

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 4, 2023

Barings BDC, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

814-00733
(Commission
File Number)

06-1798488
(IRS Employer
Identification No.)

300 South Tryon Street, Suite 2500
Charlotte, North Carolina
(Address of Principal Executive Offices)

28202
(Zip Code)

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

N/A
(Former name or former address, if changed since last report.)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 7.01. Regulation FD Disclosure.

On October 4, 2023, Barings BDC, Inc. (the “Company”) made available on its website <https://ir.baring.com/presentations>, an investor presentation to be presented at the Company’s 2023 Investor Day conference. On October 5, 2023, members of the Company’s management will be presenting on the Company’s strategy, performance, business outlook and other items using the slides furnished as Exhibit 99.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless it is specifically incorporated by reference therein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation (October 2023)
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

Barings BDC, Inc.

Date: October 4, 2023

By:

/s/ Elizabeth A. Murray

Elizabeth A. Murray
Chief Financial Officer and
Chief Operating Officer

BARINGS

Investing *Together*



In our
experience,
it's about
yours.

OCTOBER 4-6, 2023

Barings BDC Investor Day

PUBLIC & PRIVATE FIXED INCOME | REAL ESTATE | SPECIALIST EQUITIES

Disclaimers & Cautionary Notes Regarding Forward-Looking Statements

Cautionary Notice: Certain statements contained in this presentation are "forward-looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results or events to differ materially. Forward-looking statements include, but are not limited to, Barings BDC, Inc.'s ("Barings BDC" or the "Company") the Company's distribution levels and frequency of distributions, the Company's share repurchase activity, the ability of Barings LLC to manage the Company and identify investment opportunities, and some of the factors that could cause actual results or events to differ materially from those identified in forward-looking statements are enumerated in the filings the Company makes with the Securities and Exchange Commission (the "SEC"). These statements are subject to change at any time based upon economic, market or other conditions, including with respect to Barings BDC's and its portfolio companies' results of operations and financial condition, and may not be relied upon as investment advice or an indication of Barings BDC's investment intent. Important factors that could cause actual results to differ materially from plans, estimates or expectations included in this presentation include, among others, those risk factors detailed in Barings BDC's annual report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on February 23, 2023, in Barings BDC's subsequently filed quarterly reports on Form 10-Q, and as may be included from time to time in Barings BDC's other filings with the SEC, including current reports on Form 8-K. In addition, there is no assurance that Barings BDC or any of its affiliates will purchase additional shares of Barings BDC at any specific discount levels or in any specific amounts or that the market price of Barings BDC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that any repurchase plan will enhance stockholder value over the long term. The Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by law.

This presentation contains statistics and other data that has been obtained from or compiled from information made available by third-party service providers. We have not independently verified such statistics or data.

These materials and any presentation of which they form a part are neither an offer to sell, or a solicitation of an offer to purchase, an interest in the Company. The information presented in this presentation is as of June 30, 2023 unless indicated otherwise.

Other Important Information

Any forecasts in this document are based upon Barings' opinion of the market at the date of preparation and are subject to change without notice, dependent upon many factors. Any prediction, projection or forecast is not necessarily indicative of the future or likely performance. Investment involves risk. The value of any investments and any income generated may increase or decrease and are not guaranteed. Past performance is no indication of current or future performance. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Any investment results, portfolio compositions and/or examples set forth in this document are provided for illustrative purposes only and are not indicative of any future investment results, future portfolio composition or investments. The composition, size of, and risks associated with an investment may differ substantially from any examples set forth in this document. No representation is made that an investment will be profitable or will not incur losses. Where appropriate, changes in the currency exchange rates may affect the value of investments. Prospective investors should read the relevant offering documents for the details and specific risk factors of any investment vehicle discussed in this document.

BARINGS

Barings Overview

BARINGS

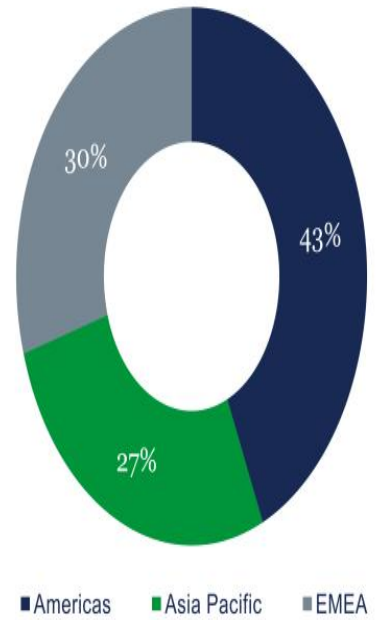
BARINGS OVERVIEW

Who We Are

Barings, a subsidiary of MassMutual, is a global investment manager sourcing differentiated opportunities and building portfolios across public and private fixed income, real estate and specialist equity markets



EXTERNAL AUM BY REGION¹



\$351+ B

ASSETS UNDER MANAGEMENT

1,200+

EXTERNAL CLIENTS

1,800+

PROFESSIONALS GLOBALLY

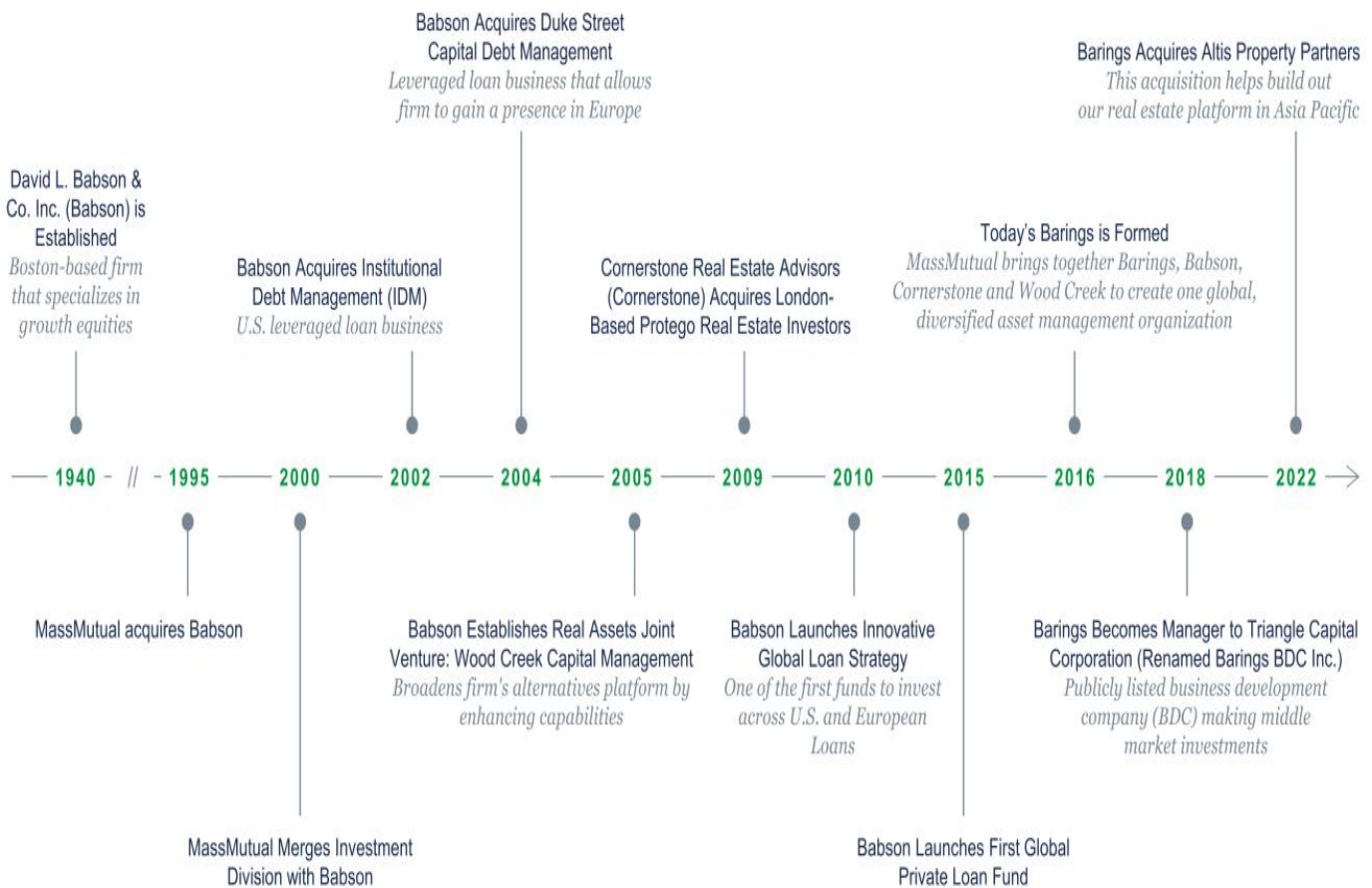
1. Includes third party, external AUM only.

All figures are as of June 30, 2023 unless otherwise indicated. Assets shown are denominated in USD. Percentages may not equal 100 due to rounding.



TIMELINE FOR

Today's Barings



BARINGS

PUBLIC

\$188.3 B

PUBLIC FIXED INCOME¹

\$11.6 B

PUBLIC EQUITIES¹



AUM

Global Investment Capabilities

Barings leverages its depth and breadth of experience across public and private markets to help meet our clients' evolving investment needs

PRIVATE

\$84.8 B

PRIVATE CREDIT

\$47.3 B

REAL ESTATE²

\$5.8 B

DIVERSIFIED
ALTERNATIVE
EQUITY

1. Excludes the Korean Fixed Income Strategy from Fixed Income (\$2.9 billion), the Korean Domestic Equities Strategy from Public Equities (\$8.3 billion). All figures exclude the Multi-Asset Strategy (\$2.2 billion).

2. Projected AUM figures. Includes Real Estate Debt Strategy assets that are managed as part of affiliated fixed income portfolios. All figures are as of June 30, 2023 unless otherwise indicated. Assets shown are denominated in USD.

BARINGS



A Strategic & Panoramic View of Private Markets

Active participation across the capital structure for a variety of assets informs our view

Private Credit	Real Estate ¹	Diversified Alternative Equity
\$84.8 B	\$47.3 B	\$5.8 B
TRACK RECORD: 27+ YEARS	TRACK RECORD: 55+ YEARS	TRACK RECORD: 30+ YEARS
We lend directly to corporates and infrastructure projects	We own, actively manage and lend to real estate across the risk spectrum, globally	We build custom portfolios of co-investments, secondaries and primary funds

1. Projected AUM figures. Includes Real Estate Debt Strategy assets that are managed as part of affiliated fixed income portfolios. All figures are as of June 30, 2023 unless otherwise indicated. Assets shown are denominated in USD.



Our Ownership Structure is Differentiated & Offers a Number of Benefits

As a private company with deep experience managing assets on behalf of our parent company, MassMutual, we measure relationships in decades, not quarters

Alignment of Interest

We believe in aligning both our business and our capital with the best interests of our clients and we make decisions with long-term outcomes in mind.

Investment Philosophy

We take a thoughtful and purposeful approach, aiming to evolve our capabilities and grow alongside our clients over the long term

Investor Solutions

Warehouse transactions prior to our funds launching where appropriate

Market Access

Seeding key initiatives, enabling access to emerging opportunities

Private Credit Landscape

BARINGS



What is Private Credit?

Private credit is a fixed income investment directly originated by an asset manager. Transactions may consist of corporate credit, infrastructure debt, or private placements in a variety of securities

Premiums to Public Markets

Private credit transactions often provide enhanced yield relative to liquid credit markets, commonly referred to as an “illiquidity premium”

Speed of Execution

Transactions are often bilateral (issuer and lender) or small club facilities, obviating a syndication process to cobble a facility together

Tailored Financings

Financings are structured to achieve the objectives of both the issuer and the lender

Confidentiality

Given the smaller number of transaction participants, information is disseminated to fewer parties than in a syndicated execution

Takeaway?

Private credit is exactly that—issuance of credit that is maintained on a private basis. Investors must understand the details of a manager’s investment strategy to appreciate the risks and return



Private Credit—Attractive Historical Returns with Low Volatility

Private Credit acts as a diversification tool given low volatility/high return profile compared to other asset classes



Source: Morningstar, from 10/1/2007 to 9/30/2022 Quarterly returns used for Return and Volatility. Standard Deviation is Volatility. The following indexes are used for returns and volatility: Private Credit: Cliffwater Direct Lending Index, High Yield: Bloomberg High Yield Bond Index, Private Real Estate: NFI-ODCE Index, Investment Grade Bonds: Bloomberg Aggregate Bond Index, Public REITs: MSCI US REIT Index, Private Equity: Cambridge Associates U.S. Private Equity.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. An investment entails a risk of loss. These figures refer to the past.



