UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2019

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	**06-1798488**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
300 South Tryon Street, Suite 2500 Charlotte, North Carolina	**28202**
(Address of principal executive offices)	**(Zip Code)**

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

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: N/A
Securities registered pursuant to Section 12(b) of the Act:

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

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. (Check one):

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's Common Stock on October 29, 2019 was 49,285,229.

BARINGS BDC, INC.
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PART I – FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

Barings BDC, Inc.
Consolidated Balance Sheets

		September 30, 2019		December 31, 2018
		(Unaudited)		
Assets:				
Investments at fair value:				
Non-Control / Non-Affiliate investments (cost of $1,123,493,075 and $1,128,694,715 as of September 30, 2019 and December 31, 2018, respectively)	$	1,096,632,222	$	1,076,631,804
Affiliate investments (cost of $10,158,270 as of September 30, 2019)		10,036,300		—
Short-term investments (cost of $51,552,247 and $45,223,941 as of September 30, 2019 and December 31, 2018, respectively)		51,552,247		45,223,941
Total investments at fair value		1,158,220,769		1,121,855,745
Cash		12,838,103		12,426,982
Interest and fees receivable		5,413,193		6,008,700
Prepaid expenses and other assets		1,702,920		4,123,742
Deferred financing fees		5,654,274		251,908
Receivable from unsettled transactions		30,322,297		22,909,998
Total assets	**$**	**1,214,151,556**	**$**	**1,167,577,075**
Liabilities:				
Accounts payable and accrued liabilities	$	5,393,118	$	5,327,249
Interest payable		2,893,316		749,525
Payable from unsettled transactions		2,621,367		28,533,014
Borrowings under credit facilities		291,767,549		570,000,000
Debt securitization		339,031,226		—
Total liabilities		**641,706,576**		**604,609,788**
Commitments and contingencies (Note 10)				
Net Assets:				
Common stock, $0.001 par value per share (150,000,000 shares authorized, 49,418,542 and 51,284,064 shares issued and outstanding as of September 30, 2019 and December 31, 2018, respectively)		49,419		51,284
Additional paid-in capital		866,351,909		884,894,249
Total distributable earnings (loss)		(293,956,348)		(321,978,246)
Total net assets		**572,444,980**		**562,967,287**
Total liabilities and net assets	**$**	**1,214,151,556**	**$**	**1,167,577,075**
Net asset value per share	$	11.58	$	10.98

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Statements of Operations

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Investment income:				
Interest income:				
Non-Control / Non-Affiliate investments	$ 18,169,034	$ 8,769,282	$ 54,853,833	$ 45,282,969
Affiliate investments	—	669,553	—	5,580,051
Control investments	—	91,678	—	644,805
Short-term investments	279,908	535,153	703,947	535,153
Total interest income	18,448,942	10,065,666	55,557,780	52,042,978
Dividend income:				
Non-Control / Non-Affiliate investments	4,221	—	8,932	252,369
Affiliate investments	—	303,062	—	642,187
Total dividend income	4,221	303,062	8,932	894,556
Fee and other income:				
Non-Control / Non-Affiliate investments	848,792	304,835	1,669,819	4,225,905
Affiliate investments	—	72,891	—	601,571
Control investments	—	—	—	107,819
Total fee and other income	848,792	377,726	1,669,819	4,935,295
Payment-in-kind interest income:				
Non-Control / Non-Affiliate investments	—	366,344	—	2,814,474
Affiliate investments	—	136,603	—	962,080
Total payment-in-kind interest income	—	502,947	—	3,776,554
Interest income from cash	2,152	822,995	9,022	1,972,591
Total investment income	19,304,107	12,072,396	57,245,553	63,621,974
Operating expenses:				
Interest and other financing fees	6,727,780	4,369,994	19,598,992	19,304,877
Base management fee (Note 2)	3,263,803	1,546,675	8,845,753	1,546,675
Compensation expenses	107,779	29,435,834	334,869	37,371,342
General and administrative expenses (Note 2)	1,217,570	8,766,516	5,108,595	14,659,656
Total operating expenses	11,316,932	44,119,019	33,888,209	72,882,550
Base management fee waived (Note 2)	—	(993,317)	—	(993,317)
Net operating expenses	11,316,932	43,125,702	33,888,209	71,889,233
Net investment income (loss)	**7,987,175**	**(31,053,306)**	**23,357,344**	**(8,267,259)**
Realized and unrealized gains (losses) on investments and foreign currency transactions:				
Net realized gains (losses):				
Non-Control / Non-Affiliate investments	(1,066,536)	(92,881,851)	(1,146,287)	(134,191,161)
Affiliate investments	—	7,586,818	—	9,939,330
Control investments	—	(31,916,157)	—	(38,542,704)
Net realized losses on investments	(1,066,536)	(117,211,190)	(1,146,287)	(162,794,535)
Foreign currency transactions	83,037	—	83,037	1,081,211
Net realized losses	(983,499)	(117,211,190)	(1,063,250)	(161,713,324)
Net unrealized appreciation (depreciation):				
Non-Control / Non-Affiliate investments	(2,209,225)	50,825,657	25,202,059	82,978,562
Affiliate investments	40,119	(15,887,729)	(121,970)	3,197,568
Control investments	—	22,717,499	—	24,387,532
Net unrealized appreciation (depreciation) on investments	(2,169,106)	57,655,427	25,080,089	110,563,662
Foreign currency transactions	374,278	—	374,278	(863,980)
Net unrealized appreciation (depreciation)	(1,794,828)	57,655,427	25,454,367	109,699,682
Net realized losses and unrealized appreciation (depreciation) on investments and foreign currency transactions	(2,778,327)	(59,555,763)	24,391,117	(52,013,642)
Loss on extinguishment of debt	(13,357)	(10,507,183)	(143,108)	(10,507,183)
Provision for taxes	—	(274,132)	(499)	(813,767)
Net increase (decrease) in net assets resulting from operations	**$ 5,195,491**	**$ (101,390,384)**	**$ 47,604,854**	**$ (71,601,851)**
Net investment income (loss) per share—basic and diluted	$ 0.16	$ (0.59)	$ 0.46	$ (0.17)
Net increase (decrease) in net assets resulting from operations per share—basic and diluted	$ 0.10	$ (1.94)	$ 0.94	$ (1.45)
Dividends/distributions per share:				
Total dividends/distributions per share	$ 0.14	$ 0.03	$ 0.39	$ 0.33
Weighted average shares outstanding—basic and diluted	49,987,312	52,300,269	50,535,246	49,429,678

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Statements of Changes in Net Assets

	Common Stock				
Three Months Ended September 30, 2018:	Number of Shares	Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, June 30, 2018	48,050,720	$ 48,051	$ 825,264,541	$ (167,006,099)	$ 658,306,493
Net investment loss	—	—	—	(31,053,306)	(31,053,306)
Stock-based compensation	—	—	11,296,179	—	11,296,179
Net realized loss on investments / foreign currency transactions	—	—	—	(117,211,190)	(117,211,190)
Net unrealized appreciation of investments / foreign currency transactions	—	—	—	57,655,427	57,655,427
Loss on extinguishment of debt	—	—	—	(10,507,183)	(10,507,183)
Provision for taxes	—	—	—	(274,132)	(274,132)
Dividends / distributions	—	—	—	(1,538,522)	(1,538,522)
Issuance of shares to Adviser	8,529,917	8,530	99,831,315	—	99,839,845
Purchase of shares in tender offer	(4,901,961)	(4,902)	(50,791,422)	—	(50,796,324)
Common stock withheld for payroll taxes upon vesting of restricted stock	(394,612)	(395)	(4,734,949)	—	(4,735,344)
Balance, September 30, 2018	**51,284,064**	**$ 51,284**	**$ 880,865,664**	**$ (269,935,005)**	**$ 610,981,943**

	Common Stock				
Three Months Ended September 30, 2019:	Number of Shares	Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, June 30, 2019	50,314,275	$ 50,314	$ 875,245,919	$ (292,216,528)	$ 583,079,705
Net investment income	—	—	—	7,987,175	7,987,175
Net realized loss on investments / foreign currency transactions	—	—	—	(983,499)	(983,499)
Net unrealized depreciation of investments / foreign currency transactions	—	—	—	(1,794,828)	(1,794,828)
Loss on extinguishment of debt	—	—	—	(13,357)	(13,357)
Dividends / distributions	—	—	—	(6,935,311)	(6,935,311)
Purchases of shares in repurchase plan	(895,733)	(895)	(8,894,010)	—	(8,894,905)
Balance, September 30, 2019	**49,418,542**	**$ 49,419**	**$ 866,351,909**	**$ (293,956,348)**	**$ 572,444,980**

Barings BDC, Inc.
Unaudited Consolidated Statements of Changes in Net Assets — (Continued)

Nine Months Ended September 30, 2018:	**Common Stock** Number of Shares	**Common Stock** Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, December 31, 2017	47,740,832	$ 47,741	$ 823,614,881	$ (182,387,248)	$ 641,275,374
Net investment loss	—	—	—	(8,267,259)	(8,267,259)
Stock-based compensation	—	—	14,229,633	—	14,229,633
Net realized loss on investments / foreign currency transactions	—	—	—	(161,713,324)	(161,713,324)
Net unrealized appreciation of investments / foreign currency transactions	—	—	—	109,699,682	109,699,682
Loss on extinguishment of debt	—	—	—	(10,507,183)	(10,507,183)
Provision for taxes	—	—	—	(813,767)	(813,767)
Dividends / distributions	—	—	—	(15,945,906)	(15,945,906)
Issuance of shares to Adviser	8,529,917	8,530	99,831,315	—	99,839,845
Purchase of shares in tender offer	(4,901,961)	(4,902)	(50,791,422)	—	(50,796,324)
Issuance of restricted stock	435,106	435	(435)	—	—
Common stock withheld for payroll taxes upon vesting of restricted stock	(519,830)	(520)	(6,018,308)	—	(6,018,828)
Balance, September 30, 2018	**51,284,064**	**$ 51,284**	**$ 880,865,664**	**$ (269,935,005)**	**$ 610,981,943**

Nine Months Ended September 30, 2019:	**Common Stock** Number of Shares	**Common Stock** Par Value	Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
Balance, December 31, 2018	51,284,064	$ 51,284	$ 884,894,249	$ (321,978,246)	$ 562,967,287
Net investment income	—	—	—	23,357,344	23,357,344
Net realized loss on investments / foreign currency transactions	—	—	—	(1,063,250)	(1,063,250)
Net unrealized appreciation of investments / foreign currency transactions	—	—	—	25,454,367	25,454,367
Loss on extinguishment of debt	—	—	—	(143,108)	(143,108)
Provision for taxes	—	—	—	(499)	(499)
Dividends / distributions	—	—	—	(19,582,956)	(19,582,956)
Purchases of shares in repurchase plan	(1,865,522)	(1,865)	(18,542,340)	—	(18,544,205)
Balance, September 30, 2019	**49,418,542**	**$ 49,419**	**$ 866,351,909**	**$ (293,956,348)**	**$ 572,444,980**

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Statements of Cash Flows

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	$ 47,604,854	$ (71,601,851)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Purchases of portfolio investments	(294,160,380)	(789,746,110)
Repayments received/sales of portfolio investments	251,057,329	314,112,490
Proceeds from sale of portfolio to Asset Buyer	—	793,281,722
Purchases of short-term investments	(577,451,108)	(730,233,448)
Sales of short-term investments	571,122,802	685,233,448
Loan origination and other fees received	5,118,390	1,212,914
Net realized loss on investments	1,146,287	162,794,535
Net realized gain on foreign currency transactions	(83,037)	(1,081,211)
Net unrealized appreciation of investments	(25,080,089)	(109,232,129)
Net unrealized (appreciation) depreciation of foreign currency transactions	(374,278)	863,980
Payment-in-kind interest accrued, net of payments received	—	120,933
Amortization of deferred financing fees	951,134	1,710,047
Loss on extinguishment of debt	143,108	10,507,183
Loss on disposal of property and equipment	—	22,236
Accretion of loan origination and other fees	(1,254,234)	(3,205,327)
Amortization/accretion of purchased loan premium/discount	(187,967)	(37,486)
Depreciation expense	—	27,414
Stock-based compensation	—	14,229,633
Changes in operating assets and liabilities:		
Interest and fees receivables	595,826	(4,098,768)
Prepaid expenses and other assets	2,421,921	(2,085,170)
Accounts payable and accrued liabilities	65,869	(8,579,273)
Interest payable	2,141,975	(3,845,616)
Net cash provided by (used in) operating activities	(16,221,598)	260,370,146
Cash flows from investing activities:		
Proceeds from sales of property and equipment	—	31,499
Net cash provided by investing activities	—	31,499
Cash flows from financing activities:		
Repayments of SBA-guaranteed debentures payable	—	(250,000,000)
Borrowings under credit facilities	188,225,262	214,100,000
Repayments of credit facilities	(466,000,000)	(159,953,253)
Proceeds from debt securitization	348,250,000	—
Repayment of debt securitization	(7,468,690)	—
Redemption of notes	—	(166,750,000)
Financing fees paid	(8,246,692)	(47,900)
Net proceeds related to issuance of common stock	—	99,839,845
Purchases of shares in repurchase plan	(18,544,205)	(50,796,324)
Common stock withheld for payroll taxes upon vesting of restricted stock	—	(6,018,828)
Cash dividends/distributions paid	(19,582,956)	(15,945,906)
Net cash provided by (used in) financing activities	16,632,719	(335,572,366)
Net increase (decrease) in cash	411,121	(75,170,721)
Cash, beginning of period	12,426,982	191,849,697
Cash, end of period	**$ 12,838,103**	**$ 116,678,976**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 14,398,249	$ 19,845,947

See accompanying notes.

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments
September 30, 2019

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Non–Control / Non–Affiliate Investments:					
1WorldSync, Inc. (3.9%)*(5) (7)	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 7.25%, 9.6% Cash, Due 07/25)	$ 22,500,000	$ 22,063,100	$ 22,030,347
			22,500,000	22,063,100	22,030,347
24 Hour Fitness Worldwide, Inc. (1.6%)*(4) (6)	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.6% Cash, Due 05/25)	9,405,000	9,486,856	9,071,122
			9,405,000	9,486,856	9,071,122
Accelerate Learning, Inc. (1.3%)*(5) (7)	Education Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.6% Cash, Due 12/24)	7,546,826	7,412,226	7,370,118
			7,546,826	7,412,226	7,370,118
Accurus Aerospace Corporation (4.2%)*(5) (7)	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.7% Cash, Due 10/24)	24,812,500	24,490,333	24,285,541
			24,812,500	24,490,333	24,285,541
Acrisure, LLC (1.7%)*(4) (5) (6)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.4% Cash, Due 11/23)	9,874,055	9,927,253	9,812,342
			9,874,055	9,927,253	9,812,342
ADMI Corp. (0.6%)*(6)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 04/25)	3,456,250	3,467,497	3,419,095
			3,456,250	3,467,497	3,419,095
Aftermath Bidco Corporation (2.1%)*(5) (7)	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 7.1% Cash, Due 04/25)	12,289,831	12,030,899	12,033,860
			12,289,831	12,030,899	12,033,860
AlixPartners LLP (1.4%)*(4) (6)	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 04/24)	7,997,468	8,036,266	7,998,588
			7,997,468	8,036,266	7,998,588
Alliant Holdings LP (0.8%)*(6)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.1% Cash, Due 05/25)	4,935,025	4,942,133	4,847,774
			4,935,025	4,942,133	4,847,774
American Airlines Group Inc. (1.3%)*(3) (6)	Airport Services	First Lien Senior Secured Term Loan (LIBOR + 1.75%, 3.9% Cash, Due 06/25)	7,905,664	7,788,072	7,816,725
			7,905,664	7,788,072	7,816,725
American Dental Partners, Inc. (1.7%)*(5)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.4% Cash, Due 03/23)	9,925,000	9,904,562	9,788,531
			9,925,000	9,904,562	9,788,531
American Scaffold, Inc. (1.9%)*(5) (7)	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.7% Cash, Due 09/25)	11,309,367	11,057,218	11,056,761
			11,309,367	11,057,218	11,056,761
Amscan Holdings Inc. (0.4%)*(3) (6)	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.6% Cash, Due 08/22)	2,193,920	2,206,558	2,172,902
			2,193,920	2,206,558	2,172,902
Anju Software, Inc. (2.4%)*(5) (7)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 7.6% Cash, Due 02/25)	13,839,878	13,512,065	13,487,866
			13,839,878	13,512,065	13,487,866
Apex Tool Group, LLC (1.2%)*(4) (6)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 7.5% Cash, Due 08/24)	7,190,660	7,052,510	6,980,908
			7,190,660	7,052,510	6,980,908
Applied Systems Inc. (1.6%)*(4) (6)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.1% Cash, Due 09/24)	9,242,336	9,301,621	9,224,868
			9,242,336	9,301,621	9,224,868
AQA Acquisition Holding, Inc. (f/k/a SmartBear) (0.8%)*(5) (7)	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 10.3% Cash, Due 05/24)	4,959,088	4,853,413	4,854,198
			4,959,088	4,853,413	4,854,198
Arch Global Precision LLC (1.1%)*(5) (7)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.8% Cash, Due 04/26)	6,195,104	6,064,729	6,112,090
			6,195,104	6,064,729	6,112,090

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
September 30, 2019

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Armstrong Transport Group (Pele Buyer, LLC) (0.8%)*[5] [7]	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.8% Cash, Due 06/24)	$ 4,691,185	$ 4,588,508	$ 4,581,272
			4,691,185	4,588,508	4,581,272
Ascend Learning, LLC (1.4%)*[4] [6]	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 07/24)	7,899,244	7,918,350	7,862,197
			7,899,244	7,918,350	7,862,197
Ascend Performance Materials LLC (0.2%)*[4]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.4% Cash, Due 08/26)	1,000,000	980,169	1,000,630
			1,000,000	980,169	1,000,630
AssuredPartners Capital, Inc. (2.1%)*[4] [6]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 10/24)	11,848,856	11,869,646	11,784,043
			11,848,856	11,869,646	11,784,043
Avantor, Inc. (1.0%)*[4] [6]	Health Care Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 11/24)	5,732,444	5,802,904	5,773,660
			5,732,444	5,802,904	5,773,660
Aveanna Healthcare Holdings, Inc. (0.9%)*[6]	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.3% Cash, Due 03/24)	1,477,348	1,460,581	1,450,578
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 7.5% Cash, Due 03/24)	3,538,639	3,539,524	3,470,096
			5,015,987	5,000,105	4,920,674
AVSC Holding Corp. (1.3%)*[4] [5] [6]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.3% Cash, Due 03/25)	7,899,749	7,861,886	7,629,815
			7,899,749	7,861,886	7,629,815
Bausch Health Companies Inc. (0.8%)*[3] [6]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 05/25)	4,655,724	4,675,799	4,672,717
			4,655,724	4,675,799	4,672,717
BDP Buyer, LLC (4.3%)*[5] [7]	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.9% Cash, Due 12/24)	24,812,500	24,369,577	24,483,800
			24,812,500	24,369,577	24,483,800
Benify (Bennevis AB) (1.2%)*[3] [5] [7]	High Tech Industries	First Lien Senior Secured Term Loan (STIBOR + 5.75%, 5.8% Cash, Due 07/26)	6,801,903	6,987,095	6,702,195
			6,801,903	6,987,095	6,702,195
Berlin Packaging LLC (1.4%)*[4] [5] [6]	Forest Products /Containers	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.1% Cash, Due 11/25)	8,393,750	8,411,534	8,233,261
			8,393,750	8,411,534	8,233,261
Blackhawk Network Holdings Inc (0.9%)*[6]	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 06/25)	4,974,811	4,974,811	4,954,066
			4,974,811	4,974,811	4,954,066
Brown Machine Group Holdings, LLC (0.9%)*[5] [7]	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.4% Cash, Due 10/24)	5,471,594	5,413,027	5,276,382
			5,471,594	5,413,027	5,276,382
Cadent, LLC (f/k/a Cross MediaWorks) (1.4%)*[5] [7]	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.3% Cash, Due 09/23)	7,906,387	7,842,220	7,866,855
			7,906,387	7,842,220	7,866,855
Caesars Entertainment Corp. (0.5%)*[3] [6]	Casinos & Gaming	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 12/24)	3,110,427	3,127,078	3,088,654
			3,110,427	3,127,078	3,088,654
Calpine Corp. (0.8%)*[6]	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan5 (LIBOR + 2.5%, 4.6% Cash, Due 01/24)	4,462,555	4,476,557	4,471,123
			4,462,555	4,476,557	4,471,123
Campaign Monitor (UK) Limited (3.5%)*[5] [7]	Internet & Direct Marketing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.8% Cash, Due 05/25)	20,589,287	20,225,140	20,187,653
			20,589,287	20,225,140	20,187,653
Capital Automotive LLC (0.9%)*[6]	Automotive Retail	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.6% Cash, Due 03/24)	4,987,277	5,000,608	4,985,731
			4,987,277	5,000,608	4,985,731

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
September 30, 2019

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Concentra Inc. (0.5%)*(6) (7)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.5% Cash, Due 06/22)	$ 2,912,371	$ 2,934,397	$ 2,926,933
			2,912,371	2,934,397	2,926,933
Consolidated Container Co. LLC (1.3%)*(4) (6)	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 05/24)	7,405,779	7,425,961	7,359,493
			7,405,779	7,425,961	7,359,493
Container Store Group, Inc., (The) (0.5%)*(6) (7)	Retail	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.0% Cash, Due 09/23)	2,948,972	2,951,070	2,926,855
			2,948,972	2,951,070	2,926,855
Core & Main LP (1.7%)*(4) (6)	Building Products	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.9% Cash, Due 08/24)	9,899,244	9,940,996	9,806,488
			9,899,244	9,940,996	9,806,488
CPG Intermediate LLC (0.4%)*(6) (7)	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 11/24)	2,116,080	2,118,293	2,121,370
			2,116,080	2,118,293	2,121,370
CPI International Inc. (0.8%)*(6)	Electronic Components	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.6% Cash, Due 07/24)	4,759,210	4,766,302	4,658,077
			4,759,210	4,766,302	4,658,077
Dart Buyer, Inc. (1.3%)*(3) (5) (7)	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.3% Cash, Due 04/25)	7,437,094	7,161,166	7,164,661
			7,437,094	7,161,166	7,164,661
Dimora Brands, Inc. (0.5%)*(6)	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 08/24)	2,941,442	2,944,512	2,860,552
			2,941,442	2,944,512	2,860,552
Distinct Holdings, Inc. (1.3%)*(5) (7)	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.9% Cash, Due 12/23)	7,611,845	7,524,314	7,529,799
			7,611,845	7,524,314	7,529,799
Duff & Phelps Corporation (2.3%)*(4) (6)	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.3% Cash, Due 02/25)	13,240,472	13,273,219	13,002,144
			13,240,472	13,273,219	13,002,144
Edelman Financial Center, LLC, The (f/k/a Edelman Financial Group, Inc.) (1.9%)*(4) (6)	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.3% Cash, Due 07/25)	10,407,355	10,481,799	10,414,744
			10,407,355	10,481,799	10,414,744
Endo International PLC (1.3%)*(3) (4) (6)	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.3% Cash, Due 04/24)	7,898,990	7,962,900	7,175,758
			7,898,990	7,962,900	7,175,758
Exeter Property Group, LLC (2.2%)*(5) (7)	Real Estate	First Lien Senior Secured Term Loan (LIBOR + 4.5%,6.6% Cash, Due 08/24)	12,468,750	12,299,484	12,368,264
			12,468,750	12,299,484	12,368,264
ExGen Renewables IV, LLC (f/k/a Exelon Corp.) (0.5%)*(3) (6)	Electric Utilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.1% Cash, Due 11/24)	2,865,257	2,889,634	2,799,012
			2,865,257	2,889,634	2,799,012
Eyemart Express (0.6%)*(6)	Retail	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.1% Cash, Due 08/24)	3,452,217	3,462,563	3,442,136
			3,452,217	3,462,563	3,442,136
Fieldwood Energy LLC (1.5%)*(4) (5) (6)	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.5% Cash, Due 04/22)	10,000,000	10,071,887	8,644,400
			10,000,000	10,071,887	8,644,400
Filtration Group Corporation (1.8%)*(4) (6)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 03/25)	10,451,904	10,526,686	10,472,389
			10,451,904	10,526,686	10,472,389
Flex Acquisition Holdings, Inc. (1.6%)*(4) (5) (6)	Paper Packaging	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 06/25)	9,782,731	9,800,849	9,406,682
			9,782,731	9,800,849	9,406,682

