviser uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, the Adviser will utilize alternative methods in accordance with internal pricing procedures established by the Adviser's pricing committee. See "Item 1. Business – Valuation Process and Determination of Net Asset Value" included in this Annual Report on Form 10-K for a detailed description of our valuation process.

The determination of fair value and consequently, the amount of unrealized appreciation and depreciation in our portfolio, is to a certain degree subjective and dependent on the judgment of Barings. Certain factors that may be considered in determining the fair value of our investments include the nature and realizable value of any collateral, the portfolio company's earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly-traded companies, discounted cash flows and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Due to this uncertainty, the Adviser's fair value determinations may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize upon the sale or disposition of one or more of our investments. As a result, investors purchasing our securities based on an overstated net asset value would pay a higher price than the value of our investments might warrant. Conversely, investors selling shares during a period in which the net asset value understates the value of our investments will receive a lower price for their shares than the value of our investments might warrant.

We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

A number of entities compete with us to make the types of investments that we make. We compete with public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and some have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or the source of income, asset diversification and distribution requirements we must satisfy to maintain our qualification as a RIC. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective.

With respect to the investments we make, we do not seek to compete based primarily on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we compete generally on the basis of pricing terms. With respect to all investments, we may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss.

There are potential conflicts of interest, including the management of other investment funds and accounts by Barings, which could impact our investment returns.

Our executive officers and the members of Barings' investment committee, as well as the other principals of Barings, manage other funds affiliated with Barings, including other closed-end investment companies. In addition, Barings' investment team has responsibilities for managing U.S. and global middle-market debt investments for certain other investment funds and accounts. Accordingly, they have obligations to investors in those entities, the fulfillment of which may not be in the best interests of, or may be adverse to our and our stockholders' interests. In addition, certain of the other funds and accounts managed by Barings may provide for higher management or incentive fees, greater expense reimbursements or overhead allocations, or permit Barings and its affiliates to receive higher origination and other transaction fees, all of which may contribute to this conflict of interest and create an incentive for Barings to favor such other funds or accounts. Although the professional staff of Barings will devote as much time to our management as appropriate to enable Barings to perform its duties in accordance with the New Barings BDC Advisory Agreement, the investment professionals of Barings may have conflicts in allocating their time and services among us, on the one hand, and the other investment vehicles managed by Barings or one or more of its affiliates on the other hand.

Barings may face conflicts in allocating investment opportunities between us and affiliated investment vehicles that have overlapping investment objectives with ours. Although Barings will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by Barings or an investment manager affiliated with Barings if such investment is prohibited by the 1940 Act, and there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us.

Conflicts may also arise because portfolio decisions regarding our portfolio may benefit Barings' affiliates. Barings' affiliates may pursue or enforce rights with respect to one of our portfolio companies on behalf of other funds or accounts managed by it, and those activities may have an adverse effect on us.

Barings may exercise significant influence over us in connection with its ownership of our common stock.

As of February 23, 2023, Barings, our external investment adviser, beneficially owns approximately 12.6% of our outstanding common stock. As a result, Barings may be able to significantly influence the outcome of matters submitted for stockholder action, including the election of directors, approval of significant corporate transactions, such as amendments to our governing documents, business combinations, consolidations and mergers. Barings has substantial influence on us and could exercise its influence in a manner that conflicts with the interests of other stockholders. The presence of a significant stockholder such as Barings may also have the effect of making it more difficult for a third party to acquire us or discourage a third party from seeking to acquire us.

Barings, its investment committee, or its affiliates may, from time to time, possess material non-public information, limiting our investment discretion.

Principals of Barings and its affiliates and members of Barings' investment committee may serve as directors of, or in a similar capacity with, companies in which we invest, the securities of which are purchased or sold on our behalf. In the event that material nonpublic information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us.

Our ability to enter into transactions with Barings and its affiliates is restricted.

BDCs generally are prohibited under the 1940 Act from knowingly participating in certain transactions with their affiliates without the prior approval of their independent directors and, in some cases, of the SEC. Those transactions include purchases and sales, and so-called "joint" transactions, in which a BDC and one or more of its affiliates engage in certain types of profit-making activities. Any person that owns, directly or indirectly, 5.0% or more of a BDC's outstanding voting securities will be considered an affiliate of the BDC for purposes of the 1940

Act, and a BDC generally is prohibited from engaging in purchases or sales of assets or joint transactions with such affiliates, absent the prior approval of the BDC's independent directors. Additionally, without the approval of the SEC, a BDC is prohibited from engaging in purchases or sales of assets or joint transactions with the BDC's officers and directors, and investment adviser, including funds managed by the investment adviser and its affiliates.

BDCs may, however, invest alongside certain related parties or their respective other clients in certain circumstances where doing so is consistent with current law and SEC staff interpretations. For example, a BDC may invest alongside such accounts consistent with guidance promulgated by the SEC staff permitting the BDC and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that the BDC's investment adviser, acting on the BDC's behalf and on behalf of other clients, negotiates no term other than price.

The 1940 Act generally prohibits BDCs from making certain negotiated co-investments with certain affiliates absent an order from the SEC permitting the BDC to do so. Pursuant to the Exemptive Relief, we are generally permitted to co-invest with funds affiliated with Barings if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies. Co-investments made under the Exemptive Relief are subject to compliance with the conditions and other requirements contained in the Exemptive Relief, which could limit our ability to participate in a co-investment transaction.

In situations where co-investment with other affiliated funds or accounts is not permitted or appropriate, Barings will need to decide which account will proceed with the investment in accordance with its allocation policies and procedures. Although Barings will endeavor to allocate investment opportunities in a fair and equitable manner in accordance with its allocation policies and procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by Barings or an investment manager affiliated with Barings if such investment is prohibited by the 1940 Act. These restrictions, and similar restrictions that limit our ability to transact business with our officers or directors or their affiliates, including funds managed by Barings, may limit the scope of investment opportunities that would otherwise be available to us.

We are subject to risks associated with investing alongside other third parties.

We have invested and may in the future invest alongside third parties through partnerships, joint ventures or other entities in the future. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that such third party may at any time have economic or business interests or goals which are inconsistent with ours, or may be in a position to take action contrary to our investment objectives. In addition, we may in certain circumstances be liable for actions of such third party.

More specifically, joint ventures involve a third party that has approval rights over certain activities of the joint venture. The third party may take actions that are inconsistent with our interests. For example, the third party may decline to approve an investment for the joint venture that we otherwise want the joint venture to make. A joint venture may also use investment leverage which magnifies the potential for gain or loss on amounts invested. Generally, the amount of borrowings by the joint venture is not included when calculating our total borrowings and related leverage ratios and is not subject to asset coverage requirements imposed by the 1940 Act. If the activities of the joint venture were required to be consolidated with our activities because of a change in GAAP rules or SEC staff interpretations, it is likely that we would have to reorganize any such joint venture.

The fee structure under the New Barings BDC Advisory Agreement may induce Barings to pursue speculative investments and incur leverage, which may not be in the best interests of our stockholders.

Under the New Barings BDC Advisory Agreement, the base management fee will be payable even if the value of your investment declines. The base management fee is calculated based on our gross assets, including assets purchased with borrowed funds or other forms of leverage (but excluding cash or cash equivalents). Accordingly, the base management fee is payable regardless of whether the value of our gross assets and/or your investment has

decreased during the then-current quarter and creates an incentive for Barings to incur leverage, which may not be consistent with our stockholders' interests.

The income-based fee payable to Barings is calculated based on a percentage of our return on invested capital. The income-based fee payable to Barings may create an incentive for Barings to make investments on our behalf that are risky or more speculative than would be the case in the absence of such a compensation arrangement. Unlike the base management fee, the income-based fee is payable only if the hurdle rate is achieved. Because the portfolio earns investment income on gross assets while the hurdle rate is based on invested capital, and because the use of leverage increases gross assets without any corresponding increase in invested capital, Barings may be incentivized to incur leverage to grow the portfolio, which will tend to enhance returns where our portfolio has positive returns and increase the chances that such hurdle rate is achieved. Conversely, the use of leverage may increase losses where our portfolio has negative returns, which would impair the value of our common stock.

In addition, Barings receives the capital gains fee based, in part, upon net capital gains realized on our investments. Unlike the income-based fee, there is no hurdle rate applicable to the capital gains fee. As a result, Barings may have a tendency to invest more capital in investments that are likely to result in capital gains as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which may not be in the best interests of our stockholders and could result in higher investment losses, particularly during economic downturns.

Barings' liability is limited under the New Barings BDC Advisory Agreement, and we are required to indemnify Barings against certain liabilities, which may lead Barings to act in a riskier manner on our behalf than it would when acting for its own account.

Pursuant to the New Barings BDC Advisory Agreement, Barings and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with Barings will not be liable to us, and we have agreed to indemnify them, for their acts under the New Barings BDC Advisory Agreement, absent fraud, willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. These protections may lead Barings to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Barings is able to resign as our investment adviser and/or our administrator upon 60 days' notice, and we may not be able to find a suitable replacement within that time, or at all, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

Pursuant to the New Barings BDC Advisory Agreement, Barings has the right to resign as our investment adviser upon 60 days' written notice, whether a replacement has been found or not. Similarly, Barings has the right under the Administration Agreement to resign upon 60 days' written notice, whether a replacement has been found or not. If Barings resigns, it may be difficult to find a replacement investment adviser or administrator, as applicable, or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If a replacement is not found quickly, our business, results of operations and financial condition as well as our ability to pay distributions are likely to be adversely affected and the value of our shares may decline. In addition, the coordination of our internal management and investment or administrative activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by Barings. Even if a comparable service provider or individuals performing such services are retained, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may materially adversely affect our business, results of operations and financial condition.

Our long-term ability to fund new investments and make distributions to our stockholders could be limited if we are unable to renew, extend, replace or expand our current borrowing arrangements, or if financing becomes more expensive or less available.

There can be no guarantee that we will be able to renew, extend, replace or expand our current borrowing arrangements on terms that are favorable to us, if at all. Our ability to obtain replacement financing will be constrained by then-current economic conditions affecting the credit markets. Our inability to renew, extend, replace or expand these borrowing arrangements could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify for tax treatment as a RIC under the Code.

We may be subject to PIK interest payments.

Certain of our debt investments may contain provisions providing for the payment of PIK interest. Because PIK interest results in an increase in the size of the loan balance of the underlying loan, the receipt by us of PIK interest will have the effect of increasing our assets under management. As a result, because the base management fee that we pay to the Investment Adviser is based on the value of our gross assets, the receipt by us of PIK interest will result in an increase in the amount of the base management fee payable by us. In addition, any such increase in a loan balance due to the receipt of PIK interest will cause such loan to accrue interest on the higher loan balance, which will result in an increase in our pre-incentive fee net investment income and, as a result, an increase in incentive fees that are payable by us to the Investment Adviser.

To the extent original issue discount instruments, such as zero coupon bonds and PIK loans, constitute a significant portion of the Company's income, investors will be exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following: (a) the higher interest rates of PIK loans reflect the payment deferral and increased credit risk associated with these instruments, and PIK instruments generally represent a significantly higher credit risk than coupon loans; (b) PIK loans may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral; (c) market prices of zero-coupon or PIK securities are affected to a greater extent by interest rate changes and may be more volatile than securities that pay interest periodically and in cash, and PIKs are usually less volatile than zero-coupon bonds, but more volatile than cash pay securities; (d) because original issue discount income is accrued without any cash being received by the Company, required cash distributions may have to be paid from offering proceeds or the sale of Company assets without investors being given any notice of this fact; (e) the deferral of PIK interest increases the loan-to-value ratio, which is a measure of the riskiness of a loan; (f) even if the accounting conditions for income accrual are met, the borrower could still default when the Company's actual payment is due at the maturity of the loan; and (g) original issue discount creates risk of non-refundable cash payments to our Investment Adviser based on non-cash accruals that may never be realized.

Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital.

Our business requires capital to operate and grow. In the future, we may issue debt securities or preferred stock, and/or borrow money from banks or other financial institutions, which we refer to collectively as "senior securities." As a result of issuing senior securities, we will be exposed to additional risks, including, but not limited to, the following:

- Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be prohibited from declaring a dividend or making any distribution to stockholders or repurchasing our shares until such time as we satisfy this test.
- Any amounts that we use to service our debt or make payments on preferred stock will not be available for distributions to our common stockholders.

- Our current indebtedness is, and it is likely that any securities or other indebtedness we may issue will be, governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, some of these securities or other indebtedness may be rated by rating agencies, and in obtaining a rating for such securities and other indebtedness, we may be required to abide by operating and investment guidelines that further restrict operating and financial flexibility.
- We and, indirectly, our stockholders, will bear the cost of issuing and servicing such securities and other indebtedness.
- Preferred stock or any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock, including separate voting rights and could delay or prevent a transaction or a change in control to the detriment of the holders of our common stock.

Under the provisions of the 1940 Act, we are not generally able to issue and sell our common stock at a price below then-current net asset value per share. We may, however, sell our common stock or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value per share of our common stock if the Board determines that such sale is in the best interests of us and our stockholders, and our stockholders approve such sale. We may also make rights offerings to our stockholders at prices per share less than the net asset value per share, subject to applicable requirements of the 1940 Act. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders at that time would decrease, and they may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future on favorable terms, or at all.

We generally seek approval from our stockholders so that we have the flexibility to issue up to a specified percentage of our then-outstanding shares of our common stock at a price below net asset value. Pursuant to approval granted at the reconvened portion of our annual meeting of stockholders held on June 30, 2022 we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on June 30, 2023.

Our financing agreements contain various covenants, which, if not complied with, could accelerate our repayment obligations thereunder, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions.

We will have a continuing need for capital to finance our investments. We are party to various financing agreements from time to time which contain customary terms and conditions, including, without limitation, affirmative and negative covenants such as information reporting requirements, minimum stockholders' equity, minimum obligators' net worth, minimum asset coverage, maximum net debt to equity, minimum liquidity and maintenance of RIC and BDC status. These financing arrangements also contain customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and material adverse effect.

Our continued compliance with the covenants under these financing agreements depends on many factors, some of which are beyond our control, and there can be no assurance that we will continue to comply with such covenants. Our failure to satisfy the respective covenants or otherwise default under one of our financing arrangements could result in foreclosure by the lenders thereunder, which would accelerate our repayment obligations under the financing arrangement and thereby have a material adverse effect on our business, liquidity, financial condition, results of operations and ability to pay distributions to our stockholders.

We are exposed to risks associated with changes in interest rates.

To the extent we borrow money or issue debt securities or preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. The recent increases in the general level of interest rates have led to higher interest rates applicable to our debt investments, which have resulted in an increase of the amount of incentive fees payable to Barings. Also, the recent increases in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our distribution rate, which could reduce the market price of our common stock.

In addition, uncertainty relating to the LIBOR calculation process may adversely affect the value of the LIBOR-indexed, floating-rate debt securities in our portfolio or the cost of our borrowings. National and international regulators and law enforcement agencies have conducted investigations into a number of rates or indices that are deemed to be “reference rates.” Actions by such regulators and law enforcement agencies may result in changes to the manner in which certain reference rates are determined, their discontinuance, or the establishment of alternative reference rates. In March 2021, the U.K.’s Financial Conduct Authority publicly announced that all U.S. Dollar LIBOR settings will either cease to be provided by any administrator or no longer be representative (i) immediately after December 31, 2021 for one-week and two-month U.S. Dollar LIBOR settings and (ii) immediately after June 30, 2023 for the remaining U.S. Dollar LIBOR settings. Although most U.S. dollar LIBOR rates will continue to be published through June 30, 2023, the Financial Conduct Authority no longer compels panel banks to continue to contribute to LIBOR and the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have encouraged banks to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, supports replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements backed by Treasury securities.

Some regulators have prohibited the use of any LIBOR benchmarks in new contracts and have required that regulated entities transition existing contracts to another benchmark prior to June 30, 2023. Although settings of such LIBOR benchmarks may continue to be available, such prohibitions and requirements may adversely affect the value of floating-rate debt securities in our portfolio or issued by us. Moreover, at this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR. Although there are an increasing number of issuances utilizing SOFR or the Sterling Over Night Index Average, or SONIA, an alternative reference rate that is based on transactions, these alternative reference rates may not attain market acceptance as replacements for LIBOR. The transition away from LIBOR to alternative reference rates is complex and could have a material adverse effect on our business, financial condition and results of operations, including as a result of any changes in the pricing of our investments, changes to the documentation for certain of our investments and the pace of such changes, disputes and other actions regarding the interpretation of current and prospective loan documentation or modifications to processes and systems.

In anticipation of the cessation of LIBOR, we may need to renegotiate any credit agreements extending beyond June 30, 2023 with our portfolio companies that utilize LIBOR as a factor in determining the interest rate or rely on certain fallback provisions that could cause interest rates to shift to a base rate plus a margin. Any such renegotiations may affect financial condition and results of operations as a result of changes in interest rates payable to us by our portfolio companies.

Alteration of the terms of a debt instrument or a modification of the terms of other types of contracts to replace an interbank offered rate with a new reference rate could result in a taxable exchange and the realization of income and gain/loss for U.S. federal income tax purposes. The IRS has issued final regulations regarding the tax consequences of the transition from interbank offered rates to new reference rates in debt instruments and non-debt contracts. Under the final regulations, alteration or modification of the terms of a debt instrument to replace an operative rate that uses a discontinued interbank offered rate with a qualified rate (as defined in the final regulations), add a qualified rate as a fallback rate to a contract whose operative rate uses a discontinued interbank offered rate or replace a fallback rate that uses a discontinued interbank offered rate with a qualified rate would not be taxable. The IRS may provide additional guidance, with potential retroactive effect.

Furthermore, because a rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments, an increase in interest rates would make it easier for us to meet or exceed the incentive fee hurdle rate in the investment advisory agreement and may result in a substantial increase of the amount of incentive fees payable to Barings with respect to pre-incentive fee net investment income.

We may invest in derivatives or other assets that expose us to certain risks, including markets risk, liquidity risk, and other risks similar to those associated with the use of leverage.

We may invest in derivatives and other assets that are subject to many of the same types of risks related to the use of leverage. In October 2020, the SEC adopted Rule 18f-4 under the 1940 Act regarding the ability of a BDC to use derivatives and other transactions that create future payment or delivery obligations. Under Rule 18f-4, BDCs that use derivatives are subject to a value-at-risk leverage limit, a derivatives risk management program and testing requirements and requirements related to board reporting. These requirements apply unless the BDC qualifies as a “limited derivatives user,” as defined under Rule 18f-4. Under Rule 18f-4, a BDC may enter into an unfunded commitment agreement (which may include delayed draw and revolving loans) that will not be deemed to be a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts.

We have adopted updated policies and procedures in compliance with Rule 18f-4. We expect to qualify as a “limited derivatives user” under Rule 18f-4. Future legislation or rules may modify how we treat derivatives and other financial arrangements for purposes of compliance with the leverage limitations of the 1940 Act. Future legislation or rules may modify how leverage is calculated under the 1940 Act and, therefore, may increase or decrease the amount of leverage currently available to us under the 1940 Act, which may be materially adverse to us and our stockholders.

Incurring additional leverage may magnify our exposure to risks associated with changes in leverage, including fluctuations in interest rates that could adversely affect our profitability.

As part of our business strategy, we borrow under financing agreements with certain banks, and in the future may borrow money and issue debt securities to banks, insurance companies and other lenders. Our obligations under these arrangements are or may be secured by a material portion of our assets. As a result, these lenders are or may have claims that are superior to the claims of our common stockholders, and have or may have fixed-dollar claims on our assets that are superior to the claims of our stockholders. Also, if the value of our assets decreases, leverage will cause our net asset value to decline more sharply than it otherwise would have without leverage. Similarly, any decrease in our income would cause our net income to decline more sharply than it would have if we had not borrowed. This decline could negatively affect our ability to make dividend payments on our common stock.

Because we incur leverage, general interest rate fluctuations may have a more significant negative impact on our investments than they would have absent such leverage and, accordingly, may have a material adverse effect on our operating results. A portion of our income will depend upon the difference between the rate at which we borrow funds and the interest rate on the debt securities in which we invest. Because we borrow money to make investments and may issue debt securities, preferred stock or other securities, our net investment income is dependent upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities, preferred stock or other securities and the rate at which we invest these funds. Typically, our interest earning investments accrue and pay interest at variable rates, and our interest-bearing liabilities accrue interest at variable or potentially fixed rates. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming that we employ (i) our actual asset coverage ratio as of December 31, 2022 and (ii) a hypothetical asset coverage ratio of 150%, each at various annual returns on our portfolio as of December 31, 2022, net of expenses. The purpose of this table is to assist investors in understanding the effects of leverage. The calculations in the table below are hypothetical, and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on our Portfolio (Net of Expenses)				
	(10.0)%	(5.0)%	0.0 %	5.0 %	10.0 %
Corresponding return to common stockholder assuming actual asset coverage as of December 31, 2022(1)	(28.6)%	(17.2)%	(5.9)%	5.5 %	16.8 %
Corresponding return to common stockholder assuming 150% asset coverage as of December 31, 2022(2)	(39.9)%	(24.7)%	(9.4)%	5.8 %	21.1 %

(1) Assumes \$2,708.5 million in total assets, \$1,489.7 million in debt outstanding, \$1,192.3 million in net assets and an average cost of funds of 4.705%, which was the weighted average borrowing cost of our outstanding borrowings at December 31, 2022. The assumed amount of debt outstanding for this example includes \$729.1 million of outstanding borrowings under the February 2019 Credit Facility as of December 31, 2022, \$50.0 million aggregate principal amount of August 2025 Notes (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, \$175.0 million aggregate principal amount of November Notes (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, \$150.0 million aggregate principal amount of February Notes (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, \$350.0 million aggregate principal amount of November 2026 Notes (as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K) outstanding, and assumed additional borrowings of \$35.6 million to settle our payable from unsettled transactions as of December 31, 2022.

(2) Assumes \$3,640.5 million in total assets, \$2,384.7 million in debt outstanding and \$1,192.3 million in net assets as of December 31, 2022, and an average cost of funds of 4.705%, which was the weighted average borrowing cost of our borrowings at December 31, 2022.

Based on our total outstanding indebtedness of \$1,454.1 million as of December 31, 2022, assumed additional borrowings of \$35.6 million to settle our payable from unsettled transactions as of December 31, 2022 and an average cost of funds of 4.705%, which was the weighted average borrowing cost of our outstanding borrowings at December 31, 2022, our investment portfolio must experience an annual return of at least 2.59% to cover annual interest payments on our outstanding indebtedness.

Based on outstanding indebtedness of \$2,384.7 million calculated assuming a 150% asset coverage ratio and an average cost of funds of 4.705%, which was the weighted average borrowing cost of our outstanding borrowings at December 31, 2022, our investment portfolio must experience an annual return of at least 3.08% to cover annual interest payments on our outstanding indebtedness.

We may in the future determine to fund a portion of our investments with preferred stock, which would magnify the potential for gain or loss and the risks of investing in us in the same way as our borrowings.

Preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of such dividends and repayment of the liquidation preference of such preferred stock must take preference over any dividends or other

payments to our common stockholders, and preferred stockholders are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference.

Our Board of Directors may change our investment objectives, operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

The Board has the authority to modify or waive our current investment objectives, operating policies and strategies without prior notice and without stockholder approval (except as required by the 1940 Act). However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, net asset value, operating results and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you distributions and cause you to lose all or part of your investment. Moreover, we will have significant flexibility in investing the net proceeds from any future offering and may use the net proceeds from such offerings in ways with which investors may not agree or for purposes other than those contemplated at the time of the offering.

We will be subject to corporate-level U.S. federal income tax if we are unable to maintain our tax treatment as a RIC under Subchapter M of the Code, which will adversely affect our results of operations and financial condition.

We have elected to be treated as a RIC under the Code, which generally allows us to avoid being subject to corporate-level U.S. federal income tax. To maintain RIC tax treatment under the Code, we must meet the following annual distribution, income source and asset diversification requirements:

- The Annual Distribution Requirement for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90.0% of our net ordinary income and net short-term capital gain in excess of net long-term capital loss, or ICTI, if any. We will be subject to a 4.0% nondeductible U.S. federal excise tax, however, to the extent that we do not satisfy certain additional minimum distribution requirements on a calendar year basis. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and are currently, and may in the future become, subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.
- The income source requirement will be satisfied if we obtain at least 90.0% of our income for each year from distributions, interest, gains from the sale of stock or securities or similar sources.
- The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50.0% of the value of our assets must consist of cash, cash equivalents, U.S. government securities, securities of other RICs, and other acceptable securities, provided such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and no more than 25.0% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain “qualified publicly traded partnerships.” Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC tax treatment. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

If we fail to maintain RIC tax treatment for any reason and are subject to corporate-level U.S. federal income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. We may also be subject to certain U.S. federal excise taxes, as well as state, local and foreign taxes.

We may not be able to pay distributions to our stockholders, our distributions may not grow over time, a portion of distributions paid to our stockholders may be a return of capital and investors in any debt securities we may issue may not receive all of the interest income to which they are entitled.

We intend to pay quarterly distributions to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be harmed by, among other things, the risk factors described in this Annual Report on Form 10-K. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC could, in the future, limit our ability to pay distributions. All distributions will be paid at the discretion of the Board and will depend on our earnings, our financial condition, maintenance of our RIC tax treatment, compliance with applicable BDC regulations, compliance with the covenants under our financing agreements and any debt securities we may issue and such other factors as the Board may deem relevant from time to time. We cannot assure you that we will pay distributions to our stockholders in the future.

Some of the above-described risks may also inhibit our ability to make required interest payments to holders of any debt securities we may issue, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties or trigger cross-default provisions under the terms of our debt agreements.

When we make quarterly distributions, we will be required to determine the extent to which such distributions are paid out of current or accumulated earnings and profits, recognized capital gain or capital. To the extent there is a return of capital, investors will be required to reduce their basis in our stock for U.S. federal income tax purposes, which may result in a higher tax liability when the shares are sold, even if they have not increased in value or have lost value.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with contractual PIK interest or debt instruments that were issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Investments structured with these features may represent a higher level of credit risk compared to investments generating income which must be paid in cash on a current basis. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as PIK interest. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash. Further, we may elect to amortize market discounts and include such amounts in our taxable income in the current year, instead of upon disposition, as an election not to do so would limit our ability to deduct interest expenses for U.S. federal income tax purposes.

Because any original issue discount or other amounts accrued will be included in our ICTI for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the annual distribution requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the annual distribution requirement necessary to maintain RIC tax treatment under the Code. We may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise debt or additional equity capital or forego new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

Because we intend to distribute substantially all of our income to our stockholders to maintain our tax treatment as a RIC, we will continue to need additional capital to finance our growth, and regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital and make distributions.

In order to satisfy the requirements applicable to a RIC, and to avoid payment of U.S. federal excise tax, we intend to distribute to our stockholders substantially all of our net ordinary income and net capital gain income except for certain net long-term capital gains recognized after we became a RIC, some or all of which we may retain, pay applicable U.S. federal income taxes with respect thereto and elect to treat as deemed distributions to our stockholders. As a BDC, we generally are required to meet a coverage ratio of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue, of at least 150%. This requirement limits the amount that we may borrow and may prohibit us from making distributions. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments or sell additional securities and, depending on the nature of our leverage, to repay a portion of our indebtedness at a time when such sales may be disadvantageous. In addition, issuance of additional securities could dilute the percentage ownership of our current stockholders in us.

While we expect to be able to borrow and to issue debt and additional equity securities, we cannot assure you that debt and equity financing will be available to us on favorable terms, or at all. If additional funds are not available to us, we could be forced to curtail or cease new investment activities, and our net asset value could decline.

There may be withholding of U.S. federal income tax on dividends for non-U.S. stockholders.

Distributions by a BDC generally are treated as dividends for U.S. tax purposes, and will be subject to U.S. income or withholding tax unless the stockholder receiving the dividend qualifies for an exemption from U.S. tax, or the distribution is subject to one of the special look-through rules described below. Distributions paid out of net capital gains can qualify for a reduced rate of taxation in the hands of an individual U.S. stockholder, and an exemption from U.S. tax in the hands of a non-U.S. stockholder.

However, if designated by a RIC, dividend distributions by the RIC derived from certain interest income (such distributions, “interest-related dividends”) and certain net short-term capital gains (such distributions, “short-term capital gain dividends”) generally are exempt from U.S. withholding tax otherwise imposed on non-U.S. stockholders. Interest-related dividends are dividends that are attributable to “qualified net interest income” (i.e., “qualified interest income,” which generally consists of certain interest and original issue discount on obligations “in registered form” as well as interest on bank deposits earned by a RIC, less allocable deductions) from sources within the United States. Short-term capital gain dividends are dividends that are attributable to net short-term capital gains, other than short-term capital gains recognized on the disposition of U.S. real property interests, earned by a RIC. However, no assurance can be given as to whether any of our distributions will be eligible for this exemption from U.S. withholding tax or, if eligible, will be designated as such by us. Furthermore, in the case of shares of our stock held through an intermediary, the intermediary may have withheld U.S. federal income tax even if we designated the payment as an interest-related dividend or short-term capital gain dividend.

A failure of any portion of our distributions to qualify for the exemption for interest-related dividends or short-term capital gain dividends would not affect the treatment of non-U.S. stockholders that qualify for an exemption from U.S. withholding tax on dividends by reason of their special status (for example, foreign government-related entities and certain pension funds resident in favorable treaty jurisdictions).

There is no assurance that any future share repurchase programs will result in future repurchases of our common stock or enhance long-term stockholder value, and repurchases, if any, could affect our stock price and increase its volatility and will diminish our cash reserves.

As part of the MVC Acquisition, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program occurred during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q

for the quarter ended March 31, 2021, which occurred on May 6, 2021, and were made in accordance with applicable legal, regulatory and contractual requirements. The MVC repurchase program terminated on May 6, 2022. During the year ended December 31, 2022, we repurchased a total of 207,677 shares of common stock in the open market under the authorized program at an average price of \$10.14 per share, including broker commissions.

In connection with the Sierra Merger, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program were to occur during the 12-month period commencing on April 1, 2022. During the year ended December 31, 2022, we had repurchased the maximum amount of \$30.0 million of common stock authorized under the Sierra share repurchase program. In total under the Sierra share repurchase program, we repurchased a total of 3,179,168 shares of common stock in the open market under the authorized program at an average price of \$9.44 per share, including broker commissions.

There can be no assurance that any future share repurchases will occur, or, if they occur, that they will enhance stockholder value. In addition, any future share repurchases could have a material adverse effect on our business for the following reasons:

- Repurchases may not prove to be the best use of our cash resources.
- Repurchases will diminish our cash reserves, which could impact our ability to finance future growth and to pursue possible future strategic opportunities.
- We may incur debt in connection with our business in the event that we use other cash resources to repurchase shares, which may affect the financial performance of our business during future periods or our liquidity and the availability of capital for other needs of the business.
- Repurchases could affect the trading price of our common stock or increase its volatility and may reduce the market liquidity for our stock.
- Repurchases may not be made at the best possible price and the market price of our common stock may decline below the levels at which we repurchased shares of common stock.
- Any suspension, modification or discontinuance of any future share repurchase plan could result in a decrease in the trading price of our common stock.
- Repurchases may make it more difficult for us to meet the diversification requirements necessary to qualify for tax treatment as a RIC for U.S. federal income tax purposes; failure to qualify for tax treatment as a RIC would render our taxable income subject to corporate-level U.S. federal income taxes.
- Repurchases may cause our non-compliance with covenants under our financing agreements, which could have an adverse effect on our operating results and financial condition.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition and results of operations.

Our business depends on the communications and information systems of Barings, its affiliates and our or Barings' third-party service providers. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third-party service providers, could cause delays or other problems in our or Barings' business activities. Our or Barings' financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. Among other things, there could be sudden electrical or telecommunications outages, natural disasters, disease pandemics, events arising from local or larger scale political or social matters and/or cyber-attacks, any one or more of which could have a material adverse effect on our business, financial condition and operating results and negatively affect the market price of our common stock.

Cybersecurity risks and cyber incidents may adversely affect our business or the business of our portfolio companies by causing a disruption to our operations or the operations of our portfolio companies, a compromise or corruption of our confidential information or the confidential information of our portfolio companies and/or damage to our business relationships or the business relationships of our portfolio companies, all of which could negatively impact the business, financial condition and operating results of us or our portfolio companies.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the information resources of us, Barings or our portfolio companies. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our or Barings' information systems or those of our portfolio companies for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. Barings' employees may be the target of fraudulent calls, emails and other forms of activities. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to business relationships. Our business operations rely upon secure information technology systems for data processing, storage, and reporting. We depend on the effectiveness of the information and cybersecurity policies, procedures, and capabilities maintained by our affiliates and out and their respective third-party service providers to protect their computer and telecommunications systems and the data that reside on or are transmitted through them.

Substantial costs may be incurred in order to prevent any cyber incidents in the future. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. As our and our portfolio companies' reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided by Barings and third-party service providers, and the information systems of our portfolio companies. Barings has implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber incident, do not guarantee that a cyber incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. In addition, cybersecurity has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. There is no assurance that any efforts to mitigate cybersecurity risks undertaken by us, our affiliates, or our or their respective third-party service providers will be effective. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our business, liability to investors, regulatory intervention or reputational damage.

Our business and operations may be negatively affected by securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of our investment strategy and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation has often been brought against that company. In addition, stockholder activism, which could take many forms or arise in a variety of situations, including making public demands that we consider strategic alternatives, engaging in public campaigns to attempt to influence our corporate governance and/or our management, and commencing proxy contests to attempt to elect the activists' representatives or others to the Board, has increased in the BDC space in recent years. For example, we and certain of our former executive officers have previously been named defendants in a class-action lawsuit asserting claims under Section 10(b) and Section 20(a) of the Exchange Act, and, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of further securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, may result in substantial costs and divert management's and the Board's attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult for Barings to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist stockholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and stockholder activism.

We are currently operating in a period of capital markets disruption and economic uncertainty.

The success of our activities is affected by general economic and market conditions, including, among others, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and trade barriers. These factors could affect the level and volatility of securities prices and the liquidity of our investments. Volatility or illiquidity could impair our profitability or result in losses. These factors also could adversely affect the availability or cost of our leverage, which would result in lower returns. In addition, the U.S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID-19 and its variants. Disruptions in the capital markets have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a prolonged period of world-wide economic downturn.

These and future market disruptions and/or illiquidity would be expected to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our operating results and the fair values of our debt and equity investments.

Risks Relating to Our Investments

Inflation could adversely affect the business, results of operations, and financial condition of our portfolio companies.

Certain of the Company's portfolio companies are in industries that could be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest and principal on the Company's loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in the Company's portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of the Company's investments could result in future realized or unrealized losses and therefore reduce the Company's net assets resulting from operations.

Our investments in portfolio companies may be risky, and we could lose all or part of our investment.

Our portfolio consists primarily of senior secured private, middle-market debt and equity investments. Investing in private and middle-market companies involves a number of significant risks. Among other things, these companies:

- may have limited financial resources to meet future capital needs and thus may be unable to grow or meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of the equity components of our investments;
- may have shorter operating histories, narrower product lines, smaller market shares and/or more significant customer concentration than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- generally have less predictable operating results, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and

- generally have less publicly available information about their businesses, operations and financial condition. We rely on the ability of Barings' investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If Barings is unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose all or part of our investment.

In addition, in the course of providing significant managerial assistance to certain of our portfolio companies, certain of our officers and directors or certain of Barings' investment professionals may serve as directors on the boards of such companies. We or Barings may in the future be subject to litigation that arises out of our investments in these companies, and our officers and directors or Barings and/or its investment professionals may be named as defendants in such litigation, which could result in an expenditure of funds (through our indemnification of such officers and directors) and the diversion of our officers', directors' and Barings' time and resources.

The lack of liquidity in our investments may adversely affect our business.

We generally invest in companies whose securities are not publicly traded, and whose securities may be subject to legal and other restrictions on resale, or are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments.

Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by the Board, which has designated Barings as valuation designee to perform our fair value determinations relating to the value of our assets for which market quotations are not readily available.

The Adviser conducts the valuation of such investments, upon which our net asset value is primarily based, in accordance with its valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and ASC Topic 820. Our current valuation policy and processes were established by the Adviser and have been approved by the Board. The Adviser uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, the Adviser will utilize alternative methods in accordance with internal pricing procedures established by the Adviser's pricing committee. As part of the valuation process, Barings may take into account the following types of factors, if relevant, in determining the fair value of our investments:

- a comparison of the portfolio company's securities to publicly traded securities;
- the enterprise value of the portfolio company;
- the nature and realizable value of any collateral;
- the portfolio company's ability to make payments and its earnings and discounted cash flow;
- the markets in which the portfolio company does business; and
- changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future and other relevant factors.

When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event is used to corroborate a valuation. We record decreases in the market values or fair values of our investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in our portfolio. The effect of all of these factors on our portfolio may reduce our net asset value by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as “follow-on” investments, in seeking to:

- increase or maintain in whole or in part our position as a creditor or equity ownership percentage in a portfolio company;
- exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or
- preserve or enhance the value of our investment.

We have discretion to make follow-on investments, subject to the availability of capital resources. Failure on our part to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful portfolio company. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our level of risk, because we prefer other opportunities or because of regulatory or other considerations.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies and such portfolio companies may not generate sufficient cash flow to service their debt obligations to us.

We typically invest in senior debt and first lien notes, however, we have invested, and may invest in the future, a portion of our capital in second lien and subordinated loans issued by our portfolio companies. Our portfolio companies may have, or be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. Such subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt-to-equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event of and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to us where we are junior creditor. In the case of debt ranking equally with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Additionally, certain loans that we make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company’s obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company’s remaining assets, if any.

We may in the future make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on a portfolio company's collateral, if any, will secure the portfolio company's obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all loans secured by collateral. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company's remaining assets, if any.

The rights we may have with respect to the collateral securing any junior priority loans we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

We may not have the ability to control or direct such actions, even if our rights as junior lenders are adversely affected.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

Even if we structure an investment as a senior loan, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances and based upon principles of equitable subordination as defined by existing case law, a bankruptcy court could subordinate all or a portion of our claim to that of other creditors and transfer any lien securing such subordinated claim to the bankruptcy estate. The principles of equitable subordination defined by case law have generally indicated that a claim may be subordinated only if its holder is guilty of misconduct or where the senior loan is re-characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. We may also be subject to lender liability claims for actions taken by us with respect to a borrower's business or instances where we exercise control over the borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken in rendering managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business.

Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us.

Certain loans that we make are secured by a second priority security interest in the same collateral pledged by a portfolio company to secure senior debt owed by the portfolio company to commercial banks or other traditional lenders. Often the senior lender has procured covenants from the portfolio company prohibiting the incurrence of additional secured debt without the senior lender's consent. Prior to and as a condition of permitting the portfolio company to borrow money from us secured by the same collateral pledged to the senior lender, the senior lender will require assurances that it will control the disposition of any collateral in the event of bankruptcy or other default. In many such cases, the senior lender will require us to enter into an "intercreditor agreement" prior to permitting the portfolio company to borrow from us. Typically the intercreditor agreements we are requested to execute expressly subordinate our debt instruments to those held by the senior lender and further provide that the senior lender shall control: (i) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral; (ii) the nature, timing and conduct of foreclosure or other collection proceedings; (iii) the amendment of any collateral document; (iv) the release of the security interests in respect of any collateral and (v) the waiver of defaults under any security agreement. Because of the control we may cede to senior lenders under intercreditor agreements we may enter, we may be unable to realize the proceeds of any collateral securing some of our loans.

Finally, the value of the collateral securing our debt investment will ultimately depend on market and economic conditions, the availability of buyers and other factors. Therefore, there can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by our second priority liens after payment in full of all obligations secured by the senior lender's first priority liens on the collateral. There is also a risk that such collateral securing our investments may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the portfolio company and market conditions. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by our second priority liens, then we, to the extent not repaid from the proceeds from the sale of the collateral, will only have an unsecured claim against the company's remaining assets, if any.

Covenant-Lite Loans may expose us to different risks, including with respect to liquidity, price volatility, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants.

A significant number of high yield loans in the market, in particular the broadly syndicated loan market, may consist of covenant-lite loans, or "Covenant-Lite Loans." A significant portion of the loans in which we may invest or get exposure to through our investments may be deemed to be Covenant-Lite Loans and it is possible that such loans may comprise a majority of our portfolio. Such loans do not require the borrower to maintain debt service or other financial ratios and do not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. Ownership of Covenant-Lite Loans may expose us to different risks, including with respect to liquidity, price volatility, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants.

Our investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy includes investments in foreign companies. Investing in foreign companies may expose us to additional risk not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes (potentially at confiscatory levels), less liquid markets, less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Although the majority of our investments are currently and are expected to be U.S.-dollar denominated, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us.

We may expose ourselves to risks if we engage in hedging transactions.

We have and may in the future enter into hedging transactions, which may expose us to risks associated with such transactions. We have and may continue to utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Use of these hedging instruments may include counter-party credit risk. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to (or be able to) establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy.

As a BDC, we may not acquire any assets other than “qualifying assets” unless, at the time of and after giving effect to such acquisition, at least 70.0% of our total assets are qualifying assets. For further detail, see “Item 1. — Business — Regulation of Business Development Companies” included in this Annual Report on Form 10-K.

We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could lose our status as a BDC. If we fail to maintain our status as a BDC, we might be regulated as a closed-end investment company that is required to register under the 1940 Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under our outstanding indebtedness. For these reasons, loss of BDC status likely would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position).

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in

the financial condition or the market's assessment of the issuer or the industry in which it operates. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our RIC asset diversification requirements under the Code and certain investment diversification requirements under our financing agreements, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

We generally do not control our portfolio companies.

We generally do not expect to control most of our portfolio companies, even though we or Barings may have board representation or board observation rights, and our debt agreements with such portfolio companies may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree, and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve our interests as debt investors. Due to the lack of liquidity for our investments in non-traded companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of our portfolio holdings.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending their future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity, which could result in a decline in the market price of our securities.

Any unrealized losses we experience on our loan portfolio may be an indication of future realized losses, which could reduce our income available for distribution.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at the fair value as determined in good faith by the Board (or its valuation designee pursuant to Rule 2a-5 under the 1940 Act). Decreases in the market values or fair values of our investments will be recorded as unrealized depreciation. Any unrealized losses in our loan portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected loans. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods.

Defaults by our portfolio companies may harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company.

Changes in interest rates may affect our cost of capital, the value of our investments, and results of operations.

An increase in interest rates would make it more expensive to use debt to finance our investments. As a result, a significant increase in market interest rates could both reduce the value of our portfolio investments and increase our cost of capital, which may reduce our net investment income. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our distribution rate, a situation which could reduce the value of our common stock. Conversely, a decrease in interest rates may have an adverse impact on our returns by requiring us to seek lower yields on our debt investments and by increasing the risk that our portfolio companies will prepay our debt investments, resulting in the need to redeploy capital at potentially lower rates.

We may not realize gains from our equity investments.

Certain investments that we have made in the past and may make in the future include equity securities. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity and limited voting rights. In addition, we may from time to time make non-control, equity co-investments in companies in conjunction with private equity sponsors. Our goal is ultimately to realize gains upon our disposition of such equity interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests.

Our investments in asset-backed securities are subject to additional risks.

Asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. For instance, asset-backed securities may be particularly sensitive to changes in prevailing interest rates. In addition, the underlying assets may be subject to prepayments that shorten the securities' weighted average maturity and may lower their return. Asset-backed securities are also subject to risks associated with their structure and the nature of the assets underlying the security and the servicing of those assets. Payment of interest and repayment of principal on asset-backed securities is largely dependent upon the cash flows generated by the assets backing the securities. Certain asset-backed securities are supported by letters of credit, surety bonds or other credit enhancements. However, if many borrowers on the underlying assets default, losses could exceed the credit enhancement level and result in losses to investors, such as the Company. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence by, or defalcation of, their servicers. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer credit laws with respect to the assets underlying these securities, which may give the debtor the right to avoid or reduce payment.

Our investments in collateralized loan obligation vehicles are subject to additional risks.

We may invest in debt and equity interests of collateralized loan obligation (“CLO”) vehicles. Generally, there may be less information available to us regarding the underlying debt investments held by such CLOs than if we had invested directly in the debt of the underlying companies. As a result, we and our stockholders may not know the details of the underlying holdings of the CLO vehicles in which we may invest.

As a BDC, we may not acquire equity and junior debt investments in CLO vehicles unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are “qualifying assets.” CLO vehicles that we expect to invest in are typically very highly leveraged, and therefore, the junior debt and equity tranches that we expect to invest in are subject to a higher degree of risk of total loss. In particular, investors in CLO vehicles indirectly bear risks of the underlying debt investments held by such CLO vehicles. We will generally have the right to receive payments only from the CLO vehicles, and will generally not have direct rights against the underlying borrowers or the entity that sponsored the CLO vehicle. While the CLO vehicles we intend to target generally enable

the investor to acquire interests in a pool of leveraged corporate loans without the expenses associated with directly holding the same investments, we will generally pay a proportionate share of the CLO vehicles' administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying CLO vehicles will rise or fall, these prices (and, therefore, the prices of the CLO vehicles) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. The failure by a CLO vehicle in which we invest to satisfy certain financial covenants, specifically those with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO vehicle failed those tests, holders of debt senior to us may be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive. If any of these occur, it could materially and adversely affect our operating results and cash flows.

In addition to the general risks associated with investing in debt securities, CLO vehicles carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the fact that our investments in CLO tranches will likely be subordinate to other senior classes of note tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO vehicle or unexpected investment results. Our net asset value may also decline over time if our principal recovery with respect to CLO equity investments is less than the price we paid for those investments.

Investments in structured vehicles, including equity and junior debt instruments issued by CLO vehicles, involve risks, including credit risk and market risk. Changes in interest rates and credit quality may cause significant price fluctuations. Additionally, changes in the underlying leveraged corporate loans held by a CLO vehicle may cause payments on the instruments we hold to be reduced, either temporarily or permanently. Structured investments, particularly the subordinated interests in which we intend to invest, may be less liquid than many other types of securities and may be more volatile than the leveraged corporate loans underlying the CLO vehicles we intend to target. Fluctuations in interest rates may also cause payments on the tranches of CLO vehicles that we hold to be reduced, either temporarily or permanently.

Any interests we acquire in CLO vehicles will likely be thinly traded or have only a limited trading market and may be subject to restrictions on resale. Securities issued by CLO vehicles are generally not listed on any U.S. national securities exchange and no active trading market may exist for the securities of CLO vehicles in which we may invest. Although a secondary market may exist for our investments in CLO vehicles, the market for our investments in CLO vehicles may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. As a result, these types of investments may be more difficult to value. In addition, our investments in CLO warehouse facilities are short term investments and therefore may be subject to a greater risk relating to market conditions and economic recession or downturns.

We may be subject to risks associated with syndicated loans.

From time to time, we may acquire interests in syndicated loans. Under the documentation for syndicated loans, a financial institution or other entity typically is designated as the administrative agent and/or collateral agent. This agent is granted a lien on any collateral on behalf of the other lenders and distributes payments on the indebtedness as they are received. The agent is the party responsible for administering and enforcing the loan and generally may take actions only in accordance with the instructions of a majority or two-thirds in commitments and/or principal amount of the associated indebtedness. In most cases, we do not expect to hold a sufficient amount of the indebtedness to be able to compel any actions by the agent. Consequently, we would only be able to direct such actions if instructions from us were made in conjunction with other holders of associated indebtedness that together with us compose the requisite percentage of the related indebtedness then entitled to take action. Conversely, if holders of the required amount of the associated indebtedness other than us desire to take certain actions, such actions may be taken even if we did not support such actions. Furthermore, if an investment is subordinated to one or more senior loans made to the applicable obligor, our ability to exercise such rights may be subordinated to the exercise of such rights by the senior lenders. Accordingly, we may be precluded from directing such actions unless we act together with other holders of the indebtedness. If we are unable to direct such actions, we cannot assure you that the actions taken will be in our best interests.

If an investment is a syndicated revolving loan or delayed drawdown loan, other lenders may fail to satisfy their full contractual funding commitments for such loan, which could create a breach of contract, result in a lawsuit by the obligor against the lenders and adversely affect the fair market value of our investment.

There is a risk that a loan agent in respect of one of our loans may become bankrupt or insolvent. Such an event would delay, and possibly impair, any enforcement actions undertaken by holders of the associated indebtedness, including attempts to realize upon the collateral securing the associated indebtedness and/or direct the agent to take actions against the related obligor or the collateral securing the associated indebtedness and actions to realize on proceeds of payments made by obligors that are in the possession or control of any other financial institution. In addition, we may be unable to remove the agent in circumstances in which removal would be in our best interests. Moreover, agent loans typically allow for the agent to resign with certain advance notice.

Our special situations investments involve a high degree of credit and market risk.

Our special situations investments, which consist of investments in the securities and debt of financially troubled issuers or borrowers and operationally troubled issuers or borrowers, involve a high degree of credit and market risk. Although we may invest in select companies that, in the view of Barings, have the potential over the long-term for capital growth, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that we may incur substantial or total losses on investments or that such investments may not show any return for a considerable period of time. Under such circumstances, the returns generated from the investments may not compensate investors adequately for the risks assumed.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There can be no assurance that Barings will correctly evaluate the value of a company's assets or the prospects for a successful reorganization or similar action. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers and borrowers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about such issuers and borrowers.

Securities and debt of financially troubled issuers or borrowers and operationally troubled issuers or borrowers are less liquid and more volatile than securities of companies not experiencing financial or operational difficulties. The market prices of such securities are subject to erratic and abrupt market movements, and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that many investments may not be widely traded and that our investment in such securities may be substantial relative to the market for such securities. As a result, we may experience delays and incur losses and other costs in connection with the sale of investments.

Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by Barings. To the extent that Barings becomes involved in such proceedings, we may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by Barings in an issuer's reorganization proceedings could result in the imposition of restrictions limiting our ability to liquidate its position in the issuer or increase the likelihood of us being involved in litigation.

Risks Relating to Our Securities

Shares of closed-end investment companies, including BDCs, frequently trade at a discount to their net asset value, and may trade at premiums that may prove to be unsustainable.

Shares of closed-end investment companies, including BDCs, frequently trade at a discount from net asset value, and may trade at premiums that may prove to be unsustainable. This characteristic of closed-end investment companies and BDCs is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common stock will trade at, above or below net asset value. The risk of purchasing shares of a BDC that might trade at a discount or unsustainable premium is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their

investments is likely to be more dependent upon changes in premium or discount levels than upon increases or decreases in net asset value per share. As of December 31, 2022, the closing price of our common stock on the NYSE was \$8.15 per share, an approximately 26.2% discount to our net asset value per share as of December 31, 2022.

In addition, at times when our common stock trades below net asset value, we will generally not be able to issue additional common stock at the market price without first obtaining the approval of our stockholders and our independent directors. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current net asset value per share of our common stock if our board of directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. Any such sale would be dilutive to the net asset value per share of our common stock. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any commission or discount). If our common stock trades at a discount to net asset value, this restriction could adversely affect our ability to raise capital. Pursuant to approval granted at the reconvened portion of our annual meeting of stockholders held on June 30, 2022, we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on June 30, 2023.

Investing in our securities may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies may be highly speculative, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance.

The market price of our securities may be volatile and fluctuate significantly.

Fluctuations in the trading prices of our shares may adversely affect the liquidity of the trading market for our shares and, if we seek to raise capital through future equity financings, our ability to raise such equity capital. The market price and liquidity of the market for our securities may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs or BDCs ;
- inability to obtain certain exemptive relief from the SEC;
- loss of RIC tax treatment;
- changes in earnings or variations in operating results;
- changes in the value of our portfolio of investments;
- any shortfall in investment income or net investment income or any increase in losses from levels expected by investors or securities analysts;
- conversion features of subscription rights, warrants or convertible debt;
- loss of a major funding source;
- fluctuations in interest rates;
- the operating performance of companies comparable to us;
- departure of Barings' or any of its affiliates' key personnel;

- proposed, or completed, offerings of our securities, including classes other than our common stock;
- global or national credit market changes; and
- general economic trends and other external factors.

The market for any security is subject to volatility. The loans and securities purchased by us and issued by us are no exception to this fundamental investment truism that prices will fluctuate.

We may be unable to invest a significant portion of the net proceeds raised from our offerings on acceptable terms, which would harm our financial condition and operating results.

Delays in investing the net proceeds raised in our offerings may cause our performance to be worse than that of other fully invested BDCs or other lenders or investors pursuing comparable investment strategies. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds from any offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

We anticipate that, depending on market conditions, it may take a substantial period of time to invest substantially all of the net proceeds from any offering in securities meeting our investment objective. During such a period, we have and will continue to invest the net proceeds from any offering primarily in cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt instruments maturing in one year or less from the time of investment, which may produce returns that are significantly lower than the returns which we expect to achieve when our portfolio is fully invested in securities meeting our investment objective, and given our expense ratio and the prevailing interest rate climate, there is a possible risk of losing money on the offering proceeds from certain securities, such as debt securities during this interval. As a result, any dividends or distributions that we pay during such period may be substantially lower than the dividends or distributions that we may be able to pay when our portfolio is fully invested in securities meeting our investment objective. In addition, until such time as the net proceeds from any offering are invested in securities meeting our investment objective, the market price for our securities may decline. Thus, the return on your investment may be lower than when, if ever, our portfolio is fully invested in securities meeting our investment objective.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, or the availability of such common stock for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

If we sell common stock at a discount to our net asset value per share, stockholders will experience immediate dilution in an amount that may be material.

Any sale of common stock at a price below net asset value would result in an immediate dilution to existing common stockholders. During periods of time in which we have authority from stockholders to issue shares of common stock at a price below net asset value, such shares of common stock could be issued at a price that is substantially below the net asset value per share, and the resulting dilution could be substantial. This dilution would include reduction in the net asset value per share as a result of the issuance of shares at a price below the net asset value per share and a proportionately greater decrease in a stockholder's interest in the earnings and assets of the Company and voting interest in the Company than the increase in the assets, potential earnings and voting interests of the Company resulting from such issuance. In addition, such issuances or sales may adversely affect the price at which our common stock trades.

Pursuant to approval granted at the reconvened portion of our annual meeting of stockholders held on June 30, 2022, we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed

30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on June 30, 2023.

Provisions of the Maryland General Corporation Law and our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

The Maryland General Corporation Law and our charter and bylaws contain provisions that may have the effect of discouraging, delaying or making difficult a change in control of our Company or the removal of our incumbent directors. Specifically, the Board has adopted a resolution explicitly subjecting us to the Maryland Business Combination Act under the Maryland General Corporation Law, which, subject to limitations, prohibits certain business combinations between us and an “interested stockholder” (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder and thereafter imposes fair price and/or super majority voting requirements on these combinations. In addition, our charter classifies the Board in three classes serving staggered three-year terms and provides that a director may be removed only for cause by the vote of at least two-thirds of the votes entitled to be cast for the election of directors generally. In addition, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by our secretary to act upon any matter that may properly be considered at a meeting of stockholders only upon the written request of the stockholders entitled to cast at least a majority of all the votes entitled to be cast on such matter at the meeting.

In addition, subject to the provisions of the 1940 Act, our charter permits the Board, without stockholder action, to authorize the issuance of shares of stock in one or more classes or series, including preferred stock. Subject to compliance with the 1940 Act, the Board may, without stockholder action, amend our charter from time to time to increase or decrease the number of shares of stock of any class or series that we have authority to issue. The existence of these provisions, among others, may have a negative impact on the price of our common stock and may discourage third-party bids for ownership of our company. These provisions may prevent any premiums being offered to you for shares of our common stock.

If we issue preferred stock and/or debt securities, the net asset value and market value of our common stock may become more volatile.

We cannot assure you that the issuance of preferred stock and/or debt securities would result in a higher yield or return to the holders of our common stock. The issuance of preferred stock and/or debt securities would likely cause the net asset value and market value of our common stock to become more volatile. If the dividend rate on the preferred stock, or the interest rate on the debt securities, were to approach the net rate of return on our investment portfolio, the benefit of leverage to the holders of our common stock would be reduced. If the dividend rate on the preferred stock, or the interest rate on the debt securities, were to exceed the net rate of return on our portfolio, the use of leverage would result in a lower rate of return to the holders of common stock than if we had not issued the preferred stock or debt securities. Any decline in the net asset value of our investment would be borne entirely by the holders of our common stock. Therefore, if the market value of our portfolio were to decline, the leverage would result in a greater decrease in net asset value to the holders of our common stock than if we were not leveraged through the issuance of preferred stock or debt securities. This decline in net asset value would also tend to cause a greater decline in the market price for our common stock.

There is also a risk that, in the event of a sharp decline in the value of our net assets, we would be in danger of failing to maintain required asset coverage ratios which may be required by the preferred stock and/or debt securities or of a downgrade in the ratings of the preferred stock and/or debt securities or our current investment income might not be sufficient to meet the dividend requirements on the preferred stock or the interest payments on the debt securities. In order to counteract such an event, we might need to liquidate investments in order to fund redemption of some or all of the preferred stock and/or debt securities. In addition, we would pay (and the holders of our common stock would bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock and/or debt securities. Holders of preferred stock and/or debt securities may have different interests than holders of common stock and may at times have disproportionate influence over our affairs.

There is a risk that investors in our common stock may not receive a specified level of dividends or that our dividends may not grow over time and that investors in any debt securities we may issue may not receive all of the interest income to which they are entitled.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments.

In addition, due to the asset coverage and net asset value tests applicable to us as a BDC and under covenants under our financing agreements, we may be limited in our ability to make distributions. Further, if we invest a greater amount of assets in equity securities that do not pay current dividends, it could reduce the amount available for distribution. See “Item 5. — Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Distribution Policy” of this Annual Report on Form 10-K for further discussion of distributions.

The above-referenced restrictions on distributions may also inhibit our ability to make required interest payments to holders of our current debt including the August 2025 Notes, the November Notes, the February Notes and the November 2026 Notes (each as defined below under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Item 7 of Part II of this Annual Report on Form 10-K), and any future debt we may issue, which may cause a default under the terms of the relevant debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of our debt agreements.

Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

If you are holding debt securities issued by us and such securities are redeemable at our option, we may choose to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In addition, if you are holding debt securities issued by us and such securities are subject to mandatory redemption, we may be required to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In this circumstance, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your debt securities being redeemed.

If we choose to redeem any of the August 2025 Notes, the November Notes, the February Notes or the November 2026 Notes when the fair market value of the August 2025 Notes, the November Notes, the February Notes or the November 2026 Notes is above par value, you would experience a loss of any potential premium.

We may not be able to prepay the August 2025 Notes, the November Notes, the February Notes or the November 2026 Notes upon a change in control.

The note purchase agreements governing the August 2025 Notes, the November Notes and the February Notes, and the indenture governing the November 2026 Notes, require us to offer to prepay all of the respective issued and outstanding notes upon the occurrence of certain change in control events, which could have a material adverse effect on our business, financial condition and results of operations. Upon a change in control event, holders of the notes may require us to prepay for cash some or all of the notes at a prepayment price equal to 100% of the aggregate principal amount of the notes being prepaid, plus accrued and unpaid interest to, but not including, the date of prepayment. If a change in control were to occur, we may not have sufficient funds to prepay any such accelerated indebtedness.

Future offerings of debt securities, which would be senior to our common stock upon liquidation, or equity securities, which could dilute our existing stockholders and may be senior to our common stock for the purposes of distributions, may harm the value of our common stock.

In the future, we may attempt to increase our capital resources by making offerings of additional debt securities or additional equity securities, including commercial paper, medium-term notes, senior or subordinated notes and classes of preferred stock or common stock subject to the restrictions of the 1940 Act. Upon a liquidation of our company, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings by us may dilute the holdings of our existing stockholders or reduce the value of our common stock, or both. Any preferred stock we may issue would have a preference on distributions that could limit our ability to make distributions to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us. In addition, proceeds from a sale of common stock will likely be used to increase our total assets or to pay down our borrowings, among other uses. This would increase our asset coverage ratio and permit us to incur additional leverage under rules pertaining to BDCs by increasing our borrowings or issuing senior securities such as preferred stock or debt securities.

You may have a current tax liability on distributions reinvested in our common stock pursuant to our dividend reinvestment plan or otherwise but would not receive cash from such distributions to pay such tax liability.

If you participate in our dividend reinvestment plan, you will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the amount reinvested in our common stock to the extent the amount reinvested was not a tax-free return of capital. As a result, unless you are a tax-exempt entity, you may have to use funds from other sources to pay your tax liability on the value of our common stock received from the distribution.

In addition, in order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion may be as low as 20% of the declared dividend, and 10% of the declared dividend through June 30, 2022) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder generally would be subject to tax on 100% of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock. We currently do not intend to pay dividends in shares of our common stock other than in connection with our dividend reinvestment plan.

A downgrade, suspension or withdrawal of the credit rating, if any, assigned by a rating agency to us or any of our outstanding unsecured notes, or change in the debt markets could cause the liquidity or market value of our securities to decline significantly.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the value and trading prices, if any, of our outstanding unsecured notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. We undertake no obligation to maintain our credit ratings or to advise any holders of our unsecured notes of any changes in our credit ratings, except as may be required under the terms of any applicable indenture or other governing document, including the August 2020 NPA, the November 2020 NPA, the February 2021 NPA and the indenture governing the November 2026 Notes. There can be no assurance that our credit ratings will remain for any given period of time or that such credit ratings will not be lowered or withdrawn entirely by the rating agency if in their judgment future circumstances relating to the basis of the credit ratings, such as adverse changes in our business or operations, so warrant. Any downgrades to us or our securities could increase our cost of capital or otherwise have a negative effect on our results of operations and financial condition. In this regard, the fixed rates of the November Notes and the February Notes are subject to increase in the event that a Below Investment Grade Event (as defined in relevant

note purchase agreement) occurs. The conditions of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices and value of our unsecured notes.

General Risk Factors

Global capital markets could enter a period of severe disruption and instability or an economic recession. These conditions have historically affected and could again materially and adversely affect debt and equity capital markets in the United States and around the world and could impair our portfolio companies and harm our operating results.

The U.S. and global capital markets have from time to time experienced periods of disruption characterized by the freezing of available credit, a lack of liquidity in the debt capital markets, significant losses in the principal value of investments, the re-pricing of credit risk in the broadly syndicated credit market, the failure of major financial institutions and general volatility in the financial markets. During these periods of disruption, general economic conditions deteriorated with material and adverse consequences for the broader financial and credit markets, and the availability of debt and equity capital for the market as a whole, and financial services firms in particular, was reduced significantly. These conditions may reoccur for a prolonged period of time or materially worsen in the future.

The United Kingdom (the “UK”) formally left the European Union (the “EU”) on January 31, 2020 (commonly known as “Brexit”), followed by an implementation period, during which EU law continued to apply in the UK and the UK maintained its EU single-market access rights and EU customs union membership. Following the implementation period, the UK has become a third country vis-à-vis the EU, without access to the single market or membership of the EU customs union. Although it is probable that any adverse effects flowing from the UK’s withdrawal from the EU will principally affect the UK (and those having an economic interest in, or connected to, the UK), given the size and global significance of the UK’s economy, the impact of the withdrawal is unpredictable and likely to be an ongoing source of instability, produce significant currency fluctuations, and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The withdrawal of the UK from the EU could therefore adversely affect us. In addition, although it seems less likely following the expiration of the transition period than at the time of the UK’s referendum, the withdrawal of the UK from the EU could have a further destabilizing effect if any other member states were to consider withdrawing from the EU, presenting similar and/or additional potential risks and consequences to our business and financial results.

Market conditions may in the future make it difficult to extend the maturity of or refinance our existing indebtedness and any failure to do so could have a material adverse effect on our business. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

Given the volatility and dislocation that the capital markets have historically experienced, many BDCs have faced, and may in the future face, a challenging environment in which to raise capital. We may in the future have difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption or instability in the global financial markets or deteriorations in credit and financing conditions may cause us to reduce the volume of the loans we originate and/or fund, which may adversely affect the value of our portfolio investments or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, significant changes in the capital markets, including instances of extreme volatility and disruption, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. We monitor developments and seek to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that we will be successful in doing so, and we may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments in the current or future market environment.

An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition or results of operations. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in rising rate environments. If we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies. In addition, equity capital may be difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. We generally seek approval from our stockholders so that we have the flexibility to issue up to a specified percentage of our then-outstanding shares of our common stock at a price below net asset value. Pursuant to approval granted at the reconvened portion of our annual meeting of stockholders held on June 30, 2022 we are permitted to issue and sell shares of our common stock at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations and determinations that must be made by the Board (including, without limitation, that the number of shares issued and sold pursuant to such authority does not exceed 30% of our then-outstanding common stock immediately prior to each such offering). Such stockholder approval expires on June 30, 2023.

Many of the portfolio companies in which we make investments may be susceptible to economic slowdowns or recessions and may be unable to repay the loans we made to them during these periods. Therefore, our non-performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record our investments at their current fair value. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our and our portfolio companies' funding costs, limit our and our portfolio companies' access to the capital markets or result in a decision by lenders not to extend credit to us or our portfolio companies. These events could prevent us from increasing investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt that we hold. We may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which we will actually provide significant managerial assistance to that portfolio company, a bankruptcy court might subordinate all or a portion of our claim to that of other creditors.

Terrorist attacks, acts of war, national disasters, outbreaks or pandemics may affect any market for our securities, impact the businesses in which we invest and harm our business, operating results and financial condition.

Terrorist acts, acts of war, national disasters, outbreaks or pandemics may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. For example, many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and COVID-19.

The COVID-19 pandemic has resulted in adverse consequences for us and our portfolio companies. While many countries, including the United States, have relaxed or eliminated the early public health restrictions adopted in response to the COVID-19 pandemic, the outbreak of new, worsening strains of COVID-19 may result in a resurgence in the number of reported cases and hospitalizations. Such increases in cases could lead to the re-introduction of restrictions and business shutdowns in certain states, counties and cities in the United States and globally. While these developments have had adverse consequences for our portfolio companies, the adverse effects of the COVID-19 pandemic on our operations and the operations of Barings, including with respect to us, have been reduced since the height of the pandemic. Barings continues to monitor the COVID-19 situation globally and is

prepared to adapt office working patterns as required to ensure the safety of its employees and clients who visit Barings office locations. In addition, Barings' cybersecurity policies are applied consistently when working remotely or in the office. These potential impacts, while uncertain, could adversely affect our and our portfolio companies' operating results.

The Russian invasion of Ukraine may have a material adverse impact on us and our portfolio companies.

The conflict between Russia and Ukraine could lead to disruption, instability and volatility in global markets, economies and industries that could negatively impact our and our portfolio companies' business, results of operations and financial condition. The conflict has already resulted in significant volatility in certain equity, debt and currency markets, material increases in certain commodity prices, and economic uncertainty. The conflict may escalate and its resolution is unclear. The U.S. government and other governments have imposed severe sanctions against Russia and Russian interests and threatened additional sanctions and controls. Sanctions and export control laws and regulations are complex, frequently changing, and increasing in number, and they may impose additional legal compliance costs or business risks associated with our operations.

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and the consideration of ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations.

We may experience fluctuations in our quarterly results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic downturns or recessions and may be unable to repay our loans or meet other obligations during these periods. Therefore, during these periods our non-performing assets may increase and the value of these assets may decrease. Adverse economic conditions may also decrease the value of collateral securing some of our loans and the value of our debt and equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt or preferred equity, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt or equity holding and subordinate all or a portion of our claim to those of other creditors.

Changes to U.S. tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.

There have been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs, creating significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that more of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We, our subsidiaries and our portfolio companies are subject to regulation at the local, state and federal level. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth in this Annual Report on Form 10-K and may result in our investment focus shifting from the areas of expertise of our management team to other types of investments in which our management team may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Item 1B. *Unresolved Staff Comments.*

None.

Item 2. *Properties.*

We do not own any real estate or other physical properties materially important to our operation or any of our subsidiaries. Our headquarters are currently located at 300 South Tryon Street, Suite 2500 Charlotte, North Carolina 28202, where we occupy office space pursuant to the Administration Agreement with Barings. We believe that our current office facilities are adequate to meet our needs.

Item 3. *Legal Proceedings.*

Neither we, the Adviser, nor our subsidiaries are currently subject to any material pending legal proceedings, other than ordinary routine litigation incidental to our respective businesses. We, the Adviser, and our subsidiaries may from time to time, however, be involved in litigation arising out of operations in the normal course of business or otherwise, including in connection with strategic transactions. Furthermore, third parties may seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, we do not expect any current matters will materially affect our financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on our financial condition or results of operations in any future reporting period.

Item 4. *Mine Safety Disclosures.*

Not applicable.

PART II

Item 5. *Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.*

Common Stock and Holders

Our common stock is traded on the New York Stock Exchange, or NYSE, under the ticker symbol “BBDC.” As of February 23, 2023, there were approximately 2,528 holders of record of our common stock. This number does not include stockholders for whom shares are held in “nominee” or “street name.”

