

BARINGS PARTICIPATION INVESTORS

Form N-Q

May 30, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-Q

Quarterly Schedule of Portfolio Holdings of  
Registered Management Investment Company

Investment Company Act file number 811-05531

Barings Participation Investors

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(Exact name of registrant as specified in charter)

1500 Main Street, Springfield, MA 01115

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(Address of principal executive offices) (Zip code)

Janice M. Bishop, Vice President, Secretary and Chief Legal Officer  
Independence Wharf, 470 Atlantic Avenue, Boston, MA 02210

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(Name and address of agent for service)

Registrant's telephone number, including area code: 413-226-1000

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Date of fiscal year end: 12/31

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Date of reporting period: 03/31/18

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## ITEM 1. SCHEDULE OF INVESTMENTS

## CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2018

(Unaudited)

| Corporate Restricted Securities - 82.31%: (A)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|--|---|------------------|--------------|--------------|
| Private Placement Investments - 72.52%: (C)  |   |                  |              |              |
| 1A Smart Start, Inc.   |   |                  |              |              |
| A designer, distributor and lessor of ignition interlock devices ("IIDs"). IIDs are sophisticated breathalyzers wired to a vehicles ignition system. |   |                  |              |              |
| 10.13% Second Lien Term Loan due 12/22/2022 (LIBOR + 8.250%)   | \$ 1,725,000  | 12/21/17         | \$ 1,692,526 | \$ 1,696,653 |
| ABC Industries, Inc.   |   |                  |              |              |
| A manufacturer of mine and tunneling ventilation products in the U.S.  |   |                  |              |              |
| 13% Senior Subordinated Note due 07/31/2019  | \$ 109,335  | 08/01/12         | 106,135      | 109,335      |
|  | 125,000   |                  |              |              |
| Preferred Stock Series A (B)   | shs.  | 08/01/12         | 125,000      | 225,763      |
| Warrant, exercisable until 2022, to purchase common stock at \$.02 per share (B)   | 22,414 shs.   | 08/01/12         | 42,446       | 37,807       |
|  |   |                  | 273,581      | 372,905      |
| Advanced Manufacturing Enterprises LLC   |   |                  |              |              |
| A designer and manufacturer of large, custom gearing products for a number of critical customer applications.  |   |                  |              |              |
| Limited Liability Company Unit (B)   | 1,945 uts.  | *                | 207,911      | 24,489       |
| * 12/07/12, 07/11/13 and 06/30/15.   |   |                  |              |              |
| AFC - Dell Holding Corporation   |   |                  |              |              |
| A distributor and provider of inventory management services for "C-Parts" used by OEMs in their manufacturing and production facilities.             |   |                  |              |              |
| 12.5% (1% PIK) Senior Subordinated Note due 09/27/2020   | \$ 1,218,447  | 03/27/15         | 1,205,713    | 1,218,447    |
| Preferred Stock (B)  | 1,122 shs.  | 03/27/15         | 112,154      | 144,498      |
| Common Stock (B)   | 346 shs.  | 03/27/15         | 346          | —            |
|  |   |                  | 1,318,213    | 1,362,945    |
| Airxcel Holdings   |   |                  |              |              |

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A leading manufacturer of a broad range of climate control solutions, including air-conditioners, heat pumps, cooking appliances, furnaces, powered vents, and water heaters.

|                                |          |          |         |         |
|--------------------------------|----------|----------|---------|---------|
| Limited Liability Company Unit | 288 uts. | 11/18/14 | 288,000 | 903,249 |
|--------------------------------|----------|----------|---------|---------|

AM Conservation Holding Corp.

A supplier of energy efficiency ("EE") products, including lighting, shower heads and aerators, and weatherization products such as door seals and weather stripping.

|  |             |          |           |           |
|--|-------------|----------|-----------|-----------|
| 11.5% (1.5% PIK) Senior Subordinated Note<br>due 04/30/2023  | \$1,568,182 | 10/31/16 | 1,542,172 | 1,557,481 |
| 11.5% (1.25% PIK) Senior Subordinated Note<br>due 04/30/2023 | \$206,039   | 10/06/17 | 202,183   | 204,166   |
|  | 156,818     |          |           |           |
| Common Stock (B)   | shs.        | 10/31/16 | 156,818   | 184,475   |
|  |             |          | 1,901,173 | 1,946,122 |

See Notes to Consolidated Financial Statements

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|---|---|------------------|-----------|------------|
| <b>AMS Holding LLC</b>  |   |                  |           |            |
| A leading multi-channel direct marketer of high-value collectible coins and proprietary-branded jewelry and watches.  |   |                  |           |            |
| Limited Liability Company Unit Class A Preferred (B)(F)   | 114 uts.  | 10/04/12         | \$113,636 | \$232,510  |
| <b>API Technologies Corp.</b>   |   |                  |           |            |
| A designer, developer and manufacturer of electronic systems, subsystems, modules and secure communications for technically demanding defense, aerospace and commercial applications in the U.S. and internationally. |   |                  |           |            |
| 12% (1% PIK) Senior Subordinated Note due 04/22/2023  | \$1,406,978   | 04/22/16         | 1,401,943 | 1,421,048  |
| Limited Liability Company Unit (B)  | 0.40% int.  | 04/20/16         | 345,000   | 565,800    |
|   |   |                  | 1,746,943 | 1,986,848  |
| <b>ARI Holding Corporation</b>  |   |                  |           |            |
| A leading national supplier of products used primarily by specialty contractors.  |   |                  |           |            |
| 11.5% (0.5% PIK) Senior Subordinated Note due 02/01/2020  | \$1,723,846   | *                | 1,712,926 | 1,723,846  |
| Limited Partnership Interest  | 524 uts.  | 08/01/14         | 523,950   | 984,031    |
| * 05/21/13 and 08/01/14.  |   |                  | 2,236,876 | 2,707,877  |
| <b>ASC Holdings, Inc.</b>   |   |                  |           |            |
| A manufacturer of capital equipment used by corrugated box manufacturers.   |   |                  |           |            |
| 13% (1% PIK) Senior Subordinated Note due 05/18/2021  | \$758,089   | 11/19/15         | 748,373   | 727,862    |
|   | 111,100   |                  |           |            |
| Limited Liability Company Unit (B)  | uts.  | 11/18/15         | 111,100   | 48,551     |
|   |   |                  | 859,473   | 776,413    |
| <b>Aurora Parts &amp; Accessories LLC</b>   |   |                  |           |            |
| A distributor of aftermarket over-the-road semi-trailer parts and accessories sold to customers across North America.   |   |                  |           |            |
| 11% Senior Subordinated Note due 02/17/2022   | \$1,515,400   | 08/17/15         | 1,495,326 | 1,475,715  |

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|                     |          |          |           |           |
|---------------------|----------|----------|-----------|-----------|
| Preferred Stock (B) | 210 shs. | 08/17/15 | 209,390   | 128,380   |
| Common Stock (B)    | 210 shs. | 08/17/15 | 210       | —         |
|                     |          |          | 1,704,926 | 1,604,095 |

Avantech Testing Services LLC

A manufacturer of custom Non-Destructive Testing ("NDT") systems and provider of NDT and inspections services primarily to the oil country tubular goods market.