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
September 30, 2019

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
GMS Inc. (0.9%)*(3) (5) (6)	Construction & Engineering	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 06/25)	$ 5,181,350	$ 5,161,130	$ 5,152,853
			5,181,350	5,161,130	5,152,853
Graftech International Ltd. (1.7%)*(3) (4) (6)	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 02/25)	10,113,889	10,190,121	9,818,867
			10,113,889	10,190,121	9,818,867
Gulf Finance, LLC (0.1%)*(4)	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.4% Cash, Due 08/23)	1,061,647	915,652	802,212
			1,061,647	915,652	802,212
Harbor Freight Tools USA Inc.(1.0%)*(6)	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.5% Cash, Due 08/23)	5,994,942	5,943,182	5,811,856
			5,994,942	5,943,182	5,811,856
Hayward Industries, Inc. (1.4%)*(4) (6)	Leisure Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 08/24)	8,392,947	8,420,390	8,092,899
			8,392,947	8,420,390	8,092,899
Heartland, LLC (0.5%)*(5) (7)	Commercial Services & Supplies	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.9% Cash, Due 08/25)	2,875,604	2,777,881	2,777,450
			2,875,604	2,777,881	2,777,450
Hertz Corporation (The) (1.0%)*(3) (6)	Rental & Leasing Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 06/23)	5,845,758	5,836,921	5,845,758
			5,845,758	5,836,921	5,845,758
Holley Performance Products (Holley Purchaser, Inc.) (3.8%)*(5)	Packaging	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.3% Cash, Due 10/25)	22,365,988	22,066,284	21,750,923
			22,365,988	22,066,284	21,750,923
Hub International Limited (1.8%)*(4) (5) (6)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.6% Cash, Due 04/25)	10,255,188	10,268,176	10,128,433
			10,255,188	10,268,176	10,128,433
Husky Injection Molding Systems Ltd. (1.3%)*(3) (4) (6)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 03/25)	7,984,841	7,735,381	7,654,588
			7,984,841	7,735,381	7,654,588
HW Holdco, LLC (f/k/a Hanley Wood LLC) (1.3%)*(5) (7)	Advertising	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 8.4% Cash, Due 12/24)	7,603,831	7,434,832	7,585,268
			7,603,831	7,434,832	7,585,268
Hyland Software Inc. (0.9%)*(6)	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.3% Cash, Due 07/24)	4,974,874	5,016,297	4,969,900
			4,974,874	5,016,297	4,969,900
Hyperion Materials & Technologies, Inc. (2.4%)*(5) (7)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 7.5% Cash, Due 08/26)	13,995,753	13,743,818	13,858,060
			13,995,753	13,743,818	13,858,060
Immucor Inc. (0.4%)*(4)	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.1% Cash, Due 06/21)	2,472,385	2,495,882	2,466,970
			2,472,385	2,495,882	2,466,970
Infor Software Parent, LLC (0.9%)*(6)	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.9% Cash, Due 02/22)	4,982,850	4,989,889	4,986,737
			4,982,850	4,989,889	4,986,737
Institutional Shareholder Services, Inc. (0.8%)*(5) (7)	Diversified Support Services	Second Lien Senior Secured Term Loan (LIBOR + 8.5%, 10.6% Cash, Due 03/27)	4,951,685	4,810,107	4,835,092
			4,951,685	4,810,107	4,835,092
Internet Brands, Inc.(f/k/a Micro Holding Corp.) (1.4%)*(4) (6)	Entertainment	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 5.8% Cash, Due 09/24)	7,899,244	7,950,121	7,836,287
			7,899,244	7,950,121	7,836,287
ION Trading Technologies Ltd. (2.5%)*(3) (4) (6)	Electrical Components & Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.1% Cash, Due 11/24)	14,811,558	14,782,095	14,070,980
			14,811,558	14,782,095	14,070,980

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
September 30, 2019

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
IRB Holding Corporation (1.0%)*(4) (5) (6)	Food Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.5% Cash, Due 02/25)	$ 5,652,817	$ 5,675,216	$ 5,623,761
			5,652,817	5,675,216	5,623,761
Jaguar Holding Company I (0.9%)*(6)	Life Sciences Tools & Services	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.5% Cash, Due 08/22)	4,935,567	4,936,532	4,937,245
			4,935,567	4,936,532	4,937,245
Kenan Advantage Group Inc. (1.4%)*(4) (5) (6)	Trucking	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 07/22)	8,384,480	8,379,003	7,951,254
			8,384,480	8,379,003	7,951,254
Kene Acquisition, Inc. (1.2%)*(5) (7)	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.4% Cash, Due 08/26)	7,171,277	6,999,696	6,997,090
			7,171,277	6,999,696	6,997,090
K-Mac Holdings Corp (0.2%)*(6)	Restaurants	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 03/25)	1,411,289	1,415,364	1,383,656
			1,411,289	1,415,364	1,383,656
Kronos Inc. (1.1%)*(4) (6)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.3% Cash, Due 11/23)	6,000,000	6,021,227	6,009,540
			6,000,000	6,021,227	6,009,540
LAC Intermediate, LLC (f/k/a Lighthouse Autism Center) (1.3%)*(5) (7)	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 7.8% Cash, Due 10/24)	7,907,651	7,672,999	7,557,280
		Class A LLC Units (154,320 units)		154,320	159,265
			7,907,651	7,827,319	7,716,545
LTI Holdings, Inc. (2.0%)*(4) (6)	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 09/25)	11,880,000	11,938,495	11,220,660
			11,880,000	11,938,495	11,220,660
Mallinckrodt Plc (1.5%)*(3) (4) (5) (6)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.9% Cash, Due 09/24)	11,280,164	11,217,680	8,427,185
			11,280,164	11,217,680	8,427,185
MB2 Dental Solutions, LLC (0.6%)*(5) (7)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.0% Cash, Due 09/23)	3,489,228	3,445,923	3,446,830
			3,489,228	3,445,923	3,446,830
Men's Wearhouse, Inc. (The) (1.4%)*(4) (6) (7)	Apparel Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.4% Cash, Due 04/25)	9,870,240	9,957,250	8,291,002
			9,870,240	9,957,250	8,291,002
Nautilus Power, LLC (0.6%)*(6)	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.3% Cash, Due 05/24)	3,320,053	3,334,541	3,302,855
			3,320,053	3,334,541	3,302,855
NFP Corp. (1.5%)*(4) (6)	Specialized Finance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 01/24)	8,564,081	8,562,500	8,408,900
			8,564,081	8,562,500	8,408,900
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions) (2.1%)*(5) (7)	Energy Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.3% Cash, Due 10/25)	12,054,808	12,001,917	11,917,177
			12,054,808	12,001,917	11,917,177
NVA Holdings, Inc. (0.7%)*(4) (6)	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 2.75%,4.8% Cash, Due 02/25)	3,979,900	3,973,195	3,974,925
			3,979,900	3,973,195	3,974,925
Omaha Holdings LLC (1.7%)*(4) (6)	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 03/24)	9,874,055	9,936,563	9,709,159
			9,874,055	9,936,563	9,709,159
Omnitracs, LLC (0.8%)*(5) (6)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.9% Cash, Due 03/25)	4,630,865	4,618,029	4,575,294
			4,630,865	4,618,029	4,575,294

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
September 30, 2019

Portfolio Company	Industry	Type of Investment[(1) (2)]	Principal Amount	Cost	Fair Value
Ortho-Clinical Diagnostics Bermuda Co. Ltd. (1.9%)*[(4) (6)]	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 06/25)	$ 11,344,647	$ 11,348,499	$ 10,956,093
			11,344,647	11,348,499	10,956,093
PAREXEL International Corp. (1.1%)*[(4) (6)]	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 09/24)	6,680,843	6,653,963	6,333,706
			6,680,843	6,653,963	6,333,706
Penn Engineering & Manufacturing Corp. (0.3%)*[(6) (7)]	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 06/24)	1,803,151	1,816,439	1,771,596
			1,803,151	1,816,439	1,771,596
Phoenix Services International LLC (0.5%)*[(6) (7)]	Steel	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 5.8% Cash, Due 03/25)	2,962,406	2,972,963	2,843,910
			2,962,406	2,972,963	2,843,910
PODS Enterprises, Inc. (1.4%)*[(4) (6)]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.1% Cash, Due 12/24)	7,899,280	7,921,699	7,879,532
			7,899,280	7,921,699	7,879,532
Premier Technical Services Group (1.5%)*[(3) (5) (7)]	Construction & Engineering	First Lien Senior Secured Term Loan (GBP LIBOR + 6.75%, 7.5% Cash, Due 06/26)	8,729,470	8,305,942	8,423,048
			8,729,470	8,305,942	8,423,048
Pro Mach Inc. (1.0%)*[(5) (6)]	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 03/25)	5,939,850	5,922,881	5,774,662
			5,939,850	5,922,881	5,774,662
ProAmpac Intermediate Inc. (1.6%)*[(4) (6)]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.7% Cash, Due 11/23)	9,871,857	9,885,127	9,410,348
			9,871,857	9,885,127	9,410,348
Process Equipment, Inc. (1.1%)*[(5) (7)]	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.1% Cash, Due 03/25)	6,410,454	6,276,632	6,185,851
			6,410,454	6,276,632	6,185,851
Professional Datasolutions, Inc. (PDI) (4.0%)*[(5) (7)]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.7% Cash, Due 10/24)	23,216,340	23,177,274	22,910,203
			23,216,340	23,177,274	22,910,203
Qlik Technologies Inc. (Alpha Intermediate Holding, Inc.) (1.3%)*[(4) (6)]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.8% Cash, Due 04/24)	7,399,044	7,404,820	7,288,058
			7,399,044	7,404,820	7,288,058
Red Ventures, LLC (1.3%)*[(5) (6)]	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 11/24)	7,553,849	7,602,867	7,575,906
			7,553,849	7,602,867	7,575,906
RedPrairie Holding, Inc (1.7%)*[(4) (6)]	Computer Storage & Peripherals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 10/23)	9,873,096	9,935,000	9,873,096
			9,873,096	9,935,000	9,873,096
Renaissance Learning, Inc. (0.9%)*[(6)]	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.3% Cash, Due 05/25)	5,405,001	5,401,268	5,294,955
			5,405,001	5,401,268	5,294,955
Reynolds Group Holdings Ltd (0.9%)*[(4) (6)]	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 02/23)	4,974,425	4,993,718	4,980,643
			4,974,425	4,993,718	4,980,643
Ruffalo Noel Levitz, LLC (1.7%)*[(5) (7)]	Media Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 8.1% Cash, Due 05/22)	9,763,557	9,645,905	9,673,444
			9,763,557	9,645,905	9,673,444
Scaled Agile, Inc (0.9%)*[(5) (7)]	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.3% Cash, Due 06/24)	5,357,415	5,305,719	5,303,041
			5,357,415	5,305,719	5,303,041
SCI Packaging Inc. (2.4%)*[(4) (6)]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 04/24)	13,823,233	13,803,697	13,519,951
			13,823,233	13,803,697	13,519,951

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Seadrill Ltd. (0.9%)*(3) (4)	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 8.1% Cash, Due 02/21)	$ 9,836,393	$ 9,473,099	$ 5,374,900
			9,836,393	9,473,099	5,374,900
Seaworld Entertainment, Inc. (1.0%)*(3) (6)	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 03/24)	5,969,387	5,960,043	5,950,226
			5,969,387	5,960,043	5,950,226
Serta Simmons Bedding LLC (0.3%)*(4)	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 11/23)	2,969,543	2,721,585	1,816,618
			2,969,543	2,721,585	1,816,618
SIWF Holdings, Inc. (1.6%)*(4) (6)	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.3% Cash, Due 06/25)	9,374,234	9,429,767	9,210,184
			9,374,234	9,429,767	9,210,184
SK Blue Holdings, LP (0.7%)*(6) (7)	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.1% Cash, Due 10/25)	4,171,118	4,168,902	4,051,199
			4,171,118	4,168,902	4,051,199
Smile Brands Group Inc. (0.9%)*(5) (7)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.7% Cash, Due 10/24)	5,403,745	5,350,349	5,300,434
			5,403,745	5,350,349	5,300,434
Solenis International, LLC (f/k/a Solenis Holdings, L.P.) (1.3%)*(5) (6)	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.1% Cash, Due 06/25)	7,920,000	7,964,600	7,690,637
			7,920,000	7,964,600	7,690,637
SonicWALL, Inc. (0.8%)*(6)	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.6% Cash, Due 05/25)	4,466,250	4,468,363	4,332,263
			4,466,250	4,468,363	4,332,263
SRS Distribution, Inc. (1.7%)*(4) (6)	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.3% Cash, Due 05/25)	9,900,000	9,732,703	9,635,967
			9,900,000	9,732,703	9,635,967
SS&C Technologies, Inc. (0.3%)*(3) (6)	Computer & Electronics Retail	First Lien Senior Secured Term Loan (LIBOR + 2.25%, 4.3% Cash, Due 04/25)	1,746,774	1,742,923	1,752,958
			1,746,774	1,742,923	1,752,958
Sucsez (Bolt Bidco B.V.) (3.0%)*(3) (5) (7)	Insurance	First Lien Senior Secured Term Loan (EURIBOR + 5.0%, 5.0% Cash, Due 09/26)	17,698,049	17,378,133	17,106,451
			17,698,049	17,378,133	17,106,451
Syniverse Holdings, Inc. (1.7%)*(4) (6)	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.0% Cash, Due 03/23)	10,368,421	10,329,880	9,741,443
			10,368,421	10,329,880	9,741,443
Tahoe Subco 1 Ltd (2.5%)*(3) (4) (6)	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.7% Cash, Due 06/24)	14,840,603	14,846,895	14,425,363
			14,840,603	14,846,895	14,425,363
Team Health Holdings, Inc. (1.0%)*(4) (6)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 02/24)	6,911,392	6,684,886	5,673,078
			6,911,392	6,684,886	5,673,078
Tempo Acquisition LLC (1.0%)*(6)	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 05/24)	5,604,086	5,622,262	5,620,450
			5,604,086	5,622,262	5,620,450
Transportation Insight, LLC (3.8%)*(5) (7)	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.5% Cash, Due 12/24)	21,586,959	21,378,125	21,517,820
			21,586,959	21,378,125	21,517,820
Tronox Ltd. (0.6%)*(3) (6)	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 09/24)	3,283,890	3,294,204	3,280,967
			3,283,890	3,294,204	3,280,967
Trystar, LLC (3.0%)*(5) (7)	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 6.9% Cash, Due 09/23)	16,541,576	16,304,405	16,486,483
		LLC Units (361.5 units)		361,505	536,395
			16,541,576	16,665,910	17,022,878

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
September 30, 2019

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
U.S. Anesthesia Partners, Inc. (2.3%)*(4) (6)	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 06/24)	$ 13,620,368	$ 13,675,422	$ 13,228,783
			13,620,368	13,675,422	13,228,783
U.S. Silica Company (0.2%)*(3) (4) (5)	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.1% Cash, Due 05/25)	1,506,830	1,510,385	1,425,206
			1,506,830	1,510,385	1,425,206
USF Holdings LLC (0.5%)*(6)	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.5% Cash, Due 12/21)	3,270,261	3,279,573	3,074,045
			3,270,261	3,279,573	3,074,045
USIC Holdings, Inc. (1.2%)*(5) (6)	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.3% Cash, Due 12/23)	6,914,071	6,944,652	6,856,477
			6,914,071	6,944,652	6,856,477
USI, Inc. (1.4%)*(4) (5) (6)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.1% Cash, Due 05/24)	8,392,947	8,386,430	8,247,833
			8,392,947	8,386,430	8,247,833
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.) (2.8%)*(5) (7)	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 7.9% Cash, Due 11/24)	16,555,100	16,290,682	16,130,874
			16,555,100	16,290,682	16,130,874
Validity, Inc. (0.7%)*(5) (7)	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%,6.9% Cash, Due 05/25)	4,189,041	3,992,583	3,981,761
			4,189,041	3,992,583	3,981,761
Venator Materials LLC (0.5%)*(3) (6)	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 08/24)	2,962,217	2,971,710	2,895,567
			2,962,217	2,971,710	2,895,567
Veritas Bermuda Intermediate Holdings Ltd. (1.5%)*(4) (6)	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.6% Cash, Due 01/23)	9,379,747	9,031,873	8,843,319
			9,379,747	9,031,873	8,843,319
Verscend Holding Corp. (0.4%)*(4)	Health Care Technology	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 6.5% Cash, Due 08/25)	2,475,000	2,501,499	2,481,188
			2,475,000	2,501,499	2,481,188
VF Holding Corp. (2.0%)*(4) (5) (6)	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.3% Cash, Due 07/25)	11,910,000	11,915,456	11,557,226
			11,910,000	11,915,456	11,557,226
Wilsonart, LLC (1.7%)*(4) (6)	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.4% Cash, Due 12/23)	9,898,734	9,898,734	9,706,996
			9,898,734	9,898,734	9,706,996
Winebow Group, LLC, (The) (0.3%)*(4)	Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 5.8% Cash, Due 07/21)	1,559,782	1,496,527	1,434,999
			1,559,782	1,496,527	1,434,999
Wink Holdco, Inc (1.3%)*(4) (6)	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.0% Cash, Due 12/24)	7,514,253	7,512,866	7,378,095
			7,514,253	7,512,866	7,378,095
WME Entertainment Parent, LLC (2.3%)*(4)	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 4.8% Cash, Due 05/25)	13,733,194	13,722,424	13,314,332
			13,733,194	13,722,424	13,314,332
Xperi Corp (0.4%)*(3) (6)	Semiconductor Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 4.5% Cash, Due 12/23)	2,347,237	2,338,251	2,317,310
			2,347,237	2,338,251	2,317,310
Subtotal Non–Control / Non–Affiliate Investments			1,130,431,294	1,123,493,075	1,096,632,222

Barings BDC, Inc.
Unaudited Consolidated Schedule of Investments — (Continued)
September 30, 2019

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Affiliate Investment:					
Jocassee Partners LLC (1.8%)*(3) (5)	Investment Funds & Vehicles	9.1% Member Interest		$ 10,158,270	$ 10,036,300
				10,158,270	10,036,300
Subtotal Affiliate Investment				10,158,270	10,036,300
Short-Term Investments:					
The Dreyfus Corporation (4.7%)*(4) (5)	Money Market Fund	Dreyfus Government Cash Management Fund (2.0% yield)	$ 27,012,466	27,012,466	27,012,466
			27,012,466	27,012,466	27,012,466
State Street Global Advisors (1.8%)*(3) (6)	Money Market Fund	State Street USD Liquidity LVNAV Fund (2.1% yield)	24,539,781	24,539,781	24,539,781
			24,539,781	24,539,781	24,539,781
Subtotal Short-Term Investments			51,552,247	51,552,247	51,552,247
Total Investments, September 30, 2019 (202.3%)*			$ 1,181,983,541	$ 1,185,203,592	$ 1,158,220,769

Foreign Currency Forward Contracts:

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Settlement Date	Unrealized Appreciation
Foreign currency forward contract (SEK)	$95,654	920,569kr	01/02/20	$ 1,411
Foreign currency forward contract (GBP)	$165,691	£132,253	01/02/20	2,081
Foreign currency forward contract (EUR)	$158,244	€142,781	01/02/20	1,443
Total Foreign Currency Forward Contracts, September 30, 2019				$ 4,935

* Fair value as a percentage of net assets.

(1) All debt investments are income producing, unless otherwise noted. Equity and any equity-linked investments are non-income producing, unless otherwise noted. The Board of Directors determined in good faith that all investments were valued at fair value in accordance with the Company's valuation policies and procedures and the Investment Company Act of 1940, as amended, (the "1940 Act") based on, among other things, the input of Barings, the Company's Audit Committee and an independent valuation firm that has been engaged to assist in the valuation of the Company's senior secured, 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 either LIBOR 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, which as of September 30, 2019 represented 193% of the Company's net assets, are subject to legal restrictions on sales.

(3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 16.4% of total investments at fair value as of September 30, 2019. 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).

(4) Some or all of the investment is or will be encumbered as security for Barings BDC Senior Funding I, LLC's credit facility entered into in August 2018 with Bank of America, N.A., as amended and restated in December 2018 (the "August 2018 Credit Facility").

(5) Some or all of the investment is or will be encumbered as security for the Company's credit facility entered into in February 2019 with ING Capital LLC (the "February 2019 Credit Facility").

(6) Some or all of the investment is encumbered as security for the Company's $449.3 million term debt securitization entered into in May 2019 (the "Debt Securitization")

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

See accompanying notes.

Barings BDC, Inc.
Consolidated Schedule of Investments
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Non–Control / Non–Affiliate Investments:					
24 Hour Fitness Worldwide, Inc. (1.6%)*(4)	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 05/25)	$ 9,452,500	$ 9,543,878	$ 9,224,033
			9,452,500	9,543,878	9,224,033
Accelerate Learning (1.5%)*(5)	Education Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 12/24)	8,455,827	8,287,632	8,234,888
			8,455,827	8,287,632	8,234,888
Accurus Aerospace (4.3%)*(5)	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 10/24)	25,000,000	24,636,436	24,312,943
			25,000,000	24,636,436	24,312,943
Acrisure, LLC (1.7%)*(4)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 11/23)	9,949,622	10,011,600	9,620,091
			9,949,622	10,011,600	9,620,091
ADMI Corp. (0.6%)*(4)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 04/25)	3,482,500	3,495,133	3,302,559
			3,482,500	3,495,133	3,302,559
AlixPartners LLP (1.4%)*(4)	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 04/24)	8,058,987	8,103,759	7,725,104
			8,058,987	8,103,759	7,725,104
Alliant Holdings LP (0.8%)*(4)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 05/25)	4,972,506	4,980,447	4,689,372
			4,972,506	4,980,447	4,689,372
American Airlines Group Inc. (2.3%)*(3) (4)	Airport Services	First Lien Senior Secured Term Loan (LIBOR + 1.75%, 4.3% Cash, Due 06/25)	13,985,519	13,734,123	13,058,978
			13,985,519	13,734,123	13,058,978
American Dental Partners, Inc. (1.7%)*	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 7.1% Cash, Due 03/23)	10,000,000	9,975,555	9,850,000
			10,000,000	9,975,555	9,850,000
Amscan Holdings Inc. (0.4%)*(3) (4)	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.0% Cash, Due 08/22)	2,411,098	2,428,340	2,321,694
			2,411,098	2,428,340	2,321,694
Apex Tool Group, LLC (1.3%)*(4)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 02/22)	7,335,300	7,364,994	7,056,558
			7,335,300	7,364,994	7,056,558
Applied Systems Inc. (1.6%)*(4)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 09/24)	9,313,068	9,380,593	8,855,144
			9,313,068	9,380,593	8,855,144
Ascend Learning, LLC (1.3%)*(4)	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 07/24)	7,959,698	7,981,529	7,502,015
			7,959,698	7,981,529	7,502,015
AssuredPartners Capital, Inc. (2.0%)*(4)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 10/24)	11,951,703	11,975,322	11,257,070
			11,951,703	11,975,322	11,257,070
Aveanna Healthcare Holdings, Inc. (f/k/a BCPE Eagle Buyer LLC) (0.7%)*(4) (5)	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 03/24)	1,488,712	1,469,694	1,384,502
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 8.0% Cash, Due 03/24)	2,751,801	2,752,766	2,641,729
			4,240,513	4,222,460	4,026,231
AVSC Holding Corp. (1.3%)*(4)	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.9% Cash, Due 03/25)	7,959,900	7,917,296	7,522,105
			7,959,900	7,917,296	7,522,105