Distributions Declared

The table below shows the detail of our distributions for the years ended December 31, 2022 and 2021:

	Year Ended December 31,			
	2022		2021	
	Amount	% of Total	Amount	% of Total
Ordinary income	\$ 0.95	100.0 %	\$ 0.79	96.3 %
Tax return of capital	—	—	0.03	3.7
Total reported on IRS Form 1099-DIV	\$ 0.95	100.0 %	\$ 0.82	100.0 %

Each year, a statement on IRS Form 1099-DIV identifying the source(s) of the distribution (i.e., paid from ordinary income, paid from net capital gains on the sale of securities, and/or a return of paid in capital surplus which is a nontaxable distribution) is mailed to our stockholders. To the extent that our distributions for a fiscal year exceed current and accumulated earnings and profits, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our taxable ordinary income or capital gains. Stockholders should read any written disclosure accompanying a dividend payment carefully and should not assume that any distribution is taxable as ordinary income or capital gains.

Ordinary income is reported on IRS Form 1099-DIV as either qualified or non-qualified and capital gain distributions are reported on IRS Form 1099-DIV in various subcategories which have differing tax treatments to stockholders. Those subcategories are not presented herein.

We estimate the source of our distributions as required by Section 19(a) of the 1940 Act to determine whether payment of dividends are expected to be paid from any other source other than net investment income accrued for current period or certain cumulative periods, but we will not be able to determine whether any specific distribution will be treated as made out of our taxable earnings or as a return of capital until after the end of our taxable year. Any amount treated as a return of capital will reduce a stockholder’s adjusted tax basis in his or her common stock, thereby increasing his or her potential gain or reducing his or her potential loss on the subsequent sale or other disposition of his or her common stock. On a quarterly basis, for any payment of dividends estimated to be paid from any other source other than net investment income accrued for current period or certain cumulative periods based on the Section 19(a) requirement, we post a Section 19(a) notice through the Depository Trust Company’s Legal Notice System and our website, as well as send our registered stockholders a printed copy of such notice along with the dividend payment. The estimates of the source of the distribution are interim estimates based on GAAP that are subject to revision, and the exact character of the distributions for tax purposes cannot be determined until the final books and records are finalized for the calendar year. Therefore, these estimates are made solely in order to comply with the requirements of Section 19(a) of the 1940 Act and should not be relied upon for tax reporting or any other purposes and could differ significantly from the actual character of distributions for tax purposes.

Distribution Policy

We generally intend to make distributions on a quarterly basis to our stockholders of substantially all of our income. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of (i) 98.0% of our ordinary income for the calendar year, (ii) 98.2% of our capital

gains in excess of capital losses for the calendar year, and (iii) any ordinary income and net capital gains for the preceding year that were not distributed during such year. We will not be subject to excise taxes on amounts on which we are required to pay corporate income tax (such as retained net capital gains). In order to obtain the tax benefits applicable to RICs, we will be required to distribute to our stockholders with respect to each taxable year at least 90.0% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses. We may retain for investment realized net long-term capital gains in excess of realized net short-term capital losses. We may make deemed distributions to our stockholders of any retained net capital gains. If this happens, our stockholders will be treated as if they received an actual distribution of the capital gains we retain and then reinvested the net after-tax proceeds in our common stock. Our stockholders also may be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to their allocable share of the tax we paid on the capital gains deemed distributed to them. Please refer to “Business — Material U.S. Federal Income Tax Considerations” included in Item 1 of Part I of this Annual Report on Form 10-K for further information regarding the consequences of our retention of net capital gains. We may, in the future, make actual distributions to our stockholders of some or all realized net long-term capital gains in excess of realized net short-term capital losses. We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we will be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratio and related requirements stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings or financing arrangements. See “Business — Regulation of Business Development Companies” included in Item 1 of Part I of this Annual Report on Form 10-K.

We have adopted a dividend reinvestment plan that provides for reinvestment of our distributions on behalf of our common stockholders, unless a common stockholder elects to receive cash as provided in “Business — Dividend Reinvestment Plan” included in Item I of Part I of this Annual Report on Form 10-K.

Stockholders who receive dividends in the form of stock generally are subject to the same federal, state and local tax consequences as are stockholders who elect to receive their dividends in cash. A stockholder’s basis for determining gain or loss upon the sale of stock received in a dividend from us will be equal to the total dollar amount of the dividend payable to the stockholder. Any stock received in a dividend will have a holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. stockholder’s account.

Sales of Unregistered Equity Securities

We did not sell any equity securities during the period covered by this report that were not registered under the Securities Act of 1933, as amended (the “Securities Act”).

Issuer Purchases of Equity Securities

During the three months ended December 31, 2022, in connection with our dividend reinvestment plan for our common stockholders, we directed the Plan Administrator to purchase 99,387 shares of our common stock for an aggregate of \$837,011 in the open market in order to satisfy our obligations to deliver shares of common stock to our stockholders with respect to our dividend declared on November 10, 2022.

The following chart summarizes repurchases of our common stock for the three months ended December 31, 2022:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs(2)
October 1 through October 31, 2022	50,267	\$ 8.35	50,267	\$ 8,062
November 1 through November 30, 2022	199,039	\$ 9.14	199,039	\$ 6,243
December 1 through December 31, 2022	816,020 (1)	\$ 8.68	716,633	\$ —

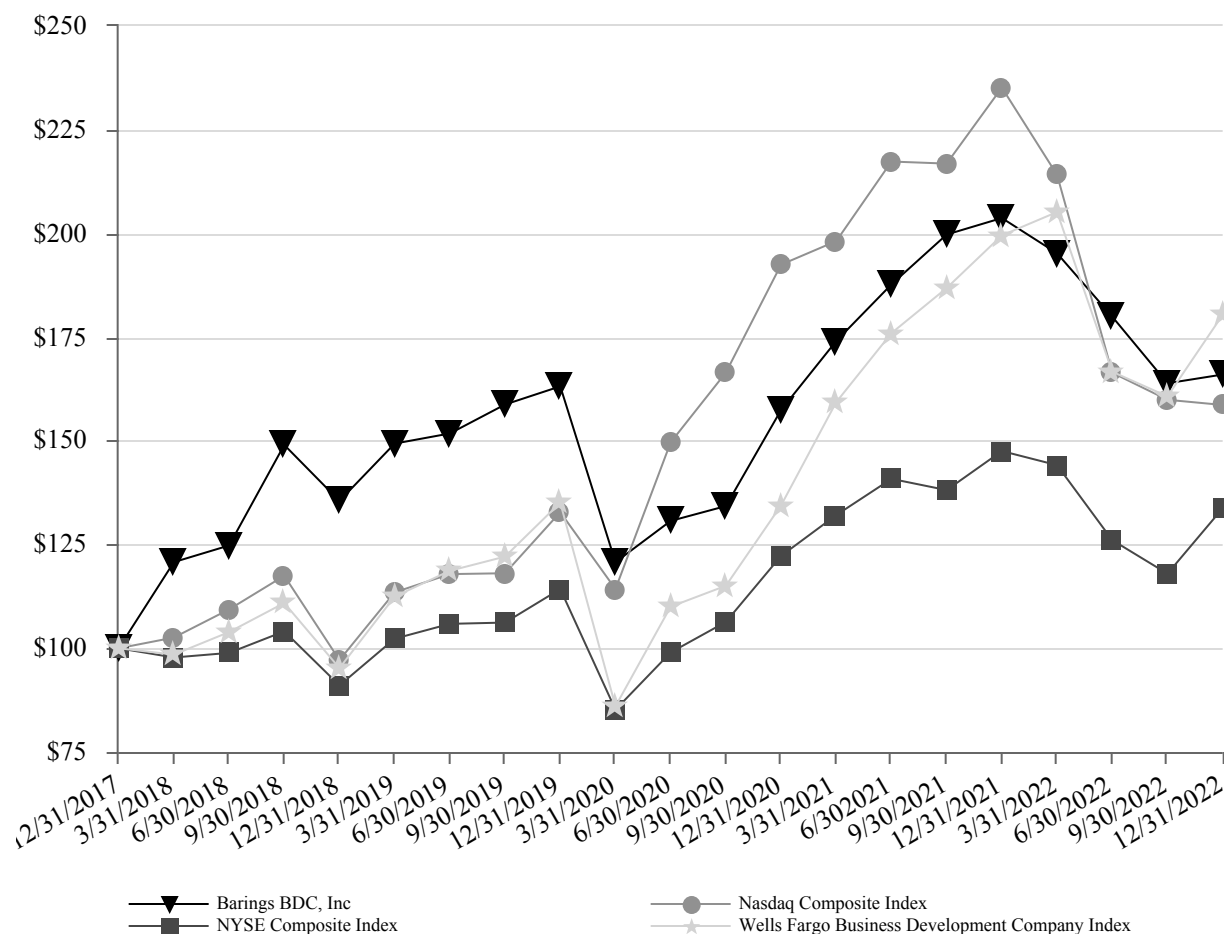
(1) Includes 99,387 shares purchased in the open market pursuant to the terms of our dividend reinvestment plan.

(2) In thousands.

Performance Graph

The following graph compares the cumulative total return on our common stock with the cumulative total return of the Nasdaq Composite Index, the NYSE Composite Index and the Wells Fargo Business Development Company Index for the five years ended December 31, 2022. This comparison assumes \$100.00 was invested in our common stock (or that of Triangle Capital Corporation (“TCAP”), prior to the Transactions) at the closing price of our common stock on December 31, 2017 and in the comparison groups and assumes the reinvestment of all cash dividends on the ex-dividend date prior to any tax effect. The stock price performance shown on the graph below is not necessarily indicative of future price performance.

**Comparison of Annual Cumulative Total Return(1)
among Barings BDC, Inc., the Nasdaq Composite Index, the NYSE Composite Index
and the Wells Fargo Business Development Company Index**



	<u>12/31/17</u>	<u>3/31/18</u>	<u>6/30/18</u>	<u>9/30/18</u>	<u>12/31/18</u>	<u>3/31/19</u>	<u>6/30/19</u>	<u>9/30/19</u>	<u>12/31/19</u>
Barings BDC, Inc.	100.00	120.77	124.78	149.02	135.51	149.34	151.78	158.76	163.14
NASDAQ Composite Index	100.00	102.59	109.37	117.48	97.16	113.49	117.88	118.09	132.81
NYSE Composite Index	100.00	97.78	98.89	104.09	91.05	102.31	105.89	106.20	114.28
Wells Fargo Business Development Company Index	100.00	98.48	103.91	110.92	95.22	112.46	118.68	122.10	135.11
		<u>3/31/20</u>	<u>6/30/20</u>	<u>9/30/20</u>	<u>12/31/20</u>	<u>3/31/21</u>	<u>6/30/21</u>	<u>9/30/21</u>	<u>12/31/21</u>
Barings BDC, Inc.		120.75	130.70	134.28	157.43	174.07	187.71	199.73	203.71
NASDAQ Composite Index		114.28	149.64	166.46	192.47	198.15	217.33	216.83	235.15
NYSE Composite Index		85.20	99.00	106.35	122.26	132.11	140.84	138.13	147.54
Wells Fargo Business Development Company Index.....		86.01	110.03	115.07	134.44	159.34	175.97	186.84	199.52
					<u>3/31/22</u>	<u>6/30/22</u>	<u>9/30/22</u>	<u>12/31/22</u>	
Barings BDC, Inc.					195.21	179.93	163.88	165.99	
NASDAQ Composite Index					214.12	166.42	159.90	158.65	
NYSE Composite Index					144.14	126.07	117.98	133.75	
Wells Fargo Business Development Company Index.....					205.16	166.65	160.72	180.37	

(1) From December 31, 2017 to December 31, 2022.

Senior Securities Table of Barings BDC, Inc.
(dollar amounts in thousands, except per unit data)

Information about our senior securities is shown as of the dates indicated in the below table. The report of our independent registered public accounting firm, KPMG LLP, on the senior securities table as of December 31, 2022, is attached as an exhibit to this annual report on Form 10-K.

Class and Year(1)	Total Amount Outstanding Exclusive of Treasury Securities(2)	Asset Coverage per Unit(3)	Involuntary Liquidating Preference per Unit(4)	Average Market Value per Unit(5)
<i>2019 Notes</i>				
2013	\$ 69,000	\$ 2,259	—	\$ 25.99
2014	69,000	2,215	—	25.74
<i>December 2022 Notes</i>				
2013	80,500	2,259	—	24.94
2014	80,500	2,215	—	25.05
2015	80,500	1,972	—	25.23
2016	80,500	2,124	—	25.15
2017	80,500	2,120	—	25.51
<i>March 2022 Notes</i>				
2015	86,250	1,972	—	25.46
2016	86,250	2,124	—	25.58
2017	86,250	2,120	—	25.85
<i>SBA-guaranteed debentures payable⁽⁶⁾</i>				
2013	193,285	2,259	—	N/A
2014	224,780	2,215	—	N/A
2015	224,968	1,972	—	N/A
2016	250,000	2,124	—	N/A
2017	250,000	2,120	—	N/A
<i>May 2011 Credit Facility</i>				
2013	11,221	2,259	—	N/A
2014	62,620	2,215	—	N/A
2015	131,257	1,972	—	N/A
2016	127,011	2,124	—	N/A
2017	125,315	2,120	—	N/A
<i>August 2018 Credit Facility⁽⁷⁾</i>				
2018	570,000	1,988	—	N/A
2019	107,200	1,851	—	N/A
<i>February 2019 Credit Facility⁽⁸⁾</i>				
2019	245,288	1,851	—	N/A
2020	719,661	1,760	—	N/A
2021	655,189	1,538	—	N/A
2022	729,144	1,830	—	N/A
<i>Debt Securitization</i>				
2019	318,210	1,851	—	N/A
<i>August 2025 Notes</i>				
2020	50,000	1,760	—	N/A
2021	50,000	1,538	—	N/A
2022	50,000	1,830	—	N/A

Class and Year(1)	Total Amount Outstanding Exclusive of Treasury Securities(2)	Asset Coverage per Unit(3)	Involuntary Liquidating Preference per Unit(4)	Average Market Value per Unit(5)
<i>Series B Notes</i>				
2020	62,500	1,760	—	N/A
2021	62,500	1,538	—	N/A
2022	62,500	1,830	—	N/A
<i>Series C Notes</i>				
2020	112,500	1,760	—	N/A
2021	112,500	1,538	—	N/A
2022	112,500	1,830	—	N/A
<i>Series D Notes</i>				
2021	80,000	1,538	—	N/A
2022	80,000	1,830	—	N/A
<i>Series E Notes</i>				
2021	70,000	1,538	—	N/A
2022	70,000	1,830	—	N/A
<i>November 2026 Notes</i>				
2021	350,000	1,538	—	N/A
2022	350,000	1,830	—	N/A
<i>Total Senior Securities</i>				
2013	354,006	2,259	—	N/A
2014	436,900	2,215	—	N/A
2015	522,975	1,972	—	N/A
2016	543,761	2,124	—	N/A
2017	542,065	2,120	—	N/A
2018	570,000	1,988	—	N/A
2019	670,698	1,851	—	N/A
2020	944,661	1,760	—	N/A
2021	1,380,189	1,538	—	N/A
2022	1,454,144	1,830	—	N/A

- (1) The information in the senior securities tables for 2017 - 2019 and for years prior to 2016 is unaudited. An independent registered public accounting firm has performed agreed-upon procedures related to the accuracy of the total amount outstanding exclusive of treasury securities as of December 31, 2017, 2018 and 2019 and the asset coverage per unit as of December 31, 2017, 2018 and 2019.
- (2) Total amount of each class of senior securities outstanding at the end of the period presented.
- (3) Asset coverage per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per \$1,000 of indebtedness. All prior period ratios have been conformed with this current presentation.
- (4) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it. The “—” indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.
- (5) Average market value per unit for our unsecured notes issued in March 2012 due 2019 (the “2019 Notes”), our unsecured notes issued in October 2012 and November 2012 due 2022 (the “December 2022 Notes”) and our unsecured notes issued in February 2015 due 2022 (the “March 2022 Notes”) represent the average of the daily closing prices as reported on the NYSE for each security during 2013, 2014, 2015, 2016 and 2017, as applicable. Average market value per unit for our SBA-guaranteed debentures payable, our terminated credit facility initially entered into in May 2011 (the “May 2011 Credit Facility”), Barings BDC Senior Funding I, LLC’s terminated credit facility initially entered into in August 2018 with Bank of America, N.A. (the “August 2018 Credit Facility”), the February 2019 Credit Facility, our \$449.3 million term debt securitization in May 2019 (the “Debt Securitization”), the August 2025 Notes, the November Notes, the February Notes and the November 2026 Notes are not applicable because these senior securities are not registered for public trading.
- (6) We have obtained exemptive relief from the SEC to permit us to exclude the SBA-guaranteed debentures payable from the 200% asset coverage test under the Investment Company Act.
- (7) The August 2018 Credit Facility was terminated at our election in June 2020.
- (8) The remaining notes issued in connection with the Debt Securitization were repaid in full in October 2020.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information in this section contains forward-looking statements that involve risks and uncertainties. Please see "Risk Factors" and "Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements. You should read the following discussion in conjunction with the combined financial statements and related notes and other financial information appearing elsewhere in this Annual Report on Form 10-K.

The following discussion is designed to provide a better understanding of our financial statements, including a brief discussion of our business, key factors that impacted our performance and a summary of our operating results. The following discussion should be read in conjunction with the consolidated financial statements and the notes thereto included or incorporated by reference in Item 8 of this Annual Report on Form 10-K. Historical results and percentage relationships among any amounts in the financial statements are not necessarily indicative of trends in operating results for any future periods.

MVC Capital, Inc. Acquisition

On December 23, 2020, we completed our acquisition of MVC Capital, Inc., a Delaware corporation ("MVC") (the "MVC Acquisition") pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the "MVC Merger Agreement"), dated as of August 10, 2020, with MVC, Mustang Acquisition Sub, Inc., a Delaware corporation and our wholly owned subsidiary ("MVC Acquisition Sub"), and Barings LLC, our external investment adviser and our administrator ("Barings"). To effect the acquisition, MVC Acquisition Sub merged with and into MVC, with MVC surviving the merger as our wholly owned subsidiary (the "First MVC Merger"). Immediately thereafter, MVC merged with and into us, with us as the surviving company (the "Second MVC Merger" and, together with the First MVC Merger, the "MVC Merger").

Pursuant to the MVC Merger Agreement, MVC stockholders received the right to the following merger consideration in exchange for each share of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger (other than shares of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger that were held by a subsidiary of MVC or held, directly or indirectly, by us or MVC Acquisition Sub), in accordance with the MVC Merger Agreement: (i) an amount in cash from Barings, without interest, equal to \$0.39492, and (ii) 0.9790836 shares of our common stock, which ratio gave effect to the Euro-dollar exchange rate adjustment mechanism in the MVC Merger Agreement, plus cash in lieu of fractional shares. We issued approximately 17,354,332 shares of our common stock to MVC's then-existing stockholders in connection with the MVC Merger, thereby resulting in our then-existing stockholders owning approximately 73.4% of the combined company and MVC's then-existing stockholders owning approximately 26.6% of the combined company.

In connection with the MVC Acquisition, on December 23, 2020, following the closing of the MVC Merger, we entered into (1) an amended and restated investment advisory agreement (the "Amended and Restated Advisory Agreement") with Barings, effective January 1, 2021, and (2) a credit support agreement (the "MVC Credit Support Agreement") with Barings, pursuant to which Barings has agreed to provide credit support to us in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. See "Business—MVC Capital, Inc. Acquisition" and "Business—Management Agreements – Investment Advisory Agreement" in Item 1 of Part I of this Annual Report on Form 10-K, as well as "Note 2. Agreements and Related Party Transactions" and "Note 6. Derivative Instruments" in the Notes to our Consolidated Financial Statements included in this Annual Report on Form 10-K for more information.

In addition, in connection with the MVC Merger, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program occurred during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and were made in accordance with applicable legal, regulatory and contractual requirements, including covenants under our senior secured

revolving credit facility with ING Capital LLC (as amended, restated and otherwise modified from time to time, the "February 2019 Credit Facility"). The MVC repurchase program terminated on May 6, 2022.

Sierra Income Corporation Acquisition

On February 25, 2022, we completed our acquisition of Sierra Income Corporation, a Maryland corporation ("Sierra"), pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the "Sierra Merger Agreement"), dated as of September 21, 2021, with Sierra, Mercury Acquisition Sub, Inc., a Maryland corporation and our direct wholly owned subsidiary ("Sierra Acquisition Sub"), and Barings. To effect the acquisition, Sierra Acquisition Sub merged with and into Sierra, with Sierra surviving the merger as our wholly owned subsidiary (the "First Sierra Merger"). Immediately thereafter, Sierra merged with and into us, with Barings BDC, Inc. as the surviving company (the "Second Sierra Merger" and, together with the First Sierra Merger, the "Sierra Merger").

Pursuant to the Sierra Merger Agreement, each share of Sierra common stock, par value \$0.001 per share (the "Sierra Common Stock"), issued and outstanding immediately prior to the effective time of the First Sierra Merger (other than shares of Sierra Common Stock issued and outstanding immediately prior to the effective time of the First Sierra Merger that were held by a subsidiary of Sierra or held, directly or indirectly, by us or Sierra Acquisition Sub) was converted into the right to receive (i) an amount in cash from Barings, without interest, equal to \$0.9783641, and (ii) 0.44973 shares of our common stock, plus any cash in lieu of fractional shares. As a result of the Sierra Merger, former Sierra stockholders received approximately 46.0 million shares of our common stock for their shares of Sierra Common Stock.

In connection with the Sierra Merger, on February 25, 2022, following the closing of the Sierra Merger, we entered into (1) a second amended and restated investment advisory agreement (the "New Barings BDC Advisory Agreement"), and (2) a credit support agreement (the "Sierra Credit Support Agreement") with Barings, pursuant to which Barings has agreed to provide credit support to us in the amount of up to \$100.0 million relating to the net cumulative realized and unrealized losses on the acquired Sierra investment portfolio over a 10-year period. See "Note 2. Agreements and Related Party Transactions" and "Note 6. Derivative Instruments" in the Notes to our Consolidated Financial Statements included in this Annual Report on Form 10-K for more information.

In addition, in connection with the Sierra Merger, we committed to make open-market purchases of our common stock, pursuant to Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and subject to our compliance with our covenant and regulatory requirements, in an aggregate amount of up to \$30.0 million at then-current market prices at any time the shares of our common stock trade below 90% of our then most recently disclosed net asset value per share during the 12-month period commencing on April 1, 2022.

Overview of Our Business

We are a Maryland corporation incorporated on October 10, 2006. In August 2018, in connection with the closing of an externalization transaction through which Barings agreed to become our external investment adviser, we entered into an investment advisory agreement (the "Original Advisory Agreement") and an administration agreement (the "Administration Agreement") with Barings. In connection with the completion of the MVC Acquisition, we entered into the Amended and Restated Advisory Agreement with Barings on December 23, 2020, following approval of the Amended and Restated Advisory Agreement by our stockholders at our December 23, 2020 special meeting of stockholders. The terms of the Amended and Restated Advisory Agreement became effective on January 1, 2021. In connection with the completion of the Sierra Merger on February 25, 2022, we entered into the New Barings BDC Advisory Agreement with Barings. Under the terms of the New Barings BDC Advisory Agreement and the Administration Agreement, Barings serves as our investment adviser and administrator and manages our investment portfolio and performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operation.

An externally-managed BDC generally does not have any employees, and its investment and management functions are provided by an outside investment adviser and administrator under an advisory agreement and administration agreement. Instead of directly compensating employees, we pay Barings for investment management and administrative services pursuant to the terms of an investment advisory agreement and an administration agreement. Under the terms of the New Barings BDC Advisory Agreement (and, prior to February 25, 2022,

pursuant to the terms of the Amended and Restated Advisory Agreement (and prior to January 1, 2021, pursuant to the terms of the Original Advisory Agreement)), the fees paid to Barings for managing our affairs are determined based upon an objective and fixed formula, as compared with the subjective and variable nature of the costs associated with employing management and employees in an internally-managed BDC structure, which include bonuses that cannot be directly tied to Company performance because of restrictions on incentive compensation under the 1940 Act.

Beginning in August 2018, Barings shifted our investment focus to invest in syndicated senior secured loans, bonds and other fixed income securities. Since that time, Barings has transitioned our portfolio to primarily senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries. Barings' existing SEC co-investment exemptive relief under the 1940 Act (the "Exemptive Relief") permits us and Barings' affiliated private and SEC-registered funds to co-invest in Barings-originated loans, which allows Barings to efficiently implement its senior secured private debt investment strategy for us.

Barings employs fundamental credit analysis, and targets investments in businesses with relatively low levels of cyclicity and operating risk. The holding size of each position will generally be dependent upon a number of factors including total facility size, pricing and structure, and the number of other lenders in the facility. Barings has experience managing levered vehicles, both public and private, and will seek to enhance our returns through the use of leverage with a prudent approach that prioritizes capital preservation. Barings believes this strategy and approach offers attractive risk/return with lower volatility given the potential for fewer defaults and greater resilience through market cycles. A significant portion of our investments are expected to be rated below investment grade by rating agencies or, if unrated would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

We generate revenues in the form of interest income, primarily from our investments in debt securities, loan origination and other fees and dividend income. Fees generated in connection with our debt investments are recognized over the life of the loan using the effective interest method or, in some cases, recognized as earned. Our senior secured, middle-market, private debt investments generally have terms of between five and seven years. Our senior secured, middle-market, first lien private debt investments generally bear interest between LIBOR (or the applicable currency rate for investments in foreign currencies) plus 450 basis points and LIBOR plus 650 basis points per annum. Our subordinated middle-market, private debt investments generally bear interest between LIBOR (or the applicable currency rate for investments in foreign currencies) plus 700 basis points and LIBOR plus 900 basis points per annum if floating rate, and between 8% and 15% if fixed rate. From time to time, certain of our investments may have a form of interest, referred to as payment-in-kind, or PIK, interest, which is not paid currently but is instead accrued and added to the loan balance and paid at the end of the term.

As of December 31, 2022 and December 31, 2021, the weighted average yield on the principal amount of our outstanding debt investments other than non-accrual debt investments was approximately 9.7% and 7.2%, respectively. The weighted average yield on the principal amount of all of our outstanding debt investments (including non-accrual debt investments) was approximately 9.1% and 6.9% as of December 31, 2022 and December 31, 2021, respectively.

Portfolio Composition

The total fair value of our investment portfolio was \$2,448.9 million as of December 31, 2022, as compared to \$1,800.6 million as of December 31, 2021. As of December 31, 2022, we had investments in 322 portfolio companies with an aggregate cost of \$2,562.4 million. As of December 31, 2021, we had investments in 212 portfolio companies with an aggregate cost of \$1,787.8 million. As of both December 31, 2022 and 2021, none of our portfolio investments represented greater than 10% of the total fair value of our investment portfolio.

As of December 31, 2022 and December 31, 2021, our investment portfolio consisted of the following investments:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
December 31, 2022:				
Senior debt and 1 st lien notes	\$ 1,752,943	69 %	\$ 1,696,192	69 %
Subordinated debt and 2 nd lien notes ...	326,639	13	263,139	11
Structured products	88,805	3	73,550	3
Equity shares	230,188	9	284,570	12
Equity warrants	178	—	1,057	—
Investments in joint ventures/PE fund	163,645	6	130,427	5
	<u>\$ 2,562,398</u>	<u>100 %</u>	<u>\$ 2,448,935</u>	<u>100 %</u>
December 31, 2021:				
Senior debt and 1 st lien notes	\$ 1,217,899	68 %	\$ 1,221,598	68 %
Subordinated debt and 2 nd lien notes ...	253,551	14	240,037	13
Structured products	37,055	2	40,271	2
Equity shares	145,791	8	154,477	9
Equity warrants	1,111	—	1,107	—
Investments in joint ventures/PE fund	132,417	8	143,104	8
	<u>\$ 1,787,824</u>	<u>100 %</u>	<u>\$ 1,800,594</u>	<u>100 %</u>

Investment Activity

During the year ended December 31, 2022, we made 95 new investments totaling \$884.8 million, purchased \$442.2 million of investments as part of the Sierra Merger, made investments in existing portfolio companies totaling \$258.5 million and made additional investments in existing joint venture equity portfolio companies totaling \$13.8 million. We had 37 loans repaid totaling \$317.6 million, received \$59.7 million of portfolio company principal payments and received \$68.5 million of return of capital from our joint ventures. In addition, we sold \$188.0 million of loans, recognizing a net realized loss on these transactions of \$11.5 million, and sold \$177.4 million of investments to one of our joint ventures, realizing a loss on these transactions of \$5.6 million. We received proceeds related to the sale of equity investments totaling \$8.0 million, a distribution from one of our portfolio companies totaling \$6.2 million and recognized a net realized gain on such sales and distributions totaling \$6.9 million. Lastly, we exchanged a debt investment totaling \$13.8 million in one portfolio company for equity totaling \$13.9 million and realized a loss on such exchange of \$0.8 million.

During the year ended December 31, 2021, we made 112 new investments totaling \$1,069.4 million, made investments in existing portfolio companies totaling \$234.0 million, made a new joint venture equity investment totaling \$13.7 million, made additional investments in existing joint venture equity portfolio companies totaling \$79.4 million and made an \$89.8 million equity co-investment alongside certain affiliates in a portfolio company focused on directly originated, senior-secured asset-based loans to middle-market companies. We had 34 loans repaid at par totaling total \$282.8 million and received \$36.1 million of portfolio company principal payments. In addition, we sold \$252.9 million of loans, recognizing a net realized gain on these transactions of \$2.5 million, and sold \$536.4 million of investments to our joint venture, realizing a loss on these transactions of \$1.4 million. Lastly, we received proceeds related to the sale of equity investments totaling \$8.6 million and recognized a net realized gain on such sales totaling \$1.6 million.

Total portfolio investment activity for the years ended December 31, 2022 and 2021 was as follows:

December 31, 2022 (\$ in thousands)	Senior Debt and 1 st Lien Notes	Subordinated Debt and 2 nd Lien Notes	Structured Products	Equity Shares	Equity Warrants	Investments in Joint Ventures/ PE Fund	Total
Fair value, beginning of period	\$ 1,221,598	\$ 240,037	\$ 40,271	\$ 154,477	\$ 1,107	\$ 143,104	\$ 1,800,594
New investments	964,253	95,157	15,953	81,863	4	13,796	1,171,026
Investments acquired in Sierra merger	235,769	66,662	46,666	7,065	72	85,963	442,197
Proceeds from sales of investments	(348,949)	(21,555)	(6,421)	(7,706)	(250)	(74,712)	(459,593)
Loan origination fees received	(18,803)	(1,317)	—	—	—	—	(20,120)
Principal repayments received	(297,793)	(77,293)	(4,470)	—	—	—	(379,556)
Payment-in-kind interest/dividend	4,773	11,330	—	1677	—	—	17,780
Accretion of loan premium/discount	2,108	192	22	—	—	—	2,322
Accretion of deferred loan origination revenue	8,845	2,693	—	—	—	—	11,538
Realized gain (loss)	(15,159)	(2,781)	—	1,499	(760)	6,181	(11,020)
Unrealized appreciation (depreciation)	(60,450)	(49,986)	(18,471)	45,695	884	(43,905)	(126,233)
Fair value, end of period	<u>\$ 1,696,192</u>	<u>\$ 263,139</u>	<u>\$ 73,550</u>	<u>\$ 284,570</u>	<u>\$ 1,057</u>	<u>\$ 130,427</u>	<u>\$ 2,448,935</u>

December 31, 2021 (\$ in thousands)	Senior Debt and 1 st Lien Notes	Subordinated Debt and 2 nd Lien Notes	Structured Products	Equity Shares	Equity Warrants	Investments in Joint Ventures/ PE Fund	Short-term Investments	Total
Fair value, beginning of period	\$ 1,171,251	\$ 138,767	\$ 32,509	\$ 44,651	\$ 1,300	\$ 41,760	\$ 65,558	\$ 1,495,796
New investments	1,104,332	160,738	19,815	108,112	163	93,134	297,561	1,783,855
Proceeds from sales of investments	(765,418)	(13,684)	(10,068)	(8,269)	(450)	—	(363,118)	(1,161,007)
Loan origination fees received	(26,844)	(3,660)	—	—	—	—	—	(30,504)
Principal repayments received	(275,646)	(39,273)	(4,008)	—	—	—	—	(318,927)
Payment-in-kind interest	3,112	8,504	—	—	—	—	—	11,616
Accretion of loan premium/discount	2,033	2,582	31	—	—	—	—	4,646
Accretion of deferred loan origination revenue	8,841	603	—	—	—	—	—	9,444
Realized gain (loss)	52	(36)	1,213	1,255	163	—	(1)	2,646
Unrealized appreciation (depreciation)	(115)	(14,504)	779	8,728	(69)	8,210	—	3,029
Fair value, end of period	<u>\$ 1,221,598</u>	<u>\$ 240,037</u>	<u>\$ 40,271</u>	<u>\$ 154,477</u>	<u>\$ 1,107</u>	<u>\$ 143,104</u>	<u>\$ —</u>	<u>\$ 1,800,594</u>

Non-Accrual Assets

Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal

and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. As of December 31, 2022, we had seven portfolio companies with investments on non-accrual, the fair value of which was \$24.3 million, which comprised 1.0% of the total fair value of our portfolio, and the cost of which was \$98.8 million, which comprised 3.9% of the total cost of our portfolio. As of December 31, 2021, we had two portfolio companies with investments on non-accrual, the fair value of which was \$36.0 million, which comprised 2.0% of the total fair value of our portfolio, and the cost of which was \$50.9 million, which comprised 2.9% of the total cost of our portfolio.

A summary of our non-accrual assets as of December 31, 2022 is provided below:

1888 Industrial Services, LLC

In connection with the Sierra Merger, we purchased our debt and equity investments in 1888 Industrial Services, LLC, or 1888. The 1888 debt investments are on non-accrual status and as a result, under U.S. GAAP, we will not recognize interest income on our debt investments in 1888 for financial reporting purposes. As of December 31, 2022, the cost of our debt investments in 1888 was \$1.9 million and the fair value of such investments was \$1.3 million.

Black Angus Steakhouse, LLC

In connection with the Sierra Merger, we purchased our debt and equity investments in Black Angus Steakhouse, LLC, or Black Angus. The Black Angus PIK term loan is on non-accrual status and as a result, under U.S. GAAP, we will not recognize interest income on our PIK term loan in Black Angus for financial reporting purposes. As of December 31, 2022, the cost of the PIK term loan in Black Angus was \$9.6 million and the fair value of such investment was \$9.1 million.

Core Scientific, Inc.

During the quarter ended December 31, 2022, we placed our debt investment in Core Scientific, Inc. (“Core Scientific”) on non-accrual status effective with the monthly payment due October 31, 2022. As a result, under U.S. GAAP, we will not recognize interest income on our debt investment in Core Scientific for financial reporting purposes. As of December 31, 2022, the cost of our debt investment in Core Scientific was \$29.6 million and the fair value of such investment was \$11.1 million.

Custom Alloy Corporation

In connection with the MVC Acquisition, we purchased our debt investment in Custom Alloy Corporation, or Custom Alloy. During the quarter ended December 31, 2021, we placed our debt investment in Custom Alloy on non-accrual status. As a result, under U.S. GAAP, we will not recognize interest income on our debt investment in Custom Alloy for financial reporting purposes. As of December 31, 2022, the cost of our debt investment in Custom Alloy was \$46.4 million and the fair value of such investment was \$2.2 million.

Holland Acquisition Corp.

In connection with the Sierra Merger, we purchased our debt investment in Holland Acquisition Corp., or Holland. Holland is on non-accrual status and as a result, under U.S. GAAP, we will not recognize interest income on our debt investments in Holland for financial reporting purposes. As of December 31, 2022, both the cost and fair value of our debt investments in Holland was zero.

Isagenix International, LLC

In connection with the Sierra Merger, we purchased our debt investment in Isagenix International, LLC, or Isagenix. During the quarter ended September 30, 2022, we placed our debt investment in Isagenix on non-accrual status. As a result, under U.S. GAAP, we will not recognize interest income on our debt investment in Isagenix for financial reporting purposes. As of December 31, 2022, the cost of our debt investment in Isagenix was \$1.2 million and the fair value of such investment was \$0.6 million.

Legal Solutions Holdings

In connection with the MVC Acquisition, we purchased our debt investment in Legal Solutions Holdings, or Legal Solutions. During the quarter ended September 30, 2021, we placed our debt investment in Legal Solutions on non-accrual status. As a result, under U.S. GAAP, we will not recognize interest income on our debt investment in Legal Solutions for financial reporting purposes. As of December 31, 2022, the cost of our debt investment in Legal Solutions was \$10.1 million and the fair value of such investment was zero.

Discussion and Analysis of Financial Condition and Results of Operations

Set forth below is a comparison of the results of operations and changes in financial condition for the years ended December 31, 2022 and 2021. The comparison of, and changes between, the fiscal years ended December 31, 2021 and 2020 can be found within “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Part II of our annual report on Form 10-K for the fiscal year ended December 31, 2021, which is incorporated herein by reference.

Results of Operations

Comparison of years ended December 31, 2022 and 2021

Operating results for the years ended December 31, 2022 and 2021:

(\$ in thousands)	Year Ended December 31,	
	2022	2021
Total investment income	\$ 219,129	\$ 135,335
Total operating expenses	102,862	76,368
Net investment income before taxes	116,267	58,967
Income taxes, including excise tax expense	611	7
Net investment income after taxes	115,656	58,960
Net realized gains (losses)	12,861	(3,379)
Net unrealized appreciation (depreciation)	(123,041)	22,105
Provision for taxes	(795)	(1)
Net increase in net assets resulting from operations	\$ 4,681	\$ 77,685

Net increases or decreases in net assets resulting from operations vary substantially from period to period due to various factors, including recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, yearly comparisons of net increases or decreases in net assets resulting from operations may not be meaningful.

Investment Income

(\$ in thousands)	Year Ended December 31,	
	2022	2021
Investment income:		
Total interest income	\$ 161,488	\$ 102,439
Total dividend income	30,204	8,879
Total fee and other income	14,923	13,020
Total payment-in-kind interest income	12,122	10,996
Interest income from cash	392	1
Total investment income	\$ 219,129	\$ 135,335

The change in total investment income for the year ended December 31, 2022, as compared to the year ended December 31, 2021, was primarily due to an increase in the average size of our portfolio, an increase in the weighted average yield on the portfolio from higher base rates, an increase in acceleration of unamortized OID and unamortized loan origination fee income associated with repayments of loans, an increase in payment-in-kind (“PIK”) interest income and increased dividends from portfolio companies and joint venture investments. The increase in the average size of our portfolio was largely due to the increased middle-market investment and special situation investment opportunities and the investments acquired as part of the Sierra Merger. The amount of our outstanding debt investments was \$2,281.7 million as of December 31, 2022, as compared to \$1,554.5 million as of

December 31, 2021. The weighted average yield on the principal amount of our outstanding debt investments, other than non-accrual debt investments was 9.7% as of December 31, 2022, as compared to 7.2% as of December 31, 2021. For the year ended December 31, 2022, acceleration of unamortized OID income and unamortized loan origination fees totaled \$6.6 million, as compared to \$6.2 million for the year ended December 31, 2021. For the year ended December 31, 2022, PIK interest income was \$12.1 million, as compared to \$11.0 million for the year ended December 31, 2021. For the year ended December 31, 2022, dividends from portfolio companies and joint venture investments were \$30.2 million, as compared to \$8.9 million for the year ended December 31, 2021.

Operating Expenses

(\$ in thousands)	Year Ended December 31,	
	2022	2021
Operating expenses:		
Interest and other financing fees	\$ 56,865	\$ 33,014
Base management fee	29,501	19,517
Incentive management fees	6,579	14,742
General and administrative expenses	9,917	9,095
Total operating expenses	<u>\$ 102,862</u>	<u>\$ 76,368</u>

Interest and Other Financing Fees

Interest and other financing fees during both the year ended December 31, 2022 and December 31, 2021 were attributable to borrowings under the February 2019 Credit Facility, the August 2025 Notes, the November Notes, the February Notes and the November 2026 Notes (each as defined below under “Liquidity and Capital Resources”). The increase in interest and other financing fees for the year ended December 31, 2022 as compared to the year ended December 31, 2021, was primarily attributable increased borrowings under the February 2019 Credit Facility, as well as an increase in the weighted average interest rate on the February 2019 Credit Facility. The weighted average interest on the February 2019 Credit Facility was 5.6% as of December 31, 2022, as compared to 2.1% as of December 31, 2021.

Base Management Fees

Under the terms of the New Barings BDC Advisory Agreement, we pay Barings a base management fee (the “Base Management Fee”), quarterly in arrears on a calendar quarter basis. The Base Management Fee is calculated based on the average value of our gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter are appropriately pro-rated. See Note 2 to our Consolidated Financial Statements for additional information regarding the terms of the New Barings BDC Advisory Agreement (and, from January 1, 2021 to February 25, 2022, the terms of the Amended and Restated Advisory Agreement) and the fee arrangements thereunder. For the years ended December 31, 2022 and December 31, 2021, the Base Management Fee was approximately \$29.5 million and \$19.5 million, respectively. The increase in the Base Management Fee for the year ended December 31, 2022 versus the corresponding 2021 period is primarily related to the average value of gross assets increasing from \$1,873.5 million as of the end of the four most recently completed calendar quarters prior to December 31, 2021 to \$2,621.7 million as of the end of the four most recently completed calendar quarters prior to December 31, 2022. The Base Management Fee rate was 1.250% for both the years ended December 31, 2022 and 2021.

Incentive Fee

Under the New Barings BDC Advisory Agreement (and, from January 1, 2021 to February 25, 2022, pursuant to the terms of the Amended and Restated Advisory Agreement (and, prior to January 1, 2021, under the terms of the Original Advisory Agreement)), we pay Barings an incentive fee. A portion of the incentive fee is based on our income and a portion is based on our capital gains. The income-based fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate pre-incentive fee net investment income in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of our first eleven calendar quarters that commences on or after January 1, 2021) exceeds (y) the hurdle amount as calculated for the same period. See Note 2 to our Consolidated Financial Statements for additional information regarding the terms of the New Barings BDC Advisory Agreement and the fee arrangements thereunder. For the year ended December 31, 2022, the amount of income-based fee incurred was \$6.6 million. For the year ended December 31, 2021, the amount of income-based fee incurred was \$14.7 million. The Income-Based Fee is subject to a cap (the “Incentive Fee Cap”). The Incentive Fee Cap in any quarter is an amount equal to (a) 20% of the Cumulative Pre-Incentive Fee Net Return during the relevant Trailing Twelve Quarters less (b) the aggregate Income-Based Fee that were paid to the Adviser in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters. See Note 2 to our Consolidated Financial Statements for additional information regarding the terms of the Incentive Fee Cap.

General and Administrative Expenses

We entered into the Administration Agreement with Barings in August 2018. Under the terms of the Administration Agreement, Barings performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operations. We reimburse Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount to be negotiated and mutually agreed to by us and Barings quarterly in arrears; provided that the agreed-upon quarterly expense amount will not exceed the amount of expenses that would otherwise be reimbursable by us under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. See Note 2 to our Consolidated Financial Statements for additional information regarding the Administration Agreement.

For the years ended December 31, 2022 and 2021, the amount of administration expense incurred and invoiced by Barings for expenses was approximately \$3.4 million and \$2.5 million, respectively. In addition to expenses incurred under the Administration Agreement, general and administrative expenses include fees payable to the members of our board of directors (the “Board”) for their service on the Board, D&O insurance costs, as well as legal and accounting expenses.

Net Realized Gains (Losses)

Net realized gains (losses) during the years ended December 31, 2022 and 2021 were as follows:

(\$ in thousands)	Year Ended December 31,	
	2022	2021
Net realized gains (losses):		
Non-Control / Non-Affiliate investments	\$ (16,580)	\$ 2,747
Affiliate investments	101	(101)
Control investments	(722)	—
Net realized gains (losses) on investments	(17,201)	2,646
Distributions of realized gains by investment companies	6,181	—
Foreign currency transactions	23,881	(6,025)
Net realized gain (losses)	<u>\$ 12,861</u>	<u>\$ (3,379)</u>

For the year ended December 31, 2022, we recognized a net realized gain totaling \$12.9 million, which consisted primarily of a net gain on foreign currency transactions of \$23.9 million and a \$6.2 million dividend from a portfolio company that was recognized as a net realized gain, partially offset by net losses on our loan portfolio of \$17.2 million.

For the year ended December 31, 2021, we recognized a net realized loss totaling \$3.4 million, which consisted primarily of a net loss on foreign currency transactions of \$6.0 million, partially offset by a net gain on our loan portfolio of \$2.6 million.

Net Unrealized Appreciation (Depreciation)

Net unrealized appreciation (depreciation) during the years ended December 31, 2022 and 2021 was as follows:

(\$ in thousands)	Year Ended December 31,	
	2022	2021
Net unrealized appreciation (depreciation):		
Non-Control / Non-Affiliate investments	\$ (132,771)	\$ (11,087)
Affiliate investments	(916)	17,585
Control investments	9,498	(3,469)
Net unrealized appreciation (depreciation) on investments	(124,189)	3,029
Credit support agreements	(6,714)	1,800
Foreign currency transactions	7,862	17,276
Net unrealized appreciation (depreciation)	<u>\$ (123,041)</u>	<u>\$ 22,105</u>

For the year ended December 31, 2022, we recorded net unrealized depreciation totaling \$123.0 million consisting of net unrealized depreciation on our current portfolio of \$122.3 million, unrealized depreciation of \$3.0 million on the MVC Credit Support Agreement with Barings, unrealized depreciation of \$3.7 million on the Sierra Credit Support Agreement with Barings and unrealized depreciation reclassification adjustments of \$3.9 million related to realized gains and losses recognized during the year, net of unrealized appreciation related to foreign currency transactions of \$7.9 million and a deferred tax asset of \$2.0 million. The net unrealized depreciation on our current portfolio of \$122.3 million was driven primarily by broad market moves for investments of \$94.1 million, the credit or fundamental performance of investments of \$5.9 million and the impact of foreign currency exchange rates on investments of \$22.3 million.

For the year ended December 31, 2021, we recorded net unrealized appreciation totaling \$22.1 million consisting of net unrealized appreciation on our current portfolio of \$11.4 million, net unrealized appreciation related to foreign currency transactions of \$17.3 million and net unrealized appreciation of \$1.8 million on the MVC Credit Support Agreement with Barings, net of unrealized depreciation reclassification adjustments of \$8.4 million related to realized gains and losses recognized during the year. The net unrealized appreciation on our current portfolio of \$11.4 million was driven primarily by broad market moves for investments of \$31.5 million partially offset by the credit or fundamental performance of investments of \$5.9 million and the impact of foreign currency exchange rates on investments of \$14.2 million.

Liquidity and Capital Resources

We believe that our current cash and foreign currencies on hand, our available borrowing capacity under the February 2019 Credit Facility and our anticipated cash flows from operations will be adequate to meet our cash needs for our daily operations for at least the next twelve months. This “Liquidity and Capital Resources” section should be read in conjunction with the notes to our Consolidated Financial Statements.

Cash Flows

For the year ended December 31, 2022, we experienced a net increase in cash in the amount of \$55.2 million. During that period, our operating activities provided \$86.3 million in cash, consisting primarily of net cash acquired from the acquisition of Sierra of \$101.9 million and proceeds from sales or repayments of portfolio investments totaling \$1,041.4 million, partially offset by purchases of portfolio investments of \$1,162.2 million. In addition, our financing activities used net cash of \$31.1 million, consisting primarily of dividends paid in the amount of \$93.7 million and share repurchases of \$32.1 million, partially offset by net borrowings under the February 2019 Credit Facility (as defined below under “Financing Transactions”) of \$96.6 million. At December 31, 2022, we had \$139.4 million of cash and foreign currencies on hand.

For the year ended December 31, 2021, we experienced a net decrease in cash in the amount of \$8.2 million. During that period, our operating activities used \$396.6 million in cash, consisting primarily of purchases of portfolio investments of \$1,461.1 million and purchases of short-term investments of \$297.6 million, partially offset by proceeds from sales or repayments of portfolio investments totaling \$943.9 million and proceeds from the sales of short-term investments of \$363.1 million. In addition, financing activities provided net cash of \$388.3 million, consisting of net proceeds of \$343.1 million from the issuance of the November 2026 Notes and \$149.8 million from the issuance of the February Notes (both as defined below under “Financing Transactions”), partially offset by net repayments under the February 2019 Credit Facility of \$50.8 million and dividends paid in the amount of \$53.6 million. At December 31, 2021, we had \$84.3 million of cash and foreign currencies on hand.

Financing Transactions

February 2019 Credit Facility

On February 21, 2019, we entered into a senior secured credit facility with ING Capital LLC (“ING”), as administrative agent, and the lenders party thereto (as amended, restated and otherwise modified from time to time, the “February 2019 Credit Facility”). The initial commitments under the February 2019 Credit Facility total \$800.0 million. Effective on November 4, 2021, we increased aggregate commitments under the February 2019 Credit Facility to \$875.0 million from \$800.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.2 billion subject to certain conditions and the satisfaction of specified financial covenants. Effective on February 25, 2022, we increased aggregate commitments under the February 2019 Credit Facility to \$965.0 million from \$875.0 million pursuant to the accordion feature under the February 2019 Credit Facility, and the allowance for an increase in the total commitments increased to \$1.5 billion from \$1.2 billion subject to certain conditions and the satisfaction of specified financial covenants. Effective on April 1, 2022, we increased the aggregate commitments under the February 2019 Credit Facility to \$1.1 billion from \$965.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.5 billion subject to certain conditions and the satisfaction of specified financial covenants. We can borrow foreign currencies directly under the February 2019 Credit Facility. The February 2019 Credit Facility, which is structured as a revolving credit facility, is secured primarily by a material portion of our assets and guaranteed by certain of our subsidiaries. Following the termination of the August 2018 Credit Facility on June 30, 2020, Barings BDC Senior Funding I, LLC, our indirect wholly-owned Delaware limited liability company, became a subsidiary guarantor whose assets secure the February 2019 Credit Facility. The revolving period of the February 2019 Credit Facility ends on February 21, 2024, followed by a one-year repayment period with a maturity date of February 21, 2025.

Borrowings denominated in U.S. Dollars under the February 2019 Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the alternate base rate plus 1.25% (or 1.00% for so long as we maintain an investment grade credit rating) or (ii) the term Secured Overnight Financing Rate (“SOFR”) plus 2.25% (or 2.00% for so long as we maintain an investment grade credit rating) plus a credit spread adjustment of 0.10% for borrowings with an interest period of one month, 0.15% for borrowings with an interest period of three months or 0.25% for borrowings with an interest period of six months. For borrowings denominated in certain foreign currencies other than Australian dollars, the applicable currency rate for the foreign currency as defined in the credit agreement plus 2.00% (or 2.25% if we no longer maintain an investment grade credit rating) or for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.20% (or 2.45% if we no longer maintain an investment grade credit rating). The alternate base rate is equal to the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.5%, (iii) the Overnight Bank Funding Rate plus 0.5%, (iv) one-month term SOFR plus 1.0% plus a credit spread adjustment of 0.10% and (v) 1.0%.

In addition, we pay a commitment fee of (i) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than two-thirds of total commitments or (ii) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than two-thirds of total commitments. In connection with entering into the February 2019 Credit Facility, we incurred financing fees of approximately \$6.4 million, which will be amortized over the life of the February 2019 Credit Facility. In connection with the February 2022 and April 2022 amendments and commitment increases, we incurred financing

fees of approximately \$1.7 million, which will be amortized over the remaining life of the February 2019 Credit Facility.

As of December 31, 2022, we were in compliance with all covenants under the February 2019 Credit Facility and we had U.S. dollar borrowings of \$497.5 million outstanding under the February 2019 Credit Facility with an interest rate of 6.324% (one month SOFR of 4.224%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.2 million U.S. dollars) with an interest rate of 4.375% (one month STIBOR of 2.375%), borrowings denominated in British pounds sterling of £68.6 million (\$82.5 million U.S. dollars) with an interest rate of 4.960% (one month SONIA of 2.960%) and borrowings denominated in Euros of €138.6 million (\$147.9 million U.S. dollars) with an interest rate of 3.625% (one month EURIBOR of 1.625%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in “Net unrealized appreciation (depreciation) - foreign currency transactions:” in our Consolidated Statements of Operations.

The fair values of the borrowings outstanding under the February 2019 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of December 31, 2022, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was \$729.1 million. See Note 4 to our Consolidated Financial Statements for additional information regarding the February 2019 Credit Facility.

Term Debt Securitization

On May 9, 2019, we completed the Debt Securitization. Term debt securitizations are also known as collateralized loan obligations and are a form of secured financing, which is consolidated for financial reporting purposes and subject to our overall asset coverage requirement. The notes offered in the Debt Securitization (collectively, the “2019 Notes”), were issued by Barings BDC Static CLO Ltd. 2019-I, (“BBDC Static CLO Ltd.”) and Barings BDC Static CLO 2019-I, LLC, our wholly-owned and consolidated subsidiaries. BBDC Static CLO Ltd. and Barings BDC Static CLO 2019-I, LLC are collectively referred to herein as the Issuers. The 2019 Notes were secured by a diversified portfolio of senior secured loans and participation interests therein. The Debt Securitization was executed through a private placement of approximately \$296.8 million of AAA(sf) Class A-1 Senior Secured Floating Rate 2019 Notes (the “Class A-1 2019 Notes”), which bore interest at the three-month LIBOR plus 1.02%; \$51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes (the “Class A-2 2019 Notes”), which bore interest at the three-month LIBOR plus 1.65%; and \$101.0 million of Subordinated 2019 Notes which did not bear interest and were not rated. We retained all of the Subordinated 2019 Notes issued in the Debt Securitization in exchange for our sale and contribution to BBDC Static CLO Ltd. of the initial closing date portfolio, which included senior secured loans and participation interests. The 2019 Notes were scheduled to mature on April 15, 2027; however the 2019 Notes could be redeemed by the Issuers, at our direction as holder of the Subordinated 2019 Notes, on any business day after May 9, 2020. In connection with the sale and contribution, we made customary representations, warranties and covenants to the Issuers.

The Class A-1 2019 Notes and Class A-2 2019 Notes were the secured obligations of the Issuers, the Subordinated 2019 Notes were the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes included customary covenants and events of default. The 2019 Notes were not registered under the Securities Act or any state securities or “blue sky” laws and could not be offered or sold in the United States absent registration with the Securities and Exchange Commission (the “SEC”) or an applicable exemption from registration.

We served as collateral manager to BBDC Static CLO Ltd. under a collateral management agreement and we agreed to irrevocably waive all collateral management fees payable pursuant to the collateral management agreement.

The Class A-1 2019 Notes and the Class A-2 2019 Notes issued in connection with the Debt Securitization had floating rate interest provisions based on the three-month LIBOR that reset quarterly, except that LIBOR for the first interest accrual period was calculated by reference to an interpolation between the rate for deposits with a term equal

to the next shorter period of time for which rates were available and the rate appearing for deposits with a term equal to the next longer period of time for which rates were available.

During the year ended December 31, 2019, \$30.0 million of Class A-1 2019 Notes were repaid. During the year ended December 31, 2020, the remaining 2019 Notes were repaid in full, with the final repayment on October 15, 2020. See Note 4 to our Consolidated Financial Statements for additional information regarding the Debt Securitization.

August 2025 Notes

On August 3, 2020, we entered into a Note Purchase Agreement (the “August 2020 NPA”) with Massachusetts Mutual Life Insurance Company governing the issuance of (1) \$50.0 million in aggregate principal amount of Series A senior unsecured notes due August 2025 (the “Series A Notes due 2025”) with a fixed interest rate of 4.66% per year, and (2) up to \$50.0 million in aggregate principal amount of additional senior unsecured notes due August 2025 with a fixed interest rate per year to be determined (the “Additional Notes” and, collectively with the Series A Notes due 2025, the “August 2025 Notes”), in each case, to qualified institutional investors in a private placement. An aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 24, 2020 and an aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 29, 2020, both of which will mature on August 4, 2025 unless redeemed, purchased or prepaid prior to such date by us in accordance with their terms. Interest on the August 2025 Notes is due semiannually in March and September, beginning in March 2021. In addition, we are obligated to offer to repay the August 2025 Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the August 2020 NPA, we may redeem the August 2025 Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before November 3, 2024, a make-whole premium. The August 2025 Notes are guaranteed by certain of our subsidiaries, and are our general unsecured obligations that rank *pari passu* with all outstanding and future unsecured unsubordinated indebtedness issued by us.

The Company’s permitted issuance period for the Additional Notes under the August 2020 NPA expired on February 3, 2022, prior to which date the Company issued no Additional Notes.

The August 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of our status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders’ equity, maximum net debt to equity ratio and minimum asset coverage ratio. The August 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the August 2025 Notes at the time outstanding may declare all August 2025 Notes then outstanding to be immediately due and payable. As of December 31, 2022, we were in compliance with all covenants under the August 2020 NPA.

The August 2025 Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The August 2025 Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2022, the fair value of the outstanding August 2025 Notes was \$46.1 million. The fair value determination of the August 2025 Notes was based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November Notes

On November 4, 2020, we entered into a Note Purchase Agreement (the “November 2020 NPA”) governing the issuance of (1) \$62.5 million in aggregate principal amount of Series B senior unsecured notes due November 2025 (the “Series B Notes”) with a fixed interest rate of 4.25% per year and (2) \$112.5 million in aggregate principal amount of Series C senior unsecured notes due November 2027 (the “Series C Notes,” and, collectively with the Series B Notes, the “November Notes”) with a fixed interest rate of 4.75% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable November Notes do not satisfy certain investment grade conditions and/or (y) 1.50% per year, to the extent the ratio of our secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The November Notes were delivered and paid for on November 5, 2020.

The Series B Notes will mature on November 4, 2025, and the Series C Notes will mature on November 4, 2027 unless redeemed, purchased or prepaid prior to such date by us in accordance with their terms. Interest on the November Notes is due semiannually in May and November, beginning in May 2021. In addition, we are obligated to offer to repay the November Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the November 2020 NPA, we may redeem the Series B Notes and the Series C Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before May 4, 2025, with respect to the Series B Notes, or on or before May 4, 2027, with respect to the Series C Notes, a make-whole premium. The November Notes are guaranteed by certain of our subsidiaries, and are our general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by us.

The November 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of our status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders’ equity, maximum net debt to equity ratio and minimum asset coverage ratio. The November 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the November Notes at the time outstanding may declare all November Notes then outstanding to be immediately due and payable. As of December 31, 2022, we were in compliance with all covenants under the November 2020 NPA.

The November Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The November Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2022, the fair value of the outstanding Series B Notes and the Series C Notes was \$56.8 million and \$97.7 million, respectively. The fair value determinations of the Series B Notes and Series C Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

February Notes

On February 25, 2021, we entered into a Note Purchase Agreement (the “February 2021 NPA”) governing the issuance of (1) \$80.0 million in aggregate principal amount of Series D senior unsecured notes due February 26, 2026 (the “Series D Notes”) with a fixed interest rate of 3.41% per year and (2) \$70.0 million in aggregate principal amount of Series E senior unsecured notes due February 26, 2028 (the “Series E Notes” and, collectively with the Series D Notes, the “February Notes”) with a fixed interest rate of 4.06% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable February Notes do not satisfy certain investment grade rating conditions and/or (y) 1.50%

per year, to the extent the ratio of our secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The February Notes were delivered and paid for on February 26, 2021.

The Series D Notes will mature on February 26, 2026, and the Series E Notes will mature on February 26, 2028 unless redeemed, purchased or prepaid prior to such date by us in accordance with the terms of the February 2021 NPA. Interest on the February Notes is due semiannually in February and August of each year, beginning in August 2021. In addition, we are obligated to offer to repay the February Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the February 2021 NPA, we may redeem the Series D Notes and the Series E Notes in whole or in part at any time or from time to time at our option at par plus accrued interest to the prepayment date and, if redeemed on or before August 26, 2025, with respect to the Series D Notes, or on or before August 26, 2027, with respect to the Series E Notes, a make-whole premium. The February Notes are guaranteed by certain of our subsidiaries, and are our general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by us.

The February 2021 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, information reporting, maintenance of our status as a BDC within the meaning of the 1940 Act, and certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments. In addition, the February 2021 NPA contains the following financial covenants: (a) maintaining a minimum obligors' net worth, measured as of each fiscal quarter end; (b) not permitting our asset coverage ratio, as of the date of the incurrence of any debt for borrowed money or the making of any cash dividend to shareholders, to be less than the statutory minimum then applicable to us under the 1940 Act; and (c) not permitting our net debt to equity ratio to exceed 2.0x, measured as of each fiscal quarter end.

The February 2021 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of certain events of default, the holders of at least 66-2/3% in principal amount of the February Notes at the time outstanding may declare all February Notes then outstanding to be immediately due and payable. As of December 31, 2022, we were in compliance with all covenants under the February 2021 NPA.

The February Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The February Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2022, the fair value of the outstanding Series D Notes and the Series E Notes was \$69.6 million and \$57.8 million, respectively. The fair value determinations of the Series D Notes and Series E Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November 2026 Notes

On November 23, 2021, we entered into an Indenture (the "Base Indenture") and a Supplemental Indenture (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture") with U.S. Bank National Association (the "Trustee"). The First Supplemental Indenture relates to our issuance of \$350.0 million aggregate principal amount of its 3.300% notes due 2026 (the "November 2026 Notes").

The November 2026 Notes will mature on November 23, 2026 and may be redeemed in whole or in part at our option at any time or from time to time at the redemption prices set forth in the Indenture. The November 2026 Notes bear interest at a rate of 3.300% per year payable semi-annually on May 23 and November 23 of each year, commencing on May 23, 2022. The November 2026 Notes are our general unsecured obligations that rank senior in right of payment to all of our existing and future indebtedness that is expressly subordinated in right of payment to the November 2026 Notes, rank pari passu with all existing and future unsecured unsubordinated indebtedness

issued by us, rank effectively junior to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

The Indenture contains certain covenants, including covenants requiring us to comply with the asset coverage requirements of Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the 1940 Act, whether or not it is subject to those requirements, and to provide financial information to the holders of the November 2026 Notes and the Trustee if we are no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These covenants are subject to important limitations and exceptions that are described in the Indenture.

In addition, on the occurrence of a “change of control repurchase event,” as defined in the Indenture, we will generally be required to make an offer to purchase the outstanding November 2026 Notes at a price equal to 100% of the principal amount of such November 2026 Notes plus accrued and unpaid interest to the repurchase date.

The November 2026 Notes were offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act. Concurrent with the closing of November 2026 Notes offering, we entered into a registration rights agreement for the benefit of the purchasers of the November 2026 Notes. Pursuant to the terms of this registration rights agreement, we filed a registration statement on Form N-14 with the SEC, which was subsequently declared effective, to permit electing holders of the November 2026 Notes to exchange all of their outstanding restricted November 2026 Notes for an equal aggregate principal amount of new November 2026 Notes (the “Exchange Notes”). The Exchange Notes have terms substantially identical to the terms of the November 2026 Notes, except that the Exchange Notes are registered under the Securities Act, and certain transfer restrictions, registration rights, and additional interest provisions relating to the November 2026 Notes do not apply to the Exchange Notes.

As of December 31, 2022, the fair value of the outstanding November 2026 Notes was \$294.6 million. The fair value determinations of the November 2026 Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

Share Repurchase Program

On February 27, 2020, the Board approved an open-market share repurchase program for the 2020 fiscal year (the “2020 Share Repurchase Program”). Under the 2020 Share Repurchase Program, we were authorized during fiscal year 2020 to repurchase up to a maximum of 5.0% of the amount of shares outstanding as of February 27, 2020 if shares traded below NAV per share, subject to liquidity and regulatory constraints.

Purchases under the 2020 Share Repurchase Program were made in open-market transactions and included transactions being executed by a broker selected us that had been delegated the authority to repurchase shares on our behalf in the open market in accordance with applicable rules under the Exchange Act, including Rules 10b5-1 and 10b-18 thereunder, and pursuant to, and under the terms and limitations of, the 2020 Share Repurchase Program. During the year ended December 31, 2020, we repurchased a total of 989,050 shares of our common stock in the open market under the 2020 Share Repurchase Program at an average price of \$7.21 per share, including broker commissions.

In addition, in connection with the closing of the MVC Acquisition on December 23, 2020, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program occurred during the 12-month period that commenced upon the filing of our quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and were made in accordance with applicable legal, contractual and regulatory requirements. The MVC-related repurchase program terminated on May 6, 2022. During the year ended December 31, 2022, we repurchased a total of 207,677 shares of common stock in the open market under the authorized program at an average price of \$10.14 per share, including broker commissions. The MVC repurchase program terminated on May 6, 2022.

In connection with the completion of the acquisition of Sierra, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program were to occur during the 12-month period commencing on April 1, 2022 and were made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Exchange Act, as well as subject to compliance with our covenant and regulatory requirements. During the year ended December 31, 2022, we had repurchased the maximum amount of \$30.0 million of common stock authorized under the Sierra share repurchase program. In total under the Sierra share repurchase program, we repurchased a total of 3,179,168 shares of common stock in the open market under the authorized program at an average price of \$9.44 per share, including broker commissions.

Distributions to Stockholders

We intend to pay quarterly distributions to our stockholders out of assets legally available for distribution. We have adopted a dividend reinvestment plan (“DRIP”) that provides for reinvestment of dividends on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, when we declare a dividend, stockholders who have not opted out of the DRIP will have their dividends automatically reinvested in shares of our common stock, rather than receiving cash dividends.

We have elected to be treated as a RIC under the Code, and intend to make the required distributions to our stockholders as specified therein. In order to maintain our tax treatment as a RIC and to obtain RIC tax benefits, we must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then we are generally required to pay income taxes only on the portion of our taxable income and gains we do not distribute (actually or constructively) and certain built-in gains. We have historically met our minimum distribution requirements and continually monitor our distribution requirements with the goal of ensuring compliance with the Code. We can offer no assurance that we will achieve results that will permit the payment of any level of cash distributions and our ability to make distributions will be limited by the asset coverage requirement and related provisions under the 1940 Act and contained in any applicable indenture or financing agreement and related supplements. In addition, in order to satisfy the annual distribution requirement applicable to RICs, we may declare a significant portion of our dividends in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion may be as low as 20% of such dividend (and 10% of the dividend declared through June 30, 2022) under published guidance from the Internal Revenue Service) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder generally would be subject to tax on 100% of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock.

The minimum distribution requirements applicable to RICs require us to distribute to our stockholders each year at least 90% of our investment company taxable income, or ICTI, as defined by the Code. Depending on the level of ICTI and net capital gain, if any, earned in a tax year, we may choose to carry forward ICTI in excess of current year distributions into the next tax year and pay a 4% U.S. federal excise tax on such excess. Any such carryover ICTI must be distributed before the end of the next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

ICTI generally differs from net investment income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. We may be required to recognize ICTI in certain circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments issued with warrants), we must include in ICTI each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in ICTI other amounts that we have not yet received in cash, such as (i) PIK interest income and (ii) interest income from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. Because any original issue discount or other amounts accrued will be included in our ICTI for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements, even though we will not have received and may not ever receive any corresponding cash amount.

ICTI also excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

Critical Accounting Policies and Use of Estimates

The preparation of our financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods covered by such financial statements. We have identified investment valuation and revenue recognition as our most critical accounting estimates. On an on-going basis, we evaluate our estimates, including those related to the matters described below. These estimates are based on the information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ materially from those estimates under different assumptions or conditions. A discussion of our critical accounting policies follows. We describe our most significant accounting policies in Note 1 to our Consolidated Financial Statements.

Investment Valuation

The most significant estimate inherent in the preparation of our financial statements is the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded. We have a valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, or ASC Topic 820. Our current valuation policy and processes were established by Barings and were approved by the Board.

As of December 31, 2022, our investment portfolio, valued at fair value in accordance with the Board-approved valuation policies, represented approximately 205% of our total net assets, as compared to approximately 243% of our total net assets as of December 31, 2021.

Under ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a willing buyer and a willing seller at the measurement date. For our portfolio securities, fair value is generally the amount that we might reasonably expect to receive upon the current sale of the security. The fair value measurement assumes that the sale occurs in the principal market for the security, or in the absence of a principal market, in the most advantageous market for the security. If no market for the security exists or if we do not have access to the principal market, the security should be valued based on the sale occurring in a hypothetical market.

Under ASC Topic 820, there are three levels of valuation inputs, as follows:

Level 1 Inputs – include quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs – include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs – include inputs that are unobservable and significant to the fair value measurement.

A financial instrument is categorized within the ASC Topic 820 valuation hierarchy based upon the lowest level of input to the valuation process that is significant to the fair value measurement. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized as Level 3 investments within the tables in the notes to our consolidated financial statements may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

Our investment portfolio includes certain debt and equity instruments of privately held companies for which quoted prices or other observable inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, the Adviser determines the fair value of our investments in good faith primarily using Level 3 inputs. In certain cases, quoted prices or other observable inputs exist, and if so, the Adviser assesses the

appropriateness of the use of these third-party quotes in determining fair value based on (i) its understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or binding offer and (ii) the depth and consistency of broker quotes and the correlation of changes in broker quotes with underlying performance of the portfolio company.

There is no single standard for determining fair value in good faith, as fair value depends upon the specific circumstances of each individual investment. The recorded fair values of our Level 3 investments may differ significantly from fair values that would have been used had an active market for the securities existed. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned.