15% (3.75% PIK) Senior Subordinated Note due

03/21/2021 (D) \$6,777 07/31/14 6,650 —

Limited Liability Company Unit (B)(F) 45,504 uts. \* — —

Limited Liability Company Unit Class C

Preferred (B)(F) 78,358 uts. 09/29/17 484,578 —

\* 07/31/14 and 10/14/15. 491,228 —

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value  |
|---|---|------------------|-------------|-------------|
| <b>BCC Software, Inc.</b>   |   |                  |             |             |
| A provider of software and data solutions which enhance mail processing to help direct mail marketers realize discounts from the U.S. Postal Service, avoid penalties associated with mailing errors, and improve the accuracy and efficiency of marketing campaigns. |   |                  |             |             |
| 12% (1% PIK) Senior Subordinated Note due 04/11/2023  | \$1,498,904   | 10/11/17         | \$1,470,919 | \$1,481,118 |
| Preferred Stock Series A (B)  | 23 shs.   | 10/11/17         | 232,373     | 232,400     |
| Common Stock Class A (B)  | 735 shs.  | 10/11/17         | 735         | 3,458       |
|   |   |                  | 1,704,027   | 1,716,976   |
| <b>BEI Precision Systems &amp; Space Company, Inc.</b>  |   |                  |             |             |
| A provider of advanced design, manufacturing, and testing for custom optical encoder-based positioning systems, precision accelerometers, and micro scanners.   |   |                  |             |             |
| 12% (1% PIK) Senior Subordinated Note due 04/28/2024  | \$1,462,403   | 04/28/17         | 1,435,986   | 1,459,283   |
| Limited Liability Company Unit (B)(F)   | 2,760 uts.  | 04/28/17         | 276,000     | 161,179     |
|   |   |                  | 1,711,986   | 1,620,462   |
| <b>Blue Wave Products, Inc.</b>   |   |                  |             |             |
| A distributor of pool supplies.   |   |                  |             |             |
| 10% Senior Secured Term Note due 09/30/2018   | \$39,716  | 10/12/12         | 39,633      | 39,716      |
| 13% (1% PIK) Senior Subordinated Note due 09/30/2019  | \$335,579   | 10/12/12         | 328,421     | 335,579     |
| Common Stock (B)  | 51,064 shs.   | 10/12/12         | 51,064      | 369,886     |
| Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)  | 20,216 shs.   | 10/12/12         | 20,216      | 146,436     |
|   |   |                  | 439,334     | 891,617     |
| <b>BlueSpire Holding, Inc.</b>  |   |                  |             |             |
| A marketing services firm that integrates strategy, technology, and content to deliver customized marketing solutions for clients in the senior living, financial services and healthcare end markets.  |   |                  |             |             |
| 12.5% (1.5% PIK) Senior Subordinated Note due 06/30/2021 (D)  | \$1,585,908   | 06/30/15         | 1,561,276   | —           |
| Common Stock (B)  | 1,417 shs.  | 06/30/15         | 156,800     | —           |
|   |   |                  | 1,718,076   | —           |

CHG Alternative Education Holding Company

A leading provider of publicly-funded, for profit pre-K-12 education services targeting special needs children at therapeutic day schools and "at risk" youth through alternative education programs.

|   |           |          |           |           |
|---|-----------|----------|-----------|-----------|
| 13.5% (1.5% PIK) Senior Subordinated Note<br>due 06/19/2020                         | \$794,786 | 01/19/11 | 789,043   | 794,786   |
| 14% (2% PIK) Senior Subordinated Note<br>due 06/19/2020                             | \$210,244 | 08/03/12 | 208,991   | 210,244   |
| Common Stock (B)  | 375 shs.  | 01/19/11 | 37,500    | 37,655    |
| Warrant, exercisable until 2021, to purchase common<br>stock at \$.01 per share (B) | 295 shs.  | 01/19/11 | 29,250    | 29,599    |
|   |           |          | 1,064,784 | 1,072,284 |

See Notes to Consolidated Financial Statements

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value  |
|--|---|------------------|-------------|-------------|
| <b>Clarion Brands Holding Corp.</b>  |   |                  |             |             |
| A portfolio of six over-the-counter (OTC) pharmaceutical brands whose products are used to treat tinnitus or ringing of the ear, excessive sweating, urinary tract infections, muscle pain, and skin conditions. |   |                  |             |             |
| 12.5% (1.5% PIK) Senior Subordinated Note due 04/01/2021   |   |                  |             |             |
|  | \$2,061,665   | *                | \$2,036,963 | \$2,062,880 |
| Limited Liability Company Unit (B)   |   |                  |             |             |
|  | 1,853 uts.  | 07/18/16         | 189,267     | 181,462     |
| * 10/01/14 and 07/18/16.   |   |                  |             |             |
|  |   |                  | 2,226,230   | 2,244,342   |
| <b>Clough, Harbour and Associates</b>  |   |                  |             |             |
| An engineering service firm that is located in Albany, NY.   |   |                  |             |             |
| Preferred Stock (B)  |   |                  |             |             |
|  | 147 shs.  | 12/02/08         | 146,594     | 1,311,014   |
| <b>Clubessential LLC</b>   |   |                  |             |             |
| A leading SaaS platform for private clubs and resorts.   |   |                  |             |             |
| 7% (5% PIK) Senior Subordinated Note due 01/12/24  |   |                  |             |             |
|  | \$1,742,729   | 01/16/18         | 1,708,984   | 1,713,111   |
| <b>Compass Chemical International LLC</b>  |   |                  |             |             |
| A manufacturer and supplier of standard and specialty formulated chemicals, primarily phosphoric acid derivatives called phosphonates.   |   |                  |             |             |
| Limited Liability Company Unit (B)(F)  |   |                  |             |             |
|  | 230 uts.  | 03/04/15         | 147,305     | 221,612     |
| <b>CORA Health Services, Inc.</b>  |   |                  |             |             |
| A provider of outpatient rehabilitation therapy services.  |   |                  |             |             |
| 12.75% (1.75% PIK) Senior Subordinated Note due 06/30/2023   |   |                  |             |             |
|  | \$781,809   | 06/30/16         | 769,372     | 797,445     |
| Preferred Stock Series A (B)   |   |                  |             |             |
|  | 758 shs.  | 06/30/16         | 72,033      | 89,564      |
| Common Stock Class A (B)   |   |                  |             |             |
|  | 3,791 shs.  | 06/30/16         | 3,791       | 23,926      |
|  |   |                  | 845,196     | 910,935     |
| <b>CTM Holding, Inc.</b>   |   |                  |             |             |
| A leading owner and operator of coin-operated children's rides, penny presses and candy kiosks in the U.S.   |   |                  |             |             |
| 15% (3% PIK) Senior Subordinated Note due 11/22/2019   |   |                  |             |             |
|  | \$1,346,250   | 11/22/13         | 1,337,529   | 1,346,250   |

