

**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 March 31, 2022

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 814-00733

**Barings BDC, Inc.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)  
**300 South Tryon Street, Suite 2500**  
**Charlotte, North Carolina**  
(Address of principal executive offices)

**06-1798488**  
(I.R.S. Employer  
Identification No.)  
**28202**  
(Zip Code)

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

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:

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

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 May 5, 2022 was 111,072,034.

**BARINGS BDC, INC.**  
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	March 31, 2022 (Unaudited)	December 31, 2021
<b>Assets:</b>		
Investments at fair value:		
Non-Control / Non-Affiliate investments (cost of \$1,950,064 and \$1,494,031 as of March 31, 2022 and December 31, 2021, respectively)	\$ 1,917,558	\$ 1,490,113
Affiliate investments (cost of \$336,327 and \$267,967 as of March 31, 2022 and December 31, 2021, respectively)	364,753	288,069
Control investments (cost of \$105,210 and \$25,826 as of March 31, 2022 and December 31, 2021, respectively)	121,114	22,412
Total investments at fair value	2,403,425	1,800,594
Cash	106,400	49,987
Foreign currencies (cost of \$47,990 and \$34,069 as of March 31, 2022 and December 31, 2021, respectively)	48,031	34,266
Interest and fees receivable	43,096	33,645
Prepaid expenses and other assets	2,662	4,297
Credit support agreements (cost of \$58,000 and \$13,600 as of March 31, 2022 and December 31, 2021, respectively)	59,400	15,400
Deferred financing fees	4,102	2,985
Receivable from unsettled transactions	182,294	219,732
<b>Total assets</b>	<b>\$ 2,849,410</b>	<b>\$ 2,160,906</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 10,444	\$ 2,341
Interest payable	10,450	5,704
Administrative fees payable	973	750
Base management fees payable	5,872	5,422
Incentive management fees payable	4,754	4,067
Derivative liabilities	3,108	1,160
Payable from unsettled transactions	21,195	26,786
Borrowings under credit facilities	757,217	655,189
Notes payable (net of deferred financing fees)	717,841	717,556
<b>Total liabilities</b>	<b>1,531,854</b>	<b>1,418,975</b>
<b>Commitments and contingencies (Note 7)</b>		
<b>Net Assets:</b>		
Common stock, \$0.001 par value per share (150,000,000 shares authorized, 111,095,334 and 65,316,085 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively)	111	65
Additional paid-in capital	1,597,257	1,027,687
Total distributable earnings (loss)	(279,812)	(285,821)
<b>Total net assets</b>	<b>1,317,556</b>	<b>741,931</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,849,410</b>	<b>\$ 2,160,906</b>
Net asset value per share	\$ 11.86	\$ 11.36

See accompanying notes.

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Investment income:</b>		
Interest income:		
Non-Control / Non-Affiliate investments	\$ 31,624	\$ 25,096
Affiliate investments	172	—
Control investments	273	107
Short-term investments	—	11
Total interest income	32,069	25,214
Dividend income:		
Non-Control / Non-Affiliate investments	123	—
Affiliate investments	7,570	72
Total dividend income	7,693	72
Fee and other income:		
Non-Control / Non-Affiliate investments	2,223	1,973
Affiliate investments	13	—
Control investments	(1,039)	160
Total fee and other income	1,197	2,133
Payment-in-kind interest income:		
Non-Control / Non-Affiliate investments	2,287	3,037
Affiliate investments	44	136
Control investments	467	—
Total payment-in-kind interest income	2,798	3,173
Interest income from cash	—	1
Total investment income	43,757	30,593
<b>Operating expenses:</b>		
Interest and other financing fees	11,661	7,285
Base management fee (Note 2)	5,872	3,929
Incentive management fees (Note 2)	4,754	2,722
General and administrative expenses (Note 2)	2,455	2,301
Total operating expenses	24,742	16,237
<b>Net investment income before taxes</b>	<b>19,015</b>	<b>14,356</b>
Income taxes, including excise tax expense	6	(18)
<b>Net investment income after taxes</b>	<b>19,009</b>	<b>14,374</b>

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Realized gains (losses) and unrealized appreciation (depreciation) on investments, credit support agreements and foreign currency transactions:</b>		
Net realized gains (losses):		
Non-Control / Non-Affiliate investments	(250)	2,891
Affiliate investments	101	(77)
Net realized gains (losses) on investments	(149)	2,814
Foreign currency transactions	(1,293)	(975)
Net realized gains (losses)	(1,442)	1,839
Net unrealized appreciation (depreciation):		
Non-Control / Non-Affiliate investments	(28,587)	5,357
Affiliate investments	12,996	2,445
Control investments	14,644	(3,969)
Net unrealized appreciation (depreciation) on investments	(947)	3,833
Credit support agreements	(400)	(1,600)
Foreign currency transactions	4,812	4,042
Net unrealized appreciation	3,465	6,275
Net realized gains (losses) and unrealized appreciation (depreciation) on investments, credit support agreements and foreign currency transactions	2,023	8,114
<b>Net increase in net assets resulting from operations</b>	<b>\$ 21,032</b>	<b>\$ 22,488</b>
Net investment income per share—basic and diluted	\$ 0.23	\$ 0.22
Net increase in net assets resulting from operations per share—basic and diluted	\$ 0.25	\$ 0.34
<b>Dividends/distributions per share:</b>		
Total dividends/distributions per share	\$ 0.23	\$ 0.19
Weighted average shares outstanding—basic and diluted	82,656,326	65,316,085

*See accompanying notes.*

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

Three Months Ended March 31, 2021	Common Stock		Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
	Number of Shares	Par Value			
Balance, December 31, 2020	65,316,085	\$ 65	\$ 1,027,707	\$ (309,968)	\$ 717,804
Net investment income	—	—	—	14,374	14,374
Net realized gain on investments / foreign currency transactions	—	—	—	1,839	1,839
Net unrealized appreciation of investments / CSA / foreign currency transactions	—	—	—	6,275	6,275
Dividends / distributions	—	—	—	(12,410)	(12,410)
<b>Balance, March 31, 2021</b>	<b>65,316,085</b>	<b>\$ 65</b>	<b>\$ 1,027,707</b>	<b>\$ (299,890)</b>	<b>\$ 727,882</b>

Three Months Ended March 31, 2022	Common Stock		Additional Paid-In Capital	Total Distributable Earnings (Loss)	Total Net Assets
	Number of Shares	Par Value			
Balance, December 31, 2021	65,316,085	\$ 65	\$ 1,027,687	\$ (285,821)	\$ 741,931
Net investment income	—	—	—	19,009	19,009
Net realized loss on investments / foreign currency transactions	—	—	—	(1,442)	(1,442)
Net unrealized appreciation of investments / CSA / foreign currency transactions	—	—	—	3,465	3,465
Dividends / distributions	—	—	—	(15,023)	(15,023)
Deemed Contribution - CSA (See Note 2)	—	—	44,400	—	44,400
Deemed contribution - from Adviser (See Note 9)	—	—	27,904	—	27,904
Public offering of common stock	45,986,926	46	499,372	—	499,418
Purchases of shares in repurchase plan	(207,677)	—	(2,106)	—	(2,106)
<b>Balance, March 31, 2022</b>	<b>111,095,334</b>	<b>\$ 111</b>	<b>\$ 1,597,257</b>	<b>\$ (279,812)</b>	<b>\$ 1,317,556</b>

*See accompanying notes.*

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Cash flows from operating activities:</b>		
Net increase in net assets resulting from operations	\$ 21,032	\$ 22,488
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	(335,519)	(276,456)
Net cash acquired from mergers (cash consideration paid) (See Note 9)	101,896	—
Transaction costs from mergers (See Note 9)	(2,866)	—
Repayments received/sales of portfolio investments	210,493	188,160
Purchases of short-term investments	—	(198,550)
Sales of short-term investments	—	190,542
Loan origination and other fees received	5,314	4,578
Net realized (gain) loss on investments	149	(2,814)
Net realized loss on foreign currency transactions	1,293	975
Net unrealized appreciation on investments	947	(3,832)
Net unrealized depreciation of CSA	400	1,600
Net unrealized appreciation on foreign currency transactions	(4,812)	(4,042)
Payment-in-kind interest	(2,798)	(3,174)
Amortization of deferred financing fees	732	344
Accretion of loan origination and other fees	(1,523)	(1,481)
Amortization / accretion of purchased loan premium / discount	(339)	(1,980)
Changes in operating assets and liabilities:		
Interest and fees receivables	(13,134)	(2,935)
Prepaid expenses and other assets	(1,881)	1,264
Accounts payable and accrued liabilities	(2,962)	(1,668)
Interest payable	4,746	1,869
Net cash used in operating activities	(18,832)	(85,112)
<b>Cash flows from financing activities:</b>		
Borrowings under credit facilities	107,704	29,824
Repayments of credit facilities	—	(134,083)
Proceeds from notes	—	150,000
Financing fees paid	(1,565)	(191)
Purchases of shares in repurchase plan	(2,106)	—
Cash dividends / distributions paid	(15,023)	(12,410)
Net cash provided by (used in) financing activities	89,010	33,140
Net increase (decrease) in cash and foreign currencies	70,178	(51,972)
Cash and foreign currencies, beginning of period	84,253	92,487
<b>Cash and foreign currencies, end of period</b>	<b>\$ 154,431</b>	<b>\$ 40,515</b>
<b>Supplemental Information:</b>		
Cash paid for interest	\$ 5,966	\$ 4,903
<b>Supplemental non-cash information</b>		
Acquisitions (See Note 9):		
Fair value of Sierra net assets acquired, net of cash	\$ (435,811)	\$ —
Transaction Costs	7,520	—
Common stock issued in acquisition of Sierra net assets	499,418	—
Credit support agreement (See Note 2)	(44,400)	—
Deemed contribution -from Adviser	27,904	—
Deemed contributions - CSA	44,400	—

*See accompanying notes.*

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

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
<b>Non-Control / Non-Affiliate Investments:</b>					
WorldSync, Inc. (1.2%)* <sup>(7)(8)(10)</sup>	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 07/19, Due 07/25)	\$ 16,474	\$ 16,240	\$ 16,445
			16,474	16,240	16,445
Accelerant Holdings (0.4%)* <sup>(7)</sup>	Banking, Finance, Insurance & Real Estate	Class A Convertible Preferred Equity (5,000 shares, Acquired 01/22)		5,000	5,103
				5,000	5,103
Accelerate Learning, Inc. (0.6%)* <sup>(7)(8)(10)</sup>	Education Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/18, Due 12/24)	7,568	7,492	7,442
			7,568	7,492	7,442
Acclime Holdings HK Limited (0.1%)* <sup>(3)(7)(8)(11)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 7.0% Cash, Acquired 08/21, Due 07/27)	1,211	1,142	1,153
			1,211	1,142	1,153
Accurus Aerospace Corporation (1.9%)* <sup>(7)(8)(11)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, 1.50% PIK, Acquired 10/18, Due 10/24)	24,874	24,699	24,563
			24,874	24,699	24,563
Acogroup (1.7%)* <sup>(3)(7)(8)(16)</sup>	Business Services	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 03/22, Due 10/26)	23,622	22,760	23,031
			23,622	22,760	23,031
ADB Safegate (0.4%)* <sup>(3)(8)(10)</sup>	Aerospace & Defense	Second Lien Senior Secured Term Loan (LIBOR + 7.75%, 8.8% Cash, Acquired 08/21, Due 10/25)	5,500	5,113	5,118
			5,500	5,113	5,118
Advantage Software Company (The), LLC (0.1%)* <sup>(7)</sup>	Advertising, Printing & Publishing	Class A1 Partnership Units (8,717.76 units, Acquired 12/21)		280	902
		Class A2 Partnership Units (2,248.46 units, Acquired 12/21)		72	233
		Class B1 Partnership Units (8,717.76 units, Acquired 12/21)		9	6
		Class B2 Partnership Units (2,248.46 units, Acquired 12/21)		2	2
				363	1,143
Aftermath Bidco Corporation (0.7%)* <sup>(7)(8)(10)</sup>	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 04/19, Due 04/25)	9,425	9,307	9,227
			9,425	9,307	9,227
Air Canada 2020-2 Class B Pass Through Trust (0.5%)*	Airlines	Structured Secured Note - Class B (9.0% Cash, Acquired 09/20, Due 10/25)	6,170	6,170	6,586
			6,170	6,170	6,586
Air Comm Corporation, LLC (0.9%)* <sup>(7)(8)(10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 06/21, Due 07/27)	11,539	11,299	11,319
			11,539	11,299	11,319
AIT Worldwide Logistics Holdings, Inc. (0.5%)* <sup>(7)</sup>	Transportation Services	Second Lien Senior Secured Term Loan (LIBOR + 7.75%, 8.5% Cash, Acquired 04/21, Due 04/29) <sup>(8)(10)</sup>	6,460	6,328	6,320
		Partnership Units (348.68 units, Acquired 04/21)		349	686
			6,460	6,677	7,006
Alpine SG, LLC (2.0%)* <sup>(7)(8)(9)(31)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/22, Due 11/27)	26,957	26,418	26,418
			26,957	26,418	26,418
Alpine US Bidco LLC (2.4%)* <sup>(7)(8)(9)</sup>	Agricultural Products	Second Lien Senior Secured Term Loan (LIBOR + 9.0%, 9.8% Cash, Acquired 05/21, Due 05/29)	18,157	17,654	17,612
			18,157	17,654	17,612
AMMC CLO 22, Limited Series 2018-22A (0.3%)* <sup>(3)(31)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 12.61%, Acquired 02/22, Due 04/31)	7,222	4,690	4,267
			7,222	4,690	4,267
AMMC CLO 23, Ltd. Series 2020-23A (0.1%)* <sup>(3)(31)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 12.35%, Acquired 02/22, Due 10/30)	2,000	1,948	1,781
			2,000	1,948	1,781



**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
Amtech LLC (0.2%) <sup>(7) (8)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(9)</sup>	\$ 2,291	\$ 2,210	\$ 2,225
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(9)</sup>	—	(13)	(12)
			<u>2,291</u>	<u>2,197</u>	<u>2,213</u>
Anagram Holdings, LLC (1.2%) <sup>(8) (3)</sup>	Chemicals, Plastics, & Rubber	First Lien Senior Secured Note (10.0% Cash, 5.0% PIK, Acquired 08/20, Due 08/25)	14,755	13,866	15,714
			<u>14,755</u>	<u>13,866</u>	<u>15,714</u>
AnalytiChem Holding GmbH (0.2%) <sup>(3) (7) (8) (16)</sup>	Chemicals	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 11/21, Due 12/28)	2,740	2,589	2,551
			<u>2,740</u>	<u>2,589</u>	<u>2,551</u>
Anju Software, Inc. (1.0%) <sup>(7) (8) (9)</sup>	Application Software	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.3% Cash, Acquired 02/19, Due 02/25)	13,528	13,368	12,865
			<u>13,528</u>	<u>13,368</u>	<u>12,865</u>
AP Aristotle Holdings, LLC (0.1) <sup>(7)</sup>	Oil Field Services	Subordinated Term Loan (19.8% Cash, Acquired 12/21, Due 06/25)	1,588	1,594	1,592
			<u>1,588</u>	<u>1,594</u>	<u>1,592</u>
Apex Bideo Limited (0.2%) <sup>(8) (7)</sup>	Business Equipment & Services	First Lien Senior Secured Term Loan (GBP LIBOR + 6.25%, 6.8% Cash, Acquired 01/20, Due 01/27) <sup>(8) (13)</sup>	1,919	1,871	1,919
		Subordinated Senior Unsecured Term Loan (8.0% PIK, Acquired 01/20, Due 07/27)	275	270	275
			<u>2,194</u>	<u>2,141</u>	<u>2,194</u>
Apidos CLO XXIV, Series 2016-24A (0.5%) <sup>(8) (3) (31)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 19.24%, Acquired 02/22, Due 10/30)	18,358	7,557	6,946
			<u>18,358</u>	<u>7,557</u>	<u>6,946</u>
Aptus 1829, GmbH (0.4%) <sup>(8) (7)</sup>	Chemicals, Plastics, & Rubber	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 09/21, Due 09/27) <sup>(8) (16)</sup>	5,301	5,455	5,190
		Preferred Stock (13 shares, Acquired 09/21)		120	111
		Common Stock (48 shares, Acquired 09/21)		12	11
			<u>5,301</u>	<u>5,587</u>	<u>5,312</u>
Apus Bideo Limited (0.3%) <sup>(8) (7) (8) (22)</sup>	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (SONIA + 5.5%, 5.5% Cash, Acquired 02/21, Due 03/28)	3,793	3,877	3,725
			<u>3,793</u>	<u>3,877</u>	<u>3,725</u>
AQA Acquisition Holding, Inc. (1.5%) <sup>(7) (8) (10)</sup>	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 7.5%, 8.0% Cash, Acquired 03/21, Due 03/29)	20,000	19,523	19,647
			<u>20,000</u>	<u>19,523</u>	<u>19,647</u>
Aquavista Watersides 2 LTD (0.5%) <sup>(8) (7) (8) (22)</sup>	Transportation Services	First Lien Senior Secured Term Loan (SONIA + 6.0%, 6.1% Cash, Acquired 12/21, Due 12/28)	5,873	5,709	5,661
		Revolver (SONIA + 6.0%, 6.1% Cash, Acquired 12/21, Due 12/22)	—	(3)	(4)
		Second Lien Senior Secured Term Loan (SONIA + 10.5% PIK, Acquired 12/21, Due 12/28)	1,468	1,447	1,436
			<u>7,341</u>	<u>7,153</u>	<u>7,093</u>
Arch Global Precision LLC (0.7%) <sup>(7) (8) (10)</sup>	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 4.8% Cash, Acquired 04/19, Due 04/26)	9,248	9,244	9,155
			<u>9,248</u>	<u>9,244</u>	<u>9,155</u>
Archimede (0.6%) <sup>(3) (7) (8) (16)</sup>	Consumer Services	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 10/20, Due 10/27)	8,234	8,767	8,094
			<u>8,234</u>	<u>8,767</u>	<u>8,094</u>
Argus Bideo Limited (0.2%) <sup>(8) (7) (8)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (SONIA + 5.5%, 5.8% Cash, Acquired 12/20, Due 12/27) <sup>(21)</sup>	2,607	2,562	2,597
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 5.8% Cash, Acquired 05/21, Due 12/27) <sup>(10)</sup>	672	654	669
			<u>3,279</u>	<u>3,216</u>	<u>3,266</u>
Armstrong Transport Group (Pele Buyer, LLC ) (0.3%) <sup>(7) (8) (10)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 06/19, Due 06/24)	4,015	3,962	3,948
			<u>4,015</u>	<u>3,962</u>	<u>3,948</u>
Arrow International, Inc. (1.1%) <sup>(7) (8) (10) (31)</sup>	Hotel, Gaming & Leisure	First Lien Senior Secured Term Loan (LIBOR + 7.25%, 8.5% Cash, Acquired 02/22, Due 12/25)	15,000	15,000	15,000
			<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
ASPEQ Heating Group LLC (0.6%) <sup>(7) (8) (9)</sup>	Building Products, Air & Heating	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/19, Due 11/25)	\$ 8,435	\$ 8,353	\$ 8,435
			8,435	8,353	8,435
Astra Bidco Limited (0.2%) <sup>(3) (7) (8) (21)</sup>	Healthcare	First Lien Senior Secured Term Loan (SONIA + 5.75%, 5.8% Cash, Acquired 11/21, Due 11/28)	2,148	2,089	2,068
			2,148	2,089	2,068
Auxi International (0.2%) <sup>(3) (7) (8)</sup>	Commercial Finance	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 12/19, Due 12/26) <sup>(17)</sup>	1,558	1,522	1,418
		First Lien Senior Secured Term Loan (SONIA + 6.25%, 6.3% Cash, Acquired 04/21, Due 12/26) <sup>(22)</sup>	882	898	803
			2,440	2,420	2,221
Avance Clinical Bidco Pty Ltd (0.2%) <sup>(8) (7) (8) (24)</sup>	Healthcare	First Lien Senior Secured Term Loan (BBSY + 5.5%, 6.0% Cash, Acquired 11/21, Due 11/27)	2,651	2,395	2,543
			2,651	2,395	2,543
Aviation Technical Services, Inc. (1.9%) <sup>(7) (8) (9) (31)</sup>	Aerospace & Defense	Second Lien Senior Secured Term Loan (LIBOR + 2.0%, 2.2% Cash, 6.5% PIK, Acquired 02/22, Due 03/25)	27,042	25,699	25,690
			27,042	25,699	25,690
AVSC Holding Corp. (0.9%) <sup>*</sup>	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, 0.25% PIK, Acquired 08/18, Due 03/25) <sup>(8) (10)</sup>	4,857	4,430	4,570
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, 1.0% PIK, Acquired 08/18, Due 10/26) <sup>(9) (10)</sup>	748	695	711
		First Lien Senior Secured Term Loan (5.0% Cash, 10.0% PIK, Acquired 11/20, Due 10/26)	5,651	5,542	6,518
			11,256	10,667	11,799
Azalea Buyer, Inc. (0.4%) <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(8) (10)</sup>	4,606	4,500	4,507
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(8) (10)</sup>	—	(9)	(9)
		Subordinated Term Loan (12.0% PIK, Acquired 11/21, Due 05/28)	1,260	1,235	1,237
		Common Stock (192,307.7 shares, Acquired 11/21)	—	192	192
			5,866	5,918	5,927
Bariacum S.A. (0.5%) <sup>(3) (7) (8) (16)</sup>	Consumer Products	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 11/28)	6,342	6,243	6,139
			6,342	6,243	6,139
BDP International, Inc. (f/k/a BDP Buyer, LLC) (2.0%) <sup>(7) (8) (9)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/18, Due 12/24)	14,812	14,621	14,812
			14,812	14,621	14,812
Benify (Bennevis AB) (0.1%) <sup>(3) (7) (8) (26)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (STIBOR + 5.25%, 5.3% Cash, Acquired 07/19, Due 07/26)	1,249	1,223	1,249
			1,249	1,223	1,249
Beyond Risk Management, Inc. (0.2%) <sup>(7) (8) (10)</sup>	Other Financial	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 10/21, Due 10/27)	2,427	2,345	2,343
			2,427	2,345	2,343
Bidwax (0.6%) <sup>(3) (7) (8) (16)</sup>	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 02/21, Due 02/28)	7,789	8,069	7,603
			7,789	8,069	7,603
BigHand UK Bidco Limited (0.3%) <sup>(3) (7) (8) (21)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (SONIA + 5.5%, 5.5% Cash, Acquired 01/21, Due 01/28)	3,416	3,360	3,313
			3,416	3,360	3,313
Bounteous, Inc. (0.1%) <sup>(7) (8) (10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/21, Due 08/27)	1,905	1,817	1,823
			1,905	1,817	1,823
Brightline Trains Florida LLC (0.4%) <sup>(7)</sup>	Transportation	Senior Secured Note (8.0% Cash, Acquired 08/21, Due 01/28)	5,000	5,000	4,825
			5,000	5,000	4,825
Brightpay Limited (0.2%) <sup>(3) (7) (8) (16)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 10/21, Due 10/28)	2,058	2,078	2,012
			2,058	2,078	2,012

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
BrightSign LLC (0.6%)* <sup>(7)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 10/21, Due 10/27) <sup>(8) (10)</sup>	\$ 6,779	\$ 6,707	\$ 6,664
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 10/21, Due 10/27) <sup>(8) (10)</sup>	—	(12)	(23)
		LLC units (1,107,492.71 units, Acquired 10/21)	—	1,107	1,107
			<u>6,779</u>	<u>7,802</u>	<u>7,748</u>
British Airways 2020-1 Class B Pass Through Trust (0.1%)*	Airlines	Structured Secured Note - Class B (8.4% Cash, Acquired 11/20, Due 11/28)	783	783	862
			<u>783</u>	<u>783</u>	<u>862</u>
British Engineering Services Holdco Limited (1.1%)* <sup>(7) (8) (23)</sup>	Commercial Services & Supplies	First Lien Senior Secured Term Loan (SONIA + 7.03%, 7.0% Cash, Acquired 12/20, Due 12/27)	15,097	15,094	14,689
			<u>15,097</u>	<u>15,094</u>	<u>14,689</u>
Brook & Whittle Holding Corp. (0.1%)* <sup>(7) (8) (10) (31)</sup>	Containers, Packaging & Supplies	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 4.5% Cash, Acquired 02/22, Due 12/28)	1,994	1,974	1,944
			<u>1,994</u>	<u>1,974</u>	<u>1,944</u>
Brown Machine Group Holdings, LLC (0.5%)* <sup>(7) (8) (10)</sup>	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 10/18, Due 10/24)	6,281	6,240	6,281
			<u>6,281</u>	<u>6,240</u>	<u>6,281</u>
Cadent, LLC (f/k/a Cross MediaWorks) (0.5%)* <sup>(7) (8) (9)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 09/18, Due 09/23)	6,913	6,892	6,913
			<u>6,913</u>	<u>6,892</u>	<u>6,913</u>
CAi Software, LLC (0.7%)* <sup>(7) (8) (10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/21, Due 12/28)	9,057	8,882	8,894
		Revolver (LIBOR + 6.25%, 7.3% Cash, Acquired 12/21, Due 12/28)	—	(18)	(17)
			<u>9,057</u>	<u>8,864</u>	<u>8,877</u>
Canadian Orthodontic Partners Corp. (0.1%)* <sup>(3) (7) (8) (25)</sup>	Healthcare	First Lien Senior Secured Term Loan (CDOR + 6.5%, 7.5% Cash, Acquired 06/21, Due 03/26)	1,703	1,741	1,666
			<u>1,703</u>	<u>1,741</u>	<u>1,666</u>
Cardenas Markets, LLC (0.1%)* <sup>(7) (8) (10) (31)</sup>	Retail	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 02/22, Due 06/27)	1,990	1,985	1,950
			<u>1,990</u>	<u>1,985</u>	<u>1,950</u>
Carlson Travel, Inc (0.7%)*	Business Travel Management	First Lien Senior Secured Note (8.5% Cash, Acquired 11/21, Due 11/26)	6,050	5,670	5,959
		Common Stock (94,155 shares, Acquired 11/21)	—	1,655	2,787
			<u>6,050</u>	<u>7,325</u>	<u>8,746</u>
Centralis Finco S.a.r.l. (0.1%)* <sup>(3) (7) (8) (16)</sup>	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 05/20, Due 05/27)	789	740	789
			<u>789</u>	<u>740</u>	<u>789</u>
Ceres Pharma NV (0.1%)* <sup>(3) (7) (8) (17)</sup>	Pharmaceuticals	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 10/21, Due 10/28)	1,342	1,285	1,254
			<u>1,342</u>	<u>1,285</u>	<u>1,254</u>
CGI Parent, LLC (1.4%)* <sup>(7)</sup>	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/22, Due 02/28) <sup>(8) (10)</sup>	17,796	17,446	17,440
		Revolver (LIBOR + 5.5%, 6.5% Cash, Acquired 02/22, Due 02/28) <sup>(8) (10)</sup>	441	408	408
		Preferred Stock (551 shares, Acquired 02/22)	—	551	551
			<u>18,237</u>	<u>18,405</u>	<u>18,399</u>
Cineworld Group PLC (0.29%)* <sup>(3)</sup>	Leisure Products	Super Senior Secured Term Loan (7.0% Cash, 8.3% PIK, Acquired 11/20, Due 05/24)	1,824	1,640	2,152
		Super Senior Secured Term Loan (LIBOR + 8.25% Cash, 9.3% Cash, Acquired 07/21, Due 02/25) <sup>(8) (11)</sup>	994	964	1,056
		Warrants (553,375 units, Acquired 12/20)	—	102	84
			<u>2,818</u>	<u>2,706</u>	<u>3,292</u>
Classic Collision (Summit Buyer, LLC) (0.5%)* <sup>(7) (8) (10)</sup>	Auto Collision Repair Centers	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/20, Due 01/26)	6,640	6,528	6,526
			<u>6,640</u>	<u>6,528</u>	<u>6,526</u>
CM Acquisitions Holdings Inc. (1.4%)* <sup>(7) (8) (19)</sup>	Internet & Direct Marketing	First Lien Senior Secured Term Loan (SOFR + 4.75%, 5.8% Cash, Acquired 05/19, Due 05/25)	19,106	18,911	18,819
			<u>19,106</u>	<u>18,911</u>	<u>18,819</u>

**Barings BDC, Inc.**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
CMT Opco Holding, LLC (Concept Machine) (0.3%) <sup>(6)(7)</sup>	Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/20, Due 01/25) <sup>(10)</sup>	\$ 4,144	\$ 4,094	\$ 3,894
		LLC Units (8,782 units, Acquired 01/20)		352	72
			4,144	4,446	3,966
Coastal Marina Holdings, LLC (1.4%) <sup>(6)(7)</sup>	Other Financial	Subordinated Term Loan (10.0% PIK, Acquired 11/21, Due 11/31)	4,901	4,472	4,447
		Subordinated Term Loan (8.0% Cash, Acquired 11/21, Due 11/31)	13,044	11,873	11,830
		LLC Units (547,591 units, Acquired 11/21)		1,643	2,177
			17,945	17,988	18,454
Cobham Slip Rings SAS (0.1%) <sup>(6)(7)(8)(10)</sup>	Diversified Manufacturing	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 11/21, Due 11/28)	1,303	1,273	1,276
			1,303	1,273	1,276
Command Alkon (Project Potter Buyer, LLC) (1.0%) <sup>(6)</sup>	Software	First Lien Senior Secured Term Loan (LIBOR + 8.25%, 9.3% Cash, Acquired 04/20, Due 04/27) <sup>(9)</sup>	13,708	13,265	13,602
		Class A Units (90.384 units, Acquired 04/20)		90	101
		Class B Units (33,324.69 units, Acquired 04/20)		—	199
			13,708	13,355	13,902
Contabo Finco S.À R.L. (0.4%) <sup>(6)(7)(8)(16)</sup>	Internet Software & Services	First Lien Senior Secured Term Loan (EURIBOR 5.25%, 5.3% Cash, Acquired 11/21, Due 10/26)	5,821	5,768	5,733
			5,821	5,768	5,733
Core Scientific, Inc. (1.5%) <sup>(6)(7)</sup>	Technology	First Lien Senior Secured Term Loan (9.8% Cash, Acquired 03/22, Due 03/25)	20,000	20,200	20,000
			20,000	20,200	20,000
Coyo Uprising GmbH (0.4%) <sup>(6)(7)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, 3.5% PIK, Acquired 09/21, Due 09/28) <sup>(16)</sup>	4,043	4,137	3,932
		Class A Units (440.0 units, Acquired 09/21)		205	199
		Class B Units (191.0 units, Acquired 09/21)		446	523
			4,043	4,788	4,654
CPI International, Inc. (0.6%) <sup>(6)(7)(8)(10)(31)</sup>	Aerospace & Defense	Second Lien Senior Secured Term Loan (LIBOR + 7.25%, 8.3% Cash, Acquired 02/22, Due 07/25)	8,575	7,975	7,975
			8,575	7,975	7,975
Crash Champions (0.9%) <sup>(6)(7)(8)(10)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 05/21, Due 08/25)	11,609	11,262	11,129
			11,609	11,262	11,129
CSL DualCom (0.1%) <sup>(6)(7)(8)(14)</sup>	Tele-communications	First Lien Senior Secured Term Loan (GBP LIBOR + 5.5%, 5.5% Cash, Acquired 09/20, Due 09/27)	1,304	1,205	1,270
			1,304	1,205	1,270
CTT Technologies Intermediate Holdings, Inc. (0.4%) <sup>(6)</sup>	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.0% Cash, Acquired 02/22, Due 12/25)	4,975	4,968	4,924
			4,975	4,968	4,924
Custom Alloy Corporation (2.2%) <sup>(6)(7)(29)</sup>	Manufacturer of Pipe Fittings & Forgings	Second Lien Loan (15.0% PIK, Acquired 12/20, Due 04/22) <sup>(9)</sup>	52,244	42,162	26,122
		Revolver (15.0% PIK, Acquired 12/20, Due 04/22) <sup>(9)</sup>	4,940	4,222	2,470
			57,184	46,384	28,592
CVL 3 (0.3%) <sup>(6)(7)(8)</sup>	Capital Equipment	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28) <sup>(16)</sup>	1,947	1,928	1,903
		First Lien Senior Secured Term Loan (SOFR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28) <sup>(19)</sup>	1,142	1,115	1,116
		6-Month Bridge Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 06/22) <sup>(16)</sup>	779	787	771
			3,868	3,830	3,790
CW Group Holdings, LLC (0.2%) <sup>(6)(7)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 01/21, Due 01/27) <sup>(8)(10)</sup>	2,810	2,758	2,659
		LLC Units (161,290.32 units, Acquired 01/21)		161	99
			2,810	2,919	2,758

**Barings BDC, Inc.**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
Dart Buyer, Inc. (1.0%) <sup>(7) (8) (10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 04/19, Due 04/25)	\$ 13,438	\$ 13,280	\$ 13,438
			13,438	13,280	13,438
DataOnline Corp. (1.3%) <sup>(7) (8) (10) (13)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 02/22, Due 11/25)	14,700	14,700	14,700
		Revolver (LIBOR + 6.25%, 7.3% Cash, Acquired 02/22, Due 11/25)	2,143	2,143	2,143
			16,843	16,843	16,843
DecksDirect, LLC (0.1%) <sup>(7)</sup>	Building Materials	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/21, Due 12/26) <sup>(8) (9)</sup>	727	713	714
		Revolver (LIBOR + 6.0%, 7.0% Cash, Acquired 12/21, Due 12/26) <sup>(8) (10)</sup>	160	156	156
		LLC Units (1,280.8 units, Acquired 12/21)		55	55
			887	924	925
Discovery Education, Inc. (0.9%) <sup>(7) (8) (10)</sup>	Publishing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/20, Due 10/26)	11,785	11,622	11,785
			11,785	11,622	11,785
Distinct Holdings, Inc. (0.5%) <sup>(7) (8) (9)</sup>	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 04/19, Due 12/23)	6,880	6,845	6,687
			6,880	6,845	6,687
Dragon Bidco (0.8%) <sup>(3) (7) (8) (17)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 04/21, Due 04/28)	11,127	10,883	10,848
			11,127	10,883	10,848
DreamStart Bidco SAS (d/b/a SmartTrade) (0.2%) <sup>(6) (7) (8) (17)</sup>	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 03/20, Due 03/27)	2,366	2,297	2,341
			2,366	2,297	2,341
Dryden 43 Senior Loan Fund, Series 2016-43A (0.2%) <sup>(8)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 10.8%, Acquired 02/22, Due 04/34)	3,620	2,454	2,296
			3,620	2,454	2,296
Dryden 49 Senior Loan Fund, Series 2017-49A (0.6%) <sup>(8)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 14.7%, Acquired 02/22, Due 07/30)	17,233	7,934	7,548
			17,233	7,934	7,548
Dune Group (0.1%) <sup>(5) (7) (8)</sup>	Health Care Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.0% Cash, Acquired 09/21, Due 09/28) <sup>(10)</sup>	1,230	1,210	1,212
		First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 09/21, Due 09/28) <sup>(16)</sup>	129	107	112
			1,359	1,317	1,324
Dwyer Instruments, Inc. (0.3%) <sup>(7) (8) (10)</sup>	Electric	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 07/21, Due 07/27)	4,551	4,460	4,471
			4,551	4,460	4,471
Echo Global Logistics, Inc. (1.1%) <sup>(7)</sup>	Air Transportation	Second Lien Senior Secured Term Loan (LIBOR + 7.25%, 7.8% Cash, Acquired 11/21, Due 11/29) <sup>(8) (9)</sup>	14,469	14,224	14,246
		Partnership Equity (530.92 units, Acquired 11/21)		531	531
			14,469	14,755	14,777
Ellkay, LLC (0.4%) <sup>(7) (8) (10)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 09/21, Due 09/27)	4,975	4,883	4,894
			4,975	4,883	4,894
EMI Porta Holdco LLC (0.8%) <sup>(7) (8) (10)</sup>	Diversified Manufacturing	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	10,822	10,401	10,430
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	605	549	552
			11,427	10,950	10,982
Entact Environmental Services, Inc. (0.4%) <sup>(7) (8) (10)</sup>	Environmental Industries	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 02/21, Due 12/25)	5,690	5,645	5,554
			5,690	5,645	5,554
Envision Healthcare Corporation (0.0%) <sup>(8) (9) (31)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 3.75%, 4.2% Cash, Acquired 02/22, Due 10/25)	48	37	32
			48	37	32

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**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
EPS NASS Parent, Inc. (0.4%)* <sup>(7) (8) (10)</sup>	Electrical Components & Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 04/21, Due 04/28)	\$ 5,798	\$ 5,685	\$ 5,711
			5,798	5,685	5,711
eShipping, LLC (0.3%)* <sup>(7) (8)</sup>	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27) <sup>(9)</sup>  Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27) <sup>(9)</sup>	3,854	3,744	3,759
			663	635	637
			4,517	4,379	4,396
Events Software BidCo Pty Ltd (0.1%)* <sup>(3) (7) (8) (24)</sup>	Technology	First Lien Senior Secured Term Loan (BBSY + 5.5%, 5.5% Cash, Acquired 03/22, Due 03/28)	1,924	1,850	1,852
			1,924	1,850	1,852
F24 (Stairway BidCo GmbH) (0.1%)* <sup>(3) (7) (8) (16)</sup>	Software Services	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 08/20, Due 08/27)	1,586	1,651	1,586
			1,586	1,651	1,586
Ferrellgas L.P. (0.2%)* <sup>(3) (7)</sup>	Oil & Gas Equipment & Services	OpCo Preferred Units (2,886 units, Acquired 03/21)		2,799	3,030
				2,799	3,030
Fineline Technologies, Inc. (0.1%)* <sup>(7) (8) (10)</sup>	Consumer Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 02/21, Due 02/28)	1,302	1,281	1,302
			1,302	1,281	1,302
Finexvet (0.1%)* <sup>(3) (7) (8) (16)</sup>	Consumer Cyclical	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 03/22, Due 03/29)	1,536	1,458	1,467
			1,536	1,458	1,467
FinThrive Software Intermediate Holdings Inc. (0.5%)*	Business Equipment & Services	Preferred Stock (6,582.7 shares, Acquired 03/22)		7,263	7,263
				7,263	7,263
FitzMark Buyer, LLC (0.3%)* <sup>(7) (8) (10)</sup>	Cargo & Transportation	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 12/20, Due 12/26)	4,259	4,189	4,173
			4,259	4,189	4,173
Flexential Issuer, LLC (1.1%)*	Information Technology	Structured Secured Note - Class C (6.9% Cash, Acquired 11/21, Due 11/51)	16,000	14,822	15,040
			16,000	14,822	15,040
FragilePak LLC (0.4%)* <sup>(7)</sup>	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 05/21, Due 05/27) <sup>(8) (10)</sup>  Partnership Units (937.5 units, Acquired 05/21)	4,685	4,515	4,298
				938	808
			4,685	5,453	5,106
Front Line Power Construction LLC (0.3%)*	Construction Machinery	First Lien Senior Secured Term Loan (LIBOR + 12.5%, 13.5% Cash, Acquired 11/21, Due 11/28) <sup>(7) (8) (10)</sup>  Common Stock (50,848 shares, Acquired 11/21)	4,000	3,876	3,880
				130	94
			4,000	4,006	3,974
FSS Buyer LLC (0.5%)* <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 08/21, Due 08/28) <sup>(8) (10)</sup>  LP Interest (1,160.9 units, Acquired 08/21)  LP Units (5,104.32 units, Acquired 08/21)	6,895	6,762	6,784
				12	12
				51	51
			6,895	6,825	6,847
GC EOS Buyer Inc. (0.2%)* <sup>(8) (9) (31)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.0% Cash, Acquired 02/22, Due 08/25)	2,481	2,479	2,448
			2,481	2,479	2,448
GTM Intermediate Holdings, Inc. (1.0%)* <sup>(7) (29)</sup>	Medical Equipment Manufacturer	Second Lien Loan (11.0% Cash, 1.0% PIK, Acquired 12/20, Due 12/24)  Series A Preferred Units (923,347.4 units, Acquired 12/20)  Series C Preferred Units (460,652.6 units, Acquired 12/20)	11,540	11,489	11,309
				2,166	1,391
				1,081	995
			11,540	14,736	13,695
Gulf Finance, LLC (0.1%)* <sup>(8) (9)</sup>	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 6.75%, 7.8% Cash, Acquired 11/21, Due 08/26)	829	798	756
			829	798	756
Hawaiian Airlines 2020-1 Class B Pass Through Certificates (0.4%)*	Airlines	Structured Secured Note - Class B (11.3% Cash, Acquired 08/20, Due 09/25)	5,389	5,389	5,874
			5,389	5,389	5,874

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Heartland Veterinary Partners, LLC (0.7%) <sup>(7)</sup>	Healthcare	Subordinated Term Loan (11.0% PIK, Acquired 11/21, Due 11/28)	\$ 9,343	\$ 9,103	\$ 9,124
			9,343	9,103	9,124
Heartland, LLC (1.1%) <sup>(7)(8)(10)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 08/19, Due 08/25)	14,040	13,948	13,818
			14,040	13,948	13,818
Heavy Construction Systems Specialists, LLC (0.5%) <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 11/21, Due 11/27)	7,368	7,228	7,239
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 11/21, Due 11/27)	—	(49)	(46)
			7,368	7,179	7,193
Hgilbron (E/k/a Sucez (Bolt Bidco B.V.)) (0.6%) <sup>(3)(7)(8)</sup>	Insurance	First Lien Senior Secured Term Loan (EURIBOR + 5.0%, 5.0% Cash, Acquired 09/19, Due 09/26)	8,599	9,380	8,444
			8,599	9,380	8,444
Highpoint Global LLC (0.4%) <sup>(7)(29)</sup>	Government Services	Second Lien Note (12.0% Cash, 2.0% PIK, Acquired 12/20, Due 09/22)	5,461	5,440	5,461
			5,461	5,440	5,461
Holland Acquisition Corp. (0.0%) <sup>(7)(8)(9)(28)(31)</sup>	Energy: Oil & Gas	First Lien Senior Secured Term Loan (LIBOR + 9.0%, 10.0% Cash, Acquired 02/22, Due 05/22)	3,754	—	—
			3,754	—	—
Home Care Assistance, LLC (0.3%) <sup>(7)(8)(10)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 03/21, Due 03/27)	3,821	3,756	3,756
			3,821	3,756	3,756
HTI Technology & Industries (1.7%) <sup>(7)(29)</sup>	Electronic Component Manufacturing	Second Lien Note (12.0% Cash, 4.0% PIK, Acquired 12/20, Due 09/24)	23,068	22,429	22,560
			23,068	22,429	22,560
HW Holdco, LLC (Hanley Wood LLC) (0.8%) <sup>(7)(8)(9)</sup>	Advertising	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/18, Due 12/24)	11,068	10,877	10,852
			11,068	10,877	10,852
IGL Holdings III Corp. (0.3%) <sup>(7)(8)(10)</sup>	Commercial Printing	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/20, Due 11/26)	4,315	4,227	4,229
			4,315	4,227	4,229
IM Analytics Holding, LLC (d/b/a NVT) (0.5%) <sup>(7)(8)</sup>	Electronic Instruments & Components	First Lien Senior Secured Term Loan (LIBOR + 7.0%, 8.0% Cash, Acquired 11/19, Due 11/23) <sup>(10)</sup>	8,106	8,069	6,416
		Warrant (68,950 units, Acquired 11/19)	—	—	—
			8,106	8,069	6,416
IM Square (0.5%) <sup>(3)(7)(8)(17)</sup>	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 05/21, Due 04/28)	6,898	7,272	6,774
			6,898	7,272	6,774
Infoniqa Holdings GmbH (0.2%) <sup>(3)(7)(8)(16)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 11/21, Due 11/28)	2,924	2,895	2,853
			2,924	2,895	2,853
Innovad Group II BV (0.4%) <sup>(3)(7)(8)(16)</sup>	Beverage, Food & Tobacco	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 04/21, Due 04/28)	6,121	6,327	5,583
			6,121	6,327	5,583
Innovative Xcessories & Services, LLC (0.2%) <sup>(8)(10)(31)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 02/22, Due 03/27)	2,946	2,892	2,762
			2,946	2,892	2,762
INOS 19-090 GmbH (0.4%) <sup>(3)(7)(8)(16)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (EURIBOR + 6.13%, 6.1% Cash, Acquired 12/20, Due 12/27)	5,157	5,501	5,157
			5,157	5,501	5,157
Iqor US Inc. (0.2%) <sup>(8)(9)(31)</sup>	Services: Business	First Lien Senior Secured Term Loan (LIBOR + 7.5%, 8.5% Cash, Acquired 02/22, Due 11/24)	2,710	2,738	2,696
			2,710	2,738	2,696
Isagenix International, LLC (0.1%) <sup>(8)(10)(31)</sup>	Wholesale	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 02/22, Due 06/25)	1,645	1,208	1,033
			1,645	1,208	1,033