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Bausch Health Companies Inc. (1.5%)*(3) (4)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 05/25)	$ 8,820,910	$ 8,866,316	$ 8,406,856
			8,820,910	8,866,316	8,406,856
BDP International, Inc. (4.3%)*(5)	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 8.1% Cash, Due 12/24)	25,000,000	24,502,972	24,347,685
			25,000,000	24,502,972	24,347,685
Berlin Packaging LLC (1.4%)*(4)	Forest Products /Containers	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 11/25)	8,457,500	8,477,268	7,944,045
			8,457,500	8,477,268	7,944,045
Blackhawk Network Holdings Inc (1.7%)*(4)	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 06/25)	9,974,937	9,974,937	9,470,006
			9,974,937	9,974,937	9,470,006
Brookfield WEC Holdings Inc. (0.1%)*(4)	Construction & Engineering	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 08/25)	500,000	504,904	483,305
			500,000	504,904	483,305
Brown Machine LLC (1.0%)*(5)	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.8% Cash, Due 10/24)	5,568,910	5,502,125	5,431,063
			5,568,910	5,502,125	5,431,063
Cadent (f/k/a Cross MediaWorks) (1.4%)*(5)	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 7.7% Cash, Due 09/23)	7,966,133	7,891,122	7,793,161
			7,966,133	7,891,122	7,793,161
Caesars Entertainment Corp. (0.5%)*(3) (4)	Casinos & Gaming	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 12/24)	3,134,171	3,153,038	3,004,322
			3,134,171	3,153,038	3,004,322
Callaway Golf Co. (0.6%)*(3) (4)	Leisure Products	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.3% Cash, Due 12/25)	3,266,060	3,200,739	3,225,234
			3,266,060	3,200,739	3,225,234
Calpine Corp. (0.8%)*(4)	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan7 (LIBOR + 2.5%, 5.3% Cash, Due 05/23)	129,118	129,583	122,379
		First Lien Senior Secured Term Loan5 (LIBOR + 2.5%, 5.3% Cash, Due 01/24)	4,497,510	4,513,817	4,264,899
			4,626,628	4,643,400	4,387,278
Capital Automotive LLC (2.0%)*(4)	Automotive Retail	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 03/24)	11,939,394	11,966,567	11,443,909
			11,939,394	11,966,567	11,443,909
Carlyle Group L.P., (The) (f/k/a Nautilus Power, LLC) (0.6%)*(4)	Independent Power Producers & Energy Traders	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 05/24)	3,487,410	3,504,691	3,434,227
			3,487,410	3,504,691	3,434,227
Charter Communications Inc. (0.8%)*(3) (4)	Cable & Satellite	First Lien Senior Secured Term Loan (LIBOR + 2.0%, 4.5% Cash, Due 04/25)	4,585,127	4,493,899	4,385,124
			4,585,127	4,493,899	4,385,124
Concentra Inc. (0.5%)*(4)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.1% Cash, Due 06/22)	3,000,000	3,028,601	2,865,000
			3,000,000	3,028,601	2,865,000
Consolidated Container Co. LLC (1.3%)*(4)	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 05/24)	7,462,312	7,485,496	7,114,045
			7,462,312	7,485,496	7,114,045
Container Store Group, Inc., (The) (0.5%)*(3) (4) (5)	Retail	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.5% Cash, Due 09/23)	3,124,404	3,126,010	2,858,830
			3,124,404	3,126,010	2,858,830
Core & Main LP (1.7%)*(4)	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.7% Cash, Due 08/24)	9,974,811	10,022,554	9,617,414
			9,974,811	10,022,554	9,617,414

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Covia Holdings Corporation (Unimin Corporation) (0.3%)*(3) (4)	Diversified Metals & Mining	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.6% Cash, Due 06/25)	$ 2,435,500	$ 2,444,146	$ 1,753,560
			2,435,500	2,444,146	1,753,560
CPG Intermediate LLC (f/k/a Encapsys, LLC) (0.4%)*	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.0% Cash, Due 11/24)	2,172,331	2,174,889	2,108,964
			2,172,331	2,174,889	2,108,964
CPI International Inc. (0.8%)*(4)	Electronic Components	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 07/24)	4,795,633	4,803,762	4,631,766
			4,795,633	4,803,762	4,631,766
CVS Holdings I, LP (MyEyeDr) (0.3%)*(4)	Health Care Supplies	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.3% Cash, Due 02/25)	1,953,701	1,952,568	1,846,248
			1,953,701	1,952,568	1,846,248
Dimora Brands, Inc. (0.5%)*	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 08/24)	2,984,887	2,988,439	2,839,373
			2,984,887	2,988,439	2,839,373
Dole Food Co. Inc. (2.4%)*(4)	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 04/24)	13,919,794	13,927,211	13,484,800
			13,919,794	13,927,211	13,484,800
Dresser Natural Gas Solutions (2.1%)*(5)	Natural Gas	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 10/25)	12,115,385	12,056,896	11,903,574
			12,115,385	12,056,896	11,903,574
Duff & Phelps Corporation (2.2%)*(4)	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 02/25)	13,341,288	13,378,119	12,593,642
			13,341,288	13,378,119	12,593,642
Edelman Financial Group, Inc. (1.8%)*(4)	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 07/25)	10,486,000	10,569,223	10,074,005
			10,486,000	10,569,223	10,074,005
Endo International PLC (1.3%)*(3) (4)	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.8% Cash, Due 04/24)	7,959,596	8,032,969	7,521,818
			7,959,596	8,032,969	7,521,818
Equian Buyer Corp. (0.6%)*(4)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 05/24)	3,482,323	3,488,194	3,358,701
			3,482,323	3,488,194	3,358,701
Exelon Corp. (0.5%)*(3) (4)	Electric Utilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.7% Cash, Due 11/24)	3,000,000	3,028,710	2,835,000
			3,000,000	3,028,710	2,835,000
Eyemart Express (0.6%)*(4)	Retail	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 08/24)	3,478,637	3,490,449	3,365,581
			3,478,637	3,490,449	3,365,581
Fieldwood Energy LLC (1.7%)*(4)	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.8% Cash, Due 04/22)	10,000,000	10,091,054	9,318,800
			10,000,000	10,091,054	9,318,800
Filtration Group Corporation (1.9%)*(4)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 03/25)	10,944,862	11,032,278	10,525,346
			10,944,862	11,032,278	10,525,346
Flex Acquisition Holdings, Inc. (1.7%)*(4)	Paper Packaging	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 06/25)	9,972,500	9,993,054	9,419,026
			9,972,500	9,993,054	9,419,026
Gardner Denver Inc. (0.3%)*(3) (4)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 07/24)	1,682,557	1,694,790	1,621,043
			1,682,557	1,694,790	1,621,043

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
GlobalTranz (0.5%)*(5)	Transportation Services	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 10.5% Cash, Due 10/26)	$ 2,980,874	$ 2,937,205	$ 2,900,969
			2,980,874	2,937,205	2,900,969
GMS Inc. (1.2%)*(3) (4)	Construction & Engineering	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 06/25)	7,481,203	7,440,285	7,032,331
			7,481,203	7,440,285	7,032,331
Graftech International Ltd. (1.8%)*(3) (4) (5)	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 02/25)	10,725,000	10,812,431	10,135,125
			10,725,000	10,812,431	10,135,125
Gray Television Inc. (0.1)*(3) (4)	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 2.25%, 4.6% Cash, Due 02/24)	655,812	641,096	627,940
			655,812	641,096	627,940
Gulf Finance, LLC (0.1)*(4)	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 7.9% Cash, Due 08/23)	1,069,652	900,943	811,598
			1,069,652	900,943	811,598
Hanley Wood LLC (2.2%)*(5)	Advertising	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 9.0% Cash, Due 12/24)	12,500,000	12,190,695	12,375,000
			12,500,000	12,190,695	12,375,000
Harbor Freight Tools USA Inc.(1.0%)*(4)	Specialty Stores	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 08/23)	5,994,942	5,934,386	5,640,880
			5,994,942	5,934,386	5,640,880
Hayward Industries, Inc. (1.4%)*(4)	Leisure Products	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 08/24)	8,457,179	8,488,506	8,115,340
			8,457,179	8,488,506	8,115,340
Healthline Media, Inc (2.2%)*(5)	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.6% Cash, Due 11/24)	12,840,895	12,588,998	12,434,145
			12,840,895	12,588,998	12,434,145
Hertz Corporation (The) (1.0%)*(3) (4)	Rental & Leasing Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 06/23)	5,938,303	5,927,654	5,696,555
			5,938,303	5,927,654	5,696,555
Holley Performance Products (Holley Purchaser, Inc.) (3.9%)*(5)	Packaging	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.5% Cash, Due 10/25)	22,535,000	22,204,286	21,971,625
			22,535,000	22,204,286	21,971,625
Hub International Limited (1.7%)*(4)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 04/25)	10,333,075	10,347,614	9,735,720
			10,333,075	10,347,614	9,735,720
Husky Injection Molding Systems Ltd. (1.7%)*(3) (4)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 03/25)	10,790,581	10,369,552	9,841,873
			10,790,581	10,369,552	9,841,873
Hyland Software Inc. (1.5%)*(4)	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 07/24)	8,715,134	8,776,016	8,427,535
			8,715,134	8,776,016	8,427,535
Immucor Inc. (0.4%)*(4)	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.8% Cash, Due 06/21)	2,491,354	2,524,676	2,444,641
			2,491,354	2,524,676	2,444,641
Infor Software Parent, LLC (1.4%)*(4)	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/22)	8,000,000	8,012,613	7,653,760
			8,000,000	8,012,613	7,653,760
Intelsat S.A. (2.2%)*(3) (4)	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 11/23)	13,000,000	13,079,847	12,558,910
			13,000,000	13,079,847	12,558,910
ION Trading Technologies Ltd. (2.5%)*(4) (5)	Electrical Components & Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.5% Cash, Due 11/24)	14,819,339	14,786,308	13,967,227
			14,819,339	14,786,308	13,967,227

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
IRB Holding Corporation (1.3%)*(4)	Food Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 02/25)	$ 7,969,854	$ 7,989,532	$ 7,583,316
			7,969,854	7,989,532	7,583,316
Jaguar Holding Company I (0.8%)*(4)	Life Sciences Tools & Services	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 08/22)	4,974,227	4,975,425	4,713,080
			4,974,227	4,975,425	4,713,080
JS Held, LLC (3.1%)*(5)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.3% Cash, Due 09/24)	17,593,912	17,403,946	17,179,827
			17,593,912	17,403,946	17,179,827
Kenan Advantage Group Inc. (1.4%)*(4)	Trucking	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 07/22)	8,449,929	8,442,949	8,138,380
			8,449,929	8,442,949	8,138,380
K-Mac Holdings Corp (0.6%)*(4)	Restaurants	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 03/25)	3,482,456	3,492,379	3,310,527
			3,482,456	3,492,379	3,310,527
Kronos Inc. (1.9%)*(4)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 11/23)	11,505,463	11,551,608	10,910,976
			11,505,463	11,551,608	10,910,976
Lighthouse Autism Center (1.1%)*(5)	Healthcare and Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 8.1% Cash, Due 09/24)	6,157,408	5,891,621	5,817,408
		Class A LLC Units (154,320 units)		154,320	154,320
			6,157,408	6,045,941	5,971,728
Lindstrom (Metric Enterprises, Inc.) (1.2%)*(5)	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 09/24)	7,023,012	6,972,814	6,885,353
			7,023,012	6,972,814	6,885,353
LTI Holdings, Inc. (2.0%)*(4)	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 09/25)	11,970,000	12,035,076	11,241,865
			11,970,000	12,035,076	11,241,865
Mallinckrodt Plc (1.9%)*(3) (4)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.6% Cash, Due 09/24)	11,753,810	11,679,642	10,754,736
			11,753,810	11,679,642	10,754,736
Men's Wearhouse, Inc. (The) (1.7%)*(3) (4)	Apparel Retail	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.6% Cash, Due 04/25)	9,974,874	10,073,027	9,588,348
			9,974,874	10,073,027	9,588,348
Micro Holding Corp. (1.8%)*	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 12/24)(5)	2,712,876	2,725,787	2,590,796
		First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 09/24)(4)	7,959,698	8,017,449	7,531,864
			10,672,574	10,743,236	10,122,660
NFP Corp. (1.4%)*(4)	Specialized Finance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 01/24)	8,630,128	8,628,301	8,144,684
			8,630,128	8,628,301	8,144,684
NVA Holdings, Inc. (1.3%)*(4)	Health Care Facilities	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/25)	7,916,170	7,900,214	7,441,200
			7,916,170	7,900,214	7,441,200
Omaha Holdings LLC (1.7%)*(4)	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 03/24)	9,949,622	10,021,886	9,430,351
			9,949,622	10,021,886	9,430,351
Omnitracs, LLC (1.4%)*(4)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.6% Cash, Due 03/25)	8,435,312	8,407,343	7,933,411
			8,435,312	8,407,343	7,933,411
Ortho-Clinical Diagnostics Bermuda Co. Ltd. (1.9%)*(4)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 06/25)	11,520,080	11,524,382	10,659,645
			11,520,080	11,524,382	10,659,645

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
PAREXEL International Corp. (1.2%)*(4)	Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 09/24)	$ 7,470,248	$ 7,436,079	$ 6,732,561
			7,470,248	7,436,079	6,732,561
Penn Engineering & Manufacturing Corp. (0.3%)*(4)	Industrial Conglomerates	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 06/24)	1,989,899	2,006,604	1,916,929
			1,989,899	2,006,604	1,916,929
Phoenix Services International LLC (0.5%)*(4)	Steel	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.1% Cash, Due 03/25)	2,984,962	2,996,845	2,868,042
			2,984,962	2,996,845	2,868,042
PMHC II, Inc. (0.1%)*	Diversified Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.2% Cash, Due 03/25)	621,867	625,543	565,899
			621,867	625,543	565,899
PODS Enterprises, Inc. (1.4%)*(4)	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.2% Cash, Due 12/24)	7,959,712	7,985,095	7,608,132
			7,959,712	7,985,095	7,608,132
Prime Security Services Borrower, LLC (2.1%)*(3) (4)	Security & Alarm Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 05/22)	12,593,945	12,633,406	11,976,842
			12,593,945	12,633,406	11,976,842
Pro Mach Inc. (1.0%)*(4)	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.4% Cash, Due 03/25)	5,969,925	5,950,852	5,659,011
			5,969,925	5,950,852	5,659,011
ProAmpac Intermediate Inc. (1.7%)*(4)	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.0% Cash, Due 11/23)	9,947,995	9,962,292	9,475,466
			9,947,995	9,962,292	9,475,466
Qlik Technologies Inc. (Alpha Intermediate Holding, Inc.) (1.3%)*(4)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 04/24)	7,436,794	7,443,394	7,139,322
			7,436,794	7,443,394	7,139,322
Red Ventures, LLC (1.9%)*(4)	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 11/24)	10,966,554	11,103,689	10,418,227
			10,966,554	11,103,689	10,418,227
RedPrairie Holding, Inc (1.7%)*(4)	Computer Storage & Peripherals	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 10/23)	9,949,239	10,022,004	9,564,203
			9,949,239	10,022,004	9,564,203
Renaissance Learning, Inc. (0.9%)*(4)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 05/25)	5,446,052	5,441,904	5,041,029
			5,446,052	5,441,904	5,041,029
Reynolds Group Holdings Ltd. (2.6%)*(4)	Packaging	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/23)	15,421,320	15,498,970	14,650,254
			15,421,320	15,498,970	14,650,254
Sabre Holdings Corp (0.2%)*(4)	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 2.0%, 4.5% Cash, Due 02/24)	914,018	895,738	882,786
			914,018	895,738	882,786
SCI Packaging Inc. (f/k/a BWAY Holding Company) (2.3%)*(4)	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.7% Cash, Due 04/24)	13,929,293	13,906,708	13,070,274
			13,929,293	13,906,708	13,070,274
Seadrill Ltd. (1.4%)*(4)	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 8.8% Cash, Due 02/21)	9,918,283	9,372,499	7,742,509
			9,918,283	9,372,499	7,742,509
Seaworld Entertainment, Inc. (1.4%)*(3) (4)	Leisure Facilities	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 03/24)	8,456,962	8,446,134	8,055,256
			8,456,962	8,446,134	8,055,256
Serta Simmons Bedding LLC (0.4%)*(4)	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 5.9% Cash, Due 11/23)	2,992,386	2,704,234	2,493,645
			2,992,386	2,704,234	2,493,645

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
SIWF Holdings, Inc. (f/k/a Springs Industries Inc.) (1.6%)*(4)	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 6.7% Cash, Due 06/25)	$ 9,445,430	$ 9,507,419	$ 9,156,211
			9,445,430	9,507,419	9,156,211
SK Blue Holdings, LP (0.7%)*(4) (5)	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 7.2% Cash, Due 10/25)	4,202,638	4,200,204	4,034,533
			4,202,638	4,200,204	4,034,533
SmartBear (0.8%)*(5)	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 10.4% Cash, Due 05/24)	4,959,088	4,840,642	4,778,162
			4,959,088	4,840,642	4,778,162
Smile Brands Group Inc. (0.9%)*(5)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.1% Cash, Due 10/24)	5,043,318	4,981,982	4,912,691
			5,043,318	4,981,982	4,912,691
Solenis Holdings, L.P. (1.4%)*(4)	Specialty Chemicals	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.7% Cash, Due 12/23)	7,960,000	8,010,373	7,681,400
			7,960,000	8,010,373	7,681,400
SonicWALL, Inc. (0.8%)*(4)	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.1% Cash, Due 05/25)	4,500,000	4,502,358	4,289,985
			4,500,000	4,502,358	4,289,985
Sophia Holding Finance, L.P . (2.7%)*(4)	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.1% Cash, Due 09/22)	15,925,386	15,975,609	15,305,411
			15,925,386	15,975,609	15,305,411
SRS Distribution, Inc. (1.6%)*(4)	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 05/25)	9,975,000	9,787,668	9,283,034
			9,975,000	9,787,668	9,283,034
SS&C Technologies, Inc. (0.3%)*(3) (4)	Computer & Electronics Retail	First Lien Senior Secured Term Loan (LIBOR + 2.25%, 4.8% Cash, Due 04/25)	1,760,188	1,755,852	1,657,886
			1,760,188	1,755,852	1,657,886
Staples Inc. (2.4%)*(4)	Retail	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.5% Cash, Due 09/24)	13,964,736	13,944,087	13,359,644
			13,964,736	13,944,087	13,359,644
Syniverse Holdings, Inc. (1.7%)*(4)	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.5% Cash, Due 03/23)	10,447,368	10,401,186	9,315,605
			10,447,368	10,401,186	9,315,605
Tahoe Subco 1 Ltd (2.5%)*(3) (4)	Internet Software & Services	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.3% Cash, Due 06/24)	14,960,151	14,967,158	13,902,319
			14,960,151	14,967,158	13,902,319
Team Health Holdings, Inc. (1.1%)*(4)	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 02/24)	6,964,557	6,701,992	6,207,162
			6,964,557	6,701,992	6,207,162
Tempo Acquisition LLC (2.0%)*(4)	Investment Banking & Brokerage	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 05/24)	11,616,035	11,663,099	11,093,314
			11,616,035	11,663,099	11,093,314
Transportation Insight, LLC (3.4%)*(5)	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 12/24)	19,483,068	19,245,141	19,007,740
			19,483,068	19,245,141	19,007,740
TransUnion (0.1%)*(3) (4)	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 2.0%, 4.5% Cash, Due 04/23)	634,147	619,996	608,781
			634,147	619,996	608,781
Travelport Ltd. (0.3%)*(3) (4)	Data Processing & Outsourced Services	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.1% Cash, Due 03/25)	1,989,228	1,987,991	1,951,691
			1,989,228	1,987,991	1,951,691
Tronox Ltd. (1.2%)*(3) (4)	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 09/24)	6,964,824	7,001,035	6,745,920
			6,964,824	7,001,035	6,745,920

Portfolio Company	Industry	Type of Investment[1] [2]	Principal Amount	Cost	Fair Value
Trystar, Inc. (3.1%)*[5]	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 7.4% Cash, Due 09/23)	$ 17,850,676	$ 17,554,515	$ 17,320,845
		LLC Units (361.5 units)		361,505	361,505
			17,850,676	17,916,020	17,682,350
U.S. Anesthesia Partners, Inc. (2.3%)*[4]	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 06/24)	13,724,874	13,787,932	13,086,668
			13,724,874	13,787,932	13,086,668
U.S. Silica Company (0.2%)*[3] [4]	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 6.6% Cash, Due 05/25)	1,518,304	1,522,294	1,322,822
			1,518,304	1,522,294	1,322,822
Univision Communications Inc. (0.9%)*[4]	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 03/24)	5,470,018	5,279,013	4,938,989
			5,470,018	5,279,013	4,938,989
US Legal Support, Inc. (2.3%)*[5]	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 8.5% Cash, Due 11/24)	13,513,994	13,216,624	13,065,980
			13,513,994	13,216,624	13,065,980
USF Holdings LLC (0.8%)*[4] [5]	Auto Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.5%, 6.3% Cash, Due 12/21)	4,870,130	4,887,672	4,650,974
			4,870,130	4,887,672	4,650,974
USI, Inc. (1.4%)*[4]	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.8% Cash, Due 05/24)	8,457,179	8,449,689	7,960,320
			8,457,179	8,449,689	7,960,320
USIC Holdings, Inc. (1.2%)*[4]	Packaged Foods & Meats	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 5.8% Cash, Due 12/23)	6,965,629	7,001,297	6,599,933
			6,965,629	7,001,297	6,599,933
Vail Holdco Corp (f/k/a Avantor, Inc.) (2.4%)*[4]	Health Care Equipment	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.6% Cash, Due 11/24)	14,193,506	14,381,790	13,720,436
			14,193,506	14,381,790	13,720,436
Venator Materials LLC (0.5%)*[3] [4]	Commodity Chemicals	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 08/24)	2,984,887	2,995,737	2,846,836
			2,984,887	2,995,737	2,846,836
Veritas Bermuda Intermediate Holdings Ltd. (1.4%)*[4]	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.1% Cash, Due 01/23)	9,451,899	9,033,056	8,027,403
			9,451,899	9,033,056	8,027,403
Verscend Holding Corp. (0.4%)*[4]	Health Care Technology	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 7.0% Cash, Due 08/25)	2,493,750	2,523,202	2,406,469
			2,493,750	2,523,202	2,406,469
VF Holding Corp. (2.0%)*[4]	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.1% Cash, Due 07/25)	12,000,000	12,006,052	11,373,720
			12,000,000	12,006,052	11,373,720
Wilsonart, LLC (1.7%)*[4]	Building Products	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 6.1% Cash, Due 12/23)	9,974,683	9,974,683	9,519,638
			9,974,683	9,974,683	9,519,638
Winebow Group, LLC, (The) (0.2%)*[4]	Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 6.3% Cash, Due 07/21)	1,572,129	1,483,331	1,353,335
			1,572,129	1,483,331	1,353,335
Wink Holdco, Inc (1.3%)*[4]	Managed Health Care	First Lien Senior Secured Term Loan (LIBOR + 3.0%, 5.5% Cash, Due 12/24)	7,571,614	7,570,011	7,158,961
			7,571,614	7,570,011	7,158,961
WME Entertainment Parent, LLC (f/k/a IMG Worldwide, Inc.) (2.3%)*[4]	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 2.75%, 5.3% Cash, Due 05/25)	13,841,944	13,829,823	12,682,681
			13,841,944	13,829,823	12,682,681

Barings BDC, Inc.
Consolidated Schedule of Investments — (Continued)
December 31, 2018

Portfolio Company	Industry	Type of Investment(1) (2)	Principal Amount	Cost	Fair Value
Xperi Corp (0.5%)*(3) (4) (5)	Semiconductor Equipment	First Lien Senior Secured Term Loan (LIBOR + 2.5%, 5.0% Cash, Due 12/23)	$ 2,942,982	$ 2,929,408	$ 2,729,616
			2,942,982	2,929,408	2,729,616
Subtotal Non–Control / Non–Affiliate Investments			1,132,612,430	1,128,694,715	1,076,631,804
Short-Term Investments					
The Dreyfus Corporation (8.0%)*(4)	Money Market Fund	Dreyfus Government Cash Management Fund (2.5% yield)	45,223,941	45,223,941	45,223,941
			45,223,941	45,223,941	45,223,941
Subtotal Short-Term Investments			45,223,941	45,223,941	45,223,941
Total Investments, December 31, 2018 (199.3%)*			$ 1,177,836,371	$ 1,173,918,656	$ 1,121,855,745

* Fair value as a percentage of net assets.

(1) All debt investments are income producing, unless otherwise noted. Equity and any equity-linked investments are non-income producing, unless otherwise noted. The Board of Directors determined in good faith that all investments were valued at fair value in accordance with the Company's valuation policies and procedures and the1940 Act, based on, among other things, the input of Barings, the Company's Audit Committee and an independent valuation firm that has been engaged to assist in the valuation of the Company's senior secured, middle-market investments.

(2) 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 either LIBOR 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.

(3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 15.1% of total investments at fair value as of December 31, 2018. 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).

(4) Some or all of the investment is or will be encumbered as security for the August 2018 Credit Facility.

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

See accompanying notes.

1. ORGANIZATION, BUSINESS AND BASIS OF PRESENTATION

Barings BDC, Inc. and its wholly-owned subsidiaries (collectively, the "Company") 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 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 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 ("NAV") 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 NAV 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 NAV per share and market price (collectively, the "Externalization Transaction"). The Asset Sale Transaction and the Externalization Transaction are collectively referred to herein as the "Transactions." The Transactions were approved by the Company's stockholders at the Company's July 24, 2018 special meeting of stockholders (the "Special Meeting"). The Asset Sale Transaction closed on July 31, 2018.