Barings BDC Investment Strategy

BARINGS

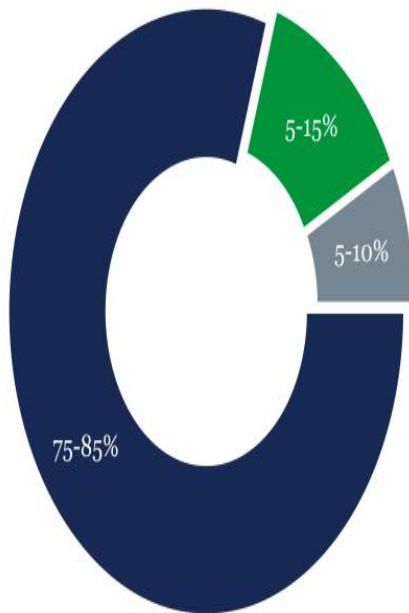

Barings BDC Franchise

Private credit expertise delivering comprehensive exposure to the

Middle Market

with a focus on first lien loans and securities

Targeted Investment Strategy Mix



The above is being shown for illustrative purposes only.

Sponsor Backed Investments

What is it? Financing the operating companies of issuers **Owned by Private Equity firms**

Assets are **Directly Originated** by the Barings team through proprietary relationships with leading Private Equity firms through the United States and Europe

Typical Terms

- <50% Loan to Value
- Maintenance Covenants
- EBITDA between \$15 and \$75

Non-Sponsored Investments

What is it? Financing the **Operating Companies** of issuers irrespective of ownership. Leverages Barings brand and scale to source optimal risk adjusted return in upper middle market and opportunistic middle market transactions

Typical Terms

- <50% Loan to Value
- Maintenance Covenants
- EBITDA between \$25 and \$150

Platform Investments

What is it? BDC investments in two originators of uncorrelated middle market first-lien loans

Typical Terms

- LTV < 80% of Liquidation Value
- Floating Rate
- Highly diversified underlying loan exposures

ROCADE | CAPITAL

Eclipse
Business
Capital

BARINGS



Barings' Strengths in Direct Lending

Barings offers clients unique access to private capital markets

\$50.0B+

COMMITMENTS
UNDER
MANAGEMENT¹

125

INVESTMENT
PROFESSIONALS

26

DEDICATED
ORIGINATIONS
PROFESSIONALS

280+

INSTITUTIONAL
INVESTORS



Global Team Insight

Collaboration across private market teams provides insight into unique opportunities around the globe



Robust Origination

Dedicated, in-house professionals based in local offices offering full range of capital solutions

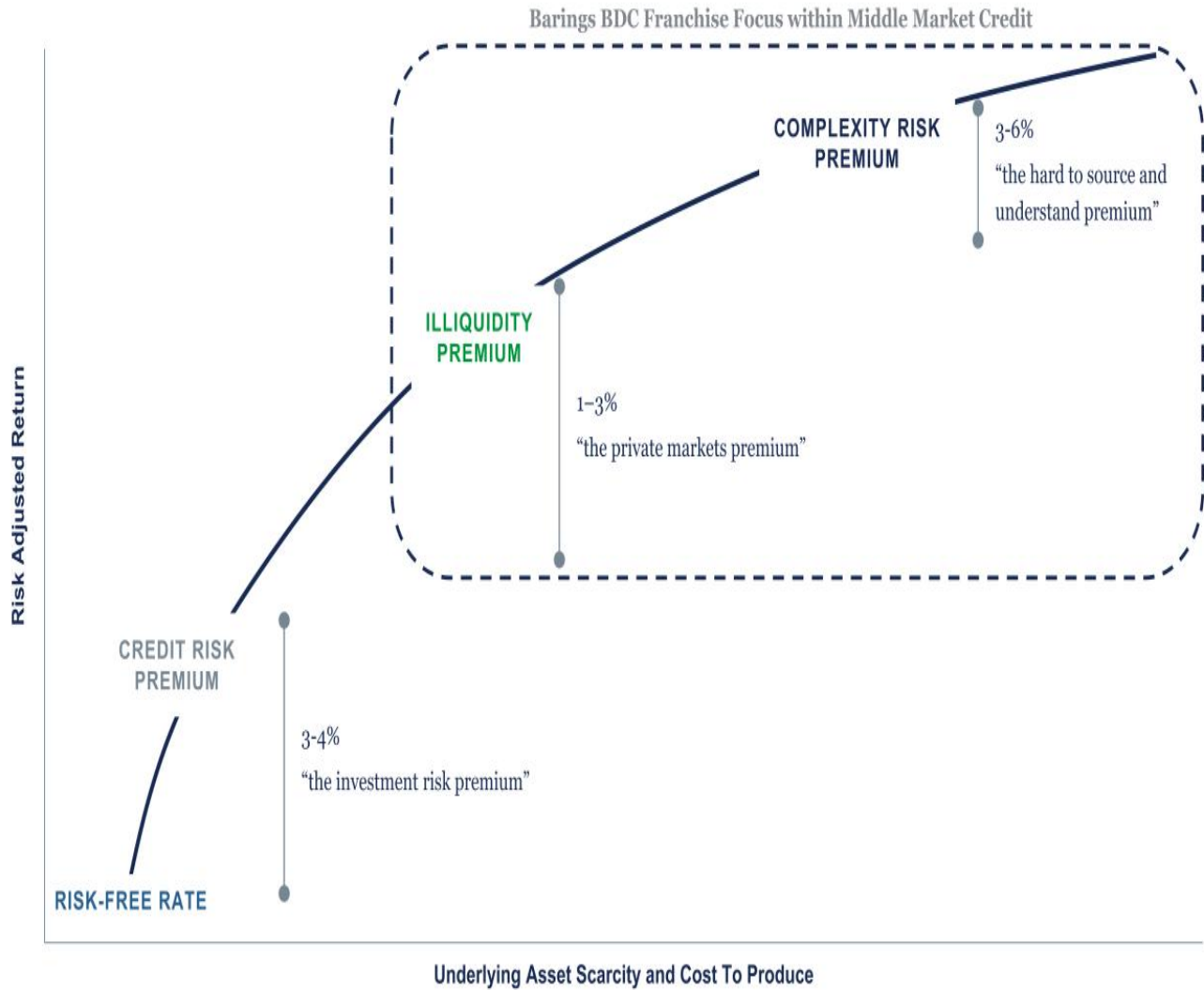


Aligned Interests

Significant capital invested from our parent, MassMutual, aligns our business with the best interests of our clients

1. Commitments reflect commitments to Global Private Finance and Capital Solutions as of the most recent valuation period. All figures are as of June 30, 2023 unless otherwise indicated. Assets shown are denominated in USD.

The Private Credit Landscape—Access Two Risk Premiums



Return premiums are calculated using returns from 1990–2016; Credit: BB-rated HY Bonds. Return premiums are for illustrative purposes only.

BARINGS

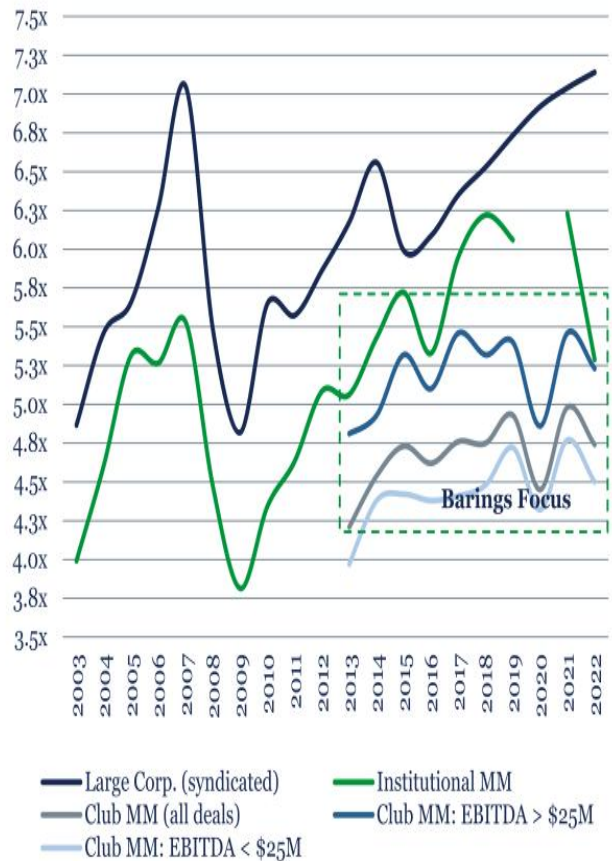
Corporate Leveraged Credit

Barings operates in the middle of the middle market, where loan-to-value and total leverage tend to be lower than in the large corporate and institutional segments

LBO Total Equity Contribution Comparison



LBO Total Leverage by Market Segment (Annual)



Source: Refinitiv LPC. As of December 31, 2022. Periods without a datapoint represent lack of LBO activity for that particular segment; "Large Corp."—syndicated or direct/clubbed deals that have either borrower revenues or total loan packages of \$500mm or greater; "Institutional MM"—Rated and middle market loans syndicated broadly to institutional investors; "Club MM"—non-syndicated facilities, issuers with revenues of \$500mm and below and a total loan package of \$500mm and below.





Core Middle Market Offers Greater Degree of Structural Protection

Large corporate private credit strategies resemble broadly syndicated loan terms and structure

	Private Credit		Public Credit	
	Core Middle Market	Large Corp Club /Mega Cap	Broadly Syndicated Loans	High Yield Bonds
Borrower Size	EBITDA \$15-\$75M	EBITDA \$75M+	EBITDA \$100M+	EBITDA \$100M+
Privately Negotiated	●	●	●	●
Floating Rate	●	●	●	●
Senior Secured	●	●	●	●
Financial Maintenance Covenants	●	●	●	●
Leader Influence on Debt Structure	●	●	●	●
Call Protection	●	●	●	●
Control During Workout Process	●	●	●	●

For Illustrative Purposes Only.

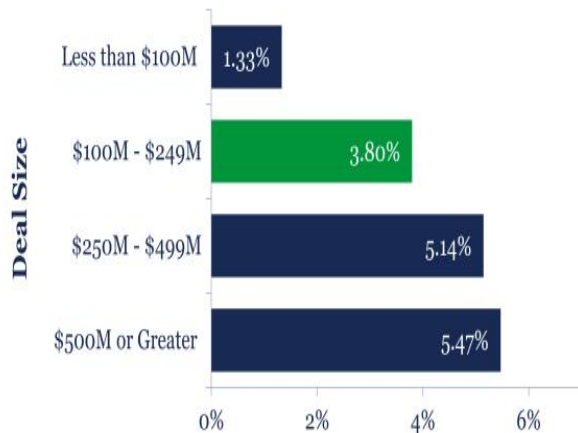
Middle Market vs. Large Corporate—Default & Recovery

Core middle market loans had lower defaults and higher recoveries than larger size loans historically

Core Middle Market Has Outperformed

- Core middle market deals have lower leverage, tighter documentation, and better covenants when compared to large corporate deals
- The narrative that “bigger is better” has not been true historically in terms of defaults and recoveries
- Bigger many times is not better, but it is more competitive

Default Rates by Count



Average Discounted Recovery, U.S. Leveraged Loans

Average for Default Event	Average Discounted Recovery
Negative or zero EBITDA	43%
Middle Market (≤ \$50M EBITDA)	62%
Large Corporate (> \$50M EBITDA)	60%

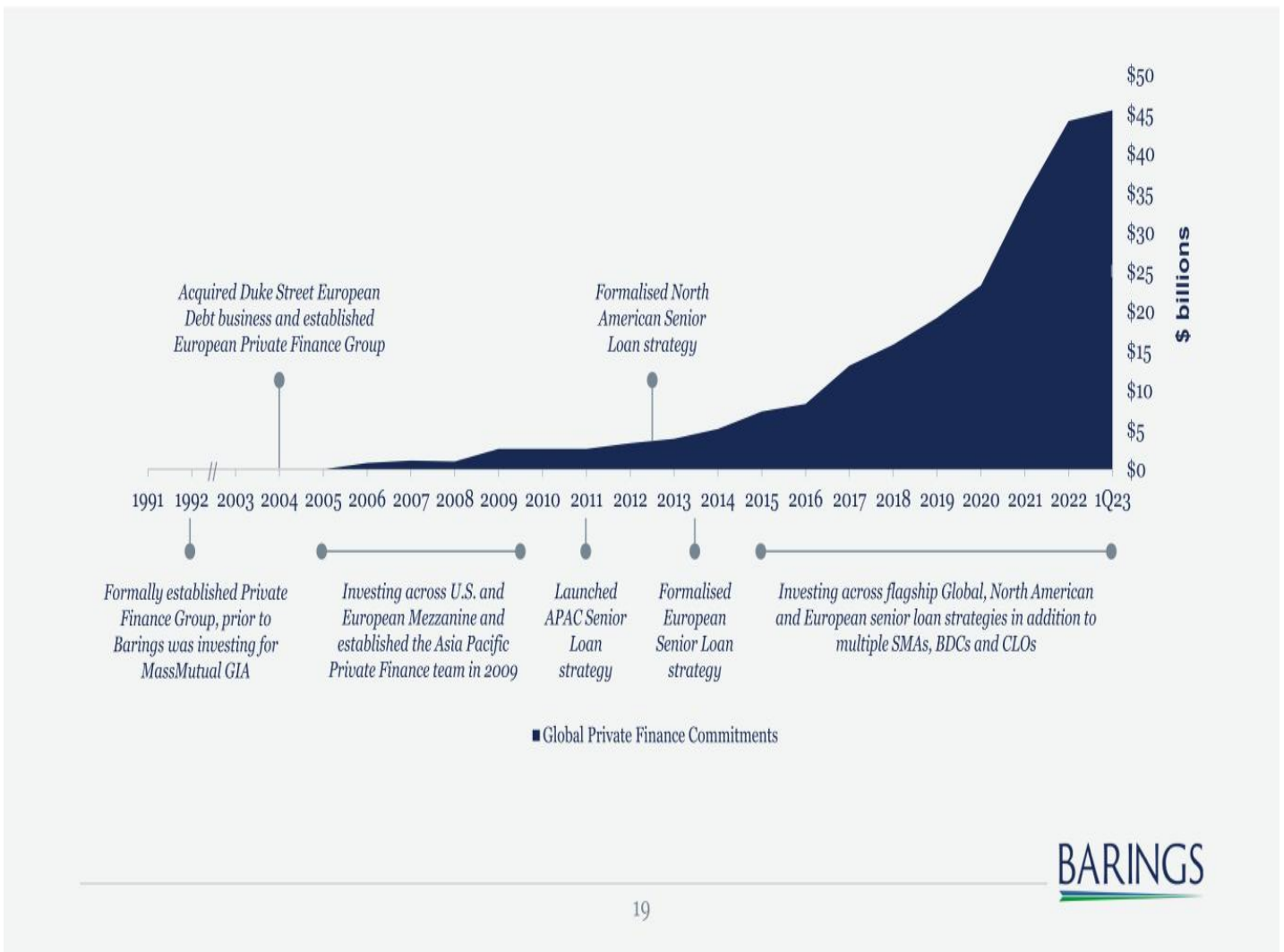
Comprises loans closed between 1995 and 3Q21.