Investment Valuation Process

The Board must determine fair value in good faith for any or all of our investments for which market quotations are not readily available. The Board has designated Barings as valuation designee to perform the fair value determinations relating to the value of these assets. Barings has established a pricing committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets we hold. Barings uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, Barings will utilize alternative methods in accordance with internal pricing procedures established by Barings' pricing committee.

At least annually, Barings conducts reviews of the primary pricing vendors to validate that the inputs used in the vendors' pricing process are deemed to be market observable. While Barings is not provided access to proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process Barings continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. Barings believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (i.e. exit prices).

Our money market fund investments are generally valued using Level 1 inputs and our equity investments listed on an exchange or on the NASDAQ National Market System are valued using Level 1 inputs, using the last quoted sale price of that day. Our syndicated senior secured loans and structured products are generally valued using Level 2 inputs, which are generally valued at the bid quotation obtained from dealers in loans by an independent pricing service. Our middle-market, private debt and equity investments are generally valued using Level 3 inputs.

Independent Valuation

The fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. Such loans and equity investments are initially held at cost, as that is a reasonable approximation of fair value on the acquisition date, and monitored for material changes that could affect the valuation (for example, changes in interest rates or the credit quality of the borrower). At the quarter end following that of the initial acquisition, such loans and equity investments are generally sent to a valuation provider which will determine the fair value of each investment. The independent valuation providers apply various methods (synthetic rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the "discount rate") as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of values will be provided by the valuation provider and Barings will determine the point within that range that it will use. If the Barings pricing committee disagrees with the price range provided, it may make a fair value recommendation to Barings that is outside of the range provided by the

independent valuation provider and the reasons therefore. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders' best interests, to request an independent valuation firm to perform an independent valuation on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio.

Valuation Inputs

The Adviser's valuation techniques are based upon both observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Adviser's market assumptions. The Adviser's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, the Adviser will utilize alternative approaches such as broker quotes or manual prices. The Adviser attempts to maximize the use of observable inputs and minimize the use of unobservable inputs. The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security.

Valuation of Investments in Jocassee, Thompson Rivers, Waccamaw River, Sierra JV and MVC Private Equity Fund LP

As Jocassee, Thompson Rivers, Waccamaw River, Sierra JV and MVC Private Equity Fund LP are investment companies with no readily determinable fair values, the Adviser estimates the fair value of our investments in these entities using net asset value of each company and our ownership percentage as a practical expedient. The net asset value is determined in accordance with the specialized accounting guidance for investment companies.

Revenue Recognition

Interest and Dividend Income

Interest income, including amortization of premium and accretion of discount, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The cessation of recognition of such interest will negatively impact the reported fair value of the investment. We write off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible.

Interest income from investments in the equity class of a collateralized loan obligation ("CLO") security (typically subordinated notes) is recorded based upon an estimation of an effective yield to expected maturity utilizing assumed cash flows in accordance with ASC 325-40, Beneficial Interests in Securitized Financial Assets. We monitor the expected cash flows from these investments, including the expected residual payments, and the effective yield is determined and updated periodically. Any difference between the cash distribution received and the amount calculated pursuant to the effective interest method is recorded as an adjustment to the cost basis of such investments.

Dividend income on preferred equity securities is recorded on the accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity is recorded on the ex-dividend date.

We may have to include interest income in our ICTI, including original issue discount income, from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. As a result, we

may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements to maintain our RIC tax treatment, even though we will not have received and may not ever receive any corresponding cash amount. Additionally, any loss recognized by us for U.S. federal income tax purposes on previously accrued interest income will be treated as a capital loss.

Fee Income

Origination, facility, commitment, consent and other advance fees received in connection with the origination of a loan, or Loan Origination Fees, are recorded as deferred income and recognized as investment income over the term of the loan. Upon prepayment of a loan, any unamortized Loan Origination Fees are recorded as investment income. In the general course of our business, we receive certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, advisory, loan amendment and other fees, and are recorded as investment income when earned.

Fee income for the years ended December 31, 2022, 2021 and 2020 was as follows:

(\$ in thousands)	Year Ended December 31,		
	2022	2021	2020
Recurring Fee Income:			
Amortization of loan origination fees	\$ 5,943	\$ 4,620	\$ 2,180
Management, valuation and other fees	1,237	2,186	867
Total Recurring Fee Income	7,180	6,806	3,047
Non-Recurring Fee Income:			
Prepayment fees	303	474	84
Acceleration of unamortized loan origination fees	5,595	4,824	537
Advisory, loan amendment and other fees	1,845	916	412
Total Non-Recurring Fee Income	7,743	6,214	1,033
Total Fee Income	\$ 14,923	\$ 13,020	\$ 4,080

Payment-in-Kind (PIK) Interest Income

We currently hold, and expect to hold in the future, some loans in our portfolio that contain PIK interest provisions. PIK interest, computed at the contractual rate specified in each loan agreement, is periodically added to the principal balance of the loan, rather than being paid to us in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment.

PIK interest, which is a non-cash source of income at the time of recognition, is included in our taxable income and therefore affects the amount we are required to distribute to our stockholders to maintain our tax treatment as a RIC for U.S. federal income tax purposes, even though we have not yet collected the cash. Generally, when current cash interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing PIK interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. We write off any previously accrued and uncollected PIK interest when it is determined that the PIK interest is no longer collectible.

We may have to include in our ICTI, PIK interest income from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. As a result, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements, even though we will not have received and may not ever receive any corresponding cash amount.

Quantitative and Qualitative Disclosures About Market Risk

We are subject to market risk. Market risk includes risks that arise from changes in interest rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. The fair value of securities held by us may decline in response to certain events, including those directly involving the companies we invest in; conditions affecting the general economy; overall market changes; global pandemics; legislative reform; local, regional, national or global political, social or economic instability; and interest rate fluctuations.

In addition, we are subject to interest rate risk. Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest bearing debt and liabilities. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio. Our net investment income is affected by fluctuations in various interest rates, including LIBOR, EURIBOR, BBSY, STIBOR, CDOR, SOFR, SONIA, SARON, NIBOR and BKBM. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks. We regularly measure exposure to interest rate risk and determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates. As of December 31, 2022, we were not a party to any interest rate hedging arrangements.

In March 2021, the U.K.'s Financial Conduct Authority publicly announced that all U.S. Dollar LIBOR settings will either cease to be provided by any administrator or no longer be representative (i) immediately after December 31, 2021 for one-week and two-month U.S. Dollar LIBOR settings and (ii) immediately after June 30, 2023 for the remaining U.S. Dollar LIBOR settings. Although most U.S. dollar LIBOR rates will continue to be published through June 30, 2023, the Financial Conduct Authority no longer compels panel banks to continue to contribute to LIBOR and the Federal Reserve Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have encouraged banks to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, supports replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements backed by Treasury securities. Some regulators have prohibited the use of any LIBOR benchmarks in new contracts and have required that regulated entities transition existing contracts to another benchmark prior to June 30, 2023.

Although settings of such LIBOR benchmarks may continue to be available, such prohibitions and requirements may adversely affect the value of floating-rate debt securities in our portfolio or issued by us. Moreover, at this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR. Although there are an increasing number of issuances utilizing SOFR or the Sterling Over Night Index Average, or SONIA, an alternative reference rate that is based on transactions, these alternative reference rates may not attain market acceptance as replacements for LIBOR. All of our loan agreements with our portfolio companies include fallback language in the event that LIBOR becomes unavailable. This language generally either includes a clearly defined alternative reference rate after LIBOR's discontinuation or provides that the administrative agent may identify a replacement reference rate, typically with the consent of (or prior consultation with) the borrower. In certain cases, the administrative agent will be required to obtain the consent of either a majority of the lenders under the facility, or the consent of each lender, prior to identifying a replacement reference rate. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us and could have a material adverse effect on our business, financial condition and results of operations.

The transition away from LIBOR to alternative reference rates is complex and could have a material adverse effect on our business, financial condition and results of operations, including as a result of any changes in the pricing of our investments, changes to the documentation for certain of our investments and the pace of such

changes, disputes and other actions regarding the interpretation of current and prospective loan documentation or modifications to processes and systems.

The U.S. Federal Reserve is currently embarking on an aggressive campaign of raising interest rates to address significant and persistent inflation. The goal of these interest rate increases is to slow economic growth and reduce price pressure. There is a significant chance that this central bank tightening cycle could force the U.S. into a recession, at which point interest rates and base rates would likely decrease. A prolonged reduction in interest rates will reduce our gross investment income and could result in a decrease in our net investment income if such decreases in SOFR are not offset by a corresponding increase in the spread over SOFR that we earn on any portfolio investments, a decrease in our operating expenses, including with respect to our income incentive fee, or a decrease in the interest rate of our floating interest rate liabilities tied to SOFR.

As of December 31, 2022, approximately \$1,904.1 million (principal amount) of our debt portfolio investments bore interest at variable rates, which generally are either LIBOR-based or SOFR-based (or based on an equivalent applicable currency rate), and many of which are subject to certain floors.

Based on our December 31, 2022 Consolidated Balance Sheet, the following table shows the annual impact on net income of hypothetical base rate changes in interest rates on our debt investments and borrowings (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

(in thousands) Basis Point Change⁽¹⁾	Interest Income	Interest Expense	Net Income⁽²⁾
Up 300 basis points	\$ 57,123	\$ 21,874	\$ 35,249
Up 200 basis points	38,082	14,583	23,499
Up 100 basis points	19,041	7,291	11,750
Down 25 basis points	(4,760)	(1,823)	(2,937)
Down 50 basis points	(9,521)	(3,646)	(5,875)

(1) Excludes the impact of foreign currency exchange.

(2) Excludes the impact of income based fees. See Note 2 to our Consolidated Financial Statements for more information on the income based fees.

We may also have exposure to foreign currencies related to certain investments. Such investments are translated into U.S. dollars based on the spot rate at the relevant balance sheet date, exposing us to movements in the exchange rate. In order to reduce our exposure to fluctuations in exchange rates, we generally borrow in local foreign currencies under the February 2019 Credit Facility to finance such investments. As of December 31, 2022, we had borrowings denominated in Swedish kronas of 12.8kr million (\$1.2 million U.S. dollars) with an interest rate of 4.375%, borrowings denominated in British pounds sterling of £68.6 million (\$82.5 million U.S. dollars) with an interest rate of 4.960%, and borrowings denominated in Euros of €138.6 million (\$147.9 million U.S. dollars) with an interest rate of 3.625%.

Unused Commitments

In the normal course of business, we are party to financial instruments with off-balance sheet risk, consisting primarily of unused commitments to extend financing to our portfolio companies. Since commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. The balance of unused commitments to extend financing as of December 31, 2022 was as follows:

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022
Accurus Aerospace Corporation(1)(2)	Revolver	\$ 1,152
Amtech LLC(1)	Delayed Draw Term Loan	1,527
Amtech LLC(1)	Revolver	545
AnalytiChem Holding GmbH(1)(2)(3)	Bridge Revolver	366

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022
APC1 Holding(1)(3)	Delayed Draw Term Loan	354
Aquavista Watersides 2 LTD(1)(4)	Capex / Acquisition Facility	2,543
Arc Education(1)(3)	Delayed Draw Term Loan	1,900
Argus Bidco Limited(1)(4)	CAF Term Loan	789
Argus Bidco Limited(1)(2)(4)	RCF Bridge Term Loan	168
ASC Communications(2)	Revolver	1,089
Astra Bidco Limited(1)(4)	Delayed Draw Term Loan	876
ATL II MRO Holdings, Inc.(1)(2)	Revolver	1,667
Avance Clinical Bidco Pty Ltd(1)(5)	Delayed Draw Term Loan	1,295
Azalea Buyer, Inc.(1)	Delayed Draw Term Loan	962
Azalea Buyer, Inc.(1)	Revolver	481
Bariacum S.A.(1)(3)	Acquisition Facility	2,028
Beyond Risk Management, Inc.(1)(2)	Delayed Draw Term Loan	2,423
Biolam Group(1)(2)(3)	Delayed Draw Term Loan	4,783
Black Angus Steakhouses, LLC(1)	Delayed Draw Term Loan	417
Bounteous, Inc.(1)	Delayed Draw Term Loan	2,840
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	135
BrightSign LLC(1)(2)	Revolver	1,329
CAi Software, LLC(1)(2)	Revolver	943
Canadian Orthodontic Partners Corp.(1)(2)(6)	Delayed Draw Term Loan	110
Catawba River Limited(1)(4)	Structured Junior Note	12,635
Centralis Finco S.a.r.l.(1)(3)	Incremental CAF Term Loan	1,028
CGI Parent, LLC(1)	Revolver	1,653
Classic Collision (Summit Buyer, LLC)(1)	Delayed Draw Term Loan	78
Comply365, LLC(1)	Revolver	935
Coyo Uprising GmbH(1)(2)(3)	Delayed Draw Term Loan	419
CSL Dualcom(1)(4)	Capex / Acquisition Term Loan	142
DataServ Integrations, LLC(1)(2)	Revolver	481
DecksDirect, LLC(1)	Revolver	218
DISA Holdings Corp.(1)(2)	Delayed Draw Term Loan	1,368
DISA Holdings Corp.(1)(2)	Revolver	416
DreamStart Bidco SAS (d/b/a SmartTrade)(1)(2)(3)	Acquisition Facility	579
Dune Group(1)(3)	Delayed Draw Term Loan	624
Dwyer Instruments, Inc.(1)	Delayed Draw Term Loan	5,164
Eclipse Business Capital, LLC(1)	Revolver	17,455
EMI Porta Holdco LLC(1)(2)	Delayed Draw Term Loan	9,272
EMI Porta Holdco LLC(1)(2)	Revolver	1,471
EPS NASS Parent, Inc.(1)	Delayed Draw Term Loan	257
eShipping, LLC(1)	Delayed Draw Term Loan	1,650
eShipping, LLC(1)	Revolver	1,486
Eurofins Digital Testing International LUX Holding SARL(1)(2)(3)	Delayed Draw Term Loan	2,639
Eurofins Digital Testing International LUX Holding SARL(1)(2)(3)	Delayed Draw Term Loan	528
Events Software BidCo Pty Ltd(1)(2)	Delayed Draw Term Loan	640

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022
Express Wash Acquisition Company, LLC(1)	Revolver	115
F24 (Stairway BidCo GmbH)(1)(2)(3)	Acquisition Term Loan	246
Fineline Technologies, Inc.(1)(2)	Delayed Draw Term Loan	180
Footco 40 Limited(1)(4)	Delayed Draw Term Loan	766
Fortis Payment Systems, LLC(1)(2)	Delayed Draw Term Loan	925
FragilePak LLC(1)	Delayed Draw Term Loan	2,354
GB Eagle Buyer, Inc.(1)(2)	Revolver	2,581
Global Academic Group Limited(1)(7)	Term Loan	451
GPZN II GmbH(1)(2)(3)	CAF Term Loan	560
Greenhill BV(1)(3)	Capex Acquisition Facility	255
Groupe Product Life(1)(2)(3)	Delayed Draw Term Loan	441
Gusto Aus BidCo Pty Ltd(1)(2)(5)	Delayed Draw Term Loan	223
HeartHealth Bidco Pty Ltd(1)(2)(5)	Delayed Draw Term Loan	313
Heartland Veterinary Partners, LLC(1)(2)	Delayed Draw Term Loan	267
Heavy Construction Systems Specialists, LLC(1)	Revolver	2,632
HEKA Invest(1)(2)(3)	Delayed Draw Term Loan	555
HTI Technology & Industries(1)(2)	Delayed Draw Term Loan	2,045
HTI Technology & Industries(1)(2)	Revolver	1,364
HW Holdco, LLC (Hanley Wood LLC)(1)	Delayed Draw Term Loan	913
Innovad Group II BV(1)(2)(3)	Delayed Draw Term Loan	1,261
INOS 19-090 GmbH(1)(3)	Acquisition Facility	2,380
Interstellar Group B.V.(1)(2)(3)	Delayed Draw Term Loan	1,310
Interstellar Group B.V.(1)(3)	Delayed Draw Term Loan	55
Isolstar Holding NV (IPCOM)(1)(2)(3)	Delayed Draw Term Loan	744
ITI Intermodal, Inc.(1)	Delayed Draw Term Loan	103
ITI Intermodal, Inc.(1)	Revolver	118
Jaguar Merger Sub Inc.(1)	Delayed Draw Term Loan	422
Jaguar Merger Sub Inc.(1)	Revolver	490
Jocassee Partners LLC	Joint Venture	65,000
Jon Bidco Limited(1)(7)	Capex & Acquisition Facility	1,441
Jones Fish Hatcheries & Distributors LLC(1)	Revolver	418
Kano Laboratories LLC(1)	Delayed Draw Term Loan	153
Kano Laboratories LLC(1)	Delayed Draw Term Loan	2,830
Kemmerer Operations, LLC(1)	Delayed Draw Term Loan	908
Lambir Bidco Limited(1)(2)(3)	Delayed Draw Term Loan	1,766
Lattice Group Holdings Bidco Limited(1)(2)	Delayed Draw Term Loan	298
LeadsOnline, LLC(1)	Revolver	2,603
Lifestyle Intermediate II, LLC(1)(2)	Revolver	2,500
LivTech Purchaser, Inc.(1)(2)	Delayed Draw Term Loan	138
Marmoutier Holding B.V.(1)(3)	Delayed Draw Term Loan	24
Marmoutier Holding B.V.(1)(2)(3)	Revolver	106
Marshall Excelsior Co.(1)	Revolver	413
MC Group Ventures Corporation(1)	Delayed Draw Term Loan	296
Mercell Holding AS(1)(8)	Capex Acquisition Facility	797

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022
Modern Star Holdings Bidco Pty Limited(1)(2)(5)	Term Loan	968
Murphy Midco Limited(1)(2)(4)	Delayed Draw Term Loan	407
Narda Acquisitionco., Inc.(1)(2)	Revolver	1,180
Nexus Underwriting Management Limited(1)(2)(4)	Acquisition Facility	443
Novotech Aus Bidco Pty Ltd(1)(2)	Capex & Acquisition Facility	809
NPM Investments 28 B.V.(1)(3)	Delayed Draw Term Loan	463
OA Buyer, Inc.(1)	Revolver	1,331
OAC Holdings I Corp.(1)	Revolver	607
Omni Intermediate Holdings, LLC(1)(2)	Delayed Draw Term Loan	2,289
OSP Hamilton Purchaser, LLC(1)(2)	Revolver	187
PDQ.Com Corporation(1)	Delayed Draw Term Loan	6,885
Polara Enterprises, L.L.C.(1)	Revolver	545
Premium Invest(1)(3)	Delayed Draw Term Loan	2,882
Profit Optics, LLC(1)	Revolver	484
Protego Bidco B.V.(1)(2)(3)	Delayed Draw Term Loan	792
PSP Intermediate 4, L.L.C.(1)(2)(3)	Delayed Draw Term Loan	727
R1 Holdings, LLC(1)	Delayed Draw Term Loan	2,623
R1 Holdings, LLC(1)	Revolver	1,601
RA Outdoors, LLC (1)(2)	Revolver	1,235
Randys Holdings, Inc.(1)(2)	Delayed Draw Term Loan	4,412
Randys Holdings, Inc.(1)(2)	Revolver	1,571
Rep Seko Merger Sub LLC(1)	Delayed Draw Term Loan	725
Reward Gateway (UK) Ltd(1)(2)(4)	Acquisition Facility	600
Royal Buyer, LLC(1)	Delayed Draw Term Loan	2,209
Royal Buyer, LLC(1)	Revolver	1,340
RTIC Subsidiary Holdings, LLC(1)(2)	Revolver	2,381
Sanoptis S.A.R.L.(1)(3)	Acquisition Capex Facility	1,751
Scaled Agile, Inc.(1)	Delayed Draw Term Loan	416
Scaled Agile, Inc.(1)	Revolver	336
Scout Bidco B.V.(1)(3)	Delayed Draw Term Loan	2,270
Scout Bidco B.V.(1)(3)	Revolver	1,030
Security Holdings B.V.(1)(3)	Delayed Draw Term Loan	2,134
Security Holdings B.V.(1)(3)	Revolver	1,067
Sereni Capital NV(1)(3)	Term Loan	109
Smartling, Inc.(1)(2)	Delayed Draw Term Loan	1,978
Smartling, Inc.(1)(2)	Revolver	1,176
Smile Brands Group, Inc.(1)(2)	Delayed Draw Term Loan	38
Soho Square III Debtco II SARL(1)(2)(4)	Delayed Draw Term Loan	3,383
Solo Buyer, L.P.(1)(2)	Revolver	1,995
Sparus Holdings, LLC (f/k/a Sparus Holdings, Inc.)(1)(2)	Delayed Draw Term Loan	666
Sparus Holdings, LLC (f/k/a Sparus Holdings, Inc.)(1)(2)	Revolver	156
Spatial Business Systems LLC(1)(2)	Delayed Draw Term Loan	7,500
Spatial Business Systems LLC(1)(2)	Revolver	1,406
SSCP Pegasus Midco Limited(1)(4)	Delayed Draw Term Loan	4,664

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022
Superjet Buyer, LLC(1)	Revolver	1,825
Syntax Systems Ltd(1)(2)	Delayed Draw Term Loan	1,933
Syntax Systems Ltd(1)(2)	Revolver	337
Tank Holding Corp (1)(2)	Revolver	698
Tanqueray Bidco Limited(1)(2)(4)	Capex Facility	1,088
Techone B.V.(1)(2)(3)	Revolver	203
Tencarva Machinery Company, LLC(1)	Revolver	1,129
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Delayed Draw Term Loan	2,811
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Revolver	827
The Cleaver-Brooks Company, Inc.(1)	Revolver	2,826
The Hilb Group, LLC(1)(2)	Delayed Draw Term Loan	1,182
Trader Corporation(1)(2)(6)	Revolver	345
TSYL Corporate Buyer, Inc.(1)(2)	Delayed Draw Term Loan	1,681
TSYL Corporate Buyer, Inc.(1)(2)	Revolver	177
Turbo Buyer, Inc.(1)(2)	Delayed Draw Term Loan	1,350
Union Bidco Limited(1)(2)(4)	Acquisition Facility	78
United Therapy Holding III GmbH(1)(2)(3)	Acquisition Facility	1,170
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.)(1)(2)	Delayed Draw Term Loan	3,629
W2O Holdings, Inc.(1)	Delayed Draw Term Loan	2,622
Waccamaw River LLC(2)	Joint Venture	2,480
Woodland Foods, Inc.(1)(2)	Line of Credit	456
WWEC Holdings III Corp(1)(2)	Delayed Draw Term Loan	3,106
WWEC Holdings III Corp(1)(2)	Revolver	1,366
Xeinadin Bidco Limited(1)(2)(4)	CAF Term Loan	3,109
ZB Holdco LLC(1)(2)	Delayed Draw Term Loan	1,352
ZB Holdco LLC(1)	Revolver	845
Zeppelin Bidco Limited(1)(2)(4)	Capex / Acquisition Facility	2,516
Total unused commitments to extend financing		<u>\$ 308,532</u>

- (1) The Adviser's estimate of the fair value of the current investments in these portfolio companies includes an analysis of the fair value of any unfunded commitments.
- (2) Represents a commitment to extend financing to a portfolio company where one or more of our current investments in the portfolio company are carried at less than cost.
- (3) Actual commitment amount is denominated in Euros. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (4) Actual commitment amount is denominated in British pounds sterling. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (5) Actual commitment amount is denominated in Australian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (6) Actual commitment amount is denominated in Canadian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (7) Actual commitment amount is denominated in New Zealand dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (8) Actual commitment amount is denominated in Norwegian Kroner. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

In the normal course of business, we guarantee certain obligations in connection with our portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable. As of December 31, 2022 and 2021, we had guaranteed €9.9 million (\$10.6 million U.S. dollars and \$11.3 million U.S. dollars, respectively) relating to credit facilities among Erste Bank

and MVC Automotive Group GmbH, or MVC Auto that matures in December 2025. We would be required to make payments to Erste Bank if MVC Auto were to default on their related payment obligations. None of the credit facility guarantees are recorded as a liability on our Consolidated Balance Sheets. As such, the credit facility liabilities are considered in the valuation of our investments in MVC Auto. The guarantees denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

Recent Developments

Subsequent to December 31, 2022, we made approximately \$118.9 million of new commitments, of which \$74.0 million closed and funded. The \$74.0 million of investments consists of \$18.1 million of first lien senior secured debt investments, \$10.9 million of equity investments and a \$45.0 million preferred equity co-investment alongside certain affiliates in a portfolio company focused on directly originated, litigation finance loans to mass tort law firms. The weighted average yield of the debt investments was 10.8%. In addition, we funded \$4.4 million of previously committed revolving and delayed draw term loans.

On February 23, 2023, the Board declared a quarterly distribution of \$0.25 per share payable on March 15, 2023 to holders of record as of March 8, 2023.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk.*

See the section entitled “Quantitative and Qualitative Disclosures About Market Risk” included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which is included in Item 7 of Part II of this Annual Report on Form 10-K and is incorporated by reference herein.

Item 8. *Financial Statements and Supplementary Data.*

See our Financial Statements included herein and listed in Item 15(a) of this Annual Report on Form 10-K.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.*

Not applicable.

Item 9A. *Controls and Procedures.*

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the evaluation of these disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2022. It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Management’s Report on Internal Control over Financial Reporting

Our management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial

statements for external reporting purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management (with the participation of our Chief Executive Officer and Chief Financial Officer) conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2022.

Our internal control over financial reporting as of December 31, 2022 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included in Item 15 of Part III of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

On February 23, 2023, the Board appointed Ashlee Steinnerd as Chief Legal Officer of the Company, effective immediately, to replace Jill Dinerman. Ms. Dinerman will continue to serve as Global Head of Legal at Barings LLC.

Ms. Steinnerd, 41, is the Head of Regulatory at Barings LLC. Ms. Steinnerd also serves as Chief Legal Officer of Barings BDC, Inc., Barings Private Credit Corporation, Barings Global Short Duration High Yield Fund, Barings Corporate Investors, Barings Private Equity Opportunities and Commitments Fund, and Barings Participation Investors. Ms. Steinnerd has been a member of the Barings LLC legal team since 2019, advising Barings LLC on a variety of regulatory issues. Prior to joining Barings LLC, Ms. Steinnerd was Senior Counsel in the SEC's Office of the Investor Advocate. Ms. Steinnerd held several roles during her tenure at the Securities and Exchange Commission between 2011 and 2019. Ms. Steinnerd holds a B.S. in Applied International Finance and Applied International Economics from the American University of Paris, France and a J.D. from Rutgers School of Law.

There is no arrangement or understanding between Ms. Steinnerd and any other person pursuant to which she was appointed as Chief Legal Officer. Further, with regard to Ms. Steinnerd, there are no transactions since the beginning of our last fiscal year, or any currently proposed transaction, in which the Company is a participant that would require disclosure under Item 404(a) of Regulation S-K promulgated by the SEC.

On February 23, 2023, the Board appointed Gregory MacCordy to serve as Chief Compliance Officer of the Company, effective as of February 23, 2023, to replace Christopher DeFrancis who was serving as interim Chief Compliance Officer of the Company.

Mr. MacCordy is a Director at ACA Group ("ACA"). Mr. MacCordy is an experienced compliance, risk and subject matter expert with over 30 years of regulatory and financial services experience. He serves as chief compliance officer or chief risk officer for SEC registered investment advisers and investment companies such as business development companies and interval funds. Prior to ACA, Mr. MacCordy worked at the SEC where he was

an Industry Expert and Specialized Compliance Examiner in the Asset Management Unit (Enforcement Division) conducting enforcement investigations of investment companies, investment advisers, and mutual funds in the areas of business development companies, CLOs, private equity, hedge funds, real estate and fixed income trading. Mr. MacCordy also spent 18 years at The Teachers Insurance and Annuity Association of America-College Retired Equity Fund (TIAA) beginning as a securities analyst and ultimately becoming a Managing Director. During his time at TIAA, he was responsible for investment decisions, credit research, valuation and stress testing, regulatory filings, and the development of risk and compliance program policies and procedures. Mr. MacCordy holds a Bachelor of Science and Business Administration in Accounting from University of Missouri and an MBA in Finance from New York University Stern School of Business.

There is no arrangement or understanding between Mr. MacCordy and any other person pursuant to which he was appointed as Chief Compliance Officer. Further, with regard to Mr. MacCordy, there are no transactions since the beginning of our last fiscal year, or any currently proposed transaction, in which the Company is a participant that would require disclosure under Item 404(a) of Regulation S-K promulgated by the SEC.

On February 23, 2023, the Board authorized a new 12-month share repurchase program. Under the program, the Company may repurchase, during the 12-month period commencing on March 1, 2023, up to \$30.0 million in the aggregate of its outstanding common stock in the open market at prices below the then-current NAV per share. The timing, manner, price and amount of any share repurchases will be determined by the Company, in its discretion, based upon the evaluation of economic and market conditions, the Company's stock price, applicable legal, contractual and regulatory requirements and other factors. The program is expected to be in effect until March 1, 2024, unless extended or until the aggregate repurchase amount that has been approved by the Board has been expended. The program does not require the Company to repurchase any specific number of shares, and the Company cannot assure stockholders that any shares will be repurchased under the program. The program may be suspended, extended, modified or discontinued at any time.

Item 9C. *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.*

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

We have adopted a code of ethics, the Global Code of Ethics Policy, which applies to, among others, our executive officers, including our Chief Executive Officer and Chief Financial Officer, as well as Barings' officers, directors and employees. The Global Code of Ethics Policy is publicly available on our website under "Corporate Governance" at the following URL: <https://ir.barings.com/governance-docs>.

We will provide any person, without charge, upon request, a copy of our Global Code of Ethics Policy. To receive a copy, please provide a written request to: Barings BDC, Inc., Attn: Chief Compliance Officer, 300 South Tryon Street, Suite 2500 Charlotte, North Carolina, 28202. There have been no material changes to the procedures by which stockholders may recommend nominees to the Board that have been implemented since the date the Company last filed a periodic report with the SEC.

Except as set forth above, the information required by this Item with respect to our directors, executive officers and corporate governance matters is incorporated by reference from our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2022.

Item 11. *Executive Compensation.*

The information required by this Item with respect to compensation of executive officers and directors is incorporated by reference from our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2022.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

The information required by this Item with respect to security ownership of certain beneficial owners and management is incorporated by reference from our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2022.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required by this Item with respect to certain relationships and related transactions and director independence is incorporated by reference from our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2022.

Item 14. *Principal Accountant Fees and Services.*

The information required by this Item with respect to principal accountant fees and services is incorporated by reference from our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, to be filed with the SEC pursuant to Regulation 14A under the Exchange Act. Our definitive Proxy Statement will be filed with the SEC within 120 days after the date of our fiscal year-end, which was December 31, 2022.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Report:

(1) Financial Statements

Barings BDC, Inc. Financial Statements:

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(2) Financial Statement Schedules

None.

Schedules that are not listed herein have been omitted because they are not applicable or the information required to be set forth therein is included in the Consolidated Financial Statements or notes thereto.

(3) List of Exhibits

The exhibits required by Item 601 of Regulation S-K, except as otherwise noted, have been filed with previous reports by the Registrant and are herein incorporated by reference.

<u>Number</u>	<u>Exhibit</u>
2.1	Asset Purchase Agreement, dated April 3, 2018, by and between the Registrant and BSP Asset Acquisition I, LLC (Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 9, 2018 and incorporated herein by reference).
2.2	Stock Purchase and Transaction Agreement, dated April 3, 2018, by and between the Registrant and Barings LLC (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 9, 2018 and incorporated herein by reference).
2.3	Agreement and Plan of Merger, by and among the Registrant, MVC Capital, Inc., Mustang Acquisition Sub, Inc., and Barings LLC, dated as of August 10, 2020 (Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 11, 2020 and incorporated herein by reference).
2.4	Agreement and Plan of Merger, by and among the Registrant, Mercury Acquisition Sub, Inc., Sierra Income Corporation and Barings LLC, dated as of September 21, 2021 (Filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 22, 2021 and incorporated herein by reference).
3.1	Form of Articles of Amendment and Restatement of the Registrant (Filed as Exhibit (a)(3) to the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-138418) filed with the Securities and Exchange Commission on December 29, 2006 and incorporated herein by reference).
3.2	Articles of Amendment of the Registrant (Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).
3.3	Seventh Amended and Restated Bylaws of the Registrant (Filed as Exhibit 3.3 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).

<u>Number</u>	<u>Exhibit</u>
3.4	Articles Supplementary (Filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).
4.1	Form of Common Stock Certificate (Filed as Exhibit (d) to the Registrant's Post-Effective Amendment No. 1 on Form N2/N-5 (File No. 333-138418) filed with the Securities and Exchange Commission on February 15, 2007 and incorporated herein by reference)
4.2	Barings BDC, Inc. Dividend Reinvestment Plan (Filed as Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission on March 12, 2008 and incorporated herein by reference).
4.3	Agreement to Furnish Certain Instruments (Filed as Exhibit 4.19 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission on February 25, 2009 and incorporated herein by reference).
4.4	Description of Registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (Filed as Exhibit 4.4 to the Registrant's Current Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission on February 27, 2020 and incorporated herein by reference).
4.5	Indenture, dated as of November 23, 2021, by and between the Registrant and U.S. Bank National Association, as trustee (Filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 2021 and incorporated herein by reference).
4.6	First Supplemental Indenture, dated as of November 23, 2021, relating to the 3.300% Notes due 2026, by and between the Registrant and U.S. Bank National Association, as trustee (Filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 2021 and incorporated herein by reference).
4.7	Form of 3.300% Notes due 2026 (incorporated by reference to Exhibit 4.6 hereto).
10.1	Amended and Restated Investment Advisory Agreement, dated December 23, 2020 by and between Barings BDC, Inc. and Barings LLC (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 23, 2020 and incorporated herein by reference).
10.2	Administration Agreement, dated August 2, 2018 by and between Triangle Capital Corporation and Barings LLC (Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).
10.3	Registration Rights Agreement, dated August 2, 2018 by and between Triangle Capital Corporation and Barings LLC (Filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and incorporated herein by reference).
10.4	Master Custodian Agreement, dated August 2, 2018, between the Company and State Street Bank and Trust Company (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 8, 2018 and incorporated herein by reference).
10.5	Investment Management Agreement, dated August 3, 2018, between Barings BDC Senior Funding I, LLC and Barings LLC (Filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 6, 2018 and incorporated herein by reference).
10.6	Stock Transfer Agency Agreement between the Registrant and Computershare, Inc. (as successor to The Bank of New York) (Filed as Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007 filed with the Securities and Exchange Commission on March 12, 2008 and incorporated herein by reference).
10.7†	Form of Indemnification Agreement. (Filed as Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission on February 28, 2018 and incorporated herein by reference).

<u>Number</u>	<u>Exhibit</u>
10.8	Senior Secured Revolving Credit Facility, dated as of February 21, 2019, by and among the Company, as borrower, the lenders party thereto, ING Capital LLC, as administrative agent, and the other parties signatory thereto (Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed with the Securities and Exchange Commission on May 9, 2019 and incorporated herein by reference).
10.9	Guarantee, Pledge and Security Agreement, dated as of February 21, 2019, by and among the Company, as borrower, the subsidiary guarantors party thereto, ING Capital LLC, as revolving administrative agent for the revolving lenders and collateral agent, and the other parties signatory thereto (Filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed with the Securities and Exchange Commission on May 9, 2019 and incorporated herein by reference).
10.10	Amendment No. 1 to the Senior Secured Revolving Credit Agreement dated as of December 3, 2019, by and among the Company, as borrower, the lenders party thereto, ING Capital LLC, as administrative agent, and the other parties signatory thereto (Filed as Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the Securities and Exchange Commission on February 27, 2020 and incorporated herein by reference).
10.11	Credit Support Agreement, dated December 23, 2020, by and between the Company and Barings LLC (Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 23, 2020 and incorporated herein by reference).
10.12	Note Purchase Agreement by and between the Company and the purchasers party thereto, dated August 3, 2020 (Filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 5, 2020 and incorporated herein by reference).
10.13	Amendment No. 1 to August 3, 2020 Note Purchase Agreement by and between the Company and the purchasers party thereto, dated November 4, 2020 (Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2020 and incorporated herein by reference).
10.14	Note Purchase Agreement by and between the Company and the purchasers party thereto, dated November 4, 2020 (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 4, 2020 and incorporated herein by reference).
10.15	Note Purchase Agreement by and between the Company and the purchasers party thereto, dated February 25, 2021 (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 25, 2021 and incorporated herein by reference).
10.16	Registration Rights Agreement, dated as of November 23, 2021, relating to the 3.300% Notes due 2026, by and among the Registrant and J.P. Morgan Securities LLC, ING Financial Markets LLC, MUFG Securities Americas Inc. and Wells Fargo Securities, LLC, as the representatives of the initial purchasers (Filed as Exhibit 4.4 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 2021 and incorporated herein by reference).
10.17	Amendment No. 2 to the Senior Secured Revolving Credit Agreement dated as of December 29, 2021, by and among the Company, as borrower, the lenders party thereto, ING Capital LLC, as administrative agent, and the other parties signatory thereto. (Filed as Exhibit 10.17 to the Registrant's Current Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission on February 23, 2022 and incorporated herein by reference).
10.18	Second Amended and Restated Investment Advisory Agreement, dated February 25, 2022, by and between Barings BDC, Inc. and Barings LLC (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2022 and incorporated herein by reference).
10.19	Credit Support Agreement, dated February 25, 2022, by and between Barings BDC, Inc. and Barings LLC (Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2022 and incorporated herein by reference).

<u>Number</u>	<u>Exhibit</u>
10.20	Amendment No. 3 to Senior Secured Revolving Credit Agreement, dated as of February 25, 2022, by and among Barings BDC, Inc., the subsidiary guarantors party thereto, the lenders party thereto and ING Capital LLC, as administrative agent (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2022 and incorporated herein by reference).
10.21	Incremental Commitment and Assumption Agreement, dated as of April 1, 2022, made by the Incremental Lender party thereto, relating to the Senior Secured Revolving Credit Agreement, dated as of February 21, 2019, among Barings BDC, Inc., as borrower, the subsidiary guarantors party thereto, the lenders party thereto and ING Capital LLC, as administrative agent (Filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2022 with the Securities and Exchange Commission on May 5, 2022 and incorporated herein by reference).
21.1	List of Subsidiaries.*
31.1	Chief Executive Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Chief Financial Officer Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Chief Executive Officer Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Chief Financial Officer Certification pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
99.1	Report of KPMG LLP on Senior Securities Table.*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)*

† Management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

^ Exhibits and/or schedules to this Exhibit have been omitted in accordance with Item 601 of Regulation S-K. The registrant agrees to furnish supplementally a copy of all omitted exhibits and/or schedules to the SEC upon its request.

(b) Exhibits

See Item 15(a)(3) above.

(c) Financial Statement Schedules

See Item 15(a)(2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 23, 2023

BARINGS BDC, INC.

By: /s/ Eric Lloyd

Name: Eric Lloyd

Title: Chief Executive Officer and
Executive Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Eric Lloyd</u> Eric Lloyd	Chief Executive Officer and Executive Chairman of the Board	February 23, 2023
<u>/s/ Ian Fowler</u> Ian Fowler	President	February 23, 2023
<u>/s/ Jonathan Landsberg</u> Jonathan Landsberg	Chief Financial Officer	February 23, 2023
<u>/s/ Elizabeth A. Murray</u> Elizabeth A. Murray	Chief Operating Officer and Chief Accounting Officer	February 23, 2023
<u>/s/ Valerie Lancaster-Beal</u> Valerie Lancaster-Beal	Director	February 23, 2023
<u>/s/ Steve Byers</u> Steve Byers	Director	February 23, 2023
<u>/s/ Bernard A. Harris</u> Bernard Harris	Director	February 23, 2023
<u>/s/ Robert C. Knapp</u> Robert C. Knapp	Director	February 23, 2023
<u>/s/ David Mihalick</u> David Mihalick	Director	February 23, 2023
<u>/s/ Mark F. Mulhern</u> Mark F. Mulhern	Director	February 23, 2023
<u>/s/ Thomas W. Okel</u> Thomas W. Okel	Director	February 23, 2023
<u>/s/ Jill Olmstead</u> Jill Olmstead	Director	February 23, 2023
<u>/s/ John A. Switzer</u> John A. Switzer	Director	February 23, 2023

Barings BDC, Inc.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Barings BDC, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Barings BDC, Inc. and subsidiaries (the Company), including the consolidated schedules of investments, as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in net assets, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations, changes in its net assets and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 23, 2023 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Such procedures also included confirmation of securities owned as of December 31, 2022 and 2021, by correspondence with custodians, portfolio companies or agent banks or by other appropriate auditing procedures where replies were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the fair value of investments

As discussed in Notes 1 and 3 to the consolidated financial statements, the Company measures its investments at fair value. In determining the fair value of investments that are not publicly traded and whose market quotations are not readily available, the Company makes subjective judgments and estimates using unobservable inputs.

We identified the assessment of the fair value of investments that are not publicly traded and whose market quotations are not readily available as a critical audit matter. The evaluation of certain assumptions used to estimate

the fair value of such investments involved a high degree of auditor judgment and specialized skills and knowledge. Specifically, assessing the market yields for investments with similar terms and credit risks used in an income approach and the selection of comparable companies and financial performance multiples of such comparable companies used in a market approach required subjective auditor judgment as changes in these assumptions could have a significant impact on the estimate of the fair value of investments.

The following are the procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the process to measure the fair value of investments that are not publicly traded and whose market quotations are not readily available, including controls related to the determination of market yields, credit risk, selection of comparable companies, and financial performance multiple assumptions. We evaluated the Company's ability to estimate fair value by comparing prior period fair values for a selection of investments to transaction prices of transactions occurring subsequent to the valuation date. We involved valuation professionals with specialized skills and knowledge who, for a selection of the Company's investments, assisted in evaluating the Company's estimate of fair value by developing:

- a market yield, for investments fair valued using an income approach, by assessing available market information, such as market yields of comparable companies of similar credit risk
- a market multiple, for investments fair valued using a market approach, by assessing market information from third-party sources, including financial performance multiples of comparable companies
- estimates of fair value for the selected investments and comparing the results to the Company's fair value estimates.

We have served as the Company's auditor since 2020.

/s/ KPMG LLP

Charlotte, North Carolina
February 23, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Barings BDC, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Barings BDC, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company, including the consolidated schedules of investments, as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in net assets, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements), and our report dated February 23, 2023 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Charlotte, North Carolina
February 23, 2023

Barings BDC, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31,	
	2022	2021
Assets:		
Investments at fair value:		
Non-Control / Non-Affiliate investments (cost of \$2,191,345 and \$1,494,031 as of December 31, 2022 and 2021, respectively)	\$ 2,052,614	\$ 1,490,113
Affiliate investments (cost of \$275,482 and \$267,967 as of December 31, 2022 and 2021, respectively)	289,993	288,069
Control investments (cost of \$95,571 and \$25,826 as of December 31, 2022 and 2021, respectively)	106,328	22,412
Total investments at fair value	2,448,935	1,800,594
Cash	96,160	49,987
Foreign currencies (cost of \$42,627 and \$34,069 as of December 31, 2022 and 2021, respectively)	43,255	34,266
Interest and fees receivable	42,738	33,645
Prepaid expenses and other assets	1,079	3,356
Credit support agreements (cost of \$58,000 and \$13,600 as of December 31, 2022 and 2021, respectively)	53,086	15,400
Derivative assets	1,508	941
Deferred financing fees	3,224	2,985
Receivable from unsettled transactions	19,972	219,732
Total assets	\$ 2,709,957	\$ 2,160,906
Liabilities:		
Accounts payable and accrued liabilities	\$ 971	\$ 2,341
Interest payable	7,635	5,704
Administrative fees payable	677	750
Base management fees payable	7,981	5,422
Incentive management fees payable	—	4,067
Derivative liabilities	16,677	1,160
Payable from unsettled transactions	35,565	26,786
Borrowings under credit facilities	729,144	655,189
Notes payable (net of deferred financing fees)	718,978	717,556
Total liabilities	1,517,628	1,418,975
Commitments and contingencies (Note 7)		
Net Assets:		
Common stock, \$0.001 par value per share (150,000,000 shares authorized, 107,916,166 and 65,316,085 shares issued and outstanding as of December 31, 2022 and 2021, respectively)	108	65
Additional paid-in capital	1,855,975	1,027,687
Total distributable loss	(663,754)	(285,821)
Total net assets	1,192,329	741,931
Total liabilities and net assets	\$ 2,709,957	\$ 2,160,906
Net asset value per share	\$ 11.05	\$ 11.36

See accompanying notes.

Barings BDC, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Year Ended December 31,		
	2022	2021	2020
Investment income:			
Interest income:			
Non-Control / Non-Affiliate investments	\$ 158,927	\$ 101,468	\$ 65,268
Affiliate investments	1,218	519	—
Control investments	1,343	435	—
Short-term investments	—	17	353
Total interest income	161,488	102,439	65,621
Dividend income:			
Non-Control / Non-Affiliate investments	2,122	170	3
Affiliate investments	28,082	8,709	—
Total dividend income	30,204	8,879	3
Fee and other income:			
Non-Control / Non-Affiliate investments	15,606	12,337	4,075
Affiliate investments	141	40	—
Control investments	(824)	643	5
Total fee and other income	14,923	13,020	4,080
Payment-in-kind interest income:			
Non-Control / Non-Affiliate investments	10,280	9,952	1,305
Affiliate investments	564	1,044	12
Control investments	1,278	—	9
Total payment-in-kind interest income	12,122	10,996	1,326
Interest income from cash	392	1	1
Total investment income	219,129	135,335	71,031
Operating expenses:			
Interest and other financing fees	56,865	33,014	19,813
Base management fee (Note 2)	29,501	19,517	14,318
Incentive management fees (Note 2)	6,579	14,742	—
Compensation expenses	—	—	48
General and administrative expenses (Note 2)	9,917	9,095	5,794
Total operating expenses	102,862	76,368	39,973
Net investment income before taxes	116,267	58,967	31,058
Income taxes, including excise tax expense	611	7	70
Net investment income after taxes	\$ 115,656	\$ 58,960	\$ 30,988

Barings BDC, Inc.
Consolidated Statements of Operations - (Continued)
(in thousands, except share and per share data)

	Year Ended December 31,		
	2022	2021	2020
Realized gains (losses) and unrealized appreciation (depreciation) on investments, credit support agreements and foreign currency transactions:			
Net realized gains (losses):			
Non-Control / Non-Affiliate investments	\$ (16,580)	\$ 2,747	\$ (38,302)
Affiliate investments	101	(101)	—
Control investments	(722)	—	—
Net realized gains (losses) on investments	(17,201)	2,646	(38,302)
Distributions of realized gains by controlled investment companies	6,181	—	—
Foreign currency transactions	23,881	(6,025)	12
Net realized gains (losses)	12,861	(3,379)	(38,290)
Net unrealized appreciation (depreciation):			
Non-Control / Non-Affiliate investments	(132,771)	(11,087)	26,211
Affiliate investments	(916)	17,585	2,471
Control investments	9,498	(3,469)	29
Net unrealized appreciation (depreciation) on investments	(124,189)	3,029	28,711
Credit support agreements	(6,714)	1,800	—
Foreign currency transactions	7,862	17,276	(10,161)
Net unrealized appreciation (depreciation)	(123,041)	22,105	18,550
Net realized gains (losses) and unrealized appreciation (depreciation) on investments, credit support agreements and foreign currency transactions	(110,180)	18,726	(19,740)
Loss on extinguishment of debt	—	—	(3,089)
Benefit from (provision for) taxes	(795)	(1)	18
Net increase in net assets resulting from operations	\$ 4,681	\$ 77,685	\$ 8,177
Net investment income per share — basic and diluted	\$ 1.12	\$ 0.90	\$ 0.64
Net increase in net assets resulting from operations per share — basic and diluted	\$ 0.05	\$ 1.19	\$ 0.17
Dividends / distributions per share:			
Total dividends / distributions	\$ 0.95	\$ 0.82	\$ 0.65
Weighted average number of shares outstanding — basic and diluted	102,911,986	65,316,085	48,575,139

See accompanying notes.

Barings BDC, Inc.
Consolidated Statements of Changes in Net Assets
(in thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
	Number of Shares	Par Value			
Balance, January 1, 2020	48,950,803	\$ 49	\$ 853,766	\$ (282,940)	\$ 570,875
Net investment income	—	—	—	30,988	30,988
Net realized loss on investments / foreign currency transactions	—	—	—	(38,290)	(38,290)
Net unrealized appreciation on investments / foreign currency transactions	—	—	—	18,550	18,550
Loss on extinguishment of debt	—	—	—	(3,089)	(3,089)
Provision for taxes	—	—	—	18	18
Return of capital and other tax related adjustments	—	—	3,879	(3,879)	—
Distributions of net investment income	—	—	—	(31,325)	(31,325)
Deemed contribution - CSA (See Note 2)	—	—	13,600	—	13,600
Deemed contribution - from Adviser (See Note 9) ..	—	—	3,255	—	3,255
Issuance of common stock in connection with acquisition of MVC Capital	17,354,332	17	160,337	—	160,354
Purchases of shares in repurchase plan	(989,050)	(1)	(7,130)	—	(7,131)
Balance, December 31, 2020	65,316,085	\$ 65	\$ 1,027,707	\$ (309,967)	\$ 717,805
Net investment income	—	—	—	58,960	58,960
Net realized loss on investments / foreign currency transactions	—	—	—	(3,379)	(3,379)
Net unrealized appreciation on investments / CSA / foreign currency transactions	—	—	—	22,105	22,105
Provision for taxes	—	—	—	(1)	(1)
Return of capital, merger and other tax related adjustments	—	—	1,629	(1,629)	—
Distributions of net investment income	—	—	—	(51,910)	(51,910)
Return of capital distributions	—	—	(1,649)	—	(1,649)
Balance, December 31, 2021	65,316,085	\$ 65	\$ 1,027,687	\$ (285,821)	\$ 741,931
Net investment income	—	—	—	115,656	115,656
Net realized gain on investments / foreign currency transactions	—	—	—	12,861	12,861
Net unrealized depreciation on investments / CSAs / foreign currency transactions	—	—	—	(123,041)	(123,041)
Provision for taxes	—	—	—	(795)	(795)
Return of capital, merger and other tax related adjustments	—	—	288,888	(288,888)	—
Distributions of net investment income	—	—	—	(93,726)	(93,726)
Deemed contribution - from Adviser (See Note 10) ..	—	—	72,130	—	72,130
Issuance of common stock in connection with acquisition of Sierra	45,986,926	46	499,372	—	499,418
Purchase of shares in repurchase plan	(3,386,845)	(3)	(32,102)	—	(32,105)
Balance, December 31, 2022	107,916,166	\$ 108	\$ 1,855,975	\$ (663,754)	\$ 1,192,329

See accompanying notes.

Barings BDC, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net increase in net assets resulting from operations	\$ 4,681	\$ 77,685	\$ 8,177
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:			
Purchases of portfolio investments	(1,162,247)	(1,461,057)	(881,171)
Acquisition of MVC Capital, net of cash acquired (See Note 9)	—	—	(96,720)
Net cash acquired from Sierra merger (cash consideration paid) (See Note 10)	101,896	—	—
Transaction costs from Sierra merger (See Note 10)	(8,127)	—	—
Repayments received / sales of portfolio investments	1,041,370	943,867	684,531
Purchases of short-term investments	—	(297,561)	(1,182,185)
Sales of short-term investments	—	363,118	1,213,198
Loan origination and other fees received	20,120	30,504	19,193
Net realized (gain) loss on investments	11,020	(2,645)	38,302
Net realized (gain) loss on foreign currency transactions	(23,881)	6,025	(12)
Net unrealized (appreciation) depreciation on investments	124,189	(3,029)	(28,711)
Net unrealized (appreciation) depreciation of CSAs	6,714	(1,800)	—
Net unrealized (appreciation) depreciation on foreign currency transactions	(7,862)	(17,276)	10,161
Payment-in-kind interest / dividends	(12,307)	(10,795)	(1,348)
Amortization of deferred financing fees	3,053	1,620	1,478
Loss on extinguishment of debt	—	—	3,089
Accretion of loan origination and other fees	(11,538)	(9,444)	(2,717)
Amortization / accretion of purchased loan premium / discount	(2,322)	(4,646)	(1,806)
Payments for derivative contracts	(5,628)	(2,362)	(20)
Proceeds from derivative contracts	30,768	1,984	210
Changes in operating assets and liabilities:			
Interest and fees receivable	(14,597)	(14,472)	(4,214)
Prepaid expenses and other assets	(3,214)	(2,198)	(45)
Accounts payable and accrued liabilities	(7,756)	2,446	3,891
Interest payable	1,935	3,483	(1,412)
Net cash provided by (used in) operating activities	<u>86,267</u>	<u>(396,553)</u>	<u>(218,131)</u>
Cash flows from financing activities:			
Borrowings under credit facilities	244,657	455,732	636,707
Repayments of credit facilities	(148,061)	(506,580)	(280,523)
Repayments of debt securitization	—	—	(318,210)
Proceeds from notes	—	500,000	225,000
Redemption of notes	—	—	(95,472)
Financing fees paid	(1,870)	(7,274)	(774)
Net proceeds related to issuance of common stock for MVC acquisition (See Note 9)	—	—	160,354
Purchases of shares in repurchase plan	(32,105)	—	(7,131)
Cash dividends / distributions paid	(93,726)	(53,559)	(31,325)
Net cash provided by (used in) financing activities	<u>(31,105)</u>	<u>388,319</u>	<u>288,626</u>
Net increase (decrease) in cash and foreign currencies	55,162	(8,234)	70,495
Cash and foreign currencies, beginning of year	84,253	92,487	21,992
Cash and foreign currencies, end of year	<u><u>\$ 139,415</u></u>	<u><u>\$ 84,253</u></u>	<u><u>\$ 92,487</u></u>

Barings BDC, Inc.
Consolidated Statements of Cash Flows - (Continued)
(in thousands)

	Year Ended December 31,		
	2022	2021	2020
Supplemental Information:			
Cash paid for interest	\$ 50,641	\$ 27,203	\$ 16,697
Excise taxes paid during the period	\$ —	\$ 71	\$ 86
Supplemental non-cash information			
Acquisitions (See Notes 9 and 10):			
Fair value of net assets acquired, net of cash	(435,812)	—	171,242
Transaction costs	2,433	—	7,600
Common stock issued in acquisition of net assets	499,418	—	160,354
Credit support agreement (See Note 2)	(44,400)	—	(13,600)
Deemed contribution - from Adviser	27,730	—	3,255
Deemed contributions - CSA (See Note 2)	44,400	—	13,600

See accompanying notes.

Barings BDC, Inc.
Consolidated Schedule of Investments
December 31, 2022
(Amounts in thousands, except share amounts)

Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
<i>Non-Control / Non-Affiliate Investments:</i>										
WorldSync, Inc.	IT Consulting & Other Services	First Lien Senior Secured Term Loan	SOFR + 4.75%, 8.8% Cash	7/19	7/25	\$ 16,307	\$ 16,124	\$ 16,307	1.3 %	(7)(8)(16)
						16,307	16,124	16,307		
A.T. Holdings II LTD	Other Financial	First Lien Senior Secured Term Loan	14.3% Cash	11/22	9/29	12,500	12,500	12,500	1.0 %	(3)(7)
						12,500	12,500	12,500		
Accelerant Holdings	Banking, Finance, Insurance & Real Estate	Class A Convertible Preferred Equity (5,000 shares)	N/A	1/22	N/A		5,000	5,403	0.4 %	(7)(34)
		Class B Convertible Preferred Equity (1,667 shares)	N/A	12/22	N/A		1,667	1,667	0.1 %	(7)(34)
							6,667	7,070		
Accelerate Learning, Inc.	Education Services	First Lien Senior Secured Term Loan	LIBOR + 4.50%, 8.9% Cash	12/18	12/24	7,568	7,511	7,480	0.6 %	(7)(8)(10)
						7,568	7,511	7,480		
Acclime Holdings HK Limited	Business Services	First Lien Senior Secured Term Loan	LIBOR + 6.50%, 9.6% Cash	8/21	7/27	2,500	2,447	2,436	0.2 %	(3)(7)(8)(11)
						2,500	2,447	2,436		
Accurus Aerospace Corporation	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.8% Cash	4/22	3/28	12,265	12,099	12,069	1.0 %	(7)(8)(10)
		Revolver	LIBOR + 5.75%, 10.8% Cash	4/22	3/28	1,152	1,122	1,116	0.1 %	(7)(8)(10)
		Common Stock (437,623.30 shares)	N/A	4/22	N/A		438	436	— %	(7)(34)
						13,417	13,659	13,621		
Acogroup	Business Services	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 6.8% Cash	3/22	10/26	7,716	7,782	7,276	0.6 %	(3)(7)(8)(14)
						7,716	7,782	7,276		
ADB Safegate	Aerospace & Defense	Second Lien Senior Secured Term Loan	LIBOR + 9.25%, 14.0% Cash	8/21	10/27	5,500	5,184	4,180	0.3 %	(3)(7)(8)(10)
						5,500	5,184	4,180		
Advantage Software Company (The), LLC	Advertising, Printing & Publishing	Class A1 Partnership Units (8,717.76 units)	N/A	12/21	N/A		280	671	0.1 %	(7)(34)
		Class A2 Partnership Units (2,248.46 units)	N/A	12/21	N/A		72	173	— %	(7)(34)
		Class B1 Partnership Units (8,717.76 units)	N/A	12/21	N/A		9	—	— %	(7)(34)
		Class B2 Partnership Units (2,248.46 units)	N/A	12/21	N/A		2	—	— %	(7)(34)
						363	844			
Air Canada 2020-2 Class B Pass Through Trust	Airlines	Structured Secured Note - Class B	9.0% Cash	9/20	10/25	4,841	4,841	4,816	0.4 %	
						4,841	4,841	4,816		
Air Comm Corporation, LLC	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 10.2% Cash	6/21	7/27	12,875	12,671	12,722	1.0 %	(7)(8)(10)
						12,875	12,671	12,722		
AIT Worldwide Logistics Holdings, Inc.	Transportation Services	Second Lien Senior Secured Term Loan	LIBOR + 7.50%, 12.2% Cash	4/21	4/29	6,460	6,339	6,215	0.5 %	(7)(8)(10)
		Partnership Units (348.68 units)	N/A	4/21	N/A		349	798	0.1 %	(7)(34)
						6,460	6,688	7,013		

Barings BDC, Inc.
Consolidated Schedule of Investment — (Continued)
December 31, 2022
(Amounts in thousands, except share amounts)

Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Alpine SG, LLC	High Tech Industries	First Lien Senior Secured Term Loan	SOFR + 6.00%, 10.4% Cash	2/22	11/27	\$ 23,139	\$ 22,678	\$ 22,677	1.9 %	(7)(8)(15)(33)
						23,139	22,678	22,677		
Alpine US Bidco LLC	Agricultural Products	Second Lien Senior Secured Term Loan	LIBOR + 9.00%, 13.3% Cash	5/21	5/29	18,156	17,692	16,704	1.4 %	(8)(9)
						18,156	17,692	16,704		
Amalfi Midco	Healthcare	Subordinated Loan Notes	LIBOR + 2.00%, 6.8% Cash, 9.0% PIK	9/22	9/28	4,784	4,451	4,303	0.4 %	(3)(7)(10)
		Class B Common Stock (93,165,208 shares)	N/A	9/22	N/A		1,040	1,121	0.1 %	(3)(7)(34)
		Warrants (380,385 units)	N/A	9/22	N/A		4	426	— %	(3)(7)(34)
						4,784	5,495	5,850		
AMMC CLO 22, Limited Series 2018-22A	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield 13.00%	2/22	4/31	7,222	4,445	3,190	0.3 %	(3)(33)
						7,222	4,445	3,190		
AMMC CLO 23, Ltd. Series 2020-23A	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield 13.01%	2/22	10/31	2,000	1,860	1,423	0.1 %	(3)(33)
						2,000	1,860	1,423		
Amtech LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 9.6% Cash	11/21	11/27	2,268	2,205	2,222	0.2 %	(7)(8)(9)
		Revolver	LIBOR + 5.50%, 9.6% Cash	11/21	11/27	136	125	128	— %	(7)(8)(9)
						2,404	2,330	2,350		
Anagram Holdings, LLC	Chemicals, Plastics, & Rubber	First Lien Senior Secured Note	10.0% Cash, 5.0% PIK	8/20	8/25	15,124	14,392	14,368	1.2 %	
						15,124	14,392	14,368		
AnalytiChem Holding GmbH	Chemicals	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 7.7% Cash	11/21	11/28	2,380	2,382	2,330	0.2 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 7.7% Cash	11/21	12/28	738	790	723	0.1 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 7.7% Cash	4/22	10/28	5,744	5,745	5,623	0.5 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.8% Cash	6/22	10/28	1,019	1,019	997	0.1 %	(3)(7)(8)(10)
		Revolver	EURIBOR + 6.00%, 7.7% Cash	4/22	10/23	—	(5)	(8)	— %	(3)(7)(8)(13)
						9,881	9,931	9,665		
Anju Software, Inc.	Application Software	First Lien Senior Secured Term Loan	LIBOR + 7.25%, 11.6% Cash	2/19	2/25	13,389	13,269	11,006	0.9 %	(7)(8)(9)
						13,389	13,269	11,006		
APC1 Holding	Diversified Manufacturing	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 8.2% Cash	7/22	7/29	2,101	1,952	2,044	0.2 %	(3)(7)(8)(13)
						2,101	1,952	2,044		
Apex Bidco Limited	Business Equipment & Services	First Lien Senior Secured Term Loan	SONIA + 6.25%, 9.7% Cash	1/20	1/27	1,753	1,876	1,753	0.1 %	(3)(7)(8)(19)
		Subordinated Senior Unsecured Term Loan	8.0% PIK	1/20	7/27	267	285	266	— %	(3)(7)
						2,020	2,161	2,019		
Apidos CLO XXIV, Series 2016-24A	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield 22.55%	2/22	10/30	18,358	6,934	6,635	0.5 %	(3)(33)
						18,358	6,934	6,635		
APOG Bidco Pty Ltd	Healthcare	Second Lien Senior Secured Term Loan	BBSY + 7.25%, 10.3% Cash	4/22	3/30	2,104	2,279	2,073	0.2 %	(3)(7)(8)(21)
						2,104	2,279	2,073		

Barings BDC, Inc.
Consolidated Schedule of Investment — (Continued)
December 31, 2022
(Amounts in thousands, except share amounts)

Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Aptus 1829. GmbH	Chemicals, Plastics, and Rubber	First Lien Senior Secured Term Loan	EURIBOR + 7.00%, 8.9% Cash	9/21	9/27	\$ 5,085	\$ 5,466	\$ 5,085	0.4 %	(3)(7)(8)(12)
		Preferred Stock (13 shares)	N/A	9/21	N/A		120	110	— %	(3)(7)(34)
		Common Stock (48 shares)	N/A	9/21	N/A		12	6	— %	(3)(7)(34)
						5,085	5,598	5,201		
Apus Bidco Limited	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan	SONIA + 5.50%, 7.2% Cash	2/21	3/28	3,465	3,886	3,344	0.3 %	(3)(7)(8)(20)
						3,465	3,886	3,344		
AQA Acquisition Holding, Inc.	High Tech Industries	Second Lien Senior Secured Term Loan	LIBOR + 7.50%, 12.2% Cash	3/21	3/29	20,000	19,564	19,140	1.6 %	(7)(8)(10)
						20,000	19,564	19,140		
Aquavista Watersides 2 LTD	Transportation Services	First Lien Senior Secured Term Loan	SONIA + 6.00%, 8.9% Cash	12/21	12/28	5,366	5,806	5,263	0.4 %	(3)(7)(8)(20)
		First Lien Senior Secured Term Loan	SONIA + 6.00%, 8.9% Cash	12/21	12/24	251	175	198	— %	(3)(7)(8)(20)
		Second Lien Senior Secured Term Loan	SONIA + 10.5% PIK	12/21	12/28	1,504	1,617	1,475	0.1 %	(3)(7)(8)(20)
						7,121	7,598	6,936		
Arc Education	Consumer Cyclical	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 8.0% Cash	7/22	7/29	3,074	2,794	2,969	0.2 %	(3)(7)(8)(13)
						3,074	2,794	2,969		
Arch Global Precision LLC	Industrial Machinery	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.2% Cash	4/19	4/26	9,154	9,151	9,094	0.7 %	(7)(8)(10)
						9,154	9,151	9,094		
Archimede	Consumer Services	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 7.5% Cash	10/20	10/27	6,297	6,474	6,164	0.5 %	(3)(7)(8)(13)
						6,297	6,474	6,164		
Argus Bidco Limited	High Tech Industries	First Lien Senior Secured Term Loan	SOFR + 5.75%, 10.3% Cash	7/22	7/29	129	126	126	— %	(3)(7)(8)(16)
		First Lien Senior Secured Term Loan	SONIA + 5.75%, 9.2% Cash	7/22	7/29	1,599	1,514	1,536	0.1 %	(3)(7)(8)(19)
		First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 8.0% Cash	7/22	7/29	1,586	1,502	1,547	0.1 %	(3)(7)(8)(13)
		Subordinated Term Loan	10.5% PIK	7/22	7/29	500	480	487	— %	(3)(7)
		Preferred Stock (41,560 shares)	10.0% PIK	7/22	N/A		51	50	— %	(3)(7)
		Equity Loan Notes (41,560 units)	10.0% PIK	7/22	N/A		51	50	— %	(3)(7)
		Common Stock (464 shares)	N/A	7/22	N/A		1	—	— %	(3)(7)(34)
						3,814	3,725	3,796		
Armstrong Transport Group (Pele Buyer, LLC)	Air Freight & Logistics	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.2% Cash	6/19	6/24	3,986	3,950	3,896	0.3 %	(7)(8)(10)
		First Lien Senior Secured Term Loan	SOFR + 5.50%, 9.7% Cash	10/22	6/24	5,045	4,946	4,932	0.4 %	(7)(8)(17)
						9,031	8,896	8,828		
ASC Communications, LLC	Media & Entertainment	First Lien Senior Secured Term Loan	SOFR + 5.00%, 9.3% Cash	7/22	7/27	21,251	20,920	20,920	1.7 %	(7)(8)(15)
		Class A Units (25,718.20 units)	N/A	7/22	N/A		539	620	— %	(7)(34)
						21,251	21,459	21,540		
ASPEQ Heating Group LLC	Building Products, Air & Heating	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 9.0% Cash	11/19	11/25	8,367	8,302	8,367	0.7 %	(7)(8)(10)
						8,367	8,302	8,367		
Astra Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	SONIA + 5.00%, 9.4% Cash	11/21	11/28	1,963	2,103	1,886	0.2 %	(3)(7)(8)(19)
						1,963	2,103	1,886		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
ATL II MRO Holdings Inc.	Transportation	First Lien Senior Secured Term Loan	SOFR + 6.00%, 10.4% Cash	11/22	11/28	\$ 8,333	\$ 8,129	\$ 8,125	0.7 %	⁽⁷⁾⁽⁸⁾⁽¹⁷⁾
		Revolver	SOFR + 6.00%, 10.4% Cash	11/22	11/28	—	(41)	(42)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁷⁾
						8,333	8,088	8,083		
Auxi International	Commercial Finance	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.1% Cash	12/19	12/26	1,494	1,526	1,305	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾
		First Lien Senior Secured Term Loan	SONIA + 7.25%, 10.7% Cash	4/21	12/26	806	901	704	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁹⁾
						2,300	2,427	2,009		
Avance Clinical Bidco Pty Ltd	Healthcare	First Lien Senior Secured Term Loan	BBSY + 4.50%, 7.7% Cash	11/21	11/27	2,394	2,417	2,298	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²³⁾
						2,394	2,417	2,298		
Aviation Technical Services, Inc.	Aerospace & Defense	Second Lien Senior Secured Term Loan	LIBOR + 2.00%, 6.4% Cash, 6.5% PIK	2/22	3/25	28,507	27,165	27,794	2.3 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽³³⁾
						28,507	27,165	27,794		
AVSC Holding Corp.	Advertising	First Lien Senior Secured Term Loan	LIBOR + 3.25%, 7.7% Cash, 0.3% PIK	8/18	3/25	4,829	4,505	4,416	0.4 %	⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	LIBOR + 4.50%, 8.7% Cash, 1.0% PIK	8/18	10/26	745	700	685	0.1 %	⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	5.0% Cash, 10.0% PIK	11/20	10/26	5,794	5,703	5,919	0.5 %	
						11,368	10,908	11,020		
Azalea Buyer, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 10.0% Cash	11/21	11/27	4,560	4,467	4,489	0.4 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Revolver	LIBOR + 5.25%, 10.0% Cash	11/21	11/27	—	(8)	(6)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Subordinated Term Loan	12.0% PIK	11/21	5/28	1,431	1,409	1,403	0.1 %	⁽⁷⁾
		Common Stock (192,307.7 shares)	N/A	11/21	N/A	—	192	183	— %	⁽⁷⁾⁽³⁴⁾
						5,991	6,060	6,069		
Bariacum S.A	Consumer Products	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 6.7% Cash	11/21	11/28	6,083	6,264	5,944	0.5 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾
						6,083	6,264	5,944		
Benify (Bennevis AB)	High Tech Industries	First Lien Senior Secured Term Loan	STIBOR + 5.25%, 7.9% Cash	7/19	7/26	1,060	1,161	1,060	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²⁶⁾
						1,060	1,161	1,060		
Beyond Risk Management, Inc.	Other Financial	First Lien Senior Secured Term Loan	LIBOR + 4.50%, 8.9% Cash	10/21	10/27	2,551	2,499	2,493	0.2 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						2,551	2,499	2,493		
Bidwax	Non-durable Consumer Goods	First Lien Senior Secured Term Loan	EURIBOR + 6.50%, 8.6% Cash	2/21	2/28	7,471	8,089	7,254	0.6 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾
						7,471	8,089	7,254		
BigHand UK Bidco Limited	High Tech Industries	First Lien Senior Secured Term Loan	SOFR + 5.50%, 9.8% Cash	1/21	1/28	2,532	2,476	2,484	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		First Lien Senior Secured Term Loan	SONIA + 5.50%, 9.0% Cash	1/21	1/28	807	893	792	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁹⁾
						3,339	3,369	3,276		
Biolum Group	Consumer Non-cyclical	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.2% Cash	12/22	11/29	3,157	2,956	2,939	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						3,157	2,956	2,939		
Bounteous, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 10.0% Cash	8/21	8/27	1,893	1,816	1,735	0.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						1,893	1,816	1,735		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Bridger Aerospace Group Holdings, LLC	Environmental Industries	Municipal Revenue Bond	11.5% Cash	7/22	9/27	\$ 27,200	\$ 27,200	\$ 28,300	2.3 %	
		Preferred Stock-Series C (14,618 shares)	7.0% PIK	7/22	N/A		14,460	14,731	1.2 %	⁽⁷⁾
						<u>27,200</u>	<u>41,660</u>	<u>43,031</u>		
Brightline Trains Florida LLC	Transportation	Senior Secured Note	8.0% Cash	8/21	1/28	5,000	5,000	4,350	0.4 %	⁽⁷⁾
						<u>5,000</u>	<u>5,000</u>	<u>4,350</u>		
Brightpay Limited	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.00%, 6.5% Cash	10/21	10/28	2,205	2,296	2,156	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						<u>2,205</u>	<u>2,296</u>	<u>2,156</u>		
BrightSign LLC	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	10/21	10/27	4,768	4,728	4,724	0.4 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
			LIBOR + 5.75%, 10.5% Cash	10/21	10/27	—	(11)	(12)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Revolver	LIBOR + 5.75%, 10.5% Cash	10/21	10/27					
		LLC units (1,107,492.71 units)	N/A	10/21	N/A		1,108	1,152	0.1 %	⁽⁷⁾⁽³⁴⁾
						<u>4,768</u>	<u>5,825</u>	<u>5,864</u>		
British Airways 2020-1 Class B Pass Through Trust	Airlines	Structured Secured Note - Class B	8.4% Cash	11/20	11/28	703	703	692	0.1 %	
						<u>703</u>	<u>703</u>	<u>692</u>		
British Engineering Services Holdco Limited	Commercial Services & Supplies	First Lien Senior Secured Term Loan	SONIA + 7.00%, 9.3% Cash	12/20	12/27	13,792	15,133	13,454	1.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁹⁾
						<u>13,792</u>	<u>15,133</u>	<u>13,454</u>		
Brook & Whittle Holding Corp.	Containers, Packaging & Glass	First Lien Senior Secured Term Loan	SOFR + 4.00%, 8.5% Cash	2/22	12/28	2,827	2,807	2,478	0.2 %	⁽⁸⁾⁽¹⁶⁾⁽³³⁾
						<u>2,827</u>	<u>2,807</u>	<u>2,478</u>		
Brown Machine Group Holdings, LLC	Industrial Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 10.0% Cash	10/18	10/24	6,281	6,252	6,281	0.5 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						<u>6,281</u>	<u>6,252</u>	<u>6,281</u>		
Burgess Point Purchaser Corporation	Auto Parts & Equipment	Second Lien Senior Secured Term Loan	SOFR + 9.00%, 13.3% Cash	7/22	7/30	4,545	4,370	4,390	0.4 %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
			LP Units (455 units)	N/A	7/22	N/A		455	446	— %
		<u>4,545</u>	<u>4,825</u>	<u>4,836</u>						
BVI Medical, Inc.	Healthcare	Second Lien Senior Secured Term Loan	EURIBOR + 9.50%, 11.6% Cash	6/22	6/26	9,901	9,404	9,495	0.8 %	⁽⁷⁾⁽⁸⁾⁽¹³⁾
						<u>9,901</u>	<u>9,404</u>	<u>9,495</u>		
Cadent, LLC (f/k/a Cross MediaWorks)	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 6.50%, 11.2% Cash	9/18	9/25	6,751	6,741	6,580	0.5 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
			LIBOR + 6.50%, 11.2% Cash	7/22	9/25	<u>11,367</u>	<u>11,161</u>	<u>11,080</u>	0.9 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
							<u>18,118</u>	<u>17,902</u>	<u>17,660</u>	
CAi Software, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 10.2% Cash	7/22	12/28	1,377	1,352	1,341	0.4 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
			LIBOR + 6.25%, 11.0% Cash	12/21	12/28	5,009	4,921	4,879	0.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Revolver	LIBOR + 6.25%, 11.0% Cash	12/21	12/28	—	(16)	(24)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						<u>6,386</u>	<u>6,257</u>	<u>6,196</u>		
Canadian Orthodontic Partners Corp.	Healthcare	First Lien Senior Secured Term Loan	CDOR + 7.00%, 11.9% Cash	6/21	3/26	1,557	1,729	1,468	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²⁵⁾
			Class A Equity (500,000 units)	N/A	5/22	N/A		389	292	— %
		Class C - Warrants (74,712.64 units)	N/A	5/22	N/A		—	—	— %	⁽³⁾⁽⁷⁾⁽³⁴⁾
		<u>1,557</u>	<u>2,118</u>	<u>1,760</u>						