In connection with the closing of the Asset Sale Transaction, the Company caused notices to be issued to the holders of its unsecured notes due 2022 issued in 2012 (the "December 2022 Notes") and unsecured notes due 2022 issued in 2015 (the "March 2022 Notes") regarding the redemption of all $80.5 million in aggregate principal amount of the December 2022 Notes and all $86.3 million in aggregate principal amount of the March 2022 Notes, in each case, on August 30, 2018. The December 2022 Notes and the March 2022 Notes were redeemed at 100% of their principal amount ($25.00 per Note), plus the accrued and unpaid interest thereon from June 15, 2018 to, but excluding, August 30, 2018. In furtherance of the redemption, on July 31, 2018, the Company irrevocably deposited with The Bank of New York Mellon Trust Company, N.A., as trustee under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes, funds in trust for the purposes of redeeming all of the issued and outstanding December 2022 Notes and March 2022 Notes and paying all sums due and payable under the indenture and supplements thereto. As a result, the Company's obligations under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes were satisfied and discharged as of July 31, 2018, except with respect to those obligations that the indenture expressly provides shall survive the satisfaction and discharge of the indenture. In addition, in connection with the closing of the Asset Sale Transaction, the Company terminated its senior secured credit facility entered into in May 2015 and subsequently amended in May 2017.

The Company's 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"), are 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 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 "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 exempt from registration under Section 4(a)(2) of 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.

Expenses Related to the Transactions

In connection with the Externalization Transaction, and the subsequent change of control and related termination of employees, the Company recognized one-time compensation expenses of approximately $27.6 million in the three and nine months ended September 30, 2018. These one-time compensation expenses included severance expenses, pro-rata incentive compensation, transaction-related bonuses, expenses related to the acceleration of vesting of restricted stock grants and deferred compensation grants, and other expenses associated with the obligations under the Company's existing severance agreements and severance policy. In addition, the Company recognized transaction advisory fees, legal expenses and other direct costs associated with the Transactions of approximately $8.4 million and $11.8 million, respectively, in the three and nine months ended September 30, 2018.

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 its Board of Directors (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 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 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 Advisory Agreement and the Administration Agreement. See Note 2 - Agreements and Related Party Transactions for additional information regarding the Advisory Agreement and the 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 Barings BDC, Inc. and its wholly-owned subsidiaries have been eliminated in consolidation. Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, *Financial Services - Investment Companies*, the Company is precluded from consolidating portfolio company investments, including those in which it has a controlling interest, unless the portfolio company is another investment company. An exception to this general principle occurs if the Company holds a controlling interest in an operating 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 further in Note 3, with any adjustments to fair value recognized as "Net unrealized appreciation (depreciation)" on the Unaudited Consolidated Statements of Operations.

The accompanying unaudited consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6, 10 and 12 of Regulation S-X. Accordingly, certain disclosures accompanying annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments, consisting solely of normal recurring adjustments necessary for the fair presentation of financial statements for the interim period, have been reflected in the unaudited consolidated financial statements. The current period's results of operations are not necessarily indicative of results that ultimately may be achieved for the year. Additionally, the unaudited consolidated financial statements and accompanying notes should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2018. 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 unaudited 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 August 2018, the FASB issued Accounting Standards Update, 2018-13,*Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"),* which includes new, eliminated and modified fair value disclosure requirements. The new guidance requires disclosure of the range and weighted average of the significant unobservable inputs for Level 3 fair value measurements and the way they are calculated. The guidance also eliminates the following disclosures: (i) amount and reason for transfers between Level 1 and Level 2, (ii) policy for timing of transfers between levels of the fair value hierarchy and (iii) valuation processes for Level 3 fair value measurement. In addition, the disclosure is modified such that the narrative description for the recurring Level 3 fair value measures should communicate information about the measurement uncertainty in fair value measurements as of the reporting date rather than a point in the future. The guidance is effective for all entities for interim and annual periods beginning after December 15, 2019. An entity is permitted to early adopt the entire standard or only the provisions that eliminate or modify disclosures. The Company's management does not expect the adoption of ASU 2018-13 to have a significant impact on its consolidated financial statements.

Share Repurchase Plan

On February 25, 2019, the Company adopted a share repurchase plan, pursuant to Board approval, for the purpose of repurchasing shares of the Company's common stock in the open market (the "Share Repurchase Plan"). The Board authorized the Company to repurchase in 2019 up to a maximum of 5.0% of the amount of shares outstanding under the following targets:

- a maximum of 2.5% of the amount of shares of the Company's common stock outstanding if shares trade below NAV per share but in excess of 90% of NAV per share; and
- a maximum of 5.0% of the amount of shares of the Company's common stock outstanding if shares trade below 90% of NAV per share.

The Share Repurchase Plan will be executed in accordance with applicable rules under the Securities Exchange Act of 1934, as amended, including Rules 10b5-1 and 10b-18 thereunder, as well as certain price, market volume and timing constraints specified in the Share Repurchase Plan. The Share Repurchase Plan is designed to allow the Company to repurchase its shares both during its open window periods and at times when it otherwise might be prevented from doing so under applicable insider trading laws or because of self-imposed trading blackout periods. A broker selected by the Company has been delegated the authority to repurchase shares on the Company's behalf in the open market, pursuant to, and under the terms and limitations of, the Share Repurchase Plan. There is no assurance that the Company will purchase shares at any specific discount levels or in any specific amounts. The Company's repurchase activity will be disclosed in its periodic reports for the relevant fiscal periods. There is no assurance that the market price of the Company's shares, either absolutely or relative to NAV, will increase as a result of any share repurchases, or that the Share Repurchase Plan will enhance stockholder value over the long term.

During the three and nine months ended September 30, 2019, the Company repurchased a total of 895,733 shares and 1,865,522 shares, respectively, of its common stock in the open market under the Share Repurchase Plan at an average price of $9.93 per share and $9.94 per share, respectively, including broker commissions.

2. AGREEMENTS AND RELATED PARTY TRANSACTIONS

On August 2, 2018, the Company entered into the Advisory Agreement and the Administration Agreement with the Adviser, an investment adviser registered under the Investment Advisers Act of 1940, as amended. Pursuant to the Advisory Agreement and the Administration Agreement, the Adviser serves as the Company's investment adviser and administrator and manages its investment portfolio. The Company's then-current board of directors unanimously approved the Advisory Agreement at an in-person meeting on March 22, 2018. The Company's stockholders approved the Advisory Agreement at the Special Meeting.

Advisory Agreement

Pursuant to the 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 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 Advisory Agreement or otherwise as an investment adviser of the Company. The Adviser's services under the 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 Advisory Agreement is not adversely affected.

The Adviser has entered into a personnel-sharing arrangement with its affiliate, Barings 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.

Under the 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.

Base Management Fee

The Base Management Fee is calculated based on the Company's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of:

- 1.0% for the period from August 2, 2018 through December 31, 2018;
- 1.125% for the period commencing on January 1, 2019 through December 31, 2019; and
- 1.375% for all periods thereafter.

The Base Management Fee is payable quarterly in arrears on a calendar quarter basis. The Base Management Fee is 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 are appropriately pro-rated. For the three and nine months ended September 30, 2019, the Base Management Fee was approximately $3.3 million and $8.8 million, respectively. As of September 30, 2019, the Base Management Fee for the three months ended September 30, 2019 was unpaid and included in "Accounts payable and accrued liabilities" in the accompanying Unaudited Consolidated Balance Sheet.

For the three and nine months ended September 30, 2018, the amount of Base Management Fee determined in accordance with the Advisory Agreement was approximately $1.5 million. This fee was calculated based on the average of the Company's gross assets, excluding cash and cash equivalents, as of March 31, 2018 and June 30, 2018, both of which were dates prior to the consummation of the Transactions. In light of this fact, and in order to ensure that the Adviser did not earn a Base Management Fee on assets that it did not manage prior to the Transactions, the Adviser calculated the Base Management Fee for the quarter ended September 30, 2018 based on the Company's average gross assets as of August 2, 2018 and September 30, 2018, excluding (i) cash and cash equivalents, (ii) short-term investments, (iii) unsettled purchased investments and (iv) assets subject to participation agreements (the “Q3 2018 Adjusted Management Fee”). The Adviser voluntary agreed to waive the difference between the $1.5 million Base Management Fee calculated under the terms of the Advisory Agreement and the Q3 2018 Adjusted Management Fee, which resulted in a net Base Management Fee of approximately $0.5 million for each of the three and nine months ended September 30, 2018, after taking into account a waiver of approximately $1.0 million based on the calculations noted above.

Incentive Fee

The Incentive Fee is comprised of two parts: (1) a portion based on the Company’s pre-incentive fee net investment income (the "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 "Capital Gains Fee"). The Company did not pay any Incentive Fee for the three and nine months ended September 30, 2019 or for the three and nine months ended September 30, 2018.

The Income-Based Fee is calculated as follows:

(i) For each quarter from and after August 2, 2018 through December 31, 2019 (the "Pre-2020 Period"), the Income-Based Fee is 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 are being calculated. In respect of the Pre-2020 Period, "Pre-Incentive Fee Net Investment Income" means 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 includes, 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 does 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 Income-Based Fee will be 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 will be referred to as the "Trailing Twelve Quarters") for which such fees are being calculated and will be 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" means 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 Trailing Twelve Quarters, minus the Company’s operating expenses for such 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 Trailing Twelve Quarters. Pre-Incentive Fee Net Investment Income includes, 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 does 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 are being calculated, is 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 pays the Adviser the 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 Income-Based Fee for any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) does not exceed the hurdle rate;

(b) With respect to the Post-2019 Period, no Income-Based Fee for any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) does 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 exceeds the hurdle rate but is less than 2.5% (10% annualized) (the "Pre-2020 Catch-Up Amount"). The Pre-2020 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 (as defined in paragraph (i) above) when the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (i) above) reaches 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 exceeds the hurdle rate but is less than 2.5% (10% annualized) (the "Post-2019 Catch-Up Amount"). The Post-2019 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 (as defined in paragraph (ii) above) when the Company's Pre-Incentive Fee Net Investment Income (as defined in paragraph (ii) above) reaches 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 exceeds 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 exceeds the Post-2019 Catch-Up Amount.

However, with respect to the Post-2019 Period, the Income-Based Fee paid to the Adviser will not be in excess of the Incentive Fee Cap. With respect to the Post-2019 Period, the "Incentive Fee Cap" for any quarter is an amount equal to (a) 20% of the Cumulative Net Return (as defined below) during the relevant Trailing Twelve Quarters minus (b) the aggregate Income-Based Fee that was paid in respect of the first eleven calendar quarters (or the portion thereof) included in the relevant Trailing Twelve Quarters.

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

Net Capital Loss in respect of a particular period means 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 Capital Gains Fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Advisory Agreement), commencing with the calendar year ending 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. If such amount is negative, then there is no Capital Gains Fee payable for such year. If the Advisory 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.

Payment of Company Expenses

Under the 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 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 of its operations and transactions, including, without limitation, those items listed in the Advisory Agreement, will be borne by the Company.

Duration and Termination of Advisory Agreement

The Advisory Agreement has an initial term of two years. Thereafter, it will continue to renew automatically for successive annual periods so long as such continuance is specifically approved at least annually by: (i) the vote of the Board, or by the vote of stockholders holding a majority of the outstanding voting securities of the Company; and (ii) the vote of a majority of the Company's independent directors, in either case, in accordance with the requirements of the 1940 Act. The Advisory Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice, by: (a) by vote of a majority of the Board or by vote of a majority of the outstanding voting securities of the Company (as defined in the 1940 Act); or (b) the Adviser. Furthermore, the Advisory Agreement will automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the 1940 Act).

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 the Board's approval, 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.

The Company is required to reimburse the Adviser for the costs and expenses incurred by the Adviser in performing its obligations and providing personnel and facilities under the Administration Agreement, or such lesser amount as may be agreed to in writing by the Company and the Adviser from time to time. If the Company and the Adviser agree to a reimbursement amount for any period which is less than the full amount otherwise permitted under the Administration Agreement, then the Adviser will not be entitled to recoup any difference thereof in any subsequent period or otherwise. 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 method 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 three and nine months ended September 30, 2019, the Company incurred and was invoiced by the Adviser for expenses of approximately $0.5 million and $1.9 million, respectively, under the terms of the Administration Agreement, which amount is included in "General and administrative expenses" in the accompanying Unaudited Consolidated Statements of Operations. As of September 30, 2019, the administrative expenses for the three months endedSeptember 30, 2019 were unpaid and included in "Accounts payable and accrued liabilities" in the accompanying Unaudited Consolidated Balance Sheet.

For both the three and nine months ended September 30, 2018, the Company incurred and was invoiced by the Adviser for expenses of approximately $31,000 that are reimbursable to the Adviser under the terms of the Administration Agreement.

The Administration Agreement has an initial term of two years, and thereafter 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 directors of the Company, or by the Adviser, 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.

3. INVESTMENTS

Portfolio Composition

As of September 30, 2019 and December 31, 2018, approximately $675.0 million and $845.6 million, respectively, or 61.0% and 78.5%, respectively, of the Company's investment portfolio (excluding the Company's investment in short-term money market funds) was invested in syndicated senior secured loans, and approximately $431.7 million and $231.0 million, respectively, or 39.0% and 21.5%, respectively, of the Company's investment portfolio (excluding the Company's investment in short-term money market funds) was invested in senior secured, middle-market, private debt and equity investments.

Currently, the Company is primarily invested in syndicated senior secured loans, bonds and other fixed income securities. Over time, the Adviser expects to continue to transition the Company's portfolio to senior secured private debt investments in performing, well-established middle-market businesses that operate across a wide range of industries. The Adviser's existing SEC exemptive relief under Sections 17(d) and 57(i) of the 1940 Act and Rule 17d-1 thereunder, granted on October 19, 2017, 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 and unamortized loan origination fees. Summaries of the composition of the Company's investment portfolio at cost and fair value, and as a percentage of total investments, are shown in the following tables:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio	Percentage of Total Net Assets
September 30, 2019:					
Senior debt and 1st lien notes	$ 1,113,313,729	94%	$ 1,086,247,273	94%	190%
Subordinated debt and 2nd lien notes	9,663,521	1	9,689,289	1	2
Equity shares	515,825	—	695,660	—	—
Investment in joint venture	10,158,270	1	10,036,300	1	2
Short-term investments	51,552,247	4	51,552,247	4	9
	$ 1,185,203,592	100%	$ 1,158,220,769	100%	203%
December 31, 2018:					
Senior debt and 1st lien notes	$ 1,120,401,043	95%	$ 1,068,436,847	95%	190%
Subordinated debt and 2nd lien notes	7,777,847	1	7,679,132	1	1
Equity shares	515,825	—	515,825	—	—
Short-term investments	45,223,941	4	45,223,941	4	8
	$ 1,173,918,656	100%	$ 1,121,855,745	100%	199%

During the three months ended September 30, 2019, the Company purchased $1.0 million in syndicated senior secured loans, made ten new senior secured private middle-market debt investments totaling $102.5 million, made additional debt investments in six existing portfolio companies totaling $14.0 million and made an additional investment in its joint venture totaling $5.0 million. During the nine months ended September 30, 2019, the Company purchased $1.6 million in syndicated senior secured loans, made twenty-four new middle-market debt investments totaling $245.0 million, consisting of twenty-three senior secured, middle-market, private debt investments and one second lien, middle-market, private debt investment, made investments in its joint venture equity investment totaling $10.2 million and made additional debt investments in five existing portfolio companies totaling $11.4 million.

During the three months ended September 30, 2018, subsequent to the Transactions, the Company purchased $1,227.9 million in syndicated senior secured loans and made new investments in six middle market portfolio companies totaling $75.3 million, consisting of senior secured private debt and one minority equity instrument.

Prior to the Transactions, in the three months ended September 30, 2018, the Company made investments in five existing portfolio companies totaling $1.6 million. Prior to the Transactions, in the nine months ended September 30, 2018, the Company made investments in 12 existing portfolio companies totaling approximately $30.7 million.

The industry composition of investments at fair value atSeptember 30, 2019 and December 31, 2018, excluding short-term investments, was as follows:

	September 30, 2019		December 31, 2018	
Aerospace and Defense	$ 47,165,040	4.3%	$ 28,944,709	2.7%
Automotive	34,534,127	3.1%	36,052,950	3.3%
Banking, Finance, Insurance and Real Estate	99,620,659	9.0%	97,220,907	9.0%
Beverage, Food and Tobacco	13,863,894	1.3%	30,978,576	2.9%
Capital Equipment	77,242,368	7.0%	46,630,026	4.3%
Chemicals, Plastics, and Rubber	21,040,370	1.9%	23,983,552	2.2%
Construction and Building	27,356,367	2.5%	29,157,682	2.7%
Consumer goods: Durable	20,554,701	1.9%	21,118,531	2.0%
Consumer goods: Non-durable	21,984,248	2.0%	25,025,317	2.3%
Containers, Packaging and Glass	44,677,116	4.1%	53,729,065	5.0%
Energy: Electricity	17,022,878	1.5%	17,682,349	1.6%
Energy: Oil and Gas	14,821,513	1.3%	17,872,908	1.7%
Healthcare and Pharmaceuticals	103,745,142	9.4%	143,160,276	13.3%
High Tech Industries	103,240,651	9.3%	93,740,806	8.7%
Hotel, Gaming and Leisure	22,353,212	2.0%	23,742,260	2.2%
Investment Funds and Vehicles	10,036,300	0.9%	—	—%
Media: Advertising, Printing and Publishing	32,464,434	2.9%	30,315,332	2.8%
Media: Broadcasting and Subscription	—	—%	22,510,963	2.1%
Media: Diversified and Production	35,890,795	3.2%	15,325,025	1.4%
Metals and Mining	10,381,206	0.9%	5,944,424	0.6%
Retail	34,497,037	3.1%	53,507,322	5.0%
Services: Business	129,403,983	11.7%	107,136,887	10.0%
Services: Consumer	44,536,813	4.0%	31,122,421	2.9%
Telecommunications	40,973,577	3.7%	26,019,130	2.4%
Transportation: Cargo	63,109,440	5.7%	54,394,774	5.1%
Transportation: Consumer	13,662,483	1.2%	18,755,533	1.7%
Utilities: Electric	10,572,991	1.0%	10,656,505	1.0%
Utilities: Oil and Gas	11,917,177	1.1%	11,903,574	1.1%
Total	$ 1,106,668,522	100.0%	$ 1,076,631,804	100.0%

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, structured products and real estate debt. The Company and SCRS committed to initially provide $50.0 million and $500.0 million, respectively, of equity capital to Jocassee. Equity contributions will be called from each member on a pro-rata basis, based on their equity commitments. As of September 30, 2019, Jocassee had $13.7 million in senior secured private middle-market debt investments, $60.1 million in U.S. syndicated senior secured loans, $29.6 million in European syndicated senior secured loans, $8.7 million in an equity investment and $62.2 million in a short-term investment.

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 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 September 30, 2019, Jocassee had the following commitments, contributions and unfunded commitments from its members:

	As of September 30, 2019			
Member	**Total Commitments**	**Contributed Capital**	**Return of Capital (not recallable)**	**Unfunded Commitments**
Barings BDC, Inc.	$ 50,000,000	$ 10,000,000	$ —	$ 40,000,000
South Carolina Retirement Systems Group Trust	500,000,000	100,000,000	—	400,000,000
Total	$ 550,000,000	$ 110,000,000	$ —	$ 440,000,000

Investment Valuation

The Company has 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"). 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. Under ASC Topic 820, 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. Under ASC Topic 820, 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 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 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 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 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 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 internal pricing models, in accordance with internal pricing procedures established by the Adviser's Pricing Committee, to price an asset in the event an acceptable price cannot be obtained from an approved external source.

The Adviser reviews its valuation methodologies on an ongoing basis and updates are made accordingly to meet changes in the marketplace. The Adviser has established internal controls to ensure its valuation process is operating in an effective manner. The Adviser (1) maintains valuation and pricing procedures that describe the specific methodology used for valuation and (2) approves and documents exceptions and overrides of valuations. In addition, the Pricing Committee performs an annual review of valuation methodologies.

The Company's money market fund investments are generally valued using Level 1 inputs and its syndicated senior secured loans are generally valued using Level 2 inputs. The Company's senior secured, middle-market, private debt investments are generally valued using Level 3 inputs.

Independent Valuation Review

The Company has engaged an independent valuation firm to provide third-party valuation consulting services which consist of certain limited procedures that the Company identified and requested the valuation firm to perform (hereinafter referred to as the "Procedures"). The Procedures are generally performed with respect to the Company's senior secured, middle-market investments, and are generally performed with respect to each investment every quarter beginning in the quarter after the investment is made. In certain instances, the Company may determine that it is not cost-effective, and as a result is not in the stockholders' best interest, to request the independent valuation firm to perform the Procedures 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.

The total number of senior secured, middle-market investments and the percentage of the Company's total senior secured, middle-market investment portfolio on which the Procedures were performed are summarized below by period:

For the quarter ended:	Total companies	Percent of total investments at fair value(1)
September 30, 2018(2)	—	—%
December 31, 2018	5	100%
March 31, 2019	18	100%
June 30, 2019	22	100%
September 30, 2019	28	100%

(1) Exclusive of the fair value of new middle-market investments made during the quarter and certain middle-market investments repaid subsequent to the end of the reporting period.

(2) The Company did not engage any independent valuation firms to perform the Procedures for the third quarter of 2018 as the Company's investment portfolio consisted primarily of newly-originated investments.

Upon completion of the Procedures, the valuation firm concluded that, with respect to each investment reviewed by the valuation firm, the fair value of those investments subjected to the Procedures appeared reasonable. Finally, the Board determined in good faith that 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 input of Barings, the Company’s Audit Committee and the independent valuation firm.

Investment Valuation Inputs and Techniques

The Company'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 Company's market assumptions. The Company'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. The Company determines the estimated fair value of its loans and investments using primarily an income approach. Generally, a vendor is the preferred source of pricing a loan, however, to the extent the vendor price is unavailable or not relevant and reliable, the Company may use broker quotes. The Company 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.

Market Approach

The Company values its syndicated senior secured loans using values provided by independent pricing services that have been approved by the Adviser's Pricing Committee. The prices received from these pricing service providers are based on yields or prices of securities of comparable quality, type, coupon and maturity and/or indications as to value from dealers and exchanges. The Company will seek to obtain two prices from the pricing services with one price representing the primary source and the other representing an independent control valuation. The Company evaluates the prices obtained from brokers or pricing vendors based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. The Company also performs back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, the Company performs due diligence procedures surrounding pricing vendors to understand their methodology and controls to support their use in the valuation process.

Income Approach

The Company utilizes an Income Approach model in valuing its private debt investment portfolio, which consists of middle-market senior secured loans with floating reference rates. As vendor and broker quotes have not historically been consistently relevant and reliable, the fair value is determined using an internal index-based pricing model that takes into account both the movement in the spread of one or more performing credit indices as well as changes in the credit profile of the borrower. The implicit yield for each debt investment is calculated at the date the investment is made. This calculation takes into account the acquisition price (par less any upfront fee) and the relative maturity assumptions of the underlying asset. As of each balance sheet date, the implied yield for each investment is reassessed, taking into account changes in the discount margin of the baseline index, probabilities of default and any changes in the credit profile of the issuer of the security, such as fluctuations in operating levels and leverage. If there is an observable price available on a comparable security/issuer, it is used to calibrate the internal model. The implied yield used within the model is considered a significant unobservable input. As such, these assets are generally classified within Level 3. If the valuation process for a particular debt investment results in a value above par, the value is typically capped at the greater of the principal amount plus any prepayment penalty in effect or 100% of par on the basis that a market participant is likely unwilling to pay a greater amount than that at which the borrower could refinance.

Fair value measurements using the Income Approach model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Income Approach model remain constant, any increase (decrease) in the discount margin of the baseline index for a particular debt security would result in a lower (higher) fair value for that security. Assuming all other inputs to the Income Approach model remain constant, any improvement (decline) in the credit profile of the issuer of a particular debt security would result in a higher (lower) fair value for that security.

Enterprise Value Waterfall Approach

In valuing equity securities, the Company estimates fair value using an "Enterprise Value Waterfall" valuation model. The Company estimates the enterprise value of a portfolio company and then allocates the enterprise value to the portfolio company's securities in order of their relative liquidation preference. In addition, the model assumes that any outstanding debt or other securities that are senior to the Company's equity securities are required to be repaid at par. Generally, the waterfall proceeds flow from senior debt tranches of the capital structure to junior and subordinated debt, followed by each class or preferred stock and finally the common stock. Additionally, the Company may estimate the fair value of a debt security using the Enterprise Value Waterfall approach when the Company does not expect to receive full repayment.