Source: S&P Global LossStats; LCD, an offering of S&P Global Market Intelligence



Barings Has >30 Years of Experience Investing in Middle Market Companies

We have a strong, proven history of investing in middle market companies across the globe





US Direct Lending League Table Deployment

Barings is a market leading
franchise within the world of
Sponsor backed credit

2022 League Table (Deals Closed)

1	Ares
2	Churchill
3	Antares Capital
4	Audax Private Debt
5	Twin Brook Capital Partners
6	Golub Capital
7	BARINGS
8	Monroe Capital
9	BMO Financial Group
10	PNC
11	Morgan Stanley Private Credit
12	Owl Rock
13	Varagon Capital Partners
14	Truist Financial
15	North Haven Private Income Fund BDC
16	Crescent Capital
17	Citizens Bank
18	Midcap Financial
19	Apollo Debt Solutions BDC
20	Blackstone Private Credit Fund BDC
21	Capital One
22	Fifth Third Bank
23	KeyBank
24	HPS Corporate Lending Fund BDC
25	NXT Capital

Source: Pitchbook — 2022 Annual US PE Middle Market Lending League Tables (number of deals)

TEAM ORGANIZATIONAL SLIDE

Barings BDC Management



Eric Lloyd
(33/10)



Jeff Chillag, CFA
(11/8)



Ian Fowler, CFA
(34/10)



Matt Freund, CFA
(13/8)



Bryan High
(20/16)



Melissa Logan
(14/8)



Joseph Mazzoli, CFA
(11/1)



Elizabeth Murray
(24/5)



Albert Perley
(10/2)

SUPPORTED BY ROBUST ANALYTICAL & OPERATIONAL PLATFORM

Private Markets Investment Professionals

- 155 professionals
- United States, UK, Australia, Hong Kong, Singapore, Germany
- Average investment experience of Directors and Managing Directors: **20 years**

Dedicated Public Markets Industry Coverage

- 86 professionals
- United States, UK, Hong Kong, China
- Average investment experience of Directors and Managing Directors: **19 years**

Core Transaction & Operational Support

- 20 credit administration professionals
- 13 legal professionals supporting private credit
- 9 client portfolio management professionals

Figures related to individuals represent (total years of experience/tenure with Barings)

Barings BDC Investment Process

BARINGS

Origination Network

Private Credit Sourcing Channels	Core Strategy
Global Sponsor Coverage	Dedicated coverage of financial sponsors around the world
Capital Solutions	Coverage of sponsored and non-sponsored issuers via less traditional channels
High Yield	Provides visibility into the public universe of more than 2,000+ sponsored and non-sponsored issuers
Barings Network	Referrals from other Barings businesses and MassMutual drive a unique perspective on markets

Barings Advantage

INTEGRATION/CONNECTIVITY WITHIN THE FIRM & UNIQUE MARKET ACCESS OUTSIDE THE FIRM



Delivering solutions without compromising credit quality



Negotiating leverage to drive terms, pricing, and structure



Wide sourcing funnel translates to high selectivity



Continued partnership through follow-on investments

Barings is uniquely positioned to capitalize on significant off-the-run, bespoke financing opportunities from the breadth and depth of its origination network

Significant Market Connectivity Drives Deal Flow





A Typical Deal

Barings evaluates every transaction in the context of three variables

Key Considerations

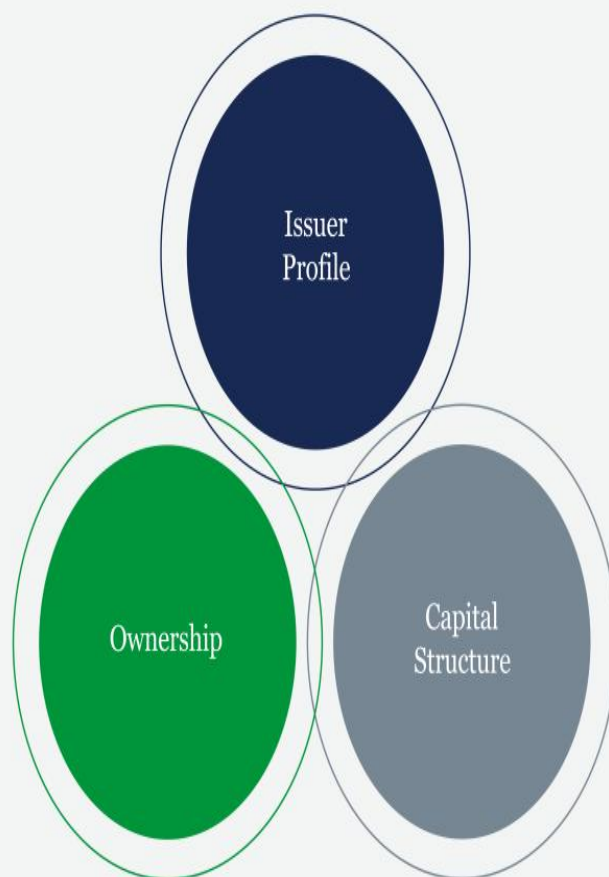
- How resilient are the Issuer's end markets?
- How did the Issuer perform during the GFC and COVID?
- To what degree are sales diversified?
- What are gross and EBITDA margins?

Key Considerations

- Who owns the issuer?
- Does the owners have experience with assets of a similar type?
- How long has the Sponsor been investing?
- In times of distress, how has the ownership group responded?

Key Considerations

- What is the total enterprise value of the issuer?
- What is the structure of the equity (cash, implied, preferred)?
- How much debt will the issuer bear?
- How "adjusted" is EBITDA?



BARINGS

Opportunity Sourcing & Conversion

Barings leverages its broad and wide-reaching network across private equity sponsors and advisors to originate opportunities

Sourcing Capabilities

Internal Origination Channels	
Barings' Network	Affiliate Network

GLOBAL PRIVATE FINANCE: 175+ PE SPONSOR RELATIONSHIPS

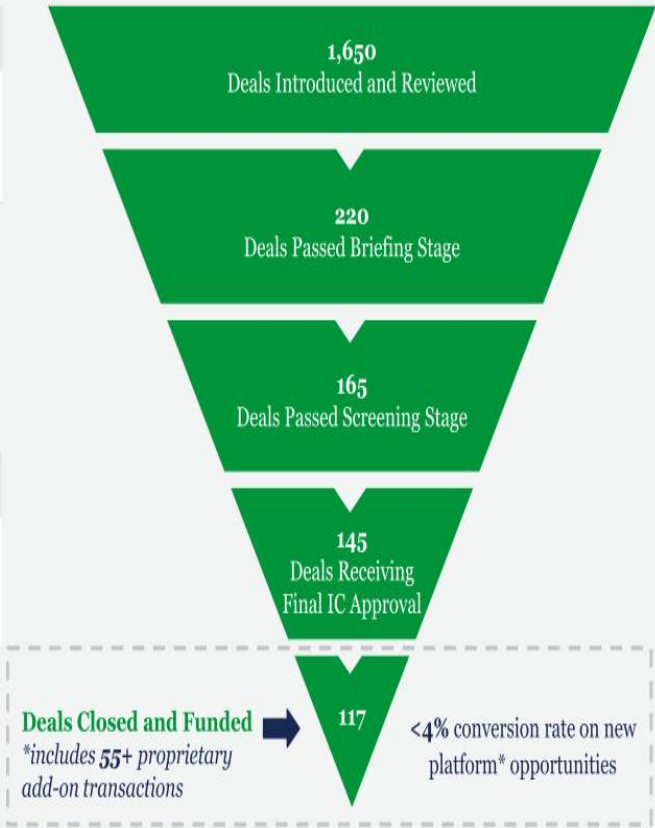
GLOBAL HIGH YIELD: 1,800+ CORPORATE ISSUERS COVERED

GLOBAL STRUCTURED CREDIT: 3,300+ CLO TRANSACTIONS

External Origination Channels		
Restructuring Advisory & Legal Community	Banks & Intermediaries	Direct Relationships

SOURCED OPPORTUNITIES FROM 115+ UNIQUE RELATIONSHIPS
CLOSED DOZENS OF FINANCINGS WITH 20+ UNIQUE EXTERNAL
PARTNERS IN THE PAST 12 MONTHS

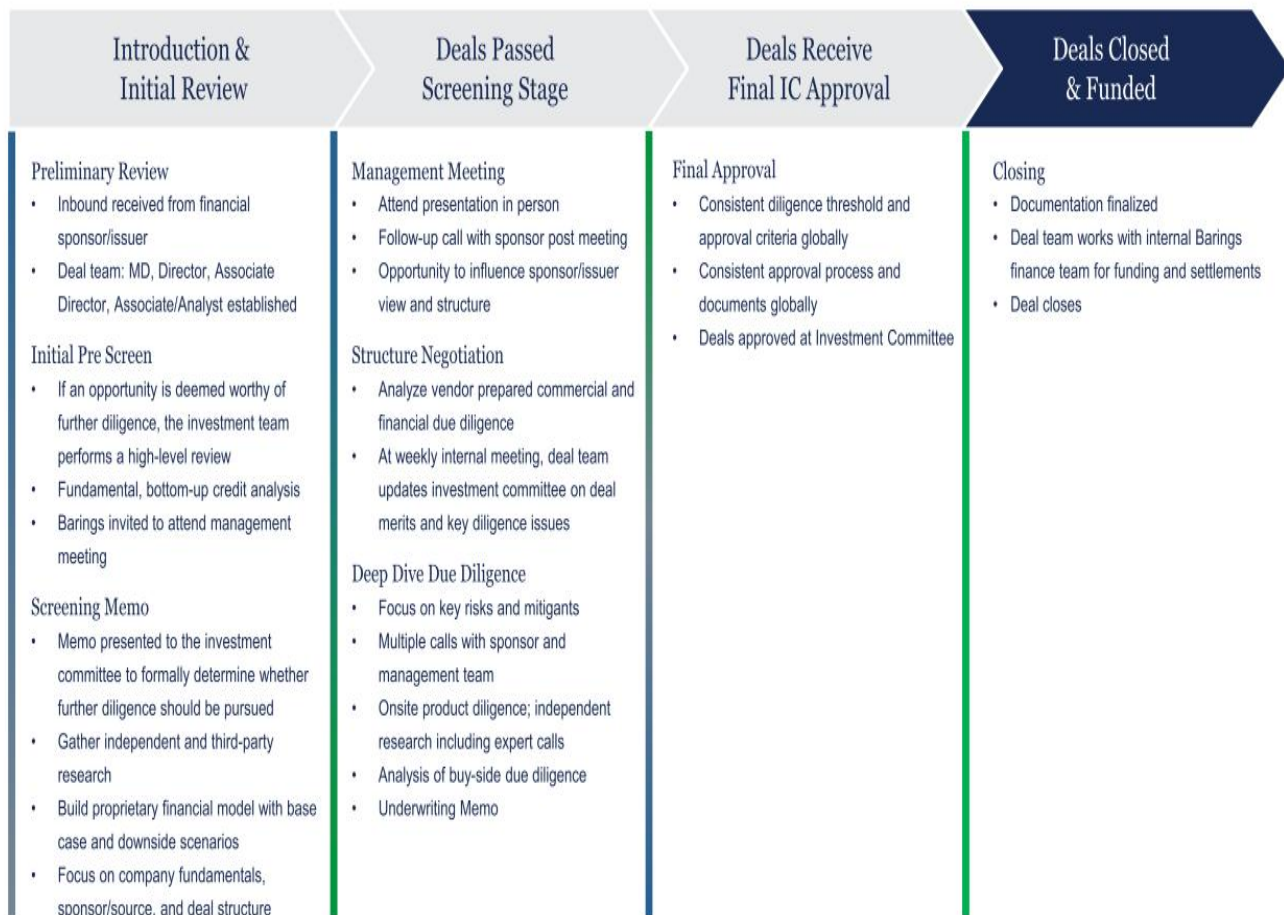
LTM Barings Deal Origination Process¹



1. LTM as of June 30, 2023 based on closed date.

Investment Process

Barings' Three-Pronged Approach in Practice



BARINGS

A Typical Deal, with Examples

Barings evaluates every transaction in the context of three variables, and structures the transaction accordingly