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Caribou Holding Company, LLC	Technology	First Lien Senior Secured Term Loan	SOFR + 7.64%, 12.5% Cash	4/22	4/27	\$ 4,318	\$ 4,261	\$ 4,269	0.4 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		LLC Units (681,818 units)	N/A	4/22	N/A		682	627	0.1 %	⁽³⁾⁽⁷⁾⁽³⁴⁾
						4,318	4,943	4,896		
Carlson Travel, Inc	Business Travel Management	First Lien Senior Secured Note	8.5% Cash	11/21	11/26	6,050	5,720	5,113	0.4 %	
		Common Stock (94,155 shares)	N/A	11/21	N/A		4,194	1,339	0.1 %	⁽³⁴⁾
						6,050	9,914	6,452		
Catawba River Limited	Finance Companies	Structured - Junior Note	N/A	10/22	10/28	5,239	4,893	5,239	0.4 %	⁽³⁾⁽⁷⁾
						5,239	4,893	5,239		
Centralis Finco S.a.r.l.	Diversified Financial Services	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 7.1% Cash	5/20	4/27	870	768	820	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
		First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 7.6% Cash	5/20	4/27	1,190	1,151	1,158	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						2,060	1,919	1,978		
Ceres Pharma NV	Pharmaceuticals	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 7.1% Cash	10/21	10/28	3,304	3,264	3,139	0.3 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾
						3,304	3,264	3,139		
CGI Parent, LLC	Business Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 4.50%, 8.8% Cash	2/22	2/28	10,698	10,510	10,377	0.9 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	SOFR + 4.75%, 9.3% Cash	12/22	2/28	1,385	1,344	1,344	0.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Revolver	LIBOR + 4.50%, 8.8% Cash	2/22	2/28	—	(29)	(49)	— %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		Preferred Stock (551 shares)	N/A	2/22	N/A		551	1,027	0.1 %	⁽⁷⁾⁽³⁴⁾
					12,083	12,376	12,699			
Cineworld Group PLC	Leisure Products	Warrants (553,375 units)	N/A	7/22	N/A		102	—	— %	⁽³⁾⁽⁷⁾⁽³⁴⁾
							102	—		
Classic Collision (Summit Buyer, LLC)	Auto Collision Repair Centers	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	1/20	1/26	6,264	6,182	6,189	0.5 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	1/20	4/26	530	522	523	— %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						6,794	6,704	6,712		
CM Acquisitions Holdings Inc.	Internet & Direct Marketing	First Lien Senior Secured Term Loan	SOFR + 5.00%, 9.0% Cash	5/19	5/25	18,910	18,761	18,060	1.5 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
						18,910	18,761	18,060		
CMT Opco Holding, LLC (Concept Machine)	Distributors	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.2% Cash	1/20	1/25	4,113	4,076	3,928	0.3 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		LLC Units (8,782 units)	N/A	1/20	N/A		352	165	— %	⁽⁷⁾
						4,113	4,428	4,093		
Coastal Marina Holdings, LLC	Other Financial	Subordinated Term Loan	10.0% PIK	11/21	11/31	6,461	6,054	6,036	0.5 %	⁽⁷⁾
		Subordinated Term Loan	8.0% Cash	11/21	11/31	16,620	15,509	15,528	1.3 %	⁽⁷⁾
		LLC Units (2,037,735 units)	N/A	11/21	N/A		9,093	10,729	0.9 %	⁽⁷⁾⁽³⁴⁾
					23,081	30,656	32,293			
Cobham Slip Rings SAS	Diversified Manufacturing	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 11.0% Cash	11/21	11/28	1,303	1,276	1,270	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						1,303	1,276	1,270		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Command Alkon (Project Potter Buyer, LLC)	Software	First Lien Senior Secured Term Loan	SOFR + 7.75%, 12.1% Cash	4/20	4/27	\$ 13,604	\$ 13,316	\$ 13,302	1.1 %	(7)(8)(15)
		Class B Partnership Units (33,324.69 units)	N/A	4/20	N/A		—	196	— %	(7)(34)
						13,604	13,316	13,498		
Compass Precision, LLC	Aerospace & Defense	Senior Subordinated Term Loan	11.0% Cash, 1.0% PIK	4/22	4/28	378	371	369	— %	(7)
		LLC Units (46,085.6 units)	N/A	4/22	N/A		125	159	— %	(7)(34)
						378	496	528		
Comply365, LLC	Technology	First Lien Senior Secured Term Loan	SOFR + 5.75%, 10.6% Cash	4/22	4/28	13,654	13,407	13,446	1.1 %	(7)(8)(17)
		Revolver	SOFR + 5.75%, 10.6% Cash	4/22	4/28	165	146	148	— %	(7)(8)(17)
						13,819	13,553	13,594		
Contabo Finco S.A.R.L.	Internet Software & Services	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 7.6% Cash	10/22	10/29	4,969	4,524	4,845	0.4 %	(3)(7)(8)(13)
						4,969	4,524	4,845		
Core Scientific, Inc.	Technology	First Lien Senior Secured Term Loan	13.0% Cash	3/22	3/25	29,647	29,619	11,118	0.9 %	(7)(31)
		Common Stock (91,504 shares)	N/A	9/22	N/A		296	7	— %	(34)
						29,647	29,915	11,125		
Coyo Uprising GmbH	Technology	First Lien Senior Secured Term Loan	EURIBOR + 3.25%, 3.3% Cash, 3.5% PIK	9/21	9/28	4,371	4,638	4,233	0.3 %	(3)(7)(8)(14)
		Class A Units (440 units)	N/A	9/21	N/A		205	196	— %	(3)(7)(34)
		Class B Units (191 units)	N/A	9/21	N/A		446	497	— %	(3)(7)(34)
						4,371	5,289	4,926		
CSL DualCom	Tele-communications	First Lien Senior Secured Term Loan	SONIA + 5.25%, 8.7% Cash	9/20	9/27	1,936	1,905	1,921	0.2 %	(3)(7)(8)(18)
						1,936	1,905	1,921		
CT Technologies Intermediate Holdings, Inc.	Healthcare	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 8.6% Cash	2/22	12/25	4,937	4,930	4,505	0.4 %	(8)(9)(33)
						4,937	4,930	4,505		
Custom Alloy Corporation	Manufacturer of Pipe Fittings & Forgings	Revolver	15.0% PIK	12/20	4/23	5,320	4,222	189	— %	(7)(31)(32)
		Second Lien Loan	15.0% PIK	12/20	4/23	56,259	42,162	1,997	0.2 %	(7)(31)(32)
						61,579	46,384	2,186		
CVL 3	Capital Equipment	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 7.6% Cash	12/21	12/28	907	938	891	0.1 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	SOFR + 5.50%, 10.2% Cash	12/21	12/28	1,142	1,117	1,122	0.1 %	(3)(7)(8)(16)
						2,049	2,055	2,013		
CW Group Holdings, LLC	High Tech Industries	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.4% Cash	1/21	1/27	2,789	2,744	2,766	0.2 %	(7)(8)(9)
		LLC Units (161,290.32 units)	N/A	1/21	N/A		161	204	— %	(7)(34)
						2,789	2,905	2,970		
DataOnline Corp.	High Tech Industries	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 11.0% Cash	2/22	11/25	14,550	14,550	14,259	1.2 %	(7)(8)(10)(33)
		Revolver	LIBOR + 6.25%, 11.0% Cash	2/22	11/25	2,143	2,143	2,100	0.2 %	(7)(8)(10)(33)
						16,693	16,693	16,359		

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DataServ Integrations, LLC	Technology	First Lien Senior Secured Term Loan	SOFR + 6.00%, 10.3% Cash	11/22	11/28	\$ 1,918	\$ 1,876	\$ 1,875	0.2 %	(7)(8)(16)
		Revolver	SOFR + 6.00%, 10.3% Cash	11/22	11/28		(10)	(11)	— %	(7)(8)(16)
		Partnership Units (96,153.85 units)	N/A	11/22	N/A		96	96	— %	(7)(34)
						1,918	1,962	1,960		
DecksDirect, LLC	Building Materials	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.4% Cash	12/21	12/26	700	688	690	0.1 %	(7)(8)(9)
		Revolver	LIBOR + 6.00%, 10.4% Cash	12/21	12/26	—	(3)	(3)	— %	(7)(8)(9)
		Common Stock (1,280.8 shares)	N/A	12/21	N/A		55	48	— %	(7)(34)
						700	740	735		
DISA Holdings Corp.	Other Industrial	First Lien Senior Secured Term Loan	SOFR + 5.50%, 9.8% Cash	11/22	9/28	5,704	5,496	5,491	0.5 %	(7)(8)(15)
		Revolver	SOFR + 5.50%, 9.8% Cash	11/22	9/28	13	—	—	— %	(7)(8)(15)
						5,717	5,496	5,491		
Distinct Holdings, Inc.	Systems Software	First Lien Senior Secured Term Loan	LIBOR + 6.50%, 10.7% Cash	4/19	12/23	6,880	6,860	6,096	0.5 %	(7)(8)(10)
						6,880	6,860	6,096		
Dragon Bidco	Technology	First Lien Senior Secured Term Loan	EURIBOR + 6.50%, 8.1% Cash	4/21	4/28	2,561	2,828	2,515	0.2 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	EURIBOR + 6.75%, 8.9% Cash	4/21	4/28	1,174	1,170	1,153	0.1 %	(3)(7)(8)(14)
						3,735	3,998	3,668		
DreamStart Bidco SAS (d/b/a SmartTrade)	Diversified Financial Services	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 8.2% Cash	3/20	3/27	2,270	2,305	2,247	0.2 %	(3)(7)(8)(13)
						2,270	2,305	2,247		
Dryden 43 Senior Loan Fund, Series 2016-43A	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield 11.8%	2/22	4/34	3,620	2,329	2,084	0.2 %	(3)(33)
						3,620	2,329	2,084		
Dryden 49 Senior Loan Fund, Series 2017-49A	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield 11.8%	2/22	7/30	17,233	6,790	4,267	0.4 %	(3)(33)
						17,233	6,790	4,267		
Dune Group	Health Care Equipment	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 8.0% Cash	9/21	9/28	123	109	111	— %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	9/21	9/28	1,230	1,212	1,209	0.1 %	(3)(7)(8)(10)
						1,353	1,321	1,320		
Dunlipharder B.V.	Technology	First Lien Senior Secured Term Loan	SOFR + 6.50%, 10.7% Cash	6/22	6/28	1,000	986	988	0.1 %	(3)(7)(8)(16)
						1,000	986	988		
Dwyer Instruments, Inc.	Electric	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.7% Cash	7/21	7/27	25,803	25,257	25,287	2.1 %	(7)(8)(10)
						25,803	25,257	25,287		
Echo Global Logistics, Inc.	Air Transportation	Second Lien Senior Secured Term Loan	LIBOR + 7.00%, 11.7% Cash	11/21	11/29	9,469	9,320	9,100	0.7 %	(7)(8)(10)
		Partnership Equity (530.92 units)	N/A	11/21	N/A		531	933	0.1 %	(7)(34)
						9,469	9,851	10,033		
Ellkay, LLC	Healthcare and Pharmaceuticals	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 11.0% Cash	9/21	9/27	4,949	4,868	4,893	0.4 %	(7)(8)(10)
						4,949	4,868	4,893		
EMI Porta Holdco LLC	Diversified Manufacturing	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	12/21	12/27	12,644	12,272	12,008	1.0 %	(7)(8)(10)
		Revolver	LIBOR + 5.75%, 10.5% Cash	12/21	12/27	1,495	1,446	1,409	0.1 %	(7)(8)(10)
						14,139	13,718	13,417		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Entact Environmental Services, Inc.	Environmental Industries	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 11.7% Cash	2/21	12/25	\$ 5,547	\$ 5,511	\$ 5,529	0.5 %	(7)(8)(10)
						5,547	5,511	5,529		
EPS NASS Parent, Inc.	Electrical Components & Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	4/21	4/28	6,079	5,978	6,024	0.5 %	(7)(8)(10)
						6,079	5,978	6,024		
eShipping, LLC	Transportation Services	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.4% Cash	11/21	11/27	3,291	3,209	3,262	0.3 %	(7)(8)(9)
						—	(24)	(9)		
		Revolver	LIBOR + 5.00%, 9.4% Cash	11/21	11/27	3,291	3,185	3,253	— %	(7)(8)(9)
Eurofins Digital Testing International LUX Holding SARL	Technology	First Lien Senior Secured Term Loan	EURIBOR + 6.75%, 8.9% Cash	12/22	12/29	1,480	1,338	1,352	0.1 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	SOFR + 6.75%, 11.5% Cash	12/22	12/29	766	745	745	0.1 %	(3)(7)(8)(16)
		First Lien Senior Secured Term Loan	SONIA + 6.75%, 10.0% Cash	12/22	12/29	2,171	2,158	2,111	0.2 %	(3)(7)(8)(19)
		Second Lien Senior Secured Term Loan	11.5% PIK	12/22	12/30	528	507	513	— %	(3)(7)
						4,945	4,748	4,721		
Events Software BidCo Pty Ltd	Technology	First Lien Senior Secured Term Loan	BBSY + 6.00%, 9.3% Cash	3/22	3/28	1,737	1,853	1,573	0.1 %	(3)(7)(8)(22)
						1,737	1,853	1,573		
Express Wash Acquisition Company, LLC	Consumer Cyclical	First Lien Senior Secured Term Loan	SOFR + 6.50%, 10.3% Cash	7/22	7/28	7,228	7,092	7,106	0.6 %	(7)(8)(15)
						141	136	137		
		Revolver	SOFR + 6.50%, 10.3% Cash	7/22	7/28	7,369	7,228	7,243	— %	(7)(8)(15)
F24 (Stairway BidCo GmbH)	Software Services	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.1% Cash	8/20	8/27	1,655	1,792	1,644	0.1 %	(3)(7)(8)(13)
						1,655	1,792	1,644		
Ferrellgas L.P.	Oil & Gas Equipment & Services	Opco Preferred Units (2,886 units)	N/A	3/21	N/A		2,799	2,742	0.2 %	(7)
							2,799	2,742		
Fineline Technologies, Inc.	Consumer Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	2/21	2/28	1,293	1,274	1,270	0.1 %	(7)(8)(10)
						1,293	1,274	1,270		
Finexvet	Consumer Cyclical	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.1% Cash	3/22	3/29	2,401	2,379	2,329	0.2 %	(3)(7)(8)(14)
						2,401	2,379	2,329		
FinThrive Software Intermediate Holdings Inc.	Business Equipment & Services	Preferred Stock (6,582.7 shares)	11.0% PIK	3/22	N/A		7,892	6,084	0.5 %	(7)
							7,892	6,084		
FitzMark Buyer, LLC	Cargo & Transportation	First Lien Senior Secured Term Loan	LIBOR + 4.50%, 8.9% Cash	12/20	12/26	4,223	4,164	4,165	0.3 %	(7)(8)(10)
						4,223	4,164	4,165		
Five Star Holding LLC	Packaging	Second Lien Senior Secured Term Loan	SOFR + 7.25%, 12.0% Cash	5/22	5/30	13,692	13,434	13,295	1.1 %	(7)(8)(16)
						LLC Units (966.99 units)	N/A	5/22		
								13,692	14,401	14,257
Flexential Issuer, LLC	Information Technology	Structured Secured Note - Class C	6.9% Cash	11/21	11/51	16,000	14,839	13,827	1.1 %	
						16,000	14,839	13,827		
Flywheel Re Segregated Portfolio 2022-4	Investment Funds	Preferred Stock (1,921,648 shares)	N/A	8/22	N/A		1,922	1,932	0.2 %	(3)(7)(34)
							1,922	1,932		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Footco 40 Limited	Media & Entertainment	First Lien Senior Secured Term Loan	SONIA + 5.75%, 9.2% Cash	4/22	4/29	\$ 1,489	\$ 1,561	\$ 1,437	0.1 %	(3)(7)(8)(19)
						1,489	1,561	1,437		
Fortis Payment Systems, LLC	Other Financial	First Lien Senior Secured Term Loan	SOFR + 5.25%, 9.9% Cash	10/22	2/26	1,575	1,516	1,513	0.1 %	(7)(8)(15)
						1,575	1,516	1,513		
FragilePak LLC	Transportation Services	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	5/21	5/27	4,638	4,491	4,638	0.4 %	(7)(8)(10)
						Partnership Units (937.5 units)	N/A	5/21		
		4,638	5,429	5,817						
Front Line Power Construction LLC	Construction Machinery	First Lien Senior Secured Term Loan	LIBOR + 12.50%, 17.2% Cash	11/21	11/28	4,370	4,089	4,871	0.4 %	(7)(8)(10)
						Common Stock (192,000 shares)	N/A	11/21		
		4,370	4,409	5,029						
FSS Buyer LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	8/21	8/28	6,843	6,728	6,767	0.6 %	(7)(8)(9)
						LP Interest (1,160.9 units)	N/A	8/21		
		LP Units (5,104.3 units)	N/A	8/21	N/A	51	75	— %	(7)(34)	
		6,843	6,791	6,859						
GB Eagle Buyer, Inc.	Capital Goods	First Lien Senior Secured Term Loan	SOFR + 6.50%, 10.5% Cash	12/22	11/28	16,774	16,276	16,271	1.3 %	(7)(8)(16)
						Revolver	SOFR + 6.50%, 10.5% Cash	12/22		
		Partnership Units (687 units)	N/A	12/22	N/A	687	687	0.1 %	(7)(34)	
16,774	16,887	16,881								
Global Academic Group Limited	Industrial Other	First Lien Senior Secured Term Loan	BBSY + 6.00%, 9.1% Cash	7/22	7/27	2,502	2,502	2,438	0.2 %	(3)(7)(8)(22)
						First Lien Senior Secured Term Loan	BKBM + 6.00%, 9.1% Cash	7/22		
		6,867	6,704	6,680						
GPZN II GmbH	Healthcare	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 7.4% Cash	6/22	6/29	458	429	375	— %	(3)(7)(8)(12)
						458	429	375		
Greenhill II BV	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 7.1% Cash	7/22	7/29	739	672	716	0.1 %	(3)(7)(8)(13)
						739	672	716		
Groupe Product Life	Consumer Non-cyclical	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.5% Cash	10/22	10/29	625	553	598	— %	(3)(7)(8)(13)
						625	553	598		
GTM Intermediate Holdings, Inc.	Medical Equipment Manufacturer	Second Lien Loan	11.0% Cash, 1.0% PIK	12/20	12/24	10,633	10,587	10,442	0.8 %	(7)(32)
						Series A Preferred Units (1,434,472.41 units)	N/A	12/20		
		Series C Preferred Units (715,649.59 units)	N/A	12/20	N/A	1,081	2,158	0.1 %	(7)(32)(34)	
		10,633	13,834	14,852						
Gulf Finance, LLC	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan	LIBOR + 6.75%, 11.0% Cash	11/21	8/26	823	797	772	0.1 %	(8)(9)
						823	797	772		
Gusto Aus BidCo Pty Ltd.	Consumer Non-Cyclical	First Lien Senior Secured Term Loan	BBSY + 6.50%, 10.2% Cash	10/22	10/28	2,208	2,016	2,136	0.2 %	(3)(7)(8)(23)
2,208	2,016	2,136								

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
HeartHealth Bidco Pty Ltd	Healthcare	First Lien Senior Secured Term Loan	BBSY + 5.25%, 8.6% Cash	9/22	9/28	\$ 626	\$ 569	\$ 598	— %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²²⁾
						626	569	598		
Heartland Veterinary Partners, LLC	Healthcare	Subordinated Term Loan	11.0% PIK	11/21	11/23	1,189	1,161	1,151	0.1 %	⁽⁷⁾
		Subordinated Term Loan	11.0% PIK	11/21	11/28	9,428	9,238	9,183	0.8 %	⁽⁷⁾
						10,617	10,399	10,334		
Heartland, LLC	Business Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	8/19	8/25	13,954	13,884	13,795	1.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						13,954	13,884	13,795		
Heavy Construction Systems Specialists, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 9.9% Cash	11/21	11/27	7,368	7,244	7,276	0.6 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		Revolver	LIBOR + 5.75%, 9.9% Cash	11/21	11/27	—	(43)	(33)	— %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						7,368	7,201	7,243		
Heilbron (f/k/a Sucsez (Bolt Bidco B.V.))	Insurance	First Lien Senior Secured Term Loan	EURIBOR + 5.00%, 6.9% Cash	9/19	9/26	3,232	3,676	3,148	0.3 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						3,232	3,676	3,148		
HEKA Invest	Technology	First Lien Senior Secured Term Loan	EURIBOR + 6.50%, 8.7% Cash	10/22	10/29	4,999	4,461	4,846	0.4 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						4,999	4,461	4,846		
Holland Acquisition Corp.	Energy: Oil & Gas	First Lien Senior Secured Term Loan	LIBOR + 9.00%	2/22	11/22	3,754	—	—	— %	⁽⁷⁾⁽⁸⁾⁽¹¹⁾⁽³¹⁾⁽³³⁾
						3,754	—	—		
Home Care Assistance, LLC	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	SOFR + 5.00%, 9.4% Cash	3/21	3/27	3,792	3,736	3,621	0.3 %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
						3,792	3,736	3,621		
Honour Lane Logistics Holdings Limited	Transportation Services	First Lien Senior Secured Term Loan	SOFR + 5.25%, 9.5% Cash	4/22	11/28	8,000	7,781	7,814	0.6 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁷⁾
						8,000	7,781	7,814		
HTI Technology & Industries	Electronic Component Manufacturing	First Lien Senior Secured Term Loan	SOFR + 8.50%, 11.7% Cash	7/22	7/25	11,538	11,361	11,363	0.9 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Revolver	SOFR + 8.50%, 11.7% Cash	7/22	7/25	—	(18)	(18)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
						11,538	11,343	11,345		
HW Holdco, LLC (Hanley Wood LLC)	Advertising	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 6.0% Cash	12/18	12/24	5,005	4,946	4,928	0.4 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.3% Cash	12/18	12/24	5,912	5,832	5,834	0.5 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						10,917	10,778	10,762		
Hygie 31 Holding	Pharmaceuticals	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.4% Cash	9/22	9/29	1,708	1,498	1,665	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						1,708	1,498	1,665		
IM Analytics Holding, LLC (d/b/a NVT)	Electronic Instruments & Components	First Lien Senior Secured Term Loan	LIBOR + 8.00%, 12.4% Cash	11/19	11/23	3,396	3,388	3,247	0.3 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		Warrants (68,950 units)	N/A	11/19	11/26	—	—	—	— %	⁽⁷⁾⁽³⁴⁾
						3,396	3,388	3,247		
IM Square	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 7.5% Cash	5/21	4/28	2,668	2,938	2,583	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						2,668	2,938	2,583		
Infoniqa Holdings GmbH	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 6.2% Cash	11/21	11/28	2,805	2,902	2,729	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾
						2,805	2,902	2,729		
Innovad Group II BV	Beverage, Food & Tobacco	First Lien Senior Secured Term Loan	EURIBOR + 6.50%, 9.3% Cash	4/21	4/28	6,322	6,791	5,495	0.5 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾
						6,322	6,791	5,495		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Innovative XCessories & Services, LLC	Automotive	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 7.8% Cash	2/22	3/27	\$ 2,908	\$ 2,854	\$ 2,277	0.2 %	(8)(11)(33)
						2,908	2,854	2,277		
INOS 19-090 GmbH	Aerospace & Defense	First Lien Senior Secured Term Loan	EURIBOR + 5.40%, 7.4% Cash	12/20	12/27	4,947	5,515	4,892	0.4 %	(3)(7)(8)(13)
						4,947	5,515	4,892		
Interstellar Group B.V.	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 7.5% Cash	8/22	8/29	1,285	1,191	1,239	0.1 %	(3)(7)(8)(13)
						1,285	1,191	1,239		
Iqor US Inc.	Services: Business	First Lien Senior Secured Term Loan	LIBOR + 7.50%, 11.9% Cash	2/22	11/24	2,683	2,711	2,658	0.2 %	(8)(9)(33)
						2,683	2,711	2,658		
Isagenix International, LLC	Wholesale	First Lien Senior Secured Term Loan	LIBOR + 5.75%	2/22	6/25	1,579	1,160	553	— %	(7)(8)(10)(31)(33)
						1,579	1,160	553		
Isolstar Holding NV (IPCOM)	Trading Companies & Distributors	First Lien Senior Secured Term Loan	EURIBOR + 6.50%, 8.1% Cash	10/22	10/29	4,583	4,044	4,436	0.4 %	(3)(7)(8)(12)
						4,583	4,044	4,436		
ITI Intermodal, Inc.	Transportation Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.1% Cash	12/21	12/27	714	700	703	0.1 %	(7)(8)(9)
		Revolver	LIBOR + 4.75%, 9.1% Cash	12/21	12/27	6	4	5	— %	(7)(8)(9)
		Common Stock (1,433.37 shares)	N/A	1/22	N/A		144	127	— %	(7)(34)
						720	848	835		
Ivanti Software, Inc.	High Tech Industries	Second Lien Senior Secured Term Loan	LIBOR + 7.25%, 12.0% Cash	2/22	12/28	6,000	5,989	3,383	0.3 %	(8)(10)(33)
						6,000	5,989	3,383		
Jade Bidco Limited (Jane's)	Aerospace & Defense	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 7.9% Cash	11/19	2/29	4,083	4,082	4,009	0.3 %	(3)(7)(8)(14)
		First Lien Senior Secured Term Loan	SOFR + 5.50%, 9.3% Cash	11/19	2/29	6,714	6,576	6,592	0.5 %	(3)(7)(8)(17)
						10,797	10,658	10,601		
Jaguar Merger Sub Inc.	Other Financial	First Lien Senior Secured Term Loan	SOFR + 5.00%, 9.5% Cash	12/21	9/24	7,652	7,571	7,617	0.6 %	(7)(8)(16)
		Revolver	SOFR + 5.00%, 9.5% Cash	12/21	9/24	—	(4)	(2)	— %	(7)(8)(16)
						7,652	7,567	7,615		
Jedson Engineering, Inc.	Engineering & Construction Management	First Lien Loan	12.0% Cash	12/20	6/23	2,650	2,650	2,650	0.2 %	(7)(32)
						2,650	2,650	2,650		
JetBlue 2019-1 Class B Pass Through Trust	Airlines	Structured Secured Note - Class B	8.0% Cash	8/20	11/27	3,609	3,609	3,511	0.3 %	
						3,609	3,609	3,511		
JF Acquisition, LLC	Automotive	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 9.9% Cash	5/21	7/24	3,827	3,747	3,575	0.3 %	(7)(8)(9)
						3,827	3,747	3,575		
Jon Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	BKBM + 5.50%, 10.2% Cash	3/22	3/27	3,580	3,813	3,477	0.3 %	(3)(7)(8)(27)
						3,580	3,813	3,477		
Jones Fish Hatcheries & Distributors LLC	Consumer Products	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.2% Cash	2/22	2/28	2,785	2,736	2,745	0.2 %	(7)(8)(10)
		Revolver	LIBOR + 5.75%, 10.2% Cash	2/22	2/28	—	(7)	(6)	— %	(7)(8)(10)
		LLC Units (974.68 units)	N/A	2/22	N/A		97	115	— %	(7)(34)
						2,785	2,826	2,854		

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Kano Laboratories LLC	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 10.1% Cash	11/20	11/26	\$ 5,652	\$ 5,535	\$ 5,545	0.5 %	⁽⁷⁾⁽⁸⁾⁽¹¹⁾
		Partnership Equity (203.2 units)	N/A	11/20	N/A		203	191	— %	⁽⁷⁾⁽³⁴⁾
						<u>5,652</u>	<u>5,738</u>	<u>5,736</u>		
Kene Acquisition, Inc. (En Engineering)	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 9.0% Cash	8/19	8/26	7,151	7,071	7,027	0.6 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						<u>7,151</u>	<u>7,071</u>	<u>7,027</u>		
Kid Distro Holdings, LLC	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	10/21	10/27	9,232	9,080	9,125	0.8 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		LLC Units (637,677.11 units)	N/A	10/21	N/A		638	577	— %	⁽⁷⁾⁽³⁴⁾
						<u>9,232</u>	<u>9,718</u>	<u>9,702</u>		
Kona Buyer, LLC	High Tech Industries	First Lien Senior Secured Term Loan	SOFR + 4.75%, 9.3% Cash	12/20	12/27	8,767	8,615	8,623	0.7 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
						<u>8,767</u>	<u>8,615</u>	<u>8,623</u>		
Lambir Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 8.5% Cash	12/21	12/28	4,708	4,794	4,397	0.4 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
		Second Lien Senior Secured Term Loan	12.0% PIK	12/21	6/29	1,497	1,533	1,409	0.1 %	⁽³⁾⁽⁷⁾
						<u>6,205</u>	<u>6,327</u>	<u>5,806</u>		
Lattice Group Holdings Bidco Limited	Technology	First Lien Senior Secured Term Loan	SOFR + 5.25%, 8.3% Cash	5/22	5/29	667	645	633	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁷⁾
		Revolver	SOFR + 5.25%, 9.8% Cash	5/22	11/28	35	35	34	— %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
						<u>702</u>	<u>680</u>	<u>667</u>		
LeadsOnline, LLC	Business Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	2/22	2/28	10,276	10,119	10,150	0.8 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Revolver	LIBOR + 4.75%, 9.5% Cash	2/22	2/28	—	(39)	(32)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		LLC Units (52,493.44 units)	N/A	2/22	N/A		52	65	— %	⁽⁷⁾⁽³⁴⁾
						<u>10,276</u>	<u>10,132</u>	<u>10,183</u>		
Learfield Communications, LLC	Broadcasting	First Lien Senior Secured Term Loan	LIBOR + 3.25%, 7.6% Cash	8/20	12/23	134	94	100	— %	⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	3.0% Cash, LIBOR + 10.0% PIK	8/20	12/23	8,807	8,784	8,455	0.7 %	⁽¹⁰⁾
						<u>8,941</u>	<u>8,878</u>	<u>8,555</u>		
Legal Solutions Holdings	Business Services	Senior Subordinated Loan	16.0% PIK	12/20	3/23	12,319	10,129	—	— %	⁽⁷⁾⁽³¹⁾⁽³²⁾
						<u>12,319</u>	<u>10,129</u>	<u>—</u>		
Liberty Steel Holdings USA Inc.	Industrial Other	Revolver	SOFR + 4.50%, 8.8% Cash	4/22	4/25	20,000	19,847	19,846	1.6 %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
						<u>20,000</u>	<u>19,847</u>	<u>19,846</u>		
Lifestyle Intermediate II, LLC	Consumer Goods: Durable	First Lien Senior Secured Term Loan	LIBOR + 7.00%, 10.7% Cash	2/22	1/26	3,194	3,194	2,980	0.2 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾⁽³³⁾
		Revolver	LIBOR + 7.00%, 10.7% Cash	2/22	1/26	—	—	(168)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾⁽³³⁾
						<u>3,194</u>	<u>3,194</u>	<u>2,812</u>		
LivTech Purchaser, Inc.	Business Services	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.7% Cash	1/21	12/25	862	855	837	0.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						<u>862</u>	<u>855</u>	<u>837</u>		
LogMeIn, Inc.	High Tech Industries	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.1% Cash	2/22	8/27	1,960	1,942	1,253	0.1 %	⁽⁸⁾⁽⁹⁾⁽³³⁾
						<u>1,960</u>	<u>1,942</u>	<u>1,253</u>		
Long Term Care Group, Inc.	Healthcare	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.3% Cash	4/22	9/27	8,041	7,897	7,816	0.6 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						<u>8,041</u>	<u>7,897</u>	<u>7,816</u>		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Magnetite XIX, Limited	Multi-Sector Holdings	Subordinated Notes	LIBOR + 8.77%, 12.8% Cash	2/22	4/34	\$ 5,250	\$ 5,107	\$ 4,450	0.4 %	⁽³⁾⁽¹⁰⁾⁽³³⁾
		Subordinated Structured Notes	Residual Interest, current yield 11.12%	2/22	4/34	13,730	9,377	7,992	0.7 %	⁽³⁾⁽³³⁾
						18,980	14,484	12,442		
Marmoutier Holding B.V.	Consumer Products	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 8.8% Cash	12/21	12/28	2,181	2,219	2,093	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁴⁾
		Revolver	EURIBOR + 5.00%, 7.8% Cash	12/21	6/27	46	42	40	— %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						2,227	2,261	2,133		
Marshall Excelsior Co.	Capital Goods	First Lien Senior Secured Term Loan	SOFR + 5.50%, 9.8% Cash	2/22	2/28	10,945	10,786	10,794	0.9 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Revolver	Prime + 4.50%, 11.5% Cash	2/22	2/28	1,240	1,215	1,217	0.1 %	⁽⁷⁾⁽⁸⁾⁽³⁰⁾
						12,185	12,001	12,011		
MC Group Ventures Corporation	Business Services	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 9.9% Cash	7/21	6/27	4,171	4,096	4,123	0.3 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		Partnership Units (746.66 units)	N/A	6/21	N/A		747	781	0.1 %	⁽⁷⁾⁽³⁴⁾
						4,171	4,843	4,904		
Media Recovery, Inc. (SpotSee)	Containers, Packaging & Glass	First Lien Senior Secured Term Loan	SOFR + 5.50%, 10.3% Cash	11/19	11/25	2,903	2,872	2,903	0.2 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		First Lien Senior Secured Term Loan	SONIA + 6.00%, 9.4% Cash	12/20	11/25	3,894	4,257	3,894	0.3 %	⁽⁷⁾⁽⁸⁾⁽¹⁸⁾
						6,797	7,129	6,797		
Median B.V.	Healthcare	First Lien Senior Secured Term Loan	SONIA + 6.00%, 9.4% Cash	2/22	10/27	8,962	9,797	7,449	0.6 %	⁽³⁾⁽⁸⁾⁽¹⁹⁾
						8,962	9,797	7,449		
Medical Solutions Parent Holdings, Inc.	Healthcare	Second Lien Senior Secured Term Loan	LIBOR + 7.00%, 11.4% Cash	11/21	11/29	4,421	4,382	4,067	0.3 %	⁽⁸⁾⁽⁹⁾
						4,421	4,382	4,067		
Merrell Holding AS	Technology	First Lien Senior Secured Term Loan	NIBOR + 6.00%, 9.1% Cash	8/22	8/29	3,188	3,124	3,102	0.3 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²⁹⁾
		Class A Units (114.4 units)	N/A	8/22	N/A	—	111	116	— %	⁽³⁾⁽⁷⁾⁽³⁴⁾
		Class B Units (28,943.8 units)	N/A	8/22	N/A		—	—	— %	⁽³⁾⁽⁷⁾⁽³⁴⁾
						3,188	3,235	3,218		
MNS Buyer, Inc.	Construction and Building	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 9.9% Cash	8/21	8/27	912	897	835	0.1 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		Partnership Units (76.92 units)	N/A	8/21	N/A		77	54	— %	⁽⁷⁾⁽³⁴⁾
						912	974	889		
Modern Star Holdings Bidco Pty Limited.	Non-durable Consumer Goods	First Lien Senior Secured Term Loan	BBSY + 6.25%, 9.1% Cash	12/20	12/26	7,805	8,324	7,634	0.6 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²¹⁾
						7,805	8,324	7,634		
Murphy Midco Limited	Media, Diversified & Production	First Lien Senior Secured Term Loan	SONIA + 5.00%, 8.2% Cash	11/20	11/27	1,169	1,258	1,150	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²⁰⁾
						1,169	1,258	1,150		
Music Reports, Inc.	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 9.8% Cash	8/20	8/26	6,923	6,810	6,816	0.6 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						6,923	6,810	6,816		
Napa Bidco Pty Ltd	Healthcare	First Lien Senior Secured Term Loan	BBSY + 6.00%, 9.6% Cash	3/22	3/28	18,869	19,527	16,963	1.4 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽²³⁾
						18,869	19,527	16,963		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Narda Acquisitionco., Inc.	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 10.2% Cash	12/21	12/27	\$ 5,637	\$ 5,553	\$ 5,096	0.4 %	(7)(8)(10)
		Revolver	LIBOR + 5.50%, 10.2% Cash	12/21	12/27	131	112	5	— %	(7)(8)(10)
		Class A Preferred Stock (4,587.38 shares)	N/A	12/21	N/A		459	300	— %	(7)(34)
		Class B Common Stock (509.71 shares)	N/A	12/21	N/A		51	—	— %	(7)(34)
						5,768	6,175	5,401		
Navia Benefit Solutions, Inc.	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 9.6% Cash	2/21	2/27	2,694	2,663	2,649	0.2 %	(7)(8)(9)
		First Lien Senior Secured Term Loan	SOFR + 5.25%, 9.6% Cash	11/22	2/27	2,993	2,920	2,918	0.2 %	(7)(8)(15)
						5,687	5,583	5,567		
Nexus Underwriting Management Limited	Other Financial	First Lien Senior Secured Term Loan	SONIA + 5.25%, 7.4% Cash	10/21	10/28	1,540	1,684	1,508	0.1 %	(3)(7)(8)(20)
		Revolver	SONIA + 5.25%, 7.4% Cash	10/21	4/23	184	202	184	— %	(3)(7)(8)(20)
						1,724	1,886	1,692		
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions)	Energy Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 8.6% Cash	10/18	10/25	4,704	4,693	4,697	0.4 %	(7)(8)(9)
						4,704	4,693	4,697		
Northstar Recycling, LLC	Environmental Industries	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	10/21	9/27	2,475	2,434	2,446	0.2 %	(7)(8)(10)
						2,475	2,434	2,446		
Novotech Aus Bidco Pty Ltd	Healthcare	First Lien Senior Secured Term Loan	BBSY + 5.25%, 8.8% Cash	1/22	1/28	3,490	3,667	3,406	0.3 %	(3)(7)(8)(23)
		First Lien Senior Secured Term Loan	SOFR + 5.75%, 9.6% Cash	1/22	1/28	474	449	443	— %	(3)(7)(8)(17)
						3,964	4,116	3,849		
NPM Investments 28 B.V.	Healthcare	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.5% Cash	9/22	10/29	2,143	1,904	2,084	0.2 %	(3)(7)(8)(13)
						2,143	1,904	2,084		
OA Buyer, Inc.	Healthcare	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	12/21	12/28	5,588	5,488	5,501	0.5 %	(7)(8)(9)
		Revolver	LIBOR + 5.75%, 10.1% Cash	12/21	12/28	—	(23)	(21)	— %	(7)(8)(9)
		Partnership Units (210,920.11 units)	N/A	12/21	N/A		211	226	— %	(7)(34)
						5,588	5,676	5,706		
OAC Holdings I Corp	Automotive	First Lien Senior Secured Term Loan	SOFR + 5.00%, 10.0% Cash	3/22	3/29	3,621	3,556	3,567	0.3 %	(7)(8)(17)
		Revolver	SOFR + 5.00%, 10.0% Cash	3/22	3/28	763	739	743	0.1 %	(7)(8)(17)
						4,384	4,295	4,310		
Offen Inc.	Transportation: Cargo	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 8.4% Cash	2/22	6/26	3,739	3,702	3,627	0.3 %	(7)(9)(33)
						3,739	3,702	3,627		
OG III B.V.	Containers & Glass Products	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 7.9% Cash	6/21	6/28	3,381	3,674	3,310	0.3 %	(3)(7)(8)(13)
						3,381	3,674	3,310		
Omni Intermediate Holdings, LLC	Transportation	First Lien Senior Secured Term Loan	SOFR + 5.00%, 9.7% Cash	12/20	12/26	6,134	6,098	5,995	0.5 %	(7)(8)(16)
						6,134	6,098	5,995		
Options Technology Ltd.	Computer Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.0% Cash	12/19	12/25	2,290	2,266	2,251	0.2 %	(3)(7)(8)(11)
						2,290	2,266	2,251		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Oracle Vision Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	SONIA + 4.75%, 7.7% Cash	6/21	5/28	\$ 2,753	\$ 3,151	\$ 2,753	0.2 %	(3)(7)(8)(20)
						2,753	3,151	2,753		
Origin Bidco Limited	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 7.7% Cash	6/21	6/28	354	395	342	— %	(3)(7)(8)(13)
						597	584	577		
		First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	6/21	6/28	951	979	919	— %	(3)(7)(8)(10)
OSP Hamilton Purchaser, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.2% Cash	12/21	12/27	2,258	2,219	2,190	0.2 %	(7)(8)(10)
						2,274	2,206	2,206		
		Revolver LP Units (60,040 units)	LIBOR + 6.00%, 10.2% Cash	12/21	12/27	—	(3)	(6)	— %	(7)(8)(10)
						N/A	7/22	N/A		
4,532	4,630	4,611								
Panoche Energy Center LLC	Electric	First Lien Senior Secured Bond	6.9% Cash	7/22	7/29	4,924	4,430	4,628	0.4 %	(7)
						4,924	4,430	4,628		
Pare SAS (SAS Maurice MARLE)	Health Care Equipment	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 7.1% Cash, 0.75% PIK	12/19	12/26	2,720	2,807	2,638	0.2 %	(3)(7)(8)(14)
						1,500	1,500	1,455		
		First Lien Senior Secured Term Loan	SOFRA + 6.50%, 9.6% Cash	11/22	10/26	4,220	4,307	4,093	0.1 %	(3)(7)(8)(16)
Patriot New Midco 1 Limited (Forensic Risk Alliance)	Diversified Financial Services	First Lien Senior Secured Term Loan	EURIBOR + 6.75%, 8.5% Cash	2/20	2/27	2,838	2,850	2,702	0.2 %	(3)(7)(8)(13)
						3,318	3,264	3,159		
		First Lien Senior Secured Term Loan	LIBOR + 6.75%, 11.4% Cash	2/20	2/27	6,156	6,114	5,861	0.3 %	(3)(7)(8)(10)
PDQ.Com Corporation	Business Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.4% Cash	8/21	8/27	8,350	8,116	8,172	0.7 %	(7)(8)(10)
						29	41	— %		
		Class A-2 Partnership Units (28.8 units)	N/A	8/21	N/A	8,350	8,145	8,213		
Perimeter Master Note Business Trust	Credit Card ABS	Structured Secured Note - Class A	4.7% Cash	5/22	5/27	182	182	165	— %	(3)(7)
						182	182	162		
		Structured Secured Note - Class B	5.4% Cash	5/22	5/27	182	182	157	— %	(3)(7)
						181	181	158		
		Structured Secured Note - Class D	8.5% Cash	5/22	5/27	9,273	9,273	8,154	0.7 %	(3)(7)
						10,000	10,000	8,796		
Permaconn BidCo Pty Ltd	Tele-communications	First Lien Senior Secured Term Loan	BBSY + 6.00%, 9.1% Cash	12/21	12/27	2,779	2,864	2,728	0.2 %	(3)(7)(8)(22)
						2,779	2,864	2,728		
Polara Enterprises, L.L.C.	Capital Equipment	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.6% Cash	12/21	12/27	1,230	1,209	1,210	0.1 %	(7)(8)(10)
						—	(9)	(9)		
		Revolver Partnership Units (7,408.6 units)	LIBOR + 4.75%, 9.6% Cash	12/21	12/27	N/A	741	823	0.1 %	(7)(34)
1,230	1,941	2,024								

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Policy Services Company, LLC	Property & Casualty Insurance	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 8.8% Cash, 4.0% PIK	12/21	6/26	\$ 49,636	\$ 48,487	\$ 48,490	4.0 %	(7)(8)(10)
		Warrants - Class A (2.55830 units)	N/A	12/21	N/A	—	—	438	— %	(7)(34)
		Warrants - Class B (0.86340 units)	N/A	12/21	N/A	—	—	148	— %	(7)(34)
		Warrants - Class CC (0.08870 units)	N/A	12/21	N/A	—	—	—	— %	(7)(34)
		Warrants - Class D (0.24710 units)	N/A	12/21	N/A	—	—	42	— %	(7)(34)
						49,636	48,487	49,118		
Polymer Solutions Group Holdings, LLC	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan	LIBOR + 7.00%, 11.4% Cash	2/22	1/23	997	997	987	0.1 %	(7)(8)(9)(33)
						997	997	987		
Premium Franchise Brands, LLC	Research & Consulting Services	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 9.9% Cash	12/20	12/26	12,676	12,496	12,510	1.0 %	(7)(8)(10)
						12,676	12,496	12,510		
Premium Invest	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 8.5% Cash	6/21	6/28	5,656	5,804	5,656	0.5 %	(3)(7)(8)(14)
						5,656	5,804	5,656		
Preqin MC Limited	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 8.6% Cash	8/21	7/28	2,789	2,719	2,719	0.2 %	(3)(7)(8)(11)
						2,789	2,719	2,719		
Process Equipment, Inc. (ProcessBarron)	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan	SOFR + 5.75%, 10.3% Cash	3/19	3/25	5,458	5,430	4,907	0.4 %	(7)(8)(16)
		First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.4% Cash	3/19	3/25	338	337	304	— %	(7)(8)(9)
						5,796	5,767	5,211		
Professional Datasolutions, Inc. (PDI)	Application Software	First Lien Senior Secured Term Loan	LIBOR + 4.50%, 8.7% Cash	3/19	10/24	1,822	1,821	1,751	0.1 %	(7)(8)(10)
						1,822	1,821	1,751		
ProfitOptics, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 9.6% Cash	3/22	3/28	1,648	1,619	1,624	0.1 %	(7)(8)(11)
		Revolver	LIBOR + 5.75%, 9.6% Cash	3/22	3/28	—	(8)	(7)	— %	(7)(8)(11)
		Second Lien Senior Subordinated Term Loan	8.0% Cash	3/22	3/29	81	81	74	— %	(7)
		LLC Units (241,935.48 units)	N/A	3/22	N/A	—	161	172	— %	(7)(34)
						1,729	1,853	1,863		
Proppants Holding, LLC	Energy: Oil & Gas	LLC Units (1,668,106 units)	N/A	2/22	N/A	—	—	—	— %	(7)(33)(34)
						—	—	—		
Protego Bidco B.V.	Aerospace & Defense	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 7.7% Cash	3/21	3/28	1,453	1,569	1,365	0.1 %	(3)(7)(8)(14)
		Revolver	EURIBOR + 5.25%, 7.1% Cash	3/21	3/27	2,090	2,275	2,017	0.2 %	(3)(7)(8)(14)
						3,543	3,844	3,382		
PSP Intermediate 4, LLC	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 7.3% Cash	5/22	5/29	872	825	829	0.1 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	LIBOR + 5.25%, 10.0% Cash	5/22	5/29	866	844	842	0.1 %	(3)(7)(8)(10)
						1,738	1,669	1,671		
QPE7 SPV1 BidCo Pty Ltd	Consumer Cyclical	First Lien Senior Secured Term Loan	BBSY + 5.50%, 8.6% Cash	9/21	9/26	1,870	1,965	1,821	0.1 %	(3)(7)(8)(21)
						1,870	1,965	1,821		
Questel Unite	Business Services	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 11.0% Cash	12/20	12/27	6,892	6,815	6,692	0.6 %	(3)(7)(8)(10)
						6,892	6,815	6,692		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
R1 Holdings, LLC	Transportation	First Lien Senior Secured Term Loan	SOFR + 6.25%, 10.8% Cash	12/22	12/28	\$ 10,304	\$ 9,873	\$ 9,873	0.8 %	(7)(8)(16)
		Revolver	SOFR + 6.25%, 10.8% Cash	12/22	12/28	472	403	403	— %	(7)(8)(16)
						10,776	10,276	10,276		
RA Outdoors, LLC	High Tech Industries	First Lien Senior Secured Term Loan	LIBOR + 6.75%, 11.4% Cash	2/22	4/26	12,917	12,658	12,658	1.0 %	(7)(8)(10)(33)
		Revolver	LIBOR + 6.75%, 11.4% Cash	2/22	4/26	—	—	(25)	— %	(7)(8)(10)(33)
						12,917	12,658	12,633		
Randys Holdings, Inc.	Automobile Manufacturers	First Lien Senior Secured Term Loan	SOFR + 6.50%, 10.6% Cash	11/22	10/28	13,237	12,727	12,708	1.1 %	(7)(8)(16)
		Revolver	SOFR + 6.50%, 10.6% Cash	11/22	10/28	294	239	238	— %	(7)(8)(16)
		Partnership Units (5,333 units)	N/A	11/22	12/99	—	533	533	— %	(7)(34)
					13,531	13,499	13,479			
Recovery Point Systems, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 6.50%, 10.3% Cash	8/20	7/26	11,530	11,379	11,392	0.9 %	(7)(8)(10)
		Partnership Equity (187,235 units)	N/A	3/21	N/A	—	187	125	— %	(7)(34)
						11,530	11,566	11,517		
Renovation Parent Holdings, LLC	Home Furnishings	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 10.1% Cash	11/21	11/27	4,806	4,706	4,556	0.4 %	(7)(8)(10)
		Partnership Equity (197,368.42 units)	N/A	11/21	N/A	—	197	152	— %	(7)(34)
						4,806	4,903	4,708		
REP SEKO MERGER SUB LLC	Air Freight & Logistics	First Lien Senior Secured Term Loan	EURIBOR + 4.75%, 6.6% Cash	6/22	12/26	9,557	9,245	9,438	0.8 %	(7)(8)(12)
		First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	12/20	12/26	1,300	1,264	1,274	0.1 %	(7)(8)(10)
						10,857	10,509	10,712		
Resolute Investment Managers, Inc.	Banking, Finance, Insurance & Real Estate	Second Lien Senior Secured Term Loan	LIBOR + 8.00%, 12.4% Cash	2/22	4/25	5,081	5,107	4,243	0.3 %	(7)(8)(10)(33)
						5,081	5,107	4,243		
Resonetics, LLC	Health Care Equipment	Second Lien Senior Secured Term Loan	LIBOR + 7.00%, 11.7% Cash	4/21	4/29	4,011	3,942	3,926	0.3 %	(7)(8)(10)
						4,011	3,942	3,926		
Reward Gateway (UK) Ltd	Precious Metals & Minerals	First Lien Senior Secured Term Loan	SONIA + 6.25%, 8.4% Cash	8/21	6/28	2,891	3,230	2,840	0.2 %	(3)(7)(8)(20)
						2,891	3,230	2,840		
Riedel Beheer B.V.	Food & Beverage	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 8.5% Cash	12/21	12/28	2,213	2,248	2,162	0.2 %	(3)(7)(8)(13)
						2,213	2,248	2,162		
Royal Buyer, LLC	Industrial Other	First Lien Senior Secured Term Loan	SOFR + 6.00%, 10.4% Cash	8/22	8/28	11,044	10,791	10,808	0.9 %	(7)(8)(16)
		Revolver	SOFR + 6.00%, 10.4% Cash	8/22	8/28	408	374	377	— %	(7)(8)(16)
						11,452	11,165	11,185		
RPX Corporation	Research & Consulting Services	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 9.9% Cash	10/20	10/25	7,290	7,174	7,144	0.6 %	(7)(8)(10)
						7,290	7,174	7,144		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
RTIC Subsidiary Holdings, LLC	Consumer Goods: Durable	First Lien Senior Secured Term Loan	SOFR + 7.75%, 12.0% Cash	2/22	9/25	\$ 10,032	\$ 10,032	\$ 9,761	0.8 %	(7)(8)(15)(33)
		Revolver	SOFR + 7.75%, 12.0% Cash	2/22	9/25	1,587	1,587	1,480	0.1 %	(7)(8)(15)(33)
		Class A Preferred Stock (145.347 shares)	N/A	2/22	N/A		4	1	— %	(7)(33)
		Class B Preferred Stock (145.347 shares)	N/A	2/22	N/A		—	—	— %	(7)(33)(34)
		Class C Preferred Stock (7,844.03 shares)	N/A	2/22	N/A		450	155	— %	(7)(33)(34)
		Common Stock (153 shares)	N/A	2/22	N/A		—	—	— %	(7)(33)(34)
						11,619	12,073	11,397		
Ruffalo Noel Levitz, LLC	Media Services	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.7% Cash	1/19	5/24	9,445	9,445	9,238	0.8 %	(7)(8)(10)
						9,445	9,445	9,238		
Safety Products Holdings, LLC	Non-durable Consumer Goods	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 11.2% Cash	12/20	12/26	11,949	11,762	11,792	1.0 %	(7)(8)(10)
		Preferred Stock (372.1 shares)	N/A	12/20	N/A		372	460	— %	(7)(34)
						11,949	12,134	12,252		
Sanoptis S.A.R.L.	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 8.2% Cash	6/22	7/29	2,044	1,784	1,939	0.2 %	(3)(7)(8)(14)
		First Lien Senior Secured Term Loan	SARON + 5.50%, 5.9% Cash	6/22	7/29	3,996	3,738	3,886	0.3 %	(3)(7)(8)(28)
						6,040	5,522	5,825		
Scaled Agile, Inc.	Research & Consulting Services	First Lien Senior Secured Term Loan	SOFR + 5.50%, 10.2% Cash	12/21	12/28	1,735	1,701	1,716	0.1 %	(7)(8)(16)
		Revolver	SOFR + 5.50%, 10.2% Cash	12/21	12/28	—	(6)	(3)	— %	(7)(8)(16)
						1,735	1,695	1,713		
Scout Bidco B.V.	Diversified Manufacturing	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 8.0% Cash	5/22	3/29	6,485	6,286	6,310	0.5 %	(3)(7)(8)(13)
		Revolver	EURIBOR + 6.00%, 8.0% Cash	5/22	3/29	—	(24)	(21)	— %	(3)(7)(8)(13)
						6,485	6,262	6,289		
Sereni Capital NV	Consumer Cyclical	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 8.2% Cash	5/22	11/28	358	331	348	— %	(3)(7)(8)(14)
		First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 8.2% Cash	5/22	5/29	490	479	479	— %	(3)(7)(8)(14)
						848	810	827		
Serta Simmons Bedding LLC	Home Furnishings	Super Priority First Out	LIBOR + 7.50%, 12.3% Cash	6/20	8/23	7,276	7,228	7,148	0.6 %	(8)(10)
		Super Priority Second Out	LIBOR + 7.50%, 12.3% Cash	6/20	8/23	3,571	3,372	1,625	0.1 %	(8)(10)
						10,847	10,600	8,773		
Shelf Bidco Ltd.	Other Financial	First Lien Senior Secured Term Loan	SOFR + 6.00%, 10.7% Cash	12/22	1/30	34,800	33,720	33,720	2.8 %	(3)(7)(8)(16)
		Common Stock (1,200,000 shares)	N/A	12/22	NA		1,200	1,200	0.1 %	(3)(7)(34)
						34,800	34,920	34,920		
SISU ACQUISITIONCO., INC.	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 10.2% Cash	12/20	12/26	6,938	6,840	6,376	0.5 %	(7)(8)(10)
						6,938	6,840	6,376		
SMART Financial Operations, LLC	Banking, Finance, Insurance & Real Estate	Preferred Stock (1,000,000 shares)	N/A	2/22	N/A		—	110	— %	(7)(33)(34)
							—	110		

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Smartling, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	11/21	10/27	\$ 13,707	\$ 13,445	\$ 13,393	1.1 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		Revolver	LIBOR + 5.75%, 10.1% Cash	11/21	10/27	—	(19)	(24)	— %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						13,707	13,426	13,369		
Smile Brands Group Inc.	Health Care Services	First Lien Senior Secured Term Loan	LIBOR + 4.50%, 7.9% Cash	10/18	10/25	4,536	4,521	4,196	0.3 %	⁽⁷⁾⁽⁸⁾⁽¹¹⁾
		First Lien Senior Secured Term Loan	LIBOR + 4.50%, 7.9% Cash	12/20	10/25	614	606	565	— %	⁽⁷⁾⁽⁸⁾⁽¹¹⁾
						5,150	5,127	4,761		
SN BUYER, LLC	Health Care Services	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.0% Cash	12/20	12/26	11,129	10,972	10,951	0.9 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						11,129	10,972	10,951		
Soho Square III Debtc0 II SARL	Diversified Capital Markets	First Lien Senior Secured Term Loan	9.5% PIK	10/22	10/27	5,639	5,177	5,616	0.5 %	⁽³⁾⁽⁷⁾
						5,639	5,177	5,616		
Solo Buyer, L.P.	Technology	First Lien Senior Secured Term Loan	SOFR + 6.25%, 10.4% Cash	12/22	12/29	22,606	22,046	22,041	1.8 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Revolver	SOFR + 6.25%, 10.4% Cash	12/22	12/28	—	(49)	(50)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Partnership Units (516,399 units)	N/A	12/22	N/A	—	516	516	— %	⁽⁷⁾⁽³⁴⁾
						22,606	22,513	22,507		
Sound Point CLO XX, Ltd.	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield 16.53%	2/22	7/31	4,489	2,205	1,192	0.1 %	⁽³⁾⁽³³⁾
						4,489	2,205	1,192		
Sparus Holdings, LLC (f/k/a Sparus Holdings, Inc.)	Other Utility	First Lien Senior Secured Term Loan	SOFR + 5.00%, 9.6% Cash	11/22	3/27	1,674	1,623	1,621	0.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Revolver	SOFR + 5.00%, 9.6% Cash	11/22	3/27	—	(3)	(4)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
						1,674	1,620	1,617		
Spatial Business Systems LLC	Electric	First Lien Senior Secured Term Loan	SOFR + 5.50%, 9.7% Cash	10/22	10/28	6,094	5,766	5,754	0.5 %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
		Revolver	SOFR + 5.50%, 9.7% Cash	10/22	10/28	—	(34)	(35)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
						6,094	5,732	5,719		
Springbrook Software (SBRK Intermediate, Inc.)	Enterprise Software & Services	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	12/19	12/26	20,928	20,660	20,510	1.7 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	SOFR + 6.50%, 11.1% Cash	12/22	12/26	2,819	2,763	2,763	0.2 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
						23,747	23,423	23,273		
SSCP Pegasus Midco Limited	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	SONIA + 6.50%, 9.4% Cash	12/20	11/27	2,446	2,566	2,383	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁹⁾
						2,446	2,566	2,383		
Starmeer B.V.	Technology	First Lien Senior Secured Term Loan	LIBOR + 6.30%, 10.7% Cash	10/21	4/27	2,500	2,469	2,477	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						2,500	2,469	2,477		
Superjet Buyer, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	12/21	12/27	13,043	12,818	12,860	1.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Revolver	LIBOR + 5.75%, 10.5% Cash	12/21	12/27	—	(31)	(26)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						13,043	12,787	12,834		
Syniverse Holdings, Inc.	Technology Distributors	Series A Preferred Equity (7,575,758 units)	12.5% PIK	5/22	N/A	—	7,945	6,515	0.5 %	⁽⁷⁾
						7,945	6,515			

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Syntax Systems Ltd	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	11/21	10/28	\$ 2,018	\$ 1,992	\$ 1,812	0.2 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾
		Revolver	LIBOR + 5.75%, 10.1% Cash	11/21	10/26	674	666	622	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾
						2,692	2,658	2,434		
TA SL Cayman Aggregator Corp.	Technology	Subordinated Term Loan	7.8% PIK	7/21	7/28	2,175	2,143	2,110	0.2 %	⁽⁷⁾
		Common Stock (1,589 shares)	N/A	7/21	N/A		50	60	— %	⁽⁷⁾⁽³⁴⁾
						2,175	2,193	2,170		
Tank Holding Corp	Metal & Glass Containers	First Lien Senior Secured Term Loan	SOFR + 5.75%, 10.2% Cash	3/22	3/28	11,099	10,876	10,877	0.9 %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
		Revolver	SOFR + 5.75%, 10.2% Cash	3/22	3/28	175	157	157	— %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
						11,274	11,033	11,034		
Tanqueray Bideo Limited	Technology	First Lien Senior Secured Term Loan	SONIA + 6.25%, 8.4% Cash	11/22	11/29	1,632	1,486	1,557	0.1 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹⁹⁾
						1,632	1,486	1,557		
Team Car Care, LLC	Automotive	First Lien Senior Secured Term Loan	LIBOR + 8.00%, 11.8% Cash	2/22	6/24	12,104	12,104	11,970	1.0 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾⁽³³⁾
						12,104	12,104	11,970		
Team Services Group	Services: Consumer	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.9% Cash	2/22	12/27	9,837	9,837	9,345	0.8 %	⁽⁷⁾⁽⁸⁾⁽¹¹⁾⁽³³⁾
		Second Lien Senior Secured Term Loan	LIBOR + 9.00%, 13.9% Cash	2/22	12/28	5,000	4,975	4,700	0.4 %	⁽⁷⁾⁽⁸⁾⁽¹¹⁾⁽³³⁾
						14,837	14,812	14,045		
Techone B.V.	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 7.9% Cash	11/21	11/28	3,750	3,788	3,578	0.3 %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
		Revolver	EURIBOR + 5.50%, 7.9% Cash	11/21	5/28	304	296	281	— %	⁽³⁾⁽⁷⁾⁽⁸⁾⁽¹³⁾
						4,054	4,084	3,859		
Tencarva Machinery Company, LLC	Capital Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.7% Cash	12/21	12/23	881	869	871	0.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.7% Cash	12/21	12/27	5,431	5,349	5,368	0.4 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Revolver	LIBOR + 5.00%, 9.7% Cash	12/21	12/27	—	(16)	(13)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
						6,312	6,202	6,226		
Terrybear, Inc.	Consumer Products	Subordinated Term Loan	10.0% Cash, 4.0% PIK	4/22	4/28	263	259	259	— %	⁽⁷⁾
		Partnership Equity (24,358.97 units)	N/A	4/22	N/A		239	255	— %	⁽⁷⁾⁽³⁴⁾
						263	498	514		
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 9.0% Cash	10/21	12/27	839	779	798	0.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Revolver	LIBOR + 4.25%, 9.0% Cash	10/21	12/27	—	(12)	(9)	— %	⁽⁷⁾⁽⁸⁾⁽¹⁰⁾
		Subordinated Term Loan	LIBOR + 7.75%, 12.7% Cash	10/21	10/28	3,424	3,366	3,380	0.3 %	⁽⁷⁾⁽⁸⁾⁽¹¹⁾
						4,263	4,133	4,169		
The Cleaver-Brooks Company, Inc.	Industrial Equipment	First Lien Senior Secured Term Loan	SOFR + 5.75%, 10.1% Cash	7/22	7/28	26,477	25,927	25,979	2.1 %	⁽⁷⁾⁽⁸⁾⁽¹⁵⁾
		Subordinated Term Loan	11.0% PIK	7/22	7/29	5,655	5,536	5,547	0.4 %	⁽⁷⁾
						32,132	31,463	31,526		
The Hilb Group, LLC	Insurance Brokerage	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 9.9% Cash	12/19	12/26	1,642	1,598	1,578	0.1 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	12/19	12/25	5,652	5,558	5,560	0.5 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
		First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.1% Cash	12/19	12/26	14,412	14,183	14,178	1.2 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾
						21,706	21,339	21,316		