To estimate the enterprise value of the portfolio company, the Company primarily uses a valuation model based on a transaction multiple, which generally is the original transaction multiple, and measures of the portfolio company's financial performance. In addition, the Company considers other factors, including but not limited to (i) offers from third parties to purchase the portfolio company, (ii) the implied value of recent investments in the equity securities of the portfolio company, (iii) publicly available information regarding recent sales of private companies in comparable transactions and (iv) when the Company believes there are comparable companies that are publicly traded, the Company performs a review of these publicly traded companies and the market multiple of their equity securities. For certain non-performing assets, the Company may utilize the liquidation or collateral value of the portfolio company's assets in its estimation of enterprise value.

The significant Level 3 inputs to the Enterprise Value Waterfall model are (i) an appropriate transaction multiple and (ii) a measure of the portfolio company's financial performance, which generally is either earnings before interest, taxes, depreciation and amortization, as adjusted ("Adjusted EBITDA") or revenues. Such inputs can be based on historical operating results, projections of future operating results or a combination thereof. The operating results of a portfolio company may be unaudited, projected or pro forma financial information and may require adjustments for certain non-recurring items. In determining the operating results input, the Company utilizes the most recent portfolio company financial statements and forecasts available as of the valuation date. The Company also consults with the portfolio company's senior management to obtain updates on the portfolio company's performance, including information such as industry trends, new product development, loss of customers and other operational issues.

Fair value measurements using the Enterprise Value Waterfall model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Enterprise Value Waterfall model remain constant, any increase (decrease) in either the transaction multiple, Adjusted EBITDA or revenues for a particular equity security would result in a higher (lower) fair value for that security.

Valuation of Investment in Jocassee

The Company estimates the fair value of its investment in Jocassee using the net asset value of Jocassee and its ownership percentage. The net asset value of Jocassee is determined in accordance with the specialized accounting guidance for investment companies.

Level 3 Unobservable Inputs

The ranges and weighted average values of the significant Level 3 inputs used in the valuation of the Company's debt and equity securities at September 30, 2019 and December 31, 2018 are summarized as follows:

September 30, 2019:	**Fair Value[(1)]**	**Valuation Model**	**Level 3 Input**	**Range of Inputs**	**Weighted Average**
Senior debt and 1st lien notes	$ 352,229,216	Income Approach	Implied Spread	4.6% – 8.0%	5.8%
	35,873,765	Market Approach	Pricing Service Quotes	84.0% – 100.5%	94.5%
Subordinated debt and 2nd lien notes	9,689,289	Income Approach	Implied Spread	8.8% – 9.4%	9.1%
Equity shares	695,660	Enterprise Value Waterfall Approach	Adjusted EBITDA Multiple	9.9x – 12.3x	10.4x

(1) Two senior debt investments with a total fair value of $19,599,956 were valued using unobservable market transactions.

December 31, 2018:	Fair Value[(1)]	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average
Senior debt and 1st lien notes	$ 178,647,302	Income Approach	Implied Spread	4.9% – 7.0%	5.8%
	66,964,957	Market Approach	Pricing Service Quotes	91.5% – 97.5%	95.4%
Subordinated debt and 2nd lien notes	7,679,132	Income Approach	Implied Spread	9.0% – 9.4%	9.3%
Equity shares	515,825	Enterprise Value Waterfall Approach	Adjusted EBITDA Multiple	9.1x – 10.3x	9.5x

(1) One senior debt investment with a total fair value of $12,375,000 was valued using an unobservable market transaction.

The following tables present the Company's investment portfolio at fair value as ofSeptember 30, 2019 and December 31, 2018, categorized by the ASC Topic 820 valuation hierarchy, as previously described:

	Fair Value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Senior debt and 1st lien notes	$ —	$ 678,544,336	$ 407,702,937	$ 1,086,247,273
Subordinated debt and 2nd lien notes	—	—	9,689,289	9,689,289
Equity shares	—	—	695,660	695,660
Short-term investments	51,552,247	—	—	51,552,247
Investments subject to leveling	$ 51,552,247	$ 678,544,336	$ 418,087,886	$ 1,148,184,469
Investment in joint venture (1)				10,036,300
				$ 1,158,220,769

	Fair Value as of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Senior debt and 1st lien notes	$ —	$ 810,449,588	$ 257,987,259	$ 1,068,436,847
Subordinated debt and 2nd lien notes	—	—	7,679,132	7,679,132
Equity shares	—	—	515,825	515,825
Short-term investments	45,223,941	—	—	45,223,941
	$ 45,223,941	$ 810,449,588	$ 266,182,216	$ 1,121,855,745

(1) The Company's investment in Jocassee is measured at fair value using net asset value and has not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Unaudited Consolidated Balance Sheet.

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 nine months ended September 30, 2019 and 2018:

Nine Months Ended September 30, 2019:	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Equity Shares	Total
Fair value, beginning of period	$ 257,987,259	$ 7,679,132	$ 515,825	$ 266,182,216
New investments	249,345,678	4,951,685	—	254,297,363
Transfers in (out) of Level 3, net	(37,144,143)	—	—	(37,144,143)
Proceeds from sales of investments	(13,765,869)	—	—	(13,765,869)
Loan origination fees received	(4,939,839)	(148,551)	—	(5,088,390)
Principal repayments received	(46,384,560)	(2,980,874)	—	(49,365,434)
Accretion of loan discounts	(13,011)	—	—	(13,011)
Accretion of deferred loan origination revenue	1,163,453	63,413	—	1,226,866
Realized loss	(47,768)	—	—	(47,768)
Unrealized appreciation	1,501,737	124,484	179,835	1,806,056
Fair value, end of period	$ 407,702,937	$ 9,689,289	$ 695,660	$ 418,087,886

Nine Months Ended September 30, 2018:	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Equity Shares	Equity Warrants	Total
Fair value, beginning of period	$ 262,803,297	$ 589,548,358	$ 162,543,691	$ 1,389,000	$ 1,016,284,346
New investments	153,991,743	7,853,827	2,932,105	—	164,777,675
Reclassifications	8,617,000	(8,617,000)	—	—	—
Proceeds from sales of investments	—	—	(35,884,390)	(708)	(35,885,098)
Proceeds from sale of portfolio to Asset Buyer	(234,603,624)	(418,521,991)	(121,970,155)	(1,202,274)	(776,298,044)
Loan origination fees received	(1,212,914)	—	—	—	(1,212,914)
Principal repayments received	(29,283,632)	(143,419,588)	—	—	(172,703,220)
PIK interest earned	259,414	3,517,139	—	—	3,776,553
PIK interest payments received	(1,403,097)	(2,494,389)	—	—	(3,897,486)
Accretion of loan discounts	(2,645)	14,188	—	—	11,543
Accretion of deferred loan origination revenue	514,843	2,690,484	—	—	3,205,327
Realized gain (loss)	(43,095,292)	(147,889,422)	28,102,063	(488,635)	(163,371,286)
Unrealized gain (loss)	16,302,282	117,318,394	(25,317,809)	302,617	108,605,484
Fair value, end of period	$ 132,887,375	$ —	$ 10,405,505	$ —	$ 143,292,880

(1) Prior to the Asset Sale Transaction, certain of the Company's investments contained payment-in-kind ("PIK") interest provisions. PIK interest, computed at the contractual rate specified in each loan agreement, is 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.

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 Unaudited Consolidated Statements of Operations. Pre-tax net unrealized depreciation on investments of $3.1 million during the three months ended September 30, 2019 and pre-tax net unrealized appreciation on investments of $19.6 million during the nine months ended September 30, 2019 were related to portfolio company investments that were still held by the Company as of September 30, 2019. Pre-tax net unrealized depreciation on investments of $0.5 million and $1.3 million during the three and nine months ended September 30, 2018, respectively, was related to portfolio company investments that were still held by the Company as of September 30, 2018. For the three and nine months ended September 30, 2018, this pre-tax net unrealized depreciation on investments included $0.8

million and $1.5 million of unrealized depreciation related to three assets that were subject to a participation agreement with the Asset Buyer.

Exclusive of short-term investments, during the nine months ended September 30, 2019, the Company made investments of approximately $257.5 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the nine months ended September 30, 2019, the Company made investments of $10.7 million in portfolio companies to which it was previously committed to provide such financing.

Exclusive of short-term investments, during the nine months ended September 30, 2018, the Company made investments of approximately $1.3 billion in portfolio companies to which it was not previously contractually committed to provide such financing. During the nine months ended September 30, 2018, the Company made investments of $11.4 million in companies to which it was previously committed to provide such financing.

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.

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 outstanding 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. As of September 30, 2019, the Company does not “Control” any of its portfolio companies for the purposes of the 1940 Act. Under the 1940 Act, the Company is deemed to be an Affiliated Person of a company in which the Company has invested if it owns at least 5.0%, but no more than 25.0%, of the outstanding voting securities of such company.

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. Dividend income is recorded on the ex-dividend date.

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 three and nine months ended September 30, 2019 and 2018 was as follows:

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Recurring Fee Income:				
Amortization of loan origination fees	$ 245,038	$ 170,816	$ 591,162	$ 1,272,955
Management, valuation and other fees	80,431	62,452	211,313	375,877
Total Recurring Fee Income	325,469	233,268	802,475	1,648,832
Non-Recurring Fee Income:				
Prepayment fees	—	—	59,617	1,191,943
Acceleration of unamortized loan origination fees	465,695	144,458	663,073	1,932,367
Advisory, loan amendment and other fees	57,628	—	144,654	162,153
Total Non-Recurring Fee Income	523,323	144,458	867,344	3,286,463
Total Fee Income	**$ 848,792**	**$ 377,726**	**$ 1,669,819**	**$ 4,935,295**

Concentration of Credit Risk

As of both September 30, 2019 and December 31, 2018, there were no individual investments representing greater than 10% of the fair value of the Company’s portfolio. As of both September 30, 2019 and December 31, 2018, the Company’s largest single portfolio company investment, excluding short-term investments, represented approximately 2.2% of the fair value of the Company’s portfolio, exclusive of short-term investments. Income, consisting of interest, dividends, fees, other investment income and realization of gains or losses on equity interests, 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.

As of September 30, 2019, $263.7 million of the Company's assets were pledged (or will be pledged when the related investment purchase settles) as collateral for the August 2018 Credit Facility, $512.0 million were pledged (or will be pledged when the related investment purchase settles) as collateral for the February 2019 Credit Facility, and $438.5 million were pledged as collateral for the Debt Securitization.

Investments Denominated in Foreign Currencies

As of September 30, 2019 the Company held one investment that was denominated in Swedish kronas, one investment that was denominated in Euros and one investment that was denominated in British pounds sterling. As of December 31, 2018, the Company did not hold any investments that were denominated in foreign currencies.

At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into U.S. 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 U.S. 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 U.S. dollars using the applicable foreign exchange rates described above, the Company does not isolate 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 Unaudited Consolidated Statements of Operations.

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.

4. SCHEDULE OF INVESTMENTS IN AND ADVANCES TO AFFILIATES

The following schedules present information about investments in and advances to affiliates for thenine months ended September 30, 2019 and year ended December 31, 2018:

Nine Months Ended September 30, 2019: Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2018 Value	Gross Additions (3)	Gross Reductions (4)	September 30, 2019 Value
Affiliate Investments:								
Jocassee Partners LLC	9.1% Member Interest	$ —	$ (121,970)	$ —	$ —	$ 10,158,270	$ 121,970	$ 10,036,300
Total Affiliate Investments		**$ —**	**$ (121,970)**	**$ —**	**$ —**	**$ 10,158,270**	**$ 121,970**	**$ 10,036,300**

(1) Equity and equity-linked investments are non-income producing, unless otherwise noted.
(2) 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.
(3) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation.
(4) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation.

Year Ended December 31, 2018:

Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2017 Value	Gross Additions (3)	Gross Reductions (4)	December 31, 2018 Value
Control Investments:								
CRS-SPV, Inc.	Common Stock (1,100 shares)	$ (8,775,003)	$ (1,855,000)	$ 100,000	$ 20,283,000	$ —	$ 20,283,000	$ —
		(8,775,003)	(1,855,000)	100,000	20,283,000	—	20,283,000	—
Frank Entertainment Group, LLC	Senior Note (6% Cash)(5)	(4,472,966)	4,205,494	—	6,541,000	5,214,278	11,755,278	—
	Second Lien Term Note (2.5% Cash)(5)	(3,150,520)	2,879,479	—	—	3,183,307	3,183,307	—
	Redeemable Preferred Units (2,800,000 units)	(2,800,000)	2,800,000	—	—	2,800,000	2,800,000	—
	Redeemable Class B Preferred Units (2,800,000 units)	(2,800,000)	2,800,000	—	—	2,800,000	2,800,000	—
	Class A Common Units (606,552 units)	(1,000,000)	1,000,000		—	1,000,000	1,000,000	—
		(14,223,486)	13,684,973	—	6,541,000	14,997,585	21,538,585	—
FrontStream Holdings, LLC	Subordinate Note (LIBOR + 6.0% Cash)(5)(6)	(6,650,730)	6,609,389	—	7,414,000	9,709,389	17,123,389	—
	Common Stock (1,000 shares)	(500,000)	500,000	—	—	500,000	500,000	—
		(7,150,730)	7,109,389	—	7,414,000	10,209,389	17,623,389	—
Frontstreet Facility Solutions, Inc.	Subordinated Note (13% Cash)	(7,566,670)	4,697,172	652,624	3,750,000	4,712,628	8,462,628	—
	Series A Convertible Preferred Stock (60,000 shares)	(250,575)	250,575	—	—	250,575	250,575	—
	Series B Convertible Preferred Stock (20,000 shares)	(500,144)	500,144	—	—	500,144	500,144	—
	Common Stock (27,890 shares)	(279)	279	—	—	279	279	—
		(8,317,668)	5,448,170	652,624	3,750,000	5,463,626	9,213,626	—
Investments not held at the end of the period		(75,817)	—	—	—	75,817	75,817	—
Total Control Investments		**$(38,542,704)**	**$ 24,387,532**	**$ 752,624**	**$ 37,988,000**	**$ 30,746,417**	**$ 68,734,417**	**$ —**

Year Ended December 31, 2018: Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2017 Value	Gross Additions (3)	Gross Reductions (4)	December 31, 2018 Value
Affiliate Investments:								
All Metals Holding, LLC	Subordinated Note (12% Cash, 1% PIK)	$ 101,129	$ (155,098)	$ 149,598	$ 6,434,000	$ 162,778	$ 6,596,778	$ —
	Units (318,977 units)	(535,011)	527,331	—	266,000	527,331	793,331	—
		(433,882)	372,233	149,598	6,700,000	690,109	7,390,109	—
Consolidated Lumber Holdings, LLC	Class A Units (15,000 units)	1,000,000	(3,000,000)	339,893	4,500,000	1,000,000	5,500,000	—
		1,000,000	(3,000,000)	339,893	4,500,000	1,000,000	5,500,000	—
FCL Holding SPV, LLC	Class A Interest (24,873 units)	413,760	(278,000)	302,294	570,000	413,760	983,760	—
	Class B Interest (48,427 units)	—	—	—	—	—	—	—
	Class B Interest (3,746 units)	—	—	—	—	—	—	—
		413,760	(278,000)	302,294	570,000	413,760	983,760	—
Mac Land Holdings, Inc.	Common Stock (139 shares)	(369,000)	369,000	—	—	369,000	369,000	—
		(369,000)	369,000	—	—	369,000	369,000	—
NB Products, Inc.	Subordinated Note (12% Cash, 2% PIK)	1,040,327	—	2,125,986	23,308,085	1,374,840	24,682,925	—
	Jr. Subordinated Note (10% PIK)	282,473	—	325,662	5,114,592	609,514	5,724,106	—
	Jr. Subordinated Bridge Note (20% PIK)	72,836	—	297,881	2,412,295	371,461	2,783,756	—
	Series A Redeemable Senior Preferred Stock (7,839 shares)	3,478,355	(2,768,352)	—	10,390,000	3,478,355	13,868,355	—
	Common Stock (1,668,691 shares)	34,666,262	(15,710,262)	—	16,044,000	34,666,262	50,710,262	—
		39,540,253	(18,478,614)	2,749,529	57,268,972	40,500,432	97,769,404	—
Passport Food Group, LLC	Senior Notes (LIBOR + 9.0% Cash)[(6)]	(7,234,021)	2,976,160	1,346,145	16,672,000	3,016,086	19,688,086	—
	Common Stock (20,000 shares)	(2,000,000)	1,643,000	—	357,000	1,643,000	2,000,000	—
		(9,234,021)	4,619,160	1,346,145	17,029,000	4,659,086	21,688,086	—

Year Ended December 31, 2018:

Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2017 Value	Gross Additions (3)	Gross Reductions (4)	December 31, 2018 Value
PCX Aerostructures, LLC	Subordinated Note (6% Cash)	$ (8,589,777)	$ 8,670,000	$ 1,353,746	$ 22,574,000	$ 9,495,146	$ 32,069,146	$ —
	Subordinated Note (6% PIK)	—	211,286	5,068	548,000	216,354	764,354	—
	Series A Preferred Stock (6,066 shares)	(6,065,621)	6,065,621	—	—	6,065,621	6,065,621	—
	Series B Preferred Stock (1,411 shares)	(1,410,514)	410,514	—	—	1,410,514	1,410,514	—
	Class A Common Stock (121,922 shares)	(30,480)	30,480	—	—	30,480	30,480	—
		(16,096,392)	15,387,901	1,358,814	23,122,000	17,218,115	40,340,115	—
Team Waste, LLC	Subordinated Note (10% Cash, 2% PIK)	—	—	297,923	4,930,962	113,713	5,044,675	—
	Preferred Units (500,000 units)	3,475,467	—	—	10,000,000	3,475,467	13,475,467	—
		3,475,467	—	297,923	14,930,962	3,589,180	18,520,142	—
Technology Crops, LLC	Senior Notes (12% Cash)(5)	(8,493,169)	3,677,102	592,861	8,617,000	3,677,102	12,294,102	—
	Common Units (50 units)	(500,000)	500,000	—	—	500,000	500,000	—
		(8,993,169)	4,177,102	592,861	8,617,000	4,177,102	12,794,102	—
TGaS Advisors, LLC	Senior Note (10% Cash, 1% PIK)	(282,587)	—	648,832	9,431,015	91,895	9,522,910	—
	Preferred Units (1,685,357 units)	206,638	32,069	—	1,524,000	238,707	1,762,707	—
		(75,949)	32,069	648,832	10,955,015	330,602	11,285,617	—
Tulcan Fund IV, L.P.	Common Units (1,000,000 units)	(950,000)	1,000,000	—	—	1,000,000	1,000,000	—
		(950,000)	1,000,000	—	—	1,000,000	1,000,000	—
United Retirement Plan Consultants, Inc.	Series A Preferred Shares (9,400 shares)	169,252	(96,252)	—	302,000	169,252	471,252	—
	Common Shares (100,000 shares)	(175,000)	581,000	—	419,000	581,000	1,000,000	—
		(5,748)	484,748	—	721,000	750,252	1,471,252	—
Wythe Will Tzetzo, LLC	Series A Preferred Units (99,829 units)	1,312,617	(2,688,000)	—	2,688,000	1,312,617	4,000,617	—
		1,312,617	(2,688,000)	—	2,688,000	1,312,617	4,000,617	—

Year Ended December 31, 2018:

Portfolio Company	Type of Investment(1)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	Amount of Interest or Dividends Credited to Income(2)	December 31, 2017 Value	Gross Additions (3)	Gross Reductions (4)	December 31, 2018 Value
Investments not held at the end of the period		$ 355,394	$ —	$ —	$ —	$ 473,234	$ 473,234	$ —
Deferred taxes		—	1,199,969	—	—	—	—	—
Total Affiliate Investments		**$ 9,939,330**	**$ 3,197,568**	**$ 7,785,889**	**$ 147,101,949**	**$ 76,483,489**	**$ 223,585,438**	**$ —**

(1) All debt investments are income producing, unless otherwise noted. Equity and equity-linked investments are non-income producing, unless otherwise noted. The fair values of all investments were determined using significant unobservable inputs.
(2) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in Control or Affiliate categories, respectively. Amounts include accrued PIK interest if the description of the security includes disclosure of a PIK interest rate.
(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments and accrued PIK interest. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation.
(4) Gross reductions include decreases in the total cost basis of investments resulting from principal or PIK repayments or sales. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation.
(5) Non-accrual investment.
(6) Index-based floating interest rate is subject to 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 either LIBOR or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan.

5. INCOME TAXES

The Company has elected for federal income tax purposes to be treated 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.

The minimum distribution requirements applicable to RICs require the Company to distribute to its stockholders at least 90% of its investment company taxable income ("ICTI"), as defined by the Code, each year. Depending on the level of ICTI earned in a tax year, the Company 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 that 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. The Company may be required to recognize ICTI in certain circumstances in which it does not receive cash. For example, if the Company holds debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments issued with warrants), the Company 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 the Company in the same taxable year. The Company may also have to include in ICTI other amounts that it has not yet received in cash, such as 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 the Company's ICTI for the year of accrual, the Company may be required to make a distribution to its stockholders in order to satisfy the minimum distribution requirements, even though the Company 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.

In addition, the Company has a wholly-owned taxable subsidiary (the "Taxable Subsidiary"), which holds certain portfolio investments that are listed on the Audited and Unaudited Consolidated Schedules of Investments. The Taxable Subsidiary is 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 Subsidiary. The purpose of the Taxable Subsidiary 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 Subsidiary, 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 Subsidiary, their income is taxed to the Taxable Subsidiary and does not flow through to the RIC, thereby helping the Company preserve its RIC tax treatment and resultant tax advantages. The Taxable Subsidiary is not consolidated for income tax purposes and may generate income tax expense or benefit as a result of their ownership of the portfolio companies. This income tax expense or benefit is reflected in the Company's Consolidated Statements of Operations. Additionally, any unrealized appreciation related to portfolio investments held by the Taxable Subsidiary (net of unrealized depreciation related to portfolio investments held by the Taxable Subsidiary) is reflected net of applicable federal and state income taxes in the Company's Consolidated Statements of Operations, with the related deferred tax assets or liabilities included in "Accounts Payable and Accrued Liabilities" in the Company's Consolidated Balance Sheets.

For federal income tax purposes, the cost of investments owned as ofSeptember 30, 2019 and December 31, 2018 was approximately $1,185.3 million and $1,173.3 million, respectively. As of September 30, 2019, net unrealized depreciation on the Company's investments (tax basis) was approximately$26.9 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately $1.4 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately $28.3 million. The cost of investments owned (tax basis) listed above does not include the RIC's basis in the Taxable Subsidiary. As of September 30, 2019 and December 31, 2018, the cost (tax basis) of the RIC's investment in the Taxable Subsidiary was approximately $18.0 million and $20.6 million, respectively. As of December 31, 2018, net unrealized depreciation on the Company's investments (tax basis) was approximately $51.4 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately$1.6 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately $53.0 million.

6. BORROWINGS

The Company had the following borrowings outstanding as of September 30, 2019 and December 31, 2018:

Issuance Date	Maturity Date	Interest Rate as of September 30, 2019	September 30, 2019	December 31, 2018
Credit Facilities:				
February 21, 2019	February 21, 2024	3.814%	122,767,549	$ —
August 3, 2018 - Class A	—	—	—	190,000,000
August 3, 2018 - Class A-1	August 3, 2020	3.239%	169,000,000	380,000,000
Total Credit Facilities			$ 291,767,549	$ 570,000,000
Debt Securitization:				
May 9, 2019 - Class A-1 2019 Notes	April 15, 2027	3.323%	$ 289,281,310	$ —
May 9, 2019 - Class A-2 2019 Notes	April 15, 2027	3.953%	51,500,000	—
Less: Deferred financing fees			$ (1,750,084)	—
Total Debt Securitization			$ 339,031,226	$ —

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 is to function as the Company's special purpose, bankruptcy-remote, financing subsidiary. On August 3, 2018, BSF entered into the August 2018 Credit Facility with Bank of America, N.A., as administrative agent (the "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 are 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 is held in the custody of State Street Bank and Trust Company, as collateral administrator (the "Collateral Administrator"). The Collateral Administrator maintains and performs certain collateral administration services with respect to the Pledged Property pursuant to a collateral administration agreement among BSF, the Administrative Agent and the Collateral Administrator. Generally, the Collateral Administrator is authorized to make distributions and payments from Pledged Property based only on the written instructions of the Administrative Agent.