Closed Transactions



Declined Opportunity



Strengths

- Clear value-added provider with strong EBITDA margins more than 25%
- Strong sponsor who has operated similar portfolio companies with successful outcomes
- Asset scarcity given infrastructure elements
- Strong demand from end users accelerated by the COVID pandemic that continued thereafter
- Financial performance positively correlated to inflation with downside protection
- Extremely high customer granularity and low average selling price
- High return on investment for de novo locations
- Strong re-occurring sources of revenue

Considerations

- First lien pricing and fees were comparatively thin against other market opportunities
- Significant M&A opportunities required flexibility of the capital invested
- Sustained positive impacts of COVID demand acceleration to be diligenced
- Significant M&A opportunities required flexibility of the capital invested
- Sustained positive impacts of COVID demand acceleration to be diligenced

Outcome

- Barings won agency and holds 100% of the first lien facilities
- Barings won the agency and holds 100% of the financing; includes senior and junior securities
- Barings declined financing based on leverage requested by the sponsor

For Illustrative Purposes Only. These case studies should be considered as a reflection of Barings' investment processes, and references to particular portfolio companies should not be considered a recommendation of any particular security, investment, or portfolio company. Case studies are not necessarily indicative of Barings BDCs current portfolio composition or of opportunities that may be available in the future

BARINGS



Ongoing Portfolio Monitoring

Portfolio managers and original investment team monitor at investment and portfolio level with goal of addressing any issues well in advance of potentially adverse events

Investment Team Monitoring

- Same team who underwrote deal monitors it in the portfolio
- Receive monthly/quarterly financials from portfolio companies
- Proprietary portfolio management system aggregates data to monitor trends
- Engage sponsor and management early to address potential covenant breaks or other issues

Culture of Risk Management

Committee and External Monitoring

- Hold regular watchlist reviews
- Quarterly portfolio reviews internally to review risk sensitivities, near-term market outlook and relative value
- Discuss any latent issues regularly with investment committee
- Pricing committee utilizes independent third-party pricing vendors
- Annual third party audit

Multiple, independent layers of review, both internally and externally

BARINGS

Managing Downside Risk

Investment professionals possess extensive experience with managing portfolios of private credit investments across economic cycles.

Extensive Experience

Barings has been managing private debt (including junior capital) for **27+ years**

Senior management within the investment teams have invested **through numerous cycles**

Potential to leverage experience from our **specialist distressed debt team**

Utilize our **in-house legal and operational firm wide teams**

Constant Communication

Barings maintains constant contact with its management teams and private equity partners to ensure we are acting on the most current data and able to get ahead of any upcoming issues

Request further information (i.e. financial forecasts) and consult with **internal experts and consult external advisors**

All-Hands Approach

Sample Workout Team

- Member(s) of IC
- Originator
- Lead Underwriter
- Deal Analyst
- Internal Legal
- Internal Workout Specialist
- External Advisors
- External Lawyers

Potential Solutions for Loss Mitigation

Collaborative approach between lenders and sponsors to support financial and operational improvements debt securities

Lender-driven approach to maximize enterprise value through liquidity and operational support



Potential Outcomes

Position on the board

Restructuring of debt securities

Forced sale of business

Take the "keys"

Credit Quality

Barings global private loan strategy has experienced low default and loss rates across the more than \$45 billion invested in more than 540 issuers since 2012

Barings Senior Loan Annualized Default & Loss Rates Since Inception¹

	Annualized Default Rate %	Annualized Loss Rate %
North America	0.14%	0.04%
Europe	0.06%	0.00%
Asia Pacific	0.00%	0.00%

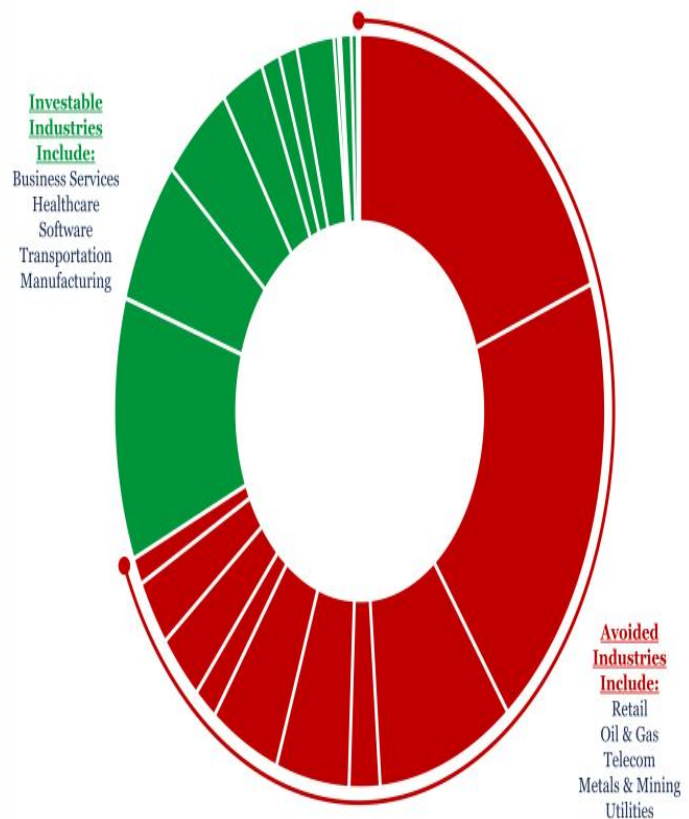
Barings demonstrated loss rate among Sponsor backed first lien transactions originated by the Global Private Finance team is **< 5bps** over the course of the **past decade+**

1. As of March 31, 2023. Includes all of Barings private first lien loan strategies. Barings North American Senior Loan Strategy, excluding secondary purchases and deals originated solely for Barings Middle Market CLOs (Inception: 2012). Barings European Senior Loan Strategy (Inception: 2013). Barings Asia Pacific Senior Loan Strategy (Inception: 2011).

2. Source: S&P LCD as of June 30, 2023. Represents Initial Amount Invested that ultimately defaulted
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Leveraged Loan Index Defaults by Industry—Last 5 Years²

Barings generally avoids industries that have been overly represented in leverage loan defaults historically



BDC Platform

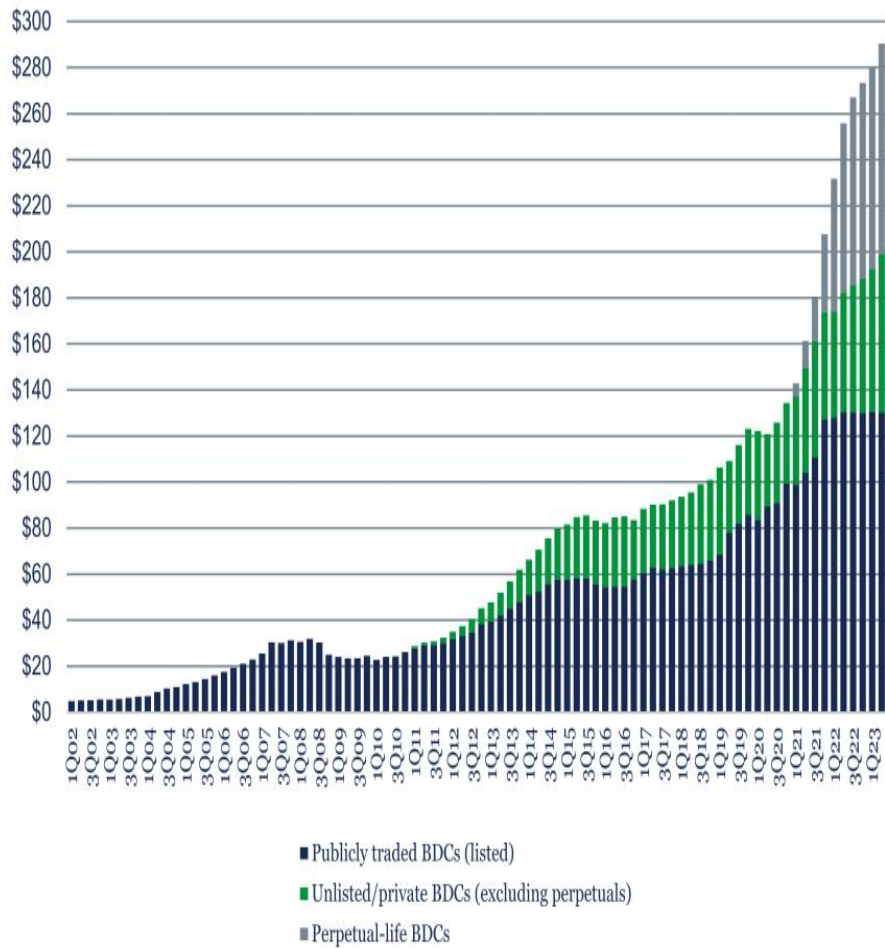
BARINGS



BDC Growth

BDC AUM within the industry has grown to nearly \$300 billion

Total Assets: Public vs. Private BDCs (\$B)

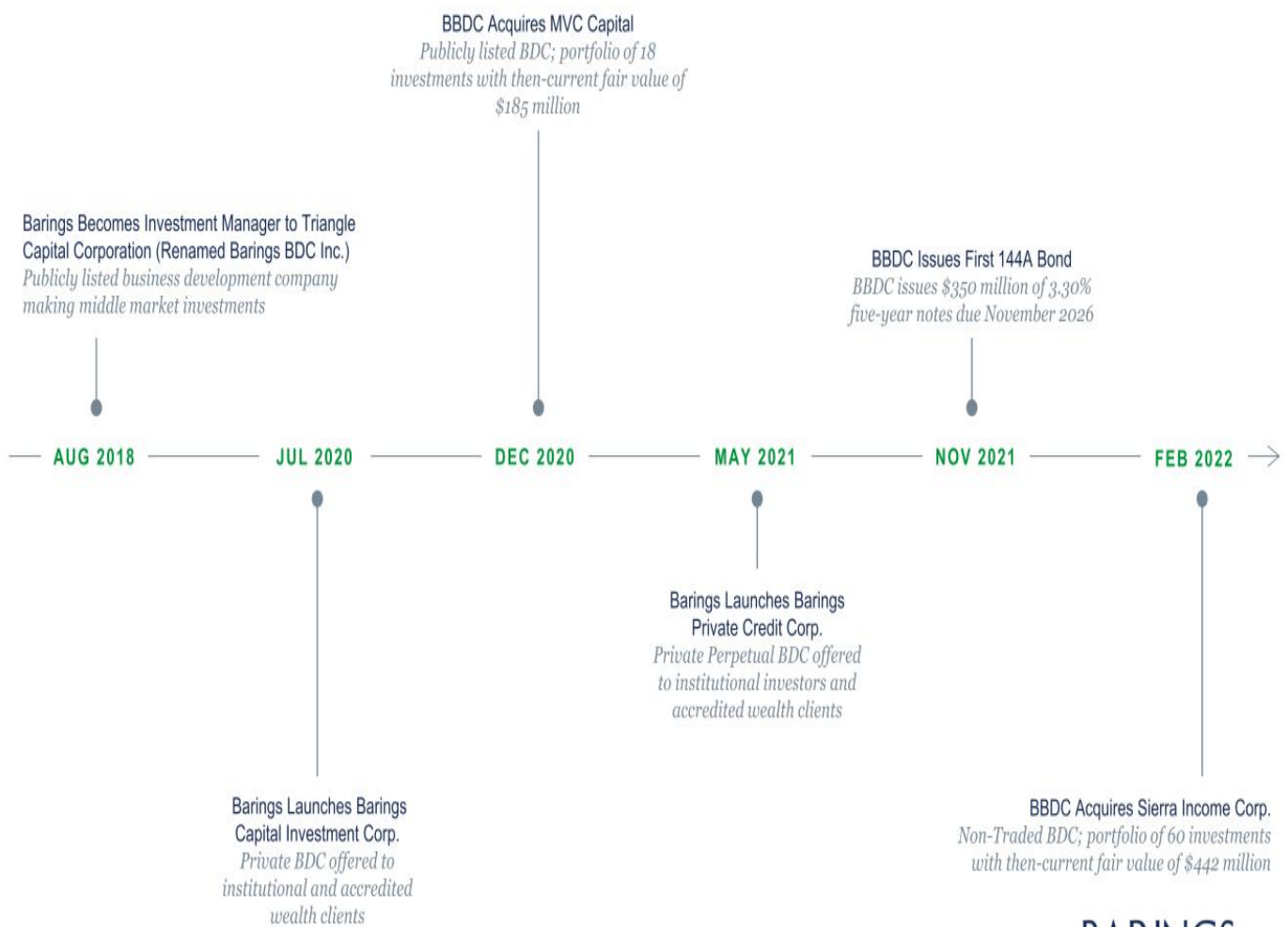


Source: Refinitiv. As of June 30, 2023. Based on Fair Value.