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The Octave Music Group, Inc.	Media: Diversified & Production	Second Lien Senior Secured Term Loan	SOFR + 7.50%, 12.1% Cash	4/22	4/30	\$ 12,522	\$ 12,289	\$ 12,322	1.0 %	(7)(8)(16)
		Partnership Equity (676,880.98 units)	N/A	4/22	N/A		677	1,019	0.1 %	(7)(34)
						12,522	12,966	13,341		
Total Safety U.S. Inc.	Diversified Support Services	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.7% Cash	11/19	8/25	6,126	5,996	5,801	0.5 %	(8)(10)
		First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.7% Cash, 5.0% PIK	7/22	8/25	3,561	3,561	3,561	0.3 %	(7)(8)(10)
						9,687	9,557	9,362		
Trader Corporation	Technology	First Lien Senior Secured Term Loan	CDOR + 6.75%, 11.6% Cash	12/22	12/29	4,601	4,450	4,486	0.4 %	(3)(7)(8)(24)
		Revolver	CDOR + 6.75%, 11.6% Cash	12/22	12/28	—	(9)	(9)	— %	(3)(7)(8)(24)
						4,601	4,441	4,477		
Transit Technologies LLC	Software	First Lien Senior Secured Term Loan	LIBOR + 5.00%, 7.9% Cash	2/20	2/25	6,035	5,987	5,872	0.5 %	(7)(8)(11)
						6,035	5,987	5,872		
Transportation Insight, LLC	Air Freight & Logistics	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 8.7% Cash	8/18	12/24	11,200	11,161	11,032	0.9 %	(7)(8)(10)
						11,200	11,161	11,032		
Trident Maritime Systems, Inc.	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	2/21	2/27	14,770	14,597	14,570	1.2 %	(7)(8)(10)
						14,770	14,597	14,570		
Truck-Lite Co., LLC	Automotive Parts & Equipment	First Lien Senior Secured Term Loan	SOFR + 6.25%, 11.1% Cash	12/19	12/26	19,316	19,017	18,756	1.5 %	(7)(8)(16)
						19,316	19,017	18,756		
True Religion Apparel, Inc.	Retail	Preferred Unit (2.8 units)	N/A	2/22	N/A		—	—	— %	(7)(33)(34)
		Common Stock (2.71 shares)	N/A	2/22	N/A		—	—	— %	(7)(33)
						—	—	—		
Trystar, LLC	Power Distribution Solutions	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.9% Cash	9/18	9/23	3,109	3,094	3,075	0.3 %	(7)(8)(11)
		First Lien Senior Secured Term Loan	LIBOR + 5.00%, 9.6% Cash	9/18	9/23	3,792	3,765	3,750	0.3 %	(7)(8)(10)
		Class A LLC Units (440.97 units)	N/A	9/18	N/A		481	512	— %	(7)(34)
						6,901	7,340	7,337		
TSM II Luxco 10 SARL	Chemical & Plastics	Subordinated Term Loan	9.3% PIK	3/22	3/27	11,438	11,434	11,118	0.9 %	(3)(7)(8)
						11,438	11,434	11,118		
TSYL Corporate Buyer, Inc.	Technology	First Lien Senior Secured Term Loan	SOFR + 4.75%, 9.2% Cash	12/22	12/28	637	591	591	— %	(7)(8)(16)
		Revolver	SOFR + 4.75%, 9.2% Cash	12/22	12/28	—	(4)	(4)	— %	(7)(8)(16)
		Partnership Units (4,673 units)	N/A	12/22	N/A		5	5	— %	(7)(34)
						637	592	592		
Turbo Buyer, Inc.	Finance Companies	First Lien Senior Secured Term Loan	LIBOR + 6.00%, 10.7% Cash	11/21	12/25	8,332	8,187	8,061	0.7 %	(7)(8)(10)
						8,332	8,187	8,061		
Turnberry Solutions, Inc.	Consumer Cyclical	First Lien Senior Secured Term Loan	SOFR + 6.25%, 9.2% Cash	7/21	9/26	4,975	4,900	4,900	0.4 %	(7)(8)(16)
						4,975	4,900	4,900		
U.S. Silica Company	Metal & Glass Containers	First Lien Senior Secured Term Loan	LIBOR + 4.00%, 8.4% Cash	8/18	5/25	1,456	1,457	1,439	0.1 %	(3)(8)(9)
						1,456	1,457	1,439		

Barings BDC, Inc.
Consolidated Schedule of Investment — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
UKFast Leaders Limited	Technology	First Lien Senior Secured Term Loan	SONIA + 7.25%, 10.8% Cash	9/20	9/27	\$ 10,934	\$ 11,441	\$ 9,677	0.8 %	(3)(7)(8)(19)
						10,934	11,441	9,677		
Union Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	SONIA + 5.75%, 9.2% Cash	6/22	6/29	882	870	847	0.1 %	(3)(7)(8)(19)
						882	870	847		
United Therapy Holding III GmbH	Healthcare	First Lien Senior Secured Term Loan	EURIBOR + 5.50%, 8.3% Cash	4/22	3/29	1,230	1,184	1,180	0.1 %	(3)(7)(8)(14)
						1,230	1,184	1,180		
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.)	Legal Services	First Lien Senior Secured Term Loan	SOFRA + 5.75%, 10.5% Cash	11/18	11/24	16,203	16,045	15,390	1.3 %	(7)(8)(16)
						16,203	16,045	15,390		
Utac Ceram	Business Services	First Lien Senior Secured Term Loan	EURIBOR + 6.00%, 8.2% Cash	9/20	9/27	1,601	1,712	1,585	0.1 %	(3)(7)(8)(13)
		First Lien Senior Secured Term Loan	LIBOR + 5.25%, 8.9% Cash	2/21	9/27	3,518	3,465	3,483	0.3 %	(3)(7)(8)(10)
						5,119	5,177	5,068		
Validity, Inc.	IT Consulting & Other Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.1% Cash	7/19	5/25	4,783	4,713	4,673	0.4 %	(7)(8)(9)
						4,783	4,713	4,673		
Velocity Pooling Vehicle, LLC	Automotive	Common Stock (4,676 shares)	N/A	2/22	N/A		60	2	— %	(7)(33)(34)
		Warrants (5,591 units)	N/A	2/22	N/A		72	3	— %	(7)(33)(34)
							132	5		
Victoria Bidco Limited	Industrial Machinery	First Lien Senior Secured Term Loan	SONIA + 6.50%, 7.7% Cash	3/22	1/29	3,331	3,640	3,238	0.3 %	(3)(7)(8)(20)
		First Lien Senior Secured Term Loan	SONIA + 6.50%, 8.7% Cash	3/22	1/29	419	411	407	— %	(3)(7)(8)(19)
						3,750	4,051	3,645		
Vision Solutions Inc.	Business Equipment & Services	Second Lien Senior Secured Term Loan	LIBOR + 7.25%, 11.6% Cash	2/22	4/29	6,500	6,497	4,771	0.4 %	(8)(10)(33)
						6,500	6,497	4,771		
VistaJet Pass Through Trust 2021-1B	Airlines	Structured Secured Note - Class B	6.3% Cash	11/21	2/29	4,643	4,643	3,792	0.3 %	(7)
						4,643	4,643	3,792		
Vital Buyer, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 10.2% Cash	6/21	6/28	7,645	7,520	7,645	0.6 %	(7)(8)(10)
		Partnership Units (16,442.9 units)	N/A	6/21	N/A		164	293	— %	(7)(34)
						7,645	7,684	7,938		
VOYA CLO 2015-2, LTD.	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield (90.98)%	2/22	7/27	10,736	2,930	91	— %	(3)(33)
						10,736	2,930	91		
VOYA CLO 2016-2, LTD.	Multi-Sector Holdings	Subordinated Structured Notes	Residual Interest, current yield 10.00%	2/22	7/28	11,088	3,301	1,551	0.1 %	(3)(33)
						11,088	3,301	1,551		
W2O Holdings, Inc.	Healthcare Technology	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	10/20	6/25	3,334	3,301	3,302	0.3 %	(7)(8)(10)
						3,334	3,301	3,302		
Walker Edison Furniture Company LLC	Consumer Goods: Durable	Common Stock (2,819.53 shares)	N/A	2/22	N/A		3,598	—	— %	(7)(33)(34)
							3,598	—		
Watermill-QMC Midco, Inc.	Automotive	Equity (1.62% Partnership Interest)	N/A	2/22	N/A		—	—	— %	(7)(33)(34)
							—	—		

Barings BDC, Inc.
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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Wawona Delaware Holdings, LLC	Beverage & Food	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.2% Cash	2/22	9/26	\$ 45	\$ 41	\$ 33	— %	(10)(33)
						45	41	33		
Wheels Up Experience Inc	Transportation Services	First Lien Senior Secured Term Loan	12.0% Cash	10/22	4/30	13,500	12,973	13,153	1.1 %	(7)
						13,500	12,973	13,153		
Wok Holdings Inc.	Retail	First Lien Senior Secured Term Loan	LIBOR + 6.50%, 11.2% Cash	2/22	3/26	48	48	41	— %	(8)(10)(33)
						48	48	41		
Woodland Foods, LLC	Food & Beverage	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 10.5% Cash	12/21	12/27	5,442	5,350	4,882	0.4 %	(7)(8)(10)
		Revolver	LIBOR + 5.75%, 10.5% Cash	12/21	12/27	1,786	1,748	1,556	0.1 %	(7)(8)(10)
		Common Stock (1,663.31 shares)	N/A	12/21	N/A		1,663	1,012	0.1 %	(7)(34)
						7,228	8,761	7,450		
World 50, Inc.	Professional Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.1% Cash	9/20	1/26	8,917	8,795	8,821	0.7 %	(7)(8)(9)
		First Lien Senior Secured Term Loan	LIBOR + 5.25%, 9.6% Cash	1/20	1/26	2,468	2,423	2,428	0.2 %	(7)(8)(9)
						11,385	11,218	11,249		
WVEC Holdings III Corp	Capital Goods	First Lien Senior Secured Term Loan	SOFR + 6.00%, 10.6% Cash	10/22	9/28	14,374	13,956	13,937	1.2 %	(7)(8)(16)
		Revolver	SOFR + 6.00%, 10.6% Cash	10/22	9/28	1,118	1,059	1,056	0.1 %	(7)(8)(16)
						15,492	15,015	14,993		
Xeinadin Bidco Limited	Financial Other	First Lien Senior Secured Term Loan	SONIA + 5.25%, 8.2% Cash	5/22	5/29	5,646	5,586	5,446	0.4 %	(3)(7)(8)(19)
		Subordinated Term Loan	11.0% PIK	5/22	5/29	2,572	2,553	2,502	0.2 %	(3)(7)
		Common Stock (45,665,825 shares)	N/A	5/22	N/A		565	549	— %	(3)(7)(34)
					8,218	8,704	8,497			
ZB Holdco LLC	Food & Beverage	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 9.5% Cash	2/22	2/28	2,684	2,623	2,628	0.2 %	(7)(8)(10)
		Revolver	LIBOR + 4.75%, 9.5% Cash	2/22	2/28	—	(14)	(12)	— %	(7)(8)(10)
		LLC Units (152.69 units)	N/A	2/22	N/A		153	189	— %	(7)(34)
					2,684	2,762	2,805			
Zeppelin Bidco Limited	Services: Business	First Lien Senior Secured Term Loan	SONIA + 6.25%, 9.2% Cash	3/22	3/29	5,821	6,149	5,162	0.4 %	(3)(7)(8)(18)
					5,821	6,149	5,162			
Subtotal Non-Control / Non-Affiliate Investments (172.2%)						2,200,903	2,191,345	2,052,614		
<u>Affiliate Investments: (4)</u>										
1888 Industrial Services, LLC	Energy: Oil & Gas	First Lien Senior Secured Term Loan	LIBOR + 5.00%	2/22	5/23	4,300	419	—	— %	(7)(8)(10) (31)(33)
		Revolver	LIBOR + 5.00%	2/22	5/23	1,621	1,498	1,263	0.1 %	(7)(8)(10) (31)(33)
		Warrants (7,546.76 units)	N/A	2/22	N/A		—	—	— %	(7)(33)(34)
					5,921	1,917	1,263			
Eclipse Business Capital, LLC	Banking, Finance, Insurance & Real Estate	Revolver	LIBOR + 7.25%	7/21	7/28	5,273	5,165	5,273	0.4 %	(7)(9)
		Second Lien Senior Secured Term Loan	7.5% Cash	7/21	7/28	4,545	4,508	4,545	0.4 %	(7)
		LLC Units (89,447,396 units)	N/A	7/21	N/A		93,230	135,066	11.1 %	(7)
					9,818	102,903	144,884			

Barings BDC, Inc.
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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Hylan Datacom & Electrical LLC	Construction & Building	First Lien Senior Secured Term Loan	SOFR + 8.00%, 12.3% Cash	2/22	3/26	\$ 3,917	\$ 3,670	\$ 3,917	0.3 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Second Lien Senior Secured Term Loan	SOFR + 10.00%, 14.3% Cash	2/22	3/27	4,098	4,098	4,098	0.3 %	⁽⁷⁾⁽⁸⁾⁽¹⁶⁾
		Common Stock (102,144 shares)	N/A	2/22	N/A		5,219	4,496	0.3 %	⁽⁷⁾⁽³⁴⁾
						8,015	12,987	12,511		
Jocassee Partners LLC	Investment Funds & Vehicles	9.1% Member Interest	N/A	6/19	N/A		35,158	40,088	3.3 %	⁽³⁾
							35,158	40,088		
Kemmerer Operations, LLC	Metals & Mining	First Lien Senior Secured Term Loan	15.0% PIK	2/22	6/23	1,565	1,565	1,565	0.1 %	⁽⁷⁾⁽³³⁾
		Common Stock (6.78 shares)	N/A	2/22	N/A		1,589	1,181	0.1 %	⁽⁷⁾⁽³³⁾⁽³⁴⁾
						1,565	3,154	2,746		
Sierra Senior Loan Strategy JV I LLC	Joint Venture	89.01% Member Interest	N/A	2/22	N/A		50,221	37,950	3.1 %	⁽³⁾⁽³³⁾
							50,221	37,950		
Thompson Rivers LLC	Investment Funds & Vehicles	16% Member Interest	N/A	6/20	N/A		46,622	30,339	2.5 %	
							46,622	30,339		
Waccamaw River LLC	Investment Funds & Vehicles	20% Member Interest	N/A	2/21	N/A		22,520	20,212	1.7 %	⁽³⁾
							22,520	20,212		
Subtotal Affiliate Investments (24.3%)						25,319	275,482	289,993		
<u>Control Investments:</u>										
<u>(5)</u>										
Black Angus Steakhouses, LLC	Hotel, Gaming & Leisure	First Lien Senior Secured Term Loan	LIBOR + 9.10%, 13.5% Cash	2/22	1/24	5,647	5,647	5,647	0.5 %	⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽³³⁾
		First Lien Senior Secured Term Loan	10.0% PIK	2/22	1/24	24,071	9,628	9,147	0.8 %	⁽⁷⁾⁽³¹⁾⁽³³⁾
		LLC Units (44.6 units)	N/A	2/22	N/A		—	—	— %	⁽⁷⁾⁽³³⁾⁽³⁴⁾
						29,718	15,275	14,794		
MVC Automotive Group GmbH	Automotive	Bridge Loan (6.0% Cash)	6.0% Cash	12/20	12/24	7,149	7,149	7,149	0.6 %	⁽³⁾⁽⁷⁾⁽³²⁾
		Common Equity interest (18,000 shares)	N/A	12/20	N/A		9,553	9,675	0.8 %	⁽³⁾⁽⁷⁾⁽³²⁾⁽³⁴⁾
						7,149	16,702	16,824		
MVC Private Equity Fund LP	Investment Funds & Vehicles	General Partnership Interest (1,831.4 units)	N/A	3/21	N/A		225	45	— %	⁽³⁾⁽³²⁾
		Limited Partnership Interest (71,790.4 units)	N/A	3/21	N/A		8,899	1,793	0.1 %	⁽³⁾⁽³²⁾
							9,124	1,838		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Security Holdings B.V.	Electrical Engineering	Bridge Loan	5.0% PIK	12/20	5/24	\$ 6,020	\$ 6,020	\$ 6,020	0.5 %	(3)(7)(32)
		Senior Subordinated Term Loan	3.1% PIK	12/20	5/24	10,534	10,534	10,534	0.9 %	(3)(7)(32)
		Senior Unsecured Term Loan	6.0% Cash, 9.0% PIK	4/21	4/25	2,015	2,164	2,015	0.2 %	(3)(7)(32)
		Common Stock Series A (17,100 shares)	N/A	2/22	N/A		560	575	— %	(3)(7)(32)(34)
		Common Stock Series B (1,236 shares)	N/A	12/20	N/A		35,192	53,728	4.4 %	(3)(7)(32)(34)
						18,569	54,470	72,872		
Subtotal Control Investments (8.9%)						55,436	95,571	106,328		
Total Investments, December 31, 2022 (205.4%)*						\$ 2,281,658	\$ 2,562,398	\$ 2,448,935		

Derivative Instruments

Credit Support Agreements

Description(d)	Counterparty	Settlement Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
MVC Credit Support Agreement(a)(b)(c)	Barings LLC	01/01/31	\$ 23,000	\$ 12,386	\$ (1,214)
Sierra Credit Support Agreement(e)(f)(g)	Barings LLC	04/01/32	100,000	40,700	(3,700)
Total Credit Support Agreements, December 31, 2022			\$ 123,000	\$ 53,086	\$ (4,914)

- (a) The MVC Credit Support Agreement covers all of the investments acquired by Barings BDC, Inc. (the “Company”) from MVC Capital, Inc. (“MVC”) in connection with the MVC Acquisition (as defined in “Note 1 – Organization, Business, Basis of Presentation and Summary of Significant Accounting Policies”) and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the investments acquired by the Company from MVC in connection with the MVC Acquisition (collectively, the “MVC Reference Portfolio”). Each investment that is included in the MVC Reference Portfolio is denoted in the above Schedule of Investments with footnote (32).
- (b) The Company and Barings LLC (“Barings”) entered into the MVC Credit Support Agreement pursuant to which Barings agreed to provide credit support to the Company in the amount of up to \$23.0 million.
- (c) Settlement Date means the earlier of (1) January 1, 2031 or (2) the date on which the entire MVC Reference Portfolio has been realized or written off.
- (d) See “Note 2 – Agreements and Related Party Transactions” for additional information regarding the Credit Support Agreements.
- (e) The Sierra Credit Support Agreement covers all of the investments acquired by the Company from Sierra Income Corporation (“Sierra”) in connection with the Sierra Merger (as defined in “Note 1 – Organization, Business, Basis of Presentation and Summary of Significant Accounting Policies”) and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the investments acquired by the Company from Sierra in connection with the Sierra Merger (collectively, the “Sierra Reference Portfolio”). Each investment that is included in the Sierra Reference Portfolio is denoted in the above Schedule of Investments with footnote (33).
- (f) The Company and Barings entered into the Sierra Credit Support Agreement pursuant to which Barings agreed to provide credit support to the Company in the amount of up to \$100.0 million.
- (g) Settlement Date means the earlier of (1) April 1, 2032 or (2) the date on which the entire Sierra Reference Portfolio has been realized or written off.

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Foreign Currency Forward Contracts:

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
Foreign currency forward contract (AUD)	A\$72,553	\$48,701	Citibank, N.A.	01/09/23	\$ 511
Foreign currency forward contract (AUD)	\$47,177	A\$72,553	Bank of America, N.A.	01/09/23	(2,035)
Foreign currency forward contract (AUD)	\$47,055	A\$69,919	Citibank, N.A.	04/11/23	(548)
Foreign currency forward contract (CAD)	C\$225	\$165	Bank of America, N.A.	01/09/23	1
Foreign currency forward contract (CAD)	C\$9,285	\$6,819	Fifth Third Bank	01/09/23	34
Foreign currency forward contract (CAD)	\$4,578	C\$6,207	Bank of America, N.A.	01/09/23	(3)
Foreign currency forward contract (CAD)	\$2,415	C\$3,303	HSBC Bank USA	01/09/23	(22)
Foreign currency forward contract (CAD)	\$6,865	C\$9,339	Fifth Third Bank	04/11/23	(34)
Foreign currency forward contract (DKK)	2,260kr.	\$323	Bank of America, N.A.	01/09/23	2
Foreign currency forward contract (DKK)	\$300	2,260kr.	HSBC Bank USA	01/09/23	(24)
Foreign currency forward contract (DKK)	\$329	2,290kr.	Bank of America, N.A.	04/11/23	(2)
Foreign currency forward contract (EUR)	€106,443	\$113,101	Bank of America, N.A.	01/09/23	541
Foreign currency forward contract (EUR)	€1,511	\$1,500	BNP Paribas SA	01/09/23	113
Foreign currency forward contract (EUR)	\$106,563	€107,954	HSBC Bank USA	01/09/23	(8,692)
Foreign currency forward contract (EUR)	\$109,735	€102,649	Bank of America, N.A.	04/11/23	(547)
Foreign currency forward contract (NZD)	NZ\$4,000	\$2,581	Bank of America, N.A.	01/09/23	(51)
Foreign currency forward contract (NZD)	NZ\$15,175	\$9,538	Citibank, N.A.	01/09/23	60
Foreign currency forward contract (NZD)	\$208	NZ\$351	Bank of America, N.A.	01/09/23	(14)
Foreign currency forward contract (NZD)	\$10,767	NZ\$18,824	Citibank, N.A.	01/09/23	(1,139)
Foreign currency forward contract (NZD)	\$9,644	NZ\$15,333	Citibank, N.A.	04/11/23	(62)
Foreign currency forward contract (NOK)	kr37,773	\$3,835	Bank of America, N.A.	01/09/23	—
Foreign currency forward contract (NOK)	\$3,538	kr37,773	Bank of America, N.A.	01/09/23	(297)
Foreign currency forward contract (NOK)	\$4,050	kr39,732	Bank of America, N.A.	04/11/23	(1)
Foreign currency forward contract (GBP)	£37,951	\$45,898	Citibank, N.A.	01/09/23	(240)
Foreign currency forward contract (GBP)	\$39,500	£34,951	Bank of America, N.A.	01/09/23	(2,549)
Foreign currency forward contract (GBP)	\$3,396	£3,000	HSBC Bank USA	01/09/23	(213)
Foreign currency forward contract (GBP)	\$47,147	£38,899	Citibank, N.A.	04/11/23	243
Foreign currency forward contract (SEK)	2,182kr.	\$210	Citibank, N.A.	01/09/23	—
Foreign currency forward contract (SEK)	\$197	2,182kr.	HSBC Bank USA	01/09/23	(13)
Foreign currency forward contract (SEK)	\$217	2,247kr.	Citibank, N.A.	04/11/23	—
Foreign currency forward contract (CHF)	3,803Fr.	\$4,110	Bank of America, N.A.	01/09/23	3
Foreign currency forward contract (CHF)	\$618	600Fr.	Bank of America, N.A.	01/09/23	(31)
Foreign currency forward contract (CHF)	\$3,305	3,203Fr.	Citibank, N.A.	01/09/23	(158)
Foreign currency forward contract (CHF)	\$4,194	3,841Fr.	Bank of America, N.A.	04/11/23	(2)
Total Foreign Currency Forward Contracts, December 31, 2022					\$ (15,169)

* Fair value as a percentage of net assets.

- (1) All debt investments are income producing, unless otherwise noted. Barings BDC, Inc's (the "Company") external investment adviser, Barings LLC ("Barings" or the "Adviser"), determines in good faith whether the Company's investments were valued at fair value in accordance with a valuation policy and processes established by the Adviser, which have been approved by the Company's board of directors (the "Board"), and the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, all debt investments are variable rate investments unless otherwise noted. Index-based floating interest rates are generally subject to a contractual minimum interest rate. Variable rate loans to the Company's portfolio companies bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR"), the Secured Overnight Financing Rate ("SOFR"), the Euro Interbank Offered Rate ("EURIBOR"), the Bank Bill Swap Bid Rate ("BBSY"), the Stockholm Interbank Offered Rate ("STIBOR"), the Canadian Dollar Offered Rate ("CDOR"), the Sterling Overnight Index Average ("SONIA"), the Swiss Average Rate Overnight ("SARON"), the Norwegian Interbank Offered Rate ("NIBOR"), the Bank Bill Market rate ("BKBM") or an alternate base rate (commonly based on the Federal Funds Rate or the Prime Rate), at the borrower's option, which reset annually, semi-annually, quarterly or monthly. For each such loan, the Company has provided the interest rate in effect on the date presented. SOFR based contracts may include a credit spread adjustment that is charged in addition to the base rate and the stated spread. The borrower may also elect to have multiple interest reset periods for each loan.
- (2) All of the Company's portfolio company investments (including joint venture investments), which as of December 31, 2022 represented 205.4% of the Company's net assets, are subject to legal restrictions on sales. The acquisition date represents the date of the Company's initial investment in the relevant portfolio company.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 25.9% of total investments at fair value as of December 31, 2022. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any

Barings BDC, Inc.
Consolidated Schedule of Investment — (Continued)
December 31, 2022

(Amounts in thousands, except share amounts)

additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying asset until such time as it complies with the requirements of Section 55(a).

- (4) As defined in the 1940 Act, the Company is deemed to be an “affiliated person” of the portfolio company as the Company owns between 5% or more, up to 25% (inclusive), of the portfolio company’s voting securities (“non-controlled affiliate”). Transactions related to investments in non-controlled “Affiliate Investments” for the year ended December 31, 2022 were as follows:

Portfolio Company	Type of Investment	December 31, 2021 Value	Gross Additions (a)	Gross Reductions (b)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2022 Value	Amount of Interest or Dividends Credited to Income(c)
1888 Industrial Services, LLC ^(d)	First Lien Senior Secured Term Loan (LIBOR + 5.00%) ^(e)	\$ —	\$ 419	\$ —	\$ —	\$ (419)	\$ —	\$ —
	Revolver (LIBOR + 5.00%) ^(e)	—	1,498	—	—	(235)	1,263	(12)
	Warrants (7,546.76 units)	—	—	—	—	—	—	—
		—	1,917	—	—	(654)	1,263	(12)
Charming Charlie LLC ^(d)	First Lien Senior Secured Term Loan (20.0% Cash)	—	—	—	—	—	—	—
	First Lien Senior Secured Term Loan (10.4% Cash)	—	—	—	—	—	—	—
	First Lien Senior Secured Term Loan (LIBOR + 12.00%, 15.7% Cash)	—	—	—	—	—	—	35
	First Lien Senior Secured Term Loan (LIBOR + 5.00%, 8.7% Cash)	—	—	—	—	—	—	—
	Common Stock (34,923,249 shares)	—	—	—	—	—	—	—
		—	—	—	—	—	—	35
Eclipse Business Capital, LLC ^(d)	Revolver (LIBOR + 7.25%)	1,818	5,292	(1,818)	—	(19)	5,273	488
	Second Lien Senior Secured Term Loan (7.5% Cash)	4,738	5	—	—	(198)	4,545	343
	LLC units (89,447,396 units)	92,668	3,380	—	—	39,018	135,066	11,223
		99,224	8,677	(1,818)	—	38,801	144,884	12,054
Hylan Datacom & Electrical LLC ^(d)	First Lien Senior Secured Term Loan (SOFR + 8.00%, 12.3% Cash)	—	3,569	—	101	247	3,917	380
	Second Lien Senior Secured Term Loan (SOFR + 10.00%, 14.3% Cash)	—	4,098	—	—	—	4,098	382
	Common Stock (102,144 shares)	—	5,219	—	—	(723)	4,496	—
		—	12,886	—	101	(476)	12,511	762
Jocasee Partners LLC	9.1% Member Interest	37,601	5,000	—	—	(2,513)	40,088	1,427
		37,601	5,000	—	—	(2,513)	40,088	1,427
JSC Tekers Holdings ^(d)	Preferred Stock (9,159,085 shares)	6,197	—	(6,197)	—	—	—	—
	Common Stock (3,201 shares)	—	—	—	—	—	—	—
		6,197	—	(6,197)	—	—	—	—
Kemmerer Operations, LLC ^(d)	First Lien Senior Secured Term Loan (15.0% PIK)	—	2,785	(1,220)	—	—	1,565	307
	Common Stock (6.78 shares)	—	1,589	—	—	(408)	1,181	—
		—	4,374	(1,220)	—	(408)	2,746	307
Security Holdings B.V. ^(d)	Bridge Loan (5.0% PIK 5/31/2021)	5,451	—	(5,451)	—	—	—	—
	Senior Subordinated Loan (3.1% PIK)	9,525	—	(9,525)	—	—	—	—
	Senior Unsecured Term Loan (9.0% PIK)	7,307	—	(7,307)	—	—	—	—
	Common Equity Interest	24,825	—	(24,825)	—	—	—	—
		47,108	—	(47,108)	—	—	—	—

Barings BDC, Inc.
Consolidated Schedule of Investment — (Continued)
December 31, 2022
(Amounts in thousands, except share amounts)

Portfolio Company	Type of Investment	December 31, 2021 Value	Gross Additions (a)	Gross Reductions (b)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2022 Value	Amount of Interest or Dividends Credited to Income(c)
Sierra Senior Loan Strategy JV I LLC	89.01% Member Interest	—	85,963	(35,742)	—	(12,271)	37,950	4,526
		—	85,963	(35,742)	—	(12,271)	37,950	4,526
Thompson Rivers LLC	16.0% Member Interest	84,438	—	(32,793)	—	(21,306)	30,339	9,056
		84,438	—	(32,793)	—	(21,306)	30,339	9,056
Waccamaw River LLC	20% Member Interest	13,501	8,800	—	—	(2,089)	20,212	1,850
		13,501	8,800	—	—	(2,089)	20,212	1,850
Total Affiliate Investments		\$ 288,069	\$ 127,617	\$ (124,878)	\$ 101	\$ (916)	\$ 289,993	\$ 30,005

- (a) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.
(b) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments, sales and return of capital.
(c) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Affiliate category.
(d) The fair value of the investment was determined using significant unobservable inputs.
(e) Non-accrual investment.

- (5) As defined in the 1940 Act, the Company is deemed to be both an “affiliated person” and “control” the portfolio company because it owns more than 25% of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2022 in which the portfolio company is deemed to be a “Control Investment” of the Company were as follows:

Portfolio Company	Type of Investment	December 31, 2021 Value	Gross Additions (a)	Gross Reductions (b)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2022 Value	Amount of Interest or Dividends Credited to Income(c)
Black Angus Steakhouses, LLC ^(d)	First Lien Senior Secured Term Loan (LIBOR + 9.10%, 13.5% Cash)	\$ —	\$ 5,647	\$ —	\$ —	\$ —	\$ 5,647	\$ 544
	First Lien Senior Secured Term Loan (10.0% PIK) ^(f)	—	9,628	—	—	(481)	9,147	—
	LLC Units (44.6 units)	—	—	—	—	—	—	—
		—	15,275	—	—	(481)	14,794	544
JSC Tekers Holdings ^(d)	Preferred Stock (9,159,085 shares)	—	6,197	(5,832)	1,079	(1,444)	—	—
	Common Stock (35,571 shares)	—	—	—	—	—	—	—
		—	6,197	(5,832)	1,079	(1,444)	—	—
MVC Automotive Group GmbH ^(d)	Bridge Loan (6.0% Cash)	7,149	—	—	—	—	7,149	435
	Common Equity Interest (18,000 Shares)	7,699	—	—	—	1,976	9,675	—
		14,848	—	—	—	1,976	16,824	435
MVC Private Equity Fund LP	General Partnership Interest ^(e) (1,831.4 units)	188	—	—	—	(143)	45	(831)
	Limited Partnership Interest ^(f) (71,790.4 units)	7,376	—	—	—	(5,583)	1,793	—
		7,564	—	—	—	(5,726)	1,838	(831)

Barings BDC, Inc.
Consolidated Schedule of Investment — (Continued)
December 31, 2022
(Amounts in thousands, except share amounts)

Portfolio Company	Type of Investment	December 31, 2021 Value	Gross Additions (a)	Gross Reductions (b)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2022 Value	Amount of Interest or Dividends Credited to Income(c)
Security Holdings B.V ^(d)	Bridge Loan (5.0% PIK, Acquired 12/20, Due 05/24)	\$ —	\$ 6,020	\$ —	\$ —	\$ —	\$ 6,020	\$ 294
	Senior Subordinated Term Loan (3.1% PIK, Acquired 12/20, Due 05/24)	—	10,534	—	—	—	10,534	356
	Senior Subordinated Note (5.0% PIK, Acquired 12/20, Due 05/22)	—	14,567	(13,754)	(813)	—	—	174
	Senior Unsecured Term Loan (6.0% Cash, 9.0% PIK, Acquired 04/21, Due 04/25)	—	7,795	(4,975)	(988)	183	2,015	825
	Common Stock Series A (17,100 shares, Acquired 02/22)	—	560	—	—	15	575	—
	Common Stock Series B (1,236 shares, Acquired 12/20)	—	38,753	—	—	14,975	53,728	—
		—	78,229	(18,729)	(1,801)	15,173	72,872	1,649
Total Control Investments		\$ 22,412	\$ 99,701	\$ (24,561)	\$ (722)	\$ 9,498	\$ 106,328	\$ 1,797

(a) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.

(b) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments, sales and return of capital.

(c) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Control category.

(d) The fair value of the investment was determined using significant unobservable inputs.

(e) The Company received a \$0.1 million distribution that was recognized as realized gain.

(f) The Company received a \$6.0 million distribution that was recognized as realized gain.

- (6) All of the investment is or will be encumbered as security for the Company's \$1.1 billion senior secured credit facility with ING Capital LLC initially entered into in February 2019 (as amended, restated and otherwise modified from time to time, the "February 2019 Credit Facility").
- (7) The fair value of the investment was determined using significant unobservable inputs.
- (8) Debt investment includes interest rate floor feature.
- (9) The interest rate on these loans is subject to 1 Month LIBOR, which as of December 31, 2022 was 4.39157%.
- (10) The interest rate on these loans is subject to 3 Month LIBOR, which as of December 31, 2022 was 4.76729%.
- (11) The interest rate on these loans is subject to 6 Month LIBOR, which as of December 31, 2022 was 5.13886%.
- (12) The interest rate on these loans is subject to 1 Month EURIBOR, which as of December 31, 2022 was 1.88400%.
- (13) The interest rate on these loans is subject to 3 Month EURIBOR, which as of December 31, 2022 was 2.13200%.
- (14) The interest rate on these loans is subject to 6 Month EURIBOR, which as of December 31, 2022 was 2.69300%.
- (15) The interest rate on these loans is subject to 1 Month SOFR, which as of December 31, 2022 was 4.35806%.
- (16) The interest rate on these loans is subject to 3 Month SOFR, which as of December 31, 2022 was 4.58745%.
- (17) The interest rate on these loans is subject to 6 Month SOFR, which as of December 31, 2022 was 4.78131%.
- (18) The interest rate on these loans is subject to 1 Month SONIA, which as of December 31, 2022 was 3.43570%.
- (19) The interest rate on these loans is subject to 3 Month SONIA, which as of December 31, 2022 was 3.75470%.
- (20) The interest rate on these loans is subject to 6 Month SONIA, which as of December 31, 2022 was 4.09490%.
- (21) The interest rate on these loans is subject to 1 Month BBSY, which as of December 31, 2022 was 3.01500%.
- (22) The interest rate on these loans is subject to 3 Month BBSY, which as of December 31, 2022 was 3.26470%.
- (23) The interest rate on these loans is subject to 6 Month BBSY, which as of December 31, 2022 was 3.76500%.
- (24) The interest rate on these loans is subject to 1 Month CDOR, which as of December 31, 2022 was 4.73750%.
- (25) The interest rate on these loans is subject to 3 Month CDOR, which as of December 31, 2022 was 4.93500%.
- (26) The interest rate on these loans is subject to 3 Month STIBOR, which as of December 31, 2022 was 2.70100%.
- (27) The interest rate on these loans is subject to 3 Month BKBM, which as of December 31, 2022 was 4.53000%.
- (28) The interest rate on these loans is subject to 3 Month SARON, which as of December 31, 2022 was 0.94212%.
- (29) The interest rate on these loans is subject to 1 Month NIBOR, which as of December 31, 2022 was 3.04000%.
- (30) The interest rate on these loans is subject to Prime, which as of December 31, 2022 was 7.50000%.
- (31) Non-accrual investment.
- (32) Investment was purchased as part of the MVC Acquisition and is part of the MVC Reference Portfolio for purposes of the MVC Credit Support Agreement.
- (33) Investment was purchased as part of the Sierra Merger and is part of the Sierra Reference Portfolio for purposes of the Sierra Credit Support Agreement.
- (34) Investment is non-income producing.

See accompanying notes.

Barings BDC, Inc.
Consolidated Schedule of Investments
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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
<i>Non-Control / Non-Affiliate Investments:</i>										
1WorldSync, Inc.	IT Consulting & Other Services	First Lien Senior Secured Term Loan	LIBOR + 6.25% 7.3% Cash	07/19	07/25	\$ 16,434	\$ 16,185	\$ 16,434	2.2 %	(7) (8) (10)
						16,434	16,185	16,434		
Accelerate Learning, Inc.	Education Services	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	12/18	12/24	7,568	7,486	7,429	1.0 %	(7) (8) (10)
						7,568	7,486	7,429		
Acclime Holdings HK Limited	Business Services	First Lien Senior Secured Term Loan	LIBOR + 6.5%, 7.0% Cash	08/21	07/27	1,211	1,138	1,147	0.2 %	(3) (7) (8) (10)
						1,211	1,138	1,147		
Accurus Aerospace Corporation	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.5% Cash, 1.50% PIK	10/18	10/24	24,874	24,684	24,016	3.2 %	(7) (8) (11)
						24,874	24,684	24,016		
ADB Safegate	Aerospace & Defense	Second Lien Senior Secured Term Loan	LIBOR + 7.75%, 8.8% Cash	08/21	07/25	5,500	5,091	5,106	0.7 %	(3) (8) (10)
						5,500	5,091	5,106		
Advantage Software Company (The), LLC	Advertising, Printing & Publishing	Class A1 Partnership Units (8,717.76 units)	N/A	12/21	N/A		280	280	— %	(7)
		Class A2 Partnership Units (2,248.46 units)	N/A	12/21	N/A		72	72	— %	(7)
		Class B1 Partnership Units (8,717.76 units)	N/A	12/21	N/A		9	9	— %	(7)
		Class B2 Partnership Units (2,248.46 units)	N/A	12/21	N/A		2	2	— %	(7)
						363	363			
Aftermath Bidco Corporation	Professional Services	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	04/19	04/25	9,425	9,299	9,303	1.3 %	(7) (8) (10)
						9,425	9,299	9,303		
Air Canada 2020-2 Class B Pass Through Trust	Airlines	Structured Secured Note - Class B	9.0% Cash	09/20	10/25	6,170	6,170	6,822	0.9 %	
						6,170	6,170	6,822		
Air Comm Corporation, LLC	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.3% Cash	06/21	07/27	11,540	11,265	11,280	1.5 %	(7) (8) (10)
						11,540	11,265	11,280		
AIT Worldwide Logistics Holdings, Inc.	Transportation Services	Second Lien Senior Secured Term Loan	LIBOR + 7.75%, 8.5% Cash	04/21	04/29	6,460	6,325	6,460	0.9 %	(7) (8) (10)
		Partnership Units (348.68 units)	N/A	04/21	N/A		349	689	0.1 %	(7)
						6,460	6,674	7,149		
Alpine US Bidco LLC	Agricultural Products	Second Lien Senior Secured Term Loan	LIBOR + 9.0%, 9.8% Cash	05/21	05/29	18,157	17,642	17,975	2.4 %	(7) (8) (10)
						18,157	17,642	17,975		
Amtech LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.3% Cash	11/21	11/27	4,091	3,958	3,955	0.5 %	(7) (8) (9)
		Revolver	LIBOR + 5.5%, 6.3% Cash	11/21	11/27	—	(13)	(14)	— %	(7) (8) (10)
						4,091	3,945	3,941		
Anagram Holdings, LLC	Chemicals, Plastics, & Rubber	First Lien Senior Secured Note	10.0% Cash, 5.0% PIK	08/20	08/25	14,395	13,459	16,051	2.2 %	(3)
						14,395	13,459	16,051		
AnalytiChem Holding GmbH	Chemicals	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 6.3% Cash	11/21	11/28	2,801	2,580	2,576	0.3 %	(3) (7) (8) (14)
						2,801	2,580	2,576		

Barings BDC, Inc.
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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Anju Software, Inc.	Application Software	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 6.3% Cash	02/19	02/25	\$ 13,528	\$ 13,355	\$ 13,284	1.8 %	(7) (8) (9)
						13,528	13,355	13,284		
AP Aristotle Holdings, LLC	Oil Field Services	Subordinated Term Loan	19.8% Cash	12/21	06/25	1,883	1,890	1,854	0.2 %	(7)
						1,883	1,890	1,854		
Apex Bidco Limited	Business Equipment & Services	First Lien Senior Secured Term Loan	GBP LIBOR + 6.25%, 6.8% Cash	01/20	01/27	1,974	1,869	1,970	0.3 %	(3) (7) (8) (12)
		Subordinated Senior Unsecured Term Loan	8.0% PIK	01/20	01/27	278	264	278	— %	(3) (7)
						2,252	2,133	2,248		
Aptus 1829. GmbH	Chemicals, Plastics, & Rubber	First Lien Senior Secured Term Loan	EURIBOR + 6.5%, 6.5% Cash	09/21	09/27	4,656	4,717	4,552	0.6 %	(3) (7) (8) (14)
		Preferred Stock (13 shares)	N/A	09/21	N/A		120	111	— %	(3) (7)
		Common Stock (48 shares)	N/A	09/21	N/A		12	11	— %	(3) (7)
						4,656	4,849	4,674		
Apus Bidco Limited	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan	SONIA + 5.5%, 5.5% Cash	02/21	03/28	3,902	3,874	3,823	0.5 %	(3) (7) (8) (17)
						3,902	3,874	3,823		
AQA Acquisition Holding, Inc.	High Tech Industries	Second Lien Senior Secured Term Loan	LIBOR + 7.5%, 8.0% Cash	03/21	03/29	20,000	19,510	20,000	2.7 %	(7) (8) (10)
						20,000	19,510	20,000		
Aquavista Watersides 2 LTD	Transportation Services	First Lien Senior Secured Term Loan	SONIA + 6.0%, 6.1% Cash	12/21	12/28	6,042	5,696	5,766	0.8 %	(3) (7) (8) (17)
		Second Lien Senior Secured Term Loan	SONIA + 10.5% PIK	12/21	12/28	1,510	1,446	1,465	0.2 %	(3) (7) (8) (17)
		Revolver	SONIA + 6.0%, 6.1% Cash	12/21	12/22	—	(4)	(5)	— %	(3) (7) (8) (17)
						7,552	7,138	7,226		
Arch Global Precision LLC	Industrial Machinery	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 4.8% Cash	04/19	04/26	9,248	9,244	9,248	1.2 %	(7) (8) (10)
						9,248	9,244	9,248		
Archimede	Consumer Services	First Lien Senior Secured Term Loan	EURIBOR + 6.0%, 6.0% Cash	10/20	10/27	8,415	8,761	8,255	1.1 %	(3) (7) (8) (14)
						8,415	8,761	8,255		
Argus Bidco Limited	High Tech Industries	First Lien Senior Secured Term Loan	SONIA + 5.5%, 5.8% Cash	12/20	12/27	2,682	2,559	2,682	0.4 %	(3) (7) (8) (16)
		First Lien Senior Secured Term Loan	LIBOR + 5.5%, 5.8% Cash	05/21	12/27	672	653	672	0.1 %	(3) (7) (8) (10)
						3,354	3,212	3,354		
Armstrong Transport Group (Pele Buyer, LLC)	Air Freight & Logistics	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	06/19	06/24	4,020	3,961	3,939	0.5 %	(7) (8) (10)
						4,020	3,961	3,939		
ASPEQ Heating Group LLC	Building Products, Air & Heating	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	11/19	11/25	8,464	8,377	8,464	1.1 %	(7) (8) (9)
						8,464	8,377	8,464		
Astra Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	SONIA + 5.75%, 5.8% Cash	11/21	11/28	5,786	5,479	5,535	0.7 %	(3) (7) (8) (16)
						5,786	5,479	5,535		
Auxi International	Commercial Finance	First Lien Senior Secured Term Loan	EURIBOR + 6.25%, 6.3% Cash	12/19	12/26	1,592	1,521	1,439	0.2 %	(3) (7) (8) (15)
		First Lien Senior Secured Term Loan	SONIA + 6.25%, 6.3% Cash	04/21	12/26	907	897	820	0.1 %	(3) (7) (8) (17)
						2,499	2,418	2,259		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Avance Clinical Bidco Pty Ltd	Healthcare	First Lien Senior Secured Term Loan	BBSY + 5.5%, 6.0% Cash	11/21	11/27	\$ 6,457	\$ 6,040	\$ 6,158	0.8 %	(3) (7) (8) (20)
						6,457	6,040	6,158		
AVSC Holding Corp.	Advertising	First Lien Senior Secured Term Loan	LIBOR + 3.25%, 4.3% Cash, 0.25% PIK	08/18	03/25	4,867	4,405	4,458	0.6 %	(8) (10)
		First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.5% Cash, 1.0% PIK	08/18	10/26	748	693	693	0.1 %	(8) (10)
		First Lien Senior Secured Term Loan	5.0% Cash, 10.0% PIK	11/20	10/26	5,514	5,399	6,404	0.9 %	
						11,129	10,497	11,555		
Azalea Buyer, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	11/21	11/27	4,606	4,496	4,494	0.6 %	(7) (10)
		Subordinated Term Loan	12.0% PIK	11/21	05/28	1,260	1,235	1,234	0.2 %	(7)
		Common Stock (192,307.7 shares)	N/A	11/21	N/A		192	192	— %	(7)
		Revolver	LIBOR + 5.25%, 6.3% Cash	11/21	11/27	—	(9)	(10)	— %	(7) (10)
						5,866	5,914	5,910		
Bariacum S.A.	Consumer Products	First Lien Senior Secured Term Loan	EURIBOR + 5.5%, 5.5% Cash	11/21	11/28	6,482	6,236	6,244	0.8 %	(3) (7) (8) (14)
						6,482	6,236	6,244		
BDP International, Inc. (f/k/a BDP Buyer, LLC)	Air Freight & Logistics	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	12/18	12/24	14,849	14,643	14,626	2.0 %	(7) (8) (9)
						14,849	14,643	14,626		
Benify (Bennevis AB)	High Tech Industries	First Lien Senior Secured Term Loan	STIBOR + 5.25%, 5.3% Cash	07/19	07/26	1,286	1,222	1,286	0.2 %	(3) (7) (8) (18)
						1,286	1,222	1,286		
Beyond Risk Management, Inc.	Other Financial	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.3% Cash	10/21	09/27	2,427	2,336	2,327	0.3 %	(7) (8) (10)
						2,427	2,336	2,327		
Bidwax	Non-durable Consumer Goods	First Lien Senior Secured Term Loan	EURIBOR + 6.5%, 6.5% Cash	02/21	02/28	7,960	8,062	7,741	1.0 %	(3) (7) (8) (14)
						7,960	8,062	7,741		
BigHand UK Bidco Limited	High Tech Industries	First Lien Senior Secured Term Loan	GBP LIBOR + 5.25%, 5.4% Cash	01/21	01/28	909	880	878	0.1 %	(3) (7) (8) (13)
						909	880	878		
Black Diamond Equipment Rentals LLC	Equipment Rental	Second Lien Loan	12.5% Cash	12/20	06/22	10,000	10,000	10,000	1.4 %	(7) (25)
		Warrants (4.17 units)	N/A	12/20	N/A		1,010	864	0.1 %	(7) (25)
						10,000	11,010	10,864		
Bounteous, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	08/21	08/27	4,911	4,752	4,756	0.6 %	(7) (8) (10)
						4,911	4,752	4,756		
Brightline Trains Florida LLC	Transportation	Senior Secured Note	8.0% Cash	08/21	01/28	5,000	5,000	5,005	0.7 %	(7)
						5,000	5,000	5,005		
Brightpay Limited	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 5.3% Cash	10/21	10/28	1,918	1,883	1,862	0.3 %	(3) (7) (8) (14)
						1,918	1,883	1,862		
BrightSign LLC	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	10/21	10/27	12,811	12,687	12,683	1.7 %	(7) (8) (10)
		LLC units (1,107,492.71 units)	N/A	10/21	N/A		1,107	1,135	0.2 %	(7)
		Revolver	LIBOR + 5.75%, 6.8% Cash	10/21	10/27	—	(13)	(13)	— %	(7) (8) (10)
						12,811	13,781	13,805		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
British Airways 2020-1 Class B Pass Through Trust	Airlines	Structured Secured Note - Class B	8.4% Cash	11/20	11/28	\$ 810	\$ 810	\$ 916	0.1 %	
						810	810	916		
British Engineering Services Holdco Limited	Commercial Services & Supplies	First Lien Senior Secured Term Loan	SONIA + 6.75%, 7.0% Cash	12/20	12/27	15,530	15,081	15,406	2.1 %	(3) (7) (8) (17)
		Revolver	SONIA + 6.75%, 7.0% Cash	12/20	06/22	—	(2)	(5)	— %	(3) (7) (8) (17)
						15,530	15,079	15,401		
Brown Machine Group Holdings, LLC	Industrial Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	10/18	10/24	6,634	6,587	6,634	0.9 %	(7) (8) (9)
						6,634	6,587	6,634		
Cadent, LLC (f/k/a Cross MediaWorks)	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	09/18	09/23	6,913	6,888	6,913	0.9 %	(7) (8) (9)
						6,913	6,888	6,913		
CAi Software, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 7.3% Cash	12/21	12/28	9,057	8,877	8,876	1.2 %	(7) (8) (10)
		Revolver	LIBOR + 6.25%, 7.3% Cash	12/21	12/28	—	(19)	(19)	— %	
						9,057	8,858	8,857		
Canadian Orthodontic Partners Corp.	Healthcare	First Lien Senior Secured Term Loan	CDOR + 6.5%, 7.5% Cash	06/21	03/26	1,640	1,697	1,625	0.2 %	(3) (7) (8) (21)
						1,640	1,697	1,625		
Carlson Travel, Inc	Business Travel Management	First Lien Senior Secured Note	8.5% Cash	11/21	11/26	6,050	5,654	6,161	0.8 %	
		Common Stock (94,155 shares)	N/A	11/21	N/A	—	1,655	3,084	0.4 %	
						6,050	7,309	9,245		
Centralis Finco S.a.r.l.	Diversified Financial Services	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 5.3% Cash	05/20	05/27	807	739	807	0.1 %	(3) (7) (8) (14)
						807	739	807		
Ceres Pharma NV	Pharmaceuticals	First Lien Senior Secured Term Loan	EURIBOR + 5.5%, 5.5% Cash	10/21	10/28	4,556	4,444	4,355	0.6 %	(3) (7) (8) (15)
						4,556	4,444	4,355		
Cineworld Group PLC	Leisure Products	Super Senior Secured Term Loan	7.0% Cash, 8.3% PIK	11/20	05/24	1,786	1,591	2,128	0.3 %	(3)
		Super Senior Secured Term Loan	LIBOR + 8.25%, 9.3% Cash	07/21	05/24	994	961	1,054	0.2 %	(3) (8) (11)
		Warrants (553,375 units)	N/A	12/20	N/A	—	102	244	— %	(3)
						2,780	2,654	3,426		
Classic Collision (Summit Buyer, LLC)	Auto Collision Repair Centers	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	01/20	01/26	12,587	12,384	12,448	1.7 %	(7) (8) (10)
						12,587	12,384	12,448		
CM Acquisitions Holdings Inc.	Internet & Direct Marketing	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	05/19	05/25	19,106	18,897	19,106	2.6 %	(7) (8) (10)
						19,106	18,897	19,106		
CMT Opco Holding, LLC (Concept Machine)	Distributors	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	01/20	01/25	4,144	4,090	3,999	0.6 %	(7) (8) (10)
		LLC Units (8,782 units)	N/A	01/20	N/A	—	352	227	— %	(7)
						4,144	4,442	4,226		
Coastal Marina Holdings, LLC	Other Financial	Subordinated Term Loan	10.0% PIK	11/21	11/31	17,608	15,965	15,966	2.2 %	(7)
		LLC Units (547,591 units)	N/A	11/21	N/A	—	1,643	1,643	0.2 %	(7)
						17,608	17,608	17,609		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Cobham Slip Rings SAS	Diversified Manufacturing	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 6.4% Cash	11/21	11/28	\$ 4,303	\$ 4,199	\$ 4,196	0.6 %	(3) (7) (8) (10)
						4,303	4,199	4,196		
Command Alkon (Project Potter Buyer, LLC)	Software	First Lien Senior Secured Term Loan	LIBOR + 8.25%, 9.3% Cash	04/20	04/27	13,779	13,290	13,658	1.9 %	(7) (8) (9)
			Class A Units (90,384 units)	N/A	04/20	N/A	90	101	— %	(7)
			Class B Units (33,324.69 units)	N/A	04/20	N/A	—	186	— %	(7)
							13,779	13,380	13,945	
Contabo Finco S.A R.L	Internet Software & Services	First Lien Senior Secured Term Loan	SONIA + 5.25%, 5.3% Cash	11/21	10/26	5,949	5,819	5,830	0.8 %	(3) (7) (8) (16)
						5,949	5,819	5,830		
Coyo Uprising GmbH	Technology	First Lien Senior Secured Term Loan	EURIBOR + 6.5%, 6.5% Cash	09/21	09/28	4,062	4,050	3,938	0.5 %	(3) (7) (8) (14)
			Class A Units (440 units)	N/A	09/21	N/A	205	587	0.1 %	(3) (7)
			Class B Units (191 units)	N/A	09/21	N/A	446	252	— %	(3) (7)
							4,062	4,701	4,777	
Crash Champions	Automotive	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	05/21	08/25	14,567	14,040	13,968	1.9 %	(7) (8) (10)
						14,567	14,040	13,968		
CSL DualCom	Tele-communications	First Lien Senior Secured Term Loan	GBP LIBOR + 5.5%, 5.5% Cash	09/20	09/27	1,341	1,203	1,301	0.2 %	(3) (7) (8) (13)
						1,341	1,203	1,301		
Custom Alloy Corporation	Manufacturer of Pipe Fittings & Forgings	Second Lien Loan Revolver	15.0% PIK	12/20	04/22	45,000	37,043	27,450	3.7 %	(7) (24) (25)
			15.0% PIK	12/20	04/22	4,255	3,738	2,596	0.3 %	(7) (24) (25)
						49,255	40,781	30,046		
CVL 3	Capital Equipment	First Lien Senior Secured Term Loan	EURIBOR + 5.5%, 5.5% Cash	12/21	12/28	5,913	5,724	5,766	0.8 %	(3) (7) (8) (14)
			SOFR + 5.5%, 5.5% Cash	12/21	12/28	3,382	3,298	3,298	0.4 %	(3) (7) (8) (22)
			6-Month Bridge Term Loan	12/21	06/22	796	772	788	0.1 %	(3) (7) (8) (14)
						10,091	9,794	9,852		
CW Group Holdings, LLC	High Tech Industries	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	01/21	01/27	2,817	2,762	2,774	0.4 %	(7) (8) (10)
			LLC Units (161,290.32 units)	N/A	01/21	N/A	161	112	— %	(7)
						2,817	2,923	2,886		
Dart Buyer, Inc.	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	04/19	04/25	12,217	12,047	11,734	1.6 %	(3) (7) (8) (10)
						12,217	12,047	11,734		
DecksDirect, LLC	Building Materials	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	12/21	12/26	727	713	713	0.1 %	(7) (8) (9)
			LIBOR + 6.0%, 7.0% Cash	12/21	12/26	—	(4)	(4)	— %	(7) (8) (10)
			LLC Units (1,280.8 units)	N/A	12/21	N/A	55	55	— %	(7)
						727	764	764		
Discovery Education, Inc.	Publishing	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	10/20	10/26	11,815	11,626	11,815	1.6 %	(7) (8) (10)
						11,815	11,626	11,815		
Distinct Holdings, Inc.	Systems Software	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	04/19	12/23	6,880	6,841	6,715	0.9 %	(7) (8) (9)
						6,880	6,841	6,715		

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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Dragon Bidco	Technology	First Lien Senior Secured Term Loan	EURIBOR + 6.75%, 6.8% Cash	04/21	04/28	\$ 2,729	\$ 2,812	\$ 2,676	0.4 %	(3) (7) (8) (15)
						2,729	2,812	2,676		
DreamStart Bidco SAS (d/b/a SmartTrade)	Diversified Financial Services	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 5.3% Cash	03/20	03/27	2,418	2,295	2,385	0.3 %	(3) (7) (8) (15)
						2,418	2,295	2,385		
Dune Group	Health Care Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.0% Cash	09/21	09/28	1,230	1,205	1,202	0.2 %	(3) (7) (8) (10)
		First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 5.8% Cash	09/21	09/28	131	105	113	— %	(3) (7) (8) (14)
						1,361	1,310	1,315		
Dwyer Instruments, Inc.	Electric	First Lien Senior Secured Term Loan	LIBOR + 5.50%, 6.3% Cash	07/21	07/27	4,563	4,452	4,516	0.6 %	(7) (8) (10)
						4,563	4,452	4,516		
Echo Global Logistics, Inc.	Air Transportation	Second Lien Senior Secured Term Loan	LIBOR + 7.25%, 8.0% Cash	11/21	11/29	14,469	14,210	14,216	1.9 %	(7) (8) (10)
		Partnership Equity (530.92 units)	N/A	11/21	N/A		531	531	0.1 %	(7)
						14,469	14,741	14,747		
Ellkay, LLC	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	09/21	09/27	4,988	4,892	4,898	0.7 %	(7) (8) (10)
						4,988	4,892	4,898		
EMI Porta Holdco LLC	Diversified Manufacturing	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.6% Cash	12/21	12/27	9,576	9,141	9,136	1.2 %	(7) (8) (10)
		Revolver	LIBOR + 5.75%, 6.5% Cash	12/21	12/27	—	(59)	(59)	— %	(7) (8) (10)
						9,576	9,082	9,077		
Entact Environmental Services, Inc.	Environmental Industries	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	02/21	12/25	5,705	5,657	5,631	0.8 %	(7) (8) (10)
						5,705	5,657	5,631		
EPS NASS Parent, Inc.	Electrical Components & Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	04/21	04/28	5,813	5,695	5,715	0.8 %	(7) (8) (10)
						5,813	5,695	5,715		
Eshipping, LLC	Transportation Services	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	11/21	11/27	5,965	5,799	5,795	0.8 %	(7) (8) (9)
		Revolver	LIBOR + 5.75%, 6.8% Cash	11/21	12/27	255	226	225	— %	(7) (8) (10)
						6,220	6,025	6,020		
F24 (Stairway BidCo GmbH)	Software Services	First Lien Senior Secured Term Loan	EURIBOR + 6.0% 6.0% Cash	08/20	08/27	1,621	1,649	1,621	0.2 %	(3) (7) (8) (14)
						1,621	1,649	1,621		
Ferrellgas L.P.	Oil & Gas Equipment & Services	OpCo Preferred Units (2,886 units)	N/A	03/21	N/A		2,799	3,146	0.4 %	(3) (7)
							2,799	3,146		
Fineline Technologies, Inc.	Consumer Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	02/21	02/28	1,306	1,283	1,306	0.2 %	(7) (8) (10)
						1,306	1,283	1,306		
FitzMark Buyer, LLC	Cargo & Transportation	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.5% Cash	12/20	12/26	4,269	4,197	4,184	0.6 %	(7) (8) (10)
						4,269	4,197	4,184		
Flexential Issuer, LLC	Information Technology	Structured Secured Note - Class C	6.9% Cash	11/21	11/51	16,000	14,817	15,609	2.1 %	
						16,000	14,817	15,609		

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FragilePak LLC	Transportation Services	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	05/21	05/27	\$ 4,697	\$ 4,519	\$ 4,541	0.6 %	(7)(8)(9)
		Partnership Units (937.5 units)	N/A	05/21	N/A		938	926	0.1 %	
						4,697	5,457	5,467		
Front Line Power Construction LLC	Construction Machinery	First Lien Senior Secured Term Loan	LIBOR + 12.5%, 13.5% Cash	11/21	11/28	4,000	3,872	3,880	0.5 %	(7)(8)(10)
		Common Stock (50,848 shares)	N/A	11/21	N/A		130	111	— %	
						4,000	4,002	3,991		
FSS Buyer LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.5% Cash	08/21	08/28	6,913	6,773	6,790	0.9 %	(7)(8)(10)
		LP Interest (1,160.9 units)	N/A	08/21	N/A		12	30	— %	(7)
		LP Units (5,104.32 units)	N/A	08/21	N/A		51	132	— %	(7)
						6,913	6,836	6,952		
GTM Intermediate Holdings, Inc.	Medical Equipment Manufacturer	Second Lien Loan	11.0% Cash, 1.0% PIK	12/20	12/24	11,500	11,449	11,500	1.5 %	(7)(25)
		Series A Preferred Units (1,434,472.41 units)	N/A	12/20	N/A		2,166	2,290	0.3 %	(7)(25)
		Series C Preferred Units (715,649.59 units)	N/A	12/20	N/A		1,081	1,184	0.2 %	(7)(25)
						11,500	14,696	14,974		
Gulf Finance, LLC	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan	LIBOR + 6.75%, 7.8% Cash	11/21	08/26	832	799	774	0.1 %	(8)(9)
						832	799	774		
Hawaiian Airlines 2020-1 Class B Pass Through Certificates	Airlines	Structured Secured Note - Class B	11.3% Cash	08/20	09/25	6,093	6,093	7,213	1.0 %	
						6,093	6,093	7,213		
Heartland Veterinary Partners, LLC	Healthcare	Subordinated Term Loan	11.0% PIK	11/21	11/27	9,343	9,096	9,093	1.2 %	(7)
						9,343	9,096	9,093		
Heartland, LLC	Business Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	08/19	08/25	14,075	13,976	13,794	1.9 %	(7)(8)(10)
						14,075	13,976	13,794		
Heavy Construction Systems Specialists, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.5% Cash	11/21	11/27	7,368	7,199	7,221	1.0 %	(7)(8)(10)
		Revolver	LIBOR + 5.75%, 6.5% Cash	11/21	11/27	—	(54)	(53)	— %	(7)(8)(10)
						7,368	7,145	7,168		
Heilbron (f/k/a Sucsez (Bolt Bidco B.V.))	Insurance	First Lien Senior Secured Term Loan	EURIBOR + 5.0%, 5.0% Cash	09/19	09/26	8,789	9,380	8,612	1.2 %	(3)(7)(8)(15)
						8,789	9,380	8,612		
Highpoint Global LLC	Government Services	Second Lien Note	12.0% Cash, 2.0% PIK	12/20	09/22	5,416	5,395	5,416	0.7 %	(7)(25)
						5,416	5,395	5,416		
Home Care Assistance, LLC	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	03/21	03/27	3,830	3,762	3,753	0.5 %	(7)(8)(10)
						3,830	3,762	3,753		
HTI Technology & Industries	Electronic Component Manufacturing	Second Lien Note	12.0% Cash, 4.8% PIK	12/20	09/24	22,746	22,096	22,215	3.0 %	(7)(25)
						22,746	22,096	22,215		
HW Holdco, LLC (Hanley Wood LLC)	Advertising	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	12/18	12/24	13,437	13,189	13,137	1.8 %	(7)(8)(9)
						13,437	13,189	13,137		

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IGL Holdings III Corp.	Commercial Printing	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	11/20	11/26	\$ 4,324	\$ 4,231	\$ 4,268	0.6 %	(7) (8) (10)					
						4,324	4,231	4,268							
IM Analytics Holding, LLC (d/b/a NVI)	Electronic Instruments & Components	First Lien Senior Secured Term Loan Warrants (68,950 units)	LIBOR + 7.0%, 8.0% Cash	11/19	11/23	8,126	8,085	6,603	0.9 %	(7) (8) (10)					
			N/A			11/19	N/A	—			—	— %	(7) (8)		
IM Square	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 5.3% Cash	05/21	04/28	7,051	7,232	6,938	0.9 %	(3) (7) (8) (15)					
						7,051	7,232	6,938							
Infonika Holdings GmbH	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 5.3% Cash	11/21	11/28	9,243	8,947	8,989	1.2 %	(3) (7) (8) (14)					
						9,243	8,947	8,989							
Innovad Group II BV	Beverage, Food & Tobacco	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 5.8% Cash	04/21	04/28	6,256	6,321	5,876	0.8 %	(3) (7) (8) (14)					
						6,256	6,321	5,876							
INOS 19-090 GmbH	Aerospace & Defense	First Lien Senior Secured Term Loan	EURIBOR + 6.13%, 6.1% Cash	12/20	12/27	5,271	5,495	5,263	0.7 %	(3) (7) (8) (14)					
						5,271	5,495	5,263							
ISS#2, LLC (d/b/a Industrial Services Solutions)	Commercial Services & Supplies	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	02/20	02/26	6,737	6,639	6,407	0.9 %	(7) (8) (10)					
						6,737	6,639	6,407							
ITI Intermodal, Inc.	Transportation Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	12/21	12/27	721	705	705	0.1 %	(7) (8) (9)					
			Revolver			LIBOR + 4.75%, 5.8% Cash	12/21	12/27			—	(2)	(2)	— %	(7) (8) (10)
											721	703	703		
Jade Bidco Limited (Jane's)	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 4.5% Cash, 2.0% PIK	11/19	12/26	2,315	2,257	2,315	0.3 %	(3) (7) (8) (11)					
						2,315	2,257	2,315							
Jaguar Merger Sub Inc.	Other Financial	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	12/21	09/24	2,543	2,487	2,486	0.3 %	(7) (8) (10)					
			Revolver			LIBOR + 5.25%, 6.3% Cash	12/21	09/24			—	(6)	(6)	— %	(7) (8) (10)
											2,543	2,481	2,480		
Jedson Engineering, Inc.	Engineering & Construction Management	First Lien Loan	12.0% Cash	12/20	06/24	2,650	2,650	2,650	0.4 %	(7) (25)					
						2,650	2,650	2,650							
JetBlue 2019-1 Class B Pass Through Trust	Airlines	Structured Secured Note - Class B	8.0% Cash	08/20	11/27	4,165	4,165	4,805	0.6 %						
						4,165	4,165	4,805							
JF Acquisition, LLC	Automotive	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	05/21	07/24	3,866	3,763	3,711	0.5 %	(7) (8) (10)					
						3,866	3,763	3,711							
Kano Laboratories LLC	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	11/20	11/26	9,002	8,773	8,728	1.2 %	(7) (8) (11)					
			Partnership Equity (203.2 units)			N/A	11/20	N/A				203	205	— %	(7)
											9,002	8,976	8,933		
Kene Acquisition, Inc. (En Engineering)	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 5.3% Cash	08/19	08/26	7,225	7,125	7,080	1.0 %	(7) (8) (9)					
						7,225	7,125	7,080							

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Kid Distro Holdings, LLC	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	10/21	10/27	\$ 9,362	\$ 9,168	\$ 9,174	1.2 %	(7) (8) (10)
		Partnership Equity (637,677.11 units)	N/A	10/21	N/A		638	638	0.1 %	
						9,362	9,806	9,812		
Kona Buyer, LLC	High Tech Industries	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.3% Cash	12/20	12/27	8,994	8,785	8,994	1.2 %	(7) (8) (10)
						8,994	8,785	8,994		
LAF International	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	EURIBOR + 6.0%, 6.0% Cash	03/21	03/28	1,478	1,543	1,446	0.2 %	(3) (7) (8) (15)
						1,478	1,543	1,446		
Lambir Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	EURIBOR + 6.0%, 6.0% Cash	12/21	12/28	5,017	4,770	4,810	0.7 %	(3) (7) (8) (14)
		Second Lien Senior Secured Term Loan	12.0% PIK	12/21	06/29	1,417	1,363	1,375	0.2 %	(3) (7)
		Revolver	EURIBOR + 6.0%, 6.0% Cash	12/21	12/24	314	292	295	— %	(3) (7) (8) (14)
					6,748	6,425	6,480			
Learfield Communications, LLC	Broadcasting	First Lien Senior Secured Term Loan	LIBOR + 3.25%, 4.3% Cash	08/20	12/23	135	95	128	— %	(8) (9)
		First Lien Senior Secured Term Loan	LIBOR + 3.0%, 3.0% Cash, 10.2% PIK	08/20	12/23	7,954	7,909	7,959	1.1 %	(10)
					8,089	8,004	8,087			
Legal Solutions Holdings	Business Services	Senior Subordinated Loan	16.0% PIK	12/20	03/22	11,836	10,129	5,918	0.8 %	(7) (24) (25)
						11,836	10,129	5,918		
LivTech Purchaser, Inc.	Business Services	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	01/21	12/25	918	908	910	0.1 %	(7) (8) (10)
						918	908	910		
Marmoutier Holding B.V.	Consumer Products	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 5.8% Cash	12/21	12/28	1,944	1,872	1,880	0.3 %	(3) (7) (8) (14)
		Revolver	EURIBOR + 5.0%, 5.0% Cash	12/21	06/27	—	(4)	(4)	— %	(3) (7) (8) (14)
					1,944	1,868	1,876			
MC Group Ventures Corporation	Business Services	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	07/21	06/27	3,687	3,598	3,656	0.5 %	(7) (8) (10)
		Partnership Units (746.66 units)	N/A	06/21	N/A		747	761	0.1 %	(7)
					3,687	4,345	4,417			
Media Recovery, Inc. (SpotSee)	Containers, Packaging & Glass	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	11/19	11/25	2,933	2,892	2,933	0.4 %	(7) (8) (10)
		First Lien Senior Secured Term Loan	GBP LIBOR + 6.0%, 7.0% Cash	12/20	11/25	4,442	4,303	4,442	0.6 %	(7) (8) (12)
					7,375	7,195	7,375			
Medical Solutions Parent Holdings, Inc.	Healthcare	Second Lien Senior Secured Term Loan	LIBOR + 7.0%, 7.5% Cash	11/21	11/29	4,421	4,377	4,362	0.6 %	(8) (10)
						4,421	4,377	4,362		
MNS Buyer, Inc.	Construction & Building	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	08/21	08/27	921	903	905	0.1 %	(7) (8) (9)
		Partnership Units (76.92 units)	N/A	08/21	N/A		77	78	— %	(7)
					921	980	983			
Modern Star Holdings Bidco Pty Limited.	Non-durable Consumer Goods	First Lien Senior Secured Term Loan	BBSY + 6.25%, 6.8% Cash	12/20	12/26	8,368	8,281	8,299	1.1 %	(3) (7) (8) (19)
						8,368	8,281	8,299		
MSG National Properties	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 7.0% Cash	11/20	11/25	2,437	2,378	2,486	0.3 %	(3) (7) (8) (10)
						2,437	2,378	2,486		