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. 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 Unaudited Consolidated Statements of Operations. All borrowings under the August 2018 Credit Facility bear 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 is 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 depends on the term of the borrowing under the August 2018 Credit Facility, which can be either one month or three months. BSF is required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF may prepay any borrowing at any time without premium or penalty, except that BSF may be liable for certain funding breakage fees if prepayments occur prior to expiration of the relevant interest period. BSF may also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

Any amounts borrowed under the Class A-1 Loan Commitments will mature, and all accrued and unpaid interest thereunder will be due and payable, on August 3, 2020, or upon earlier termination of the August 2018 Credit Facility.

Borrowings under the August 2018 Credit Facility are subject to compliance with a borrowing base, pursuant to which the amount of funds advanced by the lenders to BSF will vary depending upon the types of assets in BSF's portfolio. Assets must meet certain criteria to be included in the borrowing base, and the borrowing base is subject to certain portfolio restrictions including investment size, sector concentrations, investment type and credit ratings.

Under the August 2018 Credit Facility, BSF has made certain representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for credit facilities of this nature. In addition to other customary events of default included in financing transactions, the August 2018 Credit Facility contains the following events of default: (a) the failure to make principal payments when due or interest payments within two business days of when due; (b) borrowings under the credit facility exceeding the applicable advance rates; (c) the purchase by BSF of certain ineligible assets; (d) the insolvency or bankruptcy of BSF; and (e) the decline of BSF's NAV below a specified threshold. During the continuation of an event of default, BSF must pay interest at a default rate. As of September 30, 2019, BSF was in compliance with all covenants under the August 2018 Credit Facility.

Borrowings of BSF will be considered borrowings by Barings BDC, Inc. 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 are non-recourse to Barings BDC, Inc.

As of September 30, 2019 and December 31, 2018, BSF had borrowings of $169.0 million and $570.0 million, respectively, outstanding under the August 2018 Credit Facility with an interest rate of 3.239% and a weighted average interest rate of 3.654%, respectively. As ofSeptember 30, 2019 and December 31, 2018, the total fair value of the borrowings outstanding under the August 2018 Credit Facility was $169.0 million and $570.0 million, respectively. The fair values of the borrowings outstanding under the August 2018 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

February 2019 Credit Facility

On February 21, 2019, the Company 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. The February 2019 Credit Facility has an accordion feature that allows for an increase in the total commitments of up to $400.0 million, 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. The revolving period of the February 2019 Credit Facility ends on February 21, 2023, followed by a one-year amortization period with a final maturity date of February 21, 2024.

Borrowings under the February 2019 Credit Facility bear interest, subject to the Company's election, on a per annum basis equal to (i) the applicable base rate plus 1.25% (or, after one year, 1.00% if the Company receives an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.25% (or, after one year, 2.00% if the Company receives an investment grade credit rating), (iii) for borrowings denominated in Euros, the applicable EURIBOR rate plus 2.25% (or, after one year, 2.00% if the Company receives an investment grade credit rating), (iv) for borrowings denominated in Swedish kronas, the applicable STIBOR rate plus 2.25% (or, after one year, 2.00% if the Company receives an investment grade credit rating), (v) for borrowings denominated in Canadian dollars, the applicable Canadian dollars Screen Rate plus 2.25% (or, after one year, 2.00% if the Company receives an investment grade credit rating), or (vi) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.45% (or, after one year, 2.20% if the Company receives an investment grade credit rating). The applicable 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) the adjusted three-month applicable currency rate plus 1.0% and (v) 1%. The applicable currency rate depends on the currency and term of the draw under the February 2019 Credit Facility. The Company pays a commitment fee of (i) for the period beginning on the closing date of the February 2019 Credit Facility to and including the date that is six months after the closing date of the February 2019 Credit Facility, 0.375% per annum on undrawn amounts, and (ii) for the period beginning on the date that is six months after the closing date of the February 2019 Credit Facility, (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than one third of total commitments or (y) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than one third 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.

The February 2019 Credit Facility contains certain affirmative and negative covenants, including but not limited to (i) maintaining minimum shareholders' 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. In connection with the February 2019 Credit Facility, the Company also entered into new collateral documents. As of September 30, 2019, the Company was in compliance with all covenants under the February 2019 Credit Facility.

As of September 30, 2019, the Company had U.S. dollar borrowings of $90.0 million outstanding under the February 2019 Credit Facility with a weighted average interest rate of 4.313%, borrowings denominated in Swedish kronas of 67.0kr million ($6.8 million U.S. dollars) with an interest rate of 2.25%, borrowings denominated in British pounds sterling of £7.0 million ($8.6 million U.S. dollars) with an interest rate of 3.0%, and borrowings denominated in Euros of €16.0 million ($17.4 million in U.S. dollars) with an interest rate of 2.25%. 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 Unaudited Consolidated Statements of Operations.

As of September 30, 2019, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was $122.8 million. 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. 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 are 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 (“Class A-1 2019 Notes”), which bear interest at the three-month LIBOR plus 1.02%; $51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes (“Class A-2 2019 Notes”), which bear interest at the three-month LIBOR plus 1.65%; and $101.0 million of Subordinated 2019 Notes which do not bear interest and are 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 are scheduled to mature on April 15, 2027; however, the 2019 Notes may 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 are the secured obligations of the Issuers, the Subordinated 2019 Notes are the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes includes customary covenants and events of default. The 2019 Notes have not been, and will not be, registered under the Securities Act or any state securities or “blue sky” laws and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from registration.

The Company serves as collateral manager to BBDC Static CLO Ltd. under a collateral management agreement and has 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 have 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 three months ended September 30, 2019, $7.5 million of the Class A-1 2019 Notes were repaid. As of September 30, 2019, the Company had borrowings of $289.3 million outstanding under the Class A-1 2019 Notes with an interest rate of 3.323% and borrowings of $51.5 million outstanding under the Class A-2 2019 Notes with an interest rate of 3.953%. As of September 30, 2019, the total fair value of the Class A-1 2019 Notes and the Class A-2 2019 Notes was $289.4 million and $51.2 million, respectively. The fair value determinations of the Company's 2019 Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

7. DERIVATIVE INSTRUMENTS

The Company enters into forward currency contracts from time to time 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. As of September 30, 2019, the counterparty to these forward currency contracts was BNP Paribas. Net unrealized gains or losses 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 Unaudited Consolidated Statements of Operations. Forward currency contracts are considered undesignated derivative instruments.

The following table presents the Company's foreign currency forward contracts as of September 30, 2019:

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets	Balance Sheet Location of Net Amounts
Foreign currency forward contract (SEK)	$95,654	920,569kr	01/02/20	$ 1,411	Prepaid expenses and other assets
Foreign currency forward contract (GBP)	$165,691	£132,253	01/02/20	2,081	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	$158,244	€142,781	01/02/20	1,443	Prepaid expenses and other assets
Total				$ 4,935	

8. EQUITY-BASED COMPENSATION PLANS

Prior to the Externalization Transaction, the Company utilized the Triangle Capital Corporation Omnibus Incentive Plan (the "Omnibus Plan") to compensate its professionals. The Omnibus Plan provided for grants of restricted stock and options to employees, officers and directors. Equity-based awards granted under the Omnibus Plan to independent directors generally vested over a one-year period and equity-based awards granted under the Omnibus Plan to executive officers and employees generally vested ratably over a four-year period. The Company accounted for its equity-based compensation using the fair value method, as prescribed by ASC Topic 718, *Stock Compensation*. Accordingly, for restricted stock awards, the Company measured the grant date fair value based upon the market price of the Company's common stock on the date of the grant and amortized this fair value to compensation expense ratably over the requisite service period or vesting term.

On July 31, 2018, in connection with the closing of the Asset Sale Transaction, all 904,060 outstanding shares of restricted stock outstanding under the Omnibus Plan vested and on August 2, 2018, the Board terminated the Omnibus Plan. As a result, in the three months ended September 30, 2018, the Company recognized equity based compensation expense of approximately $11.3 million, and in the nine months ended September 30, 2018, the Company recognized equity based compensation expense of approximately $14.2 million.

The following table presents information with respect to equity-based compensation for the nine months ended September 30, 2018:

	Nine Months Ended September 30, 2018	
	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested shares, beginning of period	748,674	$19.79
Shares granted during the period	435,106	$10.73
Shares vested during the period	(1,183,780)	$16.46
Unvested shares, end of period	—	N/A

9. TRANSACTIONS WITH CONTROLLED COMPANIES

During the nine months ended September 30, 2018, the Company received management fees from SRC Worldwide, Inc., a wholly-owned subsidiary of CRS-SPV, Inc., of $100,000. These fees were recognized as fee income in the Company's Unaudited Consolidated Statements of Operations. In addition, during the three and nine months ended September 30, 2018, the Company recognized dividend and interest income from certain control investments as disclosed in Note 4 - Schedule of Investments in and Advances to Affiliates. During the three and nine months ended September 30, 2019, there were no transactions with controlled companies.

10. 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. The balances of unused commitments to extend financing as of September 30, 2019 and December 31, 2018 were as follows:

Portfolio Company	Investment Type	September 30, 2019	December 31, 2018
Anju Software, Inc.(1)	Delayed Draw Term Loan	$ 1,981,371	$ —
Arch Global Precision, LLC	Delayed Draw Term Loan	2,144,459	—
Armstrong Transport Group (Pele Buyer, LLC)(1)	Delayed Draw Term Loan	712,567	—
Ascensus Specialties, LLC	Term Loan	8,011,882	—
Aveanna Healthcare Holdings, Inc.(1)	Delayed Draw Term Loan	—	804,620
Campaign Monitor (UK) Limited(1)	Delayed Draw Term Loan	1,859,111	—
Dart Buyer, Inc.	Delayed Draw Term Loan	7,455,734	—
Heartland, LLC(1)	Delayed Draw Term Loan	2,782,843	—
Jocassee Partners LLC(1)	Joint Venture	40,000,000	—
JS Held, LLC	Delayed Draw Term Loan	—	2,275,039
Kene Acquisition, Inc.(1)	Delayed Draw Term Loan	1,558,973	—
LAC Intermediate, LLC(1)	Delayed Draw Term Loan	4,367,284	6,172,840
Premier Technical Services Group(1)(2)	Acquisition Facility	1,689,575	—
Process Equipment, Inc.(1).	Delayed Draw Term Loan	1,022,646	—
Professional Datasolutions, Inc. (PDI)(1)	Delayed Draw Term Loan	1,666,994	—
Smile Brands Group, Inc.(1)	Delayed Draw Term Loan	927,046	1,325,699
Sucsez (Bolt Bidco B.V.)(1)(3)	Committed Accordion Facility	6,636,768	—
Transportation Insight, LLC	Delayed Draw Term Loan	3,218,210	5,516,932
USLS Acquisition, Inc.(1)	Delayed Draw Term Loan	—	3,153,265
Validity Inc.(1)	Delayed Draw Term Loan	898,298	—
Total unused commitments to extend financing		$ 86,933,761	$ 19,248,395

(1) 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. The Company's estimate of the fair value of the current investments in this portfolio company includes an analysis of the fair value of any unfunded commitments.
(2) Actual commitment amount is denominated in British pounds sterling (£1,371,075). Commitment was translated into U.S. dollars using the September 30, 2019 spot rate.
(3) Actual commitment amount is denominated in Euros (€6,087,662). Commitment was translated into U.S. dollars using the September 30, 2019 spot rate.

The Company and certain of its former executive officers have been named as defendants in two putative securities class action lawsuits, each filed in the United States District Court for the Southern District of New York (and then transferred to the United States District Court for the Eastern District of North Carolina) on behalf of all persons who purchased or otherwise acquired our common stock between May 7, 2014 and November 1, 2017. The first lawsuit was filed on November 21, 2017, and was captioned *Elias Dagher, et al., v. Triangle Capital Corporation, et al*, Case No. 5:18-cv-00015-FL (the "*Dagher* Action"). The second lawsuit was filed on November 28, 2017, and was captioned *Gary W. Holden, et al., v. Triangle Capital Corporation, et al*, Case No. 5:18-cv-00010-FL (the "*Holden* Action"). The *Dagher* Action and the *Holden* Action were consolidated and are currently captioned *In re Triangle Capital Corp. Securities Litigation*, Master File No. 5:18-cv-00010-FL.

On April 10, 2018, the plaintiff filed its First Consolidated Amended Complaint. The complaint, as currently amended, alleges certain violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements and omissions regarding the Company’s business, operations and prospects between May 7, 2014 and November 1, 2017. The plaintiff seeks compensatory damages and attorneys’ fees and costs, among other relief, but did not specify the amount of damages being sought. On May 25, 2018, the defendants filed a motion to dismiss the complaint. On March 7, 2019 the court entered an order granting the defendants' motion to dismiss. On March 28, 2019, the plaintiff filed a motion seeking leave to file a Second Consolidated Amended Complaint. On September 20, 2019, the court entered an order denying the plaintiff's motion for leave to file a Second Consolidated Amended Complaint and dismissing the action with prejudice. On October 17, 2019, the plaintiff filed a notice of appeal seeking review of the court's September 20, 2019 order.

In addition, the Company is party to certain lawsuits in the normal course of business. Furthermore, third parties may try to seek to impose liability on the Company in connection with the activities of its portfolio companies.

While the outcome of any open legal proceedings, including those described above, cannot at this time be predicted with certainty, the Company does not expect that any reasonably possible losses arising from these matters will materially affect its financial condition or results of operations. Furthermore, in management's opinion, it is not possible to estimate a range of reasonably possible losses with respect to litigation contingencies.

11. FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights for thenine months ended September 30, 2019 and 2018:

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Per share data:		
Net asset value at beginning of period	$ 10.98	$ 13.43
Net investment income (loss)(1)	0.46	(0.17)
Net realized loss on investments / foreign currency transactions(1)	(0.02)	(3.27)
Net unrealized appreciation on investments / foreign currency transactions(1)	0.50	2.22
Total increase (decrease) from investment operations(1)	0.94	(1.22)
Dividends paid to stockholders from net investment income	(0.39)	(0.33)
Purchase of shares in tender offer	—	0.13
Purchases of shares in share repurchase plan	0.06	—
Stock-based compensation	—	0.17
Loss on extinguishment of debt(1)	—	(0.21)
Tax provision(1)	—	(0.02)
Other(2)	(0.01)	(0.04)
Net asset value at end of period	$ 11.58	$ 11.91
Market value at end of period(3)	$ 10.15	$ 10.01
Shares outstanding at end of period	49,418,542	51,284,064
Net assets at end of period	$ 572,444,980	$ 610,981,943
Average net assets	$ 580,900,618	$ 638,599,171
Ratio of total expenses, including loss on extinguishment of debt and provision for taxes, to average net assets (annualized)	7.81 %	17.58 %
Ratio of total expenses, net of base management fee waived, including loss on extinguishment of debt and provision for taxes, to average net assets (annualized)	7.81 %	17.37 %
Ratio of net investment income to average net assets (annualized)	5.36 %	(1.73)%
Portfolio turnover ratio	71.57 %	208.19 %
Total return(4)	17.08 %	27.92 %

(1) Weighted average per share data—basic and diluted.

(2) Represents the impact of the different share amounts used in calculating per share data as a result of calculating certain per share data based upon the weighted average basic shares outstanding during the period and certain per share data based on the shares outstanding as of a period end or transaction date.

(3) Represents the closing price of the Company's common stock on the last day of the period.

(4) 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. Total return is not annualized.

12. SUBSEQUENT EVENTS

On October 29, 2019, the Board declared a quarterly distribution of $0.15 per share payable on December 18, 2019 to holders of record as of December 11, 2019.

Subsequent to September 30, 2019, the Company made approximately $69.4 million of new middle-market private debt commitments, of which approximately $24.7 million closed. The $24.7 million of middle-market investments consist of all first lien senior secured debt and the weighted average yield of the closed originations was 7.1%.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

The following discussion is designed to provide a better understanding of our unaudited consolidated financial statements for the three andnine months ended September 30, 2019, 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 Unaudited Consolidated Financial Statements and the notes thereto included in Item 1 of this Quarterly Report on Form 10-Q, and the Consolidated Financial Statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2018. 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.

Forward-Looking Statements

Some of the statements in this Quarterly Report 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 Quarterly Report 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 factors discussed herein, in Item 1A entitled "Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2018 and in Item 1A entitled "Risk Factors" in Part II of our subsequently filed Quarterly Reports on Form 10-Q. Other factors that could cause actual results to differ materially include, but are not limited to, changes in the economy, 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 operating areas. These statements 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 Quarterly Report. 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 annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

The Asset Sale and Externalization Transactions

On April 3, 2018, we entered into an asset purchase agreement, or the Asset Purchase Agreement, with BSP Asset Acquisition I, LLC, or 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 on April 3, 2018, we entered into a stock purchase and transaction agreement, or the Externalization Agreement, with Barings LLC, or Barings, through which Barings agreed to become the investment adviser to the Company 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, or NAV, 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 NAV 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 our stockholders at our July 24, 2018 special meeting of stockholders, or the Special Meeting. The Asset Sale Transaction closed on July 31, 2018.

In connection with the closing of the Asset Sale Transaction, we caused notices to be issued to the holders of our unsecured notes due 2022 issued in 2012, or the December 2022 Notes, and our unsecured notes due 2022 issued in 2015 or the March 2022 Notes, regarding the redemption of all $80.5 million in aggregate principal amount of the December 2022 Notes and all $86.3 million in aggregate principal amount of the March 2022 Notes, in each case, on August 30, 2018. The December 2022 Notes and the March 2022 Notes were redeemed at 100% of their principal amount ($25.00 per Note), plus the accrued and unpaid interest thereon from June 15, 2018 to, but excluding, August 30, 2018. In furtherance of the redemption, on July 31, 2018, we irrevocably deposited with The Bank of New York Mellon Trust Company, N.A., as trustee under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes, funds in trust for the purposes of redeeming all of the issued and outstanding December 2022 Notes and March 2022 Notes and paying all sums due and payable under the indenture and supplements thereto. As a result, our obligations under the indenture and supplements thereto relating to the December 2022 Notes and the March 2022 Notes were satisfied and discharged as of July 31, 2018, except with respect to those obligations that the indenture expressly provides shall survive the satisfaction and discharge of the indenture. In addition, in connection with the closing of the Asset Sale Transaction, we terminated our senior secured credit facility entered into in May 2015 (and subsequently amended in May 2017), or the May 2017 Credit Facility.

Our wholly-owned subsidiaries, Triangle Mezzanine Fund LLLP, or Triangle SBIC, Triangle Mezzanine Fund II LP, or Triangle SBIC II, and Triangle Mezzanine Fund III LP, or Triangle SBIC III, are 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, or SBICs, under the authority of the United States Small Business Administration, or 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.

The Externalization Transaction closed on August 2, 2018. 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, or NYSE, under the symbol "BBDC."

In connection with the closing of the Externalization Transaction, we entered into an investment advisory agreement, or the Advisory Agreement, and an administration agreement, or 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. On August 2, 2018, we issued 8,529,917 shares of our common stock to Barings at a price of $11.723443 per share, or an aggregate of $100.0 million in cash.

Furthermore, on August 7, 2018, we launched a $50.0 million issuer tender offer, or the Tender Offer. Pursuant to the Tender Offer, we purchased 4,901,961 shares of our 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 our issued and outstanding shares as of September 6, 2018.

On September 24, 2018, or the Effective Date, Barings entered into a Rule 10b5-1 Purchase Plan, or 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, or the Exchange Act. Pursuant to the 10b5-1 Plan, an independent broker made purchases of shares of our common stock on the open market on behalf of Barings in accordance with purchase guidelines specified in the 10b5-1 Plan. The 10b5-1 Plan was established in accordance with Barings obligation under the Externalization Agreement to enter into a trading plan pursuant to which Barings 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, Barings fulfilled its obligations under the 10b5-1 Plan to purchase an aggregate amount of $50.0 million in shares of our common stock and the 10b5-1 Plan terminated in accordance with its terms. Upon completion of the 10b5-1 Plan, Barings had purchased 5,084,302 shares of our common stock pursuant to the 10b5-1 Plan and as of September 30, 2019, owned a total of 13,639,681 shares of our common stock, or 27.6% of the total shares outstanding.

Overview of Our Business

We are a Maryland corporation incorporated on October 10, 2006. Prior to the Externalization Transaction, we were internally managed by our executive officers under the supervision of our Board of Directors, or 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. On August 2, 2018, we entered into the Advisory Agreement and became an externally-managed BDC managed by Barings. 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 and management services pursuant to the terms of the Advisory Agreement and the Administration Agreement. Under the terms of the Advisory Agreement, the fees paid to Barings for managing our affairs will be 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.

Prior to the Transactions, our business was to provide capital to lower middle-market companies located primarily in the United States. We focused on investments in companies with a history of generating revenues and positive cash flows, an established market position and a proven management team with a strong operating discipline. Our target portfolio company had annual revenues between $20.0 million and $300.0 million and annual earnings before interest, taxes, depreciation and amortization between $5.0 million and $75.0 million. We invested primarily in senior and subordinated debt securities of privately held companies, generally secured by security interests in portfolio company assets. In addition, we generally invested in one or more equity instruments of the borrower, such as direct preferred or common equity interests. Our investments generally ranged from $5.0 million to $50.0 million per portfolio company.

Beginning August 2, 2018, Barings shifted our investment focus to invest in syndicated senior secured loans, bonds and other fixed income securities. Since that time, Barings has been transitioning our portfolio to senior secured private debt investments in performing, well-established middle-market businesses that operate across a wide range of industries. Barings' existing SEC exemptive relief under Sections 17(d) and 57(i) of the 1940 Act and Rule 17d-1 thereunder, granted on October 19, 2017, 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 cyclicality 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 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.

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 syndicated senior secured loans generally bear interest between LIBOR plus 300 basis points and LIBOR plus 400 points. Our senior secured, middle-market, private debt investments generally have terms of between five and seven years. Our senior secured, middle-market, private debt investments generally bear interest between LIBOR plus 450 basis points and LIBOR plus 650 basis points per annum. From time to time, certain of our investments may have a form of interest, referred to as payment-in-kind, or PIK, interest, that is not paid currently but is instead accrued and added to the loan balance and paid at the end of the term.

As of September 30, 2019, the weighted average yield on our syndicated senior secured loan portfolio and our middle-market senior secured private debt portfolio was approximately 5.4% and 7.0%, respectively. As of September 30, 2019, the weighted average yield on these two portfolios on a combined basis was approximately 5.9%. The weighted-average yield on all of our outstanding investments (including equity and equity-linked investments and short-term investments) was approximately 5.7% as of September 30, 2019.

As of December 31, 2018, the weighted average yield on our syndicated senior secured loan portfolio and our middle-market senior secured private debt portfolio was approximately 5.8% and 7.6%, respectively. As of December 31, 2018, the weighted average yield on these two portfolios on a combined basis was approximately 6.2%. The weighted-average yield on all of our outstanding investments (including equity and equity-linked investments and short-term investments) was approximately 6.0% as of December 31, 2018.

As of September 30, 2018, the weighted average yield on our syndicated senior secured loan portfolio and our middle-market senior secured private debt portfolio was approximately 5.4% and 7.2%, respectively, As of September 30, 2018, the weighted average yield on these two portfolios on a combined basis was approximately 5.7%. The weighted-average yield on all of our outstanding investments (including equity and equity-linked and short-term investments investments) was approximately 5.6% as of September 30, 2018.

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. Barings' primary investment capabilities include fixed income, private credit, real estate, equity, and alternative investments. Subject to the overall supervision of our board of directors, or the Board, Barings' Global Private Finance Group, or BGPF, manages our day-to-day operations, and provides investment advisory and management services to us. BGPF is part of Barings' $250 billion Global Fixed Income Platform that invests in liquid, private and structured credit. BGPF 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 has agreed to perform (or oversee, or arrange 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 will also, on our behalf and subject to the Board's approval, arrange for the services of, and oversee, 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.

Stockholder Approval of Reduced Asset Coverage Ratio

On July 24, 2018, our stockholders voted at the 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 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 which is more consistent with a portfolio of senior secured debt. As of September 30, 2019, our asset coverage ratio was 190.1%.

Portfolio Investment Composition

The total value of our investment portfolio was $1,158.2 million as of September 30, 2019, as compared to $1,121.9 million as of December 31, 2018. As of September 30, 2019, we had investments in 142 portfolio companies and two money market funds with an aggregate cost of $1,185.2 million. As of December 31, 2018, we had investments in 139 portfolio companies and one money market fund with an aggregate cost of $1,173.9 million. As of both September 30, 2019 and December 31, 2018, none of our portfolio investments represented greater than 10% of the total fair value of our investment portfolio.