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
ISS#2, LLC (d/b/a Industrial Services Solutions) (0.5%) <sup>(7)(8)(10)</sup>	Commercial Services & Supplies	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/20, Due 02/26)	\$ 6,720	\$ 6,628	\$ 6,431
			6,720	6,628	6,431
ITI Intermodal, Inc. (0.1%) <sup>(7)</sup>	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(8)(10)</sup>  Revolver (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(8)(10)</sup>  Common Stock (1,433.37 shares, Acquired 01/22)	721	706	706
			—	(2)	(2)
			721	848	847
Ivanti Software, Inc. (0.4%) <sup>(8)(10)(31)</sup>	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 7.25%, 7.8% Cash, Acquired 02/22, Due 12/28)	6,000	5,989	5,910
			6,000	5,989	5,910
Jade Bidco Limited (Jane's) (2.3%) <sup>(3)(7)(8)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.3% Cash, Acquired 11/19, Due 02/29) <sup>(11)</sup>  First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 11/19, Due 02/29) <sup>(17)</sup>	26,714	26,052	26,085
			4,256	4,074	4,150
			30,970	30,126	30,235
Jaguar Merger Sub Inc. (0.2%) <sup>(7)(8)(10)</sup>	Other Financial	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 09/24)  Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 09/24)	2,722	2,671	2,671
			—	(6)	(6)
			2,722	2,665	2,665
Jedson Engineering, Inc. (0.2%) <sup>(7)(29)</sup>	Engineering & Construction Management	First Lien Loan (12.0% Cash, Acquired 12/20, Due 06/24)	2,650	2,650	2,650
			2,650	2,650	2,650
JetBlue 2019-1 Class B Pass Through Trust (0.3%)*	Airlines	Structured Secured Note - Class B (8.0% Cash, Acquired 08/20, Due 11/27)	4,165	4,165	4,437
			4,165	4,165	4,437
JF Acquisition, LLC (0.3%) <sup>(7)(8)(10)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 05/21, Due 07/24)	3,856	3,759	3,687
			3,856	3,759	3,687
Jon Bidco Limited (0.6%) <sup>(3)(7)(8)(27)</sup>	Healthcare	First Lien Senior Secured Term Loan (BKBM + 5.5%, 6.0% Cash, Acquired 03/22, Due 03/27)	8,319	8,065	8,047
			8,319	8,065	8,047
Jones Fish Hatcheries & Distributors LLC (0.2%) <sup>(7)</sup>	Consumer Products	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 02/22, Due 02/28) <sup>(8)(10)</sup>  Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 02/22, Due 02/28) <sup>(9)(11)</sup>  LLC Units (974.68 units, Acquired 02/22)	2,785	2,730	2,729
			—	(8)	(8)
			2,785	2,819	2,818
K&N Parent, Inc. (0.7%) <sup>(8)(10)(31)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 02/22, Due 10/23)  Second Lien Senior Secured Term Loan (LIBOR + 8.75%, 9.8% Cash, Acquired 02/22, Due 10/24) <sup>(7)</sup>	7,923	7,243	7,115
			2,000	1,700	1,660
			9,923	8,943	8,775
Kano Laboratories LLC (0.4%) <sup>(7)</sup>	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 11/20, Due 11/26) <sup>(8)(10)</sup>  Partnership Equity (203.2 units, Acquired 11/20)	5,716	5,577	5,565
			5,716	203	203
			5,716	5,780	5,768
Kene Acquisition, Inc. (En Engineering) (0.5%) <sup>(7)(8)(10)</sup>	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 08/19, Due 08/26)	7,206	7,111	7,076
			7,206	7,111	7,076
Kid Distro Holdings, LLC (0.7%) <sup>(7)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 10/21, Due 10/27) <sup>(8)(10)</sup>  LLC Units (637,677.11 units, Acquired 10/21)	9,326	9,152	9,170
			9,326	638	638
			9,326	9,790	9,808
Kona Buyer, LLC (0.7%) <sup>(7)(8)(10)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.5% Cash, Acquired 12/20, Due 12/27)	9,058	8,875	8,968
			9,058	8,875	8,968



**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
LAF International (0.1%) <sup>(3)(7)(8)(17)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 03/21, Due 03/28)	\$ 1,602	\$ 1,696	\$ 1,584
			1,602	1,696	1,584
Lambir Bidco Limited (0.5%) <sup>(3)(7)</sup>	Healthcare	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 12/21, Due 12/28) <sup>(8)(15)</sup>	4,909	4,776	4,726
		Revolver (EURIBOR + 6.0%, 6.0% Cash, Acquired 12/21, Due 12/24) <sup>(8)(15)</sup>	307	293	274
		Second Lien Senior Secured Term Loan (12.0% PIK, Acquired 12/21, Due 06/29)	1,387	1,365	1,349
			6,603	6,434	6,349
LeadsOnline, LLC (0.8%) <sup>(*)</sup>	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 02/22, Due 02/28) <sup>(8)(10)</sup>	10,354	10,176	10,172
		Revolver (LIBOR + 5.0%, 6.0% Cash, Acquired 02/22, Due 02/28) <sup>(8)(10)</sup>	—	(44)	(46)
		LLC Units (52,493.44 units, Acquired 02/22)	—	52	52
			10,354	10,184	10,178
Learfield Communications, LLC (0.6%) <sup>*</sup>	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, Acquired 08/20, Due 12/23) <sup>(8)(9)</sup>	135	95	128
		First Lien Senior Secured Term Loan (LIBOR + 3.0%, 3.0% Cash, 10.2% PIK, Acquired 08/20, Due 12/23) <sup>(10)</sup>	8,156	8,117	8,156
			8,291	8,212	8,284
Legal Solutions Holdings (0.0%) <sup>(*)</sup> (28)(29)	Business Services	Senior Subordinated Loan (16.0% PIK, Acquired 12/20, Due 03/22)	12,319	10,129	—
			12,319	10,129	—
Lifestyle Intermediate II, LLC (0.2%) <sup>(*)</sup> (8)(10)(31)	Consumer Goods: Durable	First Lien Senior Secured Term Loan (LIBOR + 7.0%, 8.0% Cash, Acquired 02/22, Due 01/26)	3,174	3,174	3,174
		Revolver (LIBOR + 7.0%, 8.0% Cash, Acquired 02/22, Due 01/26)	—	—	—
			3,174	3,174	3,174
LivTech Purchaser, Inc. (0.1%) <sup>(*)</sup> (7)(8)(10)	Business Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/21, Due 12/25)	862	854	853
			862	854	853
LogMeln, Inc. (0.1%) <sup>(*)</sup> (9)(31)	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.75% Cash, Acquired 02/22, Due 08/27)	1,975	1,957	1,936
			1,975	1,957	1,936
Magnetite XIX, Limited (1.0%) <sup>(*)</sup> (31)	Multi-Sector Holdings	Subordinated Notes (LIBOR + 8.77, 9.0% Cash, Acquired 02/22, Due 04/34) <sup>(10)</sup>	5,250	5,107	5,019
		Subordinated Structured Notes (Residual Interest, current yield 12.38%, Acquired 02/22, Due 04/34)	13,730	9,425	8,342
			18,980	14,532	13,361
Marmoutier Holding B.V. (0.1%) <sup>(*)</sup> (7)(8)(16)	Consumer Products	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 12/21, Due 12/28)	1,902	1,874	1,845
		Revolver (EURIBOR + 5.0%, 5.0% Cash, Acquired 12/21, Due 06/27)	—	(4)	(4)
			1,902	1,870	1,841
Marshall Excelsior Co. (0.8%) <sup>(*)</sup> (8)(19)	Capital Goods	First Lien Senior Secured Term Loan (SOFR + 5.5%, 6.5% Cash, Acquired 02/22, Due 02/28)	10,467	10,287	10,284
		Revolver (SOFR + 5.5%, 6.5% Cash, Acquired 02/22, Due 02/28)	606	578	577
			11,073	10,865	10,861
MC Group Ventures Corporation (0.3%) <sup>(*)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 07/21, Due 06/27) <sup>(8)(10)</sup>	3,678	3,592	3,607
		Partnership Units (746.66 Units, Acquired 06/21)	—	747	734
			3,678	4,339	4,341
Media Recovery, Inc. (SpotSee) (0.5%) <sup>(*)</sup> (8)	Containers, Packaging & Glass	First Lien Senior Secured Term Loan (SOFR + 6.0%, 7.0% Cash, Acquired 11/19, Due 11/25) <sup>(19)</sup>	2,933	2,895	2,933
		First Lien Senior Secured Term Loan (SONIA + 6.0%, 7.0% Cash, Acquired 12/20, Due 11/25) <sup>(21)</sup>	4,318	4,306	4,318
			7,251	7,201	7,251
Median B.V. (0.7%) <sup>(*)</sup> (8)(21)	Healthcare	First Lien Senior Secured Term Loan (SONIA + 6.0%, 7.0% Cash, Acquired 02/22, Due 11/27)	9,809	9,762	9,490
			9,809	9,762	9,490

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
Medical Solutions Parent Holdings, Inc. (0.3%) <sup>(8) (10)</sup>	Healthcare	Second Lien Senior Secured Term Loan (LIBOR + 7.0%, 7.5% Cash, Acquired 11/21, Due 11/29)	\$ 4,421	\$ 4,378	\$ 4,244
			4,421	4,378	4,244
MNS Buyer, Inc. (0.1%) <sup>(7)</sup>	Construction & Building	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 08/21, Due 08/27) <sup>(9) (19)</sup>	921	904	906
		Partnership Units (76.92 Units, Acquired 08/21)	—	77	77
			921	981	983
Modern Star Holdings Bidco Pty Limited. (0.6%) <sup>(8) (7) (8)</sup>	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (BBSY + 6.25%, 6.8% Cash, Acquired 12/20, Due 12/26)	8,643	8,292	8,381
			8,643	8,292	8,381
MSG National Properties (0.2%) <sup>(8) (7) (8) (10)</sup>	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.0% Cash, Acquired 11/20, Due 11/25)	2,437	2,381	2,425
			2,437	2,381	2,425
Murphy Midco Limited (0.1%) <sup>(8) (7) (8) (22)</sup>	Media, Diversified & Production	First Lien Senior Secured Term Loan (SONIA + 5.0%, 5.0% Cash, Acquired 11/20, Due 11/27)	1,077	1,039	1,049
			1,077	1,039	1,049
Music Reports, Inc. (0.6%) <sup>(7) (8) (10)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 08/20, Due 08/26)	7,462	7,319	7,301
			7,462	7,319	7,301
Napa Bidco Pty Ltd (1.5%) <sup>(8) (7) (8) (24)</sup>	Healthcare	First Lien Senior Secured Term Loan (BBSY + 6.0%, 6.1% Cash, Acquired 03/22, Due 03/28)	20,895	19,461	20,215
			20,895	19,461	20,215
Narda Acquisitionco., Inc. (0.5%) <sup>(7)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27) <sup>(8) (10)</sup>	5,680	5,585	5,589
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27) <sup>(9) (10)</sup>	—	(22)	(21)
		Class A Preferred Stock (4,587.38 shares, Acquired 12/21)	—	459	468
		Class B Common Stock (509.71 shares, Acquired 12/21)	—	51	51
			5,680	6,073	6,087
Navia Benefit Solutions, Inc. (0.2%) <sup>(7) (8) (10)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 02/21, Due 02/27)	2,721	2,665	2,678
			2,721	2,665	2,678
Nexus Underwriting Management Limited (0.1%) <sup>(8) (7) (8)</sup>	Other Financial	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 10/21, Due 10/28)	1,644	1,638	1,594
		Revolver (SONIA + 5.25%, 5.3% Cash, Acquired 10/21, Due 04/22)	101	102	101
			1,745	1,740	1,695
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions) (0.4%) <sup>(7) (8) (9)</sup>	Energy Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 10/18, Due 10/25)	4,740	4,727	4,707
			4,740	4,727	4,707
Northstar Recycling, LLC (0.2%) <sup>(7) (8) (10)</sup>	Environmental Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/21, Due 09/27)	2,500	2,454	2,458
			2,500	2,454	2,458
Novotech Aus Bidco Pty Ltd (0.5%) <sup>(8) (7) (8)</sup>	Healthcare	First Lien Senior Secured Term Loan (BBSY + 5.75%, 6.3% Cash, Acquired 01/22, Due 01/28) <sup>(23)</sup>	3,864	3,659	3,777
		First Lien Senior Secured Term Loan (SOFR + 5.75%, 6.3% Cash, Acquired 01/22, Due 01/28) <sup>(18)</sup>	3,474	3,380	3,377
			7,338	7,039	7,154
OA Buyer, Inc. (0.6%) <sup>(7)</sup>	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 6.8% Cash, Acquired 12/21, Due 12/28) <sup>(8) (10)</sup>	8,501	8,336	8,346
		Revolver (LIBOR + 6.0%, 6.8% Cash, Acquired 12/21, Due 12/28) <sup>(9) (10)</sup>	—	(26)	(24)
		Partnership Units (210,920.11 units, Acquired 12/21)	—	211	211
			8,501	8,521	8,533
OAC Holdings I Corp (0.3%) <sup>(7) (8) (19)</sup>	Automotive	First Lien Senior Secured Term Loan (SOFR + 5.0%, 6.0% Cash, Acquired 03/22, Due 04/28)	3,630	3,557	3,557
		Revolver (SOFR + 5.0%, 6.0% Cash, Acquired 03/22, Due 04/28)	685	658	658
			4,315	4,215	4,215

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
Odeon Cinemas Group Limited (0.3%) <sup>(3) (7)</sup>	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan (10.8% Cash, Acquired 02/21, Due 08/23)	\$ 3,859	\$ 4,067	\$ 3,937
			3,859	4,067	3,937
Offen Inc. (0.3%) <sup>(7) (9) (31)</sup>	Transportation: Cargo	First Lien Senior Secured Term Loan (LIBOR + 5.0%, Cash 5.2%, Acquired 02/22, Due 06/26)	3,747	3,709	3,691
			3,747	3,709	3,691
OG III B.V. (0.2%) <sup>(3) (7) (8) (16)</sup>	Containers & Glass Products	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 06/21, Due 06/28)	2,853	2,999	2,789
			2,853	2,999	2,789
Omni Intermediate Holdings, LLC (0.8%) <sup>(7) (8) (9)</sup>	Transportation	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	10,686	10,539	10,455
			10,686	10,539	10,455
Options Technology Ltd. (0.2%) <sup>(3) (7) (8) (10)</sup>	Computer Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/19, Due 12/25)	2,308	2,278	2,268
			2,308	2,278	2,268
Oracle Vision Bidco Limited (0.2%) <sup>(3) (7) (8) (22)</sup>	Healthcare	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 06/21, Due 05/28)	3,014	3,144	3,001
			3,014	3,144	3,001
Origin Bidco Limited (0.1%) <sup>(3) (7) (8)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 06/21, Due 06/28) <sup>(11)</sup>	597	582	585
		First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 06/21, Due 06/28) <sup>(16)</sup>	369	394	362
			966	976	947
OSP Hamilton Purchaser, LLC (0.2%) <sup>(7) (8) (10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27)	2,281	2,237	2,239
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27)	—	(4)	(3)
			2,281	2,233	2,236
Pacific Health Supplies Bidco Pty Limited (0.7%) <sup>(3) (7)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (BBSY + 6.0%, 6.5% Cash, Acquired 12/20, Due 12/25)	9,068	8,744	8,836
			9,068	8,744	8,836
Pare SAS (SAS Maurice MARLE) (0.3%) <sup>(3) (7) (8) (16)</sup>	Health Care Equipment	First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 12/19, Due 12/26)	4,537	4,481	4,516
			4,537	4,481	4,516
Path Medical, LLC (0.3%) <sup>(7) (31)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (9.5% PIK, Acquired 02/22, Due 10/22) <sup>(28)</sup>	8,465	4,571	4,571
		First Lien Senior Secured Term Loan 13.0% PIK, Acquired 02/22, Due 10/22) <sup>(28)</sup>	11,764	—	—
		Warrants (36,716 units, Acquired 02/22)	—	—	—
			20,229	4,571	4,571
Patriot New Midco 1 Limited (Forensic Risk Alliance) (0.5%) <sup>(3) (7) (8)</sup>	Diversified Financial Services	First Lien Senior Secured Term Loan (LIBOR + 6.75%, 7.8% Cash, Acquired 02/20, Due 02/27) <sup>(10)</sup>	3,764	3,690	3,478
		First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 02/20, Due 02/27) <sup>(16)</sup>	3,147	3,021	2,907
			6,911	6,711	6,385
PDQ.Com Corporation (0.6%) <sup>(7)</sup>	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/21, Due 08/27) <sup>(9) (10)</sup>	7,546	7,284	7,300
		Class A-2 Partnership Units (26.32 units, Acquired 08/21)	—	29	37
			7,546	7,313	7,337
Permaconn Bidco Ltd (0.4%) <sup>(3) (7) (8) (24)</sup>	Tele-communications	First Lien Senior Secured Term Loan (BBSY + 6.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	5,179	4,810	5,049
			5,179	4,810	5,049
PetroChoice Holdings, Inc. (0.6%) <sup>(7) (8) (10) (31)</sup>	Chemicals, Plastics & Rubber	Second Lien Senior Secured Term Loan (LIBOR + 8.75%, 9.8% Cash, Acquired 02/22, Due 08/23)	9,000	8,190	8,190
			9,000	8,190	8,190

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Polara Enterprises, LLC (0.1%) <sup>(*)</sup> (7)	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(8)(10)</sup>	\$ 1,243	\$ 1,219	\$ 1,198
		Revolver (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(8)(10)</sup>	—	(10)	(20)
		Partnership Units (3,820.44 units, Acquired 12/21)	—	382	382
			1,243	1,591	1,560
Policy Services Company, LLC (3.2%) <sup>(*)</sup> (7)	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, 4.0% PIK, Acquired 12/21, Due 06/26) <sup>(8)(10)</sup>	44,474	43,075	43,026
		Warrants - Class A (25,582 units, Acquired 12/21)	—	—	—
		Warrants - Class B (8,634 units, Acquired 12/21)	—	—	—
		Warrants - Class C (888 units, Acquired 12/21)	—	—	—
		Warrants - Class D (2,282 units, Acquired 12/21)	—	—	—
			44,474	43,075	43,026
Polymer Solutions Group Holdings, LLC (0.1%) <sup>(*)</sup> (7)(8)(9)(31)	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan (LIBOR + 7.0%, 8.0% Cash, Acquired 02/22, Due 01/23)	1,031	1,031	1,031
			1,031	1,031	1,031
Premium Franchise Brands, LLC (1.1%) <sup>(*)</sup> (7)(8)(10)	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/20, Due 12/26)	14,778	14,534	14,511
			14,778	14,534	14,511
Premium Invest (0.3%) <sup>(*)</sup> (7)(8)(16)	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 06/21, Due 06/28)	4,006	4,118	4,006
			4,006	4,118	4,006
Preqin MC Limited (0.2%) <sup>(*)</sup> (7)(8)(20)	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (SOFR + 5.5%, 5.5% Cash, Acquired 08/21, Due 07/28)	2,789	2,701	2,739
			2,789	2,701	2,739
Process Equipment, Inc. (ProcessBarron) (0.4%) <sup>(*)</sup> (7)(8)(10)	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 03/19, Due 03/25)	6,174	6,121	5,927
			6,174	6,121	5,927
Professional Datasolutions, Inc. (PDI) (0.1%) <sup>(*)</sup> (7)(8)(10)	Application Software	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 03/19, Due 10/24)	1,836	1,835	1,812
			1,836	1,835	1,812
ProfitOptics, LLC (0.2%) <sup>(*)</sup> (7)	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 03/22, Due 02/28) <sup>(8)(10)</sup>	1,770	1,735	1,734
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 03/22, Due 02/28) <sup>(8)(10)</sup>	—	(10)	(10)
		Second Lien Senior Subordinated Term Loan (8.0% Cash, Acquired 03/22, Due 02/29)	81	81	81
		LLC Units (241,935.48 units, Acquired 03/22)	—	161	161
			1,851	1,967	1,966
Proppants Holdings, LLC (0.0%) <sup>(*)</sup> (7)(31)	Energy: Oil & Gas	Common Stock (1,668,106 shares, Acquired 02/22)	—	—	—
			—	—	—
Protego Bidco B.V. (0.3%) <sup>(*)</sup> (7)(8)(16)	Aerospace & Defense	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 03/21, Due 03/27)	2,179	2,270	2,151
		First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 03/21, Due 03/28)	1,514	1,563	1,469
			3,693	3,833	3,620
QPE7 SPV1 BidCo Pty Ltd (0.2%) <sup>(*)</sup> (7)(8)(24)	Consumer Cyclical	First Lien Senior Secured Term Loan (BBSY + 5.5%, 6.0% Cash, Acquired 09/21, Due 09/26)	2,071	1,956	2,046
			2,071	1,956	2,046
Questel Unite (0.5%) <sup>(*)</sup> (7)(8)(10)	Business Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.8% Cash, Acquired 12/20, Due 12/27)	6,892	6,805	6,892
			6,892	6,805	6,892
RA Outdoors, LLC (1.4%) <sup>(*)</sup> (7)(8)(10)(31)	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 6.75%, 7.8% Cash, Acquired 02/22, Due 04/26)	17,855	17,498	17,498
		Revolver (LIBOR + 6.75%, 7.8% Cash, Acquired 02/22, Due 04/26)	494	494	469
			18,349	17,992	17,967

**Barings BDC, Inc.**  
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**March 31, 2022**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Recovery Point Systems, Inc. (0.9%)* <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 7.5% Cash, Acquired 08/20, Due 08/26) <sup>(8)(10)</sup>	\$ 11,619	\$ 11,440	\$ 11,526
		Partnership Equity (187,235 units, Acquired 03/21)		187	126
			11,619	11,627	11,652
Redwood Services Group, LLC (2.0%)* <sup>(7)(8)(9)(31)</sup>	Services: Business	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 02/22, Due 06/23)	10,594	10,594	10,594
		First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 02/22, Due 06/23) <sup>(7)</sup>	16,434	16,434	16,434
			27,028	27,028	27,028
Renovation Parent Holdings, LLC (0.4%)* <sup>(7)</sup>	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 11/21, Due 11/27) <sup>(8)(10)</sup>	4,854	4,740	4,748
		Partnership Equity (197,368.42 units, Acquired 11/21)		197	197
			4,854	4,937	4,945
REP SEKO MERGER SUB LLC (0.6%)* <sup>(7)(8)(10)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	7,763	7,574	7,650
			7,763	7,574	7,650
Resolute Investment Managers, Inc. (0.4%)* <sup>(7)(8)(10)(31)</sup>	Banking, Finance, Insurance & Real Estate	Second Lien Senior Secured Term Loan (LIBOR + 8.0%, 9.0% Cash, Acquired 02/22, Due 04/25)	5,081	5,107	5,030
			5,081	5,107	5,030
Resonetics, LLC (0.3%)* <sup>(7)(8)(10)</sup>	Health Care Equipment	Second Lien Senior Secured Term Loan (LIBOR + 7.0%, 7.8% Cash, Acquired 04/21, Due 04/29)	4,011	3,936	3,941
			4,011	3,936	3,941
Reward Gateway (UK) Ltd (0.2%)* <sup>(3)(7)(8)(21)</sup>	Precious Metals & Minerals	First Lien Senior Secured Term Loan (SONIA + 6.75%, 6.8% Cash, Acquired 08/21, Due 06/28)	3,164	3,222	3,082
			3,164	3,222	3,082
Riedel Beheer B.V. (0.1%)* <sup>(3)(7)(8)(16)</sup>	Food & Beverage	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28)	1,858	1,836	1,808
			1,858	1,836	1,808
RPX Corporation (0.6%)* <sup>(7)(8)(10)</sup>	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 10/20, Due 10/25)	7,530	7,383	7,389
			7,530	7,383	7,389
RTIC Subsidiary Holdings, LLC (1.2%)* <sup>(7)(31)</sup>	Consumer Goods: Durable	First Lien Senior Secured Term Loan (LIBOR + 7.75%, 9.0% Cash, Acquired 02/22, Due 09/25) <sup>(8)(10)</sup>	9,661	9,661	9,661
		First Lien Senior Secured Term Loan (LIBOR + 7.75%, 9.0% Cash, Acquired 02/22, Due 09/25) <sup>(8)(10)</sup>	774	774	774
		Revolver (LIBOR + 7.75%, 9.0% Cash, Acquired 02/22, Due 09/25) <sup>(8)(10)</sup>	3,968	3,968	3,968
		Class A Preferred Stock (145.347 shares, Acquired 02/22)		4	4
		Class B Preferred Stock (145.347 shares, Acquired 02/22)		—	—
		Class C Preferred Stock (7,844.03 shares, Acquired 02/22)		450	450
		Common Stock (153 shares, Acquired 02/22)		—	—
			14,403	14,857	14,857
Ruffalo Noel Levitz, LLC (0.7%)* <sup>(7)(8)(10)</sup>	Media Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 01/19, Due 05/22)	9,519	9,511	9,519
			9,519	9,511	9,519
Safety Products Holdings, LLC (0.9%)* <sup>(7)</sup>	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/20, Due 12/26) <sup>(8)(9)</sup>	12,026	11,808	12,002
		Preferred Stock (372.1 shares, Acquired 12/20)		372	512
			12,026	12,180	12,514
Scaled Agile, Inc. (0.1%)* <sup>(7)(8)(10)</sup>	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/21, Due 12/28)	1,748	1,707	1,728
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 12/21, Due 12/28)	—	(6)	(3)
			1,748	1,701	1,725

**Barings BDC, Inc.**  
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**March 31, 2022**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Serta Simmons Bedding LLC (0.8%) <sup>(8)(9)</sup>	Home Furnishings	Super Priority First Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	\$ 7,331	\$ 7,230	\$ 7,327
		Super Priority Second Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	3,598	3,374	3,385
			10,929	10,604	10,712
SISU ACQUISITIONCO., INC. (0.5%) <sup>(7)(8)(10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/20, Due 12/26)	7,009	6,894	6,708
			7,009	6,894	6,708
SMART Financial Operations, LLC (0.0%) <sup>(7)(31)</sup>	Banking, Finance, Insurance & Real Estate	Preferred Stock (1,000,000 shares, Acquired 02/22)		—	—
				—	—
Smartling, Inc. (1.0%) <sup>(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 10/27)	13,846	13,547	13,572
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 10/27)	—	(22)	(20)
			13,846	13,525	13,552
Smile Brands Group Inc. (0.4%) <sup>(7)(8)(10)</sup>	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 10/18, Due 10/24)	4,590	4,569	4,554
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 12/20, Due 10/25)	237	226	232
			4,827	4,795	4,786
SN BUYER, LLC (1.4%) <sup>(7)(8)(9)</sup>	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/20, Due 12/26)	18,394	18,093	18,394
			18,394	18,093	18,394
Sound Point CLO XX, Ltd. (0.2%) <sup>(3)(31)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 18.99%, Acquired 02/22, Due 07/31)	4,489	2,332	2,284
			4,489	2,332	2,284
Springbrook Software (SBRK Intermediate, Inc.) (1.6%) <sup>(7)</sup>	Enterprise Software & Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/19, Due 12/26)	21,142	20,799	20,730
			21,142	20,799	20,730
SPT Acquico Limited (0.0%) <sup>(3)(7)(8)(10)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 01/21, Due 12/27)	658	644	658
			658	644	658
SSCP Pegasus Midco Limited (0.2%) <sup>(3)(7)(8)(13)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (GBP LIBOR + 6.75%, 7.7% Cash, Acquired 12/20, Due 11/27)	2,677	2,544	2,550
			2,677	2,544	2,550
Stammeer B.V. (0.2%) <sup>(3)(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.4%, 6.9% Cash, Acquired 10/21, Due 04/27)	2,500	2,465	2,468
			2,500	2,465	2,468
Superjet Buyer, LLC (1.0%) <sup>(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	13,175	12,920	12,933
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	—	(35)	(33)
			13,175	12,885	12,900
Syniverse Holdings, Inc. (1.3%) <sup>(8)(10)</sup>	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/18, Due 03/23)	17,256	16,595	16,700
			17,256	16,595	16,700
Syntax Systems Ltd (0.2%) <sup>(3)(7)(8)(9)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 10/28)	2,051	2,017	2,012
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 10/26)	564	554	553
			2,615	2,571	2,565
TA SL Cayman Aggregator Corp. (0.2%) <sup>(7)</sup>	Technology	Subordinated Term Loan (7.8% PIK, Acquired 07/21, Due 07/28)	2,084	2,048	2,052
		Common Stock (1,227.79 shares, Acquired 07/21)		50	75
			2,084	2,098	2,127
Tank Holding Corp (1.4%) <sup>(7)(8)(18)</sup>	Metal & Glass Containers	First Lien Senior Secured Term Loan (SOFR + 6.0%, 6.8% Cash, Acquired 03/22, Due 03/28)	19,127	18,698	18,698
		Revolver (SOFR + 6.0%, 6.8% Cash, Acquired 03/22, Due 03/28)	—	(20)	(20)
			19,127	18,678	18,678

**Barings BDC, Inc.**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
Team Car Care, LLC (1.0%)* <sup>(7) (8) (9) (31)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 8.0%, 9.0% Cash, Acquired 02/22, Due 06/24)	\$ 12,687	\$ 12,687	\$ 12,687
			12,687	12,687	12,687
Team Services Group (1.1%)* <sup>(7) (8) (10) (31)</sup>	Services: Consumer	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 02/22, Due 12/27)	9,903	9,903	9,779
		Second Lien Senior Secured Term Loan (LIBOR + 9.0%, 10.0% Cash, Acquired 02/22, Due 12/28)	5,000	4,975	4,950
			14,903	14,878	14,729
Techone B.V. (0.2%)* <sup>(3) (7) (8) (16)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 11/28)	2,324	2,265	2,229
		Revolver (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 05/28)	106	97	96
			2,430	2,362	2,325
Tencarva Machinery Company, LLC (0.4%)* <sup>(7) (8) (10)</sup>	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	5,486	5,378	5,384
		Revolver (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	—	(19)	(18)
			5,486	5,359	5,366
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC) (0.3%)* <sup>(7)</sup>	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 10/21, Due 12/27) <sup>(8) (10)</sup>	847	779	797
		Revolver (LIBOR + 4.25%, 5.3% Cash, Acquired 10/21, Due 12/27) <sup>(9) (10)</sup>	—	(14)	(11)
		Subordinated Term Loan (7.8% PIK, Acquired 10/21, Due 10/28)	3,333	3,270	3,276
			4,180	4,035	4,062
The Hilb Group, LLC (1.5%)* <sup>(7) (8) (10)</sup>	Insurance Brokerage	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/19, Due 12/26)	20,269	19,888	19,815
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/19, Due 12/26)	299	246	236
			20,568	20,134	20,051
The Octave Music Group, Inc. (0.4%)* <sup>(7) (8) (9) (31)</sup>	Media: Diversified & Production	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, 0.75% PIK, Acquired 02/22, Due 05/25)	5,601	5,601	5,489
			5,601	5,601	5,489
Thermacell Repellents, Inc. (0.3%)* <sup>(7) (8) (10) (31)</sup>	Consumer Goods: Durable	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.75% Cash, Acquired 02/22, Due 12/26)	2,766	2,766	2,766
		Revolver (LIBOR + 5.75%, 6.75% Cash, Acquired 02/22, Due 12/26)	1,595	1,595	1,595
			4,361	4,361	4,361
Total Safety U.S. Inc. (0.5%)* <sup>(8) (11)</sup>	Diversified Support Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/19, Due 08/25)	6,400	6,228	6,208
			6,400	6,228	6,208
Transit Technologies LLC (0.4%)* <sup>(7) (8) (10)</sup>	Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 02/20, Due 02/25)	6,035	5,971	5,818
			6,035	5,971	5,818
Transportation Insight, LLC (0.8%)* <sup>(7) (8) (9)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 4.7% Cash, Acquired 08/18, Due 12/24)	11,316	11,263	11,172
			11,316	11,263	11,172
Trident Maritime Systems, Inc. (1.1%)* <sup>(7) (8) (10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/21, Due 02/27)	14,888	14,677	14,888
			14,888	14,677	14,888
Truck-Lite Co., LLC (1.1%)* <sup>(7) (8) (10)</sup>	Automotive Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/19, Due 12/26)	14,964	14,620	14,652
			14,964	14,620	14,652
True Religion Apparel, Inc. (0.0%)* <sup>(7) (31)</sup>	Retail	Common Stock (2.71 shares, Acquired 02/22)		—	—
		Preferred Stock (2.82 shares, Acquired 02/22)		—	—
				—	—
Trystar, LLC (0.5%)* <sup>(7)</sup>	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 09/18, Due 09/23) <sup>(8) (10)</sup>	6,980	6,897	6,869
		Class A LLC Units (440.97 units, Acquired 09/18)		481	402
			6,980	7,378	7,271

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
TSM II Luxco 10 SARL (0.8%) <sup>(3)(7)(8)(17)</sup>	Chemicals & Plastics	Second Lien Senior Secured Term Loan (EURIBOR + 8.75%, 8.8% Cash, Acquired 03/22, Due 03/27)	\$ 11,127	\$ 10,658	\$ 10,682
			11,127	10,658	10,682
Turbo Buyer, Inc. (0.5%) <sup>(7)(8)(10)</sup>	Finance Companies	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/21, Due 12/25)	6,149	5,991	5,955
			6,149	5,991	5,955
Turf Products, LLC (0.7%) <sup>(7)(29)</sup>	Landscaping & Irrigation Equipment Distributor	Senior Subordinated Debt (10.0% Cash, Acquired 12/20, Due 10/23)	8,697	8,384	8,610
			8,697	8,384	8,610
Turnberry Solutions, Inc. (0.4%) <sup>(7)(8)(19)</sup>	Consumer Cyclical	First Lien Senior Secured Term Loan (SOFR + 6.0%, 7.0% Cash, Acquired 07/21, Due 09/26)	5,025	4,936	4,924
			5,025	4,936	4,924
U.S. Gas & Electric, Inc. (0.1%) <sup>(7)(29)</sup>	Energy Services	Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25)	2,285	1,785	1,785
		Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25) <sup>0</sup>	2,485	—	—
			4,770	1,785	1,785
U.S. Silica Company (0.1%) <sup>(3)(8)(9)</sup>	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 5.0% Cash, Acquired 08/18, Due 05/25)	1,472	1,474	1,444
			1,472	1,474	1,444
UKFast Leaders Limited (0.9%) <sup>(3)(7)(8)(21)</sup>	Technology	First Lien Senior Secured Term Loan (SONIA + 7.12%, 7.1% Cash, Acquired 09/20, Due 9/27)	11,968	11,410	11,706
			11,968	11,410	11,706
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.) (1.2%) <sup>(7)(8)(10)</sup>	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/18, Due 11/24)	16,180	15,961	15,781
			16,180	15,961	15,781
Utac Ceram (0.4%) <sup>(3)(7)(8)</sup>	Business Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 09/20, Due 09/27) <sup>16)</sup>	1,669	1,708	1,641
		First Lien Senior Secured Term Loan (LIBOR + 5.25%, 5.5% Cash, Acquired 02/21, Due 09/27) <sup>10)</sup>	3,518	3,458	3,459
			5,187	5,166	5,100
Validity, Inc. (0.4%) <sup>(7)(8)(9)</sup>	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.0% Cash, Acquired 07/19, Due 05/25)	4,783	4,693	4,773
			4,783	4,693	4,773
Velocity Pooling Vehicle, LLC (0.0%) <sup>(7)(31)</sup>	Automotive	Common Stock (4,676 shares, Acquired 02/22)		60	60
		Warrants (5,591 units, Acquired 02/22)		72	72
				132	132
Victoria Bidco Limited (0.3%) <sup>(3)(7)(8)(22)</sup>	Industrial Machinery	First Lien Senior Secured Term Loan (SONIA + 6.5%, 6.5% Cash, Acquired 03/22, Due 01/29)	3,646	3,618	3,523
			3,646	3,618	3,523
Vision Solutions, Inc. (0.5%) <sup>(8)(10)(31)</sup>	Business equipment & services	Second Lien Senior Secured Term Loan (LIBOR + 7.25%, 8.0% Cash, Acquired 02/22, Due 04/29)	6,500	6,497	6,373
			6,500	6,497	6,373
VistaJet Pass Through Trust 2021-1B (0.4%) <sup>(7)</sup>	Airlines	Structured Secured Note - Class B (6.3% Cash, Acquired 11/21, Due 02/29)	5,000	5,000	4,986
			5,000	5,000	4,986
Vital Buyer, LLC (0.6%) <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 06/21, Due 06/28) <sup>(8)(10)</sup>	7,802	7,661	7,802
		Partnership Units (16,442.9 units, Acquired 06/21)		164	283
			7,802	7,825	8,085
VOYA CLO 2015-2, LTD. (0.2%) <sup>(3)(31)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 454.7%, Acquired 02/22, Due 07/27)	10,736	2,627	2,561
			10,736	2,627	2,561
VOYA CLO 2016-2, LTD. (0.2%) <sup>(3)(31)</sup>	Multi-Sector Holdings	Subordinated Structured Notes (Residual Interest, current yield 15.05%, Acquired 02/22, Due 07/28)	11,088	3,653	3,185
			11,088	3,653	3,185



**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
W2O Holdings, Inc. (0.2%) <sup>(7) (10)</sup>	Healthcare Technology	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.1% Cash, Acquired 10/20, Due 06/25)	\$ 2,147	\$ 2,147	\$ 2,147
		First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.7% Cash, Acquired 10/20, Due 06/25) <sup>(8)</sup>	—	(59)	—
			2,147	2,088	2,147
Walker Edison Furniture Company LLC (0.3%) <sup>(7) (31)</sup>	Consumer Goods: Durable	Common Stock (2,819.53 shares, Acquired 02/22)		3,598	3,598
				3,598	3,598
Watermill-QMC Midco, Inc. (0.0%) <sup>(7) (31)</sup>	Automotive	Equity (1.62% Partnership Interest, Acquired 02/22)		—	—
				—	—
Wawona Delaware Holdings, LLC (0.0%) <sup>(7) (10) (31)</sup>	Beverage & Food	First Lien Senior Secured Term Loan (LIBOR + 4.75% 5.0% Cash, Acquired 02/22, Due 09/26)	45	41	40
			45	41	40
West Dermatology, LLC (0.7%) <sup>(7) (8) (10) (31)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 7.5%, 8.5% Cash, Acquired 02/22, Due 02/25)	862	862	862
		First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 02/22, Due 02/25)	1,049	1,049	1,049
		First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, 0.8% PIK, Acquired 02/22, Due 02/25)	6,376	6,376	6,376
		Revolver (LIBOR + 6.0%, 7.0% Cash, 0.8% PIK, Acquired 02/22, Due 02/25)	1,105	1,105	1,105
			9,392	9,392	9,392
Wok Holdings Inc. (0.0%) <sup>(9) (31)</sup>	Retail	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.5% Cash, Acquired 02/22, Due 03/26)	49	48	48
			49	48	48
Woodland Foods, LLC (0.8%) <sup>(7)</sup>	Food & Beverage	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27) <sup>(8) (10)</sup>	8,512	8,350	8,362
		Revolver (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27) <sup>(9) (10)</sup>	509	466	469
		Common Stock (1,663.31 shares, Acquired 12/21)		1,663	1,663
			9,021	10,479	10,494
World 50, Inc. (0.9%) <sup>(7) (8) (9)</sup>	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 01/20, Due 01/26)	2,637	2,578	2,632
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 09/20, Due 01/26)	9,009	8,858	8,866
			11,646	11,436	11,498
ZB Holdco LLC (0.2%) <sup>(7)</sup>	Food & Beverage	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 02/22, Due 02/28) <sup>(8) (10)</sup>	2,705	2,627	2,623
		Revolver (LIBOR + 5.0%, 6.0% Cash, Acquired 02/22, Due 02/28) <sup>(9) (10)</sup>	—	(17)	(17)
		LLC Units (152.69 units, Acquired 02/22)		153	153
			2,705	2,763	2,759
Zeppelin Bidco Limited (0.4%) <sup>(3) (7) (8) (21)</sup>	Services: Business	First Lien Senior Secured Term Loan (SONIA + 6.25%, 6.3% Cash, Acquired 03/22, Due 03/29)	5,653	5,427	5,403
		Revolver (SONIA + 6.25%, 6.3% Cash, Acquired 03/22, Due 03/23)	—	(3)	(3)
			5,653	5,424	5,400
<b>Subtotal Non-Control / Non-Affiliate Investments (144.8%)</b>			<b>2,029,027</b>	<b>1,950,064</b>	<b>1,917,558</b>
<b>Affiliate Investments:<sup>(4)</sup></b>					
1888 Industrial Services, LLC (0.1%) <sup>(7) (31)</sup>	Energy: Oil & Gas	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 02/22, Due 05/23) <sup>(8) (10) (28)</sup>	4,186	419	151
		Revolver (LIBOR + 6.0%, 7.0% Cash, Acquired 02/22, Due 05/23) <sup>(9) (10)</sup>	1,307	1,184	1,145
		Warrants (7,546.76 units, Acquired 02/22)		—	—
			5,493	1,603	1,296

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Charming Charlie LLC (0.0%)* <sup>(7)(31)</sup>	Retail	First Lien Senior Secured Term Loan (LIBOR + 12.0%, 13.0% Cash, Acquired 02/22, Due 04/23) <sup>(8)(10)(28)</sup>	\$ 4,948	\$ —	\$ —
		First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 02/22, Due 04/23) <sup>(8)(10)(28)</sup>	3,413	—	—
		First Lien Senior Secured Term Loan (20.0% Cash, Acquired 02/22, Due 05/22) <sup>(28)</sup>	139	—	—
		Common Stock (34,923,249 shares, Acquired 02/22)	8,500	—	—
Eclipse Business Capital, LLC (9.5%)* <sup>(7)</sup>	Banking, Finance, Insurance, & Real Estate	Second Lien Senior Secured Term Loan (7.5% Cash, Acquired 07/21, Due 07/28)	4,545	4,504	4,545
		Revolver (LIBOR + 7.25%, Acquired 07/21, Due 07/28) <sup>(9)</sup>	2,727	2,605	2,727
		LLC Units (89,447,396 units, Acquired 07/21)	—	89,850	118,366
			7,272	96,959	125,638
Hylan Datacom & Electrical LLC (1.0%)* <sup>(7)(31)</sup>	Construction & Building	First Lien Senior Secured Term Loan (SOFR + 8.0%, 9.0% Cash, Acquired 02/22, Due 03/26) <sup>(8)(19)</sup>	3,917	3,615	3,917
		Second Lien Senior Secured Term Loan (SOFR + 10.0%, 11.0% Cash, Acquired 02/22, Due 03/27) <sup>(8)(19)</sup>	3,850	3,850	3,850
		Common Stock (102,144 shares, Acquired 02/22)	—	5,219	5,219
			7,767	12,684	12,986
Jocasse Partners LLC (3.2%)* <sup>(3)</sup>	Investment Funds & Vehicles	9.1% Member Interest, Acquired 06/19	—	35,158	42,106
			—	35,158	42,106
Kemmerer Operations, LLC (0.2%)* <sup>(7)(31)</sup>	Metals & Mining	First Lien Senior Secured Term Loan (15.0% PIK, Acquired 02/22, Due 06/23)	2,543	2,543	2,543
		Common Stock (6.78 shares, Acquired 02/22)	—	1,589	1,589
			2,543	4,132	4,132
Sierra Senior Loan Strategy JV I LLC (6.5%)* <sup>(3)(31)</sup>	Investment Funds & Vehicles	89.01% Member Interest, Acquired 02/22	—	85,963	82,910
			—	85,963	82,910
Thompson Rivers LLC (5.9%)* <sup>(3)</sup>	Investment Funds & Vehicles	16.0% Member Interest, Acquired 06/20	—	79,409	75,663
			—	79,409	75,663
Waccamaw River LLC (1.5%)* <sup>(3)</sup>	Investment Funds & Vehicles	20% Member Interest, Acquired 02/21	—	20,419	20,022
			—	20,419	20,022
<b>Subtotal Affiliate Investments (28.0%)</b>			<b>31,575</b>	<b>336,327</b>	<b>364,753</b>
<b>Control Investments<sup>(2)</sup></b>					
Black Angus Steakhouses, LLC (1.2%)* <sup>(7)(31)</sup>	Hotel, Gaming & Leisure	First Lien Senior Secured Term Loan (LIBOR + 9.0%, 10.0% Cash, Acquired 02/22, Due 06/22) <sup>(8)(12)</sup>	5,647	5,647	5,647
		First Lien Senior Secured Term Loan (10.0% PIK, Acquired 02/22, Due 06/22) <sup>(8)(12)(28)</sup>	24,071	9,628	9,628
		Common Stock (44.6 shares, Acquired 02/22)	—	—	—
			29,718	15,275	15,275
JSC Tekers Holdings (0.4%)* <sup>(3)(7)(29)</sup>	Real Estate Management	Preferred Stock (9,159,085 shares, Acquired 12/20)	—	4,753	5,953
		Common Stock (35,571 shares, Acquired 12/20)	—	—	—
			—	4,753	5,953
MVC Automotive Group GmbH (1.0%)* <sup>(3)(7)(29)</sup>	Automotive	Bridge Loan (6.0% Cash, Acquired 12/20, Due 06/26)	7,149	7,149	7,149
		Common Equity Interest (18,000 shares, Acquired 12/20)	—	9,554	6,729
			7,149	16,703	13,878
MVC Private Equity Fund LP (0.6%)* <sup>(3)(29)</sup>	Investment Funds & Vehicles	General Partnership Interest	—	225	191
		Limited Partnership Interest	—	8,899	7,508
			—	9,124	7,699

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
Security Holdings B.V. (5.9%) <sup>(3) (7) (29)</sup>	Electrical Engineering	Bridge Loan (5.0% PIK, Acquired 12/20, Due 05/22)	\$ 5,727	\$ 5,727	\$ 5,727
		Senior Subordinated Loan (3.1% PIK, Acquired 12/20, Due 05/22)	9,598	9,598	9,598
		Subordinated Senior Subordinated Note (5.0% PIK, Acquired 01/22, Due 05/22)	14,292	14,567	14,292
		Senior Unsecured Term Loan (6.0% Cash, 9.0% PIK, Acquired 04/21, Due 04/25)	7,149	7,639	7,149
		Common Stock Series A (17,100 shares, Acquired 02/22)		560	439
		Common Stock Series B (900 shares, Acquired 12/20)		21,264	41,104
			<u>36,766</u>	<u>59,355</u>	<u>78,309</u>
<b>Subtotal Control Investments (9.1%)</b>			<u>73,633</u>	<u>105,210</u>	<u>121,114</u>
<b>Total Investments, March 31, 2022 (182.0%)*</b>			<u>\$ 2,134,235</u>	<u>\$ 2,391,601</u>	<u>\$ 2,403,425</u>

**Derivative Instruments**

**Credit Support Agreements**

Description <sup>(d)</sup>	Counter Party	Settlement Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
MVC Credit Support Agreement <sup>(a)(b)(c)</sup>	Barings LLC	01/01/31	\$ 23,000	\$ 15,000	\$ 1,400
Sierra Credit Support Agreement <sup>(e)(f)(g)</sup>	Barings LLC	04/01/32	\$ 100,000	\$ 44,400	\$ —
Total Credit Support Agreements, March 31, 2022					<u>\$ 1,400</u>

- (a) The MVC Credit Support Agreement covers all of the investments acquired by Barings BDC, Inc. (the "Company") from MVC Capital, Inc. ("MVC") in connection with the MVC Acquisition (as defined in "Note 1 – Organization, Business and Basis of Presentation") and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the investments acquired by the Company from MVC in connection with the MVC Acquisition (collectively, the "MVC Reference Portfolio"). Each investment that is included in the MVC Reference Portfolio is denoted in the above Schedule of Investments with footnote (29).
- (b) The Company and Barings LLC ("Barings") entered into the MVC Credit Support Agreement pursuant to which Barings agreed to provide credit support to the Company in the amount of up to \$23.0 million.
- (c) Settlement Date means the earlier of (1) January 1, 2031 or (2) the date on which the entire MVC Reference Portfolio has been realized or written off.
- (d) See "Note 2 – Agreements and Related Party Transactions" for additional information regarding the Credit Support Agreements.
- (e) The Sierra Credit Support Agreement covers all of the investments acquired by the Company from Sierra Income Corporation ("Sierra") in connection with the Sierra Acquisition (as defined in "Note 1 – Organization, Business and Basis of Presentation") and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the investments acquired by the Company from Sierra in connection with the Sierra Acquisition (collectively, the "Sierra Reference Portfolio"). Each investment that is included in the Sierra Reference Portfolio is denoted in the above Schedule of Investments with footnote (31).
- (f) The Company and Barings entered into the Sierra Credit Support Agreement pursuant to which Barings agreed to provide credit support to the Company in the amount of up to \$100.0 million.
- (g) Settlement Date means the earlier of (1) April 1, 2032 or (2) the date on which the entire Sierra Reference Portfolio has been realized or written off.