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Murphy Midco Limited	Media, Diversified & Production	First Lien Senior Secured Term Loan	GBP LIBOR + 4.75%, 4.8% Cash	11/20	11/27	\$ 5,252	\$ 4,951	\$ 5,104	0.7 %	(3) (7) (8) (13)
						5,252	4,951	5,104		
Music Reports, Inc.	Media & Entertainment	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	08/20	08/26	7,462	7,288	7,313	1.0 %	(7) (8) (10)
						7,462	7,288	7,313		
Narda Acquisitionco., Inc.	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	12/21	12/27	5,680	5,581	5,580	0.7 %	(7) (8) (10)
		Revolver	LIBOR + 5.25%, 6.3% Cash	12/21	12/27		(23)	(23)	— %	(7) (8) (10)
		Class A Preferred Stock (4,587.38 shares)	N/A	12/21	N/A		459	459	0.1 %	(7)
		Class B Common Stock (509.71 shares)	N/A	12/21	N/A		51	51	— %	(7)
						5,680	6,068	6,067		
Navia Benefit Solutions, Inc.	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	02/21	02/27	2,727	2,668	2,703	0.4 %	(7) (8) (10)
						2,727	2,668	2,703		
Nexus Underwriting Management Limited	Other Financial	First Lien Senior Secured Term Loan	SONIA + 5.25%, 5.3% Cash	12/21	10/28	1,691	1,620	1,630	0.2 %	(3) (7) (8) (17)
		First Lien Senior Secured Term Loan	SONIA + 5.25%, 5.3% Cash	12/21	04/22	103	102	101	— %	(3) (7) (8) (17)
						1,794	1,722	1,731		
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions)	Energy Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 5.3% Cash	10/18	10/25	4,753	4,734	4,677	0.6 %	(7) (8) (9)
						4,753	4,734	4,677		
Northstar Recycling, LLC	Environmental Industries	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	10/21	09/27	2,500	2,452	2,450	0.3 %	(7) (8) (10)
						2,500	2,452	2,450		
OA Buyer, Inc.	Healthcare	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 6.8% Cash	12/21	12/28	8,501	8,331	8,331	1.1 %	(7) (8) (10)
		Revolver	LIBOR + 6.0%, 6.8% Cash	12/21	12/28	—	(27)	(27)	— %	(7) (8) (10)
		Partnership Units (210,920.11 units)	N/A	12/21	N/A		211	211	— %	(7)
						8,501	8,515	8,515		
Odeon Cinemas Group Limited	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan	10.8% Cash	02/21	08/23	3,954	4,055	4,033	0.5 %	(3) (7)
						3,954	4,055	4,033		
OG III B.V.	Containers & Glass Products	First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 5.8% Cash	06/21	06/28	2,916	2,997	2,843	0.4 %	(3) (7) (8) (14)
						2,916	2,997	2,843		
Omni Intermediate Holdings, LLC	Transportation	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	12/20	12/26	11,831	11,461	11,491	1.5 %	(7) (8) (9)
						11,831	11,461	11,491		
Options Technology Ltd.	Computer Services	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.5% Cash	12/19	12/25	2,313	2,282	2,267	0.3 %	(3) (7) (8) (10)
						2,313	2,282	2,267		
Oracle Vision Bidco Limited	Healthcare	First Lien Senior Secured Term Loan	SONIA + 5.25%, 5.3% Cash	06/21	05/28	3,100	3,141	3,028	0.4 %	(3) (7) (8) (17)
						3,100	3,141	3,028		

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Origin Bidco Limited	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	06/21	06/28	\$ 597	\$ 582	\$ 584	0.1 %	(3) (7) (8) (10)
		First Lien Senior Secured Term Loan	EURIBOR + 5.75%, 5.8% Cash	06/21	06/28	377	394	369	— %	(3) (7) (8) (14)
						974	976	953		
OSP Hamilton Purchaser, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	12/21	12/27	2,281	2,235	2,235	0.3 %	(7) (8) (9)
		Revolver	LIBOR + 5.75%, 6.8% Cash	12/21	12/27	—	(4)	(4)	— %	(7) (8) (10)
						2,281	2,231	2,231		
Pacific Health Supplies Bidco Pty Limited	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	BBSY + 6.0%, 6.5% Cash	12/20	12/25	8,779	8,730	8,529	1.1 %	(3) (7) (8) (20)
						8,779	8,730	8,529		
Pare SAS (SAS Maurice MARLE)	Health Care Equipment	First Lien Senior Secured Term Loan	EURIBOR + 6.75%, 6.8% Cash	12/19	12/26	4,638	4,478	4,638	0.6 %	(3) (7) (14)
						4,638	4,478	4,638		
Patriot New Midco 1 Limited (Forensic Risk Alliance)	Diversified Financial Services	First Lien Senior Secured Term Loan	LIBOR + 6.75%, 7.8% Cash	02/20	02/27	3,764	3,685	3,591	0.5 %	(3) (7) (8) (10)
		First Lien Senior Secured Term Loan	EURIBOR + 6.75%, 6.8% Cash	02/20	02/27	3,216	3,017	3,068	0.4 %	(3) (7) (8) (14)
						6,980	6,702	6,659		
PDQ.Com Corporation	Business Equipment & Services	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	08/21	08/27	9,062	8,710	8,707	1.2 %	(7) (8) (10)
		Class A-2 Partnership Units (26.32 units)	N/A	08/21	N/A	—	29	29	— %	(7)
						9,062	8,739	8,736		
Permaconn Bidco Ltd	Tele-communications	First Lien Senior Secured Term Loan	BBSY + 6.5%, 6.5% Cash	12/21	12/27	15,012	14,386	14,599	2.0 %	(3) (7) (8) (19)
						15,012	14,386	14,599		
Polara Enterprises, LLC	Capital Equipment	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	12/21	12/27	4,243	4,159	4,158	0.6 %	(7) (8) (10)
		Revolver	LIBOR + 4.75%, 5.8% Cash	12/21	12/27	—	(11)	(11)	— %	(7) (8) (10)
		Partnership Units (3,820.44 units)	N/A	12/21	N/A	—	382	382	— %	(7)
						4,243	4,530	4,529		
Policy Services Company, LLC	Property & Casualty Insurance	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash, 4.0% PIK	12/21	06/26	45,831	44,018	44,008	5.9 %	(7) (8) (10)
		Warrants - Class A (28,260 units)	N/A	12/21	N/A	—	—	—	— %	(7)
		Warrants - Class B (9,537 units)	N/A	12/21	N/A	—	—	—	— %	(7)
		Warrants - Class CC (980 units)	N/A	12/21	N/A	—	—	—	— %	(7)
		Warrants - Class D (2,520 units)	N/A	12/21	N/A	—	—	—	— %	(7)
						45,831	44,018	44,008		
Premium Franchise Brands, LLC	Research & Consulting Services	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 7.3% Cash	12/20	12/26	14,853	14,597	14,556	2.0 %	(7) (8) (10)
						14,853	14,597	14,556		
Premium Invest	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan	EURIBOR + 6.0%, 6.0% Cash	06/21	06/28	4,094	4,113	4,010	0.5 %	(3) (7) (8) (14)
						4,094	4,113	4,010		
Preqin MC Limited	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan	SOFR + 5.5%, 5.5% Cash	08/21	07/28	2,789	2,695	2,764	0.4 %	(3) (7) (8) (23)
						2,789	2,695	2,764		

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Process Equipment, Inc. (ProcessBarron)	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	03/19	03/25	\$ 6,174	\$ 6,115	\$ 5,945	0.8 %	(7) (8) (10)
						6,174	6,115	5,945		
Professional Datasolutions, Inc. (PDI)	Application Software	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.5% Cash	03/19	10/24	1,836	1,833	1,809	0.2 %	(7) (8) (10)
						1,836	1,833	1,809		
Protego Bidco B.V.	Aerospace & Defense	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 5.3% Cash	03/21	03/27	2,227	2,269	2,195	0.3 %	(3) (7) (8) (14)
						First Lien Senior Secured Term Loan	EURIBOR + 6.0%, 66.0% Cash	03/21		
		3,775	3,830	3,690						
QPE7 SPV1 BidCo Pty Ltd	Consumer Cyclical	First Lien Senior Secured Term Loan	BBSY + 5.5%, 6.0% Cash	09/21	09/26	1,632	1,564	1,605	0.2 %	(3) (7) (8) (20)
						1,632	1,564	1,605		
Questel Unite	Business Services	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 6.8% Cash	12/20	12/27	6,892	6,802	6,851	0.9 %	(3) (7) (8) (10)
						6,892	6,802	6,851		
Recovery Point Systems, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 6.5%, 7.5% Cash	08/20	08/26	11,648	11,460	11,648	1.6 %	*(7) (8) (10)
						Partnership Equity (187,235 units)	N/A	03/21		
		11,648	11,647	11,798						
Renovation Parent Holdings, LLC	Home Furnishings	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	11/21	11/27	4,854	4,735	4,733	0.7 %	(7) (8) (11)
						Partnership Equity (197,368.42 units)	N/A	11/21		
		4,854	4,932	4,936						
REP SEKO MERGER SUB LLC	Air Freight & Logistics	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	12/20	12/26	7,614	7,416	7,478	1.0 %	(7) (8) (10)
						7,614	7,416	7,478		
Resonetics, LLC	Health Care Equipment	Second Lien Senior Secured Term Loan	LIBOR + 7.0%, 7.8% Cash	04/21	04/29	4,011	3,934	3,930	0.5 %	(7) (8) (10)
						4,011	3,934	3,930		
Reward Gateway (UK) Ltd	Precious Metals & Minerals	First Lien Senior Secured Term Loan	SONIA + 6.75%, 6.8% Cash	08/21	06/28	2,869	2,807	2,776	0.4 %	(3) (7) (8) (17)
						2,869	2,807	2,776		
Riedel Beheer B.V.	Food & Beverage	First Lien Senior Secured Term Loan	EURIBOR + 5.5%, 5.5% Cash	12/21	12/28	1,899	1,835	1,843	0.3 %	(3) (7) (8) (14)
						Revolver	EURIBOR + 5.5%, 5.5% Cash	12/21		
		Super Senior Secured Term Loan	EURIBOR + 5.5%, 5.5% Cash	12/21	12/28				230	222
						2,129	2,052	2,061		
RPX Corporation	Research & Consulting Services	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	10/20	10/25	7,612	7,426	7,455	1.0 %	(7) (8) (10)
						7,612	7,426	7,455		
Ruffalo Noel Levitz, LLC	Media Services	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	01/19	05/24	9,543	9,524	9,543	1.3 %	(7) (8) (10)
						9,543	9,524	9,543		
Safety Products Holdings, LLC	Non-durable Consumer Goods	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	12/20	12/26	12,026	11,798	11,755	1.5 %	(7) (8) (9)
						Preferred Stock (372.1 shares)	N/A	12/20		
		12,026	12,170	12,265						

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Scaled Agile, Inc.	Research & Consulting Services	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.3% Cash	12/21	12/28	\$ 1,748	\$ 1,705	\$ 1,705	0.2 %	(7) (8) (10)
		Revolver	LIBOR + 5.5%, 6.3% Cash	12/21	12/28	—	(7)	(7)	— %	(7) (8) (10)
						1,748	1,698	1,698		
Serta Simmons Bedding LLC	Home Furnishings	Super Priority First Out	LIBOR + 7.5%, 8.5% Cash	06/20	08/23	7,350	7,229	7,409	1.0 %	(8) (9)
		Super Priority Second Out	LIBOR + 7.5%, 8.5% Cash	06/20	08/23	3,607	3,374	3,365	0.4 %	(8) (9)
						10,957	10,603	10,774		
SISU ACQUISITION O., INC.	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	12/20	12/26	7,009	6,869	6,771	0.9 %	(7) (8) (10)
						7,009	6,869	6,771		
Smartling, Inc.	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	11/21	11/27	16,471	16,102	16,094	2.2 %	(7) (8) (10)
		Revolver	LIBOR + 5.75%, 6.8% Cash	11/21	11/27	—	(23)	(24)	— %	(7) (8) (10)
						16,471	16,079	16,070		
Smile Brands Group Inc.	Health Care Services	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.3% Cash	10/18	10/25	4,593	4,571	4,553	0.6 %	(7) (8) (10)
		First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.3% Cash	12/20	10/25	—	(12)	(6)	— %	(7) (8) (10)
						4,593	4,559	4,547		
SN BUYER, LLC	Health Care Services	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	12/20	12/26	18,394	18,080	18,394	2.5 %	(7) (8) (9)
						18,394	18,080	18,394		
Springbrook Software (SBRK Intermediate, Inc.)	Enterprise Software & Services	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	12/19	12/26	10,346	10,179	10,346	1.4 %	(7) (8) (10)
						10,346	10,179	10,346		
SPT Acquico Limited	High Tech Industries	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	01/21	12/27	658	644	658	0.1 %	(3) (7) (8) (10)
						658	644	658		
SSCP Pegasus Midco Limited	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan	GBP LIBOR + 6.75%, 6.8% Cash	12/20	11/27	2,754	2,488	2,722	0.4 %	(3) (7) (8) (12)
						2,754	2,488	2,722		
Starnmeer B.V.	Technology	First Lien Senior Secured Term Loan	LIBOR + 6.4%, 6.9% Cash	10/21	04/27	7,500	7,391	7,388	1.0 %	(3) (7) (8) (10)
						7,500	7,391	7,388		
Superjet Buyer, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.5% Cash	12/21	12/27	23,175	22,711	22,711	3.0 %	(7) (8) (10)
		Revolver	LIBOR + 5.75%, 6.5% Cash	12/21	12/27	—	(37)	(37)	— %	(7) (8) (10)
						23,175	22,674	22,674		
Syniverse Holdings, Inc.	Technology Distributors	First Lien Senior Secured Term Loan	LIBOR + 5.0%, 6.0% Cash	08/18	03/23	17,314	16,493	17,192	2.3 %	(8) (10)
						17,314	16,493	17,192		
Syntax Systems Ltd	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.3% Cash	11/21	10/28	2,056	2,018	2,016	0.3 %	(3) (7) (8) (9)
		Revolver	LIBOR + 5.5%, 6.3% Cash	11/21	10/26	442	432	432	— %	(3) (7) (8) (9)
						2,498	2,450	2,448		
TA SL Cayman Aggregator Corp.	Technology	Subordinated Term Loan	8.8% PIK	07/21	07/28	1,995	1,957	1,960	0.3 %	(7)
		Common Stock (1,227.9 shares)	N/A	07/21	N/A	—	50	65	— %	(7)
						1,995	2,007	2,025		

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021
(Amounts in thousands, except share amounts)

Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Techone B.V.	Technology	First Lien Senior Secured Term Loan	EURIBOR + 5.5%, 5.5% Cash	11/21	11/28	\$ 8,726	\$ 8,428	\$ 8,441	1.1 %	(3) (7) (8) (14)
		Revolver	EURIBOR + 5.5%, 5.5% Cash	11/21	05/28	108	97	97	— %	(3) (7) (8) (14)
						8,834	8,525	8,538		
Tencarva Machinery Company, LLC	Capital Equipment	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	12/21	12/27	5,486	5,375	5,374	0.7 %	(7) (8) (10)
		Revolver	LIBOR + 5.5%, 6.5% Cash	12/21	12/27	—	(20)	(20)	— %	(7) (8) (10)
						5,486	5,355	5,354		
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan	LIBOR + 4.25%, 5.3% Cash	10/21	12/27	847	776	776	0.1 %	(7) (8) (10)
		Revolver	LIBOR + 4.25%, 5.3% Cash	10/21	12/27	—	(14)	(14)	— %	(7) (8) (10)
		Subordinated Term Loan	7.8% PIK	10/21	10/28	3,333	3,268	3,267	0.4 %	(7)
						4,180	4,030	4,029		
The Hilb Group, LLC	Insurance Brokerage	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	12/19	12/26	20,279	19,880	19,874	2.7 %	(7) (8) (10)
		First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.3% Cash	12/19	12/26	55	(1)	(2)	— %	(7) (8) (10)
						20,334	19,879	19,872		
Total Safety U.S. Inc.	Diversified Support Services	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	11/19	08/25	6,583	6,393	6,482	0.9 %	(8) (11)
						6,583	6,393	6,482		
Transit Technologies LLC	Software	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	02/20	02/25	6,035	5,946	5,846	0.8 %	(7) (8) (10)
						6,035	5,946	5,846		
Transportation Insight, LLC	Air Freight & Logistics	First Lien Senior Secured Term Loan	LIBOR + 4.5%, 4.6% Cash	08/18	12/24	11,330	11,260	11,160	1.5 %	(7) (8) (9)
						11,330	11,260	11,160		
Trident Maritime Systems, Inc.	Aerospace & Defense	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	02/21	02/27	14,888	14,665	14,888	2.0 %	(7) (8) (10)
						14,888	14,665	14,888		
Truck-Lite Co., LLC	Automotive Parts & Equipment	First Lien Senior Secured Term Loan	LIBOR + 6.25%, 7.3% Cash	12/19	12/26	15,002	14,623	14,611	2.0 %	(7) (8) (10)
						15,002	14,623	14,611		
Trystar, LLC	Power Distribution Solutions	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	09/18	09/23	11,988	11,777	11,778	1.6 %	(7) (8) (10)
		Class A LLC Units (440.97 units)	N/A	09/18	N/A	—	481	412	— %	(7)
						11,988	12,258	12,190		
Turbo Buyer, Inc.	Finance Companies	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	11/21	12/25	8,430	8,226	8,220	1.1 %	(7) (8) (10)
						8,430	8,226	8,220		
Turf Products, LLC	Landscaping & Irrigation Equipment Distributor	Senior Subordinated Debt	10.0% Cash	12/20	10/23	8,697	8,384	8,627	1.2 %	(7) (25)
						8,697	8,384	8,627		
Turnberry Solutions, Inc.	Consumer Cyclical	First Lien Senior Secured Term Loan	LIBOR + 6.0%, 7.0% Cash	07/21	09/26	4,500	4,406	4,423	0.6 %	(7) (8) (10)
						4,500	4,406	4,423		
U.S. Gas & Electric, Inc.	Energy Services	Second Lien Loan	9.5% Cash	12/20	07/25	2,285	1,785	1,785	0.2 %	(7) (25)
		Second Lien Loan	9.5% Cash	12/20	07/25	2,485	—	—	— %	(7) (25) (26)
						4,770	1,785	1,785		
U.S. Silica Company	Metal & Glass Containers	First Lien Senior Secured Term Loan	LIBOR + 4.0%, 5.0% Cash	08/18	05/25	1,472	1,474	1,437	0.2 %	(3) (8) (9)
						1,472	1,474	1,437		

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
UKFast Leaders Limited	Technology	First Lien Senior Secured Term Loan	SONIA + 7.0%, 7.1% Cash	09/20	09/27	\$ 12,312	\$ 11,399	\$ 12,090	1.6 %	(3) (7) (8) (16)
						12,312	11,399	12,090		
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.)	Legal Services	First Lien Senior Secured Term Loan	LIBOR + 5.75%, 6.8% Cash	11/18	11/24	16,222	16,065	16,222	2.2 %	(7) (8) (10)
						16,222	16,065	16,222		
Utac Ceram	Business Services	First Lien Senior Secured Term Loan	EURIBOR + 5.25%, 5.3% Cash	09/20	09/27	1,706	1,706	1,673	0.2 %	(3) (7) (8) (14)
		First Lien Senior Secured Term Loan	LIBOR + 5.25%, 5.5% Cash	02/21	09/27	3,518	3,456	3,451	0.5 %	(3) (7) (8) (10)
						5,224	5,162	5,124		
Validity, Inc.	IT Consulting & Other Services	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 4.8% Cash	07/19	05/25	4,783	4,687	4,764	0.6 %	(7) (8) (9)
						4,783	4,687	4,764		
VistaJet Pass Through Trust 2021-1B	Airlines	Structured Secured Note - Class B	6.3% Cash	11/21	02/29	5,000	5,000	4,905	0.7 %	
						5,000	5,000	4,905		
Vital Buyer, LLC	Technology	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.3% Cash	06/21	06/28	7,802	7,656	7,676	1.1 %	(7) (8) (10)
		Partnership Units (16,442.9 units)	N/A	06/21	N/A		164	171	— %	(7)
						7,802	7,820	7,847		
W2O Holdings, Inc.	Healthcare Technology	First Lien Senior Secured Term Loan	LIBOR + 4.75%, 5.8% Cash	10/20	06/25	2,152	2,090	2,152	0.3 %	(7) (8) (10)
						2,152	2,090	2,152		
Woodland Foods, LLC	Food & Beverage	First Lien Senior Secured Term Loan	LIBOR + 5.5%, 6.5% Cash	12/21	12/27	11,512	11,285	11,282	1.5 %	(7) (8) (10)
		Revolver	LIBOR + 5.5%, 6.5% Cash	12/21	12/27	172	128	127	0.1 %	(7) (8) (10)
		Common Stock (1,663,307.18 shares)	N/A	12/21	N/A		1,663	1,663	0.2 %	(7)
						11,684	13,076	13,072		
World 50, Inc.	Professional Services	First Lien Senior Secured Term Loan	LIBOR + 5.25%, 6.3% Cash	01/20	01/26	3,280	3,202	3,280	0.4 %	(7) (8) (9)
		First Lien Senior Secured Term Loan	LIBOR + 4.5%, 5.5% Cash	09/20	01/26	9,009	8,852	8,872	1.2 %	(7) (8) (9)
						12,289	12,054	12,152		
Subtotal Non-Control / Non-Affiliate Investments (200.9%)						1,518,708	1,494,031	1,490,113		
Affiliate Investments:⁽⁴⁾										
Eclipse Business Capital, LLC	Banking, Finance, Insurance, & Real Estate	Second Lien Senior Secured Term Loan	7.5% Cash	07/21	07/28	4,545	4,502	4,738	0.6 %	(7)
		Revolver	LIBOR + 7.25%	07/21	07/28	1,818	1,691	1,818	12.5 %	(7) (10)
		LLC Units (89,447,396 units)	N/A	07/21	N/A		89,850	92,668	0.3 %	(7)
						6,363	96,043	99,224		
Jocasse Partners LLC	Investment Funds & Vehicles	9.1% Member Interest	N/A	06/19	N/A		30,158	37,601	5.1 %	(3)
							30,158	37,601		
JSC Tekers Holdings	Real Estate Management	Preferred Stock (9,159,085 shares)	N/A	12/20	N/A		4,753	6,197	0.8 %	(3) (7) (25)
		Common Stock (3,201 shares)	N/A	12/20	N/A		—	—	— %	(3) (7) (25)
							4,753	6,197		

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021
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Portfolio Company ⁽⁶⁾	Industry	Investment Type ⁽¹⁾⁽²⁾	Interest	Acq. Date	Maturity Date	Principal Amount	Cost	Fair Value	% of Net Assets *	Notes
Security Holdings B.V.	Electrical Engineering	Bridge Loan	5.0% PIK	12/20	02/27	\$ 5,451	\$ 5,451	\$ 5,451	0.7 %	(3) (7) (25)
		Senior Subordinated Loan	3.1% PIK	12/20	05/22	9,525	9,525	9,525	1.3 %	(3) (7) (25)
		Senior Unsecured Term Loan	6.0% Cash, 9.0% PIK	04/21	04/25	7,307	7,639	7,307	1.0 %	(3) (7) (25)
		Common Stock (900 shares)	N/A	12/20	N/A		21,264	24,825	3.3 %	(3) (7) (25)
						22,283	43,879	47,108		
Thompson Rivers LLC	Investment Funds & Vehicles	15.90% Member Interest	N/A	06/20	N/A		79,414	84,438	11.3 %	(3)
							79,414	84,438		
Waccamaw River LLC	Investment Funds & Vehicles	20% Member Interest	N/A	02/21	N/A		13,720	13,501	1.8 %	(3)
							13,720	13,501		
Subtotal Affiliate Investments (38.8%)						28,646	267,967	288,069		
Control Investments:⁽⁵⁾										
MVC Automotive Group Gmbh	Automotive	Bridge Loan	6.0% Cash	12/20	06/26	7,149	7,149	7,149	1.0 %	(3) (7) (25)
		Common Equity Interest (18,000 shares)	N/A	12/20	N/A		9,553	7,699	1.0 %	(3) (7) (25)
						7,149	16,702	14,848		
MVC Private Equity Fund LP	Investment Funds & Vehicles	General Partnership Interest	N/A	12/20	N/A		225	188	— %	(3) (25)
		Limited Partnership Interest	N/A	12/20	N/A		8,899	7,376	1.0 %	(3) (25)
							9,124	7,564		
Subtotal Control Investments (3.0%)						7,149	25,826	22,412		
Total Investments, December 31, 2021 (242.7%)						<u>\$ 1,554,503</u>	<u>\$ 1,787,824</u>	<u>\$ 1,800,594</u>		

Derivative Instruments

Credit Support Agreement(a)(b)(d)

Description	Counterparty	Settlement Date(c)	Notional Amount	Value	Unrealized Appreciation (Depreciation)
Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000	\$ 15,400	\$ 1,800

Total Credit Support Agreement, December 31, 2021

\$ 1,800

- The MVC Credit Support Agreement covers all of the investments acquired by the Company from MVC in connection with the MVC Acquisition (as defined in “Note 1 – Organization, Business, Basis of Presentation and Summary of Significant Accounting Policies”) and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the MVC Reference Portfolio. Each investment that is included in the MVC Reference Portfolio is denoted in the above Schedule of Investments with footnote (25).
- The Company and Barings entered into a Credit Support Agreement pursuant to which Barings agreed to provide credit support to the Company in the amount of up to \$23.0 million.
- Settlement Date means the earlier of (1) January 1, 2031 or (2) the date on which the entire MVC Reference Portfolio has been realized or written off.
- See “Note 2 – Agreements and Related Party Transactions” for additional information regarding the MVC Credit Support Agreement.

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021
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Foreign Currency Forward Contracts:

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
Foreign currency forward contract (AUD)	A\$31,601	\$22,850	Bank of America, N.A.	01/06/22	\$ 126
Foreign currency forward contract (AUD)	A\$2,099	\$1,508	HSBC Bank USA	01/06/22	18
Foreign currency forward contract (AUD)	\$20,727	A\$28,700	Citibank N.A.	01/06/22	(139)
Foreign currency forward contract (AUD)	\$3,580	A\$5,000	HSBC Bank USA	04/08/22	(55)
Foreign currency forward contract (AUD)	\$18,247	A\$25,386	Bank of America, N.A.	04/08/22	(215)
Foreign currency forward contract (CAD)	C\$3,230	\$2,528	Bank of America, N.A.	01/06/22	29
Foreign currency forward contract (CAD)	C\$3,000	\$2,425	HSBC Bank USA	01/06/22	(50)
Foreign currency forward contract (CAD)	\$4,881	C\$6,230	HSBC Bank USA	01/06/22	(51)
Foreign currency forward contract (CAD)	\$2,506	C\$3,203	Bank of America, N.A.	04/08/22	(29)
Foreign currency forward contract (DKK)	2,143kr.	\$326	Bank of America, N.A.	01/06/22	1
Foreign currency forward contract (DKK)	\$335	2,143kr.	Bank of America, N.A.	01/06/22	7
Foreign currency forward contract (DKK)	\$323	2,116kr.	Bank of America, N.A.	04/08/22	(1)
Foreign currency forward contract (EUR)	€52,583	\$59,524	Bank of America, N.A.	01/06/22	275
Foreign currency forward contract (EUR)	€5,020	\$5,701	HSBC Bank USA	04/08/22	18
Foreign currency forward contract (EUR)	\$24,722	€21,500	Bank of America, N.A.	01/06/22	271
Foreign currency forward contract (EUR)	\$14,563	€12,900	HSBC Bank USA	01/06/22	(108)
Foreign currency forward contract (EUR)	\$20,655	€18,183	BNP Paribas SA	01/06/22	(23)
Foreign currency forward contract (EUR)	\$60,413	€53,265	Bank of America, N.A.	04/08/22	(282)
Foreign currency forward contract (EUR)	\$1,130	€1,000	HSBC Bank USA	04/08/22	(10)
Foreign currency forward contract (EUR)	\$8,514	€7,500	BNP Paribas SA	04/08/22	(33)
Foreign currency forward contract (GBP)	£9,900	\$13,220	Bank of America, N.A.	01/06/22	190
Foreign currency forward contract (GBP)	\$13,349	£9,900	BNP Paribas SA	01/06/22	(60)
Foreign currency forward contract (GBP)	\$6,122	£4,599	Bank of America, N.A.	04/08/22	(104)
Foreign currency forward contract (SEK)	1,792kr	\$198	HSBC Bank USA	01/07/22	—
Foreign currency forward contract (SEK)	\$204	1,792kr	Bank of America, N.A.	01/07/22	6
Foreign currency forward contract (SEK)	\$207	1,875kr	HSBC Bank USA	04/08/22	—
Total Foreign Currency Forward Contracts, December 31, 2021					\$ (219)

* Fair value as a percentage of net assets.

- (1) All debt investments are income producing, unless otherwise noted. Eclipse Business Capital, LLC, Ferrelgas L.P., Kano Laboratories LLC, Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing. The Board determined in good faith that all investments were valued at fair value in accordance with the Company's valuation policies and procedures and the 1940 Act, based on, among other things, the input of the Company's external investment adviser, Barings, the Company's Audit Committee and independent valuation firms that have been engaged to assist in the valuation of the Company's middle-market investments. In addition, all debt investments are variable rate investments unless otherwise noted. Index-based floating interest rates are generally subject to a contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to LIBOR, EURIBOR, GBP LIBOR, BBSY, STIBOR, CDOR, SOFR, SONIA or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically reset semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan.
- (2) All of the Company's portfolio company investments (including joint venture investments), which as of December 31, 2021 represented 242.7% of the Company's net assets, are subject to legal restrictions on sales. The acquisition date represents the date of the Company's initial investment in the relevant portfolio company.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 25.7% of total investments at fair value as of December 31, 2021. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying asset until such time as it complies with the requirements of Section 55(a).

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
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- (4) As defined in the 1940 Act, the Company is deemed to be an “affiliated person” of the portfolio company as the Company owns between 5% or more, up to 25% (inclusive), of the portfolio company’s voting securities (“non-controlled affiliate”). Transactions related to investments in non-controlled “Affiliate Investments” for the year ended December 31, 2021 were as follows:

Portfolio Company ⁽⁶⁾	Type of Investment ^(a)	December 31, 2020 Value	Gross Additions ^(b)	Gross Reductions ^(c)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2021 Value	Amount of Interest or Dividends Credited to Income ^(d)
Advantage Insurance, Inc. ^(e)	Preferred Stock (587,001 shares)	\$ 5,947	\$ —	\$ (5,870)	\$ (77)	\$ —	\$ —	\$ 72
		5,947	—	(5,870)	(77)	—	—	72
Eclipse Business Capital, LLC ^(e)	Second Lien Senior Secured Term Loan (7.5% Cash)	—	4,502	—	—	236	4,738	170
	Revolver (LIBOR + 7.25%)	—	1,691	—	—	127	1,818	53
	LLC units (89,447,396 units)	—	89,850	—	—	2,818	92,668	3,582
		—	96,043	—	—	3,181	99,224	3,805
Jocassee Partners LLC	9.1% Member Interest	22,624	10,000	—	—	4,977	37,601	—
		22,624	10,000	—	—	4,977	37,601	—
JSC Tekers Holdings ^(e)	Preferred Stock (9,159,085 shares)	4,753	—	—	—	1,444	6,197	—
	Common Stock (3,201 shares)	—	—	—	—	—	—	—
		4,753	—	—	—	1,444	6,197	—
Security Holdings B.V ^(e)	Bridge Loan (5.0% PIK 5/31/2021)	5,188	263	—	—	—	5,451	276
	Senior Subordinated Loan (3.1% PIK)	8,746	779	—	—	—	9,525	285
	Senior Unsecured Term Loan (9.0% PIK)	—	8,831	(1,168)	(24)	(332)	7,307	820
	Common Equity Interest	21,329	—	—	—	3,496	24,825	—
		35,263	9,873	(1,168)	(24)	3,164	47,108	1,381
Thompson Rivers LLC	15.90% Member Interest	10,012	69,414	—	—	5,012	84,438	4,776
		10,012	69,414	—	—	5,012	84,438	4,776
Waccamaw River LLC	20% Member Interest	—	13,763	(68)	—	(194)	13,501	280
		—	13,763	(68)	—	(194)	13,501	280
Total Affiliate Investments		\$ 78,599	\$ 199,093	\$ (7,106)	\$ (101)	\$ 17,584	\$ 288,069	\$ 10,314

- (a) Eclipse Business Capital, LLC, Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing.
- (b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.
- (c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.
- (d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Affiliate category.

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2021
(Amounts in thousands, except share amounts)

(e) The fair value of the investment was determined using significant unobservable inputs.

(5) As defined in the 1940 Act, the Company is deemed to be both an “affiliated person” and “control” the portfolio company because it owns more than 25% of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2021 in which the portfolio company is deemed to be a “Control Investment” of the Company were as follows:

Portfolio Company	Type of Investment(a)	December 31, 2020 Value	Gross Additions (b)	Gross Reductions (c)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2021 Value	Amount of Interest or Dividends Credited to Income(d)
MVC Automotive Group GmbH ^(e)	Common Equity Interest	\$ 9,582	\$ —	\$ —	\$ —	\$ (1,883)	\$ 7,699	\$ —
	Bridge Loan (6.0% Cash 12/31/2021)	7,149	—	—	—	—	7,149	435
		16,731	—	—	—	(1,883)	14,848	435
MVC Private Equity Fund LP	Limited Partnership Interest	8,899	—	—	—	(1,523)	7,376	—
	General Partnership Interest	225	—	—	—	(37)	188	643
		9,124	—	—	—	(1,560)	7,564	643
Waccamaw River LLC	50% Member Interest	—	4,500	(4,474)	—	(26)	—	—
Total Control Investments		\$ 25,855	\$ 4,500	\$ (4,474)	\$ —	\$ (3,469)	\$ 22,412	\$ 1,078

(a) Equity and equity-linked investments are non-income producing, unless otherwise noted.

(b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.

(c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.

(d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Control category.

(e) The fair value of the investment was determined using significant unobservable inputs.

(6) All of the investment is or will be encumbered as security for the Company’s senior secured credit facility with ING Capital LLC.

(7) The fair value of the investment was determined using significant unobservable inputs.

(8) Debt investment includes interest rate floor feature.

(9) The interest rate on these loans is subject to 1 Month LIBOR, which as of December 31, 2021 was 0.10125%.

(10) The interest rate on these loans is subject to 3 Month LIBOR, which as of December 31, 2021 was 0.20913%.

(11) The interest rate on these loans is subject to 6 Month LIBOR, which as of December 31, 2021 was 0.33875%.

(12) The interest rate on these loans is subject to 3 Month GBP LIBOR, which as of December 31, 2021 was 0.26225%.

(13) The interest rate on these loans is subject to 6 Month GBP LIBOR, which as of December 31, 2021 was 0.47363%.

(14) The interest rate on these loans is subject to 3 Month EURIBOR, which as of December 31, 2021 was -0.57200%.

(15) The interest rate on these loans is subject to 6 Month EURIBOR, which as of December 31, 2021 was -0.54600%.

(16) The interest rate on these loans is subject to 3 Month SONIA, which as of December 31, 2021 was 0.33830%.

(17) The interest rate on these loans is subject to 6 Month SONIA, which as of December 31, 2021 was 0.49870%.

(18) The interest rate on these loans is subject to 3 Month STIBOR, which as of December 31, 2021 was -0.00050%.

(19) The interest rate on these loans is subject to 1 Month BBSY, which as of December 31, 2021 was 0.01500%.

(20) The interest rate on these loans is subject to 3 Month BBSY, which as of December 31, 2021 was 0.06770%.

(21) The interest rate on these loans is subject to 3 Month CDOR, which as of December 31, 2021 was 0.51750%.

(22) The interest rate on these loans is subject to 3 Month SOFR, which as of December 31, 2021 was 0.09125%.

(23) The interest rate on these loans is subject to 6 Month SOFR, which as of December 31, 2021 was 0.19947%.

(24) Non-accrual investment.

(25) Investment was purchased as part of the MVC Acquisition and is part of the MVC Reference Portfolio for purposes of the MVC Credit Support Agreement.

(26) In 2017, MVC received \$5.7 million of 9.5% second lien callable notes due in 2025, in lieu of an escrow to satisfy any indemnification claims associated with MVC’s sale of its equity investment in U.S. Gas. Effective January 1, 2018, the cost basis of the U.S. Gas second lien loan was decreased by approximately \$3.0 million due to a working capital adjustment. This loan is still subject to indemnification adjustments.

See accompanying notes.

Barings BDC, Inc.
Notes to Consolidated Financial Statements

1. Organization, Business, Basis of Presentation and Summary of Significant Accounting Policies

Organization and Business

Barings BDC, Inc. (the “Company”) and its wholly-owned subsidiaries are specialty finance companies. The Company currently operates as a closed-end, non-diversified investment company and has elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company has elected for federal income tax purposes to be treated as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986, as amended (the “Code”).

The Asset Sale and Externalization Transactions

On April 3, 2018, the Company entered into an asset purchase agreement (the “Asset Purchase Agreement”) with BSP Asset Acquisition I, LLC (the “Asset Buyer”), an affiliate of Benefit Street Partners L.L.C., pursuant to which the Company agreed to sell its December 31, 2017 investment portfolio to the Asset Buyer for gross proceeds of \$981.2 million in cash, subject to certain adjustments to take into account portfolio activity and other matters occurring since December 31, 2017 (such transaction referred to herein as the “Asset Sale Transaction”).

Also on April 3, 2018, the Company entered into a stock purchase and transaction agreement (the “Externalization Agreement”) with Barings LLC (“Barings” or the “Adviser”), through which Barings agreed to become the investment adviser to the Company in exchange for (1) a payment by Barings of \$85.0 million directly to the Company’s stockholders, (2) an investment by Barings of \$100.0 million in newly issued shares of the Company’s common stock at net asset value and (3) a commitment from Barings to purchase up to \$50.0 million of shares of the Company’s common stock in the open market at prices up to and including the Company’s then-current net asset value per share for a two-year period, after which Barings agreed to use any remaining funds from the \$50.0 million to purchase additional newly issued shares of the Company’s common stock at the greater of the Company’s then-current net asset value per share and market price (collectively, the “Externalization Transaction”). The Asset Sale Transaction and the Externalization Transaction are collectively referred to as the “Transactions.” The Transactions were approved by the Company’s stockholders at the Company’s July 24, 2018 special meeting of stockholders.

The Company’s former wholly-owned subsidiaries, Triangle Mezzanine Fund LLLP (“Triangle SBIC”), Triangle Mezzanine Fund II LP (“Triangle SBIC II”) and Triangle Mezzanine Fund III LP (“Triangle SBIC III”) were specialty finance limited partnerships that were formed to make investments primarily in lower middle-market companies located throughout the United States. Each of Triangle SBIC, Triangle SBIC II and Triangle SBIC III held licenses to operate as Small Business Investment Companies (“SBICs”) under the authority of the United States Small Business Administration (“SBA”). In connection with the closing of the Asset Sale Transaction, the Company repaid all of its outstanding SBA-guaranteed debentures and surrendered the SBIC licenses held by Triangle SBIC, Triangle SBIC II, and Triangle SBIC III. The Company recognized a loss on extinguishment of debt of \$3.5 million related to the repayment of its outstanding SBA-guaranteed debentures. Triangle SBIC, Triangle SBIC II, and Triangle SBIC III were dissolved during the year ended December 31, 2019.

The Externalization Transaction closed on August 2, 2018 (the “Externalization Closing”). Effective as of the Externalization Closing, the Company changed its name from Triangle Capital Corporation to Barings BDC, Inc. and on August 3, 2018 began trading on the New York Stock Exchange (“NYSE”) under the symbol “BBDC.”

In connection with the Externalization Closing, the following events occurred:

- On August 2, 2018, the Company entered into an investment advisory agreement (the “Original Advisory Agreement”) and an administration agreement (the “Administration Agreement”) with the Adviser pursuant to which the Adviser serves as the Company’s investment adviser and administrator and manages its investment portfolio which initially consisted primarily of the cash proceeds received in connection with the Asset Sale Transaction.
- On August 2, 2018, the Company issued 8,529,917 shares of the Company’s common stock to the Adviser at a price of \$11.723443 per share, or an aggregate of \$100.0 million in cash, in a private transaction

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”) and/or Rule 506 of Regulation D thereunder (the “Stock Issuance”).

- On August 2, 2018, the Company entered into a registration rights agreement with the Adviser with respect to the shares of the Company’s common stock acquired in the Stock Issuance.
- On August 7, 2018, the Company launched a \$50.0 million issuer tender offer (the “Tender Offer”). Pursuant to the Tender Offer, on September 11, 2018, the Company purchased 4,901,961 shares of the Company’s common stock at a purchase price of \$10.20 per share, for an aggregate cost of approximately \$50.0 million, excluding fees and expenses relating to the Tender Offer. The shares of common stock purchased in the Tender Offer represented approximately 8.7% of the Company’s issued and outstanding shares as of September 6, 2018.
- On September 24, 2018, the Adviser entered into a Rule 10b5-1 Purchase Plan, (the “10b5-1 Plan”), that qualified for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Pursuant to the 10b5-1 Plan, an independent broker made purchases of shares of the Company’s common stock on the open market on behalf of the Adviser in accordance with purchase guidelines specified in the 10b5-1 Plan. The 10b5-1 Plan was established in accordance with the Adviser’s obligation under the Externalization Agreement to enter into a trading plan pursuant to which the Adviser committed to purchase \$50.0 million in value of shares in open market transactions through an independent broker. The maximum aggregate purchase price of all shares purchased under the 10b5-1 Plan was \$50.0 million. On February 11, 2019, the Adviser fulfilled its obligations under the 10b5-1 Plan to purchase an aggregate amount of \$50.0 million in shares of the Company’s common stock and the 10b5-1 Plan terminated in accordance with its terms. Upon completion of the 10b5-1 Plan, the Adviser had purchased 5,084,302 shares of the Company’s common stock pursuant to the 10b5-1 Plan and as of December 31, 2022, owned a total of 13,639,681 shares of our common stock, or 12.6% of the total shares outstanding.

Organization

The Company is a Maryland corporation incorporated on October 10, 2006. Prior to the Externalization Transaction, the Company was internally managed by its executive officers under the supervision of the Board. During this period, the Company did not pay management or advisory fees, but instead incurred the operating costs associated with employing executive management and investment and portfolio management professionals. On August 2, 2018, the Company entered into the Original Advisory Agreement and became an externally-managed BDC managed by the Adviser. An externally-managed BDC generally does not have any employees, and its investment and management functions are provided by an outside investment adviser and administrator under an investment advisory agreement and administration agreement. Instead of the Company directly compensating employees, the Company pays the Adviser for investment and management services pursuant to the terms of the New Barings BDC Advisory Agreement (as defined in “Note 2 - Agreements and Related Party Transactions”) (and, from January 1, 2021 to February 25, 2022, pursuant to the terms of the Amended and Restated Advisory Agreement (as defined in “Note 2 - Agreements and Related Party Transactions”) (and, prior to January 1, 2021, under the terms of the Original Advisory Agreement)) and reimburses Barings, in its role as the Company’s administrator, for its provision of administrative services to the Company pursuant to the Administration Agreement. See “Note 2 - Agreements and Related Party Transactions” for additional information regarding the Company’s investment advisory agreement and administration agreement.

Basis of Presentation

The financial statements of the Company include the accounts of Barings BDC, Inc. and its wholly-owned subsidiaries. The effects of all intercompany transactions between the Company and its wholly-owned subsidiaries have been eliminated in consolidation. The Company is an investment company and, therefore, applies the specialized accounting and reporting guidance in Accounting Standards Codification (“ASC”) Topic 946, Financial Services – Investment Companies. ASC Topic 946 states that consolidation by the Company of an investee that is not an investment company is not appropriate, except when the Company holds a controlling interest in an operating

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

company that provides all or substantially all of its services directly to the Company or to its portfolio companies. None of the portfolio investments made by the Company qualify for this exception. Therefore, the Company's investment portfolio is carried on the Consolidated Balance Sheets at fair value, as discussed below under *Significant Accounting Policies - Valuation of Investments*, with any adjustments to fair value recognized as "Net unrealized appreciation (depreciation)" on the Consolidated Statements of Operations.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). All financial data and information included in these financial statements have been presented on the basis described above. Financial statements prepared on a U.S. GAAP basis require management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Recently Issued Accounting Standards

In March 2020, the FASB issued Accounting Standards Update, 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued Accounting Standards Update 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, which deferred the sunset day of this guidance to December 31, 2024. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

Share Repurchase Program

On February 27, 2020, the Board approved an open-market share repurchase program for the 2020 fiscal year (the "2020 Share Repurchase Program"). Under the 2020 Share Repurchase Program, the Company was authorized during fiscal year 2020 to repurchase up to a maximum of 5.0% of the amount of shares outstanding as of February 27, 2020 if shares traded below NAV per share, subject to liquidity and regulatory constraints.

Purchases under the 2020 Share Repurchase Program were made in open-market transactions and included transactions being executed by a broker selected by the Company that had been delegated the authority to repurchase shares on the Company's behalf in the open market in accordance with applicable rules under the Exchange Act, including Rules 10b5-1 and 10b-18 thereunder, and pursuant to, and under the terms and limitations of, the 2020 Share Repurchase Program. During the year ended December 31, 2020, the Company repurchased a total of 989,050 shares of its common stock in the open market under the 2020 Share Repurchase Program at an average price of \$7.21 per share, including broker commissions.

In connection with the completion of the Company's acquisition of MVC Capital, Inc. ("MVC"), a Delaware corporation, on December 23, 2020 (the "MVC Acquisition"), the Company committed to make open-market purchases of shares of its common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of the Company's then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing upon the filing of the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, contractual and regulatory requirements. The MVC repurchase program terminated on May 6, 2022. During the year ended December 31, 2022, the Company repurchased a total of 207,677 shares of common stock in the open market under the under the authorized program at an average price of \$10.14 per share, including brokerage commissions.

In connection with the completion of the Company's acquisition of Sierra Income Corporation ("Sierra"), a Maryland corporation, on February 25, 2022 (the "Sierra Merger"), the Company committed to make open-market purchases of shares of its common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of the Company's then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program were to occur during the 12-month period commencing on April 1, 2022 and

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

were made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as well as subject to compliance with the Company’s covenant and regulatory requirements. During the year ended December 31, 2022, the Company had repurchased the maximum amount of \$30.0 million of common stock authorized under the Sierra share repurchase program. In total under the Sierra share repurchase program, the Company repurchased a total of 3,179,168 shares of common stock in the open market under the authorized program at an average price of \$9.44 per share, respectively, including broker commissions

Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Valuation of Investments

The Adviser conducts the valuation of the Company’s investments, upon which the Company’s net asset value is primarily based, in accordance with its valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (“ASC Topic 820”). The Company’s current valuation policy and processes were established by the Adviser and were approved by the Board.

Under ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a willing buyer and a willing seller at the measurement date. For the Company’s portfolio securities, fair value is generally the amount that the Company might reasonably expect to receive upon the current sale of the security. The fair value measurement assumes that the sale occurs in the principal market for the security, or in the absence of a principal market, in the most advantageous market for the security. If no market for the security exists or if the Company does not have access to the principal market, the security should be valued based on the sale occurring in a hypothetical market.

Under ASC Topic 820, there are three levels of valuation inputs, as follows:

Level 1 Inputs – include quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs – include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Inputs – include inputs that are unobservable and significant to the fair value measurement.

A financial instrument is categorized within the ASC Topic 820 valuation hierarchy based upon the lowest level of input to the valuation process that is significant to the fair value measurement. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Therefore, unrealized appreciation and depreciation related to such investments categorized as Level 3 investments within the tables below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

The Company’s investment portfolio includes certain debt and equity instruments of privately held companies for which quoted prices or other observable inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, the Company determines the fair value of its investments in good faith primarily using Level 3 inputs. In certain cases, quoted prices or other observable inputs exist, and if so, the Company assesses the appropriateness of the use of these third-party quotes in determining fair value based on (i) its understanding of the level of actual transactions used by the broker to develop the quote and whether the quote was an indicative price or

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

binding offer and (ii) the depth and consistency of broker quotes and the correlation of changes in broker quotes with the underlying performance of the portfolio company.

There is no single standard for determining fair value in good faith, as fair value depends upon the specific circumstances of each individual investment. The recorded fair values of the Company's Level 3 investments may differ significantly from fair values that would have been used had an active market for the securities existed. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned.

Investment Valuation Process

The Board must determine fair value in good faith for any or all Company investments for which market quotations are not readily available. The Board may choose to designate the Company's investment adviser to perform the fair value determination relating to such investments. The Board has designated the Adviser as valuation designee to perform the fair value determinations relating to the value of the assets held by the Company for which market quotations are not readily available. The Adviser has established a pricing committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets held by the Company. The Adviser uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, the Adviser will utilize alternative methods in accordance with internal pricing procedures established by the Adviser's pricing committee.

At least annually, the Adviser conducts reviews of the primary pricing vendors to validate that the inputs used in the vendors' pricing process are deemed to be market observable. While the Adviser is not provided access to proprietary models of the vendors, the reviews have included on-site walkthroughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process the Adviser continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. The Adviser believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (i.e. exit prices).

The Company's money market fund investments are generally valued using Level 1 inputs and its equity investments listed on an exchange or on the NASDAQ National Market System are valued using Level 1 inputs, using the last quoted sale price of that day. The Company's syndicated senior secured loans and structured products are generally valued using Level 2 inputs, which are generally valued at the bid quotation obtained from dealers in loans by an independent pricing service. The Company's middle-market, private debt and equity investments are generally valued using Level 3 inputs.

Independent Valuation

For the year ended December 31, 2019, the Company engaged an independent valuation firm to provide third-party valuation consulting services at the end of each fiscal quarter which consisted of certain limited procedures that the Company identified and requested the valuation firm to perform (hereinafter referred to as the "Procedures"). The Procedures generally consisted of a review of the quarterly fair values of the Company's middle-market investments, and were generally performed with respect to each investment every quarter beginning in the quarter after the investment was made.

Beginning with the first quarter of 2020, the Company revised its valuation process to require that the Procedures generally be performed with respect to each middle-market investment at least once in every calendar year and for new investments, at least once in the twelve-month period subsequent to the initial investment. In addition, the Procedures were generally performed with respect to an investment where there was a significant change in the fair value or performance of the investment.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Beginning with the fourth quarter of 2020, the fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. Such loans and equity investments are initially held at cost, as that is a reasonable approximation of fair value on the acquisition date, and monitored for material changes that could affect the valuation (for example, changes in interest rates or the credit quality of the borrower). At the quarter end following that of the initial acquisition, such loans and equity investments are generally sent to a valuation provider which will determine the fair value of each investment. The independent valuation providers apply various methods (synthetic rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the “discount rate”) as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of values will be provided by the valuation provider and the Adviser will determine the point within that range that it will use. If the Adviser’s pricing committee disagrees with the price range provided, it may make a fair value recommendation to the Adviser that is outside of the range provided by the independent valuation provider and the reasons therefore. In certain instances, the Company may determine that it is not cost-effective, and as a result is not in the stockholders’ best interests, to request an independent valuation firm to perform an independent valuation on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio. Pursuant to these procedures, the Adviser determines in good faith whether the Company’s investments were valued at fair value in accordance with the Company’s valuation policies and procedures and the 1940 Act based on, among other things, the Company’s Audit Committee and the independent valuation firm.

Valuation Inputs

The Adviser’s valuation techniques are based upon both observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Adviser’s market assumptions. The Adviser’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, the Adviser will utilize alternative approaches such as broker quotes or manual prices. The Adviser attempts to maximize the use of observable inputs and minimize the use of unobservable inputs. The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security.

Valuation of Investments in Jocassee, Thompson Rivers, Waccamaw River, Sierra JV and MVC Private Equity Fund LP

As Jocassee, Thompson Rivers, Waccamaw River, Sierra JV and MVC Private Equity Fund LP are investment companies with no readily determinable fair values, the Adviser estimates the fair value of the Company’s investments in these entities using net asset value of each company and the Company’s ownership percentage as a practical expedient. The net asset value is determined in accordance with the specialized accounting guidance for investment companies.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Level 3 Unobservable Inputs

The following tables summarize the significant unobservable inputs the Adviser used in the valuation of the Company's Level 3 debt and equity securities as of December 31, 2022 and 2021. The weighted average range of unobservable inputs is based on fair value of investments.

December 31, 2022: (\$ in thousands)	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
Senior debt and 1 st lien notes ⁽¹⁾	\$ 1,305,819	Yield Analysis	Market Yield	7.7% – 37.3%	11.7%	Decrease
	14,794	Market Approach	Adjusted EBITDA Multiple	6.0x	6.0x	Increase
	1,263	Market Approach	Revenue Multiple	0.2x	0.2x	Increase
	13,153	Discounted Cash Flow Analysis	Discount Rate	13.0%	13.0%	Decrease
	233,824	Recent Transaction	Transaction Price	96.7% – 100.0%	97.5%	Increase
Subordinated debt and 2 nd lien notes ⁽²⁾	182,856	Yield Analysis	Market Yield	8.4% – 16.6%	13.1%	Decrease
	35,536	Market Approach	Adjusted EBITDA Multiple	6.5x – 9.0x	7.4x	Increase
	2,186	Market Approach	Revenue Multiple	0.5x	0.5x	Increase
	513	Recent Transaction	Transaction Price	97.3%	97.3%	Increase
Structured products ⁽³⁾	3,792	Discounted Cash Flow Analysis	Discount Rate	10.4%	10.4%	Decrease
	5,239	Recent Transaction	Transaction Price	100.0%	100.0%	Increase
Equity shares ⁽⁴⁾	12,600	Yield Analysis	Market Yield	15.7% – 17.8%	16.7%	Decrease
	259,219	Market Approach	Adjusted EBITDA Multiple	4.0x – 43.0x	9.4x	Increase
	1,321	Market Approach	Revenue Multiple	0.2x – 7.0x	6.8x	Increase
	221	Market Approach	Adjusted EBITDA/Revenue Multiple Blend	5.8x	5.8x	Increase
	1,932	Net Asset Approach	Liabilities	\$(8,942)	\$(8,942)	Decrease
	112	Expected Recovery	Expected Recovery	\$2.5 - \$110	\$107.6	Increase
	4,921	Recent Transaction	Transaction Price	\$0.00 – \$1,015.13	\$521.22	Increase
	Equity warrants	1,054	Market Approach	Adjusted EBITDA Multiple	4.0x – 17.5x	7.3x
3		Expected Recovery	Expected Recovery	\$3.0	\$3.0	Increase

- (1) Excludes investments with an aggregate fair value amounting to \$22,503, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

- (2) Excludes investments with an aggregate fair value amounting to \$13,123, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (3) Excludes investments with an aggregate fair value amounting to \$8,796, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (4) Excludes investments with an aggregate fair value amounting to 2,741, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

December 31, 2021: (\$ in thousands)	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
Senior debt and 1 st lien notes ⁽¹⁾	\$ 717,374	Yield Analysis	Market Yield	5.2% – 33.5%	7.7%	Decrease
	416,010	Recent Transaction	Transaction Price	96.5% – 99.0%	97.7%	Increase
Subordinated debt and 2 nd lien notes ⁽²⁾	107,345	Yield Analysis	Market Yield	5.3% – 19.0%	11.5%	Decrease
	64,895	Market Approach	Adjusted EBITDA Multiple	0.6x – 9.0x	5.67x	Increase
	40,354	Recent Transaction	Transaction Price	97.0% – 100.0%	98.0%	Increase
Equity shares ⁽³⁾	137,393	Market Approach	Adjusted EBITDA Multiple	5.5x – 54.0x	13.1x	Increase
	6,197	Expected Transaction ⁽⁴⁾	Transaction Price	\$6,197,037	\$6,197,037	Increase
	4,546	Recent Transaction	Transaction Price	\$1.0 – \$1,000	\$140.03	Increase
Equity warrants	864	Market Approach	Adjusted EBITDA Multiple	5.0x – 6.0x	6.0x	Increase

- (1) Excludes investments with an aggregate fair value amounting to \$3,939, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (2) Excludes investments with an aggregate fair value amounting to \$17,975, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (3) Excludes investments with an aggregate fair value amounting to \$3,146, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (4) Estimated proceeds expected to be received under legally binding asset purchase agreement for sale of real estate held by portfolio company.

Unsettled Purchases and Sales of Investments

Investment transactions are recorded based on the trade date of the transaction. As a result, unsettled purchases and sales are recorded as payables and receivables from unsettled transactions, respectively. While purchases and sales of the Company's syndicated senior secured loans generally settle on a T+7 basis, the settlement period will sometimes extend past the scheduled settlement. In such cases, the Company generally is contractually owed and recognizes interest income equal to the applicable margin ("spread") beginning on the T+7 date. Such income is accrued as interest receivable and is collected upon settlement of the investment transaction.

Realized Gain or Loss and Unrealized Appreciation or Depreciation of Portfolio Investments

Realized gains or losses are recorded upon the sale or liquidation of investments and are calculated as the difference between the net proceeds from the sale or liquidation, if any, and the cost basis of the investment using the specific identification method. Unrealized appreciation or depreciation reflects the difference between the fair value of the investments and the cost basis of the investments.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Investment Classification

In accordance with the provisions of the 1940 Act, the Company classifies investments by level of control. As defined in the 1940 Act, “Control Investments” are investments in those companies that the Company is deemed to “Control.” “Affiliate Investments” are investments in those companies that are “Affiliated Persons” of the Company, as defined in the 1940 Act, other than Control Investments. “Non-Control / Non-Affiliate Investments” are those that are neither Control Investments nor Affiliate Investments. Generally, under the 1940 Act, the Company is deemed to control a company in which it has invested if the Company owns more than 25.0% of the voting securities (i.e., securities with the right to elect directors) and/or has the power to exercise control over the management or policies of such portfolio company. Generally, under the 1940 Act, “Affiliate Investments” that are not otherwise “Control Investments” are defined as investments in which the Company owns at least 5.0%, up to 25.0% (inclusive), of the voting securities and does not have the power to exercise control over the management or policies of such portfolio company.

Cash

Cash consists of deposits held at a custodian bank. Cash is carried at cost, which approximates fair value. The Company places its cash with financial institutions and, at times, cash may exceed insured limits under applicable law.

Short-Term Investments

Short-term investments represent investments in money market funds.

Deferred Financing Fees

Costs incurred to issue debt are capitalized and are amortized over the term of the debt agreements using the effective interest method.

Investment Income

Interest income, including amortization of premium and accretion of discount, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The Company writes off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible. As of December 31, 2022 and December 31, 2021, the Company had seven and two portfolio companies, respectively, with investments that were on non-accrual. As of December 31, 2022, the seven portfolio companies on non-accrual included four portfolio companies purchased as part of the Sierra Merger, two purchased as part of the MVC Acquisition and one portfolio company was originated by Barings. As of December 31, 2021, the two portfolio companies on non-accrual were both purchased as part of the MVC Acquisition.

Interest income from investments in the equity class of a collateralized loan obligation (“CLO”) security (typically subordinated notes) is recorded based upon an estimation of an effective yield to expected maturity utilizing assumed cash flows in accordance with ASC 325-40, Beneficial Interests in Securitized Financial Assets. The Company monitors the expected cash flows from these investments, including the expected residual payments, and the effective yield is determined and updated periodically. Any difference between the cash distribution received and the amount calculated pursuant to the effective interest method is recorded as an adjustment to the cost basis of such investments.

Dividend income on preferred equity securities is recorded on the accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity is recorded on the ex-dividend date.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Payment-in-Kind Interest

The Company currently holds, and expects to hold in the future, some loans in its portfolio that contain payment-in-kind (“PIK”) interest provisions. PIK interest, computed at the contractual rate specified in each loan agreement, is periodically added to the principal balance of the loan, rather than being paid to the Company in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment.

PIK interest, which is a non-cash source of income at the time of recognition, is included in the Company’s taxable income and therefore affects the amount the Company is required to distribute to its stockholders to maintain its tax treatment as a RIC for federal income tax purposes, even though the Company has not yet collected the cash. Generally, when current cash interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing PIK interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The Company writes off any accrued and uncollected PIK interest when it is determined that the PIK interest is no longer collectible.

Fee Income

Origination, facility, commitment, consent and other advance fees received in connection with loan agreements (“Loan Origination Fees”) are recorded as deferred income and recognized as investment income over the term of the loan. Upon prepayment of a loan, any unamortized Loan Origination Fees are recorded as investment income. In the general course of its business, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and loan waiver and amendment fees, and are recorded as investment income when earned.

Fee income for the years ended December 31, 2022, 2021 and 2020 was as follows:

(\$ in thousands)	Year Ended December 31		
	2022	2021	2020
Recurring Fee Income:			
Amortization of loan origination fees	\$ 5,943	\$ 4,620	\$ 2,180
Management, valuation and other fees	1,237	2,186	867
Total Recurring Fee Income	7,180	6,806	3,047
Non-Recurring Fee Income:			
Prepayment fees	303	474	84
Acceleration of unamortized loan origination fees	5,595	4,824	537
Advisory, loan amendment and other fees	1,845	916	412
Total Non-Recurring Fee Income	7,743	6,214	1,033
Total Fee Income	\$ 14,923	\$ 13,020	\$ 4,080

Compensation Expenses

Compensation expenses generally include salaries, discretionary compensation, equity-based compensation and benefits.

General and Administrative Expenses

General and administrative expenses include administrative costs, facilities costs, insurance, legal and accounting expenses, expenses reimbursable to the Adviser under the terms of the Administration Agreement and other costs related to operating as a publicly-traded company.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Segments

The Company lends to and invests in customers in various industries. The Company separately evaluates the performance of each of its lending and investment relationships. However, because each of these loan and investment relationships has similar business and economic characteristics, they have been aggregated into a single lending and investment segment. All applicable segment disclosures are included in or can be derived from the Company's financial statements.

Concentration of Credit Risk

As of December 31, 2022 and 2021, there were no individual investments representing greater than 10% of the fair value of the Company's portfolio. As of December 31, 2022 and December 31, 2021, the Company's largest single portfolio company investment, excluding short-term investments, represented approximately 5.9% and 5.5%, respectively, of the fair value of the Company's portfolio. Income, consisting of interest, dividends, fees, other investment income and realization of gains or losses, can fluctuate dramatically upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several portfolio companies.

The Company places its cash with financial institutions and, at times, cash may exceed insured limits under applicable law.

As of December 31, 2022, all of the Company's assets were or will be pledged as collateral for the February 2019 Credit Facility.

Investments Denominated in Foreign Currency

As of December 31, 2022 the Company held two investments that were denominated in Canadian dollars, one investment that was denominated in Danish kroner, eleven investments that were denominated in Australian dollars, two investments that were denominated in New Zealand dollars, one that was denominated in Norwegian krone, one that was denominated in Swiss francs, one investment that was denominated in Swedish kronas, 58 investments that were denominated in Euros and 28 investments that were denominated in British pounds sterling. As of December 31, 2021, the Company held one investment that was denominated in Canadian dollars, one investment that was denominated in Danish kroner, five investments that were denominated in Australian dollars, one investment that was denominated in Swedish kronas, 36 investments that were denominated in Euros and 18 investments that were denominated in British pounds sterling.

At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into United States dollars using the spot exchange rate on the last business day of the period. Purchases and sales of foreign portfolio company investments, and any income from such investments, are translated into United States dollars using the rates of exchange prevailing on the respective dates of such transactions.

Although the fair values of foreign portfolio company investments and the fluctuation in such fair values are translated into United States dollars using the applicable foreign exchange rates described above, the Company does not separately report that portion of the change in fair values resulting from foreign currency exchange rates fluctuations from the change in fair values of the underlying investment. All fluctuations in fair value are included in net unrealized appreciation (depreciation) of investments in the Company's Consolidated Statements of Operations.

In addition, during the years ended December 31, 2022 and 2021, the Company entered into forward currency contracts primarily to help mitigate the impact that an adverse change in foreign exchange rates would have on net interest income from the Company's investments and related borrowings denominated in foreign currencies. Net unrealized appreciation or depreciation on foreign currency contracts are included in "Net unrealized appreciation (depreciation) - foreign currency transactions" and net realized gains or losses on forward currency contracts are included in "Net realized gains (losses) - foreign currency transactions" in the Consolidated Statements of Operations.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Investments denominated in foreign currencies and foreign currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. Dollar.

Dividends and Distributions

Dividends and distributions to common stockholders are approved by the Board and dividends payable are recorded on the ex-dividend date.

The Company has adopted a dividend reinvestment plan (“DRIP”) that provides for reinvestment of dividends on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, when the Company declares a dividend, stockholders who have not opted out of the DRIP will have their dividends automatically reinvested in shares of the Company’s common stock, rather than receiving cash dividends.

The table below summarizes the Company’s dividends and distributions in the three years ended December 31, 2022:

Declared (\$ in thousands, except per share amounts)	Record	Payable	Per Share Amount	Amount Paid in Cash	Amount Settled via Newly Issued Shares	Total
February 27, 2020	March 11, 2020	March 18, 2020	\$ 0.16	\$ 7,824	\$ —	\$ 7,824
April 1, 2020	June 10, 2020	June 17, 2020	0.16	7,674	—	7,674
August 5, 2020	September 9, 2020	September 16, 2020	0.16	7,674	—	7,674
November 9, 2020	November 25, 2020	December 2, 2020	0.17	8,153	—	8,153
Total 2020 dividends and distributions			\$ 0.65	\$ 31,325	\$ —	\$ 31,325
February 7, 2021	March 10, 2021	March 17, 2021	\$ 0.19	\$ 12,410	\$ —	\$ 12,410
May 6, 2021	June 9, 2021	June 16, 2021	0.20	13,063	—	13,063
August 5, 2021	September 8, 2021	September 15, 2021	0.21	13,716	—	13,716
November 9, 2021	November 24, 2021	December 1, 2021	0.22	14,370	—	14,370
Total 2021 dividends and distributions			\$ 0.82	\$ 53,559	\$ —	\$ 53,559
February 1, 2022	February 16, 2022	February 23, 2022	\$ 0.23	\$ 15,023	\$ —	\$ 15,023
May 5, 2022	June 8, 2022	June 15, 2022	0.24	26,506	—	26,506
August 9, 2022	September 7, 2022	September 14, 2022	0.24	26,198	—	26,198
November 10, 2022	December 7, 2022	December 14, 2022	0.24	25,999	—	25,999
Total 2022 dividends and distributions			\$ 0.95	\$ 93,726	\$ —	\$ 93,726

Per Share Amounts

Per share amounts included in the Consolidated Statements of Operations are computed by dividing net investment income and net increase in net assets resulting from operations by the weighted average number of shares of common stock outstanding for the period. As the Company has no common stock equivalents outstanding, diluted per share amounts are the same as basic per share amounts. Net asset value per share is computed by dividing total net assets by the number of common shares outstanding as of the end of the period.

2. Agreements and Related Party Transactions

On August 2, 2018, the Company entered into the Original Advisory Agreement and the Administration Agreement with the Adviser, an investment adviser registered under the Investment Advisers Act of 1940, as amended. In connection with the MVC Acquisition (as defined in “Note 9 – MVC Capital, Inc. Acquisition”), on December 23, 2020, the Company entered into an amended and restated investment advisory agreement (the “Amended and Restated Advisory Agreement”) with the Adviser, following approval of the Amended and Restated Advisory Agreement by the Company’s stockholders at its December 23, 2020 special meeting of stockholders. The terms of the Amended and Restated Advisory Agreement became effective on January 1, 2021.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The Amended and Restated Advisory Agreement amended the Original Advisory Agreement to, among other things, (i) reduce the annual base management fee payable to the Adviser from 1.375% to 1.250% of the Company's gross assets, (ii) reset the commencement date for the rolling 12-quarter "look-back" provision used to calculate the income incentive fee and incentive fee cap to January 1, 2021 from January 1, 2020 and (iii) describe the fact that the Company may enter into guarantees, sureties and other credit support arrangements with respect to one or more of its investments, including the impact of these arrangements on the income incentive fee cap.