As of September 30, 2019 and December 31, 2018, our investment portfolio consisted of the following investments:

	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
September 30, 2019:				
Senior debt and 1st lien notes	$ 1,113,313,729	94 %	$ 1,086,247,273	94 %
Subordinated debt and 2nd lien notes	9,663,521	1	9,689,289	1
Equity shares	515,825	—	695,660	—
Investment in joint venture	10,158,270	1	10,036,300	1
Short-term investments	51,552,247	4	51,552,247	4
	$ 1,185,203,592	100 %	$ 1,158,220,769	100 %
December 31, 2018:				
Senior debt and 1st lien notes	$ 1,120,401,043	95 %	$ 1,068,436,847	95 %
Subordinated debt and 2nd lien notes	7,777,847	1	7,679,132	1
Equity shares	515,825	—	515,825	—
Short-term investments	45,223,941	4	45,223,941	4
	$ 1,173,918,656	100 %	$ 1,121,855,745	100 %

Investment Activity

During the nine months ended September 30, 2019, we purchased $1.6 million in syndicated senior secured loans, made twenty-four new middle-market debt investments totaling $245.0 million, consisting of twenty-three senior secured, middle-market, private debt investments and one second lien, middle-market, private debt investment, made investments in our joint venture equity investment totaling $10.2 million and made additional debt investments in five existing portfolio companies totaling $11.4 million. We had five syndicated senior secured loans repaid at par totaling total $27.0 million, had four middle-market portfolio company loans repaid at par totaling $44.0 million, received $24.6 million of syndicated senior secured loan principal payments and received $4.3 million of middle-market portfolio company principal payments. In addition, we sold $143.6 million of syndicated senior secured loans, recognizing a net realized loss on these transactions of $0.9 million, sold $4.8 million of a middle-market portfolio company debt investment and sold $10.2 million of middle-market portfolio company debt investments to our joint venture. In addition, certain terms of one broadly syndicated loan investment were amended. Under U.S. GAAP, this amendment was considered a material modification and as a result, we recognized a loss of approximately $0.2 million related to the amendment. Lastly, we received $0.5 million in escrow distributions from four portfolio companies, which were recognized as realized gains, and recognized a net loss of $0.5 million related to royalty payments due from a legacy Triangle Capital portfolio company.

During the nine months ended September 30, 2018, subsequent to the Transactions, we purchased $1,227.9 million in syndicated senior secured loans, and made new investments in six middle market portfolio companies totaling $75.3 million, consisting of senior secured private debt and one minority equity instrument.

In addition, during the nine months ended September 30, 2018, subsequent to the Transactions, we received $1.4 million of principal payments and sold $275.6 million of syndicated senior secured loans and recognized a gain on the sales of $0.6 million. As previously disclosed, as part of the Asset Sale Transaction we received gross cash proceeds from the Asset Buyer and certain affiliates of the Asset Buyer of approximately $793.3 million, after adjustments to take into account portfolio activity and other matters occurring since December 31, 2017, as described in greater detail in the Asset Purchase Agreement. We recognized a realized loss on the Asset Sale Transaction of approximately $119.6 million and a realized loss on the repayments and sales that occurred between December 31, 2017 and the closing of the Asset Sale Transaction of approximately $43.8 million.

Total portfolio investment activity for thenine months ended September 30, 2019 and 2018 was as follows:

Nine Months Ended September 30, 2019:	Senior Debt and 1st Lien Notes	Subordinated debt and 2nd Lien Notes	Equity Shares	Investment in Joint Venture	Short-term Investments	Total
Fair value, beginning of period	$ 1,068,436,847	$ 7,679,132	$ 515,825	$ —	$ 45,223,941	$ 1,121,855,745
New investments	253,138,778	4,951,685	—	10,158,270	577,451,108	845,699,841
Proceeds from sales of investments	(158,612,687)	—	56,068	—	(571,122,802)	(729,679,421)
Loan origination fees received	(4,969,839)	(148,551)	—	—	—	(5,118,390)
Principal repayments received	(96,932,135)	(2,980,874)	—	—	—	(99,913,009)
Accretion of loan discounts	187,967	—	—	—	—	187,967
Accretion of deferred loan origination revenue	1,190,821	63,413	—	—	—	1,254,234
Realized loss	(1,090,219)	—	(56,068)	—	—	(1,146,287)
Unrealized appreciation (depreciation)	24,897,740	124,484	179,835	(121,970)	—	25,080,089
Fair value, end of period	$ 1,086,247,273	$ 9,689,289	$ 695,660	$ 10,036,300	$ 51,552,247	$ 1,158,220,769

Nine Months Ended September 30, 2018:	Senior Debt and 1st Lien Notes	Subordinated debt and 2nd Lien Notes	Equity Shares	Equity Warrants	Short-term Investments	Total
Fair value, beginning of period	$ 262,803,297	$ 589,548,358	$ 162,543,691	$ 1,389,000	$ —	$ 1,016,284,346
New investments	1,323,134,533	7,853,827	2,932,105	—	730,233,448	2,064,153,913
Reclassifications	8,617,000	(8,617,000)	—	—	—	—
Proceeds from sales of investments	(275,613,839)	—	(35,884,390)	(708)	(685,233,448)	(996,732,385)
Proceeds from sale of portfolio to Asset Buyer	(234,603,624)	(418,521,991)	(121,970,155)	(1,202,274)	—	(776,298,044)
Loan origination fees received	(1,212,914)	—	—	—	—	(1,212,914)
Principal repayments received	(30,436,124)	(143,419,588)	—	—	—	(173,855,712)
Payment in kind interest earned	259,414	3,517,139	—	—	—	3,776,553
Payment in kind interest payments received	(1,403,097)	(2,494,389)	—	—	—	(3,897,486)
Accretion of loan discounts	23,298	14,188	—	—	—	37,486
Accretion of deferred loan origination revenue	514,843	2,690,484	—	—	—	3,205,327
Realized gain (loss)	(42,518,541)	(147,889,422)	28,102,063	(488,635)	—	(162,794,535)
Unrealized appreciation (depreciation)	16,219,954	117,318,394	(25,317,809)	302,617	—	108,523,156
Fair value, end of period	$ 1,025,784,200	$ —	$ 10,405,505	$ —	$ 45,000,000	$ 1,081,189,705

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 both September 30, 2019, and December 31, 2018 we had no non-accrual assets.

Results of Operations

Three and Nine months ended September 30, 2019 and September 30, 2018

Operating results for the three and nine months ended September 30, 2019 and 2018 were as follows:

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Total investment income	$ 19,304,107	$ 12,072,396	$ 57,245,553	$ 63,621,974
Total operating expenses	11,316,932	43,125,702	33,888,209	71,889,233
Net investment income (loss)	**7,987,175**	**(31,053,306)**	**23,357,344**	**(8,267,259)**
Net realized losses	(983,499)	(117,211,190)	(1,063,250)	(161,713,324)
Net unrealized appreciation (depreciation)	(1,794,828)	57,655,427	25,454,367	109,699,682
Loss on extinguishment of debt	(13,357)	(10,507,183)	(143,108)	(10,507,183)
Provision for taxes	—	(274,132)	(499)	(813,767)
Net increase (decrease) in net assets resulting from operations	**$ 5,195,491**	**$ (101,390,384)**	**$ 47,604,854**	**$ (71,601,851)**

Net increases (decreases) in net assets resulting from operations can vary substantially from period to period due to various factors, including recognition of realized gains and losses and unrealized appreciation and depreciation. The net decrease in net assets resulting from operations for the three and nine months ended September 30, 2018 was primarily due to the Transactions. See further discussion regarding the Transactions above in "The Asset Sale and Externalization Transactions" section. As a result, quarterly comparisons of net changes in net assets resulting from operations may not be meaningful.

Investment Income

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Investment income:				
Interest income	$ 18,448,942	$ 10,065,666	$ 55,557,780	$ 52,042,978
Dividend income	4,221	303,062	8,932	894,556
Fee and other income	848,792	377,726	1,669,819	4,935,295
Payment-in-kind interest income	—	502,947	—	3,776,554
Interest income from cash	2,152	822,995	9,022	1,972,591
Total investment income	$ 19,304,107	$ 12,072,396	$ 57,245,553	$ 63,621,974

The change in total investment income for the three and nine months ended September 30, 2019, as compared to the three and nine months ended September 30, 2018, was related to the shift in our investment focus subsequent to the Transactions. During the three months ended September 30, 2019, our investment portfolio was primarily comprised of syndicated senior secured loans and senior secured, middle-market, private debt investments, which are lower yielding debt investments as compared to our investment portfolio prior to the Transactions, which was comprised primarily of senior and subordinated debt securities of privately-held, lower middle-market companies. Beginning August 2, 2018, Barings shifted our investment focus to invest in syndicated senior secured loans, bonds and other fixed income securities. Since that time, Barings has been transitioning our portfolio to senior secured private debt investments in performing, well-established middle-market businesses that operate across a wide range of industries. As of September 30, 2018, we had investments in 129 portfolio companies, which included six middle-market debt investments and 123 syndicated senior secured loans as compared to investments in 142 portfolio companies as of September 30, 2019, which included 38 middle-market debt investments, 103 syndicated senior secured loans and one joint venture equity investment. The weighted average yield on our investments was 5.7% as of September 30, 2019, as compared to 5.6% as of September 30, 2018.

Operating Expenses

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Operating expenses:				
Interest and other financing fees	$ 6,727,780	$ 4,369,994	$ 19,598,992	$ 19,304,877
Base management fees	3,263,803	1,546,675	8,845,753	1,546,675
Compensation expenses	107,779	29,435,834	334,869	37,371,342
General and administrative expenses	1,217,570	8,766,516	5,108,595	14,659,656
Total operating expenses	11,316,932	44,119,019	33,888,209	72,882,550
Base management fee waived	—	(993,317)	—	(993,317)
Net operating expenses	$ 11,316,932	$ 43,125,702	$ 33,888,209	$ 71,889,233

Interest and Other Financing Fees

The increase in interest and other financing fees for the three months ended September 30, 2019 as compared to the three months ended September 30, 2018 was primarily attributable to an increase in our weighted average borrowings outstanding in those periods. Interest and other financing fees during 2019 were attributable to borrowings under the August 2018 Credit Facility, the February 2019 Credit Facility and the Debt Securitization (each as defined below under "Liquidity and Capital Resources"). Interest and other financing fees during the three and nine months ended September 30, 2018 were primarily attributed to borrowings under our SBA-guaranteed debentures, the May 2017 Credit Facility and both the March 2022 Notes and the December 2022 Notes. In connection with the Transactions, the SBA-guaranteed debentures and the May 2017 Credit Facility were repaid and the March 2022 Notes and the December 2022 Notes were redeemed.

Base Management Fees

Under the Advisory Agreement, we pay Barings a 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. Prior to the Externalization Transaction, we were an internally-managed BDC and did not pay any base management fees. See Note 2 to our unaudited consolidated financial statements for additional information regarding the Advisory Agreement and the fee arrangement thereunder. For the three and nine months ended September 30, 2019, the amount of base management fee incurred was approximately$3.3 million and $8.8 million, respectively.

For the quarter ended September 30, 2018, the amount of base management fee determined in accordance with the Advisory Agreement was approximately $1.5 million. This fee was calculated based on the average of our gross assets, excluding cash and cash equivalents, as of March 31, 2018 and June 30, 2018, both of which were dates prior to the consummation of the Transactions and the date that Barings became our investment adviser. In light of this fact, and in order to ensure that Barings did not earn a base management fee on assets that it did not manage prior to the Transactions, Barings calculated the base management fee for the quarter ended September 30, 2018 based on our average gross assets as of August 2, 2018 and September 30, 2018, excluding (i) cash and cash equivalents, (ii) short-term investments, (iii) unsettled purchased investments and (iv) assets subject to participation agreements, or the Q3 2018 Adjusted Management Fee. Barings voluntary agreed to waive the difference between the $1.5 million base management fee calculated under the terms of the Advisory Agreement and the Q3 2018 Adjusted Management Fee, which resulted in a net base management fee of approximately $0.5 million for each of the three and nine months ended September 30, 2018, after taking into account a waiver of approximately $1.0 million based on the calculations noted above.

Compensation Expenses

Prior to the Transactions, compensation expenses were primarily influenced by headcount and levels of business activity. Our compensation expenses included salaries, discretionary compensation, equity-based compensation and benefits. Discretionary compensation was significantly impacted by our level of total investment income, our investment results, including investment realizations, prevailing labor markets and the external environment. In connection with the Transactions, all but two employees were terminated. The compensation expenses for the three and nine months ended September 30, 2019 related to salaries, benefits and discretionary compensation of these remaining employees.

Compensation expenses for the three and nine months ended September 30, 2018 related predominantly to the Transactions, and the resulting change of control and related termination of our employees. In the three and nine months ended September 30, 2018, we recognized approximately $27.6 million in one-time compensation expenses associated with the Transactions which included severance expenses, pro-rata incentive compensation, transaction-related bonuses, expenses related to the acceleration of vesting of restricted stock grants and deferred compensation grants, and other expenses associated with the obligations under our then-existing severance agreements and severance policy.

General and Administrative Expenses

On August 2, 2018, we entered into the Administration Agreement with Barings. 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 are required to reimburse Barings for the costs and expenses incurred by Barings in performing its obligations and providing personnel and facilities under the Administration Agreement. Prior to the Externalization Transaction, we operated as an internally-managed BDC and incurred these expenses directly. See Note 2 to our unaudited consolidated financial statements for additional information regarding the Administration Agreement. In addition to expenses incurred under the Administration Agreement, general and administrative expenses include Board of Directors' fees, D&O insurance costs, as well as legal, accounting and valuation expenses.

General and administrative expenses for the three and nine months ended September 30, 2018 were impacted by transaction advisory fees, increased legal expenses and other direct costs associated with the Transactions. These direct costs related to the Transactions totaled approximately $8.4 million and $11.8 million, respectively, for the three and nine months ended September 30, 2018. See further discussion regarding the Transactions above under "The Asset Sale and Externalization Transactions."

Net Realized Gains (Losses)

Net realized gains (losses) during the three and nine months ended September 30, 2019 and 2018 were as follows:

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net realized gains (losses):				
Non-Control / Non-Affiliate investments	$ (1,066,536)	$ (92,881,851)	$ (1,146,287)	$ (134,191,161)
Affiliate investments	—	7,586,818	—	9,939,330
Control investments	—	(31,916,157)	—	(38,542,704)
Net realized losses on investments	(1,066,536)	(117,211,190)	(1,146,287)	(162,794,535)
Foreign currency transactions	83,037	—	83,037	1,081,211
Net realized losses	$ (983,499)	$ (117,211,190)	$ (1,063,250)	$ (161,713,324)

In the three months ended September 30, 2019, we recognized net realized losses totaling $1.0 million, which consisted primarily of a net loss on our syndicated senior secured loan portfolio of $0.5 million and a net loss of $0.5 million related to royalty payments due from a legacy Triangle Capital portfolio company, partially offset by a net gain on foreign currency transactions of $0.1 million. In the nine months ended September 30, 2019, we recognized a net realized loss totaling $1.1 million, which consisted primarily of a net loss on our syndicated senior secured loan portfolio of $1.1 million and a net loss of $0.5 million related to royalty payments due from a legacy Triangle Capital portfolio company, partially offset by $0.5 million in escrow distributions we received from four portfolio companies, which were recognized as realized gains, and a net gain on foreign currency transactions of $0.1 million.

In the three months ended September 30, 2018, we recognized realized losses totaling $117.2 million, which consisted primarily of a net loss on the Asset Sale Transaction of approximately $119.6 million, partially offset by a net gain on the repayments and sales that occurred between June 30, 2018 and the closing of the Asset Sale Transaction of approximately $1.8 million and net gains on our syndicated senior secured loan portfolio of $0.6 million.

In the nine months ended September 30, 2018, we recognized realized losses totaling $161.7 million, which consisted primarily of a net loss on the Asset Sale Transaction of approximately $119.6 million and a net loss on the repayments, sales and write-offs that occurred between December 31, 2017 and the closing of the Asset Sale Transaction of approximately $43.8 million. These net losses were partially offset by net gains on the syndicated senior secured loan portfolio of $0.6 million and a gain on foreign currency transactions of $1.1 million.

Net Unrealized Appreciation (Depreciation)

Net unrealized appreciation (depreciation) during the three and nine months ended September 30, 2019 and 2018 was as follows:

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net unrealized appreciation (depreciation):				
Non-Control / Non-Affiliate investments	$ (2,209,225)	$ 50,825,657	$ 25,202,059	$ 82,978,562
Affiliate investments	40,119	(15,887,729)	(121,970)	3,197,568
Control investments	—	22,717,499	—	24,387,532
Net unrealized appreciation (depreciation) on investments	(2,169,106)	57,655,427	25,080,089	110,563,662
Foreign currency transactions	374,278	—	374,278	(863,980)
Net unrealized appreciation (depreciation)	$ (1,794,828)	$ 57,655,427	$ 25,454,367	$ 109,699,682

During the three months ended September 30, 2019, we recorded net unrealized depreciation totaling $1.8 million, consisting of net unrealized depreciation on our current portfolio of $3.1 million, net unrealized appreciation related to foreign currency transactions of $0.4 million and net unrealized appreciation reclassification adjustments of $0.9 million related predominately to the net realized losses on the sales / repayments of certain syndicated secured loans. During the nine months ended September 30, 2019, we recorded net unrealized appreciation totaling $25.5 million, consisting of net unrealized appreciation on our current portfolio of $19.6 million, net unrealized appreciation related to foreign currency transactions of

$0.4 million and net unrealized appreciation reclassification adjustments of $5.5 million related predominately to the net realized losses on the sales / repayments of certain syndicated secured loans.

During the three months ended September 30, 2018, we recorded net unrealized appreciation totaling $57.7 million consisting of net unrealized appreciation on our current portfolio of $0.3 million and net unrealized appreciation reclassification adjustments of $57.4 million primarily attributable to the Asset Sale Transaction. During the nine months ended September 30, 2018, we recorded net unrealized appreciation totaling $109.7 million consisting of net unrealized depreciation on our current portfolio of $1.0 million and net unrealized appreciation reclassification adjustments of $110.7 million related to realized gains and losses recognized during the period, including those attributable to the Asset Sale Transaction.

Liquidity and Capital Resources

We believe that our current cash and cash equivalents on hand, our short-term investments, sales of our syndicated senior secured loans, our available borrowing capacity under the August 2018 Credit Facility and 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.

Cash Flows

For the nine months ended September 30, 2019, we experienced a net increase in cash in the amount of $0.4 million. During that period, our operating activities used $16.2 million in cash, consisting primarily of purchases of portfolio investments of $294.2 million and purchases of short-term investments of $577.5 million, partially offset by proceeds from sales of investments totaling $251.1 million and sales of short-term investments of $571.1 million. In addition, our financing activities provided $16.6 million of cash, consisting primarily of net proceeds from our $449.3 million term debt securitization, or the Debt Securitization, of $348.3 million, partially offset by net repayments under the August 2018 Credit Facility and the February 2019 Credit Facility of $277.8 million, repayments of the Debt Securitization of $7.5 million, purchases of shares in the share repurchase plan of $18.5 million, financing fees paid of $8.2 million and dividends paid in the amount of $19.6 million. As of September 30, 2019, we had $12.8 million of cash on hand.

For the nine months ended September 30, 2018, we experienced a net decrease in cash and cash equivalents in the amount of $75.2 million. During that period, our operating activities provided $260.4 million in cash, consisting primarily of the sale of our investment portfolio to the Asset Buyer for $793.3 million, proceeds from sales of investments totaling $314.1 million and the sales of short-term investments of $685.2 million, partially offset by purchases of portfolio investments of $789.7 million and purchases of short-term investments of $730.2 million. In addition, our financing activities used $335.6 million of cash, consisting primarily of repayment of SBA-guaranteed debentures of $250.0 million, redemption of the March 2022 Notes and the December 2022 Notes for $166.8 million, repayments under the May 2017 Credit Facility of $160.0 million, purchases of shares in the Tender Offer and related expenses of $50.8 million and cash dividends paid in the amount of $15.9 million, partially offset by borrowings under the May 2017 Credit Facility and the August 2018 Credit Facility of $214.1 million and net proceeds from the issuance of common stock to Barings of $99.8 million. As of September 30, 2018, we had $116.7 million of cash and cash equivalents on hand.

Financing Transactions

On July 3, 2018, we formed Barings BDC Senior Funding I, LLC, an indirectly wholly-owned Delaware limited liability company, or BSF, the primary purpose of which is to function as our special purpose, bankruptcy-remote, financing subsidiary. On August 3, 2018, BSF entered into a credit facility, or the August 2018 Credit Facility, with Bank of America, N.A., as administrative agent, or the 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, or the Security Agreement pursuant to which BSF's obligations under the August 2018 Credit Facility are secured by a first-priority security interest in substantially all of the assets of BSF, including its portfolio of investments, or the Pledged Property. In connection with the first-priority security interest established under the Security Agreement, all of the Pledged Property is held in the custody of State Street Bank and Trust Company, as collateral administrator, or the Collateral Administrator. The Collateral Administrator maintains and performs certain collateral administration services with respect to the Pledged Property pursuant to a collateral administration agreement among BSF, the Administrative Agent and the Collateral Administrator. Generally, the Collateral Administrator is authorized to make distributions and payments from Pledged Property based only on the written instructions of the Administrative Agent.

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, we reduced our 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, we further reduced our Class A Loan Commitments under the August 2018 Credit Facility from $100.0 million to zero and reduced our 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, we further reduced our 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, we further reduced our Class A-1 Loan Commitments, and therefore total commitments, under the August 2018 Credit Facility from $250.0 million to $177.0 million. 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 Unaudited Consolidated Statements of Operations. All borrowings under the August 2018 Credit Facility bear 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 is 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 depends on the term of the borrowing under the August 2018 Credit Facility, which can be either one month or three months. BSF is required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF may prepay any borrowing at any time without premium or penalty, except that BSF may be liable for certain funding breakage fees if prepayments occur prior to expiration of the relevant interest period. BSF may also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

Any amounts borrowed under the Class A-1 Loan Commitments will mature, and all accrued and unpaid interest thereunder will be due and payable, on August 3, 2020, or upon earlier termination of the August 2018 Credit Facility.

As of September 30, 2019, BSF was in compliance with all covenants under the August 2018 Credit Facility and had borrowings of $169.0 million outstanding under the August 2018 Credit Facility with an interest rate of 3.239%. The fair values of the borrowings outstanding under the August 2018 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 September 30, 2019, the total fair value of the borrowings outstanding under the August 2018 Credit Facility was $169.0 million.

On February 21, 2019, we entered into a credit facility, or the February 2019 Credit Facility, with ING Capital LLC, or ING, as administrative agent, and the lenders party thereto. The initial commitments under the February 2019 Credit Facility total $800.0 million. The February 2019 Credit Facility has an accordion feature that allows for an increase in the total commitments of up to $400.0 million, 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. The revolving period of the February 2019 Credit Facility ends on February 21, 2023, followed by a one-year amortization period with a final maturity date of February 21, 2024.

Borrowings under the February 2019 Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable base rate plus 1.25% (or, after one year, 1.00% if we receive an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (iii) for borrowings denominated in Euros, the applicable EURIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (iv) for borrowings denominated in Swedish kronas, the applicable STIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (v) for borrowings denominated in Canadian dollars, the applicable Canadian dollars Screen Rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), or (vi) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.45% (or, after one year, 2.20% if we receive an investment grade credit rating). The applicable 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) the adjusted three-month applicable currency rate plus 1.0% and (v) 1%. The applicable currency rate depends on the currency and term of the draw under the February 2019 Credit Facility. We pay a commitment fee of (i) for the period beginning on the closing date of the February 2019 Credit Facility to and including the date that is six months after the closing date of the February 2019 Credit Facility, 0.375% per annum on undrawn amounts, and (ii) for the period beginning on the date that is six months after the closing date of the February 2019 Credit Facility, (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than one-third of total commitments or (y) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than one-third of total commitments.

As of September 30, 2019, we were in compliance with all covenants under the February 2019 Credit Facility and had U.S. dollar borrowings of $90.0 million outstanding under the February 2019 Credit Facility with a weighted interest rate of 4.313%, borrowings denominated in Swedish kronas of 67.0kr million ($6.8 million U.S. dollars) with an interest rate of 2.25%, borrowings denominated in British pounds sterling of £7.0 million ($8.6 million U.S. dollars) with an interest rate of 3.0%, and borrowings denominated in Euros of €16.0 million ($17.4 million in U.S. dollars) with an interest rate of 2.25%. 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) - on foreign currency transactions" in our Unaudited 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 September 30, 2019, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was$122.8 million.