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Foreign Currency Forward Contracts:

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
Foreign currency forward contract (AUD)	AS\$67,436	\$50,505	Bank of America, N.A.	04/08/22	\$ 138
Foreign currency forward contract (AUD)	\$22,755	AS\$31,386	Bank of America, N.A.	04/08/22	(815)
Foreign currency forward contract (AUD)	\$19,490	AS\$27,000	Citibank N.A.	04/08/22	(787)
Foreign currency forward contract (AUD)	\$6,494	AS\$9,050	HSBC Bank USA	04/08/22	(302)
Foreign currency forward contract (AUD)	\$51,174	AS\$68,223	Bank of America, N.A.	07/07/22	(146)
Foreign currency forward contract (CAD)	CS\$3,203	\$2,559	HSBC Bank USA	04/08/22	5
Foreign currency forward contract (CAD)	\$2,506	CS\$3,203	Bank of America, N.A.	04/08/22	(58)
Foreign currency forward contract (CAD)	\$2,549	CS\$3,190	HSBC Bank USA	07/07/22	(5)
Foreign currency forward contract (CAD)	\$49	CS\$61	BNP Paribas SA	07/07/22	—
Foreign currency forward contract (DKK)	2,116kr.	\$315	Bank of America, N.A.	04/08/22	1
Foreign currency forward contract (DKK)	\$323	2,116kr.	Bank of America, N.A.	04/08/22	6
Foreign currency forward contract (DKK)	\$323	2,159kr.	Bank of America, N.A.	07/07/22	(1)
Foreign currency forward contract (EUR)	€2,000	\$2,215	Bank of America, N.A.	04/01/22	10
Foreign currency forward contract (EUR)	€86,555	\$96,092	Bank of America, N.A.	04/08/22	225
Foreign currency forward contract (EUR)	€5,020	\$5,701	HSBC Bank USA	04/08/22	(116)
Foreign currency forward contract (EUR)	\$25,366	€23,000	HSBC Bank USA	04/08/22	(228)
Foreign currency forward contract (EUR)	\$8,514	€7,500	BNP Paribas SA	04/08/22	168
Foreign currency forward contract (EUR)	\$69,071	€61,075	Bank of America, N.A.	04/08/22	1,109
Foreign currency forward contract (EUR)	\$95,469	€85,835	Bank of America, N.A.	07/07/22	(400)
Foreign currency forward contract (NZD)	NZ\$11,600	\$8,026	Bank of America, N.A.	04/08/22	42
Foreign currency forward contract (NZD)	\$7,995	NZ\$11,600	HSBC Bank USA	04/08/22	(74)
Foreign currency forward contract (NZD)	\$8,151	NZ\$11,801	Bank of America, N.A.	07/07/22	(44)
Foreign currency forward contract (GBP)	\$13,131	£10,000	HSBC Bank USA	04/01/22	(35)
Foreign currency forward contract (GBP)	£8,819	\$11,521	Bank of America, N.A.	04/08/22	90
Foreign currency forward contract (GBP)	\$5,642	£4,220	HSBC Bank USA	04/08/22	86
Foreign currency forward contract (GBP)	\$6,122	£4,599	Bank of America, N.A.	04/08/22	67
Foreign currency forward contract (GBP)	\$12,612	£9,656	Bank of America, N.A.	07/07/22	(97)
Foreign currency forward contract (GBP)	£10,000	\$13,128	HSBC Bank USA	07/07/22	35
Foreign currency forward contract (SEK)	1,875kr	\$201	HSBC Bank USA	04/08/22	—
Foreign currency forward contract (SEK)	\$207	1,875kr	HSBC Bank USA	04/08/22	6
Foreign currency forward contract (SEK)	\$213	1,976kr	HSBC Bank USA	07/07/22	—
<b>Total Foreign Currency Forward Contracts, March 31, 2022</b>					<b>\$ (1,120)</b>

\* Fair value as a percentage of net assets.

- (1) All debt investments are income producing, unless otherwise noted. Eclipse Business Capital, LLC, Ferrellgas L.P., Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing. The Company's Board of Directors (the "Board") determined in good faith that all investments were valued at fair value in accordance with the Company's valuation policies and procedures and the Investment Company Act of 1940, as amended (the "1940 Act"), based on, among other things, the input of the Company's external investment adviser, Barings, the Company's Audit Committee and independent valuation firms that have been engaged to assist in the valuation of the Company's middle-market investments. In addition, all debt investments are variable rate investments unless otherwise noted. Index-based floating interest rates are generally subject to a contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to LIBOR, EURIBOR, GBP LIBOR, BBSY, STIBOR, CDOR, SOFR, SONIA, BKBM or an alternate Base Rate (commonly based on the Federal Funds Rate or the Prime Rate), which typically reset semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan.
- (2) All of the Company's portfolio company investments (including joint venture investments), which as of March 31, 2022 represented 182.0% of the Company's net assets, are subject to legal restrictions on sales. The acquisition date represents the date of the Company's initial investment in the relevant portfolio company.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 28.7% of total investments at fair value as of March 31, 2022. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying asset until such time as it complies with the requirements of Section 55(a).

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
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(4) As defined in the 1940 Act, the Company is deemed to be an "affiliated person" of the portfolio company as the Company owns between 5% or more, up to 25% (inclusive), of the portfolio company's voting securities ("non-controlled affiliate"). Transactions related to investments in non-controlled "Affiliate Investments" for the three months ended March 31, 2022 were as follows:

Company	Type of Investment(a)	December 31, 2021				Amount of Interest or Dividends		
		Gross Additions Value	Reductions (b)	Realized Gain (c)	Unrealized Gain (d)	March 31, 2022 Value	Credited to Income (d)	
<b>Arices, LLC<sup>(e)</sup></b>								
	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash)	\$ —	\$ 419	\$ —	\$ —	\$ (268)	\$ 151	8
	Revolver (LIBOR + 6.0%, 7.0% Cash)	—	1,184	—	—	(39)	1,145	—
	Warrants (7,546.76 units)	—	—	—	—	—	—	—
		—	1,603	—	—	(307)	1,296	8
<b>LC<sup>(e)(f)</sup></b>								
	First Lien Senior Secured Term Loan (LIBOR + 12.0%, 13.0% Cash)	—	—	—	—	—	—	—
	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash)	—	—	—	—	—	—	—
	First Lien Senior Secured Term Loan (20.0% Cash)	—	—	—	—	—	—	—
	Common Stock (34,923,249 shares)	—	—	—	—	—	—	—
		—	—	—	—	—	—	—
<b>Capital, LLC<sup>(e)</sup></b>								
	Second Lien Senior Secured Term Loan (7.5% Cash)	4,738	1	—	—	(194)	4,545	83
	Revolver (LIBOR + 7.25%)	1,818	914	—	—	(5)	2,727	39
	LLC units (89,849,519 units)	92,668	—	—	—	25,698	118,366	4,078
		99,224	915	—	—	25,499	125,638	4,200
<b>Electrical LLC<sup>(e)</sup></b>								
	First Lien Senior Secured Term Loan (SOFR + 8.0%, 9.0% Cash)	—	3,514	—	101	302	3,917	33
	Second Lien Senior Secured Term Loan (SOFR + 10.0%, 11.0% Cash)	—	3,850	—	—	—	3,850	26
	Common Stock (102,144 shares)	—	5,219	—	—	—	5,219	—
		—	12,583	—	101	302	12,986	59
<b>LC</b>								
	9.1% Member Interest	37,601	5,000	—	—	(495)	42,106	—
		37,601	5,000	—	—	(495)	42,106	—
<b>LS<sup>(e)</sup></b>								
	Preferred Stock (9,159,085 shares)	6,197	—	(6,197)	—	—	—	—
	Common Stock (3,201 shares)	—	—	—	—	—	—	—
		6,197	—	(6,197)	—	—	—	—
<b>MS, LLC<sup>(e)</sup></b>								
	First Lien Senior Secured Term Loan (15.0% PIK)	—	2,543	—	—	—	2,543	40
	Common Stock (6.78 shares)	—	1,589	—	—	—	1,589	—
		—	4,132	—	—	—	4,132	40
<b>PLV<sup>(e)</sup></b>								
	Bridge Loan (5.0% PIK 5/31/2021)	5,451	—	(5,451)	—	—	—	—
	Senior Subordinated Loan (3.1% PIK)	9,525	—	(9,525)	—	—	—	—
	Senior Unsecured Term Loan (9.0% PIK)	7,307	—	(7,307)	—	—	—	—
	Common Equity Interest	24,825	—	(24,825)	—	—	—	—
		47,108	—	(47,108)	—	—	—	—
<b>SRG JV LLC Interest</b>								
		—	85,963	—	—	(3,053)	82,910	—
		—	85,963	—	—	(3,053)	82,910	—

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
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Company	Type of Investment(a)	December 31, 2021				Amount of Interest or Dividends Credited to Income(d)		
		Gross Additions Value	Gross Reductions (b)	Realized Gain (Loss) (c)	Unrealized Gain (Loss) (e)	March 31, 2022 Value	Income(d)	
16.0% Member Interest		84,438	—	(4)	—	(8,771)	75,663	3,192
		84,438	—	(4)	—	(8,771)	75,663	3,192
17.0% Member Interest		13,501	6,700	—	—	(179)	20,022	300
		13,501	6,700	—	—	(179)	20,022	300
<b>Investments</b>	<b>\$</b>	<b>\$ 288,069</b>	<b>\$ 116,896</b>	<b>\$ (53,309)</b>	<b>\$ 101</b>	<b>\$ 12,996</b>	<b>\$ 364,753</b>	<b>\$ 7,799</b>

- (a) Eclipse Business Capital, LLC, Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing.
- (b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.
- (c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.
- (d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Affiliate category.
- (e) The fair value of the investment was determined using significant unobservable inputs.
- (f) Non-accrual investment.

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

Portfolio Company	Type of Investment(a)	December 31, 2021 Value	Gross Additions (b)	Gross Reductions (c)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	March 31, 2022 Value	Amount of Interest or Dividends Credited to Income(d)
Black Angus Steakhouses, LLC <sup>(e)</sup>	First Lien Senior Secured Term Loan (10.0% PIK) <sup>(f)</sup>	\$ —	\$ 9,628	\$ —	\$ —	\$ —	\$ 9,628	\$ —
	First Lien Senior Secured Term Loan (LIBOR + 9.0%, 10.0% Cash)	—	5,647	—	—	—	5,647	55
	Common Stock (44.6 shares)	—	—	—	—	—	—	—
		—	15,275	—	—	—	15,275	55
JSC Tekers Holdings <sup>(e)</sup>	Preferred Stock (9,159,085 shares)	—	6,197	—	—	(244)	5,953	—
	Common Stock (3,201 shares)	—	—	—	—	—	—	—
		—	6,197	—	—	(244)	5,953	—
MVC Automotive Group GmbH <sup>(e)</sup>	Common Equity Interest	7,699	—	—	—	(970)	6,729	—
	Bridge Loan (6.0% PIK 12/31/2021)	7,149	—	—	—	—	7,149	107
		14,848	—	—	—	(970)	13,878	107
MVC Private Equity Fund LP	Limited Partnership Interest	7,376	—	—	—	132	7,508	—
	General Partnership Interest	188	—	—	—	3	191	(1,039)
		7,564	—	—	—	135	7,699	(1,039)

**Barings BDC, Inc.**  
**Unaudited Consolidated Schedule of Investments — (Continued)**  
**March 31, 2022**  
**(Amounts in thousands, except share amounts)**

Portfolio Company	Type of Investment(a)	December 31, 2021 Value	Gross Additions (b)	Gross Reductions (c)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	March 31, 2022 Value	Amount of Interest or Dividends Credited to Income(d)
Security Holdings B,V(e)	Bridge Loan (5.0% PIK, Acquired 12/20, Due 05/22)	\$ —	\$ 5,727	\$ —	\$ —	\$ —	\$ 5,727	\$ 72
	Senior Subordinated Loan (3.1% PIK, Acquired 12/20, Due 05/22)	—	9,598	—	—	—	9,598	78
	Subordinated Senior Subordinated Note (5.0% PIK, Acquired 12/20, Due 05/22)	—	14,567	—	—	(275)	14,292	160
	Senior Unsecured Term Loan (6.0% Cash, 9.0% PIK, Acquired 04/21, Due 04/25)	—	7,307	—	—	(158)	7,149	268
	Common Stock Series A (17,100 shares, Acquired 02/22)	—	560	—	—	(121)	439	—
	Common Stock Series B (900 shares, Acquired 12/20)	—	24,827	—	—	16,277	41,104	—
		—	62,586	—	—	15,723	78,309	578
<b>Total Control Investments</b>		<b>\$ 22,412</b>	<b>\$ 84,058</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 14,644</b>	<b>\$ 121,114</b>	<b>\$ (299)</b>

- (a) Equity and equity-linked investments are non-income producing, unless otherwise noted.  
(b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.  
(c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.  
(d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Control category.  
(e) The fair value of the investment was determined using significant unobservable inputs.  
(f) Non-accrual investment
- (6) Some or all of the investment is or will be encumbered as security for the Company's \$965.0 million senior secured credit facility with ING Capital LLC initially entered into in February 2019 (as amended, restated and otherwise modified from time to time, the "February 2019 Credit Facility").  
(7) The fair value of the investment was determined using significant unobservable inputs.  
(8) Debt investment includes interest rate floor feature.  
(9) The interest rate on these loans is subject to 1 Month LIBOR, which as of March 31, 2022 was 0.45200%.  
(10) The interest rate on these loans is subject to 3 Month LIBOR, which as of March 31, 2022 was 0.96157%.  
(11) The interest rate on these loans is subject to 6 Month LIBOR, which as of March 31, 2022 was 1.46986%.  
(12) The interest rate on these loans is subject to 12 Month LIBOR, which as of March 31, 2022 was 2.10143%.  
(13) The interest rate on these loans is subject to 3 Month GBP LIBOR, which as of March 31, 2022 was 1.03540%.  
(14) The interest rate on these loans is subject to 6 Month GBP LIBOR, which as of March 31, 2022 was 1.47070%.  
(15) The interest rate on these loans is subject to 1 Month EURIBOR, which as of March 31, 2022 was -0.53200%.  
(16) The interest rate on these loans is subject to 3 Month EURIBOR, which as of March 31, 2022 was -0.45800%.  
(17) The interest rate on these loans is subject to 6 Month EURIBOR, which as of March 31, 2022 was -0.36700%.  
(18) The interest rate on these loans is subject to 1 Month SOFR, which as of March 31, 2022 was 0.30240%.  
(19) The interest rate on these loans is subject to 3 Month SOFR, which as of March 31, 2022 was 0.67512%.  
(20) The interest rate on these loans is subject to 6 Month SOFR, which as of March 31, 2022 was 1.07915%.  
(21) The interest rate on these loans is subject to 3 Month SONIA, which as of March 31, 2022 was 0.91610%.  
(22) The interest rate on these loans is subject to 6 Month SONIA, which as of March 31, 2022 was 1.19410%.  
(23) The interest rate on these loans is subject to 1 Month BBSY, which as of March 31, 2022 was 0.01270%.  
(24) The interest rate on these loans is subject to 3 Month BBSY, which as of March 31, 2022 was 0.23150%.  
(25) The interest rate on these loans is subject to 3 Month CDOR, which as of March 31, 2022 was 1.26000%.  
(26) The interest rate on these loans is subject to 3 Month STIBOR, which as of March 31, 2022 was 0.00057%.  
(27) The interest rate on these loans is subject to 3 Month BKBM, which as of March 31, 2022 was 1.49000%.  
(28) Non-accrual investment.  
(29) Investment was purchased as part of the MVC Acquisition and is part of the MVC Reference Portfolio for purposes of the MVC Credit Support Agreement.  
(30) In 2017, MVC received \$5.7 million of 9.5% second lien callable notes due in 2025, in lieu of an escrow to satisfy any indemnification claims associated with MVC's sale of its equity investment in U.S. Gas & Electric ("U.S. Gas"). Effective January 1, 2018, the cost basis of the U.S. Gas second lien loan was decreased by approximately \$3.0 million due to a working capital adjustment. This loan is still subject to indemnification adjustments.  
(31) Investment was purchased as part of the Sierra Acquisition and is part of the Sierra Reference Portfolio for purposes of the Sierra Credit Support Agreement.

*See accompanying notes.*

**Barings BDC, Inc.**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
<b><u>Non-Control / Non-Affiliate Investments:</u></b>					
1WorldSync, Inc. (2.2%)* <sup>(7)(8)(10)</sup>	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 07/19, Due 07/25)	\$ 16,434	\$ 16,185	\$ 16,434
			16,434	16,185	16,434
Accelerate Learning, Inc. (1.0%)* <sup>(7)(8)(10)</sup>	Education Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/18, Due 12/24)	7,568	7,486	7,429
			7,568	7,486	7,429
Acclime Holdings HK Limited (0.2%)* <sup>(3)(7)(8)(10)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 7.0% Cash, Acquired 08/21, Due 07/27)	1,211	1,138	1,147
			1,211	1,138	1,147
Accurus Aerospace Corporation (3.2%)* <sup>(7)(8)(11)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, 1.50% PIK, Acquired 10/18, Due 10/24)	24,874	24,684	24,016
			24,874	24,684	24,016
ADB Safegate (0.7%)* <sup>(3)(8)(10)</sup>	Aerospace & Defense	Second Lien Senior Secured Term Loan (LIBOR + 7.75%, 8.8% Cash, Acquired 08/21, Due 07/25)	5,500	5,091	5,106
			5,500	5,091	5,106
Advantage Software Company (The), LLC (0.0%)* <sup>(7)</sup>	Advertising, Printing & Publishing	Class A1 Partnership Units (8,717.76 units, Acquired 12/21)		280	280
		Class A2 Partnership Units (2,248.46 units, Acquired 12/21)		72	72
		Class B1 Partnership Units (8,717.76 units, Acquired 12/21)		9	9
		Class B2 Partnership Units (2,248.46 units, Acquired 12/21)		2	2
				363	363
Aftermath Bidco Corporation (1.3%)* <sup>(7)(8)(10)</sup>	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 04/19, Due 04/25)	9,425	9,299	9,303
			9,425	9,299	9,303
Air Canada 2020-2 Class B Pass Through Trust (0.9%)*	Airlines	Structured Secured Note - Class B (9.0% Cash, Acquired 09/20, Due 10/25)	6,170	6,170	6,822
			6,170	6,170	6,822
Air Comm Corporation, LLC (1.5%)* <sup>(7)(8)(10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 06/21, Due 07/27)	11,540	11,265	11,280
			11,540	11,265	11,280
AIT Worldwide Logistics Holdings, Inc. (1.0%)* <sup>(7)</sup>	Transportation Services	Second Lien Senior Secured Term Loan (LIBOR + 7.75%, 8.5% Cash, Acquired 04/21, Due 04/29) <sup>(8)(10)</sup>	6,460	6,325	6,460
		Partnership Units (348.68 units, Acquired 04/21)		349	689
			6,460	6,674	7,149
Alpine US Bidco LLC (2.4%)* <sup>(7)(8)(10)</sup>	Agricultural Products	Second Lien Senior Secured Term Loan (LIBOR + 9.0%, 9.8% Cash, Acquired 05/21, Due 05/29)	18,157	17,642	17,975
			18,157	17,642	17,975
Amtech LLC (0.5%)* <sup>(7)(8)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(9)</sup>	4,091	3,958	3,955
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(10)</sup>	—	(13)	(14)
			4,091	3,945	3,941
Anagram Holdings, LLC (2.2%)* <sup>(3)</sup>	Chemicals, Plastics, & Rubber	First Lien Senior Secured Note (10.0% Cash, 5.0% PIK, Acquired 08/20, Due 08/25)	14,395	13,459	16,051
			14,395	13,459	16,051
AnalytiChem Holding GmbH (0.3%)* <sup>(3)(7)(8)(14)</sup>	Chemicals	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 11/21, Due 11/28)	2,801	2,580	2,576
			2,801	2,580	2,576
Anju Software, Inc. (1.8%)* <sup>(7)(8)(9)</sup>	Application Software	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.3% Cash, Acquired 02/19, Due 02/25)	13,528	13,355	13,284
			13,528	13,355	13,284



**Barings BDC, Inc.**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
AP Aristotle Holdings, LLC (0.2%) <sup>(7)</sup>	Oil Field Services	Subordinated Term Loan (19.8% Cash, Acquired 12/21, Due 06/25)	\$ 1,883	\$ 1,890	\$ 1,854
			1,883	1,890	1,854
Apex Bidco Limited (0.3%) <sup>(3)(7)</sup>	Business Equipment & Services	First Lien Senior Secured Term Loan (GBP LIBOR + 6.25%, 6.8% Cash, Acquired 01/20, Due 01/27) <sup>(8)(12)</sup>	1,974	1,869	1,970
		Subordinated Senior Unsecured Term Loan (8.0% PIK, Acquired 01/20, Due 07/27)	278	264	278
			2,252	2,133	2,248
Aptus 1829. GmbH (0.6%) <sup>(3)(7)</sup>	Chemicals, Plastics, & Rubber	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 09/21, Due 09/27) <sup>(8)(14)</sup>	4,656	4,717	4,552
		Preferred Stock (13 shares, Acquired 09/21)		120	111
		Common Stock (48 shares, Acquired 09/21)		12	11
			4,656	4,849	4,674
Apus Bidco Limited (0.5%) <sup>(3)(7)(8)(17)</sup>	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (SONIA + 5.5%, 5.5% Cash, Acquired 02/21, Due 03/28)	3,902	3,874	3,823
			3,902	3,874	3,823
AQA Acquisition Holding, Inc. (2.7%) <sup>(7)(8)(10)</sup>	High Tech Industries	Second Lien Senior Secured Term Loan (LIBOR + 7.5%, 8.0% Cash, Acquired 03/21, Due 03/29)	20,000	19,510	20,000
			20,000	19,510	20,000
Aquavista Watersides 2 LTD (1.0%) <sup>(3)(7)(8)(17)</sup>	Transportation Services	First Lien Senior Secured Term Loan (SONIA + 6.0%, 6.1% Cash, Acquired 12/21, Due 12/28)	6,042	5,696	5,766
		Second Lien Senior Secured Term Loan (SONIA + 10.5% PIK, Acquired 12/21, Due 12/28)	1,510	1,446	1,465
		Revolver (SONIA + 6.0%, 6.1% Cash, Acquired 12/21, Due 12/22)	—	(4)	(5)
			7,552	7,138	7,226
Arch Global Precision LLC (1.2%) <sup>(7)(8)(10)</sup>	Industrial Machinery	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 4.8% Cash, Acquired 04/19, Due 04/26)	9,248	9,244	9,248
			9,248	9,244	9,248
Archimede (1.1%) <sup>(3)(7)(8)(14)</sup>	Consumer Services	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 10/20, Due 10/27)	8,415	8,761	8,255
			8,415	8,761	8,255
Argus Bidco Limited (0.5%) <sup>(3)(7)(8)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (SONIA + 5.5%, 5.8% Cash, Acquired 12/20, Due 12/27) <sup>(16)</sup>	2,682	2,559	2,682
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 5.8% Cash, Acquired 05/21, Due 12/27) <sup>(10)</sup>	672	653	672
			3,354	3,212	3,354
Armstrong Transport Group (Pele Buyer, LLC ) (0.5%) <sup>(7)(8)(10)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 06/19, Due 06/24)	4,020	3,961	3,939
			4,020	3,961	3,939
ASPEQ Heating Group LLC (1.1%) <sup>(7)(8)(9)</sup>	Building Products, Air & Heating	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/19, Due 11/25)	8,464	8,377	8,464
			8,464	8,377	8,464
Astra Bidco Limited (0.7%) <sup>(3)(7)(8)(16)</sup>	Healthcare	First Lien Senior Secured Term Loan (SONIA + 5.75%, 5.8% Cash, Acquired 11/21, Due 11/28)	5,786	5,479	5,535
			5,786	5,479	5,535
Auxi International (0.3%) <sup>(3)(7)(8)</sup>	Commercial Finance	First Lien Senior Secured Term Loan (EURIBOR + 6.25%, 6.3% Cash, Acquired 12/19, Due 12/26) <sup>(15)</sup>	1,592	1,521	1,439
		First Lien Senior Secured Term Loan (SONIA + 6.25%, 6.3% Cash, Acquired 04/21, Due 12/26) <sup>(17)</sup>	907	897	820
			2,499	2,418	2,259
Avance Clinical Bidco Pty Ltd (0.8%) <sup>(3)(7)(8)(20)</sup>	Healthcare	First Lien Senior Secured Term Loan (BBSY + 5.5%, 6.0% Cash, Acquired 11/21, Due 11/27)	6,457	6,040	6,158
			6,457	6,040	6,158

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
AVSC Holding Corp. (1.6%)*	Advertising	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, 0.25% PIK, Acquired 08/18, Due 03/25) <sup>(8)(10)</sup>	\$ 4,867	\$ 4,405	\$ 4,458
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, 1.0% PIK, Acquired 08/18, Due 10/26) <sup>(8)(10)</sup>	748	693	693
		First Lien Senior Secured Term Loan (5.0% Cash, 10.0% PIK, Acquired 11/20, Due 10/26)	5,514	5,399	6,404
			<u>11,129</u>	<u>10,497</u>	<u>11,555</u>
Azalea Buyer, Inc. (0.8%)* <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(10)</sup>	4,606	4,496	4,494
		Subordinated Term Loan (12.0% PIK, Acquired 11/21, Due 05/28)	1,260	1,235	1,234
		Common Stock (192,307.7 shares, Acquired 11/21)	—	192	192
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 11/21, Due 11/27) <sup>(9)</sup>	—	(9)	(10)
		<u>5,866</u>	<u>5,914</u>	<u>5,910</u>	
Bariacum S.A. (0.8%)* <sup>(3)(7)(8)(14)</sup>	Consumer Products	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 11/28)	6,482	6,236	6,244
			<u>6,482</u>	<u>6,236</u>	<u>6,244</u>
BDP International, Inc. (f/k/a BDP Buyer, LLC) (2.0%)* <sup>(7)(8)(9)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/18, Due 12/24)	14,849	14,643	14,626
			<u>14,849</u>	<u>14,643</u>	<u>14,626</u>
Benify (Bennevis AB) (0.2%)* <sup>(3)(7)(8)(18)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (STIBOR + 5.25%, 5.3% Cash, Acquired 07/19, Due 07/26)	1,286	1,222	1,286
			<u>1,286</u>	<u>1,222</u>	<u>1,286</u>
Beyond Risk Management, Inc. (0.3%)* <sup>(7)(8)(10)</sup>	Other Financial	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 10/21, Due 09/27)	2,427	2,336	2,327
			<u>2,427</u>	<u>2,336</u>	<u>2,327</u>
Bidwax (1.0%)* <sup>(3)(7)(8)(14)</sup>	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 02/21, Due 02/28)	7,960	8,062	7,741
			<u>7,960</u>	<u>8,062</u>	<u>7,741</u>
BigHand UK Bidco Limited (0.1%)* <sup>(3)(7)(8)(13)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (GBP LIBOR + 5.25%, 5.4% Cash, Acquired 01/21, Due 01/28)	909	880	878
			<u>909</u>	<u>880</u>	<u>878</u>
Black Diamond Equipment Rentals LLC (1.5%)* <sup>(7)(25)</sup>	Equipment Rental	Second Lien Loan (12.5% Cash, Acquired 12/20, Due 06/22)	10,000	10,000	10,000
		Warrant (4.17 units, Acquired 12/20)	—	1,010	864
			<u>10,000</u>	<u>11,010</u>	<u>10,864</u>
Bounteous, Inc. (0.6%)* <sup>(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/21, Due 08/27)	4,911	4,752	4,756
			<u>4,911</u>	<u>4,752</u>	<u>4,756</u>
Brightline Trains Florida LLC (0.7%)* <sup>(7)</sup>	Transportation	Senior Secured Note (8.0% Cash, Acquired 08/21, Due 01/28)	5,000	5,000	5,005
			<u>5,000</u>	<u>5,000</u>	<u>5,005</u>
Brightpay Limited (0.3%)* <sup>(3)(7)(8)(14)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 10/21, Due 10/28)	1,918	1,883	1,862
			<u>1,918</u>	<u>1,883</u>	<u>1,862</u>
BrightSign LLC (1.9%)* <sup>(7)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 10/21, Due 10/27) <sup>(8)(10)</sup>	12,811	12,687	12,683
		LLC units (1,107,492.71 units, Acquired 10/21)	—	1,107	1,135
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 10/21, Due 10/27) <sup>(9)(10)</sup>	—	(13)	(13)
		<u>12,811</u>	<u>13,781</u>	<u>13,805</u>	
British Airways 2020-1 Class B Pass Through Trust (0.1%)*	Airlines	Structured Secured Note - Class B (8.4% Cash, Acquired 11/20, Due 11/28)	810	810	916
			<u>810</u>	<u>810</u>	<u>916</u>

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
British Engineering Services Holdco Limited (2.1%)* <sup>(8)(9)</sup>	Commercial Services & Supplies	First Lien Senior Secured Term Loan (SONIA + 6.75%, 7.0% Cash, Acquired 12/20, Due 12/27)	\$ 15,530	\$ 15,081	\$ 15,406
		Revolver (SONIA + 6.75%, 7.0% Cash, Acquired 12/20, Due 06/22)	—	(2)	(5)
			<u>15,530</u>	<u>15,079</u>	<u>15,401</u>
Brown Machine Group Holdings, LLC (0.9%)* <sup>(7)(8)(9)</sup>	Industrial Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 10/18, Due 10/24)	6,634	6,587	6,634
			6,634	6,587	6,634
Cadent, LLC (f/k/a Cross MediaWorks) (0.9%)* <sup>(7)(8)(9)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 09/18, Due 09/23)	6,913	6,888	6,913
			<u>6,913</u>	<u>6,888</u>	<u>6,913</u>
CAi Software, LLC (1.2%)* <sup>(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/21, Due 12/28)	9,057	8,877	8,876
		Revolver (LIBOR + 6.25%, 7.3% Cash, Acquired 12/21, Due 12/28)	—	(19)	(19)
			<u>9,057</u>	<u>8,858</u>	<u>8,857</u>
Canadian Orthodontic Partners Corp.(0.2%)* <sup>(3)(7)(8)(21)</sup>	Healthcare	First Lien Senior Secured Term Loan (CDOR + 6.5%, 7.5% Cash, Acquired 06/21, Due 03/26)	1,640	1,697	1,625
			1,640	1,697	1,625
Carlson Travel, Inc (1.2%)*	Business Travel Management	First Lien Senior Secured Note (8.5% Cash, Acquired 11/21, Due 11/26)	6,050	5,654	6,161
		Common Stock (94,155 shares, Acquired 11/21)		1,655	3,084
			<u>6,050</u>	<u>7,309</u>	<u>9,245</u>
Centralis Finco S.a.r.l. (0.1%)* <sup>(3)(7)(8)(14)</sup>	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 05/20, Due 05/27)	807	739	807
			807	739	807
Ceres Pharma NV (0.6%)* <sup>(3)(7)(8)(15)</sup>	Pharmaceuticals	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 10/21, Due 10/28)	4,556	4,444	4,355
			<u>4,556</u>	<u>4,444</u>	<u>4,355</u>
Cineworld Group PLC (0.5%)* <sup>(3)</sup>	Leisure Products	Super Senior Secured Term Loan (7.0% Cash, 8.3% PIK, Acquired 11/20, Due 05/24)	1,786	1,591	2,128
		Super Senior Secured Term Loan (LIBOR + 8.25%, 9.3% Cash, Acquired 07/21, Due 05/24) <sup>(8)(11)</sup>	994	961	1,054
		Warrants (553,375 units, Acquired 12/20)		102	244
			<u>2,780</u>	<u>2,654</u>	<u>3,426</u>
Classic Collision (Summit Buyer, LLC) (1.7%)* <sup>(7)(8)(10)</sup>	Auto Collision Repair Centers	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/20, Due 01/26)	12,587	12,384	12,448
			12,587	12,384	12,448
CM Acquisitions Holdings Inc. (2.6%)* <sup>(7)(8)(10)</sup>	Internet & Direct Marketing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 05/19, Due 05/25)	19,106	18,897	19,106
			<u>19,106</u>	<u>18,897</u>	<u>19,106</u>
CMT Opco Holding, LLC (Concept Machine) (0.6%)* <sup>(7)</sup>	Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/20, Due 01/25) <sup>(8)(10)</sup>	4,144	4,090	3,999
		LLC Units (8,782 units, Acquired 01/20)		352	227
			<u>4,144</u>	<u>4,442</u>	<u>4,226</u>
Coastal Marina Holdings, LLC (2.4%)* <sup>(7)</sup>	Other Financial	Subordinated Term Loan (10.0% PIK, Acquired 11/21, Due 11/31)	17,608	15,965	15,966
		LLC Units (547,591 units, Acquired 11/21)		1,643	1,643
			<u>17,608</u>	<u>17,608</u>	<u>17,609</u>
Cobham Slip Rings SAS (0.6%)* <sup>(3)(7)(8)(10)</sup>	Diversified Manufacturing	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.4% Cash, Acquired 11/21, Due 11/28)	4,303	4,199	4,196
			4,303	4,199	4,196

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Command Alkon (Project Potter Buyer, LLC) (1.9%)* <sup>(7)</sup>	Software	First Lien Senior Secured Term Loan (LIBOR + 8.25%, 9.3% Cash, Acquired 04/20, Due 04/27) <sup>(8)(9)</sup>	\$ 13,779	\$ 13,290	\$ 13,658
		Class A Units (90,384 units, Acquired 04/20)		90	101
		Class B Units (33,324.69 units, Acquired 04/20)		—	186
			13,779	13,380	13,945
Contabo Finco S.Á R.L (0.8%)* <sup>(5)(7)(8)(16)</sup>	Internet Software & Services	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 11/21, Due 10/26)	5,949	5,819	5,830
			5,949	5,819	5,830
Coyo Uprising GmbH (0.6%)* <sup>(3)(7)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 6.5%, 6.5% Cash, Acquired 09/21, Due 09/28) <sup>(8)(14)</sup>	4,062	4,050	3,938
		Class A Units (440.0 units, Acquired 09/21)		205	587
		Class B Units (191.0 units, Acquired 09/21)		446	252
			4,062	4,701	4,777
Crash Champions (1.9%)* <sup>(7)(8)(10)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 05/21, Due 08/25)	14,567	14,040	13,968
			14,567	14,040	13,968
CSL DualCom (0.2%)* <sup>(3)(7)(8)(13)</sup>	Tele-communications	First Lien Senior Secured Term Loan (GBP LIBOR + 5.5%, 5.5% Cash, Acquired 09/20, Due 09/27)	1,341	1,203	1,301
			1,341	1,203	1,301
Custom Alloy Corporation (4.0%)* <sup>(7)(24)(25)</sup>	Manufacturer of Pipe Fittings & Forgings	Second Lien Loan (15.0% PIK, Acquired 12/20, Due 04/22)	45,000	37,043	27,450
		Revolver (15.0% PIK, Acquired 12/20, Due 04/22)	4,255	3,738	2,596
			49,255	40,781	30,046
CVL 3 (1.3%)* <sup>(3)(7)(8)</sup>	Capital Equipment	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28) <sup>(14)</sup>	5,913	5,724	5,766
		First Lien Senior Secured Term Loan (SOFR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28) <sup>(22)</sup>	3,382	3,298	3,298
		6-Month Bridge Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 06/22) <sup>(14)</sup>	796	772	788
			10,091	9,794	9,852
CW Group Holdings, LLC (0.4%)* <sup>(7)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 01/21, Due 01/27) <sup>(8)(10)</sup>	2,817	2,762	2,774
		LLC Units (161,290.32 units, Acquired 01/21)		161	112
			2,817	2,923	2,886
Dart Buyer, Inc. (1.6%)* <sup>(3)(7)(8)(10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 04/19, Due 04/25)	12,217	12,047	11,734
			12,217	12,047	11,734
DecksDirect, LLC (0.1%)* <sup>(7)</sup>	Building Materials	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/21, Due 12/26) <sup>(8)(9)</sup>	727	713	713
		Revolver (LIBOR + 6.0%, 7.0% Cash, Acquired 12/21, Due 12/26) <sup>(8)(10)</sup>	—	(4)	(4)
		LLC Units (1,280.8 units, Acquired 12/21)		55	55
			727	764	764
Discovery Education, Inc. (1.6%)* <sup>(7)(8)(10)</sup>	Publishing	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/20, Due 10/26)	11,815	11,626	11,815
			11,815	11,626	11,815
Distinct Holdings, Inc. (0.9%)* <sup>(7)(8)(9)</sup>	Systems Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 04/19, Due 12/23)	6,880	6,841	6,715
			6,880	6,841	6,715
Dragon Bidco (0.4%)* <sup>(3)(7)(8)(15)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 04/21, Due 04/28)	2,729	2,812	2,676
			2,729	2,812	2,676
DreamStart Bidco SAS (d/b/a SmartTrade) (0.3%)* <sup>(3)(7)(8)(15)</sup>	Diversified Financial Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 03/20, Due 03/27)	2,418	2,295	2,385
			2,418	2,295	2,385

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
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**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Dune Group (0.2%) <sup>(3)(7)(8)</sup>	Health Care Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.0% Cash, Acquired 09/21, Due 09/28) <sup>(10)</sup>	\$ 1,230	\$ 1,205	\$ 1,202
		First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 09/21, Due 09/28) <sup>(14)</sup>	131	105	113
			<u>1,361</u>	<u>1,310</u>	<u>1,315</u>
Dwyer Instruments, Inc. (0.6%) <sup>(7)(8)(10)</sup>	Electric	First Lien Senior Secured Term Loan (LIBOR + 5.50%, 6.3% Cash, Acquired 07/21, Due 07/27)	4,563	4,452	4,516
			<u>4,563</u>	<u>4,452</u>	<u>4,516</u>
Echo Global Logistics, Inc. (2.0%) <sup>(7)</sup>	Air Transportation	Second Lien Senior Secured Term Loan (LIBOR + 7.25%, 8.0% Cash, Acquired 11/21, Due 11/29) <sup>(9)(10)</sup>	14,469	14,210	14,216
		Partnership Equity (530.92 units, Acquired 11/21)		531	531
			<u>14,469</u>	<u>14,741</u>	<u>14,747</u>
Eilkay, LLC (0.7%) <sup>(7)(8)(10)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 09/21, Due 09/27)	4,988	4,892	4,898
			<u>4,988</u>	<u>4,892</u>	<u>4,898</u>
EMI Porta Holdeo LLC (1.2%) <sup>(7)(8)(10)</sup>	Diversified Manufacturing	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	9,576	9,141	9,136
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	—	(59)	(59)
			<u>9,576</u>	<u>9,082</u>	<u>9,077</u>
Entact Environmental Services, Inc. (0.8%) <sup>(7)(8)(10)</sup>	Environmental Industries	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 02/21, Due 12/25)	5,705	5,657	5,631
			<u>5,705</u>	<u>5,657</u>	<u>5,631</u>
EPS NASS Parent, Inc. (0.8%) <sup>(7)(8)(10)</sup>	Electrical Components & Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 04/21, Due 04/28)	5,813	5,695	5,715
			<u>5,813</u>	<u>5,695</u>	<u>5,715</u>
Eshipping, LLC (0.8%) <sup>(7)(8)</sup>	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27) <sup>(9)</sup>	5,965	5,799	5,795
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 12/27) <sup>(10)</sup>	255	226	225
			<u>6,220</u>	<u>6,025</u>	<u>6,020</u>
F24 (Stairway BidCo GmbH) (0.2%) <sup>(3)(7)(8)(14)</sup>	Software Services	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 08/20, Due 08/27)	1,621	1,649	1,621
			<u>1,621</u>	<u>1,649</u>	<u>1,621</u>
Ferrellgas L.P. (0.4%) <sup>(3)(7)</sup>	Oil & Gas Equipment & Services	OpCo Preferred Units (2,886 units, Acquired 03/21)		2,799	3,146
				<u>2,799</u>	<u>3,146</u>
Fineline Technologies, Inc. (0.2%) <sup>(7)(8)(10)</sup>	Consumer Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 02/21, Due 02/28)	1,306	1,283	1,306
			<u>1,306</u>	<u>1,283</u>	<u>1,306</u>
FitzMark Buyer, LLC (0.6%) <sup>(7)(8)(10)</sup>	Cargo & Transportation	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 12/20, Due 12/26)	4,269	4,197	4,184
			<u>4,269</u>	<u>4,197</u>	<u>4,184</u>
Flexential Issuer, LLC (2.1%)*	Information Technology	Structured Secured Note - Class C (6.9% Cash, Acquired 11/21, Due 11/51)	16,000	14,817	15,609
			<u>16,000</u>	<u>14,817</u>	<u>15,609</u>
FragilePak LLC (0.7%) <sup>(7)</sup>	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 05/21, Due 05/27) <sup>(8)(9)</sup>	4,697	4,519	4,541
		Partnership Units (937.5 units, Acquired 05/21)		938	926
			<u>4,697</u>	<u>5,457</u>	<u>5,467</u>
Front Line Power Construction LLC (0.5%)*	Construction Machinery	First Lien Senior Secured Term Loan (LIBOR + 12.5%, 13.5% Cash, Acquired 11/21, Due 11/28) <sup>(7)(8)(10)</sup>	4,000	3,872	3,880
		Common Stock (50,848 shares, Acquired 11/21)		130	111
			<u>4,000</u>	<u>4,002</u>	<u>3,991</u>