In connection with the Sierra Merger (as defined in "Note 10 – Sierra Merger"), on February 25, 2022, the Company entered into a second amended and restated investment advisory agreement (the "New Barings BDC Advisory Agreement") with the Adviser, which increased the hurdle rate applicable to the income incentive fee from 2.0% to 2.0625% per quarter (or from 8.0% to 8.25% annualized) and therefore increased the catch-up amount that is used in calculating the income incentive fee to correspond to the increase in the hurdle rate. All other terms and provisions of the Amended and Restated Advisory Agreement between the Company and the Adviser, including with respect to the calculation of the other fees payable to the Adviser, remained unchanged under the New Barings BDC Advisory Agreement.

Investment Advisory Agreement

Pursuant to the New Barings BDC Advisory Agreement, the Adviser manages the Company's day-to-day operations and provides the Company with investment advisory services. Among other things, the Adviser (i) determines the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identifies, evaluates and negotiates the structure of the investments made by the Company; (iii) executes, closes, services and monitors the investments that the Company makes; (iv) determines the securities and other assets that the Company will purchase, retain or sell; (v) performs due diligence on prospective portfolio companies and (vi) provides the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds.

The New Barings BDC Advisory Agreement provides that, absent fraud, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Adviser, and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser (collectively, the "IA Indemnified Parties"), are entitled to indemnification from the Company for any damages, liabilities, costs, demands, charges, claims and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the IA Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of any actions or omissions or otherwise based upon the performance of any of the Adviser's duties or obligations under the New Barings BDC Advisory Agreement or otherwise as an investment adviser of the Company. The Adviser's services under the New Barings BDC Advisory Agreement are not exclusive, and the Adviser is generally free to furnish similar services to other entities so long as its performance under the New Barings BDC Advisory Agreement is not adversely affected.

The Adviser has entered into a personnel-sharing arrangement with its affiliate, Baring International Investment Limited ("BIIL"). BIIL is a wholly-owned subsidiary of Baring Asset Management Limited, which in turn is an indirect, wholly-owned subsidiary of the Adviser. Pursuant to this arrangement, certain employees of BIIL may serve as "associated persons" of the Adviser and, in this capacity, subject to the oversight and supervision of the Adviser, may provide research and related services, and discretionary investment management and trading services (including acting as portfolio managers) to the Company on behalf of the Adviser. This arrangement is based on no-action letters of the staff of the Securities and Exchange Commission (the "SEC") that permit SEC-registered investment advisers to rely on and use the resources of advisory affiliates or "participating affiliates," subject to the supervision of that SEC-registered investment adviser. BIIL is a "participating affiliate" of the Adviser, and the BIIL employees are "associated persons" of the Adviser.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Under the New Barings BDC Advisory Agreement, the Company pays the Adviser (i) a base management fee (the “Base Management Fee”) and (ii) an incentive fee (the “Incentive Fee”) as compensation for the investment advisory and management services it provides the Company thereunder.

Pre-January 1, 2021 Base Management Fee

For the period from January 1, 2020 through December 31, 2020, the Base Management Fee was calculated based on the Company’s gross assets, including the MVC Credit Support Agreement, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.375%. The annual rate of the Base Management Fee was 1.125% for the period commencing on January 1, 2019 through December 31, 2019.

The Base Management Fee was payable quarterly in arrears on a calendar quarter basis. The Base Management Fee was calculated based on the average value of the Company’s gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter were appropriately pro-rated.

Post-December 31, 2020 Base Management Fee

Beginning January 1, 2021, the Base Management Fee is calculated based on the Company’s gross assets, including the Company’s credit support agreements, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.25%. The Base Management Fee is payable quarterly in arrears on a calendar quarter basis. The Base Management Fee will be calculated based on the average value of the Company’s gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter will be appropriately pro-rated.

For the year ended December 31, 2022, the Base Management Fee determined in accordance with the terms of the New Barings BDC Advisory Agreement was approximately \$29.5 million. For the years ended December 31, 2021 and December 31, 2020, the Base Management Fee determined in accordance with the terms of the Amended and Restated Advisory Agreement was approximately \$19.5 million and \$14.3 million, respectively. As of December 31, 2022, the Base Management Fee of \$8.0 million for the three months ended December 31, 2022 was unpaid and included in “Base management fees payable” in the accompanying Consolidated Balance Sheets. As of December 31, 2021, the Base Management Fee of \$5.4 million for the three months ended December 31, 2021 was unpaid and included in “Base management fees payable” in the accompanying Consolidated Balance Sheets.

Pre-January 1, 2021 Incentive Fee

For the period from August 2, 2018 through December 31, 2020, under the Original Advisory Agreement, the Incentive Fee was comprised of two parts: (1) a portion based on the Company’s pre-incentive fee net investment income (the “Pre-2021 Income-Based Fee”) and (2) a portion based on the net capital gains received on the Company’s portfolio of securities on a cumulative basis for each calendar year, net of all realized capital losses and all unrealized capital depreciation for that same calendar year (the “Pre-2021 Capital Gains Fee”).

The Pre-2021 Income-Based Fee was calculated as follows:

- (i) For each quarter from and after August 2, 2018 through December 31, 2019 (the “Pre-2020 Period”), the Pre-2021 Income-Based Fee was calculated and payable quarterly in arrears based on the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter for which such fees were being calculated. In respect of the Pre-2020 Period, “Pre-Incentive Fee Net Investment Income” meant interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that the Company receives from portfolio companies) accrued during the relevant calendar quarter, minus the Company’s operating expenses for such quarter (including the Base Management Fee, expenses payable under the Administration Agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee). Pre-Incentive Fee Net Investment Income included, in the case of investments with a deferred interest feature (such as original issue

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income did not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

- (ii) For each quarter beginning on and after January 1, 2020 (the “Post-2019 Period”), the Pre-2021 Income-Based Fee was calculated and payable quarterly in arrears based on the Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter and the eleven preceding calendar quarters (or such fewer number of preceding calendar quarters counting each calendar quarter beginning on or after January 1, 2020) (each such period referred to as the “Pre-2021 Trailing Twelve Quarters”) for which such fees were being calculated and was payable promptly following the filing of the Company’s financial statements for such quarter. In respect of the Post-2019 Period, “Pre-Incentive Fee Net Investment Income” meant interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that the Company receives from portfolio companies) accrued during the relevant Pre-2021 Trailing Twelve Quarters, minus the Company’s operating expenses for such Pre-2021 Trailing Twelve Quarters (including the Base Management Fee, expenses payable under the Administration Agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the Incentive Fee) divided by the number of quarters that comprise the relevant Pre-2021 Trailing Twelve Quarters. Pre-Incentive Fee Net Investment Income included, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income did not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.
- (iii) Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Company’s net assets (defined as total assets less senior securities constituting indebtedness and preferred stock) at the end of the calendar quarter for which such fees were being calculated, was compared to a “hurdle rate”, expressed as a rate of return on the value of the Company’s net assets at the end of the most recently completed calendar quarter, of 2% per quarter (8% annualized). The Company paid the Adviser the Pre-2021 Income-Based Fee with respect to the Company’s Pre-Incentive Fee Net Investment Income in each calendar quarter as follows:
- (1) (a) With respect to the Pre-2020 Period, no Pre-2021 Income-Based Fee for any calendar quarter in which the Company’s Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) did not exceed the hurdle rate;
- (b) With respect to the Post-2019 Period, no Pre-2021 Income-Based Fee for any calendar quarter in which the Company’s Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) did not exceed the hurdle rate;
- (2) (a) With respect to the Pre-2020 Period, 100% of the Company’s Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income for such quarter, if any, that exceeded the hurdle rate but was less than 2.5% (10% annualized) (the “Pre-2020 Catch-Up Amount”). The Pre-2020 Catch-Up Amount was intended to provide the Adviser with an incentive fee of 20% on all of the Company’s Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) when the Company’s Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) reached 2% per quarter (8% annualized);
- (b) With respect to the Post-2019 Period, 100% of the Company’s Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above), if any, that exceeded the hurdle rate but was less than 2.5% (10% annualized) (the “Post-2019 Catch-Up Amount”). The Post-2019 Catch-Up Amount was intended to provide the Adviser with an incentive fee of 20% on all of the Company’s Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) when the

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) reached 2% per quarter (8% annualized);

- (3) (a) With respect to the Pre-2020 Period, 20% of the amount of the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) for such quarter, if any, that exceeded the Pre-2020 Catch-Up Amount; and
- (b) With respect to the Post-2019 Period, 20% of the amount of the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) for any calendar quarter with respect to that portion of the Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above), if any, that exceeded the Post-2019 Catch-Up Amount.

However, with respect to the Post-2019 Period, the Pre-2021 Income-Based Fee paid to the Adviser would in no event be in excess of the Pre-2021 Incentive Fee Cap. With respect to the Post-2019 Period, the "Pre-2021 Incentive Fee Cap" for any quarter was an amount equal to (a) 20% of the Cumulative Net Return (as defined below) during the relevant Pre-2021 Trailing Twelve Quarters minus (b) the aggregate Pre-2021 Income-Based Fee that was paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Pre-2021 Trailing Twelve Quarters.

Cumulative Net Return meant (x) the aggregate net investment income in respect of the relevant Pre-2021 Trailing Twelve Quarters minus (y) any Net Capital Loss (as defined below), if any, in respect of the relevant Pre-2021 Trailing Twelve Quarters. If, in any quarter, the Pre-2021 Incentive Fee Cap was zero or a negative value, the Company paid no Pre-2021 Income-Based Fee to the Adviser for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was a positive value but was less than the Pre-2021 Income-Based Fee that was payable to the Adviser for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, the Company paid a Pre-2021 Income-Based Fee to the Adviser equal to the Pre-2021 Incentive Fee Cap for such quarter. If, in any quarter, the Pre-2021 Incentive Fee Cap for such quarter was equal to or greater than the Pre-2021 Income-Based Fee that was payable to the Adviser for such quarter (before giving effect to the Pre-2021 Incentive Fee Cap) calculated as described above, the Company paid an Pre-2021 Income-Based Fee to the Adviser equal to the Pre-2021 Income-Based Fee calculated as described above for such quarter without regard to the Pre-2021 Incentive Fee Cap.

Net Capital Loss in respect of a particular period meant the difference, if positive, between (i) aggregate capital losses, whether realized or unrealized, in such period and (ii) aggregate capital gains, whether realized or unrealized, in such period.

The Pre-2021 Capital Gains Fee was determined and payable in arrears as of the end of each calendar year, commencing with the calendar year ended on December 31, 2018, and was calculated at the end of each applicable year by subtracting (1) the sum of the Company's cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) the Company's cumulative aggregate realized capital gains, in each case calculated from August 2, 2018. If such amount was positive at the end of such year, then the Pre-2021 Capital Gains Fee payable for such year was equal to 20% of such amount, less the cumulative aggregate amount of Pre-2021 Capital Gains Fees paid in all prior years. If such amount was negative, then there was no Pre-2021 Capital Gains Fee payable for such year.

Post-December 31, 2020 Incentive Fee

Following December 31, 2020, the Incentive Fee continues to consist of two components that are independent of each other, with the result that one component may be payable even if the other is not. Under the New Barings BDC Advisory Agreement, a portion of the Incentive Fee is based on the Company's income (the "Income-Based Fee") and a portion is based on the Company's capital gains (the "Capital Gains Fee"), each as described below:

- (i) The Income-Based Fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate "Pre-Incentive Fee Net Investment Income" (as defined below) in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of the Company's first eleven calendar quarters that commences on or after January 1, 2021) (in either case, the "Trailing Twelve Quarters") exceeds (y) the Hurdle Amount (as defined below) in respect of the Trailing Twelve Quarters. The Hurdle Amount will be determined on a quarterly basis, and will be calculated by multiplying 2.0625% (8.25% annualized) by the aggregate of the Company's NAV at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. For this purpose, under the New Barings BDC Advisory Agreement, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including, without limitation, any accrued income that the Company has not yet received in cash and any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses accrued during the calendar quarter (including, without limitation, the Base Management Fee, administration expenses and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the Income-Based Fee and the Capital Gains Fee). For the avoidance of doubt, Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The calculation of the Income-Based Fee for each quarter is as follows:

- (A) No Income-Based Fee will be payable to the Adviser in any calendar quarter in which the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters does not exceed the Hurdle Amount;
- (B) 100% of the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters, if any, that exceeds the Hurdle Amount but is less than or equal to an amount (the "Catch-Up Amount") determined on a quarterly basis by multiplying 2.578125% (10.3125% annualized) by the Company's NAV at the beginning of each applicable calendar quarter comprising the relevant Trailing Twelve Quarters. The Catch-Up Amount is intended to provide the Adviser with an incentive fee of 20% on all of the Company's Pre-Incentive Fee Net Investment Income when the Company's Pre-Incentive Fee Net Investment Income reaches the Catch-Up Amount for the Trailing Twelve Quarters; and
- (C) For any quarter in which the Company's aggregate Pre-Incentive Fee Net Investment Income for the Trailing Twelve Quarters exceeds the Catch-Up Amount, the Income-Based Fee shall equal 20% of the amount of the Company's Pre-Incentive Fee Net Investment Income for such Trailing Twelve Quarters, as the Hurdle Amount and Catch-Up Amount will have been achieved.

Subject to the Incentive Fee Cap described below, the amount of the Income-Based Fee that will be paid to the Adviser for a particular quarter will equal the excess of the aggregate Income-Based Fee so calculated less the aggregate Income-Based Fees that were paid to the Adviser in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters.

- (ii) The Income-Based Fee is subject to a cap (the "Incentive Fee Cap"). The Incentive Fee Cap in any quarter is an amount equal to (a) 20% of the Cumulative Pre-Incentive Fee Net Return (as defined below) during the relevant Trailing Twelve Quarters less (b) the aggregate Income-Based Fee that were paid to the Adviser in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters. For this purpose, "Cumulative Pre-Incentive Fee Net Return" during the relevant Trailing Twelve Quarters means (x) Pre-Incentive Fee Net Investment Income in respect of the Trailing Twelve Quarters less (y) any Net Capital Loss, if any, in respect of the Trailing Twelve Quarters. If, in any quarter, the Incentive Fee Cap is zero or a negative value, the Company will pay no Income-Based Fee to the Adviser in that quarter. If, in any quarter, the Incentive Fee Cap is a positive value but is less than the Income-Based Fee calculated in accordance with paragraph (i) above, the Company will pay the Adviser the Incentive Fee Cap for such quarter. If, in any quarter, the Incentive Fee Cap is equal to or greater than the Income-Based Fee calculated in accordance with paragraph (i) above, the Company will pay the Adviser the Income-Based Fee for such quarter.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

“Net Capital Loss” in respect of a particular period means the difference, if positive, between (i) aggregate capital losses on the Company’s assets, whether realized or unrealized, in such period and (ii) aggregate capital gains or other gains on the Company’s assets (including, for the avoidance of doubt, the value ascribed to any credit support arrangement in the Company’s financial statements even if such value is not categorized as a gain therein), whether realized or unrealized, in such period.

(iii) The second part of the Incentive Fee (the “Capital Gains Fee”) will be determined and payable in arrears as of the end of each calendar year (or upon termination of the investment advisory agreement), commencing with the calendar year ended on December 31, 2018, and is calculated at the end of each applicable year by subtracting (1) the sum of the Company’s cumulative aggregate realized capital losses and aggregate unrealized capital depreciation from (2) the Company’s cumulative aggregate realized capital gains, in each case calculated from August 2, 2018. If such amount is positive at the end of such year, then the Capital Gains Fee payable for such year is equal to 20% of such amount, less the cumulative aggregate amount of Capital Gains Fees paid in all prior years commencing with the calendar year ended on December 31, 2018. If such amount is negative, then there is no Capital Gains Fee payable for such year. If this Agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying a Capital Gains Fee.

Under the New Barings BDC Advisory Agreement, the “cumulative aggregate realized capital gains” are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in the Company’s portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The cumulative aggregate realized capital losses are calculated as the sum of the differences, if negative, between (a) the net sales price of each investment in the Company’s portfolio when sold and (b) the accreted or amortized cost basis of such investment.

The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in the Company’s portfolio as of the applicable Capital Gains Fee calculation date and (b) the accreted or amortized cost basis of such investment.

Under the New Barings BDC Advisory Agreement, the “accreted or amortized cost basis of an investment” shall mean the accreted or amortized cost basis of such investment as reflected in the Company’s financial statements.

For the year ended December 31, 2022, the Income-Based Fee determined in accordance with the terms of the New Barings BDC Advisory Agreement was \$6.6 million. For the year ended December 31, 2021, the Income-Based Fee determined in accordance with the terms of the Amended and Restated Advisory Agreement was \$14.7 million. As of December 31, 2021, the Income-Based Fee of \$4.1 million for the three months ended December 31, 2021 was unpaid and included in “Incentive management fees payable” in the accompanying Consolidated Balance Sheets. The Company did not pay any Pre-2021 Income-Based Fee for the year ended December 31, 2020.

The Company did not incur any capital gains fees for the years ended December 31, 2022, 2021 and 2020.

Payment of Company Expenses

Under the New Barings BDC Advisory Agreement, all investment professionals of the Adviser and its staff, when and to the extent engaged in providing services required to be provided by the Adviser under the New Barings BDC Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Adviser and not by the Company, except that all costs and expenses relating to the Company’s operations and transactions, including, without limitation, those items listed in the New Barings BDC Advisory Agreement, will be borne by the Company.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Administration Agreement

Under the terms of the Administration Agreement, the Adviser performs (or oversees, or arranges for, the performance of) the administrative services necessary for the operation of the Company, including, but not limited to, office facilities, equipment, clerical, bookkeeping and record-keeping services at such office facilities and such other services as the Adviser, subject to review by the Board, from time to time, determines to be necessary or useful to perform its obligations under the Administration Agreement. The Adviser also, on behalf of the Company and subject to oversight by the Board, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, valuation experts, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable.

The Company will reimburse Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount to be negotiated and mutually agreed to by the Company and Barings quarterly in arrears. In no event will the agreed-upon quarterly expense amount exceed the amount of expenses that would otherwise be reimbursable by the Company under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. The costs and expenses incurred by the Adviser on behalf of the Company under the Administration Agreement include, but are not limited to:

- the allocable portion of the Adviser’s rent for the Company’s Chief Financial Officer and the Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the usage thereof by such personnel in connection with their performance of administrative services under the Administration Agreement;
- the allocable portion of the salaries, bonuses, benefits and expenses of the Company’s Chief Financial Officer and Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the time spent by such personnel in connection with performing administrative services for the Company under the Administration Agreement;
- the actual cost of goods and services used for the Company and obtained by the Adviser from entities not affiliated with the Company, which is reasonably allocated to the Company on the basis of assets, revenues, time records or other methods conforming with generally accepted accounting principles;
- all fees, costs and expenses associated with the engagement of a sub-administrator, if any; and
- costs associated with (a) the monitoring and preparation of regulatory reporting, including registration statements and amendments thereto, prospectus supplements, and tax reporting, (b) the coordination and oversight of service provider activities and the direct cost of such contractual matters related thereto and (c) the preparation of all financial statements and the coordination and oversight of audits, regulatory inquiries, certifications and sub-certifications.

For the years ended December 31, 2022 and 2021, the Company incurred and was invoiced by the Adviser for expenses of approximately \$3.4 million and \$2.5 million, respectively, under the terms of the Administration Agreement, which amounts are included in “General and administrative expenses” in the accompanying Consolidated Statements of Operations. For the year ended December 31, 2020, the Company incurred and was invoiced by the Adviser for expenses of approximately \$1.6 million. As of December 31, 2022, the administrative expenses of \$0.7 million incurred for the three months ended December 31, 2022 were unpaid and included in “Administrative fees payable” in the accompanying Consolidated Balance Sheets. As of December 31, 2021, the administrative expenses of \$0.8 million incurred for the three months ended December 31, 2021 were unpaid and included in “Administrative fees payable” in the accompanying Consolidated Balance Sheets.

MVC Credit Support Agreement

In connection with the MVC Acquisition on December 23, 2020, promptly following the closing of the Company’s merger with MVC, the Company entered into a Credit Support Agreement (the “MVC Credit Support

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Agreement”) with the Adviser, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. A summary of the material terms of the MVC Credit Support Agreement are as follows:

- The MVC Credit Support Agreement covers all of the investments in the Reference Portfolio.
- The Adviser has an obligation to provide credit support to the Company in an amount equal to the excess of (1) the aggregate realized and unrealized losses on the Reference Portfolio over (2) the aggregate realized and unrealized gains on the Reference Portfolio, in each case from the date of the closing of the Company’s merger with MVC through the Designated Settlement Date (up to a \$23.0 million cap) (such amount, the “MVC Covered Losses”). For purposes of the MVC Credit Support Agreement, “MVC Designated Settlement Date” means the earlier of (1) January 1, 2031 and (2) the date on which the entire MVC Reference Portfolio has been realized or written off. No credit support is required to be made by the Adviser to the Company under the MVC Credit Support Agreement if the aggregate realized and unrealized gains on the MVC Reference Portfolio exceed realized and unrealized losses of the MVC Reference Portfolio on the MVC Designated Settlement Date.
- The Adviser will settle any credit support obligation under the MVC Credit Support Agreement as follows. If the MVC Covered Losses are greater than \$0.00, then, in satisfaction of the Adviser’s obligation set forth in the MVC Credit Support Agreement, the Adviser will irrevocably waive during the MVC Waiver Period (as defined below) (1) the incentive fees payable under the New Barings BDC Advisory Agreement (including any incentive fee calculated on an annual basis during the MVC Waiver Period), and (2) in the event that MVC Covered Losses exceed such incentive fee, the base management fees payable under the New Barings BDC Advisory Agreement. The “MVC Waiver Period” means the four quarterly measurement periods immediately following the quarter in which the MVC Designated Settlement Date occurs. If the MVC Covered Losses exceed the aggregate amount of incentive fees and base management fees waived by the Adviser during the MVC Waiver Period, then, on the date on which the last incentive fee or base management fee payment would otherwise be due during the MVC Waiver Period, the Adviser shall make a cash payment to the Company equal to the positive difference between the MVC Covered Losses and the aggregate amount of incentive fees and base management fees previously waived by the Adviser during the MVC Waiver Period.
- The MVC Credit Support Agreement and the rights of the Company thereunder shall automatically terminate if the Adviser (or an affiliate of the Adviser) ceases to serve as the investment adviser to the Company or any successor thereto, other than as a result of the voluntary termination by the Adviser of its investment advisory agreement with the Company. In the event of such a voluntary termination by the Adviser of the then-current investment advisory agreement with the Company, the Adviser will remain obligated to provide the credit support contemplated by the MVC Credit Support Agreement. In the event of a non-voluntary termination of the advisory agreement or its expiration (due to non-renewal by the Board), the Adviser will have no obligations under the MVC Credit Support Agreement.

The MVC Credit Support Agreement is intended to give stockholders of the combined company following the MVC Acquisition downside protection from net cumulative realized and unrealized losses on the acquired MVC portfolio and insulate the combined company’s stockholders from potential value volatility and losses in MVC’s portfolio following the closing of the MVC Acquisition. There is no fee or other payment by the Company to the Adviser or any of its affiliates in connection with the MVC Credit Support Agreement. Any cash payment from the Adviser to the Company under the MVC Credit Support Agreement will be excluded from the combined company’s incentive fee calculations under the New Barings BDC Advisory Agreement.

When the Company and the Adviser entered into the MVC Credit Support Agreement, it was accounted for as a deemed contribution from the Adviser and was included in “Additional paid-in capital” in the accompanying Consolidated Balance Sheets. In addition, the MVC Credit Support Agreement is accounted for as a derivative in accordance with ASC 815, *Derivatives and Hedging*, and is included in “Credit support agreements” in the accompanying Consolidated Balance Sheets.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Sierra Credit Support Agreement

In connection with the Sierra Merger on February 25, 2022, promptly following the closing of the Company's merger with Sierra, the Company entered into a Credit Support Agreement (the "Sierra Credit Support Agreement") with the Adviser, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$100.0 million relating to the net cumulative realized and unrealized losses on the acquired Sierra investment portfolio over a 10-year period. A summary of the material terms of the Sierra Credit Support Agreement are as follows:

- The Sierra Credit Support Agreement covers all of the investments in the Sierra Reference Portfolio.
- The Adviser has an obligation to provide credit support to the Company in an amount equal to the excess of (1) the aggregate realized and unrealized losses on the Sierra Reference Portfolio less (2) the aggregate realized and unrealized gains on the Sierra Reference Portfolio, in each case from the date of the closing of the Company's merger with Sierra through the Designated Settlement Date (up to a \$100.0 million cap) (such amount, the "Covered Losses"). For purposes of the Sierra Credit Support Agreement, "Designated Settlement Date" means the earlier of (1) April 1, 2032 and (2) the date on which the entire Sierra Reference Portfolio has been realized or written off. No credit support is required to be made by the Adviser to the Company under the Sierra Credit Support Agreement if the aggregate realized and unrealized gains on the Sierra Reference Portfolio exceed realized and unrealized losses of the Sierra Reference Portfolio on the Designated Settlement Date.
- The Adviser will settle any credit support obligation under the Sierra Credit Support Agreement as follows. If the Covered Losses are greater than \$0.00, then, in satisfaction of the Adviser's obligation set forth in the Sierra Credit Support Agreement, the Adviser will irrevocably waive during the Waiver Period (as defined below) (1) the incentive fees payable under the New Barings BDC Advisory Agreement (including any incentive fee calculated on an annual basis during the Waiver Period), and (2) in the event that Covered Losses exceed such incentive fee, the base management fees payable under the New Barings BDC Advisory Agreement. The "Waiver Period" means the four quarterly measurement periods immediately following the quarter in which the Designated Settlement Date occurs. If the Covered Losses exceed the aggregate amount of incentive fees and base management fees waived by the Adviser during the Waiver Period, then, on the date on which the last incentive fee or base management fee payment would otherwise be due during the Waiver Period, the Adviser shall make a cash payment to the Company equal to the positive difference between the Covered Losses and the aggregate amount of incentive fees and base management fees previously waived by the Adviser during the Waiver Period.
- The Sierra Credit Support Agreement and the rights of the Company thereunder shall automatically terminate if the Adviser (or an affiliate of the Adviser) ceases to serve as the investment adviser to the Company or any successor thereto, other than as a result of the voluntary termination by the Adviser of its investment advisory agreement with the Company. In the event of such a voluntary termination by the Adviser of the then-current investment advisory agreement with the Company, the Adviser will remain obligated to provide the credit support contemplated by the Sierra Credit Support Agreement. In the event of a non-voluntary termination of the advisory agreement or its expiration (due to non-renewal by the Board), the Adviser will have no obligations under the Sierra Credit Support Agreement.

The Sierra Credit Support Agreement is intended to give stockholders of the combined company following the Sierra Merger downside protection from net cumulative realized and unrealized losses on the acquired Sierra portfolio and insulate the combined company's stockholders from potential value volatility and losses in Sierra's portfolio following the closing of the Company's merger with Sierra. There is no fee or other payment by the Company to the Adviser or any of its affiliates in connection with the Sierra Credit Support Agreement. Any cash payment from the Adviser to the Company under the Sierra Credit Support Agreement will be excluded from the combined company's incentive fee calculations under the New Barings BDC Advisory Agreement.

When the Company and the Adviser entered into the Sierra Credit Support Agreement, it was accounted for as a deemed contribution from the Adviser and was included in "Additional paid-in capital" in the accompanying

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Consolidated Balance Sheet. In addition, the Sierra Credit Support Agreement is accounted for as a derivative in accordance with ASC 815, Derivatives and Hedging, and is included in “Credit support agreement” in the accompanying Consolidated Balance Sheet.

3. Investments

Portfolio Composition

The Company invests predominately in senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries, as well as syndicated senior secured loans, structured product investments, bonds and other fixed income securities. Structured product investments include collateralized loan obligations and asset-backed securities. The Adviser’s existing SEC co-investment exemptive relief under the 1940 Act permits the Company and the Adviser’s affiliated private funds and SEC-registered funds to co-invest in loans originated by the Adviser, which allows the Adviser to efficiently implement its senior secured private debt investment strategy for the Company.

The cost basis of the Company’s debt investments includes any unamortized purchased premium or discount, unamortized loan origination fees and PIK interest, if any. Summaries of the composition of the Company’s investment portfolio at cost and fair value, and as a percentage of total investments and net assets, are shown in the following tables:

(\$ in thousands)	Cost	Percent of Total Portfolio	Fair Value	Percent of Total Portfolio	Percent of Total Net Assets
December 31, 2022:					
Senior debt and 1 st lien notes	\$ 1,752,943	69 %	\$ 1,696,192	69 %	142 %
Subordinated debt and 2 nd lien notes	326,639	13	263,139	11	22
Structured products	88,805	3	73,550	3	6
Equity shares	230,188	9	284,570	12	24
Equity warrants	178	—	1,057	—	—
Investments in joint ventures / PE fund	163,645	6	130,427	5	11
	<u>\$ 2,562,398</u>	<u>100 %</u>	<u>\$ 2,448,935</u>	<u>100 %</u>	<u>205 %</u>
December 31, 2021:					
Senior debt and 1 st lien notes	\$ 1,217,899	68 %	\$ 1,221,598	68 %	165 %
Subordinated debt and 2 nd lien notes	253,551	14	240,037	13	32
Structured products	37,055	2	40,271	2	6
Equity shares	145,791	8	154,477	9	21
Equity warrants	1,111	—	1,107	—	—
Investments in joint ventures / PE fund	132,417	8	143,104	8	19
	<u>\$ 1,787,824</u>	<u>100 %</u>	<u>\$ 1,800,594</u>	<u>100 %</u>	<u>243 %</u>

During the year ended December 31, 2022, the Company made 95 new investments totaling \$884.8 million, purchased \$442.2 million of investments as part of the Sierra Merger, made investments in existing portfolio companies totaling \$258.5 million and made additional investments in joint venture equity portfolio companies totaling \$13.8 million.

During the year ended December 31, 2021, the Company made 112 new investments totaling \$1,069.4 million, made investments in existing portfolio companies totaling \$234.0 million, made a new joint venture equity investment totaling \$13.7 million, made an additional investments existing joint venture equity portfolio companies totaling \$79.4 million and made an \$89.8 million equity co-investment alongside certain affiliates in a portfolio company focused on directly originated, senior-secured asset-based loans to middle-market companies.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

During the year ended December 31, 2020, the Company made 76 new investments totaling \$743.2 million, purchased \$185.0 million of investments as part of the MVC Acquisition, made investments in existing portfolio companies totaling \$114.6 million, made a new joint venture equity investment totaling \$10.0 million and made an additional investment in one existing joint venture equity portfolio company totaling \$10.0 million.

Industry Composition

The industry composition of investments at fair value at December 31, 2022 and December 31, 2021, excluding short-term investments, was as follows:

(\$ in thousands)	December 31, 2022	Percent of Portfolio	December 31, 2021	Percent of Portfolio
Aerospace and Defense	\$ 120,945	4.9 %	\$ 91,128	5.1 %
Automotive	76,934	3.2	55,875	3.1
Banking, Finance, Insurance and Real Estate	312,936	12.8	208,397	11.6
Beverage, Food and Tobacco	34,690	1.4	38,985	2.2
Capital Equipment	141,479	5.8	42,916	2.4
Chemicals, Plastics, and Rubber	47,076	1.9	32,234	1.8
Construction and Building	45,049	1.8	62,083	3.4
Consumer goods: Durable	43,932	1.8	47,316	2.6
Consumer goods: Non-durable	27,693	1.1	28,306	1.6
Containers, Packaging and Glass	37,877	1.5	10,218	0.6
Energy: Electricity	7,337	0.3	12,190	0.7
Energy: Oil and Gas	4,776	0.2	5,774	0.3
Environmental Industries	51,006	2.1	8,081	0.4
Healthcare and Pharmaceuticals	203,576	8.3	134,286	7.5
High Tech Industries	300,980	12.3	139,590	7.7
Hotel, Gaming and Leisure	54,023	2.2	27,553	1.5
Investment Funds and Vehicles	130,427	5.3	143,104	7.9
Media: Advertising, Printing and Publishing	55,477	2.3	46,414	2.6
Media: Broadcasting and Subscription	20,257	0.8	7,441	0.4
Media: Diversified and Production	60,561	2.5	52,887	2.9
Metals and Mining	33,125	1.4	10,684	0.6
Services: Business	338,417	13.8	342,758	19.0
Services: Consumer	67,070	2.7	65,801	3.7
Structured Products	86,703	3.5	24,662	1.4
Telecommunications	24,058	1.0	45,182	2.5
Transportation: Cargo	89,398	3.7	86,964	4.8
Transportation: Consumer	11,062	0.5	12,231	0.7
Utilities: Electric	17,374	0.7	12,857	0.7
Utilities: Oil and Gas	4,697	0.2	4,677	0.3
Total	\$ 2,448,935	100.0 %	\$ 1,800,594	100.0 %

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following table presents the Company's investment portfolio at fair value as of December 31, 2022 and 2021, categorized by the ASC Topic 820 valuation hierarchy, as previously described:

(\$ in thousands)	Fair Value at December 31, 2022			
	Level 1	Level 2	Level 3	Total
Senior debt and 1 st lien notes	\$ —	\$ 104,836	\$ 1,591,356	\$ 1,696,192
Subordinated debt and 2 nd lien notes	—	28,925	234,214	263,139
Structured products	—	55,723	17,827	73,550
Equity shares	164	1,339	283,067	284,570
Equity warrants	—	—	1,057	1,057
Investments subject to leveling	<u>\$ 164</u>	<u>\$ 190,823</u>	<u>\$ 2,127,521</u>	<u>\$ 2,318,508</u>
Investments in joint ventures / PE fund(1)				130,427
				<u>\$ 2,448,935</u>

(\$ in thousands)	Fair Value at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Senior debt and 1 st lien notes	\$ —	\$ 84,275	\$ 1,137,323	\$ 1,221,598
Subordinated debt and 2 nd lien notes	—	9,468	230,569	240,037
Structured products	—	40,271	—	40,271
Equity shares	111	3,084	151,282	154,477
Equity warrants	—	243	864	1,107
Investments subject to leveling	<u>\$ 111</u>	<u>\$ 137,341</u>	<u>\$ 1,520,038</u>	<u>\$ 1,657,490</u>
Investments in joint ventures / PE fund(2)				143,104
				<u>\$ 1,800,594</u>

- (1) The Company's investments in Jocassee, Sierra JV, Thompson Rivers, Waccamaw River and the MVC Private Equity Fund LP are measured at fair value using NAV and have not been categorized in the fair value hierarchy. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.
- (2) The Company's investments in Jocassee, Thompson Rivers, Waccamaw River and the MVC Private Equity Fund LP are measured at fair value using net asset value and have not been categorized in the fair value hierarchy. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following tables reconcile the beginning and ending balances of the Company's investment portfolio measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2022 and 2021:

Year Ended December 31, 2022: (\$ in thousands)	Senior Debt and 1 st Lien Notes	Subordinated Debt and 2 nd Lien Notes	Structured Products	Equity Shares	Equity Warrants	Total
Fair value, beginning of period	\$ 1,137,323	\$ 230,569	\$ —	\$ 151,282	\$ 864	\$1,520,038
New investments	907,398	95,157	14,893	71,576	4	1,089,028
Investments acquired in Sierra merger	210,176	54,177	—	7,065	72	271,490
Transfers into (out of) Level 3, net	43	(11,848)	4,905	7,263	41	404
Proceeds from sales of investments	(323,831)	(21,555)	—	(7,304)	(250)	(352,940)
Loan origination fees received	(18,803)	(1,317)	—	—	—	(20,120)
Principal repayments received	(270,795)	(77,293)	(357)	—	—	(348,445)
Payment-in-kind interest/dividends	2,996	11,330	—	1,677	—	16,003
Accretion of loan premium/ discount	790	89	—	—	—	879
Accretion of deferred loan origination revenue	8,338	2,734	—	—	—	11,072
Realized gain (loss)	(13,163)	(2,781)	—	1,096	(760)	(15,608)
Unrealized appreciation (depreciation)	(49,116)	(45,048)	(1,614)	50,412	1,086	(44,280)
Fair value, end of period	<u>\$ 1,591,356</u>	<u>\$ 234,214</u>	<u>\$ 17,827</u>	<u>\$ 283,067</u>	<u>\$ 1,057</u>	<u>\$2,127,521</u>

Year Ended December 31, 2021: (\$ in thousands)	Senior Debt and 1 st Lien Notes	Subordinated Debt and 2 nd Lien Notes	Equity Shares	Equity Warrants	Total
Fair value, beginning of period	\$ 1,055,717	\$ 130,820	\$ 44,227	\$ 1,134	\$ 1,231,898
New investments	1,096,053	151,301	103,526	163	1,351,043
Transfers into (out of) Level 3, net	(2,630)	2,234	3,224	—	2,828
Proceeds from sales of investments	(736,675)	(13,683)	(7,964)	(450)	(758,772)
Loan origination fees received	(26,844)	(3,660)	—	—	(30,504)
Principal repayments received	(255,215)	(32,131)	—	—	(287,346)
Payment-in-kind interest	865	8,504	—	—	9,369
Accretion of loan premium/discount	16	222	—	—	238
Accretion of deferred loan origination revenue	8,584	603	—	—	9,187
Realized gain (loss)	(575)	(37)	950	163	501
Unrealized appreciation (depreciation)	(1,973)	(13,604)	7,319	(146)	(8,404)
Fair value, end of period	<u>\$ 1,137,323</u>	<u>\$ 230,569</u>	<u>\$ 151,282</u>	<u>\$ 864</u>	<u>\$ 1,520,038</u>

All realized gains and losses and unrealized appreciation and depreciation are included in earnings (changes in net assets) and are reported on separate line items within the Company's Consolidated Statements of Operations. Pre-tax net unrealized depreciation on Level 3 investments of \$45.3 million during the year ended December 31, 2022 was related to portfolio company investments that were still held by the Company as of December 31, 2022. Pre-tax net unrealized depreciation on Level 3 investments of \$3.8 million during the year ended December 31, 2021 was related to portfolio company investments that were still held by the Company as of December 31, 2021.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

During the year ended December 31, 2022, the Company made investments of approximately \$1,529.6 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the year ended December 31, 2022, the Company made investments of \$83.6 million in companies to which it was previously committed to provide such financing.

During the year ended December 31, 2021, the Company made investments of approximately \$1,410.5 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the year ended December 31, 2021, the Company made investments of \$70.0 million in companies to which it was previously committed to provide such financing.

Jocassee Partners LLC

On May 8, 2019, the Company entered into an agreement with South Carolina Retirement Systems Group Trust (“SCRS”) to create and co-manage Jocassee Partners LLC (“Jocassee”), a joint venture, which invests in a highly diversified asset mix including senior secured, middle-market, private debt investments, syndicated senior secured loans and structured product investments. The Company and SCRS committed to initially provide \$50.0 million and \$500.0 million, respectively, of equity capital to Jocassee. On June 2, 2022, the Company committed an additional \$50.0 million to Jocassee. Equity contributions will be called from each member on a pro-rata basis, based on their equity commitments.

For the year ended December 31, 2022, Jocassee declared \$15.7 million in dividends of which \$1.4 million was recognized as dividend income in the Company’s Consolidated Statement of Operations.

The total value of Jocassee’s investment portfolio was \$1,219.9 million as of December 31, 2022, as compared to \$1,258.2 million as of December 31, 2021. As of December 31, 2022, Jocassee’s investments had an aggregate cost of \$1,296.4 million, as compared to \$1,242.2 million as of December 31, 2021. As of December 31, 2022 and December 31, 2021, the weighted average yield on the principal amount of Jocassee’s outstanding debt investments was approximately 8.6% and 5.3%, respectively. As of December 31, 2022 and December 31, 2021, the Jocassee investment portfolio consisted of the following investments:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
December 31, 2022:				
Senior debt and 1 st lien notes	\$ 1,177,895	91 %	\$ 1,123,760	92 %
Subordinated debt and 2nd lien notes	23,141	2 %	21,659	2 %
Equity shares	8,521	— %	2,458	— %
Equity warrants	31	— %	158	— %
Investment in joint ventures	75,941	6 %	61,028	5 %
Short-term investments	10,826	1 %	10,826	1 %
	<u>\$ 1,296,355</u>	<u>100 %</u>	<u>\$ 1,219,889</u>	<u>100 %</u>
December 31, 2021:				
Senior debt and 1 st lien notes	\$ 1,084,502	87 %	\$ 1,085,172	86 %
Subordinated debt and 2nd lien notes	23,607	2	24,011	2
Structured products	4,569	—	5,410	1
Equity shares	5,448	1	3,887	—
Equity warrants	31	—	75	—
Investment in joint ventures	111,490	9	127,092	10
Short-term investments	12,572	1	12,572	1
	<u>\$ 1,242,219</u>	<u>100 %</u>	<u>\$ 1,258,219</u>	<u>100 %</u>

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The industry composition of Jocassee's investments at fair value at December 31, 2022 and December 31, 2021, excluding short-term investments, was as follows:

(\$ in thousands)	December 31, 2022		December 31, 2021	
Aerospace and Defense	\$ 69,133	5.7 %	\$ 71,857	5.8 %
Automotive	20,625	1.7	18,626	1.5
Banking, Finance, Insurance and Real Estate	105,047	8.7	109,961	8.8
Beverage, Food and Tobacco	25,885	2.1	30,352	2.4
Capital Equipment	25,014	2.1	17,006	1.4
Chemicals, Plastics, and Rubber	33,111	2.7	24,665	2.0
Construction and Building	17,616	1.5	14,506	1.2
Consumer goods: Durable	18,751	1.7	10,294	0.8
Consumer goods: Non-durable	22,861	1.9	23,886	1.9
Containers, Packaging and Glass	24,445	2.0	25,277	2.0
Energy: Electricity	15,375	1.3	10,571	0.9
Energy: Oil and Gas	5,726	0.5	5,091	0.4
Environmental Industries	7,314	0.6	7,563	0.6
Forest Products & Paper	2,269	0.2	475	—
Healthcare and Pharmaceuticals	128,983	10.7	128,495	10.3
High Tech Industries	141,906	11.7	171,960	13.8
Hotel, Gaming and Leisure	23,587	2.0	35,383	2.8
Investment Funds and Vehicles	61,028	5.0	127,092	10.2
Media: Advertising, Printing and Publishing	5,969	0.5	18,423	1.5
Media: Broadcasting and Subscription	34,676	2.9	37,840	3.0
Media: Diversified and Production	28,897	2.4	21,059	1.7
Metals and Mining	5,069	0.4	5,792	0.5
Retail	15,720	1.3	14,420	1.2
Services: Business	199,805	16.5	151,723	12.2
Services: Consumer	52,543	4.3	55,156	4.4
Structured Product	—	—	5,409	0.4
Telecommunications	38,034	3.1	36,036	2.9
Transportation: Cargo	56,018	4.6	49,103	3.9
Transportation: Consumer	12,562	1.0	6,546	0.5
Utilities: Electric	4,194	0.3	3,265	0.3
Utilities: Oil and Gas	6,900	0.6	6,870	0.6
Wholesale	—	—	945	0.1
Total	\$ 1,209,063	100.0 %	\$ 1,245,647	100.0 %

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The geographic composition of Jocassee's investments at fair value at December 31, 2022 and December 31, 2021, excluding short-term investments, was as follows:

	December 31, 2022		December 31, 2021	
Australia	\$ 26,111	2.1 %	\$ 16,509	1.3 %
Austria	6,697	0.5 %	1,115	0.1
Belgium	16,385	1.4	14,814	1.2
Canada	7,280	0.6	8,507	0.7
Denmark	953	0.1	6,960	0.6
Finland	1,967	0.2	47,992	3.8
France	133,682	11.1	3,391	0.3
Germany	38,068	3.1	6,357	0.5
Hong Kong	16,593	1.4	2,272	0.2
Ireland	4,334	0.4	123,816	9.9
Italy	—	—	113,896	9.1
Luxembourg	1,759	0.1	4,766	0.4
Netherlands	35,194	2.9	3,744	0.3
Panama	945	0.1	—	—
Singapore	4,955	0.4	—	—
Spain	4,189	0.3	1,225	0.1
Sweden	4,371	0.4	32,150	2.6
Switzerland	5,558	0.5	965	0.1
United Kingdom	126,305	10.4	5,305	0.4
USA	773,717	64.0	851,863	68.4
Total	<u>\$ 1,209,063</u>	<u>100.0 %</u>	<u>\$ 1,245,647</u>	<u>100.0 %</u>

Jocassee's subscription facility with Bank of America N.A., which is non-recourse to the Company, had approximately \$174.3 million and \$176.3 million outstanding as of December 31, 2022 and December 31, 2021, respectively. Jocassee's credit facility with Citibank, N.A., which is non-recourse to the Company, had approximately \$357.9 million and \$342.8 million outstanding as of December 31, 2022 and December 31, 2021, respectively. Jocassee's term debt securitization, which is non-recourse to the Company, had approximately \$323.3 million and \$323.1 million outstanding as of December 31, 2022 and December 31, 2021, respectively.

The Company may sell portions of its investments via assignment to Jocassee. Since inception, as of December 31, 2022, and December 31, 2021, the Company had sold \$875.9 million and \$698.5 million, respectively, of its investments to Jocassee. For the years ended December 31, 2022 and December 31, 2021, the Company realized a loss on the sales of its investments to Jocassee of \$5.6 million and \$1.4 million, respectively. As of December 31, 2022 and December 31, 2021, the Company had \$18.2 million and \$216.9 million, respectively, in unsettled receivables due from Jocassee that were included in "Receivable from unsettled transactions" in the accompanying Consolidated Balance Sheets. The sale of the investments met the criteria set forth in ASC 860, *Transfers and Servicing* for treatment as a sale and satisfies the following conditions:

- Assigned investments have been isolated from the Company, and put presumptively beyond the reach of the Company and its creditors, even in bankruptcy or other receivership;
- each participant has the right to pledge or exchange the assigned investments it received, and no condition both constrains the participant from taking advantage of its right to pledge or exchange and provides more than a trivial benefit to the Company; and
- the Company, its consolidated affiliates or its agents do not maintain effective control over the assigned investments through either: (i) an agreement that entitles and/or obligates the Company to repurchase or

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

redeem the assets before maturity, or (ii) the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call.

The Company has determined that Jocassee is an investment company under ASC, Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Jocassee as it is not a substantially wholly owned investment company subsidiary. In addition, the Company does not control Jocassee due to the allocation of voting rights among Jocassee members.

As of December 31, 2022 and December 31, 2021, Jocassee had the following contributed capital and unfunded commitments from its members:

(\$ in thousands)	As of December 31, 2022	As of December 31, 2021
Total contributed capital by Barings BDC, Inc.....	\$ 35,000	\$ 30,000
Total contributed capital by all members	\$ 385,000	\$ 330,000
Total unfunded commitments by Barings BDC, Inc.....	\$ 65,000	\$ 20,000
Total unfunded commitments by all members.....	\$ 215,000	\$ 220,000

Thompson Rivers LLC

On April 28, 2020, Thompson Rivers LLC (“Thompson Rivers”) was formed as a Delaware limited liability company. On May 13, 2020, the Company entered into a limited liability company agreement governing Thompson Rivers. Under Thompson Rivers’ current operating agreement, as amended to date, the Company has a capital commitment of \$75.0 million of equity capital to Thompson Rivers, all of which has been funded as of December 31, 2022. As of December 31, 2022, aggregate commitments to Thompson Rivers by the Company and the other members under the current operating agreement total \$450.0 million, all of which has been funded.

For the years ended December 31, 2022 and 2021, Thompson Rivers declared \$261.9 million and \$37.5 million in dividends, respectively, of which \$9.1 million and \$4.8 million, respectively, was recognized as dividend income in the Company’s Consolidated Statement of Operations. In addition, for the year ended December 31, 2022, the Company recognized \$32.8 million of the dividends as a return of capital.

As of December 31, 2022, Thompson Rivers had \$890.9 million in Ginnie Mae early buyout loans and \$65.1 million in cash. As of December 31, 2021, Thompson Rivers had \$3.1 billion in Ginnie Mae early buyout loans and \$220.6 million in cash. As of December 31, 2022, Thompson Rivers had 5,414 outstanding loans with an average unpaid balance of \$0.2 million and weighted average coupon of 4.0%. As of December 31, 2021, Thompson Rivers had 15,617 outstanding loans with an average unpaid balance of \$0.2 million and weighted average coupon of 4.0%.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2022 and December 31, 2021, the Thompson Rivers investment portfolio consisted of the following investments:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
December 31, 2022:				
Federal Housing Administration (“FHA”) loans	\$ 864,625	91 %	\$ 811,358	91 %
Veterans Affairs (“VA”) loans	84,654	9 %	79,553	9 %
	<u>\$ 949,279</u>	<u>100 %</u>	<u>\$ 890,911</u>	<u>100 %</u>
December 31, 2021:				
Federal Housing Administration (“FHA”) loans	\$ 2,799,869	93 %	\$ 2,839,495	93 %
Veterans Affairs (“VA”) loans	224,660	7 %	223,540	7 %
	<u>\$ 3,024,529</u>	<u>100 %</u>	<u>\$ 3,063,035</u>	<u>100 %</u>

Thompson Rivers’ repurchase agreement with JPMorgan Chase Bank, which is non-recourse to the Company, had approximately \$224.2 million and \$694.8 million outstanding as of December 31, 2022 and December 31, 2021, respectively. Thompson Rivers’ repurchase agreement with Bank of America N.A., which is non-recourse to the Company, had approximately \$428.0 million and \$1,245.2 million outstanding as of December 31, 2022 and December 31, 2021, respectively. Thompson Rivers’ repurchase agreement with Barclays Bank, which is non-recourse to the Company, had approximately \$184.2 million and \$933.1 million outstanding as of December 31, 2022 and December 31, 2021, respectively.

The Company has determined that Thompson Rivers is an investment company under ASC Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Thompson Rivers as it is not a substantially wholly owned investment company subsidiary. In addition, the Company does not control Thompson Rivers due to the allocation of voting rights among Thompson Rivers members.

As of December 31, 2022 and December 31, 2021, Thompson Rivers had the following contributed capital and unfunded commitments from its members:

(\$ in thousands)	As of December 31, 2022	As of December 31, 2021
Total contributed capital by Barings BDC, Inc. (1)	\$ 79,411	\$ 79,414
Total contributed capital by all members	\$ 482,083 (2)	\$ 482,120 (3)
Total unfunded commitments by Barings BDC, Inc.	\$ —	\$ —
Total unfunded commitments by all members	\$ —	\$ —

(1) Includes \$4.4 million of dividend re-investments.

(2) Includes dividend re-investments of \$32.1 million and \$162.1 million of total contributed capital by related parties.

(3) Includes dividend re-investments of \$32.1 million and \$162.3 million of total contributed capital by related parties.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Waccamaw River LLC

On January 4, 2021, Waccamaw River LLC (“Waccamaw River”) was formed as a Delaware limited liability company. On February 8, 2021, the Company entered into a limited liability company agreement governing Waccamaw River. Under Waccamaw River’s current operating agreement, as amended to date, the Company has a capital commitment of \$25.0 million of equity capital to Waccamaw River, of which approximately \$22.5 million (including approximately \$5.3 million of recallable return of capital) has been funded as of December 31, 2022. As of December 31, 2022, aggregate commitments to Waccamaw River by the Company and the other members under the current operating agreement total \$125.0 million, of which \$112.6 million (including \$14.0 million of recallable return of capital) has been funded.

For the years ended December 31, 2022 and 2021, Waccamaw River declared \$9.3 million and \$1.4 million in dividends, respectively, of which \$1.9 million and \$0.3 million, respectively, was recognized as dividend income in the Company’s Consolidated Statement of Operations.

As of December 31, 2022, Waccamaw River had \$200.5 million in unsecured consumer loans and \$8.0 million in cash. As of December 31, 2021, Waccamaw River had \$60.8 million in unsecured consumer loans and \$4.9 million in cash. As of December 31, 2022, Waccamaw River had 18,335 outstanding loans with an average loan size of \$11,542, remaining average life to maturity of 44.0 months and weighted average interest rate of 12.0%. As of December 31, 2021, Waccamaw River had 5,500 outstanding loans with an average loan size of \$11,280, remaining average life to maturity of 46.5 months and weighted average interest rate of 10.9%.

Waccamaw River’s secured loan borrowing with JPMorgan Chase Bank, N.A., which is non-recourse to the Company, had approximately \$72.3 million outstanding as of December 31, 2022. Waccamaw River’s secured loan borrowing with Barclays Bank PLC, which is non-recourse to the Company, had approximately \$44.8 million outstanding as of December 31, 2022.

The Company has determined that Waccamaw River is an investment company under ASC, Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Waccamaw River as it is not a substantially wholly owned investment company subsidiary. In addition, the Company does not control Waccamaw River due to the allocation of voting rights among Waccamaw River members.

As of December 31, 2022 and December 31, 2021, Waccamaw River had the following contributed capital and unfunded commitments from its members:

(\$ in thousands)	As of December 31, 2022	As of December 31, 2021
Total contributed capital by Barings BDC, Inc.	\$ 27,800	\$ 19,000
Total contributed capital by all members	\$ 126,620 (1)	\$ 82,620 (4)
Total return of capital (recallable) by Barings BDC, Inc. .	\$ (5,280)	\$ (5,280)
Total return of capital (recallable) by all members (2)	\$ (14,020)	\$ (14,020)
Total unfunded commitments by Barings BDC, Inc.	\$ 2,480	\$ 11,280
Total unfunded commitments by all members	\$ 12,400 (3)	\$ 56,400 (5)

- (1) Includes \$74.6 million of total contributed capital by related parties.
- (2) Includes (\$7.0) million of total return of capital (recallable) by related parties.
- (3) Includes \$7.4 million of unfunded commitments by related parties.
- (4) Includes \$48.2 million of total contributed capital by related parties.
- (5) Includes \$33.8 million of unfunded commitments by related parties.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Sierra Senior Loan Strategy JV I LLC

On February 25, 2022, as part of the Sierra Merger, the Company purchased its interest in Sierra Senior Loan Strategy JV I LLC (“Sierra JV”). The Company and MassMutual Ascend Life Insurance Company (“MMALIC”), a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company, are the members of Sierra JV, a joint venture formed as a Delaware limited liability company and commenced operations on July 15, 2015. Sierra JV’s investment objective is to generate current income and capital appreciation by investing primarily in the debt of privately-held middle market companies with a focus on senior secured first lien term loans. The members of Sierra JV make capital contributions as investments by Sierra JV are completed, and all portfolio and other material decisions regarding Sierra JV must be submitted to Sierra JV’s board of managers, which is comprised of four members, two of whom are selected by the Company and the other two are selected by MMALIC. Approval of Sierra JV’s board of managers requires the unanimous approval of a quorum of the board of managers, with a quorum consisting of equal representation of members appointed by each of the Company and MMALIC.

As of December 31, 2022, Sierra JV had total capital commitments of \$124.5 million with the Company committing \$110.1 million and MMALIC committing \$14.5 million. The Company had fully funded its \$110.1 million commitment and total commitments of \$124.5 million were funded as of December 31, 2022.

For the year ended December 31, 2022, Sierra JV declared \$45.2 million in dividends, of which \$4.5 million was recognized as dividend income in the Company’s Consolidated Statements of Operations. In addition, for the year ended December 31, 2022, the Company recognized \$35.7 million of the dividends as a return of capital.

The Company has determined that Sierra JV is an investment company under ASC, Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Sierra JV as it is not a substantially wholly owned investment company subsidiary. In addition, Sierra JV is not an operating company and the Company does not control Sierra JV due to the allocation of voting rights among Sierra JV members.

As of December 31, 2022, the total cost and value of Sierra JV’s investment portfolio was \$125.2 million and \$110.0 million, respectively. As of December 31, 2022, the weighted average yield on the principal amount of Sierra JV’s outstanding debt investments was approximately 9.2%. As of December 31, 2022, the Sierra JV investment portfolio consisted of the following investments:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
December 31, 2022:				
Senior debt and 1 st lien notes	\$ 125,220	100 %	\$ 110,047	100 %
	<u>\$ 125,220</u>	<u>100 %</u>	<u>\$ 110,047</u>	<u>100 %</u>

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The industry composition of Sierra JV’s investments at fair value at December 31, 2022, excluding short-term investments, was as follows:

(\$ in thousands)	December 31, 2022	
Automotive	\$ 2,283	2.1 %
Banking, Finance, Insurance and Real Estate	1,414	1.3
Beverage, Food and Tobacco	3,181	2.9
Capital Equipment	9,208	8.4
Chemicals, Plastics, and Rubber	2,772	2.5
Construction and Building	1,887	1.7
Consumer goods: Durable	1,272	1.1
Containers, Packaging and Glass	1,812	1.6
Environmental Industries	7,797	7.1
Healthcare and Pharmaceuticals	13,614	12.4
High Tech Industries	13,713	12.5
Media: Advertising, Printing and Publishing	10,032	9.1
Media: Diversified and Production	5,498	5.0
Retail	5,489	5.0
Services: Business	10,876	9.9
Services: Consumer	8,265	7.5
Transportation: Cargo	6,221	5.6
Transportation: Consumer	4,713	4.3
Total	\$ 110,047	100.0 %

Sierra JV’s revolving credit facility with Wells Fargo Bank, N.A., which is non-recourse to the Company, had \$75.0 million outstanding as of December 31, 2022.

Eclipse Business Capital Holdings LLC

On July 8, 2021, the Company made an equity investment in Eclipse Business Capital Holdings LLC (“Eclipse”) of \$89.8 million, a second lien senior secured loan of \$4.5 million and unfunded revolver of \$13.6 million, alongside other related party affiliates. On August 12, 2022, the Company increased the unfunded revolver to \$22.7 million. As of December 31, 2022 and December 31, 2021, \$5.3 million and \$1.8 million, respectively, of the revolver was funded. Eclipse conducts its business through Eclipse Business Capital LLC. Eclipse is one of the country’s leading independent asset-based lending (“ABL”) platforms that provides financing to middle-market borrowers in the U.S. and Canada. Eclipse provides revolving lines of credit and term loans ranging in size from \$10 – \$125 million that are secured by collateral such as accounts receivable, inventory, equipment, or real estate. Eclipse lends to both privately-owned and publicly-traded companies across a range of industries, including manufacturing, retail, automotive, oil & gas, services, distribution, and consumer products. The addition of Eclipse to the portfolio allows the Company to participate in an asset class and commercial finance operations that offer differentiated income returns as compared to directly originated loans. Eclipse is led by a seasoned team of ABL experts.

The Company has determined that Eclipse is not an investment company under ASC Topic 946, *Financial Services - Investment Companies*. Under ASC 810-10-15-12(d), an investment company generally does not consolidate an investee that is not an investment company other than a controlled operating company whose business consists of providing services to the company. Thus, the Company is not required to consolidate Eclipse because it does not provide services to the Company. Instead the Company accounts for its equity investment in Eclipse in accordance with ASC 946-320, presented as a single investment measured at fair value.

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Notes to Consolidated Financial Statements — (Continued)

4. Borrowings

The Company had the following borrowings outstanding as of December 31, 2022 and 2021:

Issuance Date (\$ in thousands)	Maturity Date	Interest Rate as of December 31, 2022	December 31, 2022	December 31, 2021
Credit Facilities:				
February 21, 2019.....	February 21, 2025	5.619%	\$ 729,144	\$ 655,189
Total Credit Facilities			<u>\$ 729,144</u>	<u>\$ 655,189</u>
Notes:				
September 24, 2020 - August 2025 Notes	August 4, 2025	4.660%	\$ 25,000	\$ 25,000
September 29, 2020 - August 2025 Notes	August 4, 2025	4.660%	25,000	25,000
November 5, 2020 - Series B Notes	November 4, 2025	4.250%	62,500	62,500
November 5, 2020 - Series C Notes	November 4, 2027	4.750%	112,500	112,500
February 25, 2021 Series D Notes.....	February 26, 2026	3.410%	80,000	80,000
February 25, 2021 Series E Notes.....	February 26, 2028	4.060%	70,000	70,000
November 23, 2021 - November 2026 Notes	November 23, 2026	3.300%	350,000	350,000
Less: Deferred financing fees			(6,022)	(7,444)
Total Notes			<u>\$ 718,978</u>	<u>\$ 717,556</u>

August 2018 Credit Facility

On July 3, 2018, the Company formed Barings BDC Senior Funding I, LLC, an indirectly wholly-owned Delaware limited liability company (“BSF”), the primary purpose of which was to function as the Company’s special purpose, bankruptcy-remote, financing subsidiary. On August 3, 2018, BSF entered into the August 2018 Credit Facility (as subsequently amended in December 2018 and in February 2020) with Bank of America, N.A., as administrative agent and Class A-1 Lender, Société Générale, as Class A Lender, and Bank of America Merrill Lynch, as sole lead arranger and sole book manager. BSF and the administrative agent also entered into a security agreement dated as of August 3, 2018 (the “Security Agreement”) pursuant to which BSF’s obligations under the August 2018 Credit Facility were secured by a first-priority security interest in substantially all of the assets of BSF, including its portfolio of investments (the “Pledged Property”). In connection with the first-priority security interest established under the Security Agreement, all of the Pledged Property was held in the custody of State Street Bank and Trust Company, as collateral administrator.

The August 2018 Credit Facility initially provided for borrowings in an aggregate amount up to \$750.0 million, including up to \$250.0 million borrowed under the Class A Loan Commitments and up to \$500.0 million borrowed under the Class A-1 Loan Commitments. Effective February 28, 2019, the Company reduced its Class A Loan Commitments to \$100.0 million, which reduced total commitments under the August 2018 Credit Facility to \$600.0 million. Effective May 9, 2019, the Company further reduced its Class A Loan Commitments under the August 2018 Credit Facility from \$100.0 million to zero and reduced its Class A-1 Loan Commitments under the August 2018 Credit Facility from \$500.0 million to \$300.0 million, which collectively reduced total commitments under the August 2018 Credit Facility to \$300.0 million. Effective June 18, 2019, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$300.0 million to \$250.0 million. Effective August 14, 2019, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$250.0 million to \$177.0 million. Effective October 29, 2019, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$177.0 million to \$150.0 million. Effective January 21, 2020, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$150.0 million to \$80.0 million. Effective April 23, 2020, the Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$80.0 million to \$30.0 million. Finally, effective June 26, 2020, the

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Company further reduced its Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from \$30.0 million to zero. In connection with these reductions, the pro rata portion of the unamortized deferred financing costs related to the August 2018 Credit Facility was written off and recognized as a loss on extinguishment of debt in the Company's Consolidated Statements of Operations.

On February 21, 2020, the Company extended the maturity date of the August 2018 Credit Facility from August 3, 2020 to August 3, 2021. On June 30, 2020, following the repayment of all borrowings, interest, and fees payable thereunder and at the election of the Company, the August 2018 Credit Facility was terminated, including all commitments and obligations of Bank of America, N.A. to lend or make advances to BSF. In addition, the Security Agreement was terminated and all security interests in the assets of BSF in favor of the lenders were terminated. As a result of these terminations, all obligations of BSF under the August 2018 Credit Facility and Security Agreement were fully discharged.

All borrowings under the August 2018 Credit Facility bore interest, subject to BSF's election, on a per annum basis equal to (i) the applicable base rate plus the applicable spread or (ii) the applicable LIBOR rate plus the applicable spread. The applicable base rate was equal to the greater of (i) the federal funds rate plus 0.5%, (ii) the prime rate or (iii) one-month LIBOR plus 1.0%. The applicable LIBOR rate depended on the term of the borrowing under the August 2018 Credit Facility, which could be either one month or three months, and could not be less than zero. BSF was required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF could prepay any borrowing at any time without premium or penalty, except that BSF could have been liable for certain funding breakage fees if prepayments occurred prior to expiration of the relevant interest period. BSF could also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

Borrowings under the August 2018 Credit Facility were subject to compliance with a borrowing base, pursuant to which the amount of funds advanced by the lenders to BSF would vary depending upon the types of assets in BSF's portfolio. Assets were required to meet certain criteria to be included in the borrowing base, and the borrowing base was subject to certain portfolio restrictions including investment size, sector concentrations, investment type and credit ratings.

Borrowings of BSF were considered borrowings by the Company for purposes of complying with the asset coverage requirements under the 1940 Act applicable to business development companies. The obligations of BSF under the August 2018 Credit Facility were non-recourse to the Company.

The August 2018 Credit Facility was terminated at the Company's election on June 30, 2020.

February 2019 Credit Facility

The Company has entered into the February 2019 Credit Facility with ING Capital LLC ("ING"), as administrative agent, and the lenders party thereto. The initial commitments under the February 2019 Credit Facility total \$800.0 million. Effective on November 4, 2021, the Company increased aggregate commitments under the February 2019 Credit Facility to \$875.0 million from \$800.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.2 billion subject to certain conditions and the satisfaction of specified financial covenants. Effective February 25, 2022, the Company increased aggregate commitments under the February 2019 Credit Facility to \$965.0 million from \$875.0 million pursuant to the accordion feature under the February 2019 Credit Facility, and the allowance for an increase in the total commitments increased to \$1.5 billion from \$1.2 billion subject to certain conditions and the satisfaction of specified financial covenants. Effective on April 1, 2022, the Company increased aggregate commitments under the February 2019 Credit Facility to \$1.1 billion from \$965.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.5 billion subject to certain conditions and the satisfaction of specified financial covenants. The Company can borrow foreign currencies directly under the February 2019 Credit Facility. The February 2019 Credit Facility, which is structured as a revolving credit facility, is secured primarily by a material portion of the Company's assets and guaranteed by certain subsidiaries of the Company. Following the termination on June 30, 2020 of Barings BDC Senior Funding I, LLC's ("BSF") credit facility entered into in August 2018 with Bank of America, N.A. (the "August 2018 Credit Facility"), BSF became a subsidiary guarantor and its assets secure the

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

February 2019 Credit Facility. The revolving period of the February 2019 Credit Facility ends on February 21, 2024, followed by a one-year repayment period with a final maturity date of February 21, 2025.

Borrowings denominated in U.S. Dollars under the February 2019 Credit Facility bear interest, subject to the Company's election, on a per annum basis equal to (i) the alternate base rate plus 1.25% (or 1.00% for so long as the Company maintains an investment grade credit rating) or (ii) the term Secured Overnight Financing Rate ("SOFR") plus 2.25% (or 2.00% for so long as the Company maintains an investment grade credit rating) plus a credit spread adjustment of 0.10% for borrowings with an interest period of one month, 0.15% for borrowings with an interest period of three months or 0.25% for borrowings with an interest period of six months. For borrowings denominated in certain foreign currencies other than Australian dollars, the applicable currency rate for the foreign currency as defined in the credit agreement plus 2.00% (or 2.25% if the Company no longer maintains an investment grade credit rating) or for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.20% (or 2.45% if the Company no longer maintains an investment grade credit rating). The alternate base rate is equal to the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.5%, (iii) the Overnight Bank Funding Rate plus 0.5%, (iv) one-month term SOFR plus 1.0% plus a credit spread adjustment of 0.10% and (v) 1.0%.

In addition, the Company pays a commitment fee of (i) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than two-thirds of total commitments or (ii) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than two-thirds of total commitments. In connection with entering into the February 2019 Credit Facility, the Company incurred financing fees of approximately \$6.4 million, which will be amortized over the remaining life of the February 2019 Credit Facility. In connection with the February 2022 and April 2022 amendments and commitments increase, the Company incurred financing fees of approximately \$1.7 million, which will be amortized over the remaining life of the February 2019 Credit Facility.

The February 2019 Credit Facility contains certain affirmative and negative covenants, including but not limited to (i) maintaining minimum stockholders' equity, (ii) maintaining minimum obligors' net worth, (iii) maintaining a minimum asset coverage ratio, (iv) meeting a minimum liquidity test and (v) maintaining the Company's status as a regulated investment company and as a business development company. The February 2019 Credit Facility also contains customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and material adverse effect. The February 2019 Credit Facility also permits the administrative agent to select an independent third-party valuation firm to determine valuations of certain portfolio investments for purposes of borrowing base provisions. As of December 31, 2022, the Company was in compliance with all covenants under the February 2019 Credit Facility.

As of December 31, 2022, the Company had U.S. dollar borrowings of \$497.5 million outstanding under the February 2019 Credit Facility with an interest rate of 6.324% (one month SOFR of 4.224%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.2 million U.S. dollars) with an interest rate of 4.375% (one month STIBOR of 2.375%), borrowings denominated in British pounds sterling of £68.6 million (\$82.5 million U.S. dollars) with an interest rate of 4.960% (one month SONIA of 2.960%) and borrowings denominated in Euros of €138.6 million (\$147.9 million U.S. dollars) with an interest rate of 3.625% (one month EURIBOR of 1.625%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in "Net unrealized appreciation (depreciation) - foreign currency transactions" in the Company's Consolidated Statements of Operations.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2021, the Company had U.S. dollar borrowings of \$377.0 million outstanding under the February 2019 Credit Facility with an interest rate of 2.125% (one month LIBOR of 0.125%), borrowings denominated in Swedish kronas of kr12.8 million (\$1.4 million U.S. dollars) with an interest rate of 2.000% (one month STIBOR of 0.000%), borrowings denominated in British pounds sterling of £68.3 million (\$92.5 million U.S. dollars) with an interest rate of 2.125% (one month GBP LIBOR of 0.125%), borrowings denominated in Australian dollars of A\$36.6 million (\$26.6 million U.S. dollars) with an interest rate of 2.250% (one month AUD Screen Rate of 0.250%) and borrowings denominated in Euros of €138.6 million (\$157.6 million U.S. dollars) with an interest rate of 2.00% (one month EURIBOR of 0.000%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in “Net unrealized appreciation (depreciation) - foreign currency transactions” in the Company’s Consolidated Statements of Operations.