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|                          |         |   |           |           |
|--------------------------|---------|---|-----------|-----------|
| Common Stock (B)         | 90 shs. | * | 514,284   | 582,502   |
| * 11/22/13 and 09/16/16. |         |   | 1,851,813 | 1,928,752 |

Del Real LLC

A manufacturer and distributor of fully-prepared fresh refrigerated Hispanic entrees as well as side dishes that are typically sold on a heat-and-serve basis at retail grocers.

|   |             |          |           |           |
|---|-------------|----------|-----------|-----------|
| 11% Senior Subordinated Note due 04/06/2023 | \$1,420,588 | 10/07/16 | 1,396,973 | 1,403,895 |
|   | 304,412     |          |           |           |
| Limited Liability Company Unit (B)(F)       | uts.        | 10/07/16 | 304,412   | 337,897   |
|   |             |          | 1,701,385 | 1,741,792 |

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value  |
|--|---|------------------|-------------|-------------|
| <b>DPL Holding Corporation</b>   |   |                  |             |             |
| A distributor and manufacturer of aftermarket undercarriage parts for medium and heavy duty trucks and trailers.   |   |                  |             |             |
| 14% (2% PIK) Senior Subordinated Note due 11/04/2020   |   |                  |             |             |
|  | \$1,439,412   | 05/04/12         | \$1,430,797 | \$1,438,470 |
| Preferred Stock (B)  | 25 shs.   | 05/04/12         | 252,434     | 250,284     |
| Common Stock (B)   | 25 shs.   | 05/04/12         | 28,048      | —           |
|  |   |                  | 1,711,279   | 1,688,754   |
| <b>Dunn Paper</b>  |   |                  |             |             |
| A provider of specialty paper for niche product applications.  |   |                  |             |             |
| 10.63% Second Lien Term Loan due 08/26/2023 (LIBOR + 8.750%)   |   |                  |             |             |
|  | \$1,725,000   | 09/28/16         | 1,697,849   | 1,716,375   |
| <b>Eagle Family Foods, Inc.</b>  |   |                  |             |             |
| A producer of low-cost branded and private label canned milk.  |   |                  |             |             |
| 11.35% Last Out Term Loan due 12/31/2021 (LIBOR + 9.050%)  |   |                  |             |             |
|  | \$1,725,000   | 12/22/15         | 1,708,828   | 1,719,624   |
| 11.35% Second Last Out Term Loan due 12/31/2021 (LIBOR + 9.050%)   |   |                  |             |             |
|  | \$177,404   | 09/07/17         | 175,858     | 176,851     |
|  |   |                  | 1,884,686   | 1,896,475   |
| <b>ECG Consulting Group</b>  |   |                  |             |             |
| A healthcare management consulting company who provides strategic, financial, operational, and technology related consulting services to healthcare providers. |   |                  |             |             |
| 11.75% (0.75% PIK) Senior Subordinated Note due 11/21/2020   |   |                  |             |             |
|  | \$1,326,719   | 11/21/14         | 1,311,119   | 1,326,719   |
| Limited Liability Company Unit (B)(F)  | 230 uts.  | 11/19/14         | 71,875      | 175,617     |
|  |   |                  | 1,382,994   | 1,502,336   |
| <b>Elite Sportswear Holding, LLC</b>   |   |                  |             |             |
| A designer and manufacturer of gymnastics, competitive cheerleading and swimwear apparel in the U.S. and internationally.                                      |   |                  |             |             |
| 11.5% (1% PIK) Senior Subordinated Note due 10/13/2021   |   |                  |             |             |
|  | \$1,588,640   | 10/14/16         | 1,567,693   | 1,438,053   |

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|                                       |          |          |           |           |
|---------------------------------------|----------|----------|-----------|-----------|
| Limited Liability Company Unit (B)(F) | 101 uts. | 10/14/16 | 159,722   | 68,320    |
|                                       |          |          | 1,727,415 | 1,506,373 |

English Color & Supply LLC

A distributor of aftermarket automotive paint and related products to collision repair shops, auto dealerships and fleet customers through a network of stores in the Southern U.S.

11.5% (0.5% PIK) Senior Subordinated Note due

|            |             |          |           |           |
|------------|-------------|----------|-----------|-----------|
| 12/31/2023 | \$1,332,289 | 06/30/17 | 1,308,016 | 1,317,959 |
|            | 397,695     |          |           |           |

|                                       |      |          |           |           |
|---------------------------------------|------|----------|-----------|-----------|
| Limited Liability Company Unit (B)(F) | uts. | 06/30/17 | 397,695   | 429,511   |
|                                       |      |          | 1,705,711 | 1,747,470 |

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|------|------------|
|--|---|------------------|------|------------|

ERG Holding Company LLC

A provider of inpatient and outpatient clinical trial services to pharmaceutical companies and contract research organizations.

|  |            |          |           |           |
|--|------------|----------|-----------|-----------|
| 13.5% (1.5% PIK) Senior Subordinated Note due 10/04/2019 | \$987,658  | 04/04/14 | \$981,083 | \$987,658 |
| 14% (2% PIK) Senior Subordinated Note due 10/04/2019     | \$260,936  | 07/01/16 | 258,310   | 263,545   |
| Common Stock (B)   | 0.31% int. | 04/04/14 | 77,533    | 191,889   |
|  |            |          | 1,316,926 | 1,443,092 |

F F C Holding Corporation

A leading U.S. manufacturer of private label frozen novelty and ice cream products.

|  |          |          |        |         |
|--|----------|----------|--------|---------|
| Limited Liability Company Unit Preferred (B) | 171 uts. | 09/27/10 | 58,345 | 89,191  |
| Limited Liability Company Unit Common (B)    | 171 uts. | 09/27/10 | 17,073 | 164,196 |
|  |          |          | 75,418 | 253,387 |