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
FSS Buyer LLC (0.9%)* <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 08/21, Due 08/28) <sup>(8)(10)</sup>	\$ 6,913	\$ 6,773	\$ 6,790
		LP Interest (1,160.9 units, Acquired 08/21)		12	30
		LP Units (5,104.32 units, Acquired 08/21)		51	132
			6,913	6,836	6,952
GTM Intermediate Holdings, Inc. (2.0%)* <sup>(7)(25)</sup>	Medical Equipment Manufacturer	Second Lien Loan (11.0% Cash, 1.0% PIK, Acquired 12/20, Due 12/24)	11,500	11,449	11,500
		Series A Preferred Units (1,434,472.41 units)		2,166	2,290
		Series C Preferred Units (715,649.59 units)		1,081	1,184
			11,500	14,696	14,974
Gulf Finance, LLC (0.1%)* <sup>(8)(9)</sup>	Oil & Gas Exploration & Production	First Lien Senior Secured Term Loan (LIBOR + 6.75%, 7.8% Cash, Acquired 11/21, Due 08/26)	832	799	774
			832	799	774
Hawaiian Airlines 2020-1 Class B Pass Through Certificates (1.0%)*	Airlines	Structured Secured Note - Class B (11.3% Cash, Acquired 08/20, Due 09/25)	6,093	6,093	7,213
			6,093	6,093	7,213
Heartland Veterinary Partners, LLC (1.2%)* <sup>(7)</sup>	Healthcare	Subordinated Term Loan (11.0% PIK, Acquired 11/21, Due 11/28)	9,343	9,096	9,093
			9,343	9,096	9,093
Heartland, LLC (1.9%)* <sup>(7)(8)(10)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 08/19, Due 08/25)	14,075	13,976	13,794
			14,075	13,976	13,794
Heavy Construction Systems Specialists, LLC (1.0%)* <sup>(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 11/21, Due 11/27)	7,368	7,199	7,221
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 11/21, Due 11/27)	—	(54)	(53)
			7,368	7,145	7,168
Heilbron (E/k/a Suceze (Bolt Bidco B.V.)) (1.2%)* <sup>(8)(7)</sup>	Insurance	First Lien Senior Secured Term Loan (EURIBOR + 5.0%, 5.0% Cash, Acquired 09/19, Due 09/26)	8,789	9,380	8,612
			8,789	9,380	8,612
Highpoint Global LLC (0.7%)* <sup>(7)(25)</sup>	Government Services	Second Lien Note (12.0% Cash, 2.0% PIK, Acquired 12/20, Due 09/22)	5,416	5,395	5,416
			5,416	5,395	5,416
Home Care Assistance, LLC (0.5%)* <sup>(7)(8)(10)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 03/21, Due 03/27)	3,830	3,762	3,753
			3,830	3,762	3,753
HTI Technology & Industries (3.0%)* <sup>(7)(25)</sup>	Electronic Component Manufacturing	Second Lien Note (12.0% Cash, 4.8% PIK, Acquired 12/20, Due 09/24)	22,746	22,096	22,215
			22,746	22,096	22,215
HW Holdeo, LLC (Hanley Wood LLC) (1.8%)* <sup>(7)(8)(9)</sup>	Advertising	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/18, Due 12/24)	13,437	13,189	13,137
			13,437	13,189	13,137
IGL Holdings III Corp. (0.6%)* <sup>(7)(8)(10)</sup>	Commercial Printing	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/20, Due 11/26)	4,324	4,231	4,268
			4,324	4,231	4,268
IM Analytics Holding, LLC (d/b/a NVT) (0.9%)* <sup>(7)(8)</sup>	Electronic Instruments & Components	First Lien Senior Secured Term Loan (LIBOR + 7.0%, 8.0% Cash, Acquired 11/19, Due 11/23) <sup>(10)</sup>	8,126	8,085	6,603
		Warrant (68,950 units, Acquired 11/19)		—	—
			8,126	8,085	6,603
IM Square (0.9%)* <sup>(3)(7)(8)(15)</sup>	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 05/21, Due 04/28)	7,051	7,232	6,938
			7,051	7,232	6,938

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Infoniga Holdings GmbH (1.2%)* <sup>(3)(7)(8)(14)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 11/21, Due 11/28)	\$ 9,243	\$ 8,947	\$ 8,989
			9,243	8,947	8,989
Innovad Group II BV (0.8%)* <sup>(3)(7)(8)(14)</sup>	Beverage, Food & Tobacco	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 04/21, Due 04/28)	6,256	6,321	5,876
			6,256	6,321	5,876
INOS 19-090 GmbH (0.7%)* <sup>(3)(7)(8)(14)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (EURIBOR + 6.13%, 6.1% Cash, Acquired 12/20, Due 12/27)	5,271	5,495	5,263
			5,271	5,495	5,263
ISS#2, LLC (d/b/a Industrial Services Solutions) (0.9%)* <sup>(7)(8)(10)</sup>	Commercial Services & Supplies	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/20, Due 02/26)	6,737	6,639	6,407
			6,737	6,639	6,407
ITI Intermodal, Inc. (0.1%)* <sup>(7)(8)</sup>	Transportation Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(9)</sup>	721	705	705
		Revolver (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(9)</sup>	—	(2)	(2)
			721	703	703
Jade Bidco Limited (Jane's) (0.3%)* <sup>(3)(7)(8)(11)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 4.5% Cash, 2.0% PIK, Acquired 11/19, Due 12/26)	2,315	2,257	2,315
			2,315	2,257	2,315
Jaguar Merger Sub Inc. (0.3%)* <sup>(7)(8)(10)</sup>	Other Financial	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 09/24)	2,543	2,487	2,486
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 09/24)	—	(6)	(6)
			2,543	2,481	2,480
Jedson Engineering, Inc. (0.4%)* <sup>(7)(25)</sup>	Engineering & Construction Management	First Lien Loan (12.0% Cash, Acquired 12/20, Due 06/24)	2,650	2,650	2,650
			2,650	2,650	2,650
JetBlue 2019-1 Class B Pass Through Trust (0.6%)*	Airlines	Structured Secured Note - Class B (8.0% Cash, Acquired 08/20, Due 11/27)	4,165	4,165	4,805
			4,165	4,165	4,805
JF Acquisition, LLC (0.5%)* <sup>(7)(8)(10)</sup>	Automotive	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 05/21, Due 07/24)	3,866	3,763	3,711
			3,866	3,763	3,711
Kano Laboratories LLC (1.2%)* <sup>(7)</sup>	Chemicals, Plastics & Rubber	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 11/20, Due 11/26) <sup>(8)(11)</sup>	9,002	8,773	8,728
		Partnership Equity (203.2 units, Acquired 11/20)	—	203	205
			9,002	8,976	8,933
Kene Acquisition, Inc. (En Engineering) (1.0%)* <sup>(7)(8)(9)</sup>	Oil & Gas Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 08/19, Due 08/26)	7,225	7,125	7,080
			7,225	7,125	7,080
Kid Distro Holdings, LLC (1.3%)* <sup>(7)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 10/21, Due 10/27) <sup>(8)(10)</sup>	9,362	9,168	9,174
		Partnership Equity (637,677.11 units, Acquired 10/21)	—	638	638
			9,362	9,806	9,812
Kona Buyer, LLC (1.2%)* <sup>(7)(8)(10)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/20, Due 12/27)	8,994	8,785	8,994
			8,994	8,785	8,994
LAF International (0.2%)* <sup>(3)(7)(8)(15)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 03/21, Due 03/28)	1,478	1,543	1,446
			1,478	1,543	1,446

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
Lambir Bidco Limited (0.9%) <sup>(3) (7)</sup>	Healthcare	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 12/21, Due 12/28) <sup>(8) (14)</sup>	\$ 5,017	\$ 4,770	\$ 4,810
		Second Lien Senior Secured Term Loan (12.0% PIK, Acquired 12/21, Due 06/29)	1,417	1,363	1,375
		Revolver (EURIBOR + 6.0%, 6.0% Cash, Acquired 12/21, Due 12/24) <sup>(8) (14)</sup>	314	292	295
			6,748	6,425	6,480
Learfield Communications, LLC (1.1%) <sup>*</sup>	Broadcasting	First Lien Senior Secured Term Loan (LIBOR + 3.25%, 4.3% Cash, Acquired 08/20, Due 12/23) <sup>(8) (9)</sup>	135	95	128
		First Lien Senior Secured Term Loan (LIBOR + 3.0%, 3.0% Cash, 10.2% PIK, Acquired 08/20, Due 12/23) <sup>(8) (9)</sup>	7,954	7,909	7,959
			8,089	8,004	8,087
Legal Solutions Holdings (0.8%) <sup>(7) (24) (25)</sup>	Business Services	Senior Subordinated Loan (16.0% PIK, Acquired 12/20, Due 03/22)	11,836	10,129	5,918
			11,836	10,129	5,918
LivTech Purchaser, Inc. (0.1%) <sup>(7) (8) (10)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 01/21, Due 12/25)	918	908	910
			918	908	910
Marmoutier Holding B.V. (0.3%) <sup>(3) (7) (8) (14)</sup>	Consumer Products	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 12/21, Due 12/28)	1,944	1,872	1,880
		Revolver (EURIBOR + 5.0%, 5.0% Cash, Acquired 12/21, Due 06/27)	—	(4)	(4)
			1,944	1,868	1,876
MC Group Ventures Corporation (0.6%) <sup>(7)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 07/21, Due 06/27) <sup>(8) (10)</sup>	3,687	3,598	3,656
		Partnership Units (746.66 units, Acquired 06/21)		747	761
			3,687	4,345	4,417
Media Recovery, Inc. (SpotSee) (1.0%) <sup>(7) (8)</sup>	Containers, Packaging & Glass	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/19, Due 11/25) <sup>(10)</sup>	2,933	2,892	2,933
		First Lien Senior Secured Term Loan (GBP LIBOR + 6.0%, 7.0% Cash, Acquired 12/20, Due 11/25) <sup>(12)</sup>	4,442	4,303	4,442
			7,375	7,195	7,375
Medical Solutions Parent Holdings, Inc. (0.6%) <sup>(8) (10)</sup>	Healthcare	Second Lien Senior Secured Term Loan (LIBOR + 7.0%, 7.5% Cash, Acquired 11/21, Due 11/29)	4,421	4,377	4,362
			4,421	4,377	4,362
MNS Buyer, Inc. (0.1%) <sup>(7)</sup>	Construction & Building	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 08/21, Due 08/27) <sup>(8) (9)</sup>	921	903	905
		Partnership Units (76.92 Units, Acquired 08/21)		77	78
			921	980	983
Modern Star Holdings Bidco Pty Limited. (1.1%) <sup>(3) (7) (8)</sup>	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (BBSY + 6.25%, 6.8% Cash, Acquired 12/20, Due 12/26)	8,368	8,281	8,299
			8,368	8,281	8,299
MSG National Properties (0.3%) <sup>(3) (7) (8) (10)</sup>	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.0% Cash, Acquired 11/20, Due 11/25)	2,437	2,378	2,486
			2,437	2,378	2,486
Murphy Mideo Limited (0.7%) <sup>(3) (7) (8) (13)</sup>	Media, Diversified & Production	First Lien Senior Secured Term Loan (GBP LIBOR + 4.75%, 4.8% Cash, Acquired 11/20, Due 11/27)	5,252	4,951	5,104
			5,252	4,951	5,104
Music Reports, Inc. (1.0%) <sup>(7) (8) (10)</sup>	Media & Entertainment	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 08/20, Due 08/26)	7,462	7,288	7,313
			7,462	7,288	7,313



**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Narda Acquisitionco., Inc. (0.8%)* <sup>(7)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27) <sup>(9)(10)</sup>	\$ 5,680	\$ 5,581	\$ 5,580
		Revolver (LIBOR + 5.25%, 6.3% Cash, Acquired 12/21, Due 12/27) <sup>(9)(10)</sup>	—	(23)	(23)
		Class A Preferred Stock (4,587.38 shares, Acquired 12/21)		459	459
		Class B Common Stock (509.71 shares, Acquired 12/21)		51	51
			<u>5,680</u>	<u>6,068</u>	<u>6,067</u>
Navia Benefit Solutions, Inc. (0.4%)* <sup>(7)(8)(10)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 02/21, Due 02/27)	2,727	2,668	2,703
			<u>2,727</u>	<u>2,668</u>	<u>2,703</u>
Nexus Underwriting Management Limited (0.2%)* <sup>(3)(7)</sup> (8)(17)	Other Financial	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 12/21, Due 10/28)	1,691	1,620	1,630
		First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 12/21, Due 04/22)	103	102	101
			<u>1,794</u>	<u>1,722</u>	<u>1,731</u>
NGS US Finco, LLC (f/k/a Dresser Natural Gas Solutions) (0.6%)* <sup>(7)(8)(9)</sup>	Energy Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 10/18, Due 10/25)	4,753	4,734	4,677
			<u>4,753</u>	<u>4,734</u>	<u>4,677</u>
Northstar Recycling, LLC (0.3%)* <sup>(7)(8)(10)</sup>	Environmental Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/21, Due 09/27)	2,500	2,452	2,450
			<u>2,500</u>	<u>2,452</u>	<u>2,450</u>
OA Buyer, Inc. (1.1%)* <sup>(7)</sup>	Healthcare	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 6.8% Cash, Acquired 12/21, Due 12/28) <sup>(8)(10)</sup>	8,501	8,331	8,331
		Revolver (LIBOR + 6.0%, 6.8% Cash, Acquired 12/21, Due 12/28) <sup>(8)(10)</sup>	—	(27)	(27)
		Partnership Units (210,920.11 units, Acquired 12/21)		211	211
			<u>8,501</u>	<u>8,515</u>	<u>8,515</u>
Odeon Cinemas Group Limited (0.5%)* <sup>(3)(7)</sup>	Hotel, Gaming, & Leisure	First Lien Senior Secured Term Loan (10.8% Cash, Acquired 02/21, Due 08/23)	3,954	4,055	4,033
			<u>3,954</u>	<u>4,055</u>	<u>4,033</u>
OG III B.V. (0.4%)* <sup>(3)(7)(8)(14)</sup>	Containers & Glass Products	First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 06/21, Due 06/28)	2,916	2,997	2,843
			<u>2,916</u>	<u>2,997</u>	<u>2,843</u>
Omni Intermediate Holdings, LLC (1.5%)* <sup>(7)(8)(9)</sup>	Transportation	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	11,831	11,461	11,491
			<u>11,831</u>	<u>11,461</u>	<u>11,491</u>
Options Technology Ltd. (0.3%)* <sup>(3)(7)(8)(10)</sup>	Computer Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 12/19, Due 12/25)	2,313	2,282	2,267
			<u>2,313</u>	<u>2,282</u>	<u>2,267</u>
Oracle Vision Bidco Limited (0.4%)* <sup>(3)(7)(8)(17)</sup>	Healthcare	First Lien Senior Secured Term Loan (SONIA + 5.25%, 5.3% Cash, Acquired 06/21, Due 05/28)	3,100	3,141	3,028
			<u>3,100</u>	<u>3,141</u>	<u>3,028</u>
Origin Bidco Limited (0.1%)* <sup>(3)(7)(8)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 06/21, Due 06/28) <sup>(10)</sup>	597	582	584
		First Lien Senior Secured Term Loan (EURIBOR + 5.75%, 5.8% Cash, Acquired 06/21, Due 06/28) <sup>(14)</sup>	377	394	369
			<u>974</u>	<u>976</u>	<u>953</u>
OSP Hamilton Purchaser, LLC (0.3%)* <sup>(7)(8)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/21, Due 12/27) <sup>(9)</sup>	2,281	2,235	2,235
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 12/21, Due 12/27) <sup>(9)</sup>	—	(4)	(4)
			<u>2,281</u>	<u>2,231</u>	<u>2,231</u>
Pacific Health Supplies Bidco Pty Limited (1.1%)* <sup>(3)(7)</sup> (8)(9)	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (BBSY + 6.0%, 6.5% Cash, Acquired 12/20, Due 12/25)	8,779	8,730	8,529
			<u>8,779</u>	<u>8,730</u>	<u>8,529</u>

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
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Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Pare SAS (SAS Maurice MARLE) (0.6%) <sup>(3)(7)(14)</sup>	Health Care Equipment	First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 12/19, Due 12/26)	\$ 4,638	\$ 4,478	\$ 4,638
			4,638	4,478	4,638
Patriot New Midco 1 Limited (Forensic Risk Alliance) (0.9%) <sup>(3)(7)(8)</sup>	Diversified Financial Services	First Lien Senior Secured Term Loan (LIBOR + 6.75%, 7.8% Cash, Acquired 02/20, Due 02/27) <sup>(10)</sup>	3,764	3,685	3,591
		First Lien Senior Secured Term Loan (EURIBOR + 6.75%, 6.8% Cash, Acquired 02/20, Due 02/27) <sup>(14)</sup>	3,216	3,017	3,068
			6,980	6,702	6,659
PDQ.Com Corporation (1.2%) <sup>(7)</sup>	Business Equipment & Services	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/21, Due 08/27) <sup>(8)(10)</sup>	9,062	8,710	8,707
		Class A-2 Partnership Units (26.32 units, Acquired 08/21)		29	29
			9,062	8,739	8,736
Permaconn Bidco Ltd (2.0%) <sup>(3)(7)(8)(19)</sup>	Tele-communications	First Lien Senior Secured Term Loan (BBSY + 6.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	15,012	14,386	14,599
			15,012	14,386	14,599
Polara Enterprises, LLC (0.6%) <sup>(7)</sup>	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(8)(10)</sup>	4,243	4,159	4,158
		Revolver (LIBOR + 4.75%, 5.8% Cash, Acquired 12/21, Due 12/27) <sup>(8)(10)</sup>	—	(11)	(11)
		Partnership Units (3,820.44 units, Acquired 12/21)		382	382
			4,243	4,530	4,529
Policy Services Company, LLC (5.9%) <sup>(7)</sup>	Property & Casualty Insurance	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, 4.0% PIK, Acquired 12/21, Due 06/26) <sup>(8)(10)</sup>	45,831	44,018	44,008
		Warrants - Class A (28,260 units, Acquired 12/21)		—	—
		Warrants - Class B (9,537 units, Acquired 12/21)		—	—
		Warrants - Class CC (980 units, Acquired 12/21)		—	—
		Warrants - Class D (2,520 units, Acquired 12/21)		—	—
	45,831	44,018	44,008		
Premium Franchise Brands, LLC (2.0%) <sup>(7)(8)(10)</sup>	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/20, Due 12/26)	14,853	14,597	14,556
			14,853	14,597	14,556
Premium Invest (0.5%) <sup>(3)(7)(8)(14)</sup>	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 06/21, Due 06/28)	4,094	4,113	4,010
			4,094	4,113	4,010
Preqin MC Limited (0.4%) <sup>(3)(7)(8)(23)</sup>	Banking, Finance, Insurance & Real Estate	First Lien Senior Secured Term Loan (SOFR + 5.5%, 5.5% Cash, Acquired 08/21, Due 07/28)	2,789	2,695	2,764
			2,789	2,695	2,764
Process Equipment, Inc. (ProcessBarron) (0.8%) <sup>(7)(8)(10)</sup>	Industrial Air & Material Handling Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 03/19, Due 03/25)	6,174	6,115	5,945
			6,174	6,115	5,945
Professional Datasolutions, Inc. (PDI) (0.2%) <sup>(7)(8)(10)</sup>	Application Software	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 03/19, Due 10/24)	1,836	1,833	1,809
			1,836	1,833	1,809
Protego Bidco B.V. (0.5%) <sup>(3)(7)(8)(14)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 03/21, Due 03/27)	2,227	2,269	2,195
		First Lien Senior Secured Term Loan (EURIBOR + 6.0%, 6.0% Cash, Acquired 03/21, Due 03/28)	1,548	1,561	1,495
			3,775	3,830	3,690
QPE7 SPV1 BidCo Pty Ltd (0.2%) <sup>(3)(7)(8)(20)</sup>	Consumer Cyclical	First Lien Senior Secured Term Loan (BBSY + 5.5%, 6.0% Cash, Acquired 09/21, Due 09/26)	1,632	1,564	1,605
			1,632	1,564	1,605
Questel Unite (0.9%) <sup>(3)(7)(8)(10)</sup>	Business Services	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 6.8% Cash, Acquired 12/20, Due 12/27)	6,892	6,802	6,851
			6,892	6,802	6,851

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Recovery Point Systems, Inc. (1.6%)* <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.5%, 7.5% Cash, Acquired 08/20, Due 08/26) <sup>(8)(10)</sup>	\$ 11,648	\$ 11,460	\$ 11,648
		Partnership Equity (187,235 units, Acquired 03/21)		187	150
			<u>11,648</u>	<u>11,647</u>	<u>11,798</u>
Renovation Parent Holdings, LLC (0.7%)* <sup>(7)</sup>	Home Furnishings	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 11/21, Due 11/27) <sup>(8)(11)</sup>	4,854	4,735	4,733
		Partnership Equity (197,368.42 units, Acquired 11/21)		197	203
			<u>4,854</u>	<u>4,932</u>	<u>4,936</u>
REP SEKO MERGER SUB LLC (1.0%)* <sup>(7)(8)(10)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 12/20, Due 12/26)	7,614	7,416	7,478
			<u>7,614</u>	<u>7,416</u>	<u>7,478</u>
Resonetics, LLC (0.5%)* <sup>(7)(8)(10)</sup>	Health Care Equipment	Second Lien Senior Secured Term Loan (LIBOR + 7.0%, 7.8% Cash, Acquired 04/21, Due 04/29)	4,011	3,934	3,930
			4,011	3,934	3,930
			<u>4,011</u>	<u>3,934</u>	<u>3,930</u>
Reward Gateway (UK) Ltd (0.4%)* <sup>(3)(7)(8)(17)</sup>	Precious Metals & Minerals	First Lien Senior Secured Term Loan (SONIA + 6.75%, 6.8% Cash, Acquired 08/21, Due 06/28)	2,869	2,807	2,776
			<u>2,869</u>	<u>2,807</u>	<u>2,776</u>
Riedel Beheer B.V. (0.3%)* <sup>(3)(7)(8)(14)</sup>	Food & Beverage	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28)	1,899	1,835	1,843
		Revolver (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 06/28)	—	(5)	(5)
		Super Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 12/21, Due 12/28)	230	222	223
			<u>2,129</u>	<u>2,052</u>	<u>2,061</u>
RPX Corporation (1.0%)* <sup>(7)(8)(10)</sup>	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 10/20, Due 10/25)	7,612	7,426	7,455
			<u>7,612</u>	<u>7,426</u>	<u>7,455</u>
Ruffalo Noel Levitz, LLC (1.3%)* <sup>(7)(8)(10)</sup>	Media Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 01/19, Due 05/24)	9,543	9,524	9,543
			9,543	9,524	9,543
			<u>9,543</u>	<u>9,524</u>	<u>9,543</u>
Safety Products Holdings, LLC (1.6%)* <sup>(7)</sup>	Non-durable Consumer Goods	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 12/20, Due 12/26) <sup>(8)(9)</sup>	12,026	11,798	11,755
		Preferred Stock (372.1 shares, Acquired 12/20)		372	510
			<u>12,026</u>	<u>12,170</u>	<u>12,265</u>
Scaled Agile, Inc. (0.2%)* <sup>(7)(8)(10)</sup>	Research & Consulting Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/21, Due 12/28)	1,748	1,705	1,705
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 12/21, Due 12/28)	—	(7)	(7)
			<u>1,748</u>	<u>1,698</u>	<u>1,698</u>
Serta Simmons Bedding LLC (1.4%)* <sup>(8)(9)</sup>	Home Furnishings	Super Priority First Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	7,350	7,229	7,409
		Super Priority Second Out (LIBOR + 7.5%, 8.5% Cash, Acquired 6/20, Due 08/23)	3,607	3,374	3,365
			<u>10,957</u>	<u>10,603</u>	<u>10,774</u>
SISU ACQUISITIONCO., INC. (0.9%)* <sup>(7)(8)(10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 12/20, Due 12/26)	7,009	6,869	6,771
			7,009	6,869	6,771
			<u>7,009</u>	<u>6,869</u>	<u>6,771</u>
Smartling, Inc. (2.2%)* <sup>(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27)	16,471	16,102	16,094
		Revolver (LIBOR + 5.75%, 6.8% Cash, Acquired 11/21, Due 11/27)	—	(23)	(24)
			<u>16,471</u>	<u>16,079</u>	<u>16,070</u>
Smile Brands Group Inc. (0.6%)* <sup>(7)(8)(10)</sup>	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 10/18, Due 10/25)	4,593	4,571	4,553
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.3% Cash, Acquired 12/20, Due 10/25)	—	(12)	(6)
			<u>4,593</u>	<u>4,559</u>	<u>4,547</u>

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
SN BUYER, LLC (2.5%)* <sup>(7)(8)(9)</sup>	Health Care Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/20, Due 12/26)	\$ 18,394	\$ 18,080	\$ 18,394
			18,394	18,080	18,394
Springbrook Software (SBRK Intermediate, Inc.) (1.4%)* <sup>(7)(8)(10)</sup>	Enterprise Software & Services	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/19, Due 12/26)	10,346	10,179	10,346
			10,346	10,179	10,346
SPT Acquico Limited (0.1%)* <sup>(3)(7)(8)(10)</sup>	High Tech Industries	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 01/21, Due 12/27)	658	644	658
			658	644	658
SSCP Pegasus Midco Limited (0.4%)* <sup>(3)(7)(8)(12)</sup>	Healthcare & Pharmaceuticals	First Lien Senior Secured Term Loan (GBP LIBOR + 6.75%, 6.8% Cash, Acquired 12/20, Due 11/27)	2,754	2,488	2,722
			2,754	2,488	2,722
Starmeer B.V. (1.0%)* <sup>(3)(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 6.4%, 6.9% Cash, Acquired 10/21, Due 04/27)	7,500	7,391	7,388
			7,500	7,391	7,388
Superjet Buyer, LLC (3.0%)* <sup>(7)(8)(10)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	23,175	22,711	22,711
		Revolver (LIBOR + 5.75%, 6.5% Cash, Acquired 12/21, Due 12/27)	—	(37)	(37)
			23,175	22,674	22,674
Syniverse Holdings, Inc. (2.3%)* <sup>(8)(10)</sup>	Technology Distributors	First Lien Senior Secured Term Loan (LIBOR + 5.0%, 6.0% Cash, Acquired 08/18, Due 03/23)	17,314	16,493	17,192
			17,314	16,493	17,192
Syntax Systems Ltd (0.3%)* <sup>(3)(7)(8)(9)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 10/28)	2,056	2,018	2,016
		Revolver (LIBOR + 5.5%, 6.3% Cash, Acquired 11/21, Due 10/26)	442	432	432
			2,498	2,450	2,448
TA SL Cayman Aggregator Corp. (0.3%)* <sup>(7)</sup>	Technology	Subordinated Term Loan (8.8% PIK, Acquired 07/21, Due 07/28)	1,995	1,957	1,960
		Common Stock (1,227.79 shares, Acquired 07/21)	—	50	65
			1,995	2,007	2,025
Techone B.V. (1.1%)* <sup>(3)(7)(8)(14)</sup>	Technology	First Lien Senior Secured Term Loan (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 11/28)	8,726	8,428	8,441
		Revolver (EURIBOR + 5.5%, 5.5% Cash, Acquired 11/21, Due 05/28)	108	97	97
			8,834	8,525	8,538
Tencarva Machinery Company, LLC (0.7%)* <sup>(7)(8)(10)</sup>	Capital Equipment	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	5,486	5,375	5,374
		Revolver (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27)	—	(20)	(20)
			5,486	5,355	5,354
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC) (0.5%)* <sup>(7)</sup>	Brokerage, Asset Managers & Exchanges	First Lien Senior Secured Term Loan (LIBOR + 4.25%, 5.3% Cash, Acquired 10/21, Due 12/27) <sup>(8)(10)</sup>	847	776	776
		Revolver (LIBOR + 4.25%, 5.3% Cash, Acquired 10/21, Due 12/27) <sup>(10)</sup>	—	(14)	(14)
		Subordinated Term Loan (7.8% PIK, Acquired 10/21, Due 10/28)	3,333	3,268	3,267
			4,180	4,030	4,029
The Hilb Group, LLC (2.7%)* <sup>(7)(8)(10)</sup>	Insurance Brokerage	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 12/19, Due 12/26)	20,279	19,880	19,874
		First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 12/19, Due 12/26)	55	(1)	(2)
			20,334	19,879	19,872
Total Safety U.S. Inc. (0.9%)* <sup>(8)(11)</sup>	Diversified Support Services	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/19, Due 08/25)	6,583	6,393	6,482
			6,583	6,393	6,482

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1)(2)</sup>	Principal Amount	Cost	Fair Value
Transit Technologies LLC (0.8%)* <sup>(7)(8)(10)</sup>	Software	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 02/20, Due 02/25)	\$ 6,035	\$ 5,946	\$ 5,846
			6,035	5,946	5,846
Transportation Insight, LLC (1.5%)* <sup>(7)(8)(9)</sup>	Air Freight & Logistics	First Lien Senior Secured Term Loan (LIBOR + 4.5%, 4.6% Cash, Acquired 08/18, Due 12/24)	11,330	11,260	11,160
			11,330	11,260	11,160
Trident Maritime Systems, Inc. (2.0%)* <sup>(7)(8)(10)</sup>	Aerospace & Defense	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 02/21, Due 02/27)	14,888	14,665	14,888
			14,888	14,665	14,888
Truck-Lite Co., LLC (2.0%)* <sup>(7)(8)(10)</sup>	Automotive Parts & Equipment	First Lien Senior Secured Term Loan (LIBOR + 6.25%, 7.3% Cash, Acquired 12/19, Due 12/26)	15,002	14,623	14,611
			15,002	14,623	14,611
Trystar, LLC (1.6%)* <sup>(7)</sup>	Power Distribution Solutions	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 09/18, Due 09/23) <sup>(8)(10)</sup> Class A LLC Units (440.97 units, Acquired 09/18)	11,988	11,777	11,778
				481	412
			11,988	12,258	12,190
Turbo Buyer, Inc. (1.1%)* <sup>(7)(8)(10)</sup>	Finance Companies	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 11/21, Due 12/25)	8,430	8,226	8,220
			8,430	8,226	8,220
Turf Products, LLC (1.2%)* <sup>(7)(25)</sup>	Landscaping & Irrigation Equipment Distributor	Senior Subordinated Debt (10.0% Cash, Acquired 12/20, Due 10/23)	8,697	8,384	8,627
			8,697	8,384	8,627
Turnberry Solutions, Inc. (0.6%)* <sup>(7)(8)(10)</sup>	Consumer Cyclical	First Lien Senior Secured Term Loan (LIBOR + 6.0%, 7.0% Cash, Acquired 07/21, Due 09/26)	4,500	4,406	4,423
			4,500	4,406	4,423
U.S. Gas & Electric, Inc. (0.2%)* <sup>(7)(25)</sup>	Energy Services	Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25) Second Lien Loan (9.5% Cash, Acquired 12/20, Due 07/25) <sup>(9)</sup>	2,285	1,785	1,785
			2,485	—	—
			4,770	1,785	1,785
U.S. Silica Company (0.2%)* <sup>(3)(8)(9)</sup>	Metal & Glass Containers	First Lien Senior Secured Term Loan (LIBOR + 4.0%, 5.0% Cash, Acquired 08/18, Due 05/25)	1,472	1,474	1,437
			1,472	1,474	1,437
UKFast Leaders Limited (1.6%)* <sup>(3)(7)(8)(16)</sup>	Technology	First Lien Senior Secured Term Loan (SONIA + 7.0%, 7.1% Cash, Acquired 09/20, Due 9/27)	12,312	11,399	12,090
			12,312	11,399	12,090
USLS Acquisition, Inc. (f/k/a US Legal Support, Inc.) (2.2%)* <sup>(7)(8)(10)</sup>	Legal Services	First Lien Senior Secured Term Loan (LIBOR + 5.75%, 6.8% Cash, Acquired 11/18, Due 11/24)	16,222	16,065	16,222
			16,222	16,065	16,222
Utac Ceram (0.7%)* <sup>(3)(7)(8)</sup>	Business Services	First Lien Senior Secured Term Loan (EURIBOR + 5.25%, 5.3% Cash, Acquired 09/20, Due 09/27) <sup>(14)</sup> First Lien Senior Secured Term Loan (LIBOR + 5.25%, 5.5% Cash, Acquired 02/21, Due 09/27) <sup>(10)</sup>	1,706	1,706	1,673
			3,518	3,456	3,451
			5,224	5,162	5,124
Validity, Inc. (0.6%)* <sup>(7)(8)(9)</sup>	IT Consulting & Other Services	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 4.8% Cash, Acquired 07/19, Due 05/25)	4,783	4,687	4,764
			4,783	4,687	4,764
VistaJet Pass Through Trust 2021-1B (0.7%)*	Airlines	Structured Secured Note - Class B (6.3% Cash, Acquired 11/21, Due 02/29)	5,000	5,000	4,905
			5,000	5,000	4,905
Vital Buyer, LLC (1.1%)* <sup>(7)</sup>	Technology	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.3% Cash, Acquired 06/21, Due 06/28) <sup>(8)(10)</sup> Partnership Units (16,442.9 units, Acquired 06/21)	7,802	7,656	7,676
				164	171
			7,802	7,820	7,847

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

Portfolio Company <sup>(6)</sup>	Industry	Type of Investment <sup>(1) (2)</sup>	Principal Amount	Cost	Fair Value
W2O Holdings, Inc. (0.3%) <sup>(7) (8) (10)</sup>	Healthcare Technology	First Lien Senior Secured Term Loan (LIBOR + 4.75%, 5.8% Cash, Acquired 10/20, Due 06/25)	\$ 2,152	\$ 2,090	\$ 2,152
			2,152	2,090	2,152
Woodland Foods, LLC (1.8%) <sup>(7)</sup>	Food & Beverage	First Lien Senior Secured Term Loan (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27) <sup>(8) (10)</sup>	11,512	11,285	11,282
		Revolver (LIBOR + 5.5%, 6.5% Cash, Acquired 12/21, Due 12/27) <sup>(8) (10)</sup>	172	128	127
		Common Stock (1,663,307.18 shares, Acquired 12/21)		1,663	1,663
			11,684	13,076	13,072
World 50, Inc. (1.6%) <sup>(7) (8) (9)</sup>	Professional Services	First Lien Senior Secured Term Loan (LIBOR + 5.25%, 6.3% Cash, Acquired 01/20, Due 01/26)	3,280	3,202	3,280
		First Lien Senior Secured Term Loan (LIBOR + 4.5%, 5.5% Cash, Acquired 09/20, Due 01/26)	9,009	8,849	8,874
			12,289	12,051	12,154
<b>Subtotal Non-Control / Non-Affiliate Investments (200.9%)</b>			<b>1,518,708</b>	<b>1,494,028</b>	<b>1,490,115</b>
<b><u>Affiliate Investments:</u><sup>(4)</sup></b>					
Eclipse Business Capital, LLC (13.4%) <sup>(7)</sup>	Banking, Finance, Insurance, & Real Estate	Second Lien Senior Secured Term Loan (7.5% Cash, Acquired 07/21, Due 07/28)	4,545	4,502	4,738
		Revolver (LIBOR + 7.25%, Acquired 07/21, Due 07/28) <sup>(10)</sup>	1,818	1,691	1,818
		LLC Units (89,447,396 units, Acquired 07/21)		89,850	92,668
			6,363	96,043	99,224
Jocasse Partners LLC (5.1%) <sup>(4) (3)</sup>	Investment Funds & Vehicles	9.1% Member Interest, Acquired 06/19		30,158	37,601
				30,158	37,601
JSC Tekers Holdings (0.8%) <sup>(4) (3) (7) (25)</sup>	Real Estate Management	Preferred Stock (9,159,085 shares, Acquired 12/20)		4,753	6,197
		Common Stock (3,201 shares, Acquired 12/20)		—	—
				4,753	6,197
Security Holdings B.V. (6.3%) <sup>(4) (3) (7) (25)</sup>	Electrical Engineering	Bridge Loan (5.0% PIK, Acquired 12/20, Due 02/27)	5,451	5,451	5,451
		Senior Subordinated Loan (3.1% PIK, Acquired 12/20, Due 05/22)	9,525	9,525	9,525
		Senior Unsecured Term Loan (6.0% Cash, 9.0% PIK, Acquired 04/21, Due 04/25)	7,307	7,639	7,307
		Common Stock (900 shares, Acquired 12/20)		21,264	24,825
			22,283	43,879	47,108
Thompson Rivers LLC (11.3%) <sup>(4) (3)</sup>	Investment Funds & Vehicles	15.90% Member Interest, Acquired 06/20		79,414	84,438
				79,414	84,438
Waccamaw River LLC (1.8%) <sup>(4) (3)</sup>	Investment Funds & Vehicles	20% Member Interest, Acquired 02/21		13,720	13,501
				13,720	13,501
<b>Subtotal Affiliate Investments (38.8%)</b>			<b>28,646</b>	<b>267,967</b>	<b>288,069</b>
<b><u>Control Investments:</u><sup>(5)</sup></b>					
MVC Automotive Group Gmbh (2.0%) <sup>(4) (3) (7) (25)</sup>	Automotive	Bridge Loan (6.0% Cash, Acquired 12/20, Due 06/26)	7,149	7,149	7,149
		Common Equity Interest (18,000 shares, Acquired 12/20)		9,553	7,699
			7,149	16,702	14,848
MVC Private Equity Fund LP (1.0%) <sup>(4) (3) (7) (25)</sup>	Investment Funds & Vehicles	General Partnership Interest		225	188
		Limited Partnership Interest		8,899	7,376
				9,124	7,564
<b>Subtotal Control Investments (3.0%)</b>			<b>7,149</b>	<b>25,826</b>	<b>22,412</b>
<b>Total Investments, December 31, 2021 (242.7%)*</b>			<b>\$ 1,554,503</b>	<b>\$ 1,787,821</b>	<b>\$ 1,800,596</b>

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
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**(Amounts in thousands, except share amounts)**

**Derivative Instruments**

**Credit Support Agreement(a)(b)(d)**

Description	Counter Party	Settlement Date(c)	Notional Amount	Value	Unrealized Appreciation (Depreciation)
Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000,000	\$ 15,400,000	\$ 1,800,000
Total Credit Support Agreement, December 31, 2021					\$ 1,800,000

- (a) The MVC Credit Support Agreement covers all of the investments acquired by the Company from MVC in connection with the MVC Acquisition (as defined in "Note 1 – Organization, Business and Basis of Presentation") and any investments received by the Company in connection with the restructuring, amendment, extension or other modification (including the issuance of new securities) of any of the MVC Reference Portfolio. Each investment that is included in the MVC Reference Portfolio is denoted in the above Schedule of Investments with footnote (25).
- (b) The Company and Barings entered into a Credit Support Agreement pursuant to which Barings agreed to provide credit support to the Company in the amount of up to \$23.0 million.
- (c) Settlement Date means the earlier of (1) January 1, 2031 or (2) the date on which the entire MVC Reference Portfolio has been realized or written off.
- (d) See "Note 2 – Agreements and Related Party Transactions" for additional information regarding the MVC Credit Support Agreement.

**Foreign Currency Forward Contracts:**

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
Foreign currency forward contract (AUD)	A\$31,601	\$22,850	Bank of America, N.A.	01/06/22	\$ 126
Foreign currency forward contract (AUD)	A\$2,099	\$1,508	HSBC Bank USA	01/06/22	18
Foreign currency forward contract (AUD)	\$20,727	A\$28,700	Citibank N.A.	01/06/22	(139)
Foreign currency forward contract (AUD)	\$3,580	A\$5,000	HSBC Bank USA	04/08/22	(55)
Foreign currency forward contract (AUD)	\$18,247	A\$25,386	Bank of America, N.A.	04/08/22	(215)
Foreign currency forward contract (CAD)	C\$3,230	\$2,528	Bank of America, N.A.	01/06/22	29
Foreign currency forward contract (CAD)	C\$3,000	\$2,425	HSBC Bank USA	01/06/22	(50)
Foreign currency forward contract (CAD)	\$4,881	C\$6,230	HSBC Bank USA	01/06/22	(51)
Foreign currency forward contract (CAD)	\$2,506	C\$3,203	Bank of America, N.A.	04/08/22	(29)
Foreign currency forward contract (DKK)	2,143kr.	\$326	Bank of America, N.A.	01/06/22	1
Foreign currency forward contract (DKK)	\$335	2,143kr.	Bank of America, N.A.	01/06/22	7
Foreign currency forward contract (DKK)	\$323	2,116kr.	Bank of America, N.A.	04/08/22	(1)
Foreign currency forward contract (EUR)	€52,583	\$59,524	Bank of America, N.A.	01/06/22	275
Foreign currency forward contract (EUR)	€5,020	\$5,701	HSBC Bank USA	04/08/22	18
Foreign currency forward contract (EUR)	\$24,722	€21,500	Bank of America, N.A.	01/06/22	271
Foreign currency forward contract (EUR)	\$14,563	€12,900	HSBC Bank USA	01/06/22	(108)
Foreign currency forward contract (EUR)	\$20,655	€18,183	BNP Paribas SA	01/06/22	(23)
Foreign currency forward contract (EUR)	\$60,413	€53,265	Bank of America, N.A.	04/08/22	(282)
Foreign currency forward contract (EUR)	\$1,130	€1,000	HSBC Bank USA	04/08/22	(10)
Foreign currency forward contract (EUR)	\$8,514	€7,500	BNP Paribas SA	04/08/22	(33)
Foreign currency forward contract (GBP)	£9,900	\$13,220	Bank of America, N.A.	01/06/22	190
Foreign currency forward contract (GBP)	\$13,349	£9,900	BNP Paribas SA	01/06/22	(60)
Foreign currency forward contract (GBP)	\$6,122	£4,599	Bank of America, N.A.	04/08/22	(104)
Foreign currency forward contract (SEK)	1,792kr	\$198	HSBC Bank USA	01/07/22	—
Foreign currency forward contract (SEK)	\$204	1,792kr	Bank of America, N.A.	01/07/22	6
Foreign currency forward contract (SEK)	\$207	1,875kr	HSBC Bank USA	04/08/22	—
<b>Total Foreign Currency Forward Contracts, December 31, 2021</b>					<b>\$ (219)</b>

\* Fair value as a percentage of net assets.

- (1) All debt investments are income producing, unless otherwise noted. Eclipse Business Capital, LLC, Ferrellgas L.P., Kano Laboratories LLC, Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing. The Board determined in good faith that all investments were valued at fair value in accordance with the Company's valuation policies and procedures and the 1940 Act, based on, among other things, the input of the Company's external investment adviser, Barings, the Company's Audit Committee and independent valuation firms that have been engaged to assist in the valuation of the Company's middle-market investments. In addition, all debt investments are variable rate investments unless otherwise noted. Index-based floating interest rates are generally subject to a contractual minimum interest rate. A majority of the variable rate loans in the Company's investment portfolio bear interest at a rate that may be determined by reference to LIBOR, EURIBOR, GBP LIBOR, BBSY, STIBOR, CDOR, SOFR, SONIA or an alternate Base Rate

**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

(commonly based on the Federal Funds Rate or the Prime Rate), which typically reset semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan.