TIMELINE

BDC Platform

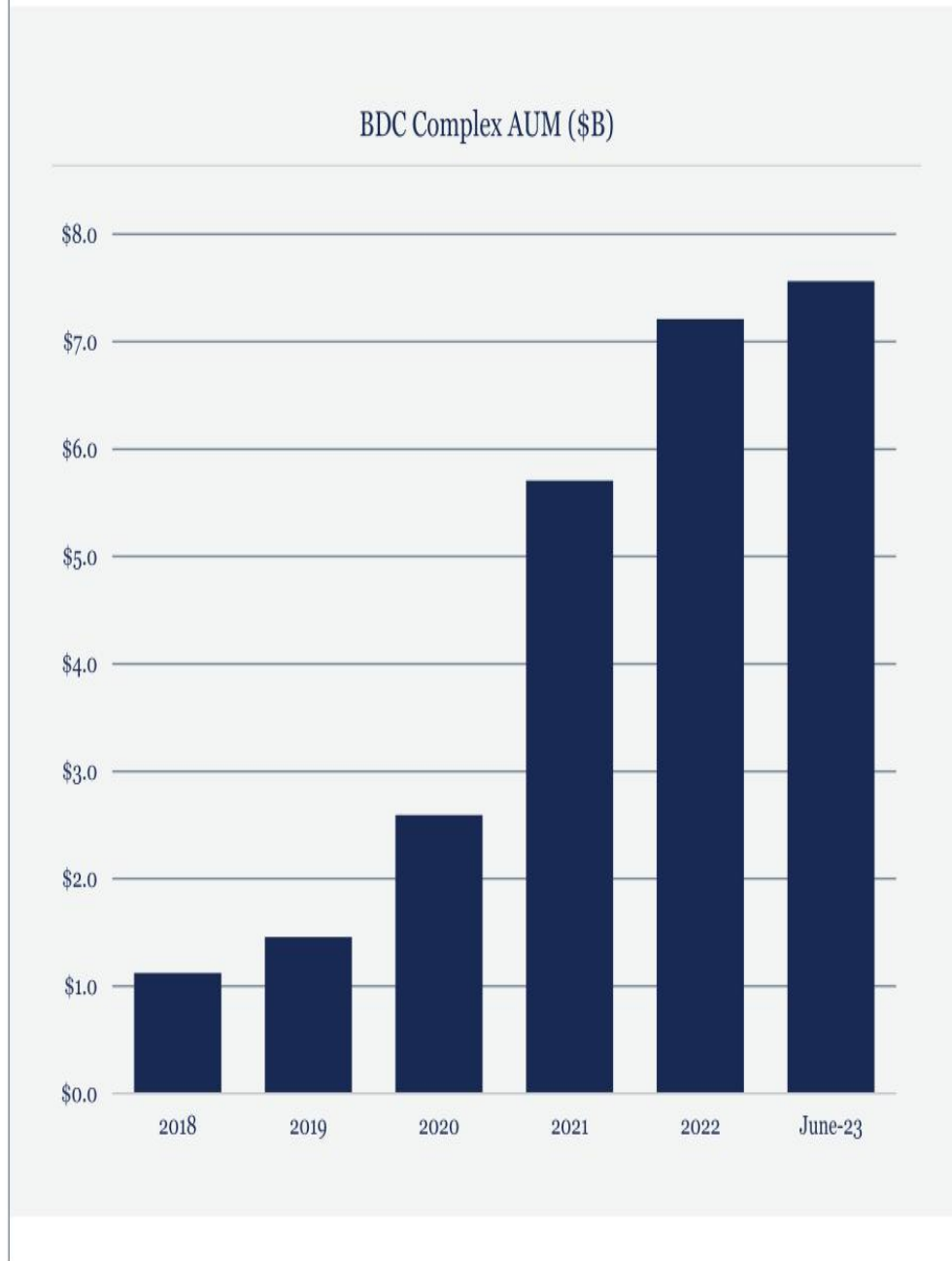


BARINGS



Growth in the Barings BDC Franchise

What started in August 2018 as \$600 million of cash following the TCAP externalization has grown to \$7+ billion of assets.



AUM represents fair value of investment portfolios; includes assets held in BBDC, BCIC, BPCC, Jocassee Partners LLC, Banff Partners LP, and CPCF BPCC LLC. Full years show AUM as of December 31, AUM for June-23 reflects June 30, 2023





The Three Flavors of BDCs at Barings

There are three primary flavors of BDCs, each with distinct features to target three investor types

	Public (BBDC)	Private Non-Traded (BCIC)	Perpetual Private (BPCC)
Considerations	<ul style="list-style-type: none"> Trades publicly on a national stock exchange and investors generate exposure/liquidity through the buying/selling of shares on the secondary market Fund growth can generally only occur through share issuance when the stock price is sufficiently above NAV/share Investment volatility is high as it is a publicly traded stock. Liquidity in the shares is also high 	<ul style="list-style-type: none"> Similar to a “draw down” fund where investor capital is called by the GP Fund growth is tied to ability to raise capital; however, investor liquidity locked until an “exit event”—typically a listing or a merger within a defined time period (e.g. seven years) Investment volatility is low as shares do not trade publicly (marked at NAV). But, there is generally no liquidity in the shares until exit event via merger 	<ul style="list-style-type: none"> Similar to an “open-ended” fund without the volatility/redemption risk of an open-ended fund Fund growth is tied to ability to raise capital; however, investor liquidity is provided quarterly with fund redemptions subject to BOD discretion (e.g. up to 5% of NAV per quarter) Investment volatility is low as shares do not trade publicly (marked at NAV); however, liquidity is improved relative to privately offered non-traded
Target Investor	(1) yield oriented, (2) accepting of price volatility, (3) in need of continuous liquidity	(1) yield oriented, (2) less accepting of price volatility, (3) not in need of liquidity	(1) yield oriented, (2) less accepting of price volatility, (3) in need of periodic liquidity
Benefits	Arguably the easiest structure to operate (closed ended, permanent), but its AUM growth profile can be limited to strong equity markets	Growth profile is less tied to market buoyancy (as investor funds can be raised during the life of the fund). However, there is increased liquidity and execution risk upon exit either via listing or merger	Growth profile is less tied to market buoyancy (as investor funds can be raised during the life of the fund) and it provides a liquidity solution not tied to an exit in the future

For Illustrative Purposes Only

BARINGS

Platform Investments

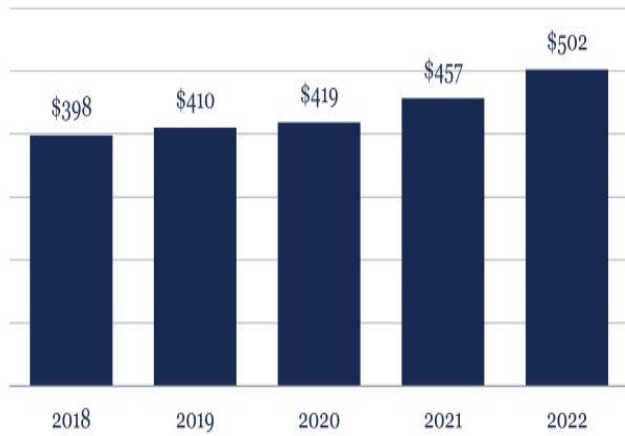
BARINGS

Asset Based Lending

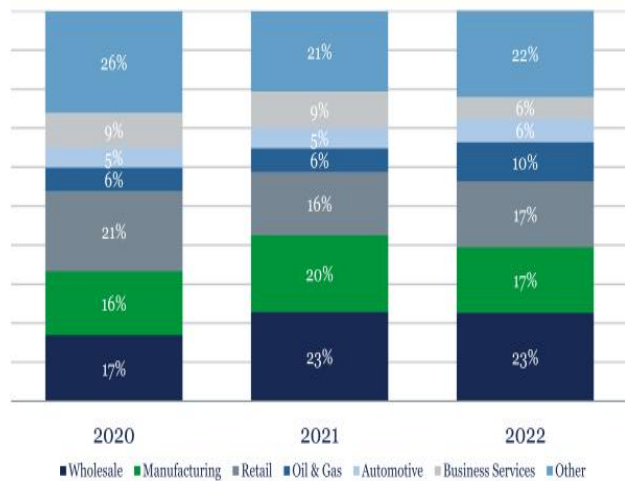
Industry Overview

- Asset based lenders advance funds to borrowers based on **strictly defined and closely monitored collateral** values; asset based loans (“ABLs”) are typically collateralized by accounts receivables or inventory
- ABLs are generally structured to include **covenants and structural protections** such as a 1st lien position, weekly borrowing bases, periodic field exams of the collateral, and control over the borrower’s cash accounts
- Borrowers primarily utilize asset-based loans to fund **working capital, growth and debt refinancing**
- **The ABL asset class has historically exhibited strong countercyclical traits during economic downturns**
- ABL activity has remained robust post-COVID as borrowers have converted cash flow facilities to ABL facilities based on difficulties meeting financial covenants

ABL Total Commitments (\$B)¹



ABL Borrowers by Industry¹



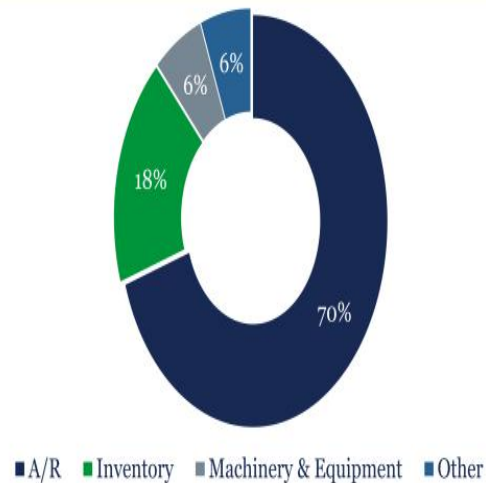
1. Source: 2023 Secured Finance Market Sizing and Impact Study, Secured Finance Network.

Eclipse Business Capital

Eclipse Approach

- **Conservative Underwriting**—Eclipse loans are typically structured to advance <85-90% of the net orderly liquidation value of the underlying collateral
- **Stringent Review of Collateral**—With a focus on A/R and Inventory:
 - A/R—Review of contractual terms, potential and contractual offsets, general vs. specific receivables, possibility of dilution
 - Inventory—Review of Raw vs. WIP vs. Finished; turnover times; disposition alternatives; uniqueness
 - Sourcing—Seasoned team of Business Development Officers maintains various touchpoints in the sourcing ecosystem with (i) issuers, (ii) advisors, (iii) financial sponsors and (iv) commercial banks
- The combination of (1) Eclipse’s strong fundamental underwriting and disciplined approach with (2) Barings’ ability to augment origination and in optimizing the capital structure has **produced attractive ROEs to the Barings BDC franchise**

Outstandings by Collateral¹



Key Portfolio Statistics¹

Commitments	\$2,000,000,000+
Outstandings	\$900,000,000+
Average Loans Outstanding	40+
Average Asset Gross Yield	12–15%

1. Outstandings and portfolio statistics as of June 30, 2023

For Illustrative Purposes Only. This case study should be considered as a general reflection of Barings’ investment process, and references to particular portfolio companies or investment types/industries should not be considered a recommendation of any particular security, investment, or portfolio company. The information provided about particular portfolio companies or investment types/industries is intended to be illustrative and is not intended to be used as an indication of an investment’s current or future performance

Litigation Finance

Industry Overview

- The mass tort framework provides a mechanism for resolving a large number of individual lawsuits against the same (or substantially same) defendants
- Mass tort cases typically involve product liability or personal injury claims based on alleged negligence or liability on the part of the defendant that resulted in widespread damages
- Mass tort cases often take years to resolve; To finance themselves, law firms seek financing using estimated future fees as loan collateral
- **Litigation finance provides uncorrelated acyclical exposure to a portfolio, as repayments are entirely independent of macroeconomic cycles or events**

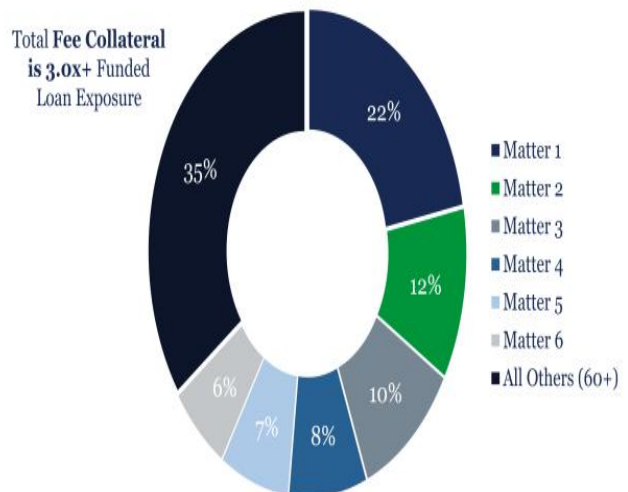
1. Outstandings and portfolio statistics as of June 30, 2023