F G I Equity LLC

A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings.

|  |             |          |         |         |
|--|-------------|----------|---------|---------|
| Limited Liability Company Unit Preferred (B) | 80,559 uts. | 04/15/14 | —       | 80,559  |
| Limited Liability Company Unit Class B-1 (B) | 65,789 uts. | 12/15/10 | 65,789  | 390,027 |
| Limited Liability Company Unit Class B-2 (B) | 8,248 uts.  | 12/15/10 | 8,248   | 48,898  |
| Limited Liability Company Unit Class B-3 (B) | 6,522 uts.  | 08/30/12 | 15,000  | 40,360  |
| Limited Liability Company Unit Class C (B)   | 1,575 uts.  | 12/20/10 | 16,009  | 63,697  |
|  |             |          | 105,046 | 623,541 |

GD Dental Services LLC

A provider of convenient "onestop" general, specialty, and cosmetic dental services with 21 offices located throughout South and Central Florida.

|  |          |          |        |       |
|--|----------|----------|--------|-------|
| Limited Liability Company Unit Preferred (B) | 76 uts.  | 10/05/12 | 75,920 | 4,390 |
| Limited Liability Company Unit Common (B)    | 767 uts. | 10/05/12 | 767    | —     |
|  |          |          | 76,687 | 4,390 |

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gloProfessional Holdings, Inc.

A marketer and distributor of premium mineral-based cosmetics, cosmeceuticals and professional hair care products to the professional spa and physician's office channels.

14% (2% PIK) Senior Subordinated Note due

|                  |              |          |           |           |
|------------------|--------------|----------|-----------|-----------|
| 03/27/2019       | \$ 1,250,828 | 03/27/13 | 1,245,674 | 1,125,745 |
| Common Stock (B) | 1,181 shs.   | 03/27/13 | 118,110   | 21,769    |
|                  |              |          | 1,363,784 | 1,147,514 |

Glynlyon Holding Companies, Inc.

A technology-enabled curriculum provider of K-12 and support services predominantly to small and medium public school districts.

|                  |             |          |         |         |
|------------------|-------------|----------|---------|---------|
| Common Stock (B) | \$ 147 shs. | 01/15/16 | 103,205 | 230,223 |
|------------------|-------------|----------|---------|---------|

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|--|---|------------------|-----------|------------|
| <b>GlynnDevins Acquisition Corporation</b>   |   |                  |           |            |
| A marketing communications agency that services senior living facilities.  |   |                  |           |            |
| Preferred Stock Series A (B)   | 342 shs.  | 06/19/15         | \$70,683  | \$85,969   |
| Common Stock (B)   | 342 shs.  | 06/19/15         | 2,945     | 79,571     |
|  |   |                  | 73,628    | 165,540    |
| <b>Grakon Parent</b>   |   |                  |           |            |
| The leading designer and manufacturer of highly-engineered and customized LED and incandescent lighting systems for transportation-based markets.                        |   |                  |           |            |
| Common Stock (B)   | 175 shs.  | 10/31/14         | 174,831   | 234,860    |
| <b>GraphPad Software, Inc.</b>   |   |                  |           |            |
| A provider of data analysis, statistics and graphing software solution for scientific research applications, with a focus on the life sciences and academic end-markets. |   |                  |           |            |
| 7.66% Term Loan due 12/21/2022 (LIBOR + 6.000%)  | \$2,465,000   | 12/19/17         | 2,417,979 | 2,425,044  |
| <b>GTI Holding Company</b>   |   |                  |           |            |
| A designer, developer, and marketer of precision specialty hand tools and handheld test instruments.   |   |                  |           |            |
| 12% Senior Subordinated Note due 05/22/2023  | \$727,865   | 02/05/14         | 705,100   | 727,865    |
| Common Stock (B)   | 1,046 shs.  | *                | 104,636   | 136,533    |
| Warrant, exercisable until 2027, to purchase common stock at \$.01 per share (B)   | 397 shs.  | 02/05/14         | 36,816    | 51,820     |
| * 02/05/14 and 11/22/17.   |   |                  | 846,552   | 916,218    |
| <b>Handi Quilter Holding Company (Premier Needle Arts)</b>   |   |                  |           |            |
| A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.   |   |                  |           |            |
| 12% (1% PIK) Senior Subordinated Note due 06/19/2021   | \$1,725,000   | *                | 1,703,391 | 1,725,000  |
| Limited Liability Company Unit Preferred (B)   | 372 uts.  | **               | 371,644   | 453,479    |
| Limited Liability Company Unit Common Class A (B)  | 3,594 uts.  | 12/19/14         | —         | 30,541     |
| * 12/19/14 and 02/21/17.   |   |                  | 2,075,035 | 2,209,020  |
| * * 12/19/14 and 04/29/16.   |   |                  |           |            |

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Happy Floors Acquisition, Inc.

A wholesale importer and value-added distributor of premium European flooring tile to residential and commercial end markets.

12.5% (1% PIK) Senior Subordinated Note due

07/01/2022

\$1,603,279 07/01/16 1,578,847 1,614,703

Common Stock (B)

150 shs. 07/01/16 149,500 195,455

1,728,347 1,810,158

See Notes to Consolidated Financial Statements

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal<br>Amount,<br>Shares,<br>Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost | Fair Value |
|--|--|---------------------|------|------------|
|--|--|---------------------|------|------------|

Hartland Controls Holding Corporation

A manufacturer and distributor of electronic and electromechanical components.

14% (2% PIK) Senior Subordinated Note due

08/14/2020 \$1,134,316 02/14/14 \$1,125,509 \$1,134,316

12% Senior Subordinated Note due 08/14/2020 \$431,250 06/22/15 429,205 435,563

Common Stock (B) 821 shs. 02/14/14 822 279,417  
1,555,536 1,849,296

HHI Group, LLC

A developer, marketer, and distributor of hobby-grade radio control products.

14% (2% PIK) Senior Subordinated Note due

11/26/2020 \$1,659,144 01/17/14 1,646,551 1,659,144

Limited Liability Company Unit (B)(F) 102 uts. 01/17/14 101,563 38,959  
1,748,114 1,698,103

Hollandia Produce LLC

A hydroponic greenhouse producer of branded root vegetables.

14.25% (2.75% PIK) Senior Subordinated Note due

12/11/2020 \$1,411,671 \* 1,394,952 1,129,336

\* 12/30/15 and 12/23/16.

HOP Entertainment LLC

A provider of post production equipment and services to producers of television shows and motion pictures.