- (2) All of the Company's portfolio company investments (including joint venture investments), which as of December 31, 2021 represented 242.0% of the Company's net assets, are subject to legal restrictions on sales. The acquisition date represents the date of the Company's initial investment in the relevant portfolio company.
- (3) Investment is not a qualifying investment as defined under Section 55(a) of the 1940 Act. Non-qualifying assets represent 25.7% of total investments at fair value as of December 31, 2021. Qualifying assets must represent at least 70% of total assets at the time of acquisition of any additional non-qualifying assets. If at any time qualifying assets do not represent at least 70% of the Company's total assets, the Company will be precluded from acquiring any additional non-qualifying asset until such time as it complies with the requirements of Section 55(a).
- (4) As defined in the 1940 Act, the Company is deemed to be an "affiliated person" of the portfolio company as the Company owns between 5% or more, up to 25% (inclusive), of the portfolio company's voting securities ("non-controlled affiliate"). Transactions related to investments in non-controlled "Affiliate Investments" for the year ended December 31, 2021 were as follows:

Portfolio Company	Type of Investment(a)	December 31, 2020		December 31, 2021		Amount of Interest or Dividends Credited to Income(d)		
		Gross Additions Value	Gross Reductions (b)	Amount of Realized Gain (Loss) (c)	Amount of Unrealized Gain (Loss)			
Advantage Insurance, Inc. <sup>(e)</sup>	Preferred Stock (587,001 shares)	\$ 947	\$ —	(\$ 870)	\$ (77)	\$ —	72	
		5,947	—	(5,870)	(77)	—	72	
Eclipse Business Capital, LLC <sup>(e)</sup>	Second Lien Senior Secured Term Loan (7.5% Cash)	—	4,502	—	—	236	4,738	170
	Revolver (LIBOR + 7.25%)	—	1,691	—	—	127	1,818	53
	LLC units (89,447,396 units)	—	89,850	—	—	2,818	92,668	3,582
		—	96,043	—	—	3,181	99,224	3,805
Jocassee Partners LLC	9.1% Member Interest	22,624	10,000	—	—	4,978	37,602	—
		22,624	10,000	—	—	4,978	37,602	—
JSC Tekers Holdings <sup>(e)</sup>	Preferred Stock (9,159,085 shares)	4,753	—	—	—	1,444	6,197	—
	Common Stock (3,201 shares)	—	—	—	—	—	—	—
		4,753	—	—	—	1,444	6,197	—
Security Holdings B.V. <sup>(e)</sup>	Bridge Loan (5.0% PIK 5/31/2021)	5,188	264	—	—	—	5,452	276
	Senior Subordinated Loan (3.1% PIK)	8,746	778	—	—	—	9,524	285
	Senior Unsecured Term Loan (9.0% PIK)	—	8,831	(1,168)	(24)	(332)	7,307	820
	Common Equity Interest	21,329	—	—	—	3,496	24,825	—
		35,263	9,873	(1,168)	(24)	3,164	47,108	1,381
Thompson Rivers LLC	15.90% Member Interest	10,012	69,414	—	—	5,012	84,438	4,776
		10,012	69,414	—	—	5,012	84,438	4,776
Waccamaw River LLC	10% Member Interest	—	13,762	(68)	—	(194)	13,500	280
		—	13,762	(68)	—	(194)	13,500	280
<b>Total Affiliate Investments</b>	<b>\$</b>	<b>78,599</b>	<b>199,092</b>	<b>(\$ 106)</b>	<b>\$ (101)</b>	<b>17,585</b>	<b>288,069</b>	<b>10,314</b>

(a) Eclipse Business Capital, LLC, Thompson Rivers LLC and Waccamaw River LLC equity investments are income producing. All other equity and any equity-linked investments are non-income producing.

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

(c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.



**Barings BDC, Inc.**  
**Consolidated Schedule of Investments — (Continued)**  
**December 31, 2021**  
**(Amounts in thousands, except share amounts)**

- (d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Affiliate category.  
(e) The fair value of the investment was determined using significant unobservable inputs.

- (5) As defined in the 1940 Act, the Company is deemed to be both an “affiliated person” and “control” the portfolio company because it owns more than 25% of the portfolio company’s outstanding voting securities or it has the power to exercise control over the management or policies of such portfolio company (including through a management agreement). Transactions as of and during the year ended December 31, 2021 in which the portfolio company is deemed to be a “Control Investment” of the Company were as follows:

Portfolio Company	Type of Investment(a)	December 31, 2020 Value	Gross Additions (b)	Gross Reductions (c)	Amount of Realized Gain (Loss)	Amount of Unrealized Gain (Loss)	December 31, 2021 Value	Amount of Interest or Dividends Credited to Income(d)
MVC Automotive Group GmbH <sup>(e)</sup>	Common Equity Interest	\$ 9,582	\$ —	\$ —	\$ —	\$ (1,883)	\$ 7,699	\$ —
	Bridge Loan (6.0% Cash 12/31/2021)	7,149	—	—	—	—	7,149	435
		16,731	—	—	—	(1,883)	14,848	435
MVC Private Equity Fund LP	Limited Partnership Interest	8,899	—	—	—	(1,523)	7,376	—
	General Partnership Interest	225	—	—	—	(37)	188	643
		9,124	—	—	—	(1,560)	7,564	643
Waccamaw River LLC	50% Member Interest	—	4,500	(4,474)	—	(26)	—	—
<b>Total Control Investments</b>		<b>\$ 25,855</b>	<b>\$ 4,500</b>	<b>\$ (4,474)</b>	<b>\$ —</b>	<b>\$ (3,469)</b>	<b>\$ 22,412</b>	<b>\$ 1,078</b>

- (a) Equity and equity-linked investments are non-income producing, unless otherwise noted.  
(b) Gross additions include increases in the cost basis of investments resulting from new investments and follow-on investments.  
(c) Gross reductions include decreases in the total cost basis of investments resulting from principal repayments or sales.  
(d) Represents the total amount of interest, fees or dividends credited to income for the portion of the year an investment was included in the Control category.  
(e) The fair value of the investment was determined using significant unobservable inputs.

- (6) Some or all of the investment is or will be encumbered as security for the Company's senior secured credit facility with ING Capital LLC.  
(7) The fair value of the investment was determined using significant unobservable inputs.  
(8) Debt investment includes interest rate floor feature.  
(9) The interest rate on these loans is subject to 1 Month LIBOR, which as of December 31, 2021 was 0.10125%.  
(10) The interest rate on these loans is subject to 3 Month LIBOR, which as of December 31, 2021 was 0.20913%.  
(11) The interest rate on these loans is subject to 6 Month LIBOR, which as of December 31, 2021 was 0.33875%.  
(12) The interest rate on these loans is subject to 3 Month GBP LIBOR, which as of December 31, 2021 was 0.26225%.  
(13) The interest rate on these loans is subject to 6 Month GBP LIBOR, which as of December 31, 2021 was 0.47363%.  
(14) The interest rate on these loans is subject to 3 Month EURIBOR, which as of December 31, 2021 was -0.57200%.  
(15) The interest rate on these loans is subject to 6 Month EURIBOR, which as of December 31, 2021 was -0.54600%.  
(16) The interest rate on these loans is subject to 3 Month SONIA, which as of December 31, 2021 was 0.33830%.  
(17) The interest rate on these loans is subject to 6 Month SONIA, which as of December 31, 2021 was 0.49870%.  
(18) The interest rate on these loans is subject to 3 Month STIBOR, which as of December 31, 2021 was -0.00050%.  
(19) The interest rate on these loans is subject to 1 Month BBSY, which as of December 31, 2021 was 0.01500%.  
(20) The interest rate on these loans is subject to 3 Month BBSY, which as of December 31, 2021 was 0.06770%.  
(21) The interest rate on these loans is subject to 3 Month CDOR, which as of December 31, 2021 was 0.51750%.  
(22) The interest rate on these loans is subject to 3 Month SOFR, which as of December 31, 2021 was 0.09125%.  
(23) The interest rate on these loans is subject to 6 Month SOFR, which as of December 31, 2021 was 0.19947%.  
(24) Non-accrual investment.  
(25) Investment was purchased as part of the MVC Acquisition and is part of the MVC Reference Portfolio for purposes of the MVC Credit Support Agreement.  
(26) In 2017, MVC received \$5.7 million of 9.5% second lien callable notes due in 2025, in lieu of an escrow to satisfy any indemnification claims associated with MVC’s sale of its equity investment in U.S. Gas. Effective January 1, 2018, the cost basis of the U.S. Gas second lien loan was decreased by approximately \$3.0 million due to a working capital adjustment. This loan is still subject to indemnification adjustments.

*See accompanying notes.*

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements**

**1. ORGANIZATION, BUSINESS AND BASIS OF PRESENTATION**

The Company and its wholly-owned subsidiaries are specialty finance companies. The Company currently operates as a closed-end, non-diversified investment company and has elected to be treated as a business development company (“BDC”) under the 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”).

***Organization***

The Company is a Maryland corporation incorporated on October 10, 2006. On August 2, 2018, the Company entered into an investment advisory agreement (the “Original Advisory Agreement”) and an administration agreement (the “Administration Agreement”) and became an externally-managed BDC managed by Barings LLC (“Barings” or the “Adviser”). An externally-managed BDC generally does not have any employees, and its investment and management functions are provided by an outside investment adviser and administrator under an investment advisory agreement and administration agreement. Instead of the Company directly compensating employees, the Company pays the Adviser for investment and management services pursuant to the terms of the New Barings BDC Advisory Agreement (as defined in “Note 2 – Agreements and Related Party Transactions”) (and, from January 1, 2021 to February 25, 2022, pursuant to the terms of the Amended and Restated Advisory Agreement (as defined in “Note 2 – Agreements and Related Party Transactions”)) and the Administration Agreement. See “Note 2 – Agreements and Related Party Transactions” for additional information regarding the Company’s investment advisory agreement and administration agreement.

***Basis of Presentation***

The financial statements of the Company include the accounts of Barings BDC, Inc. and its wholly-owned subsidiaries. The effects of all intercompany transactions between the Company and its wholly-owned subsidiaries have been eliminated in consolidation. The Company is an investment company and, therefore, applies the specialized accounting and reporting guidance in Accounting Standards Codification (“ASC”) Topic 946, Financial Services – Investment Companies. ASC Topic 946 states that consolidation by the Company of an investee that is not an investment company is not appropriate, except when the Company holds a controlling interest in an operating 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 Unaudited and Audited Consolidated Balance Sheets at fair value, as discussed further in “Note 3 – Investments”, 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 full fiscal 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, 2021. 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 March 2020, the FASB issued Accounting Standards Update, 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU 2020-04”). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impact of adopting ASU 2020-04 on its consolidated financial statements.

### Share Purchase Programs

In connection with the completion of the Company's acquisition of MVC on December 23, 2020 (the "MVC Acquisition"), the Company committed to make open-market purchases of shares of its common stock in an aggregate amount of up to \$15.0 million at then-current market prices at any time shares trade below 90% of the Company's then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing upon the filing of the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2021, which occurred on May 6, 2021, and will be made in accordance with applicable legal, contractual and regulatory requirements. During the three months ended March 31, 2022, the Company repurchased a total of 207,677 shares of its common stock in the open market under the authorized program at an average price of \$10.14 per share, including broker commissions.

In connection with the completion of the Company's acquisition of Sierra on February 25, 2022 (the "Sierra Acquisition"), the Company committed to make open-market purchases of shares of its common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of the Company's then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing on April 1, 2022 and are expected to be made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as subject to compliance with the Company's covenant and regulatory requirements.

## 2. AGREEMENTS AND RELATED PARTY TRANSACTIONS

On August 2, 2018, the Company entered into the Original Advisory Agreement and the Administration Agreement with the Adviser, an investment adviser registered under the Investment Advisers Act of 1940, as amended. In connection with the MVC Acquisition, on December 23, 2020, the Company entered into an amended and restated investment advisory agreement (the "Amended and Restated Advisory Agreement") with the Adviser, following approval of the Amended and Restated Advisory Agreement by the Company's stockholders at its December 23, 2020 special meeting of stockholders. The terms of the Amended and Restated Advisory Agreement became effective on January 1, 2021.

The Amended and Restated Advisory Agreement amended the Original Advisory Agreement to, among other things, (i) reduce the annual base management fee payable to the Adviser from 1.375% to 1.250% of the Company's gross assets, (ii) reset the commencement date for the rolling 12-quarter "look-back" provision used to calculate the income incentive fee and incentive fee cap to January 1, 2021 from January 1, 2020 and (iii) describe the fact that the Company may enter into guarantees, sureties and other credit support arrangements with respect to one or more of its investments, including the impact of these arrangements on the income incentive fee cap.

In connection with the Sierra Acquisition, on February 25, 2022, the Company entered into a second amended and restated investment advisory agreement (the "New Barings BDC Advisory Agreement") with the Adviser, which increased the hurdle rate applicable to the income incentive fee from 2.0% to 2.0625% per quarter (or from 8.0% to 8.25% annualized) and therefore increased the catch-up amount that is used in calculating the income incentive fee to correspond to the increase in the hurdle rate. All other terms and provisions of the Amended and Restated Advisory Agreement between the Company and the Adviser, including with respect to the calculation of the other fees payable to the Adviser, remained unchanged under the New Barings BDC Advisory Agreement.

### *Investment Advisory Agreement*

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

The New Barings BDC Advisory Agreement provides that, absent fraud, willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Adviser, and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser (collectively, the "IA Indemnified Parties"), are entitled to indemnification from the Company for any damages, liabilities, costs, demands, charges, claims and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the IA Indemnified Parties in or by reason of any pending, threatened or completed action, suit,

investigation or other proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of any actions or omissions or otherwise based upon the performance of any of the Adviser's duties or obligations under the New Barings BDC Advisory Agreement or otherwise as an investment adviser of the Company. The Adviser's services under the New Barings BDC Advisory Agreement are not exclusive, and the Adviser is generally free to furnish similar services to other entities so long as its performance under the New Barings BDC Advisory Agreement is not adversely affected.

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

Under the New Barings BDC Advisory Agreement, the Company pays the Adviser (i) a base management fee (the "Base Management Fee") and (ii) an incentive fee (the "Incentive Fee") as compensation for the investment advisory and management services it provides the Company thereunder.

#### ***Base Management Fee***

The Base Management Fee is calculated based on the Company's gross assets, including the Company's credit support agreements, assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents, at an annual rate of 1.25%. The Base Management Fee is payable quarterly in arrears on a calendar quarter basis. The Base Management Fee will be calculated based on the average value of the Company's gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter will be appropriately pro-rated.

For the three months ended March 31, 2022, the Base Management Fee determined in accordance with the terms of the New Barings BDC Advisory Agreement was approximately \$5.9 million. For the three months ended March 31, 2021, the Base Management Fee determined in accordance with the terms of the Amended and Restated Advisory Agreement was approximately \$3.9 million. As of March 31, 2022, the Base Management Fee of \$5.9 million for the three months ended March 31, 2022 was unpaid and included in "Base management fees payable" in the accompanying Unaudited Consolidated Balance Sheet. As of December 31, 2021, the Base Management Fee of \$5.4 million for the three months ended December 31, 2021 was unpaid and included in "Base management fees payable" in the accompanying Consolidated Balance Sheet.

#### ***Incentive Fee***

The Incentive Fee consists of two components that are independent of each other, with the result that one component may be payable even if the other is not. A portion of the Incentive Fee is based on the Company's income (the "Income-Based Fee") and a portion is based on the Company's capital gains (the "Capital Gains Fee"), each as described below:

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

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

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

Subject to the Incentive Fee Cap described below, the amount of the Income-Based Fee that will be paid to the Adviser for a particular quarter will equal the excess of the aggregate Income-Based Fee so calculated less the aggregate Income-Based Fees that were paid to the Adviser in the preceding eleven calendar quarters (or portion thereof) comprising the relevant Trailing Twelve Quarters.

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

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

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

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

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

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

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

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

For the three months ended March 31, 2022, the Income-Based Fee determined in accordance with the terms of the New Barings BDC Advisory Agreement was \$4.8 million. For the three months ended March 31, 2021, the Income-Based Fee determined in accordance with the terms of the Amended and Restated Advisory Agreement was \$2.7 million. As of March 31, 2022, the Income-Based Fee of \$4.8 million was unpaid and included in “Incentive management fees payable” in the accompanying Unaudited Consolidated Balance Sheet. As of December 31, 2021, the Income-Based Fee of \$4.1 million for the three months ended December 31, 2021 was unpaid and included in “Incentive management fees payable” in the accompanying Consolidated Balance Sheet.

The Company did not incur any capital gains fees for either of the three months ended March 31, 2022 or 2021.

***Payment of Company Expenses***

Under the New Barings BDC Advisory Agreement, all investment professionals of the Adviser and its staff, when and to the extent engaged in providing services required to be provided by the Adviser under the New Barings BDC Advisory Agreement, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by the Adviser and not by the Company, except that all costs and expenses relating to the Company’s operations and transactions, including, without limitation, those items listed in the New Barings BDC Advisory Agreement, will be borne by the Company.

***Administration Agreement***

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

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

- the allocable portion of the Adviser’s rent for the Company’s Chief Financial Officer and the Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the usage thereof by such personnel in connection with their performance of administrative services under the Administration Agreement;
- the allocable portion of the salaries, bonuses, benefits and expenses of the Company’s Chief Financial Officer and Chief Compliance Officer and their respective staffs, which is based upon the allocable portion of the time spent by such personnel in connection with performing administrative services for the Company under the Administration Agreement;
- the actual cost of goods and services used for the Company and obtained by the Adviser from entities not affiliated with the Company, which is reasonably allocated to the Company on the basis of assets, revenues, time records or other methods conforming with generally accepted accounting principles;
- all fees, costs and expenses associated with the engagement of a sub-administrator, if any; and

- costs associated with (a) the monitoring and preparation of regulatory reporting, including filings with the SEC 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 months ended March 31, 2022 and March 31, 2021, the Company incurred and was invoiced by the Adviser for expenses of approximately \$1.0 million and \$0.5 million under the terms of the Administration Agreement, which amounts are included in “General and administrative expenses” in the accompanying Unaudited Consolidated Statements of Operations. As of March 31, 2022, the administrative expenses of \$1.0 million for the three months ended March 31, 2022 were unpaid and included in “Administrative fees payable” in the accompanying Unaudited Consolidated Balance Sheet. As of December 31, 2021, the administrative expenses of \$0.8 million incurred for the three months ended December 31, 2021 were unpaid and included in “Administrative fees payable” in the accompanying Consolidated Balance Sheet.

#### ***MVC Credit Support Agreement***

In connection with the MVC Acquisition, on December 23, 2020, promptly following the closing of the Company’s merger with MVC, the Company entered into a Credit Support Agreement (the “MVC Credit Support Agreement”) with the Adviser, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. A summary of the material terms of the MVC Credit Support Agreement are as follows:

- The MVC Credit Support Agreement covers all of the investments in the MVC Reference Portfolio.
- The Adviser has an obligation to provide credit support to the Company in an amount equal to the excess of (1) the aggregate realized and unrealized losses on the MVC Reference Portfolio over (2) the aggregate realized and unrealized gains on the MVC Reference Portfolio, in each case from the date of the closing of the Company’s merger with MVC through the MVC Designated Settlement Date (up to a \$23.0 million cap) (such amount, the “MVC Covered Losses”). For purposes of the MVC Credit Support Agreement, “MVC Designated Settlement Date” means the earlier of (1) January 1, 2031 and (2) the date on which the entire MVC Reference Portfolio has been realized or written off. No credit support is required to be made by the Adviser to the Company under the MVC Credit Support Agreement if the aggregate realized and unrealized gains on the MVC Reference Portfolio exceed realized and unrealized losses of the MVC Reference Portfolio on the MVC Designated Settlement Date.
- The Adviser will settle any credit support obligation under the MVC Credit Support Agreement as follows. If the MVC Covered Losses are greater than \$0.00, then, in satisfaction of the Adviser’s obligation set forth in the MVC Credit Support Agreement, the Adviser will irrevocably waive during the MVC Waiver Period (as defined below) (1) the incentive fees payable under the New Barings BDC Advisory Agreement (including any incentive fee calculated on an annual basis during the MVC Waiver Period), and (2) in the event that MVC Covered Losses exceed such incentive fee, the base management fees payable under the New Barings BDC Advisory Agreement. The “MVC Waiver Period” means the four quarterly measurement periods immediately following the quarter in which the MVC Designated Settlement Date occurs. If the MVC Covered Losses exceed the aggregate amount of incentive fees and base management fees waived by the Adviser during the MVC Waiver Period, then, on the date on which the last incentive fee or base management fee payment would otherwise be due during the MVC Waiver Period, the Adviser shall make a cash payment to the Company equal to the positive difference between the MVC Covered Losses and the aggregate amount of incentive fees and base management fees previously waived by the Adviser during the MVC Waiver Period.
- The MVC Credit Support Agreement and the rights of the Company thereunder shall automatically terminate if the Adviser (or an affiliate of the Adviser) ceases to serve as the investment adviser to the Company or any successor thereto, other than as a result of the voluntary termination by the Adviser of its investment advisory agreement with the Company. In the event of such a voluntary termination by the Adviser of the then-current investment advisory agreement with the Company, the Adviser will remain obligated to provide the credit support contemplated by the MVC Credit Support Agreement. In the event of a non-voluntary termination of the advisory agreement or its expiration (due to non-renewal by the Board), the Adviser will have no obligations under the MVC Credit Support Agreement.

The MVC Credit Support Agreement is intended to give stockholders of the combined company following the MVC Acquisition downside protection from net cumulative realized and unrealized losses on the acquired MVC portfolio and insulate the combined company’s stockholders from potential value volatility and losses in MVC’s portfolio following the closing of the MVC Acquisition. There is no fee or other payment by the Company to the Adviser or any of its affiliates in connection with

the MVC Credit Support Agreement. Any cash payment from the Adviser to the Company under the MVC Credit Support Agreement will be excluded from the Company's incentive fee calculations under the New Barings BDC Advisory Agreement.

When the Company and the Adviser entered into the MVC Credit Support Agreement, it was accounted for as a deemed contribution from the Adviser and was included in "Additional paid-in capital" in the accompanying Unaudited Consolidated Balance Sheet and Consolidated Balance Sheet. In addition, the MVC Credit Support Agreement is accounted for as a derivative in accordance with ASC 815, *Derivatives and Hedging*, and is included in "Credit support agreements" in the accompanying Unaudited Consolidated Balance Sheet and Consolidated Balance Sheet.

#### ***Sierra Credit Support Agreement***

In connection with the Sierra Acquisition, on February 25, 2022, promptly following the closing of the Company's merger with Sierra, the Company entered into a Credit Support Agreement (the "Sierra Credit Support Agreement") with the Adviser, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$100.0 million relating to the net cumulative realized and unrealized losses on the acquired Sierra investment portfolio over a 10-year period. A summary of the material terms of the Sierra Credit Support Agreement are as follows:

- The Sierra Credit Support Agreement covers all of the investments in the Sierra Reference Portfolio.
- The Adviser has an obligation to provide credit support to the Company in an amount equal to the excess of (1) the aggregate realized and unrealized losses on the Sierra Reference Portfolio less (2) the aggregate realized and unrealized gains on the Sierra Reference Portfolio, in each case from the date of the closing of the Company's merger with Sierra through the Designated Settlement Date (up to a \$100.0 million cap) (such amount, the "Covered Losses"). For purposes of the Sierra Credit Support Agreement, "Designated Settlement Date" means the earlier of (1) April 1, 2032 and (2) the date on which the entire Sierra Reference Portfolio has been realized or written off. No credit support is required to be made by the Adviser to the Company under the Sierra Credit Support Agreement if the aggregate realized and unrealized gains on the Sierra Reference Portfolio exceed realized and unrealized losses of the Sierra Reference Portfolio on the Designated Settlement Date.
- The Adviser will settle any credit support obligation under the Sierra Credit Support Agreement as follows. If the Covered Losses are greater than \$0.00, then, in satisfaction of the Adviser's obligation set forth in the Sierra Credit Support Agreement, the Adviser will irrevocably waive during the Waiver Period (as defined below) (1) the incentive fees payable under the New Barings BDC Advisory Agreement (including any incentive fee calculated on an annual basis during the Waiver Period), and (2) in the event that Covered Losses exceed such incentive fee, the base management fees payable under the New Barings BDC Advisory Agreement. The "Waiver Period" means the four quarterly measurement periods immediately following the quarter in which the Designated Settlement Date occurs. If the Covered Losses exceed the aggregate amount of incentive fees and base management fees waived by the Adviser during the Waiver Period, then, on the date on which the last incentive fee or base management fee payment would otherwise be due during the Waiver Period, the Adviser shall make a cash payment to the Company equal to the positive difference between the Covered Losses and the aggregate amount of incentive fees and base management fees previously waived by the Adviser during the Waiver Period.
- The Sierra Credit Support Agreement and the rights of the Company thereunder shall automatically terminate if the Adviser (or an affiliate of the Adviser) ceases to serve as the investment adviser to the Company or any successor thereto, other than as a result of the voluntary termination by the Adviser of its investment advisory agreement with the Company. In the event of such a voluntary termination by the Adviser of the then-current investment advisory agreement with the Company, the Adviser will remain obligated to provide the credit support contemplated by the Sierra Credit Support Agreement. In the event of a non-voluntary termination of the advisory agreement or its expiration (due to non-renewal by the Board), the Adviser will have no obligations under the Sierra Credit Support Agreement.

The Sierra Credit Support Agreement is intended to give stockholders of the combined company following the Sierra Acquisition downside protection from net cumulative realized and unrealized losses on the acquired Sierra portfolio and insulate the combined company's stockholders from potential value volatility and losses in Sierra's portfolio following the closing of the Company's merger with Sierra. There is no fee or other payment by the Company to the Adviser or any of its affiliates in connection with the Sierra Credit Support Agreement. Any cash payment from the Adviser to the Company under the Sierra Credit Support Agreement will be excluded from the combined company's incentive fee calculations under the New Barings BDC Advisory Agreement.



**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

When the Company and the Adviser entered into the Sierra Credit Support Agreement, it was accounted for as a deemed contribution from the Adviser and was included in "Additional paid-in capital" in the accompanying Unaudited Consolidated Balance Sheet. In addition, the Sierra Credit Support Agreement is accounted for as a derivative in accordance with ASC 815, *Derivatives and Hedging*, and is included in "Credit support agreement" in the accompanying Unaudited Consolidated Balance Sheet.

**3. INVESTMENTS**

***Portfolio Composition***

The Company invests predominately in senior secured private debt investments in well-established middle-market businesses that operate across a wide range of industries, as well as syndicated senior secured loans, structured product investments, bonds and other fixed income securities. Structured product investments include collateralized loan obligations and asset-backed securities. The Adviser's existing SEC co-investment exemptive relief under the 1940 Act permits the Company and the Adviser's affiliated private funds and SEC regulated funds to co-invest in loans originated by the Adviser, which allows the Adviser to efficiently implement its senior secured private debt investment strategy for the Company.

The cost basis of the Company's debt investments includes any unamortized purchased premium or discount, unamortized loan origination fees and PIK interest, if any. Summaries of the composition of the Company's investment portfolio at cost and fair value, and as a percentage of total investments and net assets, are shown in the following tables:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio	Percentage of Total Net Assets
<b>March 31, 2022:</b>					
Senior debt and 1 <sup>st</sup> lien notes	\$ 1,560,223	65 %	\$ 1,555,746	65 %	118 %
Subordinated debt and 2 <sup>nd</sup> lien notes	346,381	14	317,643	13	24
Structured products	84,056	4	82,014	3	6
Equity shares	170,691	7	219,466	9	17
Equity warrants	174	—	156	—	—
Investment in joint ventures / PE fund	230,076	10	228,400	10	17
	<u>\$ 2,391,601</u>	<u>100 %</u>	<u>\$ 2,403,425</u>	<u>100 %</u>	<u>182 %</u>
<b>December 31, 2021:</b>					
Senior debt and 1 <sup>st</sup> lien notes	\$ 1,217,899	68 %	\$ 1,221,598	68 %	165 %
Subordinated debt and 2 <sup>nd</sup> lien notes	253,551	14	240,037	13	32
Structured products	37,055	2	40,271	2	6
Equity shares	145,791	8	154,477	9	21
Equity warrants	1,111	—	1,107	—	—
Investment in joint ventures / PE fund	132,417	8	143,104	8	19
	<u>\$ 1,787,824</u>	<u>100 %</u>	<u>\$ 1,800,594</u>	<u>100 %</u>	<u>243 %</u>

During the three months ended March 31, 2022, the Company made 22 new investments totaling \$229.3 million, purchased \$442.2 million of investments as part of the Sierra Acquisition, made investments in existing portfolio companies totaling \$89.3 million and made additional investments in joint venture equity portfolio companies totaling \$11.7 million. During the three months ended March 31, 2021, the Company made 18 new investments totaling \$172.2 million, made investments in existing portfolio companies totaling \$73.2 million, made one new joint venture equity investment totaling \$4.5 million and made additional investments in existing joint venture equity portfolio companies totaling \$25.0 million.

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

**Industry Composition**

The industry composition of investments at fair value at March 31, 2022 and December 31, 2021, excluding short-term investments, was as follows:

(\$ in thousands)	March 31, 2022			December 31, 2021		
	\$	%	%	\$	%	%
Aerospace and Defense	154,797	6.4	%	91,129	5.1	%
Automotive	77,203	3.2		55,875	3.1	
Banking, Finance, Insurance and Real Estate	243,595	10.1		208,397	11.6	
Beverage, Food and Tobacco	38,294	1.6		38,985	2.2	
Capital Equipment	41,492	1.7		42,916	2.4	
Chemicals, Plastics, and Rubber	49,249	2.1		32,234	1.8	
Construction and Building	64,628	2.7		62,083	3.4	
Consumer goods: Durable	77,265	3.2		47,316	2.6	
Consumer goods: Non-durable	28,497	1.2		28,306	1.6	
Containers, Packaging and Glass	30,662	1.3		10,218	0.6	
Energy: Electricity	7,270	0.3		12,190	0.7	
Energy: Oil and Gas	6,674	0.3		5,774	0.3	
Environmental Industries	8,012	0.3		8,081	0.4	
Healthcare and Pharmaceuticals	186,429	7.8		134,286	7.5	
High Tech Industries	248,659	10.3		139,590	7.7	
Hotel, Gaming and Leisure	58,384	2.4		27,553	1.5	
Investment Funds and Vehicles	228,400	9.5		143,104	7.9	
Media: Advertising, Printing and Publishing	45,096	1.9		46,414	2.6	
Media: Broadcasting and Subscription	7,429	0.3		7,441	0.4	
Media: Diversified and Production	48,175	2.0		52,887	2.9	
Metals and Mining	14,731	0.6		10,684	0.6	
Retail	1,998	0.1		—	—	
Services: Business	419,154	17.4		342,758	19.0	
Services: Consumer	82,068	3.4		65,801	3.7	
Structured Products	82,014	3.4		24,662	1.4	
Telecommunications	34,725	1.5		45,182	2.5	
Transportation: Cargo	88,033	3.7		86,964	4.8	
Transportation: Consumer	11,917	0.5		12,231	0.7	
Utilities: Electric	12,835	0.5		12,857	0.7	
Utilities: Oil and Gas	4,707	0.2		4,677	0.3	
Wholesale	1,033	—		—	—	
<b>Total</b>	<b>\$ 2,403,425</b>	<b>100.0</b>	<b>%</b>	<b>\$ 1,800,594</b>	<b>100.0</b>	<b>%</b>

**Jocassee Partners LLC**

On May 8, 2019, the Company entered into an agreement with South Carolina Retirement Systems Group Trust ("SCRS") to create and co-manage Jocassee Partners LLC ("Jocassee"), a joint venture, which invests in a highly diversified asset mix including senior secured, middle-market, private debt investments, syndicated senior secured loans and structured product investments. The Company and SCRS committed to initially provide \$50.0 million and \$500.0 million, respectively, of equity capital to Jocassee. Equity contributions will be called from each member on a pro-rata basis, based on their equity commitments.

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

The total value of Jocassee's investment portfolio was \$1,366.6 million as of March 31, 2022, as compared to \$1,258.2 million as of December 31, 2021. As of March 31, 2022, Jocassee's investments had an aggregate cost of \$1,376.0 million, as compared to \$1,242.2 million as of December 31, 2021. As of March 31, 2022 and December 31, 2021, the weighted average yield on the principal amount of Jocassee's outstanding debt investments was approximately 5.4% and 5.3%, respectively. As of March 31, 2022 and December 31, 2021, the Jocassee investment portfolio consisted of the following investments:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
<b>March 31, 2022:</b>				
Senior debt and 1 <sup>st</sup> lien notes	\$ 1,213,599	88 %	\$ 1,201,499	88 %
Subordinated debt and 2nd lien notes	22,657	2 %	22,709	2 %
Structured products	4,041	— %	4,405	— %
Equity shares	5,031	— %	3,487	— %
Equity warrants	31	— %	25	— %
Investment in joint ventures	117,952	9 %	121,813	9 %
Short-term investments	12,689	1 %	12,689	1 %
	<u>\$ 1,376,000</u>	<u>100 %</u>	<u>\$ 1,366,627</u>	<u>100 %</u>
<b>December 31, 2021:</b>				
Senior debt and 1 <sup>st</sup> lien notes	\$ 1,084,502	87 %	\$ 1,085,172	86 %
Subordinated debt and 2nd lien notes	23,607	2	24,011	2
Structured products	4,569	—	5,410	1
Equity shares	5,448	1	3,887	—
Equity warrants	31	—	75	—
Investment in joint ventures	111,490	9	127,092	10
Short-term investments	12,572	1	12,572	1
	<u>\$ 1,242,219</u>	<u>100 %</u>	<u>\$ 1,258,219</u>	<u>100 %</u>

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

The industry composition of Jocassee's investments at fair value at March 31, 2022 and December 31, 2021, excluding short-term investments, was as follows:

(\$ in thousands)	March 31, 2022		December 31, 2021	
Aerospace and Defense	\$ 71,608	5.3 %	\$ 71,857	5.8 %
Automotive	26,133	1.9	18,626	1.5
Banking, Finance, Insurance and Real Estate	110,522	8.2	109,961	8.8
Beverage, Food and Tobacco	30,457	2.3	30,352	2.4
Capital Equipment	27,322	2.0	17,006	1.4
Chemicals, Plastics, and Rubber	26,593	2.0	24,665	2.0
Construction and Building	14,293	1.1	14,506	1.2
Consumer goods: Durable	18,919	1.4	10,294	0.8
Consumer goods: Non-durable	23,635	1.7	23,886	1.9
Containers, Packaging and Glass	26,847	2.0	25,277	2.0
Energy: Electricity	15,450	1.1	10,571	0.8
Energy: Oil and Gas	4,803	0.4	5,091	0.4
Environmental Industries	7,453	0.6	7,563	0.6
Forest Products & Paper	450	—	475	—
Healthcare and Pharmaceuticals	143,056	10.6	128,495	10.3
High Tech Industries	172,972	12.8	171,960	13.8
Hotel, Gaming and Leisure	31,228	2.3	35,383	2.8
Investment Funds and Vehicles	121,813	9.0	127,092	10.2
Media: Advertising, Printing and Publishing	21,336	1.6	18,423	1.5
Media: Broadcasting and Subscription	36,877	2.7	37,840	3.0
Media: Diversified and Production	29,558	2.2	21,059	1.7
Metals and Mining	5,761	0.4	5,792	0.5
Retail	14,759	1.1	14,420	1.2
Services: Business	192,948	14.2	151,723	12.2
Services: Consumer	54,858	4.0	55,156	4.4
Structured Product	4,405	0.3	5,409	0.4
Telecommunications	43,168	3.2	36,036	2.9
Transportation: Cargo	54,161	4.0	49,103	3.9
Transportation: Consumer	12,390	0.9	6,546	0.5
Utilities: Electric	3,248	0.2	3,265	0.3
Utilities: Oil and Gas	6,915	0.5	6,870	0.6
Wholesale	—	—	945	0.1
<b>Total</b>	<b>\$ 1,353,938</b>	<b>100.0 %</b>	<b>\$ 1,245,647</b>	<b>100.0 %</b>

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

The geographic composition of Jocassee's investments at fair value at March 31, 2022 and December 31, 2021, excluding short-term investments, was as follows:

(\$ in thousands)	March 31, 2022			December 31, 2021		
Australia	\$	37,405	2.8 %	\$	16,509	1.3 %
Austria		7,054	0.5		1,115	0.1
Belgium		17,234	1.3		14,814	1.2
Canada		8,413	0.6		8,507	0.7
Denmark		1,105	0.1		6,960	0.6
Finland		2,220	0.2		47,992	3.9
France		130,483	9.6		3,391	0.3
Germany		43,386	3.2		6,357	0.5
Hong Kong		4,779	0.4		2,272	0.2
Ireland		4,045	0.3		123,816	9.9
Italy		—	—		113,896	9.1
Luxembourg		1,198	0.1		4,766	0.4
Netherlands		37,569	2.8		3,744	0.3
Panama		956	0.1		—	—
Singapore		4,936	0.3		—	—
Spain		4,632	0.3		1,225	0.1
Sweden		5,154	0.4		32,150	2.6
Switzerland		6,826	0.4		965	0.1
United Kingdom		126,637	9.4		5,305	0.4
USA		909,906	67.2		851,863	68.4
<b>Total</b>	<b>\$</b>	<b>1,353,938</b>	<b>100 %</b>	<b>\$</b>	<b>1,245,647</b>	<b>100 %</b>

Jocassee's subscription facility with Bank of America N.A., which is non-recourse to the Company, had approximately \$129.3 million and \$176.3 million outstanding as of March 31, 2022 and December 31, 2021, respectively. Jocassee's credit facility with Citibank, N.A., which is non-recourse to the Company, had approximately \$347.9 million and \$342.8 million outstanding as of March 31, 2022 and December 31, 2021, respectively. Jocassee's term debt securitization, which is non-recourse to the Company, had approximately \$323.1 million outstanding as of both March 31, 2022 and December 31, 2021.

The Company may sell portions of its investments via assignment to Jocassee. Since inception, as of March 31, 2022 and December 31, 2021, the Company had sold \$830.8 million and \$698.5 million, respectively, of its investments to Jocassee. For the three months ended March 31, 2022 and March 31, 2021, the Company realized a loss on the sales of its investments to Jocassee of \$0.2 million and \$0.3 million, respectively. As of March 31, 2022 and December 31, 2021, the Company had \$180.0 million and \$216.9 million, respectively, in unsettled receivables due from Jocassee that were included in "Receivable from unsettled transactions" in the accompanying Unaudited and Audited Consolidated Balance Sheets. The sale of the investments met the criteria set forth in ASC 860, *Transfers and Servicing* for treatment as a sale and satisfies the following conditions:

- Assigned investments have been isolated from the Company, and put presumptively beyond the reach of the Company and its creditors, even in bankruptcy or other receivership;
- each participant has the right to pledge or exchange the assigned investments it received, and no condition both constrains the participant from taking advantage of its right to pledge or exchange and provides more than a trivial benefit to the Company; and
- the Company, its consolidated affiliates or its agents do not maintain effective control over the assigned investments through either: (i) an agreement that entitles and/or obligates the Company to repurchase or redeem the assets before maturity, or (ii) the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call.

The Company has determined that Jocassee is an investment company under ASC, Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Jocassee as it is not a substantially wholly owned investment company subsidiary. In addition, Jocassee is not an operating company and the Company does not control Jocassee due to the allocation of voting rights among Jocassee members.

As of March 31, 2022 and December 31, 2021, Jocassee had the following contributed capital and unfunded commitments from its members:

(\$ in thousands)	As of March 31, 2022	As of December 31, 2021
Total contributed capital by Barings BDC, Inc.	\$ 35,000	\$ 30,000
Total contributed capital by all members	\$ 385,000	\$ 330,000
Total unfunded commitments by Barings BDC, Inc.	\$ 15,000	\$ 20,000
Total unfunded commitments by all members	\$ 165,000	\$ 220,000

**Thompson Rivers LLC**

On April 28, 2020, Thompson Rivers LLC (“Thompson Rivers”) was formed as a Delaware limited liability company. On May 13, 2020, the Company entered into a limited liability company agreement governing Thompson Rivers. Under Thompson Rivers’ current operating agreement, as amended to date, the Company has a capital commitment of \$75.0 million of equity capital to Thompson Rivers, all of which has been funded as of March 31, 2022. As of March 31, 2022, aggregate commitments to Thompson Rivers by the Company and the other members under the current operating agreement total \$450.0 million, all of which has been funded.

For the three months ended March 31, 2022, Thompson Rivers declared \$20.0 million in dividends, of which \$3.2 million was recognized as dividend income in the Company’s Unaudited Consolidated Statement of Operations.

As of March 31, 2022, Thompson Rivers had \$2.7 billion in Ginnie Mae early buyout loans and \$117.4 million in cash. As of December 31, 2021, Thompson Rivers had \$3.1 billion in Ginnie Mae early buyout loans and \$220.6 million in cash. As of March 31, 2022, Thompson Rivers had 14,270 outstanding loans with an average unpaid balance of \$0.2 million and weighted average coupon of 3.9%. As of December 31, 2021, Thompson Rivers had 15,617 outstanding loans with an average unpaid balance of \$0.2 million and weighted average coupon of 4.0%.

As of March 31, 2022 and December 31, 2021, the Thompson Rivers investment portfolio consisted of the following investments:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
<b>March 31, 2022:</b>				
Federal Housing Administration (“FHA”) loans	\$ 2,399,678	90 %	\$ 2,381,614	90 %
Veterans Affairs (“VA”) loans	277,194	10 %	271,393	10 %
	<u>\$ 2,676,872</u>	<u>100 %</u>	<u>\$ 2,653,007</u>	<u>100 %</u>
<b>December 31, 2021:</b>				
Federal Housing Administration (“FHA”) loans	\$ 2,799,869	93 %	\$ 2,839,495	93 %
Veterans Affairs (“VA”) loans	224,660	7 %	223,540	7 %
	<u>\$ 3,024,528</u>	<u>100 %</u>	<u>\$ 3,063,036</u>	<u>100 %</u>

Thompson Rivers’ repurchase agreement with JPMorgan Chase Bank, which is non-recourse to the Company, had approximately \$572.4 million and \$694.8 million outstanding as of March 31, 2022 and December 31, 2021, respectively. Thompson Rivers’ repurchase agreement with Bank of America N.A., which is non-recourse to the Company, had approximately \$1,087.3 million and \$1,245.2 million outstanding as of March 31, 2022 and December 31, 2021, respectively. Thompson Rivers’ repurchase agreement with Barclays Bank, which is non-recourse to the Company, had approximately \$749.7 million and \$933.1 million outstanding as of March 31, 2022 and December 31, 2021, respectively.

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

The Company has determined that Thompson Rivers is an investment company under ASC, Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Thompson Rivers as it is not a substantially wholly owned investment company subsidiary. In addition, Thompson Rivers is not an operating company and the Company does not control Thompson Rivers due to the allocation of voting rights among Thompson Rivers members.

As of March 31, 2022 and December 31, 2021, Thompson Rivers had the following contributed capital and unfunded commitments from its members:

(\$ in thousands)	As of March 31, 2022		As of December 31, 2021	
Total contributed capital by Barings BDC, Inc.(1)	\$	79,411	\$	79,414
Total contributed capital by all members	\$	482,083	(2)	\$ 482,120 (3)
Total unfunded commitments by Barings BDC, Inc.	\$	—	\$	—
Total unfunded commitments by all members	\$	—	\$	—

(1) Includes \$4.4 million of dividend re-investments.

(2) Includes dividend re-investments of \$32.1 million and \$162.1 million of total contributed capital by related parties.

(3) Includes dividend re-investments of \$32.1 million and \$162.3 million of total contributed capital by related parties.

**Waccamaw River LLC**

On January 4, 2021, Waccamaw River LLC (“Waccamaw River”) was formed as a Delaware limited liability company. On February 8, 2021, the Company entered into a limited liability company agreement governing Waccamaw River. Under Waccamaw River’s current operating agreement, as amended to date, the Company has a capital commitment of \$25.0 million of equity capital to Waccamaw River, of which approximately \$20.4 million (including approximately \$5.3 million of recallable return of capital) has been funded as of March 31, 2022. As of March 31, 2022, aggregate commitments to Waccamaw River by the Company and the other members under the current operating agreement total \$125.0 million, of which \$102.1 million (including \$14.0 million of recallable return of capital) has been funded.

On March 31, 2022, Waccamaw River declared \$1.5 million in dividends, of which \$0.3 million was recognized as dividend income in the Company’s Unaudited Consolidated Statement of Operations.

As of March 31, 2022, Waccamaw River had \$89.7 million in unsecured consumer loans and \$8.5 million in cash. As of December 31, 2021, Waccamaw River had \$60.8 million in unsecured consumer loans and \$4.9 million in cash. As of March 31, 2022, Waccamaw River had 7,964 outstanding loans with an average loan size of \$11,522, remaining average life to maturity of 45.9 months and weighted average interest rate of 10.9%. As of December 31, 2021, Waccamaw River had 5,500 outstanding loans with an average loan size of \$11,280, remaining average life to maturity of 46.5 months and weighted average interest rate of 10.9%.

The Company has determined that Waccamaw River is an investment company under ASC, Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Waccamaw River as it is not a substantially wholly owned investment company subsidiary. In addition, Waccamaw River is not an operating company and the Company does not control Waccamaw River due to the allocation of voting rights among Waccamaw River members.