For Illustrative Purposes Only. This case study should be considered as a general reflection of Barings' investment process, and references to particular portfolio companies or investment types/industries should not be considered a recommendation of any particular security, investment, or portfolio company. The information provided about particular portfolio companies or investment types/industries is intended to be illustrative and is not intended to be used as an indication of an investment's current or future performance

Rocade Capital LLC

- Rocade is a well-known and regarded player in the mass tort lending sector and is run by a management team with decades of experience
- Rocade uses its proprietary collateral valuation tools to value the future contingency fees and uses continuously updated borrowing bases that governs each loan

Fee Collateral by Docket



BARINGS

Questions

BARINGS

15 Minute Break

BARINGS

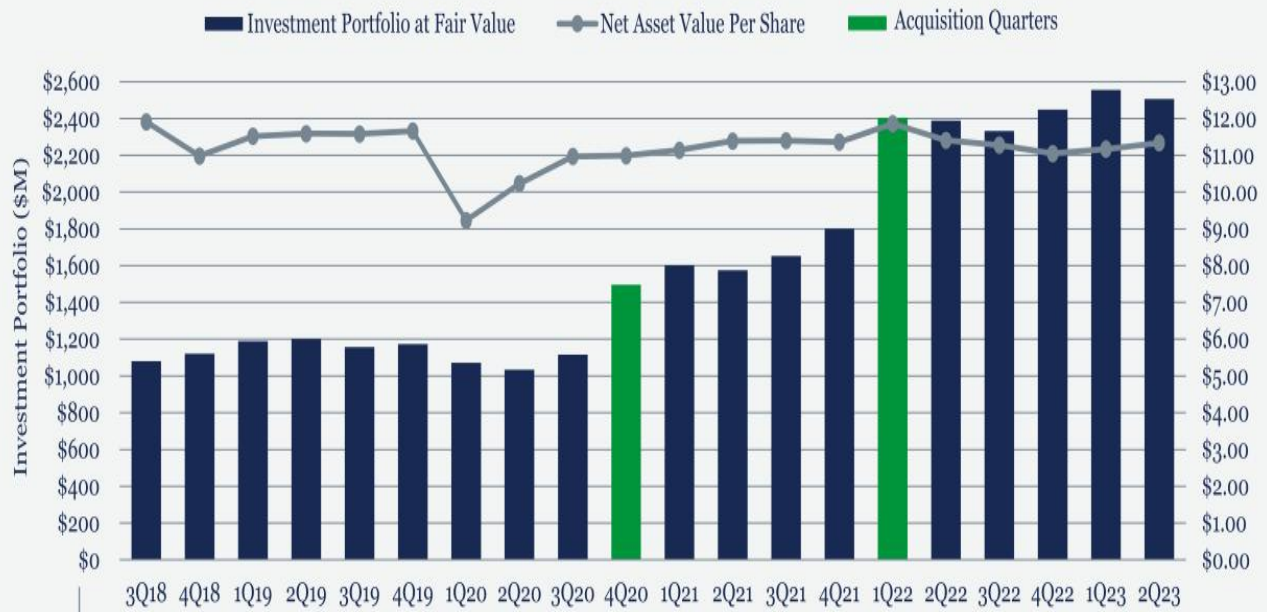
Barings BDC, Inc.

BARINGS



TIMELINE

Barings BDC, Inc.



PHASE 1:

Barings becomes investment manager to Triangle Capital Corporation, rebrands into BBDC, and deploys cash into broadly syndicated loans (BSLs)

Rotation out of BSLs into Barings-originated private credit

PHASE 2:

Growth into optimal size to achieve sufficient diversity, liquidity, and economic benefits

PHASE 3:

Rotation out of acquired assets into 100% Barings-originated private credit (Ongoing)

BARINGS



BBDC Share Repurchase Program

Barings believes share repurchases can play an important role in our long-term capital allocation philosophy

*“Barings has a track record of announcing share repurchase programs and **actually using them.**”*

*Robert Dodd,
Raymond James¹*

- Since the externalization in August of 2018, the board of directors has approved five separate share repurchase plans
- The acquisitions of MVC and Sierra Income were accompanied with share repurchase plans of \$15 million and \$30 million, respectively
- Share repurchases have been executed in 11 of 12 quarters where BBDC was not subject to a transaction blackout
- **BBDC has spent over \$73 million buying back 8.1 million shares**

BBDC Equity Price Since Externalization



1. This testimonial was given by a person other than a current client or investor. Cash or non-cash compensation was not provided for the testimonial. Appears in Barings BDC, Inc. research report published by Raymond James & Associates, Inc. on August 10, 2023. Raymond James & Associates, Inc. makes a market in the shares of Barings BDC, Inc.

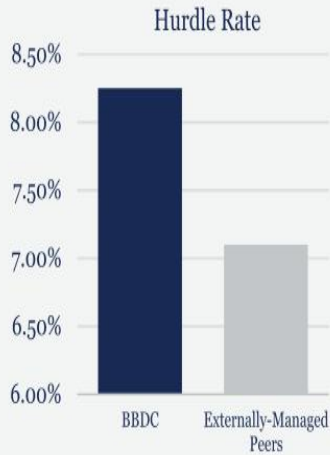
BBDC Focuses on Shareholders

BBDC takes a thoughtful approach to align interests with shareholders

INCENTIVE FEE HURDLE RATE



- BBDC Hurdle Rate: 8.25%
- Average Externally-Managed Public BDC Hurdle Rate: 7.1%¹



CREDIT SUPPORT AGREEMENTS



- Barings made a commitment to protect investors from certain losses emanating from the acquired portfolios

\$123 million
supporting credit performance

SHARE BUYBACKS



- BBDC board has approved five share repurchase programs since Barings took over as manager

\$73 million
spent acquiring 8.1 million shares of BBDC

TOTAL RETURN HURDLE



- BBDC has a total return hurdle (aka a "lookback") that reduces the income-based incentive fee in the event of losses

<50%
of externally-managed publicly-traded BDCs have a total return hurdle¹

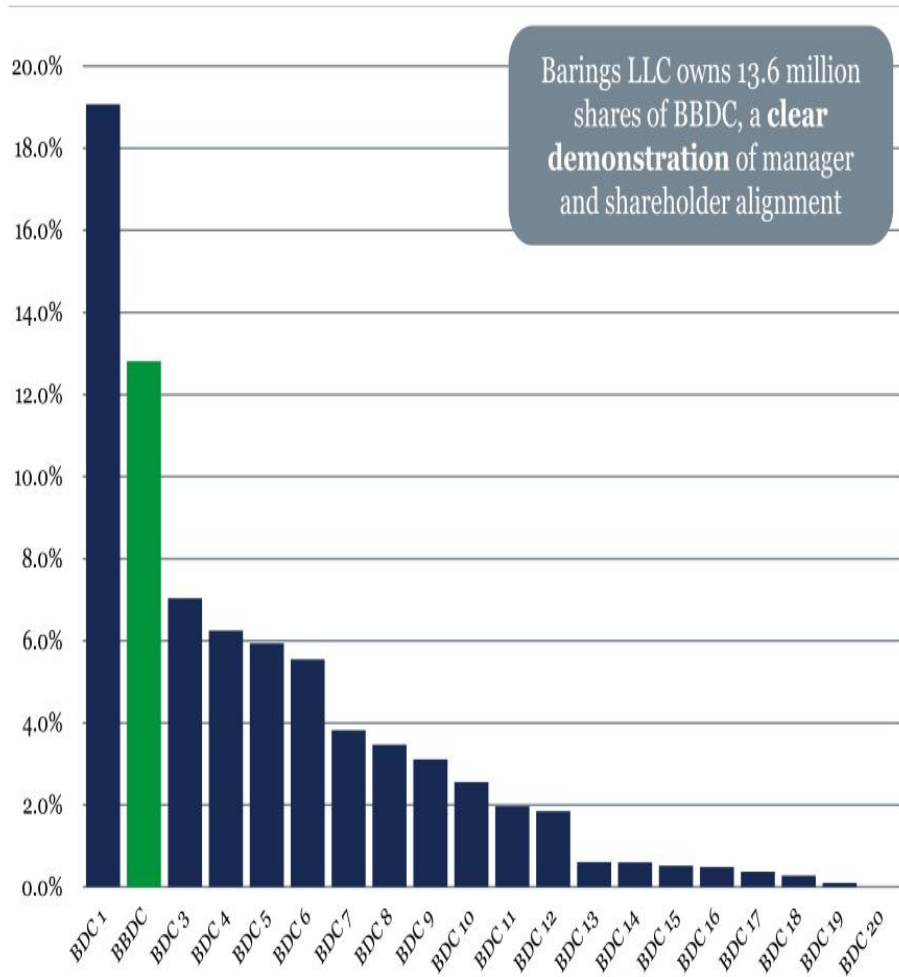
1. Source: Raymond James & Associates, Inc.



Manager Alignment

Amongst the top 20 largest publicly traded BDCs, BBDC has the second highest manager ownership percentage

BDC Manager Ownership Percentages



Source: Bloomberg. As of June 30, 2023.



Credit Support Agreements

What are the Credit Support Agreements (CSAs)?

The CSAs are a form of manager support between Barings LLC and BBDC created in connection with the acquisitions of MVC and Sierra. The CSAs insulate shareholders from possible credit losses in the acquired portfolios up to the stated amount of each respective CSA

What is the length of each CSA contract (CSA period)?

The earlier of when the entire respective MVC/Sierra portfolio has been exited or 10-years from the close of the respective merger

What happens if there are net realized and unrealized losses at the end of the CSA period?

Barings LLC will absorb the losses up to the maximum amount of the respective CSA

How will Barings LLC compensate Barings BDC investors for the losses?

First, Barings LLC will waive Incentive and Base Management Fees it is owed by BBDC after the designated settlement date (calendar year following the losses)

If CSA protected losses exceed the fees waived, Barings LLC will make a cash payment to BBDC up to the amount of each CSA

What is the impact to NAV related to the CSAs?

The CSAs are an asset to shareholders and the quarterly change is an offset to unrealized portfolio appreciation and depreciation

Credit Support Agreements

Based on current portfolio valuations, the Sierra CSA and the MVC CSA fully insulates BBDC shareholders from 100% of credit losses in the acquired portfolio