Limited Liability Company Unit Class F (B)(F) 47 uts. 10/14/11 — —

Limited Liability Company Unit Class G (B)(F) 114 uts. 10/14/11 — —

Limited Liability Company Unit Class H (B)(F) 47 uts. 10/14/11 — —

Limited Liability Company Unit Class I (B)(F) 47 uts. 10/14/11 — —

Hospitality Mints Holding Company

A manufacturer of individually-wrapped imprinted promotional mints.

12% Senior Subordinated Note due 10/01/2019 \$1,098,837 08/19/08 1,097,523 988,953

Common Stock (B) 251 shs. 08/19/08 251,163 —

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|   |         |          |           |         |
|---|---------|----------|-----------|---------|
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B) | 65 shs. | 08/19/08 | 60,233    | —       |
|   |         |          | 1,408,919 | 988,953 |

Impact Confections

An independent manufacturer and marketer of confectionery products including Warheads® brand sour candies, Melster® brand classic candies, and co-manufactured/private label classic candies.

15% (15% PIK) Senior Subordinated Note due

|                  |             |          |           |   |
|------------------|-------------|----------|-----------|---|
| 11/10/2020       | \$1,213,848 | 11/10/14 | 1,202,516 | — |
| Common Stock (B) | 2,300 shs.  | 11/10/14 | 230,000   | — |
|                  |             |          | 1,432,516 | — |

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)                                 | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost       | Fair Value |
|--|---|------------------|------------|------------|
| <b>JMH Investors LLC</b>   |   |                  |            |            |
| A developer and manufacturer of custom formulations for a wide variety of foods. |   |                  |            |            |
| Limited Liability Company Unit (B)(F)  | 1,038,805 uts.  | 12/05/12         | \$ 232,207 | \$—        |
| Limited Liability Company Unit Class A-1 (B)(F)                                  | 159,048 uts.  | 10/31/16         | 159,048    | 243,694    |
| Limited Liability Company Unit Class A-2 (B)(F)                                  | 1,032,609 uts.  | 10/31/16         | —          | 107,278    |
|  |   |                  | 391,255    | 350,972    |
| <b>K P I Holdings, Inc.</b>  |   |                  |            |            |
| The largest player in the U.S. non-automotive, non-ferrous die casting segment.  |   |                  |            |            |
| Limited Liability Company Unit Class C Preferred (B)                             | 40 uts.   | 06/30/15         | —          | 92,266     |
| Common Stock (B)   | 353 shs.  | 07/15/08         | 285,619    | 446,690    |
|  |   |                  | 285,619    | 538,956    |
| <b>Manhattan Beachwear Holding Company</b>                                       |   |                  |            |            |
| A designer and distributor of women's swimwear.                                  |   |                  |            |            |
| 12.5% Senior Subordinated Note due 04/30/2019 (D)                                | \$ 419,971  | 01/15/10         | 404,121    | 377,974    |
| 15% (2.5% PIK) Senior Subordinated Note due 04/30/2019 (D)                       | \$ 115,253  | 10/05/10         | 114,604    | 103,727    |
| Common Stock (B)   | 35 shs.   | 10/05/10         | 35,400     | 13,742     |
| Common Stock Class B (B)   | 118 shs.  | 01/15/10         | 117,647    | 45,670     |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 104 shs.  | 10/05/10         | 94,579     | 40,418     |
|  |   |                  | 766,351    | 581,531    |
| <b>Master Cutlery LLC</b>  |   |                  |            |            |
| A designer and marketer of a wide assortment of knives and swords.               |   |                  |            |            |
| 13% Senior Subordinated Note due 04/17/2020                                      | \$ 868,102  | 04/17/15         | 863,322    | 651,077    |
| Limited Liability Company Unit   | 5 uts.  | 04/17/15         | 678,329    | —          |
|  |   |                  | 1,541,651  | 651,077    |
| <b>Merex Holding Corporation</b>   |   |                  |            |            |

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A provider of after-market spare parts and components, as well as maintenance, repair and overhaul services for "out of production" or "legacy" aerospace and defense systems that are no longer effectively supported by the original equipment manufacturers.

|   |             |          |         |         |
|---|-------------|----------|---------|---------|
| 16% Senior Subordinated Note due 10/30/2019 (D)     | \$ 454,295  | 09/22/11 | 449,013 | 340,721 |
| 15% PIK Senior Subordinated Note due 04/30/2022 (D) | \$ 23,839   | 08/18/15 | 23,839  | —       |
| 14% PIK Senior Subordinated Note due 06/30/2019     | \$ 64,149   | *        | 64,149  | 63,917  |
| Common Stock Class A (B)                            | 83,080 shs. | **       | 170,705 | —       |
| * 10/21/16, 01/27/17 and 10/13/17.                  |             |          | 707,706 | 404,638 |
| ** 08/18/15, 10/20/16 and 01/27/17.                 |             |          |         |         |

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value  |
|--|---|------------------|-------------|-------------|
| <b>MES Partners, Inc.</b>  |   |                  |             |             |
| An industrial service business offering an array of cleaning and environmental services to the Gulf Coast region of the U.S.   |   |                  |             |             |
| 12% (1% PIK) Senior Subordinated Note due 09/30/2021   | \$1,120,538   | 09/30/14         | \$1,107,449 | \$1,119,273 |
| 12% Senior Subordinated Note due 09/30/2021  | \$301,038   | 02/28/18         | 295,142     | 300,699     |
|  | 259,252   |                  |             |             |
| Common Stock Class B (B)   | shs.  | *                | 244,163     | 160,736     |
| * 09/30/14 and 02/28/18.   |   |                  | 1,646,754   | 1,580,708   |
| <b>MeTEOR Education LLC</b>  |   |                  |             |             |
| A leading provider of classroom and common area design services, furnishings, equipment and instructional support to K-12 schools.   |   |                  |             |             |
| 12% Senior Subordinated Note due 6/20/23   | \$915,819   | 03/09/18         | 897,644     | 919,342     |
| Limited Liability Company Unit (B)(F)  | 182 uts.  | 03/09/18         | 183,164     | 164,794     |
|  |   |                  | 1,080,808   | 1,084,136   |
| <b>Midwest Industrial Rubber, Inc.</b>   |   |                  |             |             |
| A supplier of industrial maintenance, repair, and operations ("MRO") products, specializing in the fabrication and distribution of lightweight conveyor belting and related conveyor components and accessories. |   |                  |             |             |
| 12% (1% PIK) Senior Subordinated Note due 12/02/2022   | \$1,574,427   | 12/02/16         | 1,548,401   | 1,583,365   |
| Preferred Stock (B)  | 1,711 shs.  | 12/02/16         | 171,116     | 159,908     |
| Common Stock (B)   | 242 shs.  | 12/02/16         | 242         | —           |
|  |   |                  | 1,719,759   | 1,743,273   |
| <b>MNX Holding Company</b>   |   |                  |             |             |
| An international third party logistics company providing customized logistics services to customers across the globe.  |   |                  |             |             |
| 14% (2% PIK) Senior Subordinated Note due 05/02/2020   | \$1,342,840   | 11/02/12         | 1,334,765   | 1,342,840   |
| Common Stock (B)   | 45 shs.   | 11/02/12         | 44,643      | 71,871      |
|  |   |                  | 1,379,408   | 1,414,711   |