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

As of March 31, 2022 and December 31, 2021, Waccamaw River had the following contributed capital and unfunded commitments from its members:

(\$ in thousands)	As of March 31, 2022		As of December 31, 2021	
Total contributed capital by Barings BDC, Inc.	\$	25,700	\$	19,000
Total contributed capital by all members	\$	116,120	(1)	\$ 82,620 (4)
Total return of capital (recallable) by Barings BDC, Inc.	\$	(5,280)	\$	(5,280)
Total return of capital (recallable) by all members(2)	\$	(14,020)	\$	(14,020)
Total unfunded commitments by Barings BDC, Inc.	\$	4,580	\$	11,280
Total unfunded commitments by all members	\$	22,900	(3)	\$ 56,400 (5)

- (1) Includes \$68.3 million of total contributed capital by related parties.  
(2) Includes (\$7.0) million of total return of capital (recallable) by related parties.  
(3) Includes \$13.7 million of unfunded commitments by related parties.  
(4) Includes \$48.2 million of total contributed capital by related parties.  
(5) Includes \$33.8 million of unfunded commitments by related parties.

**Sierra Senior Loan Strategy JV I LLC**

On February 25, 2022, as part of the Sierra Acquisition, the Company purchased its interest in Sierra Senior Loan Strategy JV I LLC (“Sierra JV”). The Company and MassMutual Ascend Life Insurance Company (“MMALIC”), a wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company, are the members of Sierra JV, a joint venture formed as a Delaware limited liability company and commenced operations on July 15, 2015. Sierra JV’s investment objective is to generate current income and capital appreciation by investing primarily in the debt of privately-held middle market companies with a focus on senior secured first lien term loans. The members of Sierra JV make capital contributions as investments by Sierra JV are completed, and all portfolio and other material decisions regarding Sierra JV must be submitted to Sierra JV’s board of managers, which is comprised of four members, two of whom are selected by the Company and the other two are selected by MMALIC. Approval of Sierra JV’s board of managers requires the unanimous approval of a quorum of the board of managers, with a quorum consisting of equal representation of members appointed by each of the Company and MMALIC.

As of March 31, 2022, Sierra JV had total capital commitments of \$124.5 million with the Company committing \$110.1 million and MMALIC committing \$14.5 million. The Company had fully funded its \$110.1 million commitment and total commitments of \$124.5 million were funded as of March 31, 2022.

The Company has determined that Sierra JV is an investment company under ASC, Topic 946, *Financial Services - Investment Companies*, however, in accordance with such guidance, the Company will generally not consolidate its investment in a company other than a substantially wholly owned investment company subsidiary, which is an extension of the operations of the Company, or a controlled operating company whose business consists of providing services to the Company. The Company does not consolidate its interest in Sierra JV as it is not a substantially wholly owned investment company subsidiary. In addition, Sierra JV is not an operating company and the Company does not control Sierra JV due to the allocation of voting rights among Sierra JV members.

As of March 31, 2022, the total cost and value of Sierra JV’s investment portfolio was \$158.8 million and \$152.0 million, respectively. As of March 31, 2022, the weighted average yield on the principal amount of Sierra JV’s outstanding debt investments was approximately 5.8%. As of March 31, 2022, the Sierra JV investment portfolio consisted of the following investments:

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
<b>March 31, 2022:</b>				
Senior debt and 1 <sup>st</sup> lien notes	\$ 158,810	100 %	\$ 152,035	100 %
	<u>\$ 158,810</u>	<u>100 %</u>	<u>\$ 152,035</u>	<u>100 %</u>



**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

The industry composition of Sierra JV’s investments at fair value at March 31, 2022, excluding short-term investments, was as follows:

(\$ in thousands)	<b>March 31, 2022</b>	
Automotive	6,069	4.0 %
Banking, Finance, Insurance and Real Estate	1,677	1.1
Beverage, Food and Tobacco	4,481	2.9
Capital Equipment	9,413	6.2
Chemicals, Plastics, and Rubber	9,098	6.0
Construction and Building	1,883	1.2
Consumer goods: Durable	7,904	5.2
Consumer goods: Non-durable	43	—
Containers, Packaging and Glass	1,730	1.1
Environmental Industries	8,638	5.7
Forest Products & Paper	2,535	1.7
Healthcare and Pharmaceuticals	15,848	10.4
High Tech Industries	18,575	12.2
Media: Advertising, Printing and Publishing	9,805	6.4
Media: Diversified and Production	9,016	5.9
Retail	12,183	8.0
Services: Business	12,891	8.5
Services: Consumer	8,637	5.7
Transportation: Cargo	6,326	4.2
Transportation: Consumer	5,283	3.5
<b>Total</b>	<b>\$ 152,035</b>	<b>100.0 %</b>

Sierra JV’s revolving credit facility with Wells Fargo Bank, N.A., which is non-recourse to the Company, had \$75.0 million outstanding as of March 31, 2022.

***Eclipse Business Capital Holdings LLC***

On July 8, 2021, the Company made an equity investment in Eclipse Business Capital Holdings LLC (“Eclipse”) of \$89.8 million, a second lien senior secured loan of \$4.5 million and unfunded revolver of \$13.6 million, alongside other related party affiliates. As of March 31, 2022 and December 31, 2021, \$2.7 million and \$1.8 million, respectively, of the revolver was funded. Eclipse conducts its business through Eclipse Business Capital LLC. Eclipse is one of the country’s leading independent asset-based lending (“ABL”) platforms that provides financing to middle-market borrowers in the U.S. and Canada. Eclipse provides revolving lines of credit and term loans ranging in size from \$10 – \$125 million that are secured by collateral such as accounts receivable, inventory, equipment, or real estate. Eclipse lends to both privately-owned and publicly-traded companies across a range of industries, including manufacturing, retail, automotive, oil & gas, services, distribution, and consumer products. The addition of Eclipse to the portfolio allows the Company to participate in an asset class and commercial finance operations that offer differentiated income returns as compared to directly originated loans. Eclipse is led by a seasoned team of ABL experts.

The Company has determined that Eclipse is not an investment company under ASC, Topic 946, *Financial Services - Investment Companies*. Under ASC 810-10-15-12(d), an investment company generally does not consolidate an investee that is not an investment company other than a controlled operating company whose business consists of providing services to the company. Thus, the Company is not required to consolidate Eclipse because it does not provide services to the Company. Instead the Company accounts for its investment in Eclipse in accordance with ASC 946-320, presented as a single investment measured at fair value.

***Valuation of Investments***

The Company conducts the valuation of its investments, upon which its net asset value is primarily based, in accordance with its valuation policy, as well as established and documented processes and methodologies for determining the fair values of portfolio company investments on a recurring (at least quarterly) basis in accordance with the 1940 Act and FASB ASC Topic

820, *Fair Value Measurements and Disclosures* ("ASC Topic 820"). The Company's current valuation policy and processes were established by the Adviser and have been approved by the Board.

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

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

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

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

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

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

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

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

#### ***Investment Valuation Process***

The Adviser has established a pricing committee that is, subject to the oversight of the Board, responsible for the approval, implementation and oversight of the processes and methodologies that relate to the pricing and valuation of assets held by the Company. The Adviser uses independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, the Adviser will utilize alternative methods in accordance with internal pricing procedures established by the Adviser's pricing committee.

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

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

### *Independent Valuation*

The fair value of loans and equity investments that are not syndicated or for which market quotations are not readily available, including middle-market loans, are generally submitted to independent providers to perform an independent valuation on those loans and equity investments as of the end of each quarter. Such loans and equity investments are initially held at cost, as that is a reasonable approximation of fair value on the acquisition date, and monitored for material changes that could affect the valuation (for example, changes in interest rates or the credit quality of the borrower). At the quarter end following the initial acquisition, such loans and equity investments are generally sent to a valuation provider which will determine the fair value of each investment. The independent valuation providers apply various methods (synthetic rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the “discount rate”) as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of values will be provided by the valuation provider and the Adviser will determine the point within that range that it will use in making valuation recommendations to the Board, and will report to the Board on its rationale for each such determination. The Adviser uses its internal valuation model as a comparison point to validate the price range provided by the valuation provider and, where applicable, in determining the point within that range that it will use in making valuation recommendations to the Board. If the Adviser’s pricing committee disagrees with the price range provided, it may make a fair value recommendation to the Board that is outside of the range provided by the independent valuation provider, and will notify the Board of any such override and the reasons therefore. In certain instances, the Company may determine that it is not cost-effective, and as a result is not in the stockholders’ best interests, to request an independent valuation firm to perform an independent valuation on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio. Pursuant to these procedures, the Board determines in good faith whether the Company’s investments were valued at fair value in accordance with the Company’s valuation policies and procedures and the 1940 Act based on, among other things, the input of Barings, the Company’s Audit Committee and the independent valuation firm.

### *Valuation 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. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, the Company will utilize alternative approaches such as broker quotes or manual prices. 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.

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

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

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

*Level 3 Unobservable Inputs*

The following tables summarize the significant unobservable inputs the Company used in the valuation of its Level 3 debt and equity securities as of March 31, 2022 and December 31, 2021. The weighted average range of unobservable inputs is based on fair value of investments.

<b>March 31, 2022:</b> <b>(\$ in thousands)</b>	<b>Fair Value</b>	<b>Valuation Model</b>	<b>Level 3 Input</b>	<b>Range of Inputs</b>	<b>Weighted Average</b>	<b>Impact to Valuation from an Increase in Input</b>
Senior debt and 1 <sup>st</sup> lien notes <sup>(1)</sup>	1,107,422	Field Analysis	Market Yield	5.5% – 38.2%	8.6%	Decrease
		Market Approach	Adjusted EBITDA Multiple	0.3x – 4.5x	3.5x	Increase
	286,463	Recent Transaction	Transaction Price	0% – 100.0%	98.1%	Increase
		Discounted Cash Flow Analysis	Discount Rate	19.6%	19.6%	Decrease
Subordinated debt and 2 <sup>nd</sup> lien notes <sup>(2)</sup>	170,059	Field Analysis	Market Yield	6.7% – 19.0%	12.2%	Decrease
		Market Approach	Adjusted EBITDA Multiple	5.0x – 7.0x	5.2x	Increase
	72,507	Discounted Cash Flow Analysis	Discount Rate	19.6%	19.6%	Decrease
		Recent Transaction	Transaction Price	100%	100%	Increase
Structured products	4,980	Discounted Cash Flow Analysis	Discount Rate	6.3%	6.3%	Decrease
Equity shares <sup>(3)</sup>	192,434	Market Approach	Adjusted EBITDA Multiple	2.3x – 50.0x	9.5x	Increase
		Expected Transaction <sup>(4)</sup>	Transaction Price	\$5,953	\$5,953	Increase
	5,953	Recent Transaction	Transaction Price	\$0.67 – \$1,000	\$124.22	Increase
		Recent Transaction	Transaction Price	\$0.67 – \$1,000	\$124.22	Increase
Equity warrants	7	Market Approach	Adjusted EBITDA Multiple	0.3x – 6.5x	4.0x	Increase

(1) Excludes investments with an aggregate fair value amounting to \$26,646, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

(2) Excludes investments with an aggregate fair value amounting to \$47,909, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

(3) Excludes investments with an aggregate fair value amounting to \$3,030, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.

(4) Estimated proceeds expected to be received under legally binding asset purchase agreement for sale of real estate held by portfolio company.

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

December 31, 2021: (\$ in thousands)	Fair Value	Valuation Model	Level 3 Input	Range of Inputs	Weighted Average	Impact to Valuation from an Increase in Input
Senior debt and 1 <sup>st</sup> lien notes <sup>(1)</sup>	717,374	Yield Analysis	Market Yield	5.2% – 33.5%	7.7%	Decrease
	416,016	Recent Transaction	Transaction Price	96.5% – 99.0%	97.7%	Increase
Subordinated debt and 2 <sup>nd</sup> lien notes <sup>(2)</sup>	107,345	Yield Analysis	Market Yield	5.3% – 19.0%	11.5%	Decrease
	64,895	Market Approach	Adjusted EBITDA Multiple	0.6x – 9.0x	5.67x	Increase
	40,354	Recent Transaction	Transaction Price	97.0% – 100.0%	98.0%	Increase
Equity shares <sup>(3)</sup>	137,393	Market Approach	Adjusted EBITDA Multiple	5.5x – 54.0x	13.1x	Increase
	6,197	Expected Transaction <sup>(4)</sup>	Transaction Price	\$6,197,037	\$6,197,037	Increase
	4,546	Recent Transaction	Transaction Price	\$1.0 – \$1,000	\$140.03	Increase
Equity warrants	864	Market Approach	Adjusted EBITDA Multiple	5.0x-6.0x	6.0x	Increase

- (1) Excludes investments with an aggregate fair value amounting to \$3,938, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (2) Excludes investments with an aggregate fair value amounting to \$17,974, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (3) Excludes investments with an aggregate fair value amounting to \$3,146, which the Company valued using unadjusted prices from independent pricing services and independent indicative broker quotes where pricing inputs are not readily available.
- (4) Estimated proceeds expected to be received under legally binding asset purchase agreement for sale of real estate held by portfolio company.

The following tables present the Company's investment portfolio at fair value as of March 31, 2022 and December 31, 2021, categorized by the ASC Topic 820 valuation hierarchy, as previously described:

(\$ in thousands)	Fair Value as of March 31, 2022			
	Level 1	Level 2	Level 3	Total
Senior debt and 1 <sup>st</sup> lien notes	\$ —	\$ 115,215	\$ 1,440,531	\$ 1,555,746
Subordinated debt and 2 <sup>nd</sup> lien notes	—	21,646	295,997	317,643
Structured products	—	77,028	4,986	82,014
Equity shares	94	10,050	209,322	219,466
Equity warrants	—	84	72	156
Investments subject to leveling	\$ 94	\$ 224,023	\$ 1,950,908	\$ 2,175,025
Investment in joint ventures / PE fund(1)				228,400
				<u>\$ 2,403,425</u>

(\$ in thousands)	Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Senior debt and 1 <sup>st</sup> lien notes	\$ —	\$ 84,275	\$ 1,137,323	\$ 1,221,598
Subordinated debt and 2 <sup>nd</sup> lien notes	—	9,468	230,569	240,037
Structured products	—	40,271	—	40,271
Equity shares	111	3,084	151,282	154,477
Equity warrants	—	243	864	1,107
Investments subject to leveling	\$ 111	\$ 137,341	\$ 1,520,038	\$ 1,657,490
Investment in joint ventures / PE fund(2)				143,104
				<u>\$ 1,800,594</u>

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

- (1) The Company's investments in Jocassee, Sierra JV, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP are measured at fair value using NAV and have not been categorized in the fair value hierarchy. The fair value 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 and Consolidated Balance Sheet.
- (2) The Company's investments in Jocassee, Thompson Rivers, Waccamaw River and MVC Private Equity Fund LP are measured at fair value using NAV and have not been categorized in the fair value hierarchy. The fair value 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 and 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 three months ended March 31, 2022 and 2021:

<b>Three Months Ended March 31, 2022: (\$ in thousands)</b>	<b>Senior Debt and 1<sup>st</sup> Lien Notes</b>	<b>Subordinated Debt and 2<sup>nd</sup> Lien Notes</b>	<b>Structured Products</b>	<b>Equity Shares</b>	<b>Equity Warrants</b>	<b>Total</b>
Fair value, beginning of period	\$ 1,137,323	\$ 230,569	\$ —	\$ 151,282	\$ 864	\$ 1,520,038
New investments	258,441	30,065	—	11,936	—	300,442
Investments acquired in Sierra merger	210,176	54,177	—	7,065	72	271,490
Transfers into Level 3, net	2,580	—	4,905	—	—	7,485
Proceeds from sales of investments	(151,580)	—	—	(1,364)	(250)	(153,194)
Loan origination fees received	(5,350)	36	—	—	—	(5,314)
Principal repayments received	(7,773)	(11,020)	—	—	—	(18,793)
Payment-in-kind interest	308	6,984	—	—	—	7,292
Accretion of loan premium/discount	7	10	—	—	—	17
Accretion of deferred loan origination revenue	1,390	62	—	—	—	1,452
Realized gain (loss)	611	8	—	—	(760)	(141)
Unrealized appreciation (depreciation)	(5,602)	(14,894)	81	40,403	146	20,134
Fair value, end of period	<u>\$ 1,440,531</u>	<u>\$ 295,997</u>	<u>\$ 4,986</u>	<u>\$ 209,322</u>	<u>\$ 72</u>	<u>\$ 1,950,908</u>

<b>Three Months Ended March 31, 2021: (\$ in thousands)</b>	<b>Senior Debt and 1<sup>st</sup> Lien Notes</b>	<b>Subordinated Debt and 2<sup>nd</sup> Lien Notes</b>	<b>Equity Shares</b>	<b>Equity Warrants</b>	<b>Total</b>
Fair value, beginning of period	\$ 1,055,717	\$ 130,820	\$ 44,227	\$ 1,134	\$ 1,231,898
New investments	227,057	14,478	1,073	—	242,608
Transfers into Level 3, net	—	2,234	424	—	2,658
Proceeds from sales of investments	(130,763)	—	(5,946)	—	(136,709)
Loan origination fees received	(4,176)	(402)	—	—	(4,578)
Principal repayments received	(12,260)	(10,120)	—	—	(22,380)
Payment-in-kind interest	229	7,008	—	—	7,237
Accretion of loan premium/discount	3	7	—	—	10
Accretion of deferred loan origination revenue	1,213	211	—	—	1,424
Realized gain (loss)	1,605	3	(77)	—	1,531
Unrealized appreciation (depreciation)	756	(68)	(2,883)	(157)	(2,352)
Fair value, end of period	<u>\$ 1,139,381</u>	<u>\$ 144,171</u>	<u>\$ 36,818</u>	<u>\$ 977</u>	<u>\$ 1,321,347</u>

All realized gains and losses and unrealized appreciation and depreciation are included in earnings (changes in net assets) and are reported on separate line items within the Company's Unaudited Consolidated Statements of Operations. Pre-tax net unrealized appreciation on Level 3 investments of \$21.0 million during the three months ended March 31, 2022 was related to portfolio company investments that were still held by the Company as of March 31, 2022. Pre-tax net unrealized depreciation on Level 3 investments of \$0.4 million during the three months ended March 31, 2021 was related to portfolio company investments that were still held by the Company as of March 31, 2021.

During the three months ended March 31, 2022, the Company made investments of approximately \$741.9 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the three months ended March 31, 2022, the Company made investments of \$30.5 million in portfolio companies to which it was previously committed to provide such financing.

During the three months ended March 31, 2021, the Company made investments of approximately \$247.6 million in portfolio companies to which it was not previously contractually committed to provide such financing. During the three months ended March 31, 2021, the Company made investments of \$27.3 million in portfolio 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 voting securities (i.e., securities with the right to elect directors) and/or has the power to exercise control over the management or policies of such portfolio company. Generally, under the 1940 Act, "Affiliate Investments" that are not otherwise "Control Investments" are defined as investments in which the Company owns at least 5.0%, up to 25.0% (inclusive), of the voting securities and does not have the power to exercise control over the management or policies of such portfolio company.

***Short-Term Investments***

Short-term investments represent investments in money market funds.

***Deferred Financing Fees***

Costs incurred to issue debt are capitalized and are amortized over the term of the debt agreements using the effective interest method.

***Investment Income***

Interest income, including amortization of premium and accretion of discount, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The Company writes off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible. As of March 31, 2022 and December 31, 2021,

the Company had seven and two portfolio companies, respectively, with investments that were on non-accrual. Dividend income is recorded on the ex-dividend date.

**Payment-in-Kind Interest**

The Company currently holds, and expects to hold in the future, some loans in its portfolio that contain payment-in-kind ("PIK") interest provisions. PIK interest, computed at the contractual rate specified in each loan agreement, is periodically added to the principal balance of the loan, rather than being paid to the Company in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment.

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

**Fee Income**

Origination, facility, commitment, consent and other advance fees received in connection with loan agreements ("Loan Origination Fees") are recorded as deferred income and recognized as investment income over the term of the loan. Upon prepayment of a loan, any unamortized Loan Origination Fees are recorded as investment income. In the general course of its business, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and loan waiver and amendment fees, and are recorded as investment income when earned.

Fee income for the three months ended March 31, 2022 and 2021 was as follows:

(\$ in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Recurring Fee Income:</b>		
Amortization of loan origination fees	\$ 1,327	\$ 1,078
Management, valuation and other fees	(585)	581
<b>Total Recurring Fee Income</b>	<b>742</b>	<b>1,659</b>
<b>Non-Recurring Fee Income:</b>		
Prepayment fees	—	50
Acceleration of unamortized loan origination fees	196	403
Advisory, loan amendment and other fees	259	21
<b>Total Non-Recurring Fee Income</b>	<b>455</b>	<b>474</b>
<b>Total Fee Income</b>	<b>\$ 1,197</b>	<b>\$ 2,133</b>

**Concentration of Credit Risk**

As of both March 31, 2022 and December 31, 2021, there were no individual investments representing greater than 10% of the fair value of the Company's portfolio. As of March 31, 2022 and December 31, 2021, the Company's largest single portfolio company investment represented approximately 5.2% and 5.5%, respectively, 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.

The Company places its cash with financial institutions and, at times, cash may exceed insured limits under applicable law.

As of March 31, 2022, all of the Company's assets were or will be pledged as collateral for the February 2019 Credit Facility.



### *Investments Denominated in Foreign Currencies*

As of March 31, 2022, the Company held one investment that was denominated in Canadian dollars, one investment that was denominated in Danish kroner, eight investments that were denominated in Australian dollars, one investment that was denominated in New Zealand dollars, one investment that was denominated in Swedish kronas, 40 investments that were denominated in Euros and 21 investments that were denominated in British pounds sterling. As of December 31, 2021, the Company held one investment that was denominated in Canadian dollars, one investment that was denominated in Danish kroner, five investments that were denominated in Australian dollars, one investment that was denominated in Swedish kronas, 36 investments that were denominated in Euros and 18 investments that were denominated in British pounds sterling.

At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into United States dollars using the spot exchange rate on the last business day of the period. Purchases and sales of foreign portfolio company investments, and any income from such investments, are translated into United States dollars using the rates of exchange prevailing on the respective dates of such transactions.

Although the fair values of foreign portfolio company investments and the fluctuation in such fair values are translated into United States dollars using the applicable foreign exchange rates described above, the Company does not separately report that portion of the change in fair values resulting from foreign currency exchange rates fluctuations from the change in fair values of the underlying investment. All fluctuations in fair value are included in net unrealized appreciation (depreciation) of investments in the Company's Unaudited Consolidated Statements of Operations.

In addition, during both the three months ended March 31, 2022 and March 31, 2021, the Company entered into forward currency contracts primarily to help mitigate the impact that an adverse change in foreign exchange rates would have on net interest income from the Company's investments and related borrowings denominated in foreign currencies. Net unrealized appreciation or depreciation on foreign currency contracts are included in "Net unrealized appreciation (depreciation) - foreign currency transactions" and net realized gains or losses on forward currency contracts are included in "Net realized gains (losses) - foreign currency transactions" in the 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. INCOME TAXES**

The Company has elected for federal income tax purposes to be treated, and intends to qualify annually, as a RIC under the Code and intends to make the required distributions to its stockholders as specified therein. In order to maintain its tax treatment as a RIC, the Company must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then the Company is generally required to pay taxes only on the portion of its taxable income and gains it does not distribute (actually or constructively) and certain built-in gains. The Company has historically met its minimum distribution requirements and continually monitors its distribution requirements with the goal of ensuring compliance with the Code.

Depending on the level of investment company taxable income ("ICTI") and net capital gains, if any, or taxable income, the Company may choose to carry forward undistributed taxable income and pay a 4% nondeductible U.S. federal excise tax on certain undistributed income unless the Company distributes, in a timely manner, an amount at least equal to the sum of (i) 98% of net ordinary income for each calendar year, (ii) 98.2% of the amount by which capital gains exceed capital losses (adjusted for certain ordinary losses) for the one-year period ending October 31 in that calendar year and (iii) certain undistributed amounts from previous years on which the Company paid no U.S. federal income tax. Any such carryover of taxable income must be distributed before the end of that next tax year through a dividend declared prior to filing of the tax return related to the year which generated such taxable income not to be subject to U.S. federal income tax.

Tax positions taken or expected to be taken in the course of preparing the Company's tax returns are evaluated to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Management has analyzed the Company's tax positions taken, or to be taken, on federal income tax returns for all open tax years (fiscal years 2018-2020), and has concluded that the provision for uncertain tax positions in the Company's financial statements is appropriate.

Taxable income generally differs from increase in net assets resulting from operations due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized gains or losses, as unrealized gains or losses are generally not included in taxable income until they are realized. The Company makes certain adjustments to the

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

classification of net assets as a result of permanent book-to-tax differences, which include differences in the book and tax basis of certain assets and liabilities, and nondeductible federal taxes or losses among other items. To the extent these differences are permanent, they are charged or credited to additional paid in capital, or total distributable earnings (loss), as appropriate.

For federal income tax purposes, the cost of investments owned as of March 31, 2022 and December 31, 2021 was approximately \$2,399.8 million and \$1,792.1 million, respectively. As of March 31, 2022, net unrealized appreciation on the Company's investments (tax basis) was approximately \$15.9 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately \$78.6 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately \$62.7 million. As of December 31, 2021, net unrealized depreciation on the Company's investments (tax basis) was approximately \$16.4 million, consisting of gross unrealized appreciation, where the fair value of the Company's investments exceeds their tax cost, of approximately \$45.6 million and gross unrealized depreciation, where the tax cost of the Company's investments exceeds their fair value, of approximately \$29.2 million.

In addition, the Company has wholly-owned taxable subsidiaries (the "Taxable Subsidiaries"), which hold certain portfolio investments that are listed on the Unaudited and Audited Consolidated Schedules of Investments. The Taxable Subsidiaries are consolidated for financial reporting purposes, such that the Company's consolidated financial statements reflect the Company's investments in the portfolio companies owned by the Taxable Subsidiaries. The purpose of the Taxable Subsidiaries is to permit the Company to hold certain portfolio companies that are organized as LLCs (or other forms of pass-through entities) and still satisfy the RIC tax requirement that at least 90% of the RIC's gross revenue for income tax purposes must consist of qualifying investment income. Absent the Taxable Subsidiaries, a proportionate amount of any gross income of an LLC (or other pass-through entity) portfolio investment would flow through directly to the RIC. To the extent that such income did not consist of qualifying investment income, it could jeopardize the Company's ability to qualify as a RIC and therefore cause the Company to incur significant amounts of federal income taxes. When LLCs (or other pass-through entities) are owned by the Taxable Subsidiaries, their income is taxed to the Taxable Subsidiaries and does not flow through to the RIC, thereby helping the Company preserve its RIC tax treatment and resultant tax advantages. The Taxable Subsidiaries are not consolidated for income tax purposes and may generate income tax expense as a result of their ownership of the portfolio companies. This income tax expense or benefit, if any, is reflected in the Company's Unaudited Consolidated Statements of Operations. Additionally, any unrealized appreciation related to portfolio investments held by the Taxable Subsidiaries (net of unrealized depreciation related to portfolio investments held by the Taxable Subsidiaries) is reflected net of applicable federal and state income taxes, if any, in the Company's Consolidated Statements of Operations, with the related deferred tax assets or liabilities, if any, included in "Accounts payable and accrued liabilities" in the Company's Unaudited and Audited Consolidated Balance Sheets.

As of March 31, 2022, two of the Company's taxable subsidiaries had a deferred tax asset of \$8.6 million pertaining to operating losses and tax basis differences related to certain partnership interests, and the Company's other taxable subsidiary had a deferred tax liability of \$0.8 million pertaining to tax basis differences related to certain partnership interests. As of December 31, 2021, the Company's taxable subsidiaries had a deferred tax asset of \$8.6 million pertaining to operating losses and tax basis differences related to certain partnership interests. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. As of both March 31, 2022 and December 31, 2021, given the losses generated by the entity, the deferred tax assets have been offset by a valuation allowance of \$8.6 million.

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

**5. BORROWINGS**

The Company had the following borrowings outstanding as of March 31, 2022 and December 31, 2021:

Issuance Date (\$ in thousands)	Maturity Date	Interest Rate as of March 31, 2022	March 31, 2022	December 31, 2021
<b>Credit Facilities:</b>				
February 21, 2019	February 21, 2025	2.272%	\$ 757,217	\$ 655,189
<b>Total Credit Facilities</b>			<b>\$ 757,217</b>	<b>\$ 655,189</b>
<b>Notes:</b>				
September 24, 2020 - August 2025 Notes	August 4, 2025	4.660%	\$ 25,000	\$ 25,000
September 29, 2020 - August 2025 Notes	August 4, 2025	4.660%	25,000	25,000
November 5, 2020 - Series B Notes	November 4, 2025	4.250%	62,500	62,500
November 5, 2020 - Series C Notes	November 4, 2027	4.750%	112,500	112,500
February 25, 2021 Series D Notes	February 26, 2026	3.410%	80,000	80,000
February 25, 2021 Series E Notes	February 26, 2028	4.060%	70,000	70,000
November 23, 2021 - November 2026 Notes	November 23, 2026	3.300%	350,000	350,000
(Less: Deferred financing fees)			(7,159)	(7,444)
<b>Total Notes</b>			<b>\$ 717,841</b>	<b>\$ 717,556</b>

**February 2019 Credit Facility**

The Company has entered into the February 2019 Credit Facility with ING, as administrative agent, and the lenders party thereto. The initial commitments under the February 2019 Credit Facility total \$800.0 million. Effective on November 4, 2021, the Company increased aggregate commitments under the February 2019 Credit Facility to \$875.0 million from \$800.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.2 billion subject to certain conditions and the satisfaction of specified financial covenants. Effective February 25, 2022, the Company increased aggregate commitments under the February 2019 Credit Facility to \$965.0 million from \$875.0 million pursuant to the accordion feature under the February 2019 Credit Facility, and the allowance for an increase in the total commitments increased to \$1.5 billion from \$1.2 billion subject to certain conditions and the satisfaction of specified financial covenants. The Company can borrow foreign currencies directly under the February 2019 Credit Facility. The February 2019 Credit Facility, which is structured as a revolving credit facility, is secured primarily by a material portion of the Company's assets and guaranteed by certain subsidiaries of the Company. Following the termination on June 30, 2020 of Barings BDC Senior Funding I, LLC's ("BSF") credit facility entered into in August 2018 with Bank of America, N.A. (the "August 2018 Credit Facility"), BSF became a subsidiary guarantor and its assets secure the February 2019 Credit Facility. The revolving period of the February 2019 Credit Facility ends on February 21, 2024, followed by a one-year repayment period with a maturity date of February 21, 2025.

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

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

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

The February 2019 Credit Facility contains certain affirmative and negative covenants, including but not limited to (i) maintaining minimum stockholders' equity, (ii) maintaining minimum obligors' net worth, (iii) maintaining a minimum asset coverage ratio, (iv) meeting a minimum liquidity test and (v) maintaining the Company's status as a regulated investment company and as a business development company. The February 2019 Credit Facility also contains customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change of control, and material adverse effect. The February 2019 Credit Facility also permits the administrative agent to select an independent third-party valuation firm to determine valuations of certain portfolio investments for purposes of borrowing base provisions. As of March 31, 2022, the Company was in compliance with all covenants under the February 2019 Credit Facility.

As of March 31, 2022, the Company had U.S. dollar borrowings of \$472.0 million outstanding under the February 2019 Credit Facility with an interest rate of 2.318% (one month SOFR of 0.218%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.4 million U.S. dollars) with an interest rate of 2.000% (one month STIBOR of 0.000%), borrowings denominated in British pounds sterling of £77.6 million (\$102.1 million U.S. dollars) with an interest rate of 2.477% (one month SONIA of 0.477%), borrowings denominated in Australian dollars of A\$36.6 million (\$27.5 million U.S. dollars) with an interest rate of 2.250% (one month AUD Screen Rate of 0.250%) and borrowings denominated in Euros of €138.6 million (\$154.2 million U.S. dollars) with an interest rate of 2.000% (one month EURIBOR of 0.000%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in "Net unrealized appreciation (depreciation) - foreign currency transactions" in the Company's Unaudited Consolidated Statements of Operations.

As of December 31, 2021, the Company had U.S. dollar borrowings of \$377.0 million outstanding under the February 2019 Credit Facility with an interest rate of 2.125% (one month LIBOR of 0.125%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.4 million U.S. dollars) with an interest rate of 2.000% (one month STIBOR of 0.000%), borrowings denominated in British pounds sterling of £68.3 million (\$92.5 million U.S. dollars) with an average interest rate of 2.125% (one month GBP LIBOR of 0.125%), borrowings denominated in Australian dollars of A\$36.6 million (\$26.6 million U.S. dollars) with an interest rate of 2.250% (one month AUD Screen Rate of 0.250%) and borrowings denominated in Euros of €138.6 million (\$157.6 million U.S. dollars) with an interest rate of 2.00% (one month EURIBOR of 0.000%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in "Net unrealized appreciation (depreciation) - foreign currency transactions" in the Company's Unaudited Consolidated Statements of Operations.

As of March 31, 2022 and December 31, 2021, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was \$757.2 million and \$655.2 million, respectively. The fair values of the borrowings outstanding under the February 2019 Credit Facility are based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

**August 2025 Notes**

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

Company's subsidiaries, and are the Company's general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

On November 4, 2020, the Company amended the August 2020 NPA to reduce the aggregate principal amount of unissued Additional Notes from \$50.0 million to \$25.0 million.

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

The August 2025 Notes were offered in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The August 2025 Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of March 31, 2022 and December 31, 2021, the fair value of the outstanding August 2025 Notes was \$49.7 million and \$52.2 million, respectively. The fair value determination of the August 2025 Notes was based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

#### ***November Notes***

On November 4, 2020, the Company entered into a Note Purchase Agreement (the "November 2020 NPA") governing the issuance of (1) \$62.5 million in aggregate principal amount of Series B senior unsecured notes due November 2025 (the "Series B Notes") with a fixed interest rate of 4.25% per year and (2) \$112.5 million in aggregate principal amount of Series C senior unsecured notes due November 2027 (the "Series C Notes" and, collectively with the Series B Notes, the "November Notes") with a fixed interest rate of 4.75% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable November Notes do not satisfy certain investment grade conditions and/or (y) 1.50% per year, to the extent the ratio of the Company's secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The November Notes were delivered and paid for on November 5, 2020. The Series B Notes will mature on November 4, 2025, and the Series C Notes will mature on November 4, 2027 unless redeemed, purchased or prepaid prior to such date by the Company in accordance with their terms. Interest on the November Notes is due semiannually in May and November, beginning in May 2021. In addition, the Company is obligated to offer to repay the November Notes at par (plus accrued and unpaid interest to, but not including, the date of prepayment) if certain change in control events occur. Subject to the terms of the November 2020 NPA, the Company may redeem the Series B Notes and the Series C Notes in whole or in part at any time or from time to time at the Company's option at par plus accrued interest to the prepayment date and, if redeemed on or before May 4, 2025, with respect to the Series B Notes, or on or before May 4, 2027, with respect to the Series C Notes, a make-whole premium. The November Notes are guaranteed by certain of the Company's subsidiaries, and are the Company's general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

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

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

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

As of March 31, 2022 and December 31, 2021, the fair value of the outstanding Series B Notes was \$61.1 million and \$64.1 million, respectively. As of March 31, 2022 and December 31, 2021, the fair value of the outstanding Series C Notes was \$109.0 million and \$115.3 million, respectively. The fair value determinations of the Series B Notes and Series C Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

***February Notes***

On February 25, 2021, the Company entered into a Note Purchase Agreement (the “February 2021 NPA”) governing the issuance of (1) \$80.0 million in aggregate principal amount of Series D senior unsecured notes due February 26, 2026 (the “Series D Notes”) with a fixed interest rate of 3.41% per year and (2) \$70.0 million in aggregate principal amount of Series E senior unsecured notes due February 26, 2028 (the “Series E Notes” and, collectively with the Series D Notes, the “February Notes”) with a fixed interest rate of 4.06% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable February Notes do not satisfy certain investment grade rating conditions and/or (y) 1.50% per year, to the extent the ratio of the Company’s secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The February Notes were delivered and paid for on February 26, 2021.

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

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

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

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

As of March 31, 2022 and December 31, 2021, the fair value of the outstanding Series D Notes were \$75.5 million and \$79.2 million, respectively. As of March 31, 2022 and December 31, 2021, the fair value of the outstanding Series E Notes was \$65.2 million and \$68.7 million, respectively. The fair value determinations of the Series D Notes and Series E Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

*November 2026 Notes*

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

The November 2026 Notes will mature on November 23, 2026 and may be redeemed in whole or in part at the Company’s option at any time or from time to time at the redemption prices set forth in the Indenture. The November 2026 Notes bear interest at a rate of 3.300% per year payable semi-annually on May 23 and November 23 of each year, commencing on May 23, 2022. The November 2026 Notes are general unsecured obligations of the Company that rank senior in right of payment to all of the Company’s existing and future indebtedness that is expressly subordinated in right of payment to the November 2026 Notes, rank pari passu with all existing and future unsecured unsubordinated indebtedness issued by the Company, rank effectively junior to any of the Company’s secured indebtedness (including unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company’s subsidiaries, financing vehicles or similar facilities.

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

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

As of March 31, 2022 and December 31, 2021, the fair value of the outstanding November 2026 Notes was \$320.9 million and \$346.8 million, respectively. The fair value determinations of the November 2026 Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

**6. DERIVATIVE INSTRUMENTS**

*MVC Credit Support Agreement*

In connection with the MVC Acquisition, on December 23, 2020, promptly following the closing of the Company’s merger with MVC, the Company and the Adviser entered into the MVC Credit Support Agreement, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$23.0 million relating to the net cumulative realized and unrealized losses on the acquired MVC investment portfolio over a 10-year period. See “Note 2 – Agreements and Related Party Transactions” for additional information regarding the MVC Credit Support Agreement. Net unrealized appreciation or depreciation on the MVC Credit Support Agreement is included in “Net unrealized appreciation (depreciation) - credit support agreements” in the Company’s Unaudited Consolidated Statements of Operations.

The following tables present the fair value and aggregate unrealized depreciation of the MVC Credit Support Agreement as of March 31, 2022 and December 31, 2021:

<b>As of March 31, 2022</b>						
<b>Description</b>	<b>Counter Party</b>	<b>Settlement Date</b>	<b>Notional Amount</b>	<b>Value</b>	<b>Unrealized Appreciation (Depreciation)</b>	
<b>(\$ in thousands)</b>						
MVC Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000	\$ 15,000	\$	1,400
<b>Total MVC Credit Support Agreement</b>					\$	1,400
<b>As of December 31, 2021</b>						
<b>Description</b>	<b>Counter Party</b>	<b>Settlement Date</b>	<b>Notional Amount</b>	<b>Value</b>	<b>Unrealized Appreciation (Depreciation)</b>	
<b>(\$ in thousands)</b>						
MVC Credit Support Agreement	Barings LLC	01/01/31	\$ 23,000	\$ 15,400	\$	1,800
<b>Total MVC Credit Support Agreement</b>					\$	1,800

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

As of March 31, 2022 and December 31, 2021, the fair value of the MVC Credit Support Agreement was \$15.0 million and \$15.4 million, respectively, and is included in "Credit support agreements" in the accompanying Unaudited and Audited Consolidated Balance Sheets. The fair value of the MVC Credit Support Agreement was determined based on an income approach, with the primary inputs being the enterprise value, the continuously annual risk-free interest rate, a measure of expected asset volatility, and the expected time until an exit event for each portfolio company in the MVC Reference Portfolio, which are all Level 3 inputs.

***Sierra Credit Support Agreement***

In connection with the Sierra Acquisition, on February 25, 2022, promptly following the closing of the Company's merger with Sierra, the Company and the Adviser entered into the Sierra Credit Support Agreement, pursuant to which the Adviser has agreed to provide credit support to the Company in the amount of up to \$100.0 million relating to the net cumulative realized and unrealized losses on the acquired Sierra investment portfolio over a 10-year period. See "Note 2 – Agreements and Related Party Transactions" for additional information regarding the Sierra Credit Support Agreement. Net unrealized appreciation or depreciation on the Sierra Credit Support Agreement is included in "Net unrealized appreciation (depreciation) - credit support agreements" in the Company's Unaudited Consolidated Statements of Operations.

The following table presents the fair value and aggregate unrealized depreciation of the Sierra Credit Support Agreement as of March 31, 2022:

<b>As of March 31, 2022 Description (\$ in thousands)</b>	<b>Counter Party</b>	<b>Settlement Date</b>	<b>Notional Amount</b>	<b>Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
Sierra Credit Support Agreement	Barings LLC	04/01/32	\$ 100,000	\$ 44,400	\$ —
<b>Total Sierra Credit Support Agreement</b>					<b>\$ —</b>

As of March 31, 2022, the fair value of the Sierra Credit Support Agreement was \$44.4 million, and is included in "Credit support agreements" in the accompanying Unaudited Consolidated Balance Sheet. The fair value of the Sierra Credit Support Agreement was determined based on an income approach, with the primary inputs being the enterprise value, the continuously annual risk-free interest rate, a measure of expected asset volatility, and the expected time until an exit event for each portfolio company in the Sierra Reference Portfolio, which are all Level 3 inputs.

***Foreign Currency Forward Contracts***

The Company enters into forward currency contracts from time to time to primarily help mitigate the impact that an adverse change in foreign exchange rates would have on net interest income from the Company's investments and related borrowings denominated in foreign currencies. Net unrealized appreciation or depreciation on foreign currency contracts are included in "Net unrealized appreciation (depreciation) - foreign currency transactions" and net realized gains or losses on forward currency contracts are included in "Net realized gains (losses) - foreign currency transactions" in the Company's Unaudited Consolidated Statements of Operations. Forward currency contracts are considered undesignated derivative instruments.



**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

The following tables present the Company's foreign currency forward contracts as of March 31, 2022 and December 31, 2021:

As of March 31, 2022 Description (S in thousands)	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets (Liabilities)	Balance Sheet Location of Net Amounts
Foreign currency forward contract (AUD)	A\$67,436	\$50,505	04/08/22	\$ 138	Prepaid expenses and other assets
Foreign currency forward contract (AUD)	\$22,755	A\$31,386	04/08/22	(815)	Derivative liability
Foreign currency forward contract (AUD)	\$19,490	A\$27,000	04/08/22	(787)	Derivative liability
Foreign currency forward contract (AUD)	\$6,494	A\$9,050	04/08/22	(302)	Derivative liability
Foreign currency forward contract (AUD)	\$51,174	A\$68,223	07/07/22	(146)	Derivative liability
Foreign currency forward contract (CAD)	C\$3,203	\$2,559	04/08/22	5	Prepaid expenses and other assets
Foreign currency forward contract (CAD)	\$2,506	C\$3,203	04/08/22	(58)	Derivative liability
Foreign currency forward contract (CAD)	\$2,549	C\$3,190	07/07/22	(5)	Derivative liability
Foreign currency forward contract (CAD)	\$49	C\$61	07/07/22	—	Prepaid expenses and other assets
Foreign currency forward contract (DKK)	2,116kr.	\$315	04/08/22	1	Prepaid expenses and other assets
Foreign currency forward contract (DKK)	\$323	2,116kr.	04/08/22	6	Prepaid expenses and other assets
Foreign currency forward contract (DKK)	\$323	2,159kr.	07/07/22	(1)	Derivative liability
Foreign currency forward contract (EUR)	€2,000	\$2,215	04/01/22	10	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	€86,555	\$96,092	04/08/22	225	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	€5,020	\$5,701	04/08/22	(116)	Derivative liability
Foreign currency forward contract (EUR)	\$25,366	€23,000	04/08/22	(228)	Derivative liability
Foreign currency forward contract (EUR)	\$8,514	€7,500	04/08/22	168	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	\$69,071	€61,075	04/08/22	1,109	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	\$95,469	€85,835	07/07/22	(400)	Derivative liability
Foreign currency forward contract (NZD)	NZ\$11,600	\$8,026	04/08/22	42	Prepaid expenses and other assets
Foreign currency forward contract (NZD)	\$7,995	NZ\$11,600	04/08/22	(74)	Derivative liability
Foreign currency forward contract (NZD)	\$8,151	NZ\$11,801	07/07/22	(44)	Derivative liability
Foreign currency forward contract (GBP)	\$13,131	£10,000	04/01/22	(35)	Derivative liability
Foreign currency forward contract (GBP)	£8,819	\$11,521	04/08/22	90	Prepaid expenses and other assets
Foreign currency forward contract (GBP)	\$5,642	£4,220	04/08/22	86	Prepaid expenses and other assets
Foreign currency forward contract (GBP)	\$6,122	£4,599	04/08/22	67	Prepaid expenses and other assets
Foreign currency forward contract (GBP)	\$12,612	£9,656	07/07/22	(97)	Derivative liability
Foreign currency forward contract (GBP)	£10,000	\$13,128	07/07/22	35	Prepaid expenses and other assets
Foreign currency forward contract (SEK)	1,875kr	\$201	04/08/22	—	Prepaid expenses and other assets
Foreign currency forward contract (SEK)	\$207	1,875kr	04/08/22	6	Prepaid expenses and other assets
Foreign currency forward contract (SEK)	\$213	1,976kr	07/07/22	—	Derivative liability
<b>Total</b>				<u>\$ (1,120)</u>	

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

As of December 31, 2021 Description (\$ in thousands)	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets (Liabilities)	Balance Sheet Location of Net Amounts
Foreign currency forward contract (AUD)	A\$31,601	\$22,849,503	01/06/22	\$ 126	Prepaid expenses and other assets
Foreign currency forward contract (AUD)	A\$2,099	\$1,508	01/06/22	18	Prepaid expenses and other assets
Foreign currency forward contract (AUD)	\$20,727	A\$28,700	01/06/22	(139)	Derivative liability
Foreign currency forward contract (AUD)	\$3,580	A\$5,000	04/08/22	(55)	Derivative liability
Foreign currency forward contract (AUD)	\$18,247	A\$25,385,697	04/08/22	(215)	Derivative liability
Foreign currency forward contract (CAD)	C\$3,230	\$2,528	01/06/22	29	Prepaid expenses and other assets
Foreign currency forward contract (CAD)	C\$3,000	\$2,425	01/06/22	(50)	Derivative liability
Foreign currency forward contract (CAD)	\$4,881	C\$6,230	01/06/22	(51)	Derivative liability
Foreign currency forward contract (CAD)	\$2,506	C\$3,203	04/08/22	(29)	Derivative liability
Foreign currency forward contract (DKK)	2,142.838kr.	\$326	01/06/22	1	Prepaid expenses and other assets
Foreign currency forward contract (DKK)	\$335	2,142.838kr.	01/06/22	7	Prepaid expenses and other assets
Foreign currency forward contract (DKK)	\$323	2,115.99kr.	04/08/22	(1)	Derivative liability
Foreign currency forward contract (EUR)	€52,582.593	\$59,524	01/06/22	275	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	€5,020	\$5,701.2739	04/08/22	19	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	\$24,722	€21,500	01/06/22	271	Prepaid expenses and other assets
Foreign currency forward contract (EUR)	\$14,563	€12,900	01/06/22	(108)	Derivative liability
Foreign currency forward contract (EUR)	\$20,655	€18,182.593	01/06/22	(23)	Derivative liability
Foreign currency forward contract (EUR)	\$60,413	€53,264.857	04/08/22	(282)	Derivative liability
Foreign currency forward contract (EUR)	\$1,130	€1,000	04/08/22	(10)	Derivative liability
Foreign currency forward contract (EUR)	\$8,514	€7,500	04/08/22	(32)	Derivative liability
Foreign currency forward contract (GBP)	£9,900	\$13,219,519	01/06/22	190	Prepaid expenses and other assets
Foreign currency forward contract (GBP)	\$13,348.815	£9,900	01/06/22	(60)	Derivative liability
Foreign currency forward contract (GBP)	\$6,121.622	£4,598.707	04/08/22	(104)	Derivative liability
Foreign currency forward contract (SEK)	1,791.942kr	\$198	01/07/22	—	Derivative liability
Foreign currency forward contract (SEK)	\$204	1,791.942kr	01/07/22	6	Prepaid expenses and other assets
Foreign currency forward contract (SEK)	\$207	1,874.724kr	04/08/22	—	Prepaid expenses and other assets
<b>Total</b>				<u>\$ (217)</u>	

As of March 31, 2022 and December 31, 2021, the total fair value of the Company's foreign currency forward contracts was \$(1.1) million and \$(0.2) million, respectively. The fair values of the Company's foreign currency forward contracts are based on unadjusted prices from independent pricing services and independent indicative broker quotes, which are Level 2 inputs.