As of December 31, 2022 and 2021, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was \$729.1 million and \$655.2 million, respectively. The fair values of the borrowings outstanding under the February 2019 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

Debt Securitization

On May 9, 2019, the Company completed a \$449.3 million term debt securitization (the “Debt Securitization”). Term debt securitizations are also known as collateralized loan obligations and are a form of secured financing incurred by the Company, which is consolidated by the Company for financial reporting purposes and subject to its overall asset coverage requirement. The notes offered in the Debt Securitization (collectively, the “2019 Notes”) were issued by Barings BDC Static CLO Ltd. 2019-I (“BBDC Static CLO Ltd.”) and Barings BDC Static CLO 2019-I, LLC, wholly-owned and consolidated subsidiaries of the Company (collectively, the “Issuers”), and were secured by a diversified portfolio of senior secured loans and participation interests therein. The Debt Securitization was executed through a private placement of approximately \$296.8 million of AAA(sf) Class A-1 Senior Secured Floating Rate 2019 Notes (the “Class A-1 2019 Notes”), which bore interest at the three-month LIBOR plus 1.02%; \$51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes (the “Class A-2 2019 Notes”), which bore interest at the three-month LIBOR plus 1.65%; and \$101.0 million of Subordinated 2019 Notes which did not bear interest and were not rated. The Company retained all of the Subordinated 2019 Notes issued in the Debt Securitization in exchange for the Company’s sale and contribution to BBDC Static CLO Ltd. of the initial closing date portfolio, which included senior secured loans and participation interests therein distributed to the Company by BSF. The 2019 Notes were scheduled to mature on April 15, 2027; however, the 2019 Notes could be redeemed by the Issuers, at the direction of the Company as holder of the Subordinated 2019 Notes, on any business day after May 9, 2020. In connection with the sale and contribution, the Company made customary representations, warranties and covenants to the Issuers.

The Class A-1 2019 Notes and Class A-2 2019 Notes were the secured obligations of the Issuers, the Subordinated 2019 Notes were the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes included customary covenants and events of default. The 2019 Notes were not registered under the Securities Act or any state securities or “blue sky” laws and could not be offered or sold in the United States absent registration with the SEC or an applicable exemption from registration.

The Company served as collateral manager to BBDC Static CLO Ltd. under a collateral management agreement and agreed to irrevocably waive all collateral management fees payable pursuant to the collateral management agreement.

The Class A-1 2019 Notes and the Class A-2 2019 Notes issued in connection with the Debt Securitization had floating rate interest provisions based on the three-month LIBOR that reset quarterly, except that LIBOR for the first interest accrual period was calculated by reference to an interpolation between the rate for deposits with a term equal to the next shorter period of time for which rates were available and the rate appearing for deposits with a term equal to the next longer period of time for which rates were available.

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During the year ended December 31, 2019, \$30.0 million of the Class A-1 2019 Notes were repaid. During the year ended December 31, 2020, the remaining 2019 Notes were repaid in full, with the final repayment on October 15, 2020. In connection with these repayments, the pro rata portion of the unamortized deferred financing costs related to the 2019 Notes was written off and recognized as a loss on extinguishment of debt in the Company's Consolidated Statements of Operations.

August 2025 Notes

On August 3, 2020, the Company entered into a Note Purchase Agreement (the "August 2020 NPA") with Massachusetts Mutual Life Insurance Company governing the issuance of (1) \$50.0 million in aggregate principal amount of Series A senior unsecured notes due August 2025 (the "Series A Notes due 2025") with a fixed interest rate of 4.66% per year, and (2) up to \$50.0 million in aggregate principal amount of additional senior unsecured notes due August 2025 with a fixed interest rate per year to be determined (the "Additional Notes" and, collectively with the Series A Notes due 2025, the "August 2025 Notes"), in each case, to qualified institutional investors in a private placement. An aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 24, 2020 and an aggregate principal amount of \$25.0 million of the Series A Notes due 2025 was issued on September 29, 2020, both of which will mature on August 4, 2025 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with their terms. Interest on the August 2025 Notes is due semiannually in March and September, beginning in March 2021. In addition, the Company is obligated to offer to repay the August 2025 Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the August 2020 NPA, the Company may redeem the August 2025 Notes in whole or in part at any time or from time to time at the Company's option at par plus accrued interest to the prepayment date and, if redeemed on or before November 3, 2024, a make-whole premium. The August 2025 Notes are guaranteed by certain of the Company's subsidiaries, and are the Company's general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

The Company's permitted issuance period for the Additional Notes under the August 2020 NPA expired on February 3, 2022, prior to which date the Company issued no Additional Notes.

The August 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company's status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders' equity, maximum net debt to equity ratio and minimum asset coverage ratio. The August 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the August 2025 Notes at the time outstanding may declare all August 2025 Notes then outstanding to be immediately due and payable. As of December 31, 2022, the Company was in compliance with all covenants under the August 2020 NPA.

The August 2025 Notes were offered in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The August 2025 Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2022 and 2021, the fair value of the outstanding August 2025 Notes was \$46.1 million and \$52.2 million, respectively. The fair value determination of the August 2025 Notes was based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November Notes

On November 4, 2020, the Company entered into a Note Purchase Agreement (the "November 2020 NPA") governing the issuance of (1) \$62.5 million in aggregate principal amount of Series B senior unsecured notes due November 2025 (the "Series B Notes") with a fixed interest rate of 4.25% per year and (2) \$112.5 million in

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

aggregate principal amount of Series C senior unsecured notes due November 2027 (the “Series C Notes” and, collectively with the Series B Notes, the “November Notes”) with a fixed interest rate of 4.75% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable November Notes do not satisfy certain investment grade conditions and/or (y) 1.50% per year, to the extent the ratio of the Company’s secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The November Notes were delivered and paid for on November 5, 2020. The Series B Notes will mature on November 4, 2025, and the Series C Notes will mature on November 4, 2027 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with their terms. Interest on the November Notes is due semiannually in May and November, beginning in May 2021. In addition, the Company is obligated to offer to repay the November Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the November 2020 NPA, the Company may redeem the Series B Notes and the Series C Notes in whole or in part at any time or from time to time at the Company’s option at par plus accrued interest to the prepayment date and, if redeemed on or before May 4, 2025, with respect to the Series B Notes, or on or before May 4, 2027, with respect to the Series C Notes, a make-whole premium. The November Notes are guaranteed by certain of the Company’s subsidiaries, and are the Company’s general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

The November 2020 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company’s status as a BDC within the meaning of the 1940 Act, certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments, minimum shareholders’ equity, maximum net debt to equity ratio and minimum asset coverage ratio. The November 2020 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under our other indebtedness or that of our subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of an event of default, the holders of at least 66-2/3% in principal amount of the November Notes at the time outstanding may declare all November Notes then outstanding to be immediately due and payable. As of December 31, 2022, the Company was in compliance with all covenants under the November 2020 NPA.

The November Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The November Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2022 and 2021, the fair value of the outstanding Series B Notes was \$56.8 million and \$64.1 million, respectively. As of December 31, 2022 and 2021, the fair value of the outstanding Series C Notes was \$97.7 million and \$115.3 million, respectively. The fair value determinations of the Series B Notes and Series C Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

February Notes

On February 25, 2021, the Company entered into a Note Purchase Agreement (the “February 2021 NPA”) governing the issuance of (1) \$80.0 million in aggregate principal amount of Series D senior unsecured notes due February 26, 2026 (the “Series D Notes”) with a fixed interest rate of 3.41% per year and (2) \$70.0 million in aggregate principal amount of Series E senior unsecured notes due February 26, 2028 (the “Series E Notes” and, collectively with the Series D Notes, the “February Notes”) with a fixed interest rate of 4.06% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable February Notes do not satisfy certain investment grade rating conditions and/or (y) 1.50% per year, to the extent the ratio of the Company’s secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The February Notes were delivered and paid for on February 26, 2021.

Barings BDC, Inc.
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The Series D Notes will mature on February 26, 2026, and the Series E Notes will mature on February 26, 2028 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with the terms of the February 2021 NPA. Interest on the February Notes is due semiannually in February and August of each year, beginning in August 2021. In addition, the Company is obligated to offer to repay the February Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the February 2021 NPA, the Company may redeem the Series D Notes and the Series E Notes in whole or in part at any time or from time to time at the Company's option at par plus accrued interest to the prepayment date and, if redeemed on or before August 26, 2025, with respect to the Series D Notes, or on or before August 26, 2027, with respect to the Series E Notes, a make-whole premium. The February Notes are guaranteed by certain of the Company's subsidiaries, and are the Company's general unsecured obligations that rank *pari passu* with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

The February 2021 NPA contains certain representations and warranties, and various covenants and reporting requirements customary for senior unsecured notes issued in a private placement, including, without limitation, information reporting, maintenance of the Company's status as a BDC within the meaning of the 1940 Act, and certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business, permitted liens, investments and restricted payments. In addition, the February 2021 NPA contains the following financial covenants: (a) maintaining a minimum obligors' net worth, measured as of each fiscal quarter end; (b) not permitting the Company's asset coverage ratio, as of the date of the incurrence of any debt for borrowed money or the making of any cash dividend to shareholders, to be less than the statutory minimum then applicable to the Company under the 1940 Act; and (c) not permitting the Company's net debt to equity ratio to exceed 2.0x, measured as of each fiscal quarter end.

The February 2021 NPA also contains customary events of default with customary cure and notice periods, including, without limitation, nonpayment, incorrect representation in any material respect, breach of covenant, cross-default under other indebtedness or that of the Company's subsidiary guarantors, certain judgements and orders, and certain events of bankruptcy. Upon the occurrence of certain events of default, the holders of at least 66-2/3% in principal amount of the February Notes at the time outstanding may declare all February Notes then outstanding to be immediately due and payable. As of December 31, 2022, the Company was in compliance with all covenants under the February 2021 NPA.

The February Notes were offered in reliance on Section 4(a)(2) of the Securities Act. The February Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of December 31, 2022 and 2021, the fair value of the outstanding Series D Notes was \$69.6 million and \$79.2 million, respectively. As of December 31, 2022 and 2021, the fair value of the outstanding Series E Notes was \$57.8 million and \$68.7 million, respectively. The fair value determinations of the Series D Notes and Series E Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

November 2026 Notes

On November 23, 2021, the Company and U.S. Bank National Association (the "Trustee") entered into an Indenture (the "Base Indenture") and a Supplemental Indenture (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). The First Supplemental Indenture relates to the Company's issuance of \$350.0 million aggregate principal amount of its 3.300% notes due 2026 (the "November 2026 Notes").

The November 2026 Notes will mature on November 23, 2026 and may be redeemed in whole or in part at the Company's option at any time or from time to time at the redemption prices set forth in the Indenture. The November 2026 Notes bear interest at a rate of 3.300% per year payable semi-annually on May 23 and November 23 of each year, commencing on May 23, 2022. The November 2026 Notes are general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the November 2026 Notes, rank *pari passu* with all existing and future

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

unsecured unsubordinated indebtedness issued by the Company, rank effectively junior to any of the Company's secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries, financing vehicles or similar facilities.

The Indenture contains certain covenants, including covenants requiring the Company to comply with the asset coverage requirements of Section 18(a)(1)(A) as modified by Section 61(a)(1) and (2) of the 1940 Act, whether or not it is subject to those requirements, and to provide financial information to the holders of the November 2026 Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Exchange Act. These covenants are subject to important limitations and exceptions that are described in the Indenture.

In addition, on the occurrence of a "change of control repurchase event," as defined in the Indenture, the Company will generally be required to make an offer to purchase the outstanding November 2026 Notes at a price equal to 100% of the principal amount of such November 2026 Notes plus accrued and unpaid interest to the repurchase date.

As of December 31, 2022 and 2021, the fair value of the outstanding November 2026 Notes was \$294.6 million and \$346.8 million, respectively. The fair value determinations of the November 2026 Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

5. Income Taxes

The Company has elected for federal income tax purposes to be treated, and intends to qualify annually, as a RIC under the Code and intends to make the required distributions to its stockholders as specified therein. In order to maintain its tax treatment as a RIC, the Company must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then the Company is generally required to pay taxes only on the portion of its taxable income and gains it does not distribute (actually or constructively) and certain built-in gains. The Company has historically met its minimum distribution requirements and continually monitors its distribution requirements with the goal of ensuring compliance with the Code.

Depending on the level of investment company taxable income ("ICTI") and net capital gains, if any, or taxable income, the Company may choose to carry forward undistributed taxable income and pay a 4% nondeductible U.S. federal excise tax on certain undistributed income unless the Company distributes, in a timely manner, an amount at least equal to the sum of (i) 98% of net ordinary income for each calendar year, (ii) 98.2% of the amount by which capital gains exceed capital losses (adjusted for certain ordinary losses) for the one-year period ending October 31 in that calendar year and (iii) certain undistributed amounts from previous years on which the Company paid no U.S. federal income tax. Any such carryover of taxable income must be distributed before the end of that next tax year through a dividend declared prior to filing of the tax return related to the year which generated such taxable income not to be subject to U.S. federal income tax. For the years ended December 31, 2022 and 2021, we recorded a net expense of \$0.6 million and \$7,495, respectively, for U.S. federal excise tax.

Taxable income generally differs from increase in net assets resulting from operations due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized. The Company makes certain adjustments to the classification of net assets as a result of permanent book-to-tax differences, which include differences in the book and tax basis of certain assets and liabilities, and nondeductible federal taxes or losses among other items. To the extent these differences are permanent, they are charged or credited to additional paid in capital, or total distributable earnings (loss), as appropriate.

During the years ended December 31, 2022, 2021 and 2020, the Company reclassified for book purposes amounts arising from permanent book/tax differences primarily related to differences in the tax basis and book basis of investments sold, merger adjustments and non-deductible excise taxes paid during the year as follows:

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Notes to Consolidated Financial Statements — (Continued)

(\$ in thousands)	December 31,			
	2022	(1)	2021	2020
Additional paid-in capital	\$ 288,888	\$	1,629	\$ 3,879
Total distributable earnings (loss).....	\$ (288,888)	\$	(1,629)	\$ (3,879)

(1) 2022 reclassification is primarily attributable to the Sierra Merger.

Tax positions taken or expected to be taken in the course of preparing the Company's tax returns are evaluated to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Management has analyzed the Company's tax positions taken, or to be taken, on federal income tax returns for all open tax years (fiscal years 2019-2021), and has concluded that the provision for uncertain tax positions in the Company's financial statements is appropriate.

For income tax purposes, distributions paid to stockholders are reported as ordinary income, long-term capital gains, return of capital or a combination thereof. The tax character of distributions paid for the years ended December 31, 2022, 2021 and 2020 was as follows:

(\$ in thousands)	Year Ended December 31,		
	2022	2021	2020
Ordinary income	\$ 93,726	\$ 51,910	\$ 31,325
Tax return of capital	—	1,649	—
Distributions on a tax basis	\$ 93,726	\$ 53,559	\$ 31,325

At December 31, 2022, 2021 and 2020, the components of distributable earnings on a tax basis detailed below differ from the amounts reflected in the Company's Consolidated Balance Sheets by temporary and other book/tax differences, primarily relating to accruals of defaulted debt investment interest and the tax treatment of certain partnership investments, as follows:

(\$ in thousands)	December 31,		
	2022	2021	2020
Undistributed net investment income	\$ 22,110	\$ —	\$ 1,713
Accumulated capital losses	(582,153)	(304,240)	(312,323)
Other permanent differences relating to the Company's formation	1,975	1,975	1,975
Other temporary differences	136	68	—
Unrealized depreciation	(105,822)	16,376	(1,333)
Components of distributable earnings at year end	\$ (663,754)	\$ (285,821)	\$ (309,968)

Tax information for the fiscal year ended December 31, 2022 is estimated and is not considered final until the Company files its tax return.

Under current law, the Company may carry forward net capital losses indefinitely to use to offset capital gains realized in future years. As of December 31, 2022, the Company estimates that it will have a capital loss carryforward of approximately \$582.2 million (\$27.1 million of short-term capital losses and \$555.1 million of long-term capital losses), none of which will expire. Because of the loss limitation rules of the Code, some of the tax basis losses may be limited in their use. The unused balance will be carried forward and utilized as gains are realized, subject to such limitations. As of December 31, 2021, the Company estimated that it will have a capital loss carryforward of approximately \$304.2 million (\$5.7 million of short-term capital losses and \$298.5 million of long-term capital losses), none of which will expire.

For federal income tax purposes, the cost of investments owned as of December 31, 2022 and December 31, 2021 was approximately \$2,565.9 million and \$1,792.1 million, respectively. As of December 31, 2022, net unrealized depreciation on the Company's investments (tax basis) was approximately \$105.8 million, consisting of

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately \$112.4 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately \$218.3 million. As of December 31, 2021, net unrealized appreciation on the Company's investments (tax basis) was approximately \$16.4 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately \$45.6 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately \$29.2 million.

In addition, the Company has wholly-owned taxable subsidiaries (the "Taxable Subsidiaries"), which hold certain portfolio investments that are listed on the Consolidated Schedules of Investments. The Taxable Subsidiaries are consolidated for financial reporting purposes, such that the Company's consolidated financial statements reflect the Company's investments in the portfolio companies owned by the Taxable Subsidiaries. The purpose of the Taxable Subsidiaries is to permit the Company to hold certain portfolio companies that are organized as LLCs (or other forms of pass-through entities) and still satisfy the RIC tax requirement that at least 90% of the RIC's gross revenue for income tax purposes must consist of qualifying investment income. Absent the Taxable Subsidiaries, a proportionate amount of any gross income of an LLC (or other pass-through entity) portfolio investment would flow through directly to the RIC. To the extent that such income did not consist of qualifying investment income, it could jeopardize the Company's ability to qualify as a RIC and therefore cause the Company to incur significant amounts of federal income taxes. When LLCs (or other pass-through entities) are owned by the Taxable Subsidiaries, their income is taxed to the Taxable Subsidiaries and does not flow through to the RIC, thereby helping the Company preserve its RIC tax treatment and resultant tax advantages. The Taxable Subsidiaries are not consolidated for income tax purposes and may generate income tax expense as a result of their ownership of the portfolio companies. This income tax expense or benefit, if any, is reflected in the Company's Consolidated Statements of Operations. Additionally, any unrealized appreciation related to portfolio investments held by the Taxable Subsidiaries (net of unrealized depreciation related to portfolio investments held by the Taxable Subsidiaries) is reflected net of applicable federal and state income taxes, if any, in the Company's Consolidated Statements of Operations, with the related deferred tax assets or liabilities, if any, included in "Accounts payable and accrued liabilities" in the Company's Consolidated Balance Sheets.

As of December 31, 2022, the Company had a net deferred tax asset of \$9.5 million pertaining to operating losses and tax basis differences related to certain partnership interests. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. Given the losses generated by the entity, the deferred tax assets have been offset by a valuation allowance of \$8.3 million. As of December 31, 2021, the Company had a net deferred tax asset of \$8.6 million pertaining to operating losses and tax basis differences related to certain partnership interests. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. Given the losses generated by the entity, the deferred tax asset has been offset by a valuation allowance of \$8.6 million. The Company concluded that the remaining deferred tax assets will more likely than not be realized, though this is not assured, and as such no valuation allowance has been provided on these assets.

6. Derivative Instruments

MVC Credit Support Agreement

In connection with the MVC Acquisition on December 23, 2020, promptly following the closing of the Company's merger with MVC, the Company and the Adviser entered into the MVC Credit Support Agreement, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. See "Note 2 - Agreements and Related Party Transactions" for additional information regarding the MVC Credit Support Agreement. Net unrealized appreciation or depreciation on the MVC Credit Support Agreement is included in "Net unrealized appreciation (depreciation) - credit support agreements" in the Company's Consolidated Statements of Operations.

The following tables present the fair value and aggregate unrealized appreciation (depreciation) of the MVC Credit Support Agreement as of December 31, 2022 and 2021:

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Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2022 Description (\$ in thousands)	Counterparty	Settlement Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
MVC Credit Support Agreement.....	Barings LLC	01/01/31	\$ 23,000	\$ 12,386	\$ (1,214)
Total MVC Credit Support Agreement					\$ (1,214)

As of December 31, 2021 Description (\$ in thousands)	Counterparty	Settlement Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
MVC Credit Support Agreement.....	Barings LLC	01/01/31	\$ 23,000	\$ 15,400	\$ 1,800
Total MVC Credit Support Agreement					\$ 1,800

As of December 31, 2022 and 2021, the fair value of the MVC Credit Support Agreement was \$12.4 million and \$15.4 million, respectively, and is included in “Credit support agreements” in the accompanying Consolidated Balance Sheets. As of December 31, 2022, the fair value of the MVC Credit Support Agreement was determined based on an income approach, with the primary input being the discount rate which is a Level 3 input. As of December 31, 2021, the fair value of the MVC Credit Support Agreement was determined based on a simulation analysis, with the primary inputs being the enterprise value, a measure of expected asset volatility, and the expected time until an exit event for each portfolio company in the MVC Reference Portfolio, which are all Level 3 inputs.

The following tables summarize the significant unobservable inputs the Adviser used in the valuation of the Company’s Level 3 MVC Credit Support Agreement as of December 31, 2022 and 2021. The weighted average range of unobservable inputs is based on fair value of the MVC Credit Support Agreement.

December 31, 2022: (\$ in thousands)	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
MVC Credit Support Agreement.....	\$ 12,386	Income Approach	Discount Rate	7.1% - 8.1%	7.6%	Decrease

December 31, 2021: (\$ in thousands)	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
MVC Credit Support Agreement.....	\$ 15,400	Simulation Analysis	Enterprise Value	\$5,700 - \$111,700	\$58,700	Decrease
			Asset Volatility	25.0% - 47.5%	36.3%	Increase
			Time Until Exit (years)	0.5 - 6.0	3.3	Decrease

Sierra Credit Support Agreement

In connection with the Sierra Merger on February 25, 2022, promptly following the closing of the Company’s merger with Sierra, the Company and the Adviser entered into the Sierra Credit Support Agreement, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$100.0 million relating to the net cumulative realized and unrealized losses on the acquired Sierra investment portfolio over a 10-year period. See “Note 2 – Agreements and Related Party Transactions” for additional information regarding the Sierra Credit Support Agreement. Net unrealized appreciation or depreciation on the Sierra Credit Support

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Agreement is included in “Net unrealized appreciation (depreciation) - credit support agreements” in the Company’s Consolidated Statements of Operations.

The following table presents the fair value and aggregate unrealized appreciation (depreciation) of the Sierra Credit Support Agreement as of December 31, 2022:

As of December 31, 2022 Description (\$ in thousands)	Counterparty	Settlement Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
Sierra Credit Support Agreement.....	Barings LLC	04/01/32	\$ 100,000	\$ 40,700	\$ (3,700)
Total Sierra Credit Support Agreement					\$ (3,700)

As of December 31, 2022, the fair value of the Sierra Credit Support Agreement was \$40.7 million, and is included in “Credit support agreements” in the accompanying Consolidated Balance Sheets. The fair value of the Sierra Credit Support Agreement was determined based on a simulation analysis, with the primary inputs being the enterprise value, a measure of expected asset volatility, the expected time until an exit event for each portfolio company in the Sierra Reference Portfolio and the Recovery Rate, which are all Level 3 inputs.

The following tables summarize the significant unobservable inputs the Adviser used in the valuation of the Company’s Level 3 Sierra Credit Support Agreement as of December 31, 2022. The weighted average range of unobservable inputs is based on fair value of the Sierra Credit Support Agreement.

December 31, 2022: (\$ in thousands)	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
Sierra Credit Support Agreement.....	\$ 40,700	Simulation Analysis	Enterprise Value	\$100 - \$403,500	\$201,800	Decrease
			Asset Volatility	37.5% - 70.0%	53.8%	Increase
			Time Until Exit (years)	0 - 9.1	4.6	Decrease
			Recovery Rate	0.0% - 70.0%	35.0%	Decrease

Foreign Currency Forward Contracts

The Company enters into forward currency contracts from time to time to primarily help mitigate the impact that an adverse change in foreign exchange rates would have on net interest income from the Company’s investments and related borrowings denominated in foreign currencies. Forward currency contracts are considered undesignated derivative instruments.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following tables present the Company's foreign currency forward contracts as of December 31, 2022 and 2021:

As of December 31, 2022 Description (\$ in thousands)	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets (Liabilities)	Balance Sheet Location of Net Amounts
Foreign currency forward contract (AUD)	A\$72,553	\$48,701	01/09/23	\$ 511	Derivative assets
Foreign currency forward contract (AUD)	\$47,177	A\$72,553	01/09/23	(2,035)	Derivative liabilities
Foreign currency forward contract (AUD)	\$47,055	A\$69,919	04/11/23	(548)	Derivative liabilities
Foreign currency forward contract (CAD)	C\$225	\$165	01/09/23	1	Derivative assets
Foreign currency forward contract (CAD)	C\$9,285	\$6,819	01/09/23	34	Derivative assets
Foreign currency forward contract (CAD)	\$4,578	C\$6,207	01/09/23	(3)	Derivative liabilities
Foreign currency forward contract (CAD)	\$2,415	C\$3,303	01/09/23	(22)	Derivative liabilities
Foreign currency forward contract (CAD)	\$6,865	C\$9,339	04/11/23	(34)	Derivative liabilities
Foreign currency forward contract (DKK)	2,260kr.	\$323	01/09/23	2	Derivative assets
Foreign currency forward contract (DKK)	\$300	2,260kr.	01/09/23	(24)	Derivative liabilities
Foreign currency forward contract (DKK)	\$329	2,290kr.	04/11/23	(2)	Derivative liabilities
Foreign currency forward contract (EUR)	€106,443	\$113,101	01/09/23	541	Derivative assets
Foreign currency forward contract (EUR)	€1,511	\$1,500	01/09/23	113	Derivative assets
Foreign currency forward contract (EUR)	\$106,563	€107,954	01/09/23	(8,692)	Derivative liabilities
Foreign currency forward contract (EUR)	\$109,735	€102,649	04/11/23	(547)	Derivative liabilities
Foreign currency forward contract (NZD)	NZ\$4,000	\$2,581	01/09/23	(51)	Derivative liabilities
Foreign currency forward contract (NZD)	NZ\$15,175	\$9,538	01/09/23	60	Derivative assets
Foreign currency forward contract (NZD)	\$208	NZ\$351	01/09/23	(14)	Derivative liabilities
Foreign currency forward contract (NZD)	\$10,767	NZ\$18,824	01/09/23	(1,139)	Derivative liabilities
Foreign currency forward contract (NZD)	\$9,644	NZ\$15,333	04/11/23	(62)	Derivative liabilities
Foreign currency forward contract (NOK)	kr37,773	\$3,835	01/09/23	—	Derivative liabilities
Foreign currency forward contract (NOK)	\$3,538	kr37,773	01/09/23	(297)	Derivative liabilities
Foreign currency forward contract (NOK)	\$4,050	kr39,732	04/11/23	(1)	Derivative liabilities
Foreign currency forward contract (GBP)	£37,951	\$45,898	01/09/23	(240)	Derivative liabilities
Foreign currency forward contract (GBP)	\$39,500	£34,951	01/09/23	(2,549)	Derivative liabilities
Foreign currency forward contract (GBP)	\$3,396	£3,000	01/09/23	(213)	Derivative liabilities
Foreign currency forward contract (GBP)	\$47,147	£38,899	04/11/23	243	Derivative assets
Foreign currency forward contract (SEK)	2,182kr.	\$210	01/09/23	—	Derivative liabilities
Foreign currency forward contract (SEK)	\$197	2,182kr.	01/09/23	(13)	Derivative liabilities
Foreign currency forward contract (SEK)	\$217	2,247kr.	04/11/23	—	Derivative assets
Foreign currency forward contract (CHF)	3,803Fr.	\$4,110	01/09/23	3	Derivative assets
Foreign currency forward contract (CHF)	\$618	600Fr.	01/09/23	(31)	Derivative liabilities
Foreign currency forward contract (CHF)	\$3,305	3,203Fr.	01/09/23	(158)	Derivative liabilities
Foreign currency forward contract (CHF)	\$4,194	3,841Fr.	04/11/23	(2)	Derivative liabilities
Total				<u>\$ (15,169)</u>	

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2021 Description (\$ in thousands)	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets (Liabilities)	Balance Sheet Location of Net Amounts
Foreign currency forward contract (AUD)	A\$31,601	\$22,850	01/06/22	\$ 126	Derivative assets
Foreign currency forward contract (AUD)	A\$2,099	\$1,508	01/06/22	18	Derivative assets
Foreign currency forward contract (AUD)	\$20,727	A\$28,700	01/06/22	(139)	Derivative liability
Foreign currency forward contract (AUD)	\$3,580	A\$5,000	04/08/22	(55)	Derivative liability
Foreign currency forward contract (AUD)	\$18,247	A\$25,386	04/08/22	(215)	Derivative liability
Foreign currency forward contract (CAD)	C\$3,230	\$2,528	01/06/22	29	Derivative assets
Foreign currency forward contract (CAD)	C\$3,000	\$2,425	01/06/22	(50)	Derivative liabilities
Foreign currency forward contract (CAD)	\$4,881	C\$6,230	01/06/22	(51)	Derivative liabilities
Foreign currency forward contract (CAD)	\$2,506	C\$3,203	04/08/22	(29)	Derivative liabilities
Foreign currency forward contract (DKK)	2,143kr.	\$326	01/06/22	1	Derivative assets
Foreign currency forward contract (DKK)	\$335	2,143kr.	01/06/22	7	Derivative assets
Foreign currency forward contract (DKK)	\$323	2,116kr.	04/08/22	(1)	Derivative liabilities
Foreign currency forward contract (EUR)	€52,583	\$59,524	01/06/22	275	Derivative assets
Foreign currency forward contract (EUR)	€5,020	\$5,701	04/08/22	18	Derivative assets
Foreign currency forward contract (EUR)	\$24,722	€21,500	01/06/22	271	Derivative assets
Foreign currency forward contract (EUR)	\$14,563	€12,900	01/06/22	(108)	Derivative liabilities
Foreign currency forward contract (EUR)	\$20,655	€18,183	01/06/22	(23)	Derivative liabilities
Foreign currency forward contract (EUR)	\$60,413	€53,265	04/08/22	(282)	Derivative liabilities
Foreign currency forward contract (EUR)	\$1,130	€1,000	04/08/22	(10)	Derivative liabilities
Foreign currency forward contract (EUR)	\$8,514	€7,500	04/08/22	(33)	Derivative liabilities
Foreign currency forward contract (GBP)	£9,900	\$13,220	01/06/22	190	Derivative assets
Foreign currency forward contract (GBP)	\$13,349	£9,900	01/06/22	(60)	Derivative liabilities
Foreign currency forward contract (GBP)	\$6,122	£4,599	04/08/22	(104)	Derivative liabilities
Foreign currency forward contract (SEK)	1,792kr	\$198	01/07/22	—	Derivative liabilities
Foreign currency forward contract (SEK)	\$204	1,792kr	01/07/22	6	Derivative assets
Foreign currency forward contract (SEK)	\$207	1,875kr	04/08/22	—	Derivative assets
Total				<u>\$ (219)</u>	

As of December 31, 2022 and 2021, the total fair value of the Company’s foreign currency forward contracts was \$(15.2) million and \$(0.2) million, respectively. The fair values of the Company’s foreign currency forward contracts are based on unadjusted prices from independent pricing services and independent indicative broker quotes, which are Level 2 inputs.

Net realized gains or losses on forward currency contracts are included in “Net realized gains (losses) - foreign currency transactions” in the Company’s Consolidated Statements of Operations. Net realized gains or losses on forward contracts recognized by the Company for the years ended December 31, 2022, 2021 and 2020 are shown in the following table:

(\$ in thousands)	December 31,		
	2022	2021	2020
Forward currency contracts	\$ 25,140	\$ (378)	\$ 191

Net unrealized appreciation or depreciation on forward currency contracts are included in “Net unrealized appreciation (depreciation) - foreign currency transactions” in the Company’s Consolidated Statements of

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Operations. Net unrealized appreciation or depreciation on forward contracts recognized by the Company for the years ended December 31, 2022, 2021 and 2020 are shown in the following table:

(\$ in thousands)	December 31,		
	2022	2021	2020
Forward currency contracts	\$ (14,950)	\$ 262	\$ (455)

7. Commitments and Contingencies

In the normal course of business, the Company is party to financial instruments with off-balance sheet risk, consisting primarily of unused commitments to extend financing to the Company's portfolio companies. Since commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. As of December 31, 2022 and 2021, the Company believed that it had adequate financial resources to satisfy its unfunded commitments. The balances of unused commitments to extend financing as of December 31, 2022 and 2021 were as follows:

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022	December 31, 2021
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	\$ —	\$ 1,179
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	—	110
Accurus Aerospace Corporation(1)(2)	Revolver	1,152	—
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	—	11
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	—	1,448
Amtech LLC(1)	Delayed Draw Term Loan	1,527	2,727
Amtech LLC(1)	Revolver	545	682
AnalytiChem Holding GmbH(1)(2)(3)	Delayed Draw Term Loan	—	6,207
AnalytiChem Holding GmbH(1)(2)(3)	Bridge Revolver	366	—
APC1 Holding(1)(3)	Delayed Draw Term Loan	354	—
Aquavista Watersides 2 LTD(1)(4)	Bridge Revolver	—	503
Aquavista Watersides 2 LTD(1)(4)	Capex / Acquisition Facility	2,543	3,147
Arc Education(1)(3)	Delayed Draw Term Loan	1,900	—
Argus Bidco Limited(1)(4)	CAF Term Loan	789	—
Argus Bidco Limited(1)(2)(4)	RCF Bridge Term Loan	168	—
ASC Communications(2)	Revolver	1,089	—
Astra Bidco Limited(1)(4)	Delayed Draw Term Loan	876	2,571
ATL II MRO Holdings, Inc.(1)(2)	Revolver	1,667	—
Avance Clinical Bidco Pty Ltd(1)(5)	Delayed Draw Term Loan	1,295	3,497
Azalea Buyer, Inc.(1)	Delayed Draw Term Loan	962	962
Azalea Buyer, Inc.(1)	Revolver	481	481
Bariacum S.A.(1)(3)	Acquisition Facility	2,028	2,161
Beyond Risk Management, Inc.(1)(2)	Delayed Draw Term Loan	2,423	2,573
Biolam Group(1)(2)(3)	Delayed Draw Term Loan	4,783	—
BigHand UK Bidco Limited(1)(2)(4)	Acquisition Facility	—	378
Black Angus Steakhouses, LLC(1)	Delayed Draw Term Loan	417	—
Bounteous, Inc.(1)	Delayed Draw Term Loan	2,840	2,840
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	—	432
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	135	144
BrightSign LLC(1)(2)	Revolver	1,329	1,329

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022	December 31, 2021
British Engineering Services Holdco Limited(1)(4)	Bridge Revolver	—	613
CAi Software, LLC(1)(2)	Revolver	943	943
Canadian Orthodontic Partners Corp.(1)(2)(6)	Delayed Draw Term Loan	110	167
Catawba River Limited(1)(4)	Structured Junior Note	12,635	—
Centralis Finco S.a.r.l.(1)(3)	Incremental CAF Term Loan	1,028	461
Ceres Pharma NV(1)(3)	Delayed Draw Term Loan	—	2,149
CGI Parent, LLC(1)	Revolver	1,653	—
Classic Collision (Summit Buyer, LLC)(1)	Delayed Draw Term Loan	78	393
Coastal Marina Holdings, LLC(1)	PIK Tranche B Term Loan	—	1,311
Coastal Marina Holdings, LLC(1)	Tranche A Term Loan	—	3,576
Command Alkon (Project Potter Buyer, LLC)(1)	Delayed Draw Term Loan	—	6,018
Comply365, LLC(1)	Revolver	935	—
Coyo Uprising GmbH(1)(2)(3)	Delayed Draw Term Loan	419	894
Crash Champions, LLC(1)(2)	Delayed Draw Term Loan	—	5,420
CSL Dualcom(1)(4)	Capex / Acquisition Term Loan	142	998
Dart Buyer, Inc.(1)(2)	Delayed Draw Term Loan	—	2,431
DataServ Integrations, LLC(1)(2)	Revolver	481	—
DecksDirect, LLC(1)	Revolver	218	218
DISA Holdings Corp.(1)(2)	Delayed Draw Term Loan	1,368	—
DISA Holdings Corp.(1)(2)	Revolver	416	—
DreamStart Bidco SAS (d/b/a SmartTrade)(1)(2)(3)	Acquisition Facility	579	617
Dune Group(1)(3)	Delayed Draw Term Loan	624	665
Dwyer Instruments, Inc.(1)	Delayed Draw Term Loan	5,164	692
Eclipse Business Capital, LLC(1)	Revolver	17,455	11,818
EMI Porta Holdco LLC(1)(2)	Delayed Draw Term Loan	9,272	12,458
EMI Porta Holdco LLC(1)(2)	Revolver	1,471	2,966
EPS NASS Parent, Inc.(1)	Delayed Draw Term Loan	257	583
eShipping, LLC(1)	Delayed Draw Term Loan	1,650	2,548
eShipping, LLC(1)	Revolver	1,486	1,232
Eurofins Digital Testing International LUX Holding SARL(1)(2)(3)	Delayed Draw Term Loan	2,639	—
Eurofins Digital Testing International LUX Holding SARL(1)(2)(3)	Delayed Draw Term Loan	528	—
Events Software BidCo Pty Ltd(1)(2)	Delayed Draw Term Loan	640	—
Express Wash Acquisition Company, LLC(1)	Revolver	115	—
F24 (Stairway BidCo GmbH)(1)(2)(3)	Acquisition Term Loan	246	405
Fineline Technologies, Inc.(1)(2)	Delayed Draw Term Loan	180	180
Footco 40 Limited(1)(4)	Delayed Draw Term Loan	766	—
Fortis Payment Systems, LLC(1)(2)	Delayed Draw Term Loan	925	—
FragilePak LLC(1)	Delayed Draw Term Loan	2,354	2,354
GB Eagle Buyer, Inc.(1)(2)	Revolver	2,581	—
Global Academic Group Limited(1)(7)	Term Loan	451	—
GPZN II GmbH(1)(2)(3)	CAF Term Loan	560	—
Greenhill BV(1)(3)	Capex Acquisition Facility	255	—

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022	December 31, 2021
Groupe Product Life(1)(2)(3)	Delayed Draw Term Loan	441	—
Gusto Aus BidCo Pty Ltd(1)(2)(5)	Delayed Draw Term Loan	223	—
HeartHealth Bidco Pty Ltd(1)(2)(5)	Delayed Draw Term Loan	313	—
Heartland Veterinary Partners, LLC(1)(2)	Delayed Draw Term Loan	267	657
Heavy Construction Systems Specialists, LLC(1)	Revolver	2,632	2,632
HEKA Invest(1)(2)(3)	Delayed Draw Term Loan	555	—
HTI Technology & Industries(1)(2)	Delayed Draw Term Loan	2,045	—
HTI Technology & Industries(1)(2)	Revolver	1,364	—
HW Holdco, LLC (Hanley Wood LLC)(1)	Delayed Draw Term Loan	913	1,563
IGL Holdings III Corp.(1)	Delayed Draw Term Loan	—	1,217
Innovad Group II BV(1)(2)(3)	Delayed Draw Term Loan	1,261	1,825
INOS 19-090 GmbH(1)(3)	Acquisition Facility	2,380	2,535
Interstellar Group B.V.(1)(2)(3)	Delayed Draw Term Loan	1,310	—
Interstellar Group B.V.(1)(3)	Delayed Draw Term Loan	55	—
Isolstar Holding NV (IPCOM)(1)(2)(3)	Delayed Draw Term Loan	744	—
ITI Intermodal, Inc.(1)	Delayed Draw Term Loan	103	103
ITI Intermodal, Inc.(1)	Revolver	118	124
Jaguar Merger Sub Inc.(1)	Delayed Draw Term Loan	422	1,961
Jaguar Merger Sub Inc.(1)	Revolver	490	490
Jocasee Partners LLC	Joint Venture	65,000	20,000
Jon Bidco Limited(1)(7)	Capex & Acquisition Facility	1,441	—
Jones Fish Hatcheries & Distributors LLC(1)	Revolver	418	—
Kano Laboratories LLC(1)	Delayed Draw Term Loan	153	153
Kano Laboratories LLC(1)	Delayed Draw Term Loan	2,830	4,544
Kemmerer Operations, LLC(1)	Delayed Draw Term Loan	908	—
LAF International(1)(2)(3)	Acquisition Facility	—	341
Lambir Bidco Limited(1)(3)	Bridge Revolver	—	941
Lambir Bidco Limited(1)(2)(3)	Delayed Draw Term Loan	1,766	1,881
Lattice Group Holdings Bidco Limited(1)(2)	Delayed Draw Term Loan	298	—
LeadsOnline, LLC(1)	Revolver	2,603	—
Lifestyle Intermediate II, LLC(1)(2)	Revolver	2,500	—
LivTech Purchaser, Inc.(1)(2)	Delayed Draw Term Loan	138	82
Marmoutier Holding B.V.(1)(3)	Delayed Draw Term Loan	24	405
Marmoutier Holding B.V.(1)(2)(3)	Revolver	106	162
Marshall Excelsior Co.(1)	Revolver	413	—
MC Group Ventures Corporation(1)	Delayed Draw Term Loan	296	817
Mercell Holding AS(1)(8)	Capex Acquisition Facility	797	—
Modern Star Holdings Bidco Pty Limited(1)(2)(5)	Term Loan	968	1,038
Murphy Midco Limited(1)(2)(4)	Delayed Draw Term Loan	407	2,617
Narda Acquisitionco., Inc.(1)(2)	Revolver	1,180	1,311
Navia Benefit Solutions, Inc.(1)	Delayed Draw Term Loan	—	1,261
Nexus Underwriting Management Limited(1)(4)	Revolver	—	103
Nexus Underwriting Management Limited(1)(2)(4)	Acquisition Facility	443	541
Novotech Aus Bidco Pty Ltd(1)(2)	Capex & Acquisition Facility	809	—

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022	December 31, 2021
NPM Investments 28 B.V.(1)(3)	Delayed Draw Term Loan	463	—
OA Buyer, Inc.(1)	Revolver	1,331	1,331
OAC Holdings I Corp.(1)	Revolver	607	
OG III B.V.(1)(2)(3)	Acquisition CapEx Facility	—	686
Omni Intermediate Holdings, LLC(1)	Delayed Draw Term Loan	—	817
Omni Intermediate Holdings, LLC(1)(2)	Delayed Draw Term Loan	2,289	4,357
OSP Hamilton Purchaser, LLC(1)(2)	Revolver	187	187
Pacific Health Supplies Bidco Pty Limited(1)(2)(5)	CapEx Term Loan	—	1,283
PDQ.Com Corporation(1)(2)	Delayed Draw Term Loan	—	289
PDQ.Com Corporation(1)	Delayed Draw Term Loan	6,885	10,948
Polara Enterprises, L.L.C.(1)	Revolver	545	545
Policy Services Company, LLC(1)(2)	Delayed Draw Term Loan	—	6,944
Premium Invest(1)(3)	Delayed Draw Term Loan	2,882	1,933
Profit Optics, LLC(1)	Revolver	484	—
Protego Bidco B.V.(1)(2)(3)	Delayed Draw Term Loan	792	844
PSP Intermediate 4, L.L.C.(1)(2)(3)	Delayed Draw Term Loan	727	—
QPE7 SPV1 BidCo Pty Ltd(1)(5)	Acquisition Term Loan	—	373
R1 Holdings, LLC(1)	Delayed Draw Term Loan	2,623	—
R1 Holdings, LLC(1)	Revolver	1,601	—
RA Outdoors, LLC (1)(2)	Revolver	1,235	—
Randys Holdings, Inc.(1)(2)	Delayed Draw Term Loan	4,412	—
Randys Holdings, Inc.(1)(2)	Revolver	1,571	—
Rep Seko Merger Sub LLC(1)	Delayed Draw Term Loan	725	1,455
Reward Gateway (UK) Ltd(1)(2)(4)	Acquisition Facility	600	1,061
Riedel Beheer B.V.(1)(3)	Revolver	—	230
Riedel Beheer B.V.(1)(3)	Delayed Draw Term Loan	—	153
Royal Buyer, LLC(1)	Delayed Draw Term Loan	2,209	—
Royal Buyer, LLC(1)	Revolver	1,340	—
RTIC Subsidiary Holdings, LLC(1)(2)	Revolver	2,381	—
Sanoptis S.A.R.L.(1)(3)	Acquisition Capex Facility	1,751	—
Scaled Agile, Inc.(1)	Delayed Draw Term Loan	416	416
Scaled Agile, Inc.(1)	Revolver	336	336
Scout Bidco B.V.(1)(3)	Delayed Draw Term Loan	2,270	—
Scout Bidco B.V.(1)(3)	Revolver	1,030	—
Security Holdings B.V.(1)(3)	Delayed Draw Term Loan	2,134	2,274
Security Holdings B.V.(1)(3)	Revolver	1,067	1,137
Sereni Capital NV(1)(3)	Term Loan	109	—
Smartling, Inc.(1)(2)	Delayed Draw Term Loan	1,978	2,353
Smartling, Inc.(1)(2)	Revolver	1,176	1,176
Smile Brands Group, Inc.(1)(2)	Delayed Draw Term Loan	38	655
Soho Square III Debtco II SARL(1)(2)(4)	Delayed Draw Term Loan	3,383	—
Solo Buyer, L.P.(1)(2)	Revolver	1,995	—
Sparus Holdings, LLC (f/k/a Sparus Holdings, Inc.)(1)(2)	Delayed Draw Term Loan	666	—
Sparus Holdings, LLC (f/k/a Sparus Holdings, Inc.)(1)(2)	Revolver	156	—

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

Portfolio Company (\$ in thousands)	Investment Type	December 31, 2022	December 31, 2021
Spatial Business Systems LLC(1)(2)	Delayed Draw Term Loan	7,500	—
Spatial Business Systems LLC(1)(2)	Revolver	1,406	—
Springbrook Software (SBRK Intermediate, Inc.)(1)	Delayed Draw Term Loan	—	2,373
SSCP Pegasus Midco Limited(1)(4)	Delayed Draw Term Loan	4,664	5,251
Superjet Buyer, LLC(1)	Revolver	1,825	1,825
Syntax Systems Ltd(1)(2)	Delayed Draw Term Loan	1,933	1,933
Syntax Systems Ltd(1)(2)	Revolver	337	569
Tank Holding Corp (1)(2)	Revolver	698	—
Tanqueray Bidco Limited(1)(2)(4)	Capex Facility	1,088	—
Techone B.V.(1)(3)	Delayed Draw Term Loan	—	1,621
Techone B.V.(1)(2)(3)	Revolver	203	432
Tencarva Machinery Company, LLC(1)(2)	Delayed Draw Term Loan	—	886
Tencarva Machinery Company, LLC(1)	Revolver	1,129	1,129
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Delayed Draw Term Loan	2,811	2,811
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Revolver	827	827
The Cleaver-Brooks Company, Inc.(1)	Revolver	2,826	—
The Hilb Group, LLC(1)(2)	Delayed Draw Term Loan	1,182	2,773
Trader Corporation(1)(2)(6)	Revolver	345	—
Transit Technologies LLC(1)(2)	Delayed Draw Term Loan	—	1,857
Truck-Lite Co., LLC(1)(2)	Delayed Draw Term Loan	—	4,540
TSYL Corporate Buyer, Inc.(1)(2)	Delayed Draw Term Loan	1,681	—
TSYL Corporate Buyer, Inc.(1)(2)	Revolver	177	—
Turbo Buyer, Inc.(1)(2)	Delayed Draw Term Loan	1,350	2,070
Union Bidco Limited(1)(2)(4)	Acquisition Facility	78	—
United Therapy Holding III GmbH(1)(2)(3)	Acquisition Facility	1,170	—
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.)(1)(2)	Delayed Draw Term Loan	3,629	—
W2O Holdings, Inc.(1)	Delayed Draw Term Loan	2,622	3,832
Waccamaw River LLC(2)	Joint Venture	2,480	11,280
Woodland Foods, Inc.(1)(2)	Line of Credit	456	2,070
WWEC Holdings III Corp(1)(2)	Delayed Draw Term Loan	3,106	—
WWEC Holdings III Corp(1)(2)	Revolver	1,366	—
Xeinadin Bidco Limited(1)(2)(4)	CAF Term Loan	3,109	—
ZB Holdco LLC(1)(2)	Delayed Draw Term Loan	1,352	—
ZB Holdco LLC(1)	Revolver	845	—
Zeppelin Bidco Limited(1)(2)(4)	Capex / Acquisition Facility	2,516	—
Total unused commitments to extend financing		<u>\$ 308,532</u>	<u>\$ 234,658</u>

- (1) The Adviser's estimate of the fair value of the current investments in these portfolio companies includes an analysis of the fair value of any unfunded commitments.
- (2) Represents a commitment to extend financing to a portfolio company where one or more of the Company's current investments in the portfolio company are carried at less than cost.
- (3) Actual commitment amount is denominated in Euros. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (4) Actual commitment amount is denominated in British pounds sterling. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

- (5) Actual commitment amount is denominated in Australian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (6) Actual commitment amount is denominated in Canadian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (7) Actual commitment amount is denominated in New Zealand dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (8) Actual commitment amount is denominated in Norwegian Kroner. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

In the normal course of business, the Company guarantees certain obligations in connection with its portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable. As of December 31, 2022 and 2021, the Company had guaranteed €9.9 million (\$10.6 million U.S. dollars and \$11.3 million U.S. dollars, respectively) relating to credit facilities among Erste Bank and MVC Automotive Group GmbH (“MVC Auto”) that matures in December 2025. The Company would be required to make payments to Erste Bank if MVC Auto were to default on their related payment obligations. None of the credit facility guarantees are recorded as a liability on the Company’s Consolidated Balance Sheets, as such the credit facility liabilities are considered in the valuation of the investments in MVC Auto. The guarantees denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

Neither the Company, the Adviser, nor the Company’s subsidiaries are currently subject to any material pending legal proceedings, other than ordinary routine litigation incidental to their respective businesses. The Company, the Adviser, and the Company’s subsidiaries may from time to time, however, be involved in litigation arising out of operations in the normal course of business or otherwise, including in connection with strategic transactions. Furthermore, third parties may seek to impose liability on the Company in connection with the activities of its portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, the Company does not expect any current matters will materially affect its financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on the Company’s financial condition or results of operations in any future reporting period.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

8. Financial Highlights

(\$ in thousands, except share and per share amounts)	Year Ended December 31,				
	2022	2021	2020	2019	2018
Per share data:					
Net asset value at beginning of period	\$ 11.36	\$ 10.99	\$ 11.66	\$ 10.98	\$ 13.43
Net investment income (1)	1.12	0.90	0.64	0.61	—
Net realized gain (loss) on investments / foreign currency transactions (1)	0.16	(0.05)	(0.79)	(0.08)	(3.17)
Net unrealized appreciation (depreciation) on investments / CSAs / foreign currency transactions (1)	(1.20)	0.34	0.38	0.64	1.08
Total increase (decrease) from investment operations (1)	0.08	1.19	0.23	1.17	(2.09)
Dividends/distributions paid to stockholders from net investment income	(0.95)	(0.79)	(0.65)	(0.54)	(0.41)
Tax return of capital to stockholders	—	(0.03)	—	—	(0.02)
Total dividends and distributions paid	(0.95)	(0.82)	(0.65)	(0.54)	(0.43)
Common stock offerings	—	—	(0.63)	—	—
Sierra Merger (See Note 10) (2)	0.10	—	—	—	—
Deemed contribution - CSAs (See Notes 9 and 10)	0.40	—	0.28	—	—
Deemed contribution - Barings LLC	—	—	0.07	—	—
Purchase of shares in tender offer	—	—	—	—	0.13
Purchases of shares in share repurchase plan	0.06	—	0.05	0.07	—
Stock-based compensation (1)	—	—	—	—	0.17
Loss on extinguishment of debt (1)	—	—	(0.06)	(0.01)	(0.21)
Benefit from (provision for) taxes (1)	—	—	—	(0.01)	0.02
Other	—	—	0.04	—	(0.04)
Net asset value at end of period	<u>\$ 11.05</u>	<u>\$ 11.36</u>	<u>\$ 10.99</u>	<u>\$ 11.66</u>	<u>\$ 10.98</u>
Market value at end of period (3)	<u>\$ 8.15</u>	<u>\$ 11.02</u>	<u>\$ 9.20</u>	<u>\$ 10.28</u>	<u>\$ 9.01</u>
Shares outstanding at end of period	107,916,166	65,316,085	65,316,085	48,950,803	51,284,064
Net assets at end of period	\$ 1,192,329	\$ 741,931	\$ 717,805	\$ 570,875	\$ 562,967
Average net assets	\$ 1,184,591	\$ 739,250	\$ 517,740	\$ 579,199	\$ 628,155
Ratio of total expenses, prior to waiver of base management fee, including loss on extinguishment of debt and benefit from (provision for) taxes, to average net assets (4)	8.80 %	10.33 %	8.33 %	7.90 %	14.54 %
Ratio of total expenses, net of base management fee waived, including loss on extinguishment of debt and benefit from (provision for) taxes, to average net assets (4)	8.80 %	10.33 %	8.33 %	7.90 %	14.31 %
Ratio of net investment income to average net assets	9.76 %	7.98 %	5.99 %	5.27 %	(0.01)%
Portfolio turnover ratio (5)	43.07 %	68.63 %	67.80 %	113.99 %	228.49 %
Total return (6)	(18.35)%	29.34 %	(2.17)%	20.27 %	18.18 %

- (1) Weighted average per share data—basic and diluted; per share data was derived by using the weighted average shares outstanding during the applicable period.
- (2) Includes the impact of share issuance and deemed contribution from Barings LLC associated with the Sierra Merger.
- (3) Represents the closing price of the Company's common stock on the last day of the period.
- (4) Does not include expenses of underlying investment companies, including joint ventures and short-term investments.
- (5) Portfolio turnover ratio as of December 31, 2022, 2021 and 2020 excludes the impact of short-term investments. Portfolio turnover ratio as of December 31, 2022 excludes the impact of the Sierra Merger. Portfolio turnover ratio as of December 31, 2020 excludes the impact of the MVC Acquisition.
- (6) Total return is based on purchase of stock at the current market price on the first day and a sale at the current market price on the last day of each period reported on the table and assumes reinvestment of dividends at prices obtained by the Company's dividend reinvestment plan during the period.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

9. MVC Capital, Inc. Acquisition

On December 23, 2020, the Company completed its acquisition of MVC pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the “MVC Merger Agreement”), dated as of August 10, 2020, with MVC, Mustang Acquisition Sub, Inc., a Delaware corporation and our wholly owned subsidiary (“MVC Acquisition Sub”), and Barings. To effect the acquisition, MVC Acquisition Sub merged with and into MVC, with MVC surviving the merger as our wholly owned subsidiary (the “First MVC Merger”). Immediately thereafter, MVC merged with and into the Company, with the Company as the surviving company (the “Second MVC Merger” and, together with the First MVC Merger, the “MVC Merger”). The Merger has been treated as a “reorganization” within the meaning of Section 368(a)(1)(A) of the Code.

Pursuant to the MVC Merger Agreement, MVC stockholders received the right to the following merger consideration in exchange for each share of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger (other than shares of MVC common stock issued and outstanding immediately prior to the effective time of the First MVC Merger that were held by a subsidiary of MVC or held, directly or indirectly, by the Company or the MVC Acquisition Sub), in accordance with the MVC Merger Agreement: (i) an amount in cash from Barings, without interest, equal to \$0.39492, and (ii) 0.9790836 shares of the Company’s common stock, which ratio gave effect to the Euro-dollar exchange rate adjustment mechanism in the MVC Merger Agreement, plus cash in lieu of fractional shares. The Company issued approximately 17,354,332 shares of its common stock to MVC’s then-existing stockholders in connection with the MVC Merger, thereby resulting in the Company’s then-existing stockholders owning approximately 73.4% of the combined company and MVC’s then-existing stockholders owning approximately 26.6% of the combined company.

In connection with the closing of the MVC Merger on December 23, 2020, the Board affirmed the Company’s commitment to open-market purchases of shares of its common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of the Company’s then most recently disclosed net asset value per share. Any repurchases pursuant to the authorized program will occur during the 12-month period that commenced upon the filing of the Company’s quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, regulatory and contractual requirements, including covenants under the February 2019 Credit Facility. During the year ended December 31, 2022, the Company did not repurchase any shares under the authorized program.

In connection with the MVC Acquisition, on December 23, 2020, following the closing of the MVC Merger, the Company entered into the Amended and Restated Advisory Agreement with Barings, effective January 1, 2021. Promptly following the closing of the MVC Merger, the Company also entered into the MVC Credit Support Agreement with Barings. See “Note 2 - Agreements and Related Party Transactions” for more information regarding the Amended and Restated Advisory Agreement and the MVC Credit Support Agreement.

In connection with the closing of the MVC Merger, MVC notified U.S. Bank National Association (“U.S. Bank”), the trustee for MVC Capital’s 6.25% Senior Notes due 2022 (the “MVC Notes”), of the election to redeem the remaining \$95.0 million in aggregate principal amount of the MVC Notes outstanding at a price equal to 100% of the principal amount of the MVC Notes, plus accrued and unpaid interest on the Notes to, but excluding, the date of redemption, and the Company caused the discharge of the MVC Notes by entering into a Satisfaction and Discharge of Indenture, dated December 23, 2020, with respect to the indenture governing the MVC Notes. The trustee provided notice of such redemption to the holders of the MVC Notes in accordance with the terms of the indenture governing the MVC Notes. The redemption was completed on January 22, 2021 and was funded with trust funds deposited with U.S. Bank in trust for such purpose.

The MVC Acquisition was accounted for in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations-Related Issues*. Under asset acquisition accounting, acquiring assets in groups not only requires ascertaining the cost of the asset (or net assets), but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. Per ASC 805-50-30-1, the acquired assets (as a group) are recognized based on their cost to the acquiring entity, which generally includes transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets carrying amounts on the acquiring entity’s records. ASC 805-50-30-2 goes on to say asset acquisitions in which the consideration given is cash are measured by the amount of cash paid.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

However, if the consideration given is not in the form of cash (that is, in the form of noncash assets, liabilities incurred, or equity interests issued), measurement is based on the cost to the acquiring entity or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measured.

The fair value of the merger consideration paid by the Company was allocated to the assets acquired and liabilities assumed based on their relative fair values as of the date of acquisition and did not give rise to goodwill. Since the fair value of the net assets acquired exceeded the fair value of the merger consideration paid by the Company, the Company recognized a deemed contribution from the Adviser.

The following table summarizes the allocation of the purchase price to the assets acquired and liabilities assumed as a result of the MVC Acquisition:

Common stock issued by the Company	\$	160,354
Cash consideration paid by the Company(1)		7,633
Deemed contribution from Barings LLC(2) ..		3,255
Total purchase price	\$	171,242
Assets acquired:		
Investments(3)	\$	185,042
Cash		71,267
Other assets(4)		10,962
Total assets acquired	\$	267,271
Liabilities assumed(5)		(96,029)
Net assets acquired	\$	171,242

- (1) During the year ended December 31, 2020, the Company incurred \$7.6 million in professional fees and other costs related to the MVC Acquisition. For the year ended December 31, 2020, these costs included \$2.5 million one-time investment banking fees.
- (2) Non-cash operating activity included in “Acquisition of MVC Capital, net of cash acquired” on the Company’s Consolidated Statements of Cash Flows
- (3) Investments acquired were recorded at fair value, which is also the Company’s initial cost basis
- (4) Other assets acquired in the MVC Acquisition consisted of the following:

Interest receivable	\$	9,530
Fees receivable		928
Escrow receivable		500
Other assets		4
Total	\$	10,962

- (5) Liabilities assumed in the MVC Acquisition consisted of the following:

Notes payable(a)	\$	93,816
Accrued interest payable		1,138
Other liabilities		1,075
Total	\$	96,029

- (a) On December 23, 2020, MVC and the Company deposited with the trustee for the MVC Notes funds from cash on hand sufficient to satisfy all obligations remaining to the redemption date for the MVC Notes under the indenture, and the trustee for the MVC Notes entered into a Satisfaction and Discharge of Indenture with the Company with respect to the indenture governing the MVC Notes. The redemption was completed on January 22, 2021 with such trust funds.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

10. Sierra Merger

On February 25, 2022, the Company completed the Sierra Merger pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the “Sierra Merger Agreement”), dated as of September 21, 2021, by and among the Company, Mercury Acquisition Sub, Inc., a Maryland corporation and a direct wholly owned subsidiary of the Company (“Sierra Acquisition Sub”), Sierra Income Corporation, a Maryland corporation (“Sierra”), and Barings. To effect the acquisition, Sierra Acquisition Sub merged with and into Sierra, with Sierra surviving the merger as the Company’s wholly owned subsidiary (the “First Sierra Merger”). Immediately thereafter, Sierra merged with and into the Company, with the Company as the surviving company (the “Second Sierra Merger” and, together with the First Sierra Merger, the “Sierra Merger”). The Merger has been treated as a “reorganization” within the meaning of Section 368(a)(1)(A) of the Code.

Pursuant to the Sierra Merger Agreement, Sierra stockholders received the right to the following merger consideration in exchange for each share of Sierra common stock issued and outstanding immediately prior to the effective time of the First Sierra Merger (excluding any shares cancelled pursuant to the Sierra Merger Agreement): (i) approximately \$0.9783641 per share in cash, without interest, from Barings and (ii) 0.44973 of a validly issued, fully paid and non-assessable share of the Company’s common stock. The Company issued approximately 45,986,926 shares of its common stock to Sierra’s former stockholders in connection with the Sierra Merger, thereby resulting in the Company’s then-existing stockholders owning approximately 58.7% of the combined company and Sierra’s former stockholders owning approximately 41.3% of the combined company.

In connection with the completion of the Company’s acquisition of Sierra, the Board affirmed the Company’s commitment to make open-market purchases of shares of its common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of the Company’s then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing on April 1, 2022 and are expected to be made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Exchange Act, as well as subject to compliance with the Company’s covenant and regulatory requirements.

In connection with the Sierra Merger, on February 25, 2022, the Company entered into the New Barings BDC Advisory Agreement with the Adviser. Promptly following the closing of the Sierra Merger, the Company also entered into the Sierra Credit Support Agreement with Barings. See “Note 2 - Agreements and Related Party Transactions” for more information regarding the New Barings BDC Advisory Agreement and the Sierra Credit Support Agreement.

The Sierra Merger was accounted for in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, Business Combinations-Related Issues. Under asset acquisition accounting, acquiring assets in groups not only requires ascertaining the cost of the asset (or net assets), but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. Per ASC 805-50-30-1, the acquired assets (as a group) are recognized based on their cost to the acquiring entity, which generally includes transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets carrying amounts on the acquiring entity’s records. ASC 805-50-30-2 goes on to say asset acquisitions in which the consideration given is cash are measured by the amount of cash paid. However, if the consideration given is not in the form of cash (that is, in the form of noncash assets, liabilities incurred, or equity interests issued), measurement is based on the cost to the acquiring entity or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measured.

The fair value of the merger consideration paid by the Company was allocated to the assets acquired and liabilities assumed based on their relative fair values as of the date of acquisition and did not give rise to goodwill. Since the fair value of the net assets acquired exceeded the fair value of the merger consideration paid by the Company, the Company recognized a deemed contribution from the Adviser.

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following table summarizes the allocation of the purchase price to the assets acquired and liabilities assumed as a result of the Sierra Merger:

(\$ in thousands)	
Common stock issued by the Company	\$ 499,418
Cash consideration paid by the Company(1)	10,670
Deemed contribution from Barings LLC	27,729
Total purchase price	\$ 537,817
Assets acquired:	
Investments(2)	\$ 442,198
Cash	102,006
Other assets(3)	3,519
Total assets acquired	\$ 547,723
Liabilities assumed(4)	(9,906)
Net assets acquired	\$ 537,817

- (1) The Company incurred \$10.6 million in professional fees and other costs related to the Sierra Merger, including \$4.0 million in investment banking fees.
- (2) Investments acquired were recorded at fair value, which is also the Company's initial cost basis
- (3) Other assets acquired in the Sierra Merger consisted of the following:

(\$ in thousands)	
Interest and fees receivable	\$ 2,874
Escrow receivable	645
Total	\$ 3,519

- (4) Liabilities assumed in the Sierra Merger consisted of the following:

(\$ in thousands)	
Accrued merger expenses	\$ 3,327
Current and deferred tax liability	3,814
Other liabilities	2,765
Total	\$ 9,906

Barings BDC, Inc.
Notes to Consolidated Financial Statements — (Continued)

11. Selected Quarterly Financial Data (Unaudited)

The following tables set forth certain quarterly financial information for each of the eight quarters in the two years ended December 31, 2022. Results for any quarter are not necessarily indicative of results for the full year or for any future quarter.

(\$ in thousands, except per share amounts)	Quarter Ended			
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
Total investment income	\$ 43,757	\$ 55,592	\$ 56,306	\$ 63,474
Net investment income	\$ 19,009	\$ 31,774	\$ 27,912	\$ 36,961
Net increase (decrease) in net assets resulting from operations	\$ 21,032	\$ (24,993)	\$ 9,893	\$ (1,251)
Net investment income per share	\$ 0.23	\$ 0.29	\$ 0.26	\$ 0.34

(\$ in thousands, except per share amounts)	Quarter Ended			
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Total investment income	\$ 30,593	\$ 33,153	\$ 34,984	\$ 36,605
Net investment income	\$ 14,374	\$ 14,558	\$ 14,857	\$ 15,172
Net increase (decrease) in net assets resulting from operations	\$ 22,488	\$ 29,308	\$ 14,410	\$ 11,479
Net investment income per share	\$ 0.22	\$ 0.22	\$ 0.23	\$ 0.23

12. Subsequent Events

On February 23, 2023, the Board declared a quarterly distribution of \$0.25 per share payable on March 15, 2023 to holders of record as of March 8, 2023.

**Certification of Chief Executive Officer of Barings BDC, Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Eric Lloyd, as Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Barings BDC, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ERIC LLOYD

Eric Lloyd
Chief Executive Officer

February 23, 2023

**Certification of Chief Financial Officer of Barings BDC, Inc.
pursuant to Rule 13a-14(a) under the Exchange Act,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jonathan Landsberg, as Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Barings BDC, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JONATHAN LANDSBERG

Jonathan Landsberg
Chief Financial Officer

February 23, 2023

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Barings BDC, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Eric Lloyd, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ERIC LLOYD

Eric Lloyd
Chief Executive Officer

February 23, 2023

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Barings BDC, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jonathan Landsberg, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JONATHAN LANDSBERG

Jonathan Landsberg
Chief Financial Officer

February 23, 2023

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Contact Information

BOARD OF DIRECTORS

ERIC LLOYD

Executive Chairman & CEO of BBDC,
President of Barings

STEVE BYERS

Independent Chairman of the Board
of Deutsche Bank DBX ETF Trust

BERNARD HARRIS

Managing Partner of Vesalius Ventures

DAVID MIHALICK

Head of Private Assets at Barings

ROBERT C. KNAPP

Founder & CIO of Ironsides Partners LLC

VALERIE LANCASTER-BEAL

President & CEO of VLB Associates

TOM OKEL

Former Executive Director of Catawba
Lands Conservancy, a Nonprofit Land Trust

JILL OLMSTEAD

Chief Human Resources Officer
at LendingTree

MARK MULHERN

Retired Senior Vice President
& CFO at Highwoods Properties

JOHN SWITZER

Retired Managing Partner at KPMG

CORPORATE OFFICERS

ERIC LLOYD

Chief Executive Officer

IAN FOWLER

President

JONATHAN LANDSBERG

Chief Financial Officer

ELIZABETH MURRAY

Chief Operating Officer
& Chief Accounting Officer

ASHLEE STEINNERD

Chief Legal Officer

JEFFREY CHILLAG

Head of Investor Relations
& Director of Finance

BRYAN HIGH

Vice President

GREG MACCORDY

Chief Compliance Officer

ALEXANDRA PACINI

Corporate Secretary

ALBERT PERLEY

Treasurer

RESEARCH COVERAGE

DEREK HEWETT

Bank of America Merrill Lynch
(415) 676-3518

CASEY ALEXANDER

Compass Point
(646) 448-3027

KYLE JOSEPH

Jefferies
(415) 229-1525

RYAN LYNCH

KBW, INC.
(314) 342-2918

MITCHEL PENN

Oppenheimer & Co.
(212) 667-7136

ROBERT DODD

Raymond James
(901) 579-4560

FINIAN O'SHEA

Wells Fargo Securities
(704) 410-0067

Corporate Details

CORPORATE HEADQUARTERS

300 South Tryon Street, Suite 2500
Charlotte, NC 28202

INVESTOR RELATIONS

(888) 401-1088
bdcinvestorrelations@barings.com

MEDIA CONTACT

mediarelations@barings.com

CORPORATE COUNSEL

DECHERT LLP

INDEPENDENT ACCOUNTING FIRM

KPMG LLP

SECURITIES LISTING

NYSE: BBDC

TRANSFER AGENT

COMPUTERSHARE, INC.

computershare.com/investor
(886) 228-7201

WEBSITE

baringsbdc.com

BARINGS