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, or 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 are 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, or the Class A-1 2019 Notes, which bear interest at the three-month LIBOR plus 1.02%; $51.5 million of AA(sf) Class A-2 Senior Secured Floating Rate 2019 Notes, or the Class A-2 2019 Notes, which bear interest at the three-month LIBOR plus 1.65%; and $101.0 million of Subordinated 2019 Notes which do not bear interest and are 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 are scheduled to mature on April 15, 2027; however the 2019 Notes may 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 are the secured obligations of the Issuers, the Subordinated 2019 Notes are the unsecured obligations of BBDC Static CLO Ltd., and the indenture governing the 2019 Notes includes customary covenants and events of default. The 2019 Notes have not been, and will not be, registered under the Securities Act of 1933, as amended, or the Securities Act, or any state securities or “blue sky” laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from registration.

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

During the three months ended September 30, 2019, $7.5 million of the Class A-1 2019 Notes were repaid. As of September 30, 2019, we had borrowings of $289.3 million outstanding under the Class A-1 2019 Notes with an interest rate of 3.323% and borrowings of $51.5 million outstanding under the Class A-2 2019 Notes with an interest rate of 3.953%. The fair value determination of the 2019 Notes were based on market yield approach and current interest rates, which are Level 3 inputs to the market yield model. As of September 30, 2019, the total fair value of the Class A-1 2019 Notes and the Class A-2 2019 Notes was$289.4 million and $51.2 million, respectively.

Share Repurchase Plan

On February 25, 2019, we adopted a share repurchase plan, pursuant to Board approval, for the purpose of repurchasing shares of our common stock in the open market, or the Share Repurchase Plan. The Board authorized us to repurchase in 2019 up to a maximum of 5.0% of the amount of shares outstanding under the following targets:

- a maximum of 2.5% of the amount of shares of our common stock outstanding if shares trade below NAV per share but in excess of 90% of NAV per share; and

- a maximum of 5.0% of the amount of shares of our common stock outstanding if shares trade below 90% of NAV per share.

The Share Repurchase Plan will be executed in accordance with applicable rules under the Exchange Act, including Rules 10b5-1 and 10b-18 thereunder, as well as certain price, market volume and timing constraints specified in the Share Repurchase Plan. The Share Repurchase Plan is designed to allow us to repurchase our shares both during our open window periods and at times when we otherwise might be prevented from doing so under applicable insider trading laws or because of self-imposed trading blackout periods. A broker selected by us has been delegated the authority to repurchase shares on our behalf in the open market, pursuant to, and under the terms and limitations of, the Share Repurchase Plan. There is no assurance that we will purchase shares at any specific discount levels or in any specific amounts. Our repurchase activity will be disclosed in our periodic reports for the relevant fiscal periods. There is no assurance that the market price of our shares, either absolutely or relative to NAV, will increase as a result of any share repurchases, or that the Share Repurchase Plan will enhance stockholder value over the long term.

During the nine months ended September 30, 2019, we repurchased a total of 1,865,522 shares of our common stock in the open market under the Share Repurchase Plan at an average price of $9.94 per share, including broker commissions.

Distributions to Stockholders

We have elected to be treated as a RIC under the Internal Revenue Code of 1986, as amended, or 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 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 and related supplements.

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 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 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.

Recent Developments

On October 29, 2019, our Board declared a quarterly distribution of $0.15 per share payable on December 18, 2019 to holders of record as of December 11, 2019.

Subsequent to September 30, 2019, we made $69.4 million of new middle-market private debt commitments, of which approximately $24.7 million closed. The $24.7 million of middle-market investments consist of all first lien senior secured debt and the weighted average yield of the closed originations was 7.1%.

Critical Accounting Policies and Use of Estimates

The preparation of our unaudited financial statements in accordance with U.S. GAAP requires us 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 ongoing 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.

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.

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 below 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 inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, we determine 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, we assess the appropriateness of the use of these third-party quotes in determining fair value based on (i) our 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 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 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

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 internal pricing models, in accordance with internal pricing procedures established by the Pricing Committee, to price an asset in the event an acceptable price cannot be obtained from an approved external source.

Barings reviews its valuation methodologies on an ongoing basis and updates are made accordingly to meet changes in the marketplace. Barings has established internal controls to ensure its valuation process is operating in an effective manner. Barings (1) maintains valuation and pricing procedures that describe the specific methodology used for valuation and (2) approves and documents exceptions and overrides of valuations. In addition, the Pricing Committee performs an annual review of valuation methodologies.

Our money market fund investments are generally valued using Level 1 inputs and our syndicated senior secured loans are generally valued using Level 2 inputs. Our senior secured, middle-market, private debt investments are generally valued using Level 3 inputs.

Independent Valuation Review

We have engaged an independent valuation firm to provide third-party valuation consulting services which consist of certain limited procedures that we identified and requested the valuation firm to perform (hereinafter referred to as the "Procedures"). The Procedures are generally performed with respect to our senior secured, middle-market investments, and are generally performed with respect to each investment every quarter beginning in the quarter after the investment is made. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders' best interest, to request the independent valuation firm to perform the Procedures 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.

The total number of senior secured, middle-market investments and the percentage of our total senior secured, middle-market investment portfolio on which the Procedures were performed are summarized below by period:

For the quarter ended:	Total companies	Percent of total investments at fair value(1)
September 30, 2018(2)	—	—%
December 31, 2018	5	100%
March 31, 2019	18	100%
June 30, 2019	22	100%
September 30, 2019	28	100%

(1) Exclusive of the fair value of new middle-market investments made during the quarter and certain middle-market investments repaid subsequent to the end of the reporting period.

(2) We did not engage any independent valuation firms to perform the Procedures for the third quarter of 2018 as our investment portfolio consisted primarily of newly-originated investments.

Upon completion of the Procedures, the valuation firm concluded that, with respect to each investment reviewed by the valuation firm, the fair value of those investments subjected to the Procedures appeared reasonable. Finally, the Board determined in good faith that our investments were valued at fair value in accordance with our valuation policies and procedures and the 1940 Act based on, among other things, the input of Barings, our Audit Committee and the independent valuation firm.

Investment Valuation Inputs and Techniques

Our valuation techniques are based upon both observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Our 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. We determine the estimated fair value of our loans and investments using primarily an income approach. Generally, a vendor is the preferred source of pricing a loan, however, to the extent the vendor price is unavailable or not relevant and reliable, we may use broker quotes. We attempt 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.

Market Approach

We value our syndicated senior secured loans using values provided by independent pricing services that have been approved by the Barings' Pricing Committee. The prices received from these pricing service providers are based on yields or prices of securities of comparable quality, type, coupon and maturity and/or indications as to value from dealers and exchanges. We seek to obtain two prices from the pricing services with one price representing the primary source and the other representing an independent control valuation. We evaluate the prices obtained from brokers or pricing vendors based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. We also perform back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, we perform due diligence procedures surrounding pricing vendors to understand their methodology and controls to support their use in the valuation process.

Income Approach

We utilize an Income Approach model in valuing our private debt investment portfolio, which consists of middle-market senior secured loans with floating reference rates. As vendor and broker quotes have not historically been consistently relevant and reliable, the fair value is determined using an internal index-based pricing model that takes into account both the movement in the spread of one or more performing credit indices as well as changes in the credit profile of the borrower. The implicit yield for each debt investment is calculated at the date the investment is made. This calculation takes into account the acquisition price (par less any upfront fee) and the relative maturity assumptions of the underlying asset. As of each balance sheet date, the implied yield for each investment is reassessed, taking into account changes in the discount margin of the baseline index, probabilities of default and any changes in the credit profile of the issuer of the security, such as fluctuations in operating levels and leverage. If there is an observable price available on a comparable security/issuer, it is used to calibrate the internal model. The implied yield used within the model is considered a significant unobservable input. As such, these assets are generally classified within Level 3. If the valuation process for a particular debt investment results in a value above par, the value is typically capped at the greater of the principal amount plus any prepayment penalty in effect or 100% of par on the basis that a market participant is likely unwilling to pay a greater amount than that at which the borrower could refinance.

Fair value measurements using the Income Approach model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Income Approach model remain constant, any increase (decrease) in the discount margin of the baseline index for a particular debt security would result in a lower (higher) fair value for that security. Assuming all other inputs to the Income Approach model remain constant, any improvement (decline) in the credit profile of the issuer of a particular debt security would result in a higher (lower) fair value for that security.

Enterprise Value Waterfall Approach

In valuing equity securities, we estimate fair value using an "Enterprise Value Waterfall" valuation model. We estimate the enterprise value of a portfolio company and then allocate the enterprise value to the portfolio company's securities in order of their relative liquidation preference. In addition, the model assumes that any outstanding debt or other securities that are senior to our equity securities are required to be repaid at par. Generally, the waterfall proceeds flow from senior debt tranches of the capital structure to junior and subordinated debt, followed by each class or preferred stock and finally the common stock. Additionally, we may estimate the fair value of a debt security using the Enterprise Value Waterfall approach when we do not expect to receive full repayment.

To estimate the enterprise value of the portfolio company, we primarily use a valuation model based on a transaction multiple, which generally is the original transaction multiple, and measures of the portfolio company's financial performance. In addition, we consider other factors, including but not limited to (i) offers from third parties to purchase the portfolio company, (ii) the implied value of recent investments in the equity securities of the portfolio company, (iii) publicly available information regarding recent sales of private companies in comparable transactions and (iv) when management believes there are comparable companies that are publicly traded, we perform a review of these publicly traded companies and the market multiple of their equity securities. For certain non-performing assets, we may utilize the liquidation or collateral value of the portfolio company's assets in our estimation of enterprise value.

The significant Level 3 inputs to the Enterprise Value Waterfall model are (i) an appropriate transaction multiple and (ii) a measure of the portfolio company's financial performance, which generally is either earnings before interest, taxes, depreciation and amortization, as adjusted, or Adjusted EBITDA, or revenues. Such inputs can be based on historical operating results, projections of future operating results or a combination thereof. The operating results of a portfolio company may be unaudited, projected or pro forma financial information and may require adjustments for certain non-recurring items. In determining the operating results input, we utilize the most recent portfolio company financial statements and forecasts available as of the valuation date. Management also consults with the portfolio company's senior management to obtain updates on the portfolio company's performance, including information such as industry trends, new product development, loss of customers and other operational issues. Additionally, we consider some or all of the following factors:

- financial standing of the issuer of the security;
- comparison of the business and financial plan of the issuer with actual results;
- the size of the security held;
- pending reorganization activity affecting the issuer, such as merger or debt restructuring;
- ability of the issuer to obtain needed financing;
- changes in the economy affecting the issuer;
- financial statements and reports from portfolio company senior management and ownership;
- the type of security, the security's cost at the date of purchase and any contractual restrictions on the disposition of the security;
- information as to any transactions or offers with respect to the security and/or sales to third parties of similar securities;
- the issuer's ability to make payments and the type of collateral;
- the current and forecasted earnings of the issuer;
- statistical ratios compared to lending standards and to other similar securities;
- pending public offering of common stock by the issuer of the security;
- special reports prepared by analysts; and
- any other factors we deem pertinent with respect to a particular investment.

Fair value measurements using the Enterprise Value Waterfall model can be sensitive to changes in one or more of the inputs. Assuming all other inputs to the Enterprise Value Waterfall model remain constant, any increase (decrease) in either the transaction multiple, Adjusted EBITDA or revenues for a particular equity security would result in a higher (lower) fair value for that security.

Valuation of Investment in Jocassee

We estimate the fair value of our investment in Jocassee Partners LLC, or Jocassee, using the net asset value of Jocassee and our ownership percentage. The net asset value of Jocassee is determined in accordance with the specialized accounting guidance for investment companies.

Off-Balance Sheet Arrangements

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 balances of unused commitments to extend financing as of September 30, 2019 and December 31, 2018 were as follows:

Portfolio Company	Investment Type	September 30, 2019	December 31, 2018
Anju Software, Inc.(1)	Delayed Draw Term Loan	$ 1,981,371	$ —
Arch Global Precision, LLC	Delayed Draw Term Loan	2,144,459	—
Armstrong Transport Group (Pele Buyer, LLC)(1)	Delayed Draw Term Loan	712,567	—
Ascensus Specialties, LLC	Term Loan	8,011,882	—
Aveanna Healthcare Holdings, Inc.(1)	Delayed Draw Term Loan	—	804,620
Campaign Monitor (UK) Limited(1)	Delayed Draw Term Loan	1,859,111	—
Dart Buyer, Inc.	Delayed Draw Term Loan	7,455,734	—
Heartland, LLC(1)	Delayed Draw Term Loan	2,782,843	—
Jocassee Partners LLC(1)	Joint Venture	40,000,000	—
JS Held, LLC	Delayed Draw Term Loan	—	2,275,039
Kene Acquisition, Inc.(1)	Delayed Draw Term Loan	1,558,973	—
LAC Intermediate, LLC(1)	Delayed Draw Term Loan	4,367,284	6,172,840
Premier Technical Services Group(1)(2)	Acquisition Facility	1,689,575	—
Process Equipment, Inc.(1).	Delayed Draw Term Loan	1,022,646	—
Professional Datasolutions, Inc. (PDI)(1)	Delayed Draw Term Loan	1,666,994	—
Smile Brands Group, Inc.(1)	Delayed Draw Term Loan	927,046	1,325,699
Sucsez (Bolt Bidco B.V.)(1)(3)	Committed Accordion Facility	6,636,768	—
Transportation Insight, LLC	Delayed Draw Term Loan	3,218,210	5,516,932
USLS Acquisition, Inc.(1)	Delayed Draw Term Loan	—	3,153,265
Validity Inc.(1)	Delayed Draw Term Loan	898,298	$ —
Total unused commitments to extend financing		$ 86,933,761	$ 19,248,395

(1) Represents a commitment to extend financing to a portfolio company where one or more of the our current investments in the portfolio company are carried at less than cost. Our estimate of the fair value of the current investments in this portfolio company includes an analysis of the fair value of any unfunded commitments.

(1) Actual commitment amount is denominated in British pounds sterling (£1,371,075). Commitment is translated into U.S. dollars using the September 30, 2019 spot rate.

(2) Actual commitment amount is denominated in Euros (€6,087,662). Commitment is translated into U.S. dollars using the September 30, 2019 spot rate.

Item 3. ***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 prices of any securities that may be 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; 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 also affected by fluctuations in various interest rates, including LIBOR, GBP LIBOR, EURIBOR and STIBOR. 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 September 30, 2019, we were not a party to any interest rate hedging arrangements.

As of September 30, 2019, all of our debt portfolio investments (principal amount of approximately$1,130.4 million) bore interest at variable rates, which generally are LIBOR-based, and many of which are subject to certain floors. A hypothetical 200 basis point increase or decrease in the interest rates on our variable-rate debt investments could increase or decrease, as applicable, our investment income by a maximum of $22.6 million on an annual basis.

Borrowings under the August 2018 Credit Facility bear 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 is 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 depends on the term of the borrowing under the August 2018 Credit Facility, which can be either one month or three months. A hypothetical 200 basis point increase or decrease in the interest rates on the August 2018 Credit Facility could increase or decrease, as applicable, our interest expense by a maximum of $3.4 million on an annual basis (based on the amount of outstanding borrowings under the August 2018 Credit Facility as of September 30, 2019). BSF is required to pay commitment fees on the unused portion of the August 2018 Credit Facility. BSF may prepay any borrowing at any time without premium or penalty, except that BSF may be liable for certain funding breakage fees if prepayments occur prior to expiration of the relevant interest period. BSF may also permanently reduce all or a portion of the commitment amount under the August 2018 Credit Facility without penalty.

Borrowings under the February 2019 Credit Facility bear interest, subject to our election, on a per annum basis equal to (i) the applicable base rate plus 1.25% (or, after one year, 1.00% if we receive an investment grade credit rating), (ii) the applicable LIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (iii) for borrowings denominated in Euros, the applicable EURIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (iv) for borrowings denominated in Swedish kronas, the applicable STIBOR rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), (v) for borrowings denominated in Canadian dollars, the applicable Canadian dollars Screen Rate plus 2.25% (or, after one year, 2.00% if we receive an investment grade credit rating), or (vi) for borrowings denominated in Australian dollars, the applicable Australian dollars Screen Rate, plus 2.45% (or, after one year, 2.20% if we receive an investment grade credit rating). The applicable 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) the adjusted three-month applicable currency rate plus 1.0% and (v) 1%. The applicable currency rate depends on the currency and term of the draw under the February 2019 Credit Facility. A hypothetical 200 basis point increase or decrease in the interest rates on the February 2019 Credit Facility could increase or decrease, as applicable, our interest expense by a maximum of $2.5 million on an annual basis (based on the amount of outstanding borrowings under the February 2019 Credit Facility as of September 30, 2019). We pay a commitment fee of (i) for the period beginning on the closing date of the February 2019 Credit Facility to and including the date that is six months after the closing date of the February 2019 Credit Facility, 0.375% per annum on undrawn amounts, and (ii) for the period beginning on the date that is six months after the closing date of the February 2019 Credit Facility, (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than one-third of total commitments or (y) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than one-third of total commitments.

The Class A-1 2019 Notes and the Class A-2 2019 Notes issued in connection with the Debt Securitization have 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. A hypothetical 200 basis point increase or decrease in the interest rates on the 2019 Notes could increase or decrease, as applicable, our interest expense by a maximum of $6.8 million on an annual basis (based on the aggregate amount of outstanding borrowings under the 2019 Notes as of September 30, 2019).

Because we have previously borrowed, and plan to borrow in the future, money to make investments, our net investment income will be dependent upon the difference between the rate at which we borrow funds and the rate at which we invest the funds borrowed. Accordingly, 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. In periods of rising interest rates, our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by our investment portfolio.

We 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 September 30, 2019, we had borrowings denominated in Swedish kronas of67.0kr million ($6.8 million U.S. dollars) with an interest rate of2.25%, borrowings denominated in British pounds sterling of£7.0 million ($8.6 million U.S. dollars) with an interest rate of3.0%, and borrowings denominated in Euros of €16.0 million ($17.4 million U.S. dollars) with an interest rate of2.25%.

Item 4. *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 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. 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.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during thethird quarter of 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings.*

We and certain of our former executive officers have been named as defendants in two putative securities class action lawsuits, each filed in the United States District Court for the Southern District of New York (and then transferred to the United States District Court for the Eastern District of North Carolina) on behalf of all persons who purchased or otherwise acquired our common stock between May 7, 2014 and November 1, 2017. The first lawsuit was filed on November 21, 2017, and was captioned *Elias Dagher, et al., v. Triangle Capital Corporation, et al.*, Case No. 5:18-cv-00015-FL (the "*Dagher* Action"). The second lawsuit was filed on November 28, 2017, and was captioned *Gary W. Holden, et al., v. Triangle Capital Corporation, et al*, Case No. 5:18-cv-00010-FL (the "*Holden* Action"). The *Dagher* Action and the *Holden* Action were consolidated and are currently captioned *In re Triangle Capital Corp. Securities Litigation*, Master File No. 5:18-cv-00010-FL.

On April 10, 2018, the plaintiff filed its First Consolidated Amended Complaint. The complaint, as currently amended, alleges certain violations of the securities laws, including, among other things, that the defendants made certain materially false and misleading statements and omissions regarding the Company's business, operations and prospects between May 7, 2014 and November 1, 2017. The plaintiff seeks compensatory damages and attorneys' fees and costs, among other relief, but did not specify the amount of damages being sought. On May 25, 2018, the defendants filed a motion to dismiss the complaint. On March 7, 2019 the court entered an order granting the defendants' motion to dismiss. On March 28, 2019, the plaintiff filed a motion seeking leave to file a Second Consolidated Amended Complaint. On September 20, 2019, the court entered an order denying the plaintiff's motion for leave to file a Second Consolidated Amended Complaint and dismissing the action with prejudice. On October 17, 2019, the plaintiff filed a notice of appeal seeking review of the court's September 20, 2019 order. We intend to defend ourselves vigorously against the allegations in the aforementioned actions. Neither the outcome of the lawsuits nor an estimate of any reasonably possible losses is determinable at this time. An adverse judgment for monetary damages could have a material adverse effect on our operations and liquidity. Except as discussed above, neither we nor our subsidiaries are currently subject to any material pending legal proceedings, other than ordinary routine litigation incidental to our business.

Item 1A. *Risk Factors.*

You should carefully consider the risks described below and all other information contained in this Quarterly Report on Form 10-Q, including our interim financial statements and the related notes thereto, before making a decision to purchase our securities. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. If that happens, the market price of our securities could decline, and you may lose all or part of your investment. In addition to the other information set forth in this report, you should carefully consider the factors discussed in "Part I. Item 1A. Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2018, filed with the SEC on February 27, 2019 and in "Part II. Item 1A. Risk Factors" in our quarterly reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 2019, filed with the SEC on May 9, 2019 and July 30, 2019, respectively, which could materially affect our business, financial condition or operating results.

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.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

During the three months ended September 30, 2019, in connection with our Dividend Reinvestment Plan for our common stockholders, we directed the plan administrator to purchase 9,789 shares of our common stock for an aggregate of $99,744 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 July 26, 2019.

On February 25, 2019, our Board approved the Share Repurchase Plan for the purposes of repurchasing shares of our common stock in the open market. During the three months ended September 30, 2019, we repurchased a total of 895,733 shares of our common stock in the open market under the Share Repurchase Plan for an aggregate of $8.9 million, including broker commissions.

The following chart summarizes repurchases of our common stock for the three months ended September 30, 2019:

Period	Total number of shares purchased[1]		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		
July 1 through July 31, 2019	—		$	—	—	$	13,517,863	(3)
August 1 through August 31, 2019	541,942		$	9.84	541,942	$	8,276,490	(4)
September 1 through September 30, 2019	363,580	(2)	$	10.07	353,791	$	4,809,659	(5)

(1) Includes purchases of our common stock made on the open market by or on behalf of any "affiliated purchaser," as defined in Exchange Act Rule 10b-18(a)(3), of the Company.

(2) Includes 353,791 shares repurchased under the Share Repurchase Plan and 9,789 shares purchased in the open market pursuant to the terms of our dividend reinvestment plan. Subsequent to period-end, through October 29, 2019, we repurchased an additional 133,313 shares of our common stock pursuant to the Share Repurchase Plan at an average price of $10.14 per share.

(3) Based on the total maximum remaining number of shares that could be repurchased under the Share Repurchase Plan as of July 31, 2019 of 1,369,591 and assuming a purchase price of $9.87, which was the closing price of our common stock on the NYSE on July 31, 2019.

(4) Based on the total maximum remaining number of shares that could be repurchased under the Share Repurchase Plan as of August 30, 2019 of 827,649 and assuming a purchase price of $10.00, which was the closing price of our common stock on the NYSE on August 30, 2019.

(5) Based on the total maximum remaining number of shares that could be repurchased under the Share Repurchase Plan as of September 30, 2019 of 473,858 and assuming a purchase price of $10.15, which was the closing price of our common stock on the NYSE on September 30, 2019.

Item 3. *Defaults Upon Senior Securities.*

None.

Item 4. *Mine Safety Disclosures.*

Not applicable.

Item 5. *Other Information.*

Not applicable.

Item 6. *Exhibits.*

Number	Exhibit
3.1	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).
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).
3.5	Amended and Restated Limited Liability Company Agreement of Barings BDC Senior Funding I, LLC (Filed as Exhibit 10.1 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).
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.**

* Filed Herewith.
** Furnished Herewith.

SIGNATURES

Pursuant to the requirements of 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.

BARINGS BDC, INC.

Date:	October 29, 2019	/s/ Eric Lloyd
		Eric Lloyd Chief Executive Officer (Principal Executive Officer)
Date:	October 29, 2019	/s/ Jonathan Bock
		Jonathan Bock Chief Financial Officer (Principal Financial Officer)
Date:	October 29, 2019	/s/ C. Robert Knox, Jr.
		C. Robert Knox, Jr. Principal Accounting Officer

Exhibit 31.1

**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 quarterly report on Form 10-Q 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

October 29, 2019

Exhibit 31.2

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 Bock, as Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 BOCK

Jonathan Bock
Chief Financial Officer

October 29, 2019

Exhibit 32.1

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 Quarterly Report of Barings BDC, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2019 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

October 29, 2019

Exhibit 32.2

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 Quarterly Report of Barings BDC, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jonathan Bock, 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 BOCK

Jonathan Bock
Chief Financial Officer

October 29, 2019