**7. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Company is party to financial instruments with off-balance sheet risk, consisting primarily of unused commitments to extend financing to the Company's portfolio companies. Since commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. As of March 31, 2022, the Company believed that it had adequate financial resources to satisfy its unfunded commitments. The balances of unused commitments to extend financing as of March 31, 2022 and December 31, 2021 were as follows:

Portfolio Company (\$ in thousands)	Investment Type	March 31, 2022	December 31, 2021
1888 Industrial Services, LLC(1)(2)	Revolver	\$ 314	\$ —
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	1,179	1,179
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	110	110
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	11	11
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	1,448	1,448
Amtech Software(1)	Delayed Draw Term Loan	1,527	2,727
Amtech Software(1)	Revolver	682	682
AnalytiChem Holding GmbH(1)(2)(3)	Delayed Draw Term Loan	6,073	6,207
Aquavista Watersides 2 LTD(1)(2)(4)	Bridge Revolver	489	503
Aquavista Watersides 2 LTD(1)(2)(4)	Acquisition Facility	3,059	3,147
Astra Bidco Limited(1)(2)(4)	Delayed Draw Term Loan	959	2,571
Avance Clinical Bidco Pty Ltd(1)(5)	Delayed Draw Term Loan	1,435	3,497
Azalea Buyer, Inc.(1)	Delayed Draw Term Loan	962	962
Azalea Buyer, Inc.(1)	Revolver	481	481
Bariacum S.A(1)(2)(3)	Acquisition Facility	2,114	2,161
Beyond Risk Management, Inc.(1)(2)	Delayed Draw Term Loan	2,573	2,573
BigHand UK Bidco Limited(1)(2)(4)	Acquisition Facility	—	378
Black Angus Steakhouses, LLC(1)	Acquisition Facility	417	—
Bounteous, Inc.(1)	Delayed Draw Term Loan	2,840	2,840
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	241	432
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	141	144
BrightSign LLC(1)	Revolver	1,329	1,329
British Engineering Services Holdco Limited(1)(2)(4)	Bridge Revolver	—	613
Brook & Whittle Holding Corp.(1)	Delayed Draw Term Loan	852	—
CAi Software, LLC(1)	Revolver	943	943
Canadian Orthodontic Partners Corp.(1)(2)(6)	Acquisition Facility	120	167
Centralis Finco S.a.r.l.(1)(3)	Acquisition Facility	451	461
Ceres Pharma NV(1)(2)(3)	Delayed Draw Term Loan	2,103	2,149
CGI Parent, LLC(1)(2)	Revolver	1,212	—
Classic Collision (Summit Buyer, LLC)(1)(2)	Delayed Draw Term Loan	309	393
Coastal Marina Holdings, LLC(1)(2)	PIK Tranche B Term Loan	1,311	1,311
Coastal Marina Holdings, LLC(1)(2)	Tranche A Term Loan	3,576	3,576
Command Alkon (Project Potter Buyer, LLC)(1)	Delayed Draw Term Loan	6,018	6,018
Coyo Uprising GmbH(1)(2)(3)	Delayed Draw Term Loan	874	894
Crash Champions, LLC(1)	Delayed Draw Term Loan	379	5,420
CSL Dualcom(1)(4)	Acquisition Term Loan	970	998
Dart Buyer, Inc.(1)	Delayed Draw Term Loan	1,163	2,431
DecksDirect, LLC(1)	Revolver	58	218
DreamStart Bidco SAS(1)(3)	Acquisition Facility	604	617
Dune Group(1)(3)	Delayed Draw Term Loan	650	665
Dwyer Instruments, Inc.(1)	Delayed Draw Term Loan	692	692

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

<b>Portfolio Company (\$ in thousands)</b>	<b>Investment Type</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Eclipse Business Capital, LLC(1)	Revolver	10,909	11,818
EMI Porta Holdco LLC(1)	Delayed Draw Term Loan	11,212	12,458
EMI Porta Holdco LLC(1)	Revolver	2,361	2,966
EPS NASS Parent, Inc.(1)	Delayed Draw Term Loan	583	583
eShipping, LLC(1)	Delayed Draw Term Loan	1,650	2,548
eShipping, LLC(1)	Revolver	824	1,232
Events Software BidCo Pty Ltd(1)(5)	Delayed Draw Term Loan	481	—
F24 (Stairway BidCo GmbH)(1)(2)(3)	Delayed Draw Term Loan	396	405
Fineline Technologies, Inc.(1)	Delayed Draw Term Loan	180	180
Finexvet(1)(3)	Acquisition Facility	967	—
FragilePak LLC(1)(2)	Delayed Draw Term Loan	2,354	2,354
Heartland Veterinary Partners, LLC(1)	Delayed Draw Term Loan	657	657
Heavy Construction Systems Specialists, LLC(1)	Revolver	2,632	2,632
HW Holdco, LLC (Hanley Wood LLC)(1)(2)	Delayed Draw Term Loan	913	1,563
IGL Holdings III Corp.(1)	Delayed Draw Term Loan	1,217	1,217
Innovad Group II BV(1)(2)(3)	Delayed Draw Term Loan	1,785	1,825
INOS 19-090 GmbH(1)(2)(3)	Acquisition Facility	2,481	2,535
ITI Intermodal, Inc.(1)	Delayed Draw Term Loan	103	103
ITI Intermodal, Inc.(1)	Revolver	124	124
Jaguar Merger Sub Inc.(1)(2)	Delayed Draw Term Loan	1,781	1,961
Jaguar Merger Sub Inc.(1)(2)	Revolver	490	490
Jocassee Partners LLC	Joint Venture	15,000	20,000
Jon Bidco Limited(1)(2)(7)	Capex & Acquisition Facility	1,585	—
Jones Fish Hatcheries & Distributors LLC(1)	Revolver	418	—
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	153	153
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	2,830	4,544
Kemmerer Operations LLC(1)	Delayed Draw Term Loan	908	—
LAF International(1)(2)(3)	Acquisition Facility	178	341
Lambir Bidco Limited(1)(2)(3)	Bridge Revolver	920	941
Lambir Bidco Limited(1)(2)(3)	Delayed Draw Term Loan	1,841	1,881
LeadsOnline, LLC(1)	Revolver	2,603	—
Lifestyle Intermediate II, LLC(1)	Revolver	2,500	—
LivTech Purchaser, Inc.(1)	Delayed Draw Term Loan	34	82
Marmoutier Holding B.V.(1)(2)(3)	Delayed Draw Term Loan	396	405
Marmoutier Holding B.V.(1)(2)(3)	Revolver	159	162
Marshall Excelsior Co.(1)(2)	Revolver	1,047	—
MC Group Ventures Corporation(1)	Delayed Draw Term Loan	817	817
Modern Star Holdings Bidco Pty Limited(1)(5)	Capex Term Loan	1,072	1,038
Murphy Midco Limited(1)(4)	Delayed Draw Term Loan	648	2,617
Narda Acquisitionco., Inc.(1)	Revolver	1,311	1,311
Navia Benefit Solutions, Inc.(1)	Delayed Draw Term Loan	1,261	1,261
Nexus Underwriting Management Limited(1)(2)(4)	Revolver	101	103
Nexus Underwriting Management Limited(1)(2)(4)	Acquisition Facility	526	541
Novotech Aus Bidco Pty Ltd(1)	Capex & Acquisition Facility	809	—
OA Buyer, Inc.(1)	Revolver	1,331	1,331
OAC Holdings I Corp(1)	Revolver	685	—
OG III B.V.(1)(2)(3)	Acquisition CapEx Facility	671	686

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

<b>Portfolio Company (\$ in thousands)</b>	<b>Investment Type</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Omni Intermediate Holdings, LLC(1)(2)	Delayed Draw Term Loan	—	817
Omni Intermediate Holdings, LLC(1)(2)	Delayed Draw Term Loan	2,289	4,357
OSP Hamilton Purchaser, LLC(1)	Revolver	187	187
Pacific Health Supplies Bidco Pty Limited(1)(2)(5)	CapEx Term Loan	1,325	1,283
PDQ.Com Corporation(1)	Delayed Draw Term Loan	—	289
PDQ.Com Corporation(1)	Delayed Draw Term Loan	7,753	10,948
Polara Enterprises, L.L.C.(1)(2)	Revolver	545	545
Policy Services Company, LLC(1)(2)	Delayed Draw Term Loan	3,772	6,944
Premium Invest(1)(2)(3)	Acquisition Facility	1,892	1,933
ProfitOptics, LLC(1)	Revolver	484	—
Protego Bidco B.V.(1)(2)(3)	Delayed Draw Term Loan	826	844
QPE7 SPV1 BidCo Pty Ltd(1)(2)(5)	Acquisition Term Loan	—	373
RA Outdoors, LLC(1)	Revolver	741	—
Rep Seko Merger Sub LLC(1)	Delayed Draw Term Loan	1,305	1,455
Reward Gateway (UK) Ltd(1)(2)(4)	Acquisition Facility	657	1,061
Riedel Beheer B.V.(1)(2)(3)	Revolver	—	230
Riedel Beheer B.V.(1)(2)(3)	Delayed Draw Term Loan	150	153
Scaled Agile, Inc.(1)(2)	Delayed Draw Term Loan	416	416
Scaled Agile, Inc.(1)(2)	Revolver	336	336
Security Holdings B.V.(1)(2)(3)	Delayed Draw Term Loan	2,225	2,274
Security Holdings B.V.(1)(2)(3)	Revolver	1,113	1,137
Smartling, Inc.(1)	Delayed Draw Term Loan	1,978	2,353
Smartling, Inc.(1)	Revolver	1,176	1,176
Smile Brands Group, Inc.(1)(2)	Delayed Draw Term Loan	418	655
Springbrook Software (SBRK Intermediate, Inc.)(1)(2)	Delayed Draw Term Loan	2,372	2,373
SSCP Pegasus Midco Limited(1)(4)	Delayed Draw Term Loan	5,105	5,251
Superjet Buyer, LLC(1)	Revolver	1,825	1,825
Syntax Systems Ltd(1)(2)	Revolver	448	569
Syntax Systems Ltd(1)(2)	Delayed Draw Term Loan	1,933	1,933
Tank Holding Corp(1)	Revolver	873	—
Techone B.V.(1)(2)(3)	Delayed Draw Term Loan	1,586	1,621
Techone B.V.(1)(2)(3)	Revolver	423	432
Tencarva Machinery Company, LLC(1)	Delayed Draw Term Loan	886	886
Tencarva Machinery Company, LLC(1)	Revolver	1,128	1,129
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Delayed Draw Term Loan	2,811	2,811
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Revolver	827	827
The Hilb Group, LLC(1)	Delayed Draw Term Loan	2,529	2,773
Thermacell Repellents, Inc.(1)	Revolver	605	—
Transit Technologies LLC(1)(2)	Delayed Draw Term Loan	—	1,857
Truck-Lite Co., LLC(1)	Delayed Draw Term Loan	4,540	4,540
Turbo Buyer, Inc.(1)	Delayed Draw Term Loan	1,339	2,070
Turbo Buyer, Inc.(1)	Delayed Draw Term Loan	2,250	—
USLS Acquisition, Inc.(f/k/a US Legal Support, Inc.)(1)(2)	Delayed Draw Term Loan	3,820	—
Victoria Bidco Limited(1)(2)(4)	Delayed Draw Term Loan	458	—
Waccamaw River, LLC(2)	Joint Venture	4,580	11,280
W2O Holdings, Inc.(1)	Delayed Draw Term Loan	3,831	3,832
West Dermatology, LLC(1)	Revolver	552	—

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

Portfolio Company (\$ in thousands)	Investment Type	March 31, 2022	December 31, 2021
West Dermatology, LLC(1)	Delayed Draw Term Loan	3,352	—
West Dermatology, LLC(1)	PIK Delayed Draw Term Loan	144	—
Woodland Foods, Inc.(1)	Revolver	1,734	2,070
ZB Holdco LLC(1)	Revolver	845	—
ZB Holdco LLC(1)	Delayed Draw Term Loan	1,352	—
Zeppelin Bidco Limited(1)(2)(4)	Capex / Acquisition Facility	3,472	—
Zeppelin Bidco Limited(1)(2)(4)	Revolver	579	—
Total unused commitments to extend financing		<u>\$ 220,360</u>	<u>\$ 234,658</u>

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

In the normal course of business, the Company guarantees certain obligations in connection with its portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable. As of March 31, 2022 and December 31, 2021, the Company had guaranteed €9.9 million (\$11.0 million U.S. dollars and \$11.3 million U.S. dollars, respectively) relating to credit facilities among Erste Bank and MVC Automotive Group GmbH ("MVC Auto"). The Company would be required to make payments to Erste Bank if MVC Auto were to default on their related payment obligations. None of the credit facility guarantees are recorded as a liability on the Company's Unaudited and Audited Consolidated Balance Sheets, as such the credit facility liabilities are considered in the valuation of the investments in MVC Auto. The guarantees denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

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

**COVID-19 Developments**

During the three months ended March 31, 2022, the Coronavirus and the COVID-19 pandemic continued to have a significant impact on the U.S and global economies. To the extent the Company's portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, it may have a material adverse impact on the Company's future net investment income, the fair value of its portfolio investments, its financial condition and the results of operations and financial condition of the Company's portfolio companies.

## 8. FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights for the three months ended March 31, 2022 and 2021:

(\$ in thousands, except share and per share amounts)	Three Months Ended March 31,	
	2022	2021
Per share data:		
Net asset value at beginning of period	\$ 11.36	\$ 10.99
Net investment income(1)	0.23	0.22
Net realized gain (loss) on investments / foreign currency transactions(1)	(0.02)	0.03
Net unrealized appreciation on investments / CSA / foreign currency transactions(1)	0.04	0.10
Total increase (decrease) from investment operations(1)	0.25	0.35
Dividends/distributions paid to stockholders from net investment income	(0.23)	(0.19)
Common stock offering	(0.60)	—
Deemed contribution - CSA	0.54	—
Deemed contribution - Barings LLC	0.34	—
Other	0.20	(0.01)
Net asset value at end of period	\$ 11.86	\$ 11.14
Market value at end of period(2)	\$ 10.34	\$ 9.98
Shares outstanding at end of period	111,095,334	65,316,085
Net assets at end of period	\$ 1,317,556	\$ 727,883
Average net assets	\$ 929,432	\$ 727,273
Ratio of total expenses, including loss on extinguishment of debt and provision for taxes, to average net assets (annualized)(3)	10.65 %	8.92 %
Ratio of net investment income to average net assets (annualized)	8.18 %	7.91 %
Portfolio turnover ratio (annualized)(4)	8.81 %	16.82 %
Total return(5)	(4.16)%	10.54 %

- (1) Weighted average per share data—basic and diluted; per share data was derived by using the weighted average shares outstanding during the applicable period.
- (2) Represents the closing price of the Company’s common stock on the last day of the period.
- (3) Does not include expenses of underlying investment companies, including joint ventures and short-term investments.
- (4) Portfolio turnover ratio as of March 31, 2022 and 2021 excludes the impact of short-term investments. Portfolio ratio as of March 31, 2022 excludes the impact of the Sierra Acquisition.
- (5) 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.

## 9. SIERRA ACQUISITION

On February 25, 2022, the Company completed the Sierra Acquisition pursuant to the terms and conditions of that certain Agreement and Plan of Merger (the “Sierra Merger Agreement”), dated as of September 21, 2021, by and among the Company, Mercury Acquisition Sub, Inc., a Maryland corporation and a direct wholly owned subsidiary of the Company (“Sierra Acquisition Sub”), Sierra Income Corporation, a Maryland corporation (“Sierra”), and Barings. To effect the acquisition, Sierra Acquisition Sub merged with and into Sierra, with Sierra surviving the merger as the Company’s wholly owned subsidiary (the “First Sierra Merger”). Immediately thereafter, Sierra merged with and into the Company, with the Company as the surviving company (the “Second Sierra Merger” and, together with the First Sierra Merger, the “Sierra Merger”). The Merger has been treated as a “reorganization” within the meaning of Section 368(a)(1)(A) of the Code.

Pursuant to the Sierra Merger Agreement, Sierra stockholders received the right to the following merger consideration in exchange for each share of Sierra common stock issued and outstanding immediately prior to the effective time of the First Sierra Merger (excluding any shares cancelled pursuant to the Sierra Merger Agreement): (i) approximately \$0.9783641 per share in cash, without interest, from Barings and (ii) 0.44973 of a validly issued, fully paid and non-assessable share of the Company’s common stock. The Company issued approximately 45,986,926 shares of its common stock to Sierra’s former stockholders in connection with the Sierra Merger, thereby resulting in the Company’s then-existing stockholders owning approximately 58.7% of the combined company and Sierra’s former stockholders owning approximately 41.3% of the combined company.

**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

In connection with the completion of the Company's acquisition of Sierra, the Board affirmed the Company's commitment to make open-market purchases of shares of its common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of the Company's then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing on April 1, 2022 and are expected to be made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Exchange Act, as well as subject to compliance with the Company's covenant and regulatory requirements.

In connection with the Sierra Acquisition, on February 25, 2022, the Company entered into the New Barings BDC Advisory Agreement with the Adviser. Promptly following the closing of the Sierra Merger, the Company also entered into the Sierra Credit Support Agreement with Barings. See "Note 2 - Agreements and Related Party Transactions" for more information regarding the New Barings BDC Advisory Agreement and the Sierra Credit Support Agreement.

The Sierra Acquisition was accounted for in accordance with the asset acquisition method of accounting as detailed in ASC 805-50 *Business Combinations-Related Issues*. Under asset acquisition accounting, acquiring assets in groups not only requires ascertaining the cost of the asset (or net assets), but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. Per ASC 805-50-30-1, the acquired assets (as a group) are recognized based on their cost to the acquiring entity, which generally includes transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets carrying amounts on the acquiring entity's records. ASC 805-50-30-2 goes on to say asset acquisitions in which the consideration given is cash are measured by the amount of cash paid. However, if the consideration given is not in the form of cash (that is, in the form of noncash assets, liabilities incurred, or equity interests issued), measurement is based on the cost to the acquiring entity or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measured.

The fair value of the merger consideration paid by the Company was allocated to the assets acquired and liabilities assumed based on their relative fair values as of the date of acquisition and did not give rise to goodwill. Since the fair value of the net assets acquired exceeded the fair value of the merger consideration paid by the Company, the Company recognized a deemed contribution from the Adviser.

The following table summarizes the allocation of the purchase price to the assets acquired and liabilities assumed as a result of the Sierra Acquisition:

(\$ in thousands)	
Common stock issued by the Company	\$ 499,418
Cash consideration paid by the Company(1)	10,495
Deemed contribution from Barings LLC	27,904
<b>Total purchase price</b>	<b>\$ 537,817</b>
<b>Assets acquired:</b>	
Investments(2)	\$ 442,198
Cash	102,006
Other assets(3)	3,519
Total assets acquired	\$ 547,723
<b>Liabilities assumed(4)</b>	<b>(9,906)</b>
<b>Net assets acquired</b>	<b>\$ 537,817</b>

- (1) The Company incurred \$10.4 million in professional fees and other costs related to the Sierra Acquisition, including \$4.0 million in investment banking fees.  
(2) Investments acquired were recorded at fair value, which is also the Company's initial cost basis  
(3) Other assets acquired in the Sierra Acquisition consisted of the following:

(\$ in thousands)	
Interest and fees receivable	\$ 2,874
Escrow receivable	645
<b>Total</b>	<b>\$ 3,519</b>



**Barings BDC, Inc.**  
**Notes to Unaudited Consolidated Financial Statements — (Continued)**

(4) Liabilities assumed in the Sierra Acquisition consisted of the following:

(\$ in thousands)		
Accrued merger expenses	\$	3,327
Current and deferred tax liability		3,814
Other liabilities		2,765
<b>Total</b>	<b>\$</b>	<b>9,906</b>

**10. SUBSEQUENT EVENTS**

Subsequent to March 31, 2022, the Company made approximately \$174.4 million of new commitments, of which \$141.0 million closed and funded. The \$141.0 million of investments consists of \$120.9 million of first lien senior secured debt investments, \$16.2 million of second lien senior secured and subordinated debt investments and \$3.8 million of equity investments. The weighted average yield of the debt investments was 7.1%. In addition, the Company funded \$15.0 million of previously committed delayed draw term loans.

Effective on April 1, 2022, the Company increased aggregate commitments under the February 2019 Credit Facility to \$1.1 billion from \$965.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.5 billion subject to certain conditions and the satisfaction of specified financial covenants.

On May 5, 2022, the Board declared a quarterly distribution of \$0.24 per share payable on June 15, 2022 to holders of record as of June 8, 2022.

## **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 months ended March 31, 2022, 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, 2021. 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 items 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, 2021 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 our actual results and financial condition to differ materially include, but are not limited to, changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, including with respect to changes from the impact of the COVID-19 pandemic; the length and duration of the COVID-19 outbreak in the United States as well as worldwide and the magnitude of the economic impact of that outbreak; the effect of the COVID-19 pandemic on our business prospects and the prospects of our portfolio companies, including our and their ability to achieve our respective objectives; the effect of the disruptions caused by the COVID-19 pandemic on our ability to continue to effectively manage our business and on the availability of equity and debt capital and our use of borrowed money to finance a portion of our investments; 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 filing 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.

### **Overview of Our Business**

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

An externally-managed BDC generally does not have any employees, and its investment and management functions are provided by an outside investment adviser and administrator under an advisory agreement and administration agreement. Instead of directly compensating employees, we pay Barings for investment management and administrative services pursuant to the terms of an investment advisory agreement and an administration agreement. Under the terms of the New Barings BDC Advisory Agreement, the fees paid to Barings for managing our affairs are determined based upon an objective and fixed formula, as compared with the subjective and variable nature of the costs associated with employing management and employees in an internally-managed BDC structure, which include bonuses that cannot be directly tied to Company performance because of restrictions on incentive compensation under the Investment Company Act of 1940, as amended (the “1940 Act”).

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

Barings employs fundamental credit analysis, and targets investments in businesses with relatively low levels of 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 will seek to enhance our returns through the use of leverage with a prudent approach that prioritizes capital preservation. Barings believes this strategy and approach offers attractive risk/return with lower volatility given the potential for fewer defaults and greater resilience through market cycles. A significant portion of our investments are expected to be rated below investment grade by rating agencies or, if unrated would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as “junk,” have predominantly speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal.

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

As of March 31, 2022 and December 31, 2021, the weighted average yield on the principal amount of our outstanding debt investments other than non-accrual debt investments was approximately 7.3% and 7.2%, respectively. The weighted average yield on the principal amount of all of our outstanding debt investments (including non-accrual debt investments) was approximately 6.8% and 6.9% as of March 31, 2022 and December 31, 2021, respectively.

#### **Sierra Income Corporation Acquisition**

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

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

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

In addition, in connection with the closing of the Sierra Merger, our board of directors (the “Board”) affirmed our commitment to purchase in open-market transactions, pursuant to Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and subject to our compliance with our covenant and regulatory requirements, shares of our common stock in an aggregate amount of up to \$30,000,000 at then-current market prices at any time the shares of our common stock trade below 90% of our then most recently disclosed net asset value per share during the 12-month period commencing on April 1, 2022.

#### **COVID-19 Developments**

The spread of the Coronavirus and the COVID-19 pandemic, and the related effect on the U.S. and global economies, has had adverse consequences for the business operations of some of our portfolio companies and has adversely affected, and threatens to continue to adversely affect, our operations and the operations of Barings, including with respect to us. Barings has taken proactive steps around COVID-19 to address the potential impacts on their people, clients, communities and everyone they come in contact with, directly or through their premises. Protecting their employees and supporting the communities in which they live and work is a priority. Barings has now adopted a hybrid working model globally while maintaining service levels to our partners and clients. Barings’ return-to-office taskforce continues to monitor the COVID-19 situation globally and is prepared to adapt office working patterns as required to ensure the safety of its employees and clients who visit Barings office locations. Barings’ cybersecurity policies are applied consistently when working remotely or in the office.

While we have been carefully monitoring the COVID-19 pandemic and its impact on our business and the business of our portfolio companies, we have continued to fund our existing debt commitments. In addition, we have continued to make and originate, and expect to continue to make and originate, new loans.

We cannot predict the full impact of the COVID-19 pandemic, including its duration in the United States and worldwide and the magnitude of the economic impact of the outbreak, including with respect to the travel restrictions, business closures and other quarantine measures imposed on service providers and other individuals by various local, state, and federal governmental authorities, as well as non-U.S. governmental authorities. We are unable to predict the extent and duration of any business and supply-chain disruptions, the extent to which COVID-19 will negatively affect our portfolio companies’ operating results or the impact that such disruptions may have on our results of operations and financial condition. Depending on the duration and extent of the disruption to the operations of our portfolio companies, certain portfolio companies could experience financial distress and possibly default on their financial obligations to us and their other capital providers. Some of our portfolio companies may significantly curtail business operations, furlough or lay off employees and terminate service providers, and defer capital expenditures if subjected to prolonged and severe financial distress, which would likely impair their business on a permanent basis. These developments would likely result in a decrease in the value of our investment in any such portfolio company.

We will continue to monitor the situation relating to the COVID-19 pandemic and guidance from U.S. and international authorities, including federal, state and local public health authorities and may take additional actions based on their recommendations. In these circumstances, there may be developments outside our control requiring us to adjust our plan of operation. As such, given the dynamic nature of this situation, we cannot reasonably estimate the impacts of COVID-19 on our financial condition, results of operations or cash flows in the future. However, to the extent our portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, it may have a material adverse impact on our future net investment income, the fair value of our portfolio investments, our financial condition and the results of operations and financial condition of our portfolio companies.

## **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 the Board, Barings' Global Private Finance Group ("BGPF") manages our day-to-day operations, and provides investment advisory and management services to us. BGPF is part of Barings' \$290.9 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 performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operation, including, but not limited to, office facilities, equipment, clerical, bookkeeping and record keeping services at such office facilities and such other services as Barings, subject to review by the Board, will from time to time determine to be necessary or useful to perform its obligations under the Administration Agreement. Barings also, on our behalf and subject to the Board's oversight, arranges for the services of, and oversees, custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. Barings is responsible for the financial and other records that we are required to maintain and will prepare all reports and other materials required to be filed with the SEC or any other regulatory authority.

## **Stockholder Approval of Reduced Asset Coverage Ratio**

On July 24, 2018, our stockholders voted at a special meeting of stockholders (the "2018 Special Meeting") to approve a proposal to authorize us to be subject to a reduced asset coverage ratio of at least 150% under the 1940 Act. As a result of the stockholder approval at the 2018 Special Meeting, effective July 25, 2018, our applicable asset coverage ratio under the 1940 Act has been decreased to 150% from 200%. As a result, we are permitted under the 1940 Act to incur indebtedness at a level which is more consistent with a portfolio of senior secured debt. As of March 31, 2022, our asset coverage ratio was 188.9%.

## **Portfolio Investment Composition**

The total value of our investment portfolio was \$2,403.4 million as of March 31, 2022, as compared to \$1,800.6 million as of December 31, 2021. As of March 31, 2022, we had investments in 287 portfolio companies with an aggregate cost of \$2,391.6 million. As of December 31, 2021, we had investments in 212 portfolio companies with an aggregate cost of \$1,787.8 million. As of both March 31, 2022 and December 31, 2021, none of our portfolio investments represented greater than 10% of the total fair value of our investment portfolio.

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

(\$ in thousands)	Cost	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
<b>March 31, 2022:</b>				
Senior debt and 1 <sup>st</sup> lien notes	\$ 1,560,223	65 %	\$ 1,555,746	65 %
Subordinated debt and 2nd lien notes	346,381	14	317,643	13
Structured products	84,056	4	82,014	3
Equity shares	170,691	7	219,466	9
Equity warrants	174	—	156	—
Investment in joint ventures / PE fund	230,076	10	228,400	10
	<u>\$ 2,391,601</u>	<u>100 %</u>	<u>\$ 2,403,425</u>	<u>100 %</u>
<b>December 31, 2021:</b>				
Senior debt and 1 <sup>st</sup> lien notes	\$ 1,217,899	68 %	\$ 1,221,598	68 %
Subordinated debt and 2nd lien notes	253,551	14	240,037	13
Structured products	37,055	2	40,271	2
Equity shares	145,791	8	154,477	9
Equity warrants	1,111	—	1,107	—
Investment in joint ventures / PE fund	132,417	8	143,104	8
	<u>\$ 1,787,824</u>	<u>100 %</u>	<u>\$ 1,800,594</u>	<u>100 %</u>

#### Investment Activity

During the three months ended March 31, 2022, we made 22 new investments totaling \$229.3 million, purchased \$442.2 million of investments as part of the Sierra Acquisition, made investments in existing portfolio companies totaling \$89.3 million and made additional investments in joint venture equity portfolio companies totaling \$11.7 million. We had four loans repaid totaling \$12.4 million and received \$7.5 million of portfolio company principal payments. In addition, we sold \$19.2 million of loans, recognizing a net realized gain on these transactions of \$0.8 million, and sold \$132.3 million of middle-market portfolio company debt investments to one of our joint ventures and realized a loss on these transactions of \$0.2 million. Lastly, we received proceeds related to the sale of equity investments totaling \$1.6 million and recognized a net realized loss on such sales totaling \$0.7 million.

During the three months ended March 31, 2021, we made 18 new investments totaling \$172.2 million, made investments in existing portfolio companies totaling \$73.2 million, made one new investment in a joint venture equity portfolio company totaling \$4.5 million and made additional investments in existing joint venture equity portfolio companies totaling \$25.0 million. We had six loans repaid at par totaling \$26.2 million and received \$6.0 million of portfolio company principal payments. In addition, we sold \$57.1 million of loans, recognizing a net realized gain on these transactions of \$2.4 million, and sold \$94.7 million of middle-market portfolio company debt investments to one of our joint ventures and realized a gain on these transactions of \$0.5 million. Lastly, we received proceeds related to the sale of an equity investment totaling \$5.9 million and recognized a net realized loss on such sale totaling \$0.1 million.

Total portfolio investment activity for the three months ended March 31, 2022 and 2021 was as follows:

Three Months Ended March 31, 2022: (\$ in thousands)	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Structured Products	Equity Shares	Equity Warrants	Investments in Joint Ventures / PE Fund	Total
Fair value, beginning of period	\$ 1,221,598	\$ 240,037	\$ 40,271	\$ 154,477	\$ 1,107	\$ 143,104	\$ 1,800,594
New investments	268,202	30,065	1,060	19,200	—	11,696	330,223
Investments acquired in Sierra merger	235,770	66,662	46,666	7,065	72	85,963	442,198
Proceeds from sales of investments	(151,575)	—	—	(1,388)	(249)	—	(153,212)
Loan origination fees received	(5,350)	36	—	—	—	—	(5,314)
Principal repayments received	(8,114)	(11,020)	(730)	—	—	—	(19,864)
Payment-in-kind interest	1,050	6,984	—	—	—	—	8,034
Accretion of loan premium/discount	301	33	5	—	—	—	339
Accretion of deferred loan origination revenue	1,461	62	—	—	—	—	1,523
Realized gain (loss)	579	8	—	24	(760)	—	(149)
Unrealized appreciation (depreciation)	(8,176)	(15,224)	(5,258)	40,088	(14)	(12,363)	(947)
Fair value, end of period	\$ 1,555,746	\$ 317,643	\$ 82,014	\$ 219,466	\$ 156	\$ 228,400	\$ 2,403,425

Three Months Ended March 31, 2021: (\$ in thousands)	Senior Debt and 1st Lien Notes	Subordinated Debt and 2nd Lien Notes	Structured Products	Equity Shares	Equity Warrants	Investments in Joint Ventures / PE Fund	Short-term Investments	Total
Fair value, beginning of period	\$ 1,171,250	\$ 138,767	\$ 32,509	\$ 44,651	\$ 1,300	\$ 41,760	\$ 65,558	\$ 1,495,795
New investments	227,057	14,479	—	3,873	—	29,500	198,550	473,459
Proceeds from sales of investments	(144,893)	—	(6,823)	(5,972)	—	—	(190,542)	(348,230)
Loan origination fees received	(4,176)	(402)	—	—	—	—	—	(4,578)
Principal repayments received	(21,392)	(10,120)	(753)	—	—	—	—	(32,265)
Payment-in-kind interest	829	7,007	—	—	—	—	—	7,836
Accretion of loan premium/discount	645	1,319	16	—	—	—	—	1,980
Accretion of deferred loan origination revenue	1,270	211	—	—	—	—	—	1,481
Realized gain (loss)	2,207	3	652	(51)	—	—	3	2,814
Unrealized appreciation (depreciation)	5,381	(666)	553	(2,883)	134	1,316	(3)	3,832
Fair value, end of period	\$ 1,238,178	\$ 150,598	\$ 26,154	\$ 39,618	\$ 1,434	\$ 72,576	\$ 73,566	\$ 1,602,124

#### 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 March 31, 2022, we had seven portfolio companies with investments on non-accrual, the fair value of which was \$42.9 million, which comprised 1.8% of the total fair value of our portfolio, and the cost of which was \$71.3 million, which comprised 3.0% of the total cost of our portfolio. As of December 31, 2021, we had two portfolio companies with investments on non-accrual, the fair value of which was \$36.0 million, which comprised 2.0% of the total fair value of our portfolio, and the cost of which was \$50.9 million, which comprised 2.9% of the total cost of our portfolio.

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

*1888 Industrial Services, LLC*

In connection with the Sierra Acquisition, we purchased our debt and equity investments in 1888 Industrial Services, LLC, or 1888. The 1888 first lien senior secured term loan is on non-accrual status and as a result, under U.S. GAAP, we will not recognize interest income on our first lien senior secured term loan in 1888 for financial reporting purposes. As of March 31, 2022, the cost and fair value of our first lien senior secured term loan in 1888 was \$0.4 million and \$0.2 million, respectively.

*Black Angus Steakhouse, LLC*

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

*Charming Charlie LLC*

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

*Custom Alloy Corporation*

In connection with the MVC Acquisition, we purchased our debt investment in Custom Alloy Corporation, or Custom Alloy. During the quarter ended December 31, 2021, we placed our debt investment in Custom Alloy on non-accrual status. As a result, under U.S. GAAP, we will not recognize interest income on our debt investment in Custom Alloy for financial reporting purposes. As of March 31, 2022, the cost of our debt investment in Custom Alloy was \$46.4 million and the fair value of such investment was \$28.6 million.

*Holland Acquisition Corp.*

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

*Legal Solutions Holdings*

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

*Path Medical LLC*

In connection with the Sierra Acquisition, we purchased our debt and equity investments in Path Medical LLC, or Path Medical. Path Medical is on non-accrual status and as a result, under U.S. GAAP, we will not recognize interest income on our debt investments in Path Medical for financial reporting purposes. As of March 31, 2022, both the cost and fair value of our debt investments in Path Medical was \$4.6 million.



## Results of Operations

### Comparison of the three months ended March 31, 2022 and March 31, 2021

Operating results for the three months ended March 31, 2022 and 2021 were as follows:

(in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Total investment income	\$ 43,757	\$ 30,593
Total operating expenses	24,742	16,237
<b>Net investment income before taxes</b>	<b>19,015</b>	<b>14,356</b>
Income taxes, including excise tax provision	6	(18)
<b>Net investment income after taxes</b>	<b>19,009</b>	<b>14,374</b>
Net realized gains (losses)	(1,442)	1,839
Net unrealized appreciation	3,465	6,275
<b>Net increase in net assets resulting from operations</b>	<b>\$ 21,032</b>	<b>\$ 22,488</b>

Net increases or 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. As a result, quarterly comparisons of net changes in net assets resulting from operations may not be meaningful.

### Investment Income

(\$ in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Investment income:</b>		
Total interest income	\$ 32,069	\$ 25,214
Total dividend income	7,693	72
Total fee and other income	1,197	2,133
Total payment-in-kind interest income	2,798	3,173
Interest income from cash	—	1
Total investment income	<b>\$ 43,757</b>	<b>\$ 30,593</b>

The change in total investment income for the three months ended March 31, 2022, as compared to the three months ended March 31, 2021, was primarily due to an increase in the average size of our portfolio and increased dividends from portfolio companies and joint venture investments. The increase in the average size of our portfolio was largely due to the increased middle-market investment opportunities and the investments acquired as part of the Sierra Acquisition; however, as the Sierra Acquisition did not close until late in the first quarter of 2022, we did not receive a full quarter of investment income from the acquired Sierra portfolio. This increase was partial offset by a decrease in payment-in-kind ("PIK") interest income and a decrease in acceleration of unamortized OID and unamortized loan origination fee income associated with repayments of loans. For the three months ended March 31, 2022, dividends from portfolio companies and joint venture investments were \$7.7 million, as compared to \$0.1 million for the three months ended March 31, 2021. The amount of our outstanding debt investments was \$2,134.2 million as of March 31, 2022, as compared to \$1,451.9 million as of March 31, 2021. This increase is in part due to the acquisition of investment assets in the Sierra Acquisition. The weighted average yield on the principal amount of our outstanding debt investments other than non-accrual debt investments was 7.3% as of March 31, 2022, as compared to 7.2% as of March 31, 2021. For the three months ended March 31, 2022, PIK interest income was \$2.8 million, as compared to \$3.2 million for the three months ended March 31, 2021. For the three months ended March 31, 2022, acceleration of unamortized OID income and unamortized loan origination fees totaled \$0.2 million, as compared to \$0.4 million for the three months ended March 31, 2021.

### Operating Expenses

(\$ in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Operating expenses:</b>		
Interest and other financing fees	\$ 11,661	\$ 7,285
Base management fees	5,872	3,929
Incentive management fees	4,754	2,722
General and administrative expenses	2,455	2,301
Total operating expenses	<b>\$ 24,742</b>	<b>\$ 16,237</b>

### *Interest and Other Financing Fees*

Interest and other financing fees during the three months ended March 31, 2022 were attributable to borrowings under the February 2019 Credit Facility, the August 2025 Notes, the November Notes, the February Notes and the November 2026 Notes (each as defined below under “Liquidity and Capital Resources”). Interest and other financing fees during the three months ended March 31, 2021 were attributable to borrowings under the February 2019 Credit Facility, the August 2025 Notes, the November Notes and the February Notes. The increase in interest and other financing fees for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021, was primarily attributable to the issuance of the February Notes and the November 2026 Notes and increased borrowings under the February 2019 Credit Facility.

### *Base Management Fees*

Under the terms of the New Barings BDC Advisory Agreement, we pay Barings a base management fee (the “Base Management Fee”), quarterly in arrears on a calendar quarter basis. The Base Management Fee is calculated based on the average value of our gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters prior to the quarter for which such fees are being calculated. Base Management Fees for any partial month or quarter are appropriately pro-rated. See Note 2 to our Unaudited Consolidated Financial Statements for additional information regarding the terms of the New Barings BDC Advisory Agreement (and, from January 1, 2021 to February 25, 2022, the terms of the Amended and Restated Advisory Agreement) and the fee arrangements thereunder. For the three months ended March 31, 2022, the amount of Base Management Fee incurred was approximately \$5.9 million. For the three months ended March 31, 2021, the amount of Base Management Fee incurred was approximately \$3.9 million. The increase in the Base Management Fee for the three months ended March 31, 2022 versus the corresponding 2021 period is primarily related to the average value of gross assets increasing from \$1,257.4 million as of the end of the two most recently completed calendar quarters prior to March 31, 2021 to \$1,879.0 million as of the end of the two most recently completed calendar quarters prior to March 31, 2022. For both the three months ended March 31, 2022 and 2021, the Base Management Fee rate was 1.250%.

### *Incentive Fee*

Under the New Barings BDC Advisory Agreement (and, from January 1, 2021 to February 25, 2022, pursuant to the terms of the Amended and Restated Advisory Agreement), we pay Barings an incentive fee. A portion of the incentive fee is based on our income and a portion is based on our capital gains. The income-based fee will be determined and paid quarterly in arrears based on the amount by which (x) the aggregate pre-incentive fee net investment income in respect of the current calendar quarter and the eleven preceding calendar quarters beginning with the calendar quarter that commences on or after January 1, 2021, as the case may be (or the appropriate portion thereof in the case of any of our first eleven calendar quarters that commences on or after January 1, 2021) exceeds (y) the hurdle amount as calculated for the same period. See Note 2 to our Unaudited Consolidated Financial Statements for additional information regarding the terms of the New Barings BDC Advisory Agreement and the fee arrangements thereunder. For the three months ended March 31, 2022, the amount of income-based fee incurred was \$4.8 million, as compared to \$2.7 million for the three months ended March 31, 2021.

### *General and Administrative Expenses*

We entered into the Administration Agreement with Barings in August 2018. Under the terms of the Administration Agreement, Barings performs (or oversees, or arranges for, the performance of) the administrative services necessary for our operations. We will reimburse Barings for the costs and expenses incurred by it in performing its obligations and providing personnel and facilities under the Administration Agreement in an amount to be negotiated and mutually agreed to by us and Barings quarterly in arrears; provided that the agreed-upon quarterly expense amount will not exceed the amount of expenses that would otherwise be reimbursable by us under the Administration Agreement for the applicable quarterly period, and Barings will not be entitled to the recoupment of any amounts in excess of the agreed-upon quarterly expense amount. See Note 2 to our Unaudited Consolidated Financial Statements for additional information regarding the Administration Agreement. For the three months ended March 31, 2022, the amount of administration expense incurred and invoiced by Barings for expenses was approximately \$1.0 million. For the three months ended March 31, 2021, the amount of administration expense incurred and invoiced by Barings for expenses was approximately \$0.5 million. In addition to expenses incurred under the Administration Agreement, general and administrative expenses include Board fees, D&O insurance costs, as well as legal, valuation and accounting expenses.