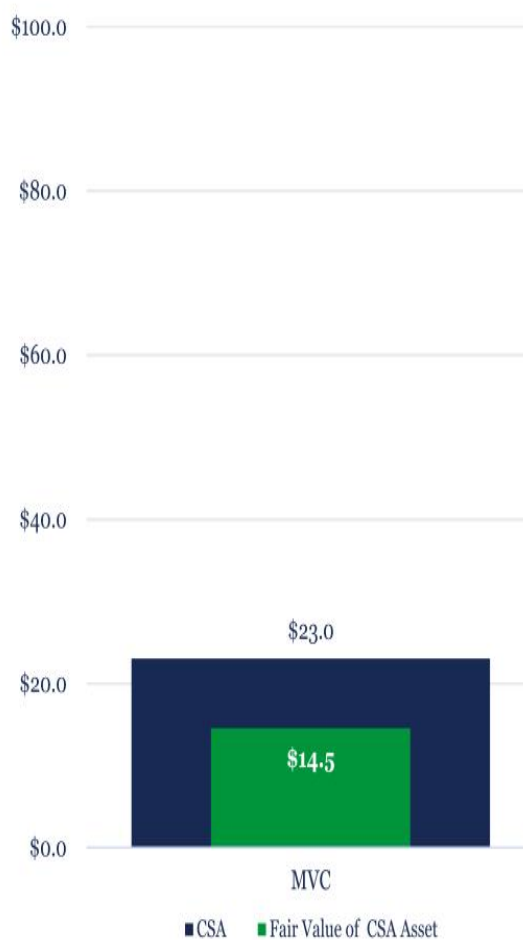
Sierra Income CSA

REMAINING POSITIONS—45



MVC Capital CSA

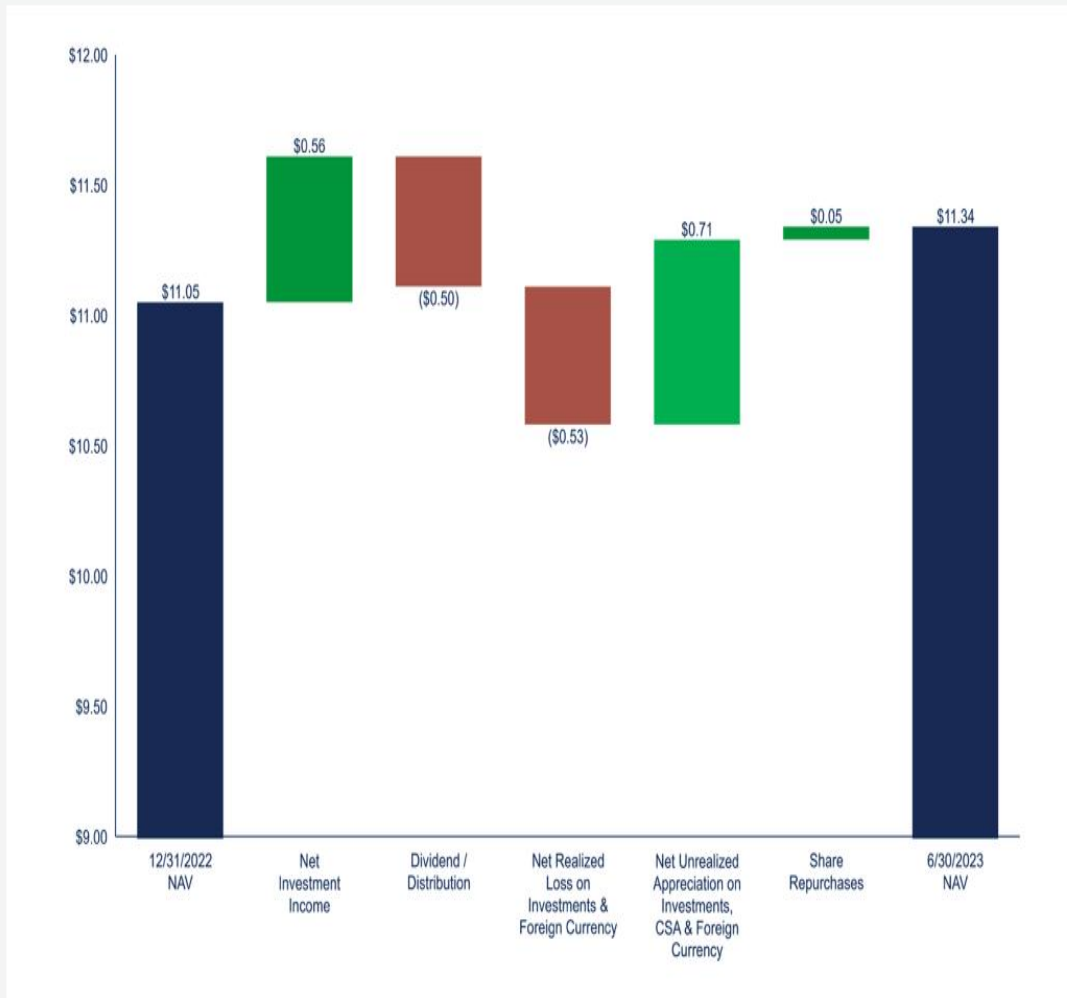
REMAINING POSITIONS—4



As of June 30, 2023.

BBDC Net Asset Value Per Share (NAV) Bridge

BBDC's NAV has increased in 2023 to \$11.34 (June 30, 2023) from \$11.05 (December 31, 2022), an increase of 2.6%, driven primarily by net investment income exceeding the dividend, unrealized appreciation on investments and share repurchases.



Total may not foot due to rounding.

Portfolio Highlights

\$2.51B
PORTFOLIO SIZE

328
ISSUER COUNT

74%
SENIOR
SECURED DEBT

90%
FLOATING RATE

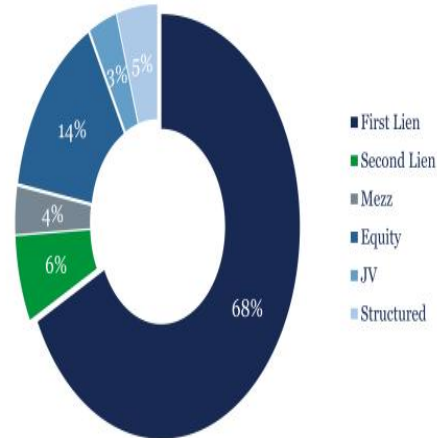
635 BPS
WEIGHTED
AVERAGE SPREAD

11.3%
YIELD AT
FAIR VALUE

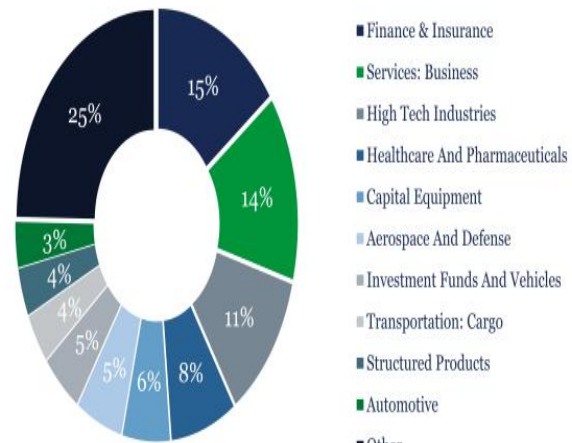
1.1%
ASSETS ON NON-
ACCRUAL AT
FAIR VALUE

2.5X
WEIGHTED-
AVERAGE INT.
COVERAGE

Senior Secured Focus



Diversified Industry Exposure

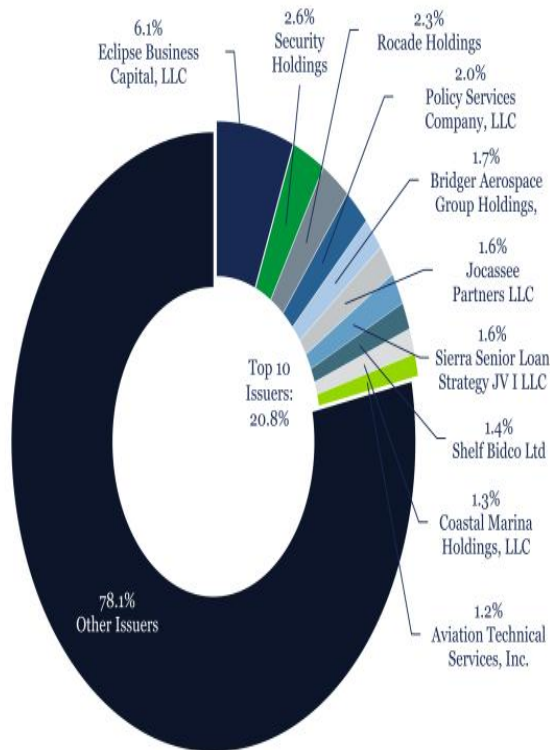


As of June 30, 2023.

Portfolio Composition

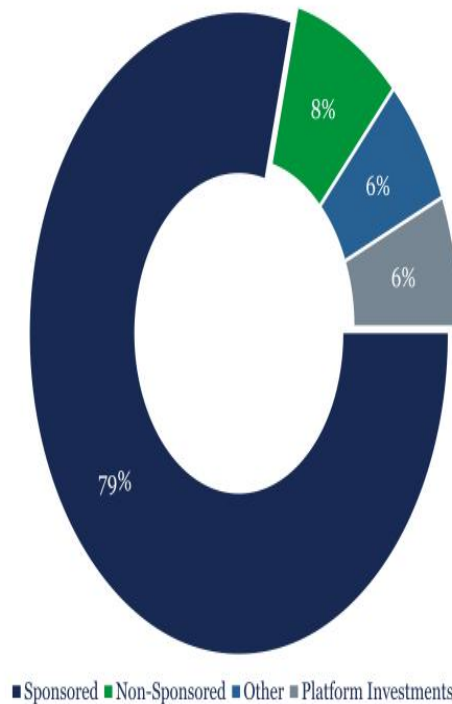
Investment Portfolio by Issuer

- Barings BDC maintains a highly diversified portfolio, with the top issuer accounting for 6.1% of exposure and the top 10 issuers accounting for 21.9%
- Eclipse, the largest asset by market value, is itself supported by a diversified pool of asset backed loans



Investment Portfolio Strategy¹

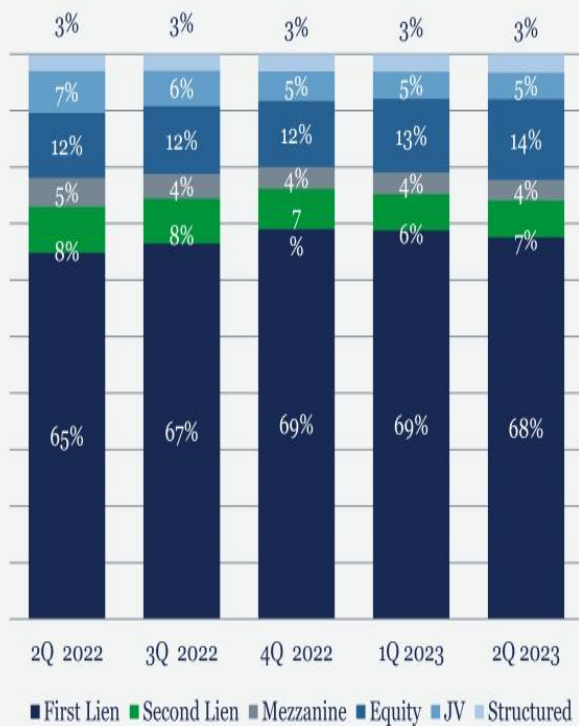
- BBDC's existing investments are substantially consistent with our long-term strategy, as Sponsored and Non-Sponsored corporate issuers accounted for 87% of the BBDC portfolio at 06/30/23



1. Excludes Swaps and Joint Ventures with substantially similar exposure as the broader portfolio
As of June 30, 2023

Portfolio Composition Trends

Consistent Focus on Secured Investments



Barings BDC has consistently been comprised largely of secured investments. When accounting for the look through exposure of investments in Eclipse and Rocate; more than 85% of the portfolio is comprised of senior secured assets

Active Rotation to Barings Originated Loans



Barings BDC is driving towards a portfolio focused on secured debt augmented by non-correlated investments

As of June 30, 2023





Risk Rating Trends

Portfolio performance is reflected in the shifts between the risk rating categories shown at right

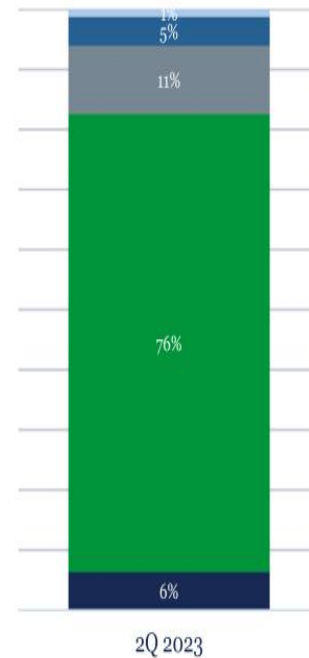
Non-Accruals comprise approximately 1.1% of the portfolio Fair Value as of June 30, 2023

Loans on Non-Accrual



As of June 30, 2023

- 1 Issuer performing materially above expectations
- 2 Issuer performing consistent with expectations
- 3 Issuer performing modestly below expectations
- 4 Issuer performing below expectations
- 5 Non-accrual and/or impairment expected



2Q 2023

Jocassee Partners LLC

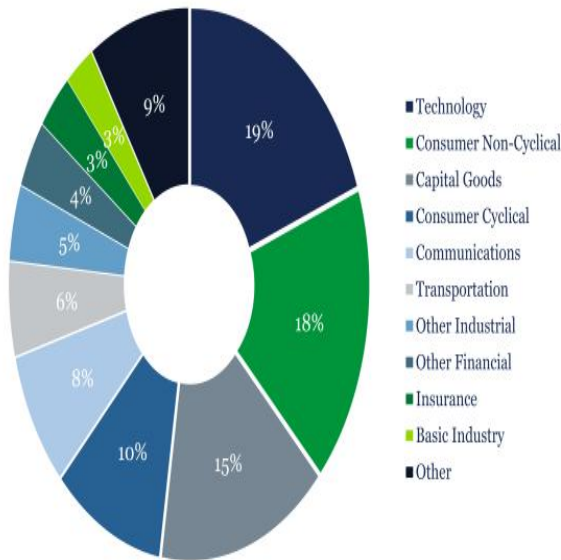
About Jocassee Partners LLC

- Joint Venture between BBDC (9%) and South Carolina Retirement System Investment Commission (91%)
- Invests primarily in senior secured loans
- Flexibility to shift allocations between broadly syndicated loans and directly originated loans
- BBDC has funded \$35 million of a \$100 million discretionary commitment

Portfolio Highlights

- Jocassee has \$1.25 billion invested, with a liquid/illiquid split of 34%/66%, respectively
- A prudent and flexible investment philosophy combined with an efficient capital structure has contributed to an annualized ROE of 15%+

Diversified Industry Exposure



As of June 30, 2023

Key Portfolio Statistics

Total Portfolio	\$1.25 billion
Issuers	360
Weighted Average Leverage	5.2x
Weighted Average Interest Coverage	3.0x
Yield at Fair Value	9.0%+
Seniority	94% First Lien