Money Mailer Equity LLC

A leading provider of hyperlocal shared direct mail advertising as well as interactive and online advertising solutions through its nationwide production and distribution network.

|   |             |          |           |           |
|---|-------------|----------|-----------|-----------|
| 12% (1% PIK) Senior Subordinated Note due<br>10/29/2021 | \$1,756,918 | 04/29/16 | 1,732,210 | 1,625,761 |
|---|-------------|----------|-----------|-----------|

Motion Controls Holdings

A manufacturer of high performance mechanical motion control and linkage products.

|   |             |          |         |         |
|---|-------------|----------|---------|---------|
| 14.25% (1.75% PIK) Senior Subordinated Note due<br>08/15/2020 | \$285,428   | 11/30/10 | 283,873 | 285,428 |
| Limited Liability Company Unit Class B-1 (B)(F)               | 75,000 uts. | 11/30/10 | —       | 41,932  |
| Limited Liability Company Unit Class B-2 (B)(F)               | 6,801 uts.  | 11/30/10 | —       | 3,802   |
|   |             |          | 283,873 | 331,162 |

See Notes to Consolidated Financial Statements

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|--|---|------------------|--------------|--------------|
| <b>New Mountain Learning, LLC</b>  |   |                  |              |              |
| A leading provider of blended learning solutions to the K-12 and post-secondary school market.   |   |                  |              |              |
| 8.65% Term Loan due 3/16/2024 (LIBOR + 5.500%)   | \$ 1,792,448  | 03/15/18         | \$ 1,383,358 | \$ 1,384,410 |
| <b>NSi Industries Holdings, Inc.</b>   |   |                  |              |              |
| A manufacturer and distributor of electrical components and accessories to small to mid-sized electrical wholesalers.  |   |                  |              |              |
| 12.75% (1.75% PIK) Senior Subordinated Note due 05/17/2023   | \$ 1,527,814  | 06/30/16         | 1,503,669    | 1,535,805    |
| Common Stock (B)   | 207 shs.  | 05/17/16         | 207,000      | 258,516      |
|  |   |                  | 1,710,669    | 1,794,321    |
| <b>PANOS Brands LLC</b>  |   |                  |              |              |
| A marketer and distributor of branded consumer foods in the specialty, natural, better-for-you, "free from" healthy and gluten-free categories.  |   |                  |              |              |
| 12% (1% PIK) Senior Subordinated Note due 08/17/2022   | \$ 1,775,705  | 02/17/17         | 1,750,033    | 1,776,902    |
| Common Stock Class B (B)   | shs.  | *                | 380,545      | 489,967      |
| * 01/29/16 and 02/17/17.   |   |                  | 2,130,578    | 2,266,869    |
| <b>Pegasus Transtech Corporation</b>   |   |                  |              |              |
| A provider of end-to-end document, driver and logistics management solutions, which enable its customers (carriers, brokers, and drivers) to operate more efficiently, reduce manual overhead, enhance compliance, and shorten cash conversion cycles. |   |                  |              |              |
| 11.25% Term Loan due 11/16/2022  | \$ 346,855  | 11/14/17         | 337,169      | 338,086      |
| 7.84% Term Loan due 11/17/2024 (LIBOR + 6.250%)  | \$ 2,122,639  | 11/14/17         | 1,936,298    | 1,943,515    |
|  |   |                  | 2,273,467    | 2,281,601    |
| <b>Petroplex Inv Holdings LLC</b>  |   |                  |              |              |
| A leading provider of acidizing services to E&P customers in the Permian Basin.  |   |                  |              |              |
| Limited Liability Company  | 0.40% int.  | *                | 175,339      | 18,929       |
| * 11/29/12 and 12/20/16.   |   |                  | 175,339      | 18,929       |

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Polytex Holdings LLC

A manufacturer of water based inks and related products serving primarily the wall covering market.

13.9% (1% PIK) Senior Subordinated Note due

|  |             |          |           |         |
|--|-------------|----------|-----------|---------|
| 01/31/2020                             | \$1,112,667 | 07/31/14 | 1,103,503 | 834,499 |
|  | 148,096     |          |           |         |
| Limited Liability Company Unit         | uts.        | 07/31/14 | 148,096   | —       |
| Limited Liability Company Unit Class F | 36,976 uts. | *        | 24,802    | —       |
| * 09/28/17 and 02/15/18.               |             |          | 1,276,401 | 834,499 |

See Notes to Consolidated Financial Statements

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost       | Fair Value |
|--|---|------------------|------------|------------|
| <b>Power Stop Holdings LLC</b>   |   |                  |            |            |
| A supplier of performance upgrade aftermarket brake products.  |   |                  |            |            |
| Limited Liability Company Unit Preferred (B)(F)  | 1,149 uts.  | 05/29/15         | \$ 114,900 | \$ 116,220 |
| Limited Liability Company Unit Common (B)(F)   | 1,149 uts.  | 05/29/15         | —          | 173,920    |
|  |   |                  | 114,900    | 290,140    |
| <b>PPC Event Services</b>  |   |                  |            |            |
| A special event equipment rental business.   |   |                  |            |            |
| 14% (2% PIK) Senior Subordinated Note due 05/20/2020   |   |                  |            |            |
|  | \$ 1,196,358  | 11/20/14         | 1,185,660  | 1,196,358  |
| Limited Liability Company Unit (B)   | 3,450 uts.  | 11/20/14         | 172,500    | 406,473    |
| Limited Liability Company Unit Series A-1 (B)  | 339 uts.  | 03/16/16         | 42,419     | 45,716     |
|  |   |                  | 1,400,579  | 1,648,547  |
| <b>Randy's Worldwide Automotive</b>  |   |                  |            |            |
| A designer and distributor of automotive aftermarket parts.  |   |                  |            |            |
| Common Stock (B)   | 118 shs.  | 05/12/15         | 118,476    | 317,186    |
| <b>ReelCraft Industries, Inc.</b>  |   |                  |            |            |
| A designer and manufacturer of heavy-duty reels for diversified industrial, mobile equipment OEM, auto aftermarket, government/military and other end markets. |   |                  |            |            |
| 10.5% (0.5% PIK) Senior Subordinated Note due 02/28/2023   |   |                  |            |            |
|  | \$ 1,434,146  | 11/13/17         | 1,434,146  | 1,420,606  |
|  | 293,617   |                  |            |            |
| Limited Liability Company Unit Class B   | uts.  | 11/13/17         | 293,617    | 352,647    |
|  |   |                  | 1,727,763  | 1,773,253  |
| <b>Signature Systems Holding Company</b>   |   |                  |            |            |
| A seller and installer of a variety of modular surfaces, industrial matting and related products used for ground protection.                                   |   |                  |            |            |
| Common Stock (B)   | 76 shs.   | 03/15/13         | 75,509     | 135,211    |
| Warrant, exercisable until 2023, to purchase common stock A at \$.01 per share (B)   | 31 shs.   | 03/15/13         | 28,316     | 55,241     |
|  |   |                  | 103,825    | 190,452    |