### Net Realized Gains (Losses)

Net realized gains (losses) during the three months ended March 31, 2022 and 2021 were as follows:

(\$ in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Net realized gain (losses):</b>		
Non-Control / Non-Affiliate investments	\$ (250)	\$ 2,891
Affiliate investments	101	(77)
Net realized gains (losses) on investments	(149)	2,814
Foreign currency transactions	(1,293)	(975)
Net realized gains (losses)	<u>\$ (1,442)</u>	<u>\$ 1,839</u>

During the three months ended March 31, 2022, we recognized net realized losses totaling \$1.4 million, which consisted primarily of a net loss on foreign currency transactions of \$1.3 million. During the three months ended March 31, 2021, we recognized net realized gains totaling \$1.8 million, which consisted primarily of a net gain on our loan portfolio of \$2.8 million partially offset by a net loss on foreign currency transactions of \$1.0 million.

### Net Unrealized Appreciation (Depreciation)

Net unrealized appreciation (depreciation) during the three months ended March 31, 2022 and 2021 was as follows:

(\$ in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Net unrealized appreciation (depreciation):</b>		
Non-Control / Non-Affiliate investments	\$ (28,587)	\$ 5,357
Affiliate investments	12,996	2,445
Control investments	14,644	(3,969)
Net unrealized appreciation (depreciation) on investments	(947)	3,833
Credit support agreements	(400)	(1,600)
Foreign currency transactions	4,812	4,042
Net unrealized appreciation	<u>\$ 3,465</u>	<u>\$ 6,275</u>

During the three months ended March 31, 2022, we recorded net unrealized appreciation totaling \$3.5 million, consisting of net unrealized appreciation on our current portfolio of \$0.1 million and net unrealized appreciation related to foreign currency transactions of \$4.8 million, net of unrealized depreciation of \$0.4 million on the MVC credit support agreement with Barings and net unrealized depreciation reclassification adjustments of \$1.0 million related to the net realized gains on the sales / repayments of certain investments. The net unrealized appreciation on our current portfolio of \$0.1 million was driven primarily by credit or fundamental performance of investments of \$27.8 million, partially offset by the impact of foreign currency exchange rates on investments of \$4.7 million and broad market moves for investments of \$23.1 million.

During the three months ended March 31, 2021, we recorded net unrealized appreciation totaling \$6.3 million, consisting of net unrealized appreciation on our current portfolio of \$6.4 million and net unrealized appreciation related to foreign currency transactions of \$4.0 million, net of unrealized depreciation of \$1.6 million on the MVC credit support agreement with Barings and net of unrealized depreciation reclassification adjustments of \$2.6 million related to the net realized gains on the sales / repayments of certain investments. The net unrealized appreciation on our current portfolio of \$6.4 million was driven primarily by broad market moves for investments of \$13.8 million, partially offset by depreciation from the credit or fundamental performance of investments of \$3.0 million and the impact of foreign currency exchange rates on investments of \$4.4 million.

### Liquidity and Capital Resources

We believe that our current cash and foreign currencies on hand, our available borrowing capacity under the February 2019 Credit Facility and our anticipated cash flows from operations will be adequate to meet our cash needs for our daily operations for at least the next twelve months. This "Liquidity and Capital Resources" section should be read in conjunction with "COVID-19 Developments" above, as well as with the notes to our Unaudited Consolidated Financial Statements.

## Cash Flows

For the three months ended March 31, 2022, we experienced a net increase in cash in the amount of \$70.2 million. During that period, our operating activities used \$18.8 million in cash, consisting primarily of purchases of portfolio investments of \$335.5 million, partially offset by net cash acquired from the acquisition of Sierra of \$101.9 million and proceeds from sales or repayments of portfolio investments totaling \$210.5 million. In addition, our financing activities provided net cash of \$89.0 million, consisting of net borrowings under the February 2019 Credit Facility (as defined below under “Financing Transactions”) of \$107.7 million, partially offset by dividends paid in the amount of \$15.0 million and share repurchases of \$2.1 million. As of March 31, 2022, we had \$154.4 million of cash and foreign currencies on hand.

For the three months ended March 31, 2021, we experienced a net decrease in cash in the amount of \$52.0 million. During that period, our operating activities used \$85.1 million in cash, consisting primarily of purchases of portfolio investments of \$276.5 million and purchases of short-term investments of \$198.6 million, partially offset by proceeds from sales of portfolio investments totaling \$188.2 million and sales of short-term investments of \$190.5 million. In addition, our financing activities provided \$33.1 million of cash, consisting of net proceeds of \$149.8 million from the issuance of the February Notes, partially offset by net repayments under the February 2019 Credit Facility of \$104.3 million and dividends paid in the amount of \$12.4 million. As of March 31, 2021, we had \$40.5 million of cash and foreign currencies on hand.

## Financing Transactions

### February 2019 Credit Facility

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

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

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

As of March 31, 2022, we were in compliance with all covenants under the February 2019 Credit Facility and had U.S. dollar borrowings of \$472.0 million outstanding under the February 2019 Credit Facility with an interest rate of 2.318% (one month SOFR of 0.218%), borrowings denominated in Swedish kronas of 12.8kr million (\$1.4 million U.S. dollars) with an interest rate of 2.000% (one month STIBOR of 0.000%), borrowings denominated in British pounds sterling of £77.6 million

(\$102.1 million U.S. dollars) with an interest rate of 2.477% (one month SONIA of 0.477%), borrowings denominated in Australian dollars of A\$36.6 million (\$27.5 million U.S. dollars) with an interest rate of 2.250% (one month AUD Screen Rate of 0.250%) and borrowings denominated in Euros of €138.6 million (\$154.2 million U.S. dollars) with an interest rate of 2.000% (one month EURIBOR of 0.000%). The borrowings denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date. The impact resulting from changes in foreign exchange rates on the February 2019 Credit Facility borrowings is included in "Net unrealized appreciation (depreciation) - foreign currency transactions" in 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 March 31, 2022, the total fair value of the borrowings outstanding under the February 2019 Credit Facility was \$757.2 million. See Note 5 to our Unaudited Consolidated Financial Statements for additional information regarding the February 2019 Credit Facility.

#### *August 2025 Notes*

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

On November 4, 2020, we amended the August 2020 NPA to reduce the aggregate principal amount of unissued Additional Notes from \$50.0 million to \$25.0 million.

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

The August 2025 Notes were offered in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The August 2025 Notes have not and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, as applicable.

As of March 31, 2022, the fair value of the outstanding August 2025 Notes was \$49.7 million. The fair value determination of the August 2025 Notes was based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

#### *November Notes*

On November 4, 2020, we entered into a Note Purchase Agreement (the "November 2020 NPA") governing the issuance of (1) \$62.5 million in aggregate principal amount of Series B senior unsecured notes due November 2025 (the "Series B Notes") with a fixed interest rate of 4.25% per year and (2) \$112.5 million in aggregate principal amount of Series C senior

unsecured notes due November 2027 (the “Series C Notes,” and, collectively with the Series B Notes, the “November Notes”) with a fixed interest rate of 4.75% per year, in each case, to qualified institutional investors in a private placement. Each stated interest rate is subject to a step up of (x) 0.75% per year, to the extent the applicable November Notes do not satisfy certain investment grade conditions and/or (y) 1.50% per year, to the extent the ratio of our secured debt to total assets exceeds specified thresholds, measured as of each fiscal quarter end. The November Notes were delivered and paid for on November 5, 2020.

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

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

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

As of March 31, 2022, the fair value of the outstanding Series B Notes and the Series C Notes was \$61.1 million and \$109.0 million, respectively. The fair value determinations of the Series B Notes and Series C Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

#### *February Notes*

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

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

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

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

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

As of March 31, 2022, the fair value of the outstanding Series D Notes and the Series E Notes was \$75.5 million and \$65.2 million, respectively. The fair value determinations of the Series D Notes and Series E Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

#### *November 2026 Notes*

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

The November 2026 Notes will mature on November 23, 2026 and may be redeemed in whole or in part at our option at any time or from time to time at the redemption prices set forth in the Indenture. The November 2026 Notes bear interest at a rate of 3.300% per year payable semi-annually on May 23 and November 23 of each year, commencing on May 23, 2022. The November 2026 Notes are our general unsecured obligations that rank senior in right of payment to all of our existing and future indebtedness that is expressly subordinated in right of payment to the November 2026 Notes, rank pari passu with all existing and future unsecured unsubordinated indebtedness issued by us, rank effectively junior to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness, and rank structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries, financing vehicles or similar facilities.

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

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

The November 2026 Notes were offered to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act. The November 2026 Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

As of March 31, 2022, the fair value of the outstanding November 2026 Notes was \$320.9 million. The fair value determinations of the November 2026 Notes were based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

#### *Share Repurchases*

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

In connection with the completion of the acquisition of Sierra, we committed to make open-market purchases of shares of our common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing on April 1, 2022 and are expected to be made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Exchange Act, as well as subject to compliance with our covenant and regulatory requirements.

#### *Distributions to Stockholders*

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

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

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

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



accrual, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements, even though we will not have received and may not ever receive any corresponding cash amount. ICTI also excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized.

### **Recent Developments**

Subsequent to March 31, 2022, we made approximately \$174.4 million of new commitments, of which \$141.0 million closed and funded. The \$141.0 million of investments consists of \$120.9 million of first lien senior secured debt investments, \$16.2 million of second lien senior secured and subordinated debt investments and \$3.8 million of equity investments. The weighted average yield of the debt investments was 7.1%. In addition, the Company funded \$15.0 million of previously committed delayed draw term loans.

Effective on April 1, 2022, we increased aggregate commitments under the February 2019 Credit Facility to \$1.1 billion from \$965.0 million pursuant to the accordion feature under the February 2019 Credit Facility, which allows for an increase in the total commitments to an aggregate of \$1.5 billion subject to certain conditions and the satisfaction of specified financial covenants.

On May 5, 2022, the Board declared a quarterly distribution of \$0.24 per share payable on June 15, 2022 to holders of record as of June 8, 2022.

### **Critical Accounting Policies and Use of Estimates**

The preparation of our unaudited financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods covered by such financial statements. We have identified investment valuation and revenue recognition as our most critical accounting estimates. On an 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 have been approved by the Board.

As of March 31, 2022, our investment portfolio, valued at fair value in accordance with the Board-approved valuation policies, represented approximately 182% of our total net assets, as compared to approximately 243% of our total net assets as of December 31, 2021.

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

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

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

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

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

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

Our investment portfolio includes certain debt and equity instruments of privately held companies for which quoted prices or other observable inputs falling within the categories of Level 1 and Level 2 are generally not available. In such cases, 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 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 independent third-party providers to price the portfolio, but in the event an acceptable price cannot be obtained from an approved external source, Barings will utilize alternative methods in accordance with internal pricing procedures established by Barings' pricing committee.

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

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

#### *Independent Valuation*

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

provided by the valuation provider and, where applicable, in determining the point within that range that it will use in making valuation recommendations to the Board. If Barings' pricing committee disagrees with the price range provided, it may make a fair value recommendation to the Board that is outside of the range provided by the independent valuation provider, and will notify the Board of any such override and the reasons therefore. In certain instances, we may determine that it is not cost-effective, and as a result is not in the stockholders' best interests, to request an independent valuation firm to perform an independent valuation on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio. Pursuant to these procedures, the Board determines in good faith whether 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.

The SEC has adopted new Rule 2a-5 under the 1940 Act. This rule establishes requirements for determining fair value in good faith for purposes of the 1940 Act. We will comply with the new rule's valuation requirements on or before the SEC's September 8, 2022 compliance date.

#### ***Valuation 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. An independent pricing service provider is the preferred source of pricing a loan, however, to the extent the independent pricing service provider price is unavailable or not relevant and reliable, we will utilize alternative approaches such as broker quotes or manual prices. 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.

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

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

#### ***Revenue Recognition***

##### ***Interest and Dividend Income***

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

We may have to include interest income in our ICTI, including original issue discount income, from investments that have been classified as non-accrual for financial reporting purposes. Interest income on non-accrual investments is not recognized for financial reporting purposes, but generally is recognized in ICTI. As a result, we may be required to make a distribution to our stockholders in order to satisfy the minimum distribution requirements to maintain our RIC tax treatment, even though we will not have received and may not ever receive any corresponding cash amount. Additionally, any loss recognized by us for U.S. federal income tax purposes on previously accrued interest income will be treated as a capital loss.

##### ***Fee Income***

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

Fee income for the three months ended March 31, 2022 and 2021 was as follows:

(\$ in thousands)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
<b>Recurring Fee Income:</b>		
Amortization of loan origination fees	\$ 1,327	\$ 1,078
Management, valuation and other fees	(585)	581
<b>Total Recurring Fee Income</b>	<b>742</b>	<b>1,659</b>
<b>Non-Recurring Fee Income:</b>		
Prepayment fees	—	50
Acceleration of unamortized loan origination fees	196	403
Advisory, loan amendment and other fees	259	21
<b>Total Non-Recurring Fee Income</b>	<b>455</b>	<b>474</b>
<b>Total Fee Income</b>	<b>\$ 1,197</b>	<b>\$ 2,133</b>

#### *Payment-in-Kind (PIK) Interest Income*

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

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

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

#### *Unused Commitments*

In the normal course of business, we are party to financial instruments with off-balance sheet risk, consisting primarily of unused commitments to extend financing to our portfolio companies. Since commitments may expire without being drawn upon, the total commitment amount does not necessarily represent future cash requirements. As of March 31, 2022 and December 31, 2021, we believed that we had adequate financial resources to satisfy our unfunded commitments. The balances of unused commitments to extend financing as of March 31, 2022 and December 31, 2021 were as follows:

Portfolio Company (\$ in thousands)	Investment Type	March 31, 2022	December 31, 2021
1888 Industrial Services, LLC(1)(2)	Revolver	\$ 314	\$ —
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	1,179	1,179
Acclime Holdings HK Limited(1)	Delayed Draw Term Loan	110	110
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	11	11
Air Comm Corporation, LLC(1)	Delayed Draw Term Loan	1,448	1,448
Amtech Software(1)	Delayed Draw Term Loan	1,527	2,727
Amtech Software(1)	Revolver	682	682

Portfolio Company (\$ in thousands)	Investment Type	March 31, 2022	December 31, 2021
AnalytiChem Holding GmbH(1)(2)(3)	Delayed Draw Term Loan	6,073	6,207
Aquavista Watersides 2 LTD(1)(2)(4)	Bridge Revolver	489	503
Aquavista Watersides 2 LTD(1)(2)(4)	Acquisition Facility	3,059	3,147
Astra Bidco Limited(1)(2)(4)	Delayed Draw Term Loan	959	2,571
Avance Clinical Bidco Pty Ltd(1)(5)	Delayed Draw Term Loan	1,435	3,497
Azalea Buyer, Inc.(1)	Delayed Draw Term Loan	962	962
Azalea Buyer, Inc.(1)	Revolver	481	481
Bariacum S.A(1)(2)(3)	Acquisition Facility	2,114	2,161
Beyond Risk Management, Inc.(1)(2)	Delayed Draw Term Loan	2,573	2,573
BigHand UK Bidco Limited(1)(2)(4)	Acquisition Facility	—	378
Black Angus Steakhouses, LLC(1)	Acquisition Facility	417	—
Bounteous, Inc.(1)	Delayed Draw Term Loan	2,840	2,840
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	241	432
Brightpay Limited(1)(2)(3)	Delayed Draw Term Loan	141	144
BrightSign LLC(1)	Revolver	1,329	1,329
British Engineering Services Holdco Limited(1)(2)(4)	Bridge Revolver	—	613
Brook & Whittle Holding Corp.(1)	Delayed Draw Term Loan	852	—
CAi Software, LLC(1)	Revolver	943	943
Canadian Orthodontic Partners Corp.(1)(2)(6)	Acquisition Facility	120	167
Centralis Finco S.a.r.l.(1)(3)	Acquisition Facility	451	461
Ceres Pharma NV(1)(2)(3)	Delayed Draw Term Loan	2,103	2,149
CGI Parent, LLC(1)(2)	Revolver	1,212	—
Classic Collision (Summit Buyer, LLC)(1)(2)	Delayed Draw Term Loan	309	393
Coastal Marina Holdings, LLC(1)(2)	PIK Tranche B Term Loan	1,311	1,311
Coastal Marina Holdings, LLC(1)(2)	Tranche A Term Loan	3,576	3,576
Command Alkon (Project Potter Buyer, LLC)(1)	Delayed Draw Term Loan	6,018	6,018
Coyo Uprising GmbH(1)(2)(3)	Delayed Draw Term Loan	874	894
Crash Champions, LLC(1)	Delayed Draw Term Loan	379	5,420
CSL Dualcom(1)(4)	Acquisition Term Loan	970	998
Dart Buyer, Inc.(1)	Delayed Draw Term Loan	1,163	2,431
DecksDirect, LLC(1)	Revolver	58	218
DreamStart Bidco SAS(1)(3)	Acquisition Facility	604	617
Dune Group(1)(3)	Delayed Draw Term Loan	650	665
Dwyer Instruments, Inc.(1)	Delayed Draw Term Loan	692	692
Eclipse Business Capital, LLC(1)	Revolver	10,909	11,818
EMI Porta Holdco LLC(1)	Delayed Draw Term Loan	11,212	12,458
EMI Porta Holdco LLC(1)	Revolver	2,361	2,966
EPS NASS Parent, Inc.(1)	Delayed Draw Term Loan	583	583
eShipping, LLC(1)	Delayed Draw Term Loan	1,650	2,548
eShipping, LLC(1)	Revolver	824	1,232
Events Software BidCo Pty Ltd(1)(5)	Delayed Draw Term Loan	481	—
F24 (Stairway BidCo GmbH)(1)(2)(3)	Delayed Draw Term Loan	396	405
Fineline Technologies, Inc.(1)	Delayed Draw Term Loan	180	180
Finexvet(1)(3)	Acquisition Facility	967	—
FragilePak LLC(1)(2)	Delayed Draw Term Loan	2,354	2,354
Heartland Veterinary Partners, LLC(1)	Delayed Draw Term Loan	657	657

Portfolio Company (\$ in thousands)	Investment Type	March 31, 2022	December 31, 2021
Heavy Construction Systems Specialists, LLC(1)	Revolver	2,632	2,632
HW Holdco, LLC (Hanley Wood LLC)(1)(2)	Delayed Draw Term Loan	913	1,563
IGL Holdings III Corp.(1)	Delayed Draw Term Loan	1,217	1,217
Innovad Group II BV(1)(2)(3)	Delayed Draw Term Loan	1,785	1,825
INOS 19-090 GmbH(1)(2)(3)	Acquisition Facility	2,481	2,535
ITI Intermodal, Inc.(1)	Delayed Draw Term Loan	103	103
ITI Intermodal, Inc.(1)	Revolver	124	124
Jaguar Merger Sub Inc.(1)(2)	Delayed Draw Term Loan	1,781	1,961
Jaguar Merger Sub Inc.(1)(2)	Revolver	490	490
Jocassee Partners LLC	Joint Venture	15,000	20,000
Jon Bidco Limited(1)(2)(7)	Capex & Acquisition Facility	1,585	—
Jones Fish Hatcheries & Distributors LLC(1)	Revolver	418	—
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	153	153
Kano Laboratories LLC(1)(2)	Delayed Draw Term Loan	2,830	4,544
Kemmerer Operations LLC(1)	Delayed Draw Term Loan	908	—
LAF International(1)(2)(3)	Acquisition Facility	178	341
Lambir Bidco Limited(1)(2)(3)	Bridge Revolver	920	941
Lambir Bidco Limited(1)(2)(3)	Delayed Draw Term Loan	1,841	1,881
LeadsOnline, LLC(1)	Revolver	2,603	—
Lifestyle Intermediate II, LLC(1)	Revolver	2,500	—
LivTech Purchaser, Inc.(1)	Delayed Draw Term Loan	34	82
Marmoutier Holding B.V.(1)(2)(3)	Delayed Draw Term Loan	396	405
Marmoutier Holding B.V.(1)(2)(3)	Revolver	159	162
Marshall Excelsior Co.(1)(2)	Revolver	1,047	—
MC Group Ventures Corporation(1)	Delayed Draw Term Loan	817	817
Modern Star Holdings Bidco Pty Limited(1)(5)	Capex Term Loan	1,072	1,038
Murphy Midco Limited(1)(4)	Delayed Draw Term Loan	648	2,617
Narda Acquisitionco., Inc.(1)	Revolver	1,311	1,311
Navia Benefit Solutions, Inc.(1)	Delayed Draw Term Loan	1,261	1,261
Nexus Underwriting Management Limited(1)(2)(4)	Revolver	101	103
Nexus Underwriting Management Limited(1)(2)(4)	Acquisition Facility	526	541
Novotech Aus Bidco Pty Ltd(1)	Capex & Acquisition Facility	809	—
OA Buyer, Inc.(1)	Revolver	1,331	1,331
OAC Holdings I Corp(1)	Revolver	685	—
OG III B.V.(1)(2)(3)	Acquisition CapEx Facility	671	686
Omni Intermediate Holdings, LLC(1)(2)	Delayed Draw Term Loan	—	817
Omni Intermediate Holdings, LLC(1)(2)	Delayed Draw Term Loan	2,289	4,357
OSP Hamilton Purchaser, LLC(1)	Revolver	187	187
Pacific Health Supplies Bidco Pty Limited(1)(2)(5)	CapEx Term Loan	1,325	1,283
PDQ.Com Corporation(1)	Delayed Draw Term Loan	—	289
PDQ.Com Corporation(1)	Delayed Draw Term Loan	7,753	10,948
Polara Enterprises, L.L.C.(1)(2)	Revolver	545	545
Policy Services Company, LLC(1)(2)	Delayed Draw Term Loan	3,772	6,944
Premium Invest(1)(2)(3)	Acquisition Facility	1,892	1,933
ProfitOptics, LLC(1)	Revolver	484	—
Protego Bidco B.V.(1)(2)(3)	Delayed Draw Term Loan	826	844
QPE7 SPV1 BidCo Pty Ltd(1)(2)(5)	Acquisition Term Loan	—	373

Portfolio Company (\$ in thousands)	Investment Type	March 31, 2022	December 31, 2021
RA Outdoors, LLC(1)	Revolver	741	—
Rep Seko Merger Sub LLC(1)	Delayed Draw Term Loan	1,305	1,455
Reward Gateway (UK) Ltd(1)(2)(4)	Acquisition Facility	657	1,061
Riedel Beheer B.V.(1)(2)(3)	Revolver	—	230
Riedel Beheer B.V.(1)(2)(3)	Delayed Draw Term Loan	150	153
Scaled Agile, Inc.(1)(2)	Delayed Draw Term Loan	416	416
Scaled Agile, Inc.(1)(2)	Revolver	336	336
Security Holdings B.V.(1)(2)(3)	Delayed Draw Term Loan	2,225	2,274
Security Holdings B.V.(1)(2)(3)	Revolver	1,113	1,137
Smartling, Inc.(1)	Delayed Draw Term Loan	1,978	2,353
Smartling, Inc.(1)	Revolver	1,176	1,176
Smile Brands Group, Inc.(1)(2)	Delayed Draw Term Loan	418	655
Springbrook Software (SBRK Intermediate, Inc.)(1)(2)	Delayed Draw Term Loan	2,372	2,373
SSCP Pegasus Midco Limited(1)(4)	Delayed Draw Term Loan	5,105	5,251
Superjet Buyer, LLC(1)	Revolver	1,825	1,825
Syntax Systems Ltd(1)(2)	Revolver	448	569
Syntax Systems Ltd(1)(2)	Delayed Draw Term Loan	1,933	1,933
Tank Holding Corp(1)	Revolver	873	—
Techone B.V.(1)(2)(3)	Delayed Draw Term Loan	1,586	1,621
Techone B.V.(1)(2)(3)	Revolver	423	432
Tencarva Machinery Company, LLC(1)	Delayed Draw Term Loan	886	886
Tencarva Machinery Company, LLC(1)	Revolver	1,128	1,129
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Delayed Draw Term Loan	2,811	2,811
The Caprock Group, Inc. (aka TA/TCG Holdings, LLC)(1)	Revolver	827	827
The Hilb Group, LLC(1)	Delayed Draw Term Loan	2,529	2,773
Thermacell Repellents, Inc.(1)	Revolver	605	—
Transit Technologies LLC(1)(2)	Delayed Draw Term Loan	—	1,857
Truck-Lite Co., LLC(1)	Delayed Draw Term Loan	4,540	4,540
Turbo Buyer, Inc.(1)	Delayed Draw Term Loan	1,339	2,070
Turbo Buyer, Inc.(1)	Delayed Draw Term Loan	2,250	—
USLS Acquisition, Inc.(f/k/a US Legal Support, Inc.)(1)(2)	Delayed Draw Term Loan	3,820	—
Victoria Bidco Limited(1)(2)(4)	Delayed Draw Term Loan	458	—
Waccamaw River, LLC(2)	Joint Venture	4,580	11,280
W2O Holdings, Inc.(1)	Delayed Draw Term Loan	3,831	3,832
West Dermatology, LLC(1)	Revolver	552	—
West Dermatology, LLC(1)	Delayed Draw Term Loan	3,352	—
West Dermatology, LLC(1)	PIK Delayed Draw Term Loan	144	—
Woodland Foods, Inc.(1)	Revolver	1,734	2,070
ZB Holdco LLC(1)	Revolver	845	—
ZB Holdco LLC(1)	Delayed Draw Term Loan	1,352	—
Zeppelin Bidco Limited(1)(2)(4)	Capex / Acquisition Facility	3,472	—
Zeppelin Bidco Limited(1)(2)(4)	Revolver	\$ 579	\$ —
<b>Total unused commitments to extend financing</b>		<b>\$ 220,360</b>	<b>\$ 234,658</b>

(1) Our estimate of the fair value of the current investments in these portfolio companies includes an analysis of the fair value of any unfunded commitments.

(2) Represents a commitment to extend financing to a portfolio company where one or more of our current investments in the portfolio company are carried at less than cost.

(3) Actual commitment amount is denominated in Euros. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

- (4) Actual commitment amount is denominated in British pounds sterling. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (5) Actual commitment amount is denominated in Australian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (6) Actual commitment amount is denominated in Canadian dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.
- (7) Actual commitment amount is denominated in New Zealand dollars. Commitment was translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

In the normal course of business, we guarantee certain obligations in connection with our portfolio companies (in particular, certain controlled portfolio companies). Under these guarantee arrangements, payments may be required to be made to third parties if such guarantees are called upon or if the portfolio companies were to default on their related obligations, as applicable. As of March 31, 2022 and December 31, 2021, we had guaranteed €9.9 million (\$11.0 million U.S. dollars and \$11.3 million U.S. dollars, respectively) relating to credit facilities among Erste Bank and MVC Automotive Group GmbH, or MVC Auto. We would be required to make payments to Erste Bank if MVC Auto were to default on their related payment obligations. None of the credit facility guarantees are recorded as a liability on our Unaudited and Audited Consolidated Balance Sheets. As such, the credit facility liabilities are considered in the valuation of our investments in MVC Auto. The guarantees denominated in foreign currencies were translated into U.S. dollars based on the spot rate at the relevant balance sheet date.

### **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 securities held by us may decline in response to certain events, including those directly involving the companies we invest in; conditions affecting the general economy; overall market changes; global pandemics; legislative reform; local, regional, national or global political, social or economic instability; and interest rate fluctuations.

In addition, we are subject to interest rate risk. Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest bearing debt and liabilities. Changes in interest rates can also affect, among other things, our ability to acquire and originate loans and securities and the value of our investment portfolio. Our net investment income is affected by fluctuations in various interest rates, including LIBOR, EURIBOR, GBP LIBOR, BBSY, STIBOR, CDOR, and SONIA. 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 March 31, 2022, we were not a party to any interest rate hedging arrangements.

In connection with the COVID-19 pandemic, the U.S. Federal Reserve and other central banks reduced certain interest rates and LIBOR decreased. A prolonged reduction in interest rates will reduce our gross investment income and could result in a decrease in our net investment income if such decreases in LIBOR are not offset by a corresponding increase in the spread over LIBOR that we earn on any portfolio investments, a decrease in our operating expenses, including with respect to our income incentive fee, or a decrease in the interest rate of our floating interest rate liabilities tied to LIBOR.

As of March 31, 2022, approximately \$1,786.8 million (principal amount) of our debt portfolio investments bore interest at variable rates, which generally are LIBOR-based (or based on an equivalent applicable currency rate), 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 \$35.7 million on an annual basis.

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



longer maintain an investment grade credit rating). 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 \$15.1 million on an annual basis (based on the amount of outstanding borrowings under the February 2019 Credit Facility as of March 31, 2022). We pay a commitment fee of (x) 0.5% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is greater than two-thirds of total commitments or (y) 0.375% per annum on undrawn amounts if the unused portion of the February 2019 Credit Facility is equal to or less than two-thirds of total commitments.

In July 2017, the head of the U.K. Financial Conduct Authority (the “FCA”), announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. In March 2021, the FCA confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of sterling, euro, Swiss franc, and Japanese yen, and the one week and two month U.S. dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. In addition, as a result of supervisory guidance from U.S. regulators, some U.S. regulated entities ceased to enter into new LIBOR contracts after January 1, 2022. At this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR, although the Alternative Reference Rates Committee, a steering committee convened by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York and comprised of large U.S. financial institutions, has recommended the use of SOFR. There are many uncertainties regarding a transition from LIBOR to SOFR or any other alternative benchmark rate that may be established, including, but not limited to, the timing of any such transition, the need to amend all contracts with LIBOR as the referenced rate and, given the inherent differences between LIBOR and SOFR or any other alternative benchmark rate, how any transition may impact the cost and performance of impacted securities, variable rate debt and derivative financial instruments. In addition, SOFR or another alternative benchmark rate may fail to gain market acceptance, which could adversely affect the return on, value of and market for securities, variable rate debt and derivative financial instruments linked to such rates. The effects of a transition from LIBOR to SOFR or any other alternative benchmark rate on our cost of capital and net investment income cannot yet be determined definitively. All of our loan agreements with our portfolio companies include fallback language in the event that LIBOR becomes unavailable. This language generally either includes a clearly defined alternative reference rate after LIBOR’s discontinuation or provides that the administrative agent may identify a replacement reference rate, typically with the consent of (or prior consultation with) the borrower. In certain cases, the administrative agent will be required to obtain the consent of either a majority of the lenders under the facility, or the consent of each lender, prior to identifying a replacement reference rate. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us and could have a material adverse effect on our business, financial condition and results of operations.

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 may also have exposure to foreign currencies related to certain investments. Such investments are translated into U.S. dollars based on the spot rate at the relevant balance sheet date, exposing us to movements in the exchange rate. In order to reduce our exposure to fluctuations in exchange rates, we generally borrow in local foreign currencies under the February 2019 Credit Facility to finance such investments. As of March 31, 2022, we had borrowings denominated in Swedish kronas of 12.8kr million (\$1.4 million U.S. dollars) with an interest rate of 2.000%, borrowings denominated in British pounds sterling of £77.6 million (\$102.1 million U.S. dollars) with an interest rate of 2.477%, borrowings denominated in Australian dollars of A\$36.6 million (\$27.5 million U.S. dollars) with an interest rate of 2.250% and borrowings denominated in Euros of €138.6 million (\$154.2 million U.S. dollars) with an interest rate of 2.000%.

**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 as of March 31, 2022. It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting during the first quarter of 2022 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.**

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

### **Item 1A. Risk Factors.**

You should carefully consider the risks described in Item 1A entitled "Risk Factors" in Part 1 of our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on February 23, 2022, 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 referenced herein and in our most recent Annual Report on Form 10-K 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 have a material adverse effect on our business, financial condition and/or operating results, as well as the market price of our securities.

There have been no material changes during the three months ended March 31, 2022 to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021. If any of such 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.

### **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 March 31, 2022, in connection with our DRIP for our common stockholders, we directed the plan administrator to purchase 56,521 shares of our common stock for an aggregate of \$607,552 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 February 1, 2022.

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

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

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
January 1 through January 31, 2022	—	\$ —	—	\$ —
February 1 through February 28, 2022	—	\$ —	—	\$ —
March 1 through March 31, 2022	264,198 (1)	\$ 10.27	207,677	\$ 12,867 (2)

(1) Includes 56,521 shares purchased in the open market pursuant to the terms of our dividend reinvestment plan.

(2) In thousands. Program terminates May 6, 2022. Commencing on April 1, 2022, the Company will implement an open-market share repurchase program it committed to launch in connection with the completion of the acquisition of Sierra. Pursuant to the program, we will make open-market purchases of shares of our common stock in an aggregate amount of up to \$30.0 million at then-current market prices at any time shares trade below 90% of our then most recently disclosed NAV per share. Any repurchases pursuant to the authorized program will occur during the 12-month period commencing on April 1, 2022 and are expected to be made in accordance with a Rule 10b5-1 purchase plan that qualifies for the safe harbors provided by Rules 10b5-1 and 10b-18 under the Exchange Act, as well as subject to compliance with our covenant and regulatory requirements. Subsequent to period-end, through May 5, 2022, we repurchased an additional 23,300 shares of our common stock pursuant to the share repurchase plans at an average price of \$10.12 per share, including broker commissions.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

Not Applicable.

**Item 6. Exhibits.**

<u>Number</u>	<u>Exhibit</u>
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).
10.1	Second Amended and Restated Investment Advisory Agreement, dated February 25, 2022, by and between Barings BDC, Inc. and Barings LLC (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2022 and incorporated herein by reference).
10.2	Credit Support Agreement, dated February 25, 2022, by and between Barings BDC, Inc. and Barings LLC (Filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2022 and incorporated herein by reference).
10.3	Amendment No. 3 to Senior Secured Revolving Credit Agreement, dated as of February 25, 2022, by and among Barings BDC, Inc., the subsidiary guarantors party thereto, the lenders party thereto and ING Capital LLC, as administrative agent (Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2022 and incorporated herein by reference).*
10.4	Incremental Commitment and Assumption Agreement, dated as of April 1, 2022, made by the Incremental Lender party thereto, relating to the Senior Secured Revolving Credit Agreement, dated as of February 21, 2019, among Barings BDC, Inc., as borrower, the subsidiary guarantors party thereto, the lenders party thereto and ING Capital LLC, as administrative agent. **
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. ***

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

\*\* 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: May 5, 2022

/s/ Eric Lloyd

Eric Lloyd  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 5, 2022

/s/ Jonathan Bock

Jonathan Bock  
Chief Financial Officer  
(Principal Financial Officer)

Date: May 5, 2022

/s/ Elizabeth A. Murray

Elizabeth A. Murray  
Principal Accounting Officer

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INCREMENTAL COMMITMENT AND ASSUMPTION AGREEMENT

dated as of April 1, 2022,

made by

the Incremental Lender party hereto,

relating to the

SENIOR SECURED  
REVOLVING CREDIT AGREEMENT

dated as of February 21, 2019,

among

BARINGS BDC, INC.,  
as Borrower,

The Subsidiary Guarantors Parties Thereto,

The Lenders Parties Thereto,

and

ING CAPITAL LLC,  
as Administrative Agent

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INCREMENTAL COMMITMENT AND ASSUMPTION AGREEMENT (this “Agreement”), dated as of April 1, 2022 and effective as of the Effective Date (as defined below), by and among BARINGS BDC, INC. (the “Borrower”), ENERGY HARDWARE HOLDINGS, INC. (“Energy Holdings”), BARINGS BDC FINANCE I, LLC (“Barings Finance”) and BARINGS BDC SENIOR FUNDING I LLC (together with Energy Holdings and Barings Finance, each a “Subsidiary Guarantor”), SUMITOMO MITSUI BANKING CORPORATION, as an assuming lender (the “Incremental Lender”) and ING CAPITAL LLC, in its capacity as Administrative Agent (in such capacity, the “Administrative Agent”) and as Issuing Bank (in such capacity, the “Issuing Bank”), relating to the SENIOR SECURED REVOLVING CREDIT AGREEMENT, dated as of February 21, 2019 (as amended by that certain Amendment No. 1 to Senior Secured Revolving Credit Agreement, dated as of December 3, 2019, that certain Amendment No. 2 to Senior Secured Revolving Credit Agreement, dated as of December 29, 2021, that certain Amendment No. 3 to Senior Secured Revolving Credit Agreement, dated as of February 25, 2022 and as further amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Borrower, the Administrative Agent and the several banks and other financial institutions or entities from time to time party to the Credit Agreement.

A. The Borrower has requested that the Incremental Lender become a Lender under the Credit Agreement and provide additional Dollar Commitments on and as of the Effective Date in an aggregate principal amount equal to \$100,000,000 (the “Incremental Commitment”) pursuant to Section 2.07(e) of the Credit Agreement.

B. The Incremental Lender is willing to make the Incremental Commitment in the amount described on Annex I hereto on and as of the Effective Date on the terms and subject to the conditions set forth herein and in the Credit Agreement.

Accordingly, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Defined Terms; Interpretation; Etc. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Credit Agreement. The rules of construction set forth in Section 1.03 of the Credit Agreement shall apply equally to this Agreement. This Agreement shall be a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 2. Incremental Commitment. (a) Pursuant to Section 2.07(e) of the Credit Agreement and subject to the terms and conditions hereof, the Incremental Lender hereby agrees to make the Incremental Commitment to the Borrower effective on and as of the Effective Date. The Incremental Commitment shall constitute an additional “Commitment” in the form of a “Dollar Commitment” and a “Commitment Increase” for all purposes of the Credit Agreement and the other Loan Documents and the Effective Date shall be the “Commitment Increase Date” of the Incremental Commitment for purposes of Section 2.07(e) of the Credit Agreement.

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(b) The terms and provisions of any new Loans issued by the Incremental Lender and the Incremental Commitment of the Incremental Lender shall be identical to the other Loans and Dollar Commitments, as applicable, of the Lenders immediately prior to the Effective Date.

(c) On the Effective Date, in connection with the adjustments, if any, to any outstanding Loans and participation interests contemplated by Section 2.07(e)(iv) of the Credit Agreement, the Incremental Lender shall make a payment to the Administrative Agent, for the account of the other Lenders, in an amount calculated by the Administrative Agent in accordance with such section, so that after giving effect to such payment and to the distribution thereof to the other Lenders in accordance with such section, the Loans are held ratably by the Lenders in accordance with the respective Dollar Commitments of such Lenders (after giving effect to the Incremental Commitment and any other Commitment Increases, if any, occurring on the Effective Date).

(d) As of the Effective Date, the Incremental Lender shall become a “Dollar Lender” and a “Lender” under the Credit Agreement and shall have all rights and obligations of a Dollar Lender and a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto.

SECTION 3. Conditions Precedent to Incremental Commitment. This Agreement, and the Incremental Commitment of the Incremental Lender, shall become effective on and as of the Business Day on which the following conditions precedent have been satisfied (unless a condition shall have been waived in accordance with Section 9.02 of the Credit Agreement):

(a) the Administrative Agent shall have received counterparts of this Agreement that, when taken together, bear the signatures of the Borrower, the Administrative Agent, the Issuing Bank and the Incremental Lender;

(b) on the Effective Date, each of the conditions set forth or referred to in Section 2.07(e)(i) of the Credit Agreement shall be satisfied, and pursuant to Section 2.07(e)(ii)(x) of the Credit Agreement, the Administrative Agent shall have received a certificate of a duly authorized officer of the Borrower dated the Effective Date certifying as to the foregoing;

(c) the Administrative Agent shall have received for the account of the Lenders the amounts, if any, payable under Section 2.14 of the Credit Agreement as a result of the adjustments of Borrowings pursuant to Section 2(c) of this Agreement;

(d) pursuant to Section 9.03 of the Credit Agreement, the Administrative Agent shall have received all other reasonable and documented out-of-pocket fees, costs and expenses related to this Agreement due and owing on the Effective Date.

SECTION 4. Representations and Warranties of the Borrower. To induce the other parties hereto to enter into this Agreement, the Borrower represents and warrants to

the Administrative Agent and the Incremental Lender that, as of the date hereof and as of the Effective Date:

(a) This Agreement has been duly authorized, executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) Each of the representations and warranties of the Borrower contained in the Credit Agreement and the other Loan Documents is true and correct in all material respects (other than any representation or warranty already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects) on and as of the Effective Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

(c) No Default or Event of Default has occurred and is continuing on the Effective Date or will result from the Incremental Commitment.

SECTION 5. Representations, Warranties and Covenants of the Incremental Lender. The Incremental Lender (a) represents and warrants that (i) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Incremental Commitment, shall have the obligations of a Lender thereunder, (ii) it has received a copy of the Credit Agreement, together with copies of the most recent audited consolidated balance sheets, statements of operations, statement of changes in net assets, statements of cash flows and schedules of investments delivered pursuant to Section 5.01(a) thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and to make the Incremental Commitment on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (iii) if it is a Foreign Lender, it has delivered to the Administrative Agent any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Incremental Lender; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

SECTION 6. Consent and Reaffirmation. (a) The Borrower and each Subsidiary Guarantor agrees that, notwithstanding the effectiveness of this Agreement, the Guarantee and Security Agreement and each of the other Security Documents continue to be in full force and effect, (b) the Borrower and each Subsidiary Guarantor acknowledges that the terms "Credit Agreement Obligations," "Guaranteed Obligations" and "Secured

Obligations” (each as defined in the Guarantee and Security Agreement) include any and all Loans made now or in the future by the Incremental Lender in respect of its Incremental Commitment and all interest and other amounts owing in respect thereof under the Loan Documents (including all interest and expenses accrued or incurred subsequent to the commencement of any bankruptcy or insolvency proceeding with respect to the Borrower or the Subsidiary Guarantors, whether or not such interest or expenses are allowed as a claim in such proceeding), and (c) the Borrower and each Subsidiary Guarantor confirms its grant of a security interest in its assets as Collateral for the Secured Obligations, all as provided in the Loan Documents as originally executed (and amended prior to the Effective Date and supplemented hereby).

SECTION 7. Notices. All notices hereunder shall be given in accordance with the provisions of Section 9.01 of the Credit Agreement.

SECTION 8. Expenses. Pursuant to Section 9.03 of the Credit Agreement, the Borrower agrees to pay all reasonable and documented out-of-pocket fees, costs and expenses incurred by the Administrative Agent in connection with this Agreement, that are due and owing as of the date hereof, in accordance with the Credit Agreement, including the reasonable and documented out-of-pocket fees, charges and disbursements of one outside counsel for the Administrative Agent.

SECTION 9. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 10. Applicable Law; Jurisdiction; Consent to Service of Process; Other. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THE PROVISIONS OF SECTION 9.09 OF THE CREDIT AGREEMENT (AND ALL OTHER APPLICABLE PROVISIONS OF ARTICLE IX OF THE CREDIT AGREEMENT) ARE HEREBY INCORPORATED BY REFERENCE.

SECTION 11. Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO

ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 12. Headings. The headings of this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 13. No Third Party Beneficiaries. This Agreement is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any other person or entity. No person or entity other than the parties hereto shall have any rights under or be entitled to rely upon this Agreement.

SECTION 14. Electronic Execution of Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

SECTION 15. Acknowledgment and Consent. The Administrative Agent hereby acknowledges that it has received notice pursuant to Section 2.07(e)(i) of the Credit Agreement within the time period required thereunder.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized representatives as of the day and year first above written.

BARINGS BDC, INC.,  
as Borrower

By: /s/ Jonathan Landsberg  
Jonathan Landsberg  
Treasurer

ENERGY HARDWARE HOLDINGS, INC.,  
as Subsidiary Guarantor

By: /s/ Jonathan Landsberg  
Jonathan Landsberg  
Treasurer

BARINGS BDC FINANCE I, LLC,  
as Subsidiary Guarantor

By: /s/ Jonathan Landsberg  
Jonathan Landsberg  
Treasurer

BARINGS BDC SENIOR FUNDING I, LLC  
as Subsidiary Guarantor

By: /s/ Jonathan Landsberg  
Jonathan Landsberg  
Treasurer

ING CAPITAL LLC,  
as Administrative Agent and as Issuing Bank

By: /s/ Grace Fu  
Name: Grace Fu  
Title: Managing Director

By: /s/ Ruben De Saegher  
Name: Ruben De Saegher  
Title: Vice President

[Signature Page to Incremental Commitment and Assumption Agreement – BBDC]

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SUMITOMO MITSUI BANKING CORPORATION,  
as Incremental Lender

By: /s/ Shane Klein  
Name: Shane Klein  
Title: Managing Director

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[Signature Page to Incremental Commitment and Assumption Agreement – BBDC]

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**ANNEX I**

**INCREMENTAL COMMITMENTS**

Incremental Lender	Incremental Commitment (Dollar)
SUMITOMO MITSUI BANKING CORPORATION	\$100,000,000
Total	\$100,000,000



**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

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Eric Lloyd  
Chief Executive Officer  
May 5, 2022

**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  
May 5, 2022

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 March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric Lloyd, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ERIC LLOYD

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Eric Lloyd  
Chief Executive Officer  
May 5, 2022

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 March 31, 2022 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

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Jonathan Bock  
Chief Financial Officer

May 5, 2022