BARINGS



Selected Financial Highlights

Balance Sheet Highlights	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022
Investment Portfolio, at Fair Value	\$2,505.9	\$2,556.1	\$2,448.9	\$2,332.5	\$2,389.1
Total Debt Outstanding (Principal)	\$1,497.1	\$1,494.1	\$1,454.1	\$1,376.0	\$1,539.4
Total Net Assets (Equity)	\$1,207.6	\$1,205.0	\$1,192.3	\$1,228.1	\$1,252.9
Debt-to-Equity Ratio	1.24x	1.24x	1.22x	1.12x	1.23x
Net Debt-to-Equity Ratio ¹	1.15x	1.19x	1.12x	0.99x	1.00x
Income Statement Highlights					
Total Investment Income	\$75.3	\$67.2	\$63.5	\$56.3	\$55.6
Net Investment Income	\$33.6	\$27.5	\$37.6	\$27.9	\$31.8
Net Realized Gains/(Losses)	(\$48.5)	(\$9.7)	\$16.7	\$7.9	(\$10.2)
Net Unrealized Appreciation/(Depreciation)	\$55.1	\$22.0	(\$55.7)	(\$26.1)	(\$44.7)
Net Income	\$40.1	\$39.7	(\$1.3)	\$9.9	(\$25.0)
Per-Share Data					
Net Asset Value per Share	\$11.34	\$11.17	\$11.05	\$11.28	\$11.41
Net Investment Income per Share (Basic and Diluted) ²	\$0.31	\$0.25	\$0.34	\$0.26	\$0.29
Net Income per Share (Basic and Diluted) ²	\$0.37	\$0.37	(\$0.01)	\$0.09	(\$0.23)
Dividend per share	\$0.25	\$0.25	\$0.24	\$0.24	\$0.24

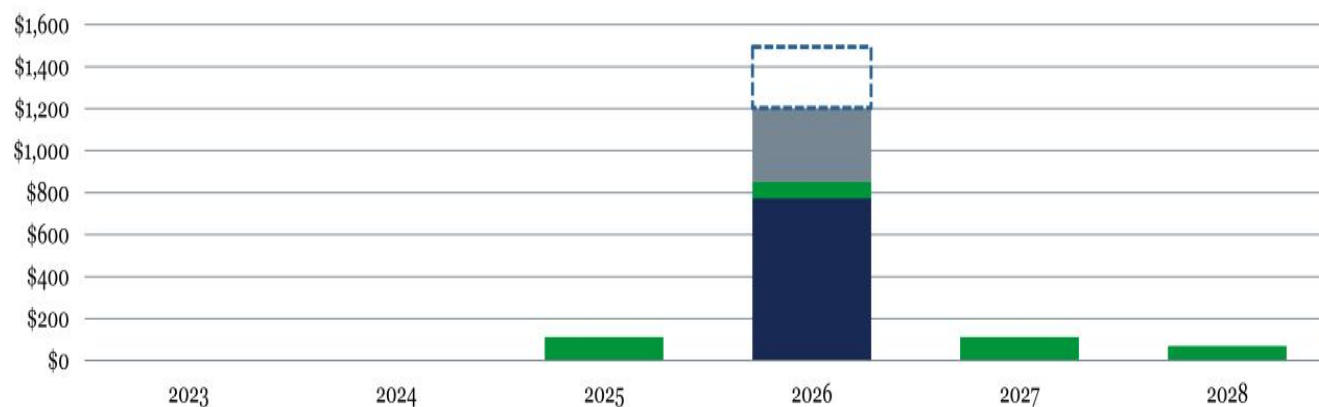
1. Net of cash and foreign currencies, short-term investments and net unsettled transactions.
Amounts in millions, except per-share data and ratios.

BARINGS

Debt Summary & Maturity Profile

BBDC'S DEBT IS SPLIT APPROXIMATELY 50/50 BETWEEN UNSECURED AND SECURED DEBT.

	Borrower	Interest Rate	Collateral	Maturity Date	As of 6/30/2023		As of 3/31/2023		As of 12/31/2022		As of 9/30/2022	
					Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Outstanding	Principal Amount Committed	Principal Amount Committed
Revolving Credit Facility	Barings BDC, Inc.	S+ 200	MML, BSL & SP	Feb-2026	\$1,065.0	\$772.1	\$1,065.0	\$769.1	\$1,065.0	\$729.1	\$1,065.0	\$651.0
Unsecured PP Notes—Series A	Barings BDC, Inc.	4.66%	n/a	Aug-2025	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Unsecured PP Notes—Series B	Barings BDC, Inc.	4.25%	n/a	Nov-2025	62.5	62.5	62.5	62.5	62.5	62.5	62.5	62.5
Unsecured PP Notes—Series C	Barings BDC, Inc.	4.75%	n/a	Nov-2027	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Unsecured PP Notes—Series D	Barings BDC, Inc.	3.41%	n/a	Feb-2026	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Unsecured PP Notes—Series E	Barings BDC, Inc.	4.06%	n/a	Feb-2028	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
Unsecured Public Notes ¹	Barings BDC, Inc.	3.30%	n/a	Nov-2026	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0
Total Debt					\$1,790.0	\$1,497.1	\$1,790.0	\$1,494.1	\$1,790.0	\$1,454.1	\$1,790.0	\$1,376.0
					Secured Debt (%)	59.5%	51.6%	59.5%	51.5%	59.5%	50.1%	47.3%
					Unsecured Debt (%)	40.5%	48.4%	40.5%	48.5%	40.5%	49.9%	52.7%



1. Initially issued as Rule 144A transaction

Note: Dollar amounts in millions. Excludes deferred financing fees

■ Revolver ■ Private Placement Notes ■ Public Notes □ Undrawn

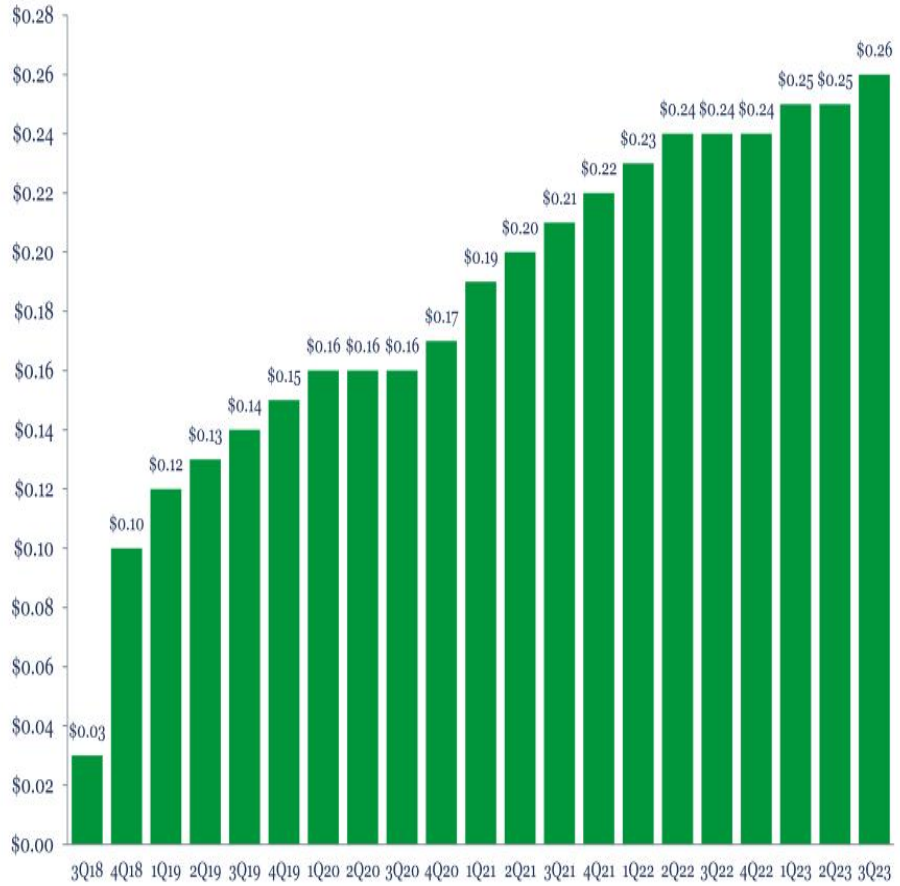
BARINGS



Quarterly Dividends

Barings BDC declared a 3Q23 dividend of \$0.26 per share, an increase of \$0.01 vs 2Q23

BBDC Dividends Declared Per Share



Questions

BARINGS

Important Information

Any forecasts in this document are based upon Barings opinion of the market at the date of preparation and are subject to change without notice, dependent upon many factors. Any prediction, projection or forecast is not necessarily indicative of the future or likely performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. Past performance is no indication of current or future performance. **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.** Any investment results, portfolio compositions and or examples set forth in this document are provided for illustrative purposes only and are not indicative of any future investment results, future portfolio composition or investments. The composition, size of, and risks associated with an investment may differ substantially from any examples set forth in this document. No representation is made that an investment will be profitable or will not incur losses. Where appropriate, changes in the currency exchange rates may affect the value of investments. Prospective investors should read the offering documents, if applicable, for the details and specific risk factors of any Fund/Strategy discussed in this document.

Barings LLC, Barings Securities LLC, Barings (U.K.) Limited, Barings Australia Pty Ltd, Barings Japan Limited, Baring Asset Management Limited, Baring International Investment Limited, Baring Fund Managers Limited, Baring International Fund Managers (Ireland) Limited, Baring Asset Management (Asia) Limited, Baring SICE (Taiwan) Limited, Baring Asset Management Switzerland Sarl, Baring Asset Management Korea Limited, and Barings Singapore Pte. Ltd. each are affiliated financial service companies owned by Barings LLC (each, individually, an "Affiliate"), together known as "Barings." Some Affiliates may act as an introducer or distributor of the products and services of some others and may be paid a fee for doing so.

NO OFFER:

The document is for informational purposes only and is not an offer or solicitation for the purchase or sale of any financial instrument or service in any jurisdiction. The material herein was prepared without any consideration of the investment objectives, financial situation or particular needs of anyone who may receive it. This document is not, and must not be treated as, investment advice, an investment recommendation, investment research, or a recommendation about the suitability or appropriateness of any security, commodity, investment, or particular investment strategy, and must not be construed as a projection or prediction.

In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved and before making any investment decision, it is recommended that prospective investors seek independent investment, legal, tax, accounting or other professional advice as appropriate.

Unless otherwise mentioned, the views contained in this document are those of Barings. These views are made in good faith in relation to the facts known at the time of preparation and are subject to change without notice. Individual portfolio management teams may hold different views than the views expressed herein and may make different investment decisions for different clients. Parts of this document may be based on information received from sources we believe to be reliable. Although every effort is taken to ensure that the information contained in this document is accurate, Barings makes no representation or warranty, express or implied, regarding the accuracy, completeness or adequacy of the information.

These materials are being provided on the express basis that they and any related communications (whether written or oral) will not cause Barings to become an investment advice fiduciary under ERISA or the Internal Revenue Code with respect to any retirement plan, IRA investor, individual retirement account or individual retirement annuity as the recipients are fully aware that Barings (i) is not undertaking to provide impartial investment advice, make a recommendation regarding the acquisition, holding or disposal of an investment, act as an impartial adviser, or give advice in a fiduciary capacity, and (ii) has a financial interest in the offering and sale of one or more products and services, which may depend on a number of factors relating to Barings' business objectives, and which has been disclosed to the recipient.

Target performance is theoretical and illustrative only, and does not reflect actual performance. There is no guarantee that any target performance will be achieved, and actual performance may be significantly lower than target performance for a variety of reasons. Target performance should not be relied upon in making any investment decision. The target performance shown here is based on a proprietary model and relies on various assumptions and inputs, including subjective assumptions, judgments and projections about economic conditions.

OTHER RESTRICTIONS:

The distribution of this document is restricted by law. No action has been or will be taken by Barings to permit the possession or distribution of the document in any jurisdiction, where action for that purpose may be required. Accordingly, the document may not be used in any jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations.

Any service, security, investment or product outlined in this document may not be suitable for a prospective investor or available in their jurisdiction.

Any information with respect to UCITS Funds is not intended for U.S. Persons, as defined in Regulation S under the U.S. Securities Act of 1933, or persons in any other jurisdictions where such use or distribution would be contrary to law or local regulation.

INFORMATION:

Barings is the brand name for the worldwide asset management or associated businesses of Barings. This document is issued by one or more of the following entities:

Barings LLC, which is a registered investment adviser with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940, as amended (Barings LLC also relies on section 8.26 of NI 31-103 (international adviser exemption) and has filed the Form 31-103F2 in Ontario, Quebec, British Columbia, Alberta, Nova Scotia, Manitoba, New Brunswick, Newfoundland and Labrador, Prince Edward Island and Saskatchewan);

Barings Securities LLC, which is a registered limited purpose broker-dealer with the Financial Industry Regulatory Authority (Baring Securities LLC also relies on section 8.18 of NI 31-103 (international dealer exemption) and has filed the Form 31-103F2 in Ontario, Quebec, British Columbia, Alberta, Nova Scotia, Manitoba, New Brunswick, Newfoundland and Labrador, Prince Edward Island and Saskatchewan);

Copyright and Trademark

Copyright © 2023 Barings. Information in this document may be used for your own personal use, but may not be altered, reproduced or distributed without Barings' consent.

The BARINGS name and logo design are trademarks of Barings and are registered in U.S. Patent and Trademark Office and in other countries around the world. All rights are reserved.

As of June 30, 2023.

BARINGS

Investing *Together*

PUBLIC & PRIVATE FIXED INCOME | REAL ESTATE | SPECIALIST EQUITIES