Smart Source Holdings LLC

A short-term computer rental company.

|  |          |   |         |         |
|--|----------|---|---------|---------|
| Limited Liability Company Unit (B)   | 328 uts. | * | 261,262 | 491,723 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 83 shs.  | * | 67,467  | 124,554 |
| * 08/31/07 and 03/06/08.   |          |   | 328,729 | 616,277 |

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost       | Fair Value |
|--|---|------------------|------------|------------|
| <b>SMB Machinery Holdings, Inc.</b>  |   |                  |            |            |
| A reseller of used, rebuilt and refurbished packaging and processing equipment, primarily serving the bottling and food manufacturing industries.  |   |                  |            |            |
| 14% (2% PIK) Senior Subordinated Note due 10/18/2019 (D)   | \$ 738,694  | 10/18/13         | \$ 726,147 | \$—        |
| Common Stock (B)   | 841 shs.  | 10/18/13         | 84,100     | —          |
|  |   |                  | 810,247    | —          |
| <b>Software Paradigms International Group, LLC</b>   |   |                  |            |            |
| An outsourced IT services provider focused on the retail industry.   |   |                  |            |            |
| 12.5% (1.5% PIK) Senior Subordinated Note due 11/23/2021   | \$ 1,725,000  | 05/23/16         | 1,699,558  | 1,730,504  |
| <b>SR Smith LLC</b>  |   |                  |            |            |
| A manufacturer of mine and tunneling ventilation products in the United States.  |   |                  |            |            |
| 11% Senior Subordinated Note due 03/27/2022  | \$ 867,652  | 03/27/17         | 858,548    | 867,098    |
| Limited Liability Company Unit Series A (B)(F)   | 14 uts.   | 03/27/17         | 846,631    | 1,082,971  |
|  |   |                  | 1,705,179  | 1,950,069  |
| <b>Strahman Holdings Inc.</b>  |   |                  |            |            |
| A manufacturer of industrial valves and wash down equipment for a variety of industries, including chemical, petrochemical, polymer, pharmaceutical, food processing, beverage and mining. |   |                  |            |            |
| Preferred Stock Series A (B)   | 158,967 shs.  | 12/13/13         | 158,967    | 255,188    |
| Preferred Stock Series A-2 (B)   | 26,543 shs.   | 09/10/15         | 29,994     | 42,609     |
|  |   |                  | 188,961    | 297,797    |
| <b>Strategic Insight, Inc.</b>   |   |                  |            |            |
| A provider of largely proprietary data, market research, and business intelligence to the global asset management industry.  |   |                  |            |            |
| 10.94% Second Lien Term Loan due 12/21/2024 (LIBOR + 9.250%)   | \$ 1,725,000  | 12/28/17         | 1,687,604  | 1,692,260  |
| <b>Sunrise Windows Holding Company</b>   |   |                  |            |            |

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A manufacturer and marketer of premium vinyl windows exclusively selling to the residential remodeling and replacement market.

|  |              |          |           |         |
|--|--------------|----------|-----------|---------|
| 16% Senior Subordinated Note due 01/31/2019 (D)                                  | \$ 1,428,470 | *        | 1,358,229 | 999,929 |
| Common Stock (B)   | 38 shs.      | 12/14/10 | 38,168    | —       |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 37 shs.      | 12/14/10 | 37,249    | —       |
| * 12/14/10, 08/17/12 and 03/31/16.   |              |          | 1,433,646 | 999,929 |

See Notes to Consolidated Financial Statements

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value  |
|--|---|------------------|-------------|-------------|
| <b>Sunvair Aerospace Group Inc.</b>  |   |                  |             |             |
| An aerospace maintenance, repair, and overhaul provider servicing landing gears on narrow body aircraft.   |   |                  |             |             |
| 12% (1% PIK) Senior Subordinated Note due 07/31/2021   | \$1,311,972   | 07/31/15         | \$1,296,893 | \$1,147,975 |
| Common Stock (B)   | 68 shs.   | *                | 104,986     | 4,885       |
| * 07/31/15 and 11/08/17.   |   |                  | 1,401,879   | 1,152,860   |
| <b>Team Drive-Away Holdings LLC</b>  |   |                  |             |             |
| An asset-light provider of over the road driveaway services for class 8 trucks and specialized equipment.  |   |                  |             |             |
| Limited Liability Company Unit (B)   | 95,800 uts.   | 10/15/15         | 95,800      | 184,032     |
| <b>Therma-Stor Holdings LLC</b>  |   |                  |             |             |
| A designer and manufacturer of dehumidifiers and water damage restoration equipment for residential and commercial applications.                       |   |                  |             |             |
| 10.5% (0.5% PIK) Senior Subordinated Note due 11/30/2023   | \$1,367,920   | 11/30/17         | 1,367,920   | 1,354,684   |
|  | 359,375   |                  |             |             |
| Limited Liability Company Unit   | uts.  | 11/30/17         | 342,851     | 273,628     |
|  |   |                  | 1,710,771   | 1,628,312   |
| <b>Torrent Group Holdings, Inc.</b>  |   |                  |             |             |
| A contractor specializing in the sales and installation of engineered drywells for the retention and filtration of stormwater and nuisance water flow. |   |                  |             |             |
| 15% (7.5% PIK) Senior Subordinated Note due 12/05/2020   | \$75,063  | 12/05/13         | 229,252     | 75,063      |
| Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)   | 28,079 shs.   | 12/05/13         | —           | 21,340      |
|  |   |                  | 229,252     | 96,403      |
| <b>Tristar Global Energy Solutions, Inc.</b>   |   |                  |             |             |
| A hydrocarbon and decontamination services provider serving refineries worldwide.  |   |                  |             |             |
| 12.5% (1.5% PIK) Senior Subordinated Note due  | \$1,164,991   | 01/23/15         | 1,153,464   | 1,055,906   |

07/31/2020

## U.S. Retirement and Benefit Partners, Inc.

A leading independent provider of outsourced benefit design and administration and retirement services, primarily to K-12 school districts, employee unions, and governmental agencies.

10.38% Second Lien Term Loan due 2/14/2023

|                  |              |          |           |           |
|------------------|--------------|----------|-----------|-----------|
| (LIBOR + 8.500%) | \$ 1,725,000 | 03/05/18 | 1,345,546 | 1,347,328 |
|------------------|--------------|----------|-----------|-----------|

## Velocity Technology Solutions, Inc.

A provider of outsourced hosting services for enterprise resource planning software applications and information technology infrastructure to mid and large-sized enterprises.

8.03% Lien Term Loan due 12/07/2023

|                  |              |          |           |           |
|------------------|--------------|----------|-----------|-----------|
| (LIBOR + 6.000%) | \$ 2,100,000 | 12/07/17 | 2,080,066 | 2,088,014 |
|------------------|--------------|----------|-----------|-----------|

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value  |
|---|---|------------------|-------------|-------------|
| <b>Veritext Corporation</b>   |   |                  |             |             |
| A provider of stenographic staffing and other services used during the legal deposition process.                    |   |                  |             |             |
| 11.30% Second Lien Term Loan due 01/29/2023   |   |                  |             |             |
| (LIBOR + 9.000%)  | \$2,012,500   | *                | \$1,984,017 | \$1,994,258 |
| * 01/21/16 and 02/23/17.  |   |                  |             |             |
| <b>VP Holding Company</b>   |   |                  |             |             |
| A provider of school transportation services for special-needs and homeless children in Massachusetts.              |   |                  |             |             |
| Common Stock (B)  | 3,632 shs.  | 03/31/14         | 363,158     | 720,667     |
| <b>Wellborn Forest Holding Company</b>  |   |                  |             |             |
| A manufacturer of semi-custom kitchen and bath cabinetry.   |   |                  |             |             |
| 8% Senior Subordinated Note due 09/30/2019 (D)  | \$1,778,423   | 11/30/06         | 1,114,956   | 1,778,423   |
| Common Stock (B)  | 101 shs.  | 11/30/06         | 101,250     | 14,033      |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)                                    | 51 shs.   | 11/30/06         | 45,790      | 7,006       |
|   |   |                  | 1,261,996   | 1,799,462   |
| <b>Westminster Acquisition LLC</b>  |   |                  |             |             |
| A manufacturer of premium, all-natural oyster cracker products sold under the Westminster and Olde Cape Cod brands. |   |                  |             |             |
| 12% (1% PIK) Senior Subordinated Note due 02/03/2021  | \$380,203   | 08/03/15         | 375,948     | 384,005     |
|   | 370,241   |                  |             |             |
| Limited Liability Company Unit (B)(F)   | uts.  | 08/03/15         | 370,241     | 445,221     |
|   |   |                  | 746,189     | 829,226     |
| <b>Whitebridge Pet Brands Holdings, LLC</b>   |   |                  |             |             |
| A portfolio of natural treats and foods for dogs and cats.  |   |                  |             |             |
| 11.5% (0.5% PIK) Senior Subordinated Note due 08/18/2021  | \$1,488,115   | 04/18/17         | 1,469,701   | 1,481,132   |
| Limited Liability Company Unit Class A (B)(F)   | 123 uts.  | 04/18/17         | 148,096     | 136,401     |
| Limited Liability Company Unit Class B (B)(F)   | 123 uts.  | 04/18/17         | —           | 34,895      |
|   |   |                  | 1,617,797   | 1,652,428   |

Wolf-Gordon, Inc.

A designer and specialty distributor of wallcoverings and related building products, including textiles, paint, and writeable surfaces.

12.5% (1.5% PIK) Senior Subordinated Note due

|                  |             |          |           |           |
|------------------|-------------|----------|-----------|-----------|
| 07/22/2021       | \$1,620,495 | 01/22/16 | 1,599,070 | 1,636,700 |
| Common Stock (B) | 157 shs.    | 01/22/16 | 156,818   | 186,034   |
|                  |             |          | 1,755,888 | 1,822,734 |

See Notes to Consolidated Financial Statements

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## Barings Participation Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost                 | Fair Value           |
|--|---|------------------|----------------------|----------------------|
| <b>WP Supply Holding Corporation</b>   |   |                  |                      |                      |
| A distributor of fresh fruits and vegetables to grocery wholesalers and foodservice distributors in the upper Midwest. |   |                  |                      |                      |
| 14.5% (2.5% PIK) Senior Subordinated Note due 06/12/2020   | \$997,268   | 11/03/11         | \$995,070            | \$997,268            |
| Common Stock (B)   | 1,500 shs.  | 11/03/11         | 150,000              | 135,414              |
|  |   |                  | 1,145,070            | 1,132,682            |
| <b>York Wall Holding Company</b>   |   |                  |                      |                      |
| A designer, manufacturer and marketer of wall covering products for both residential and commercial wall coverings.    |   |                  |                      |                      |
| 14.5% (1.5% PIK) Senior Subordinated Note due 03/04/2021 (D)   | \$1,946,834   | 03/04/15         | 1,549,582            | 1,750,985            |
| Common Stock (B)   | 2,046 shs.  | *                | 200,418              | 4,931                |
| * 03/04/15 and 02/07/18.   |   |                  | 1,750,000            | 1,755,916            |
| <b>Total Private Placement Investments (E)</b>   |   |                  | <b>\$106,553,175</b> | <b>\$105,827,657</b> |

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Interest Rate | Maturity Date | Principal Amount | Cost       | Market Value |
|--|---------------|---------------|------------------|------------|--------------|
| Rule 144A Securities - 9.79%:                    |               |               |                  |            |              |
| Bonds - 9.79%                                    |               |               |                  |            |              |
| Alliance Residential Company                     | 7.500         | %05/01/25     | \$500,000        | \$520,107  | \$525,000    |
| Altice Financing S.A.                            | 7.500         | 05/15/26      | 400,000          | 400,000    | 392,000      |
| Amsted Industries                                | 5.375         | 09/15/24      | 240,000          | 240,000    | 240,000      |
| Avantor Inc.                                     | 6.000         | 10/01/24      | 406,000          | 406,000    | 403,970      |
| Beacon Roofing Supply, Inc.                      | 4.875         | 11/01/25      | 406,000          | 406,000    | 386,715      |
| Boyne USA, Inc.                                  | 7.250         | 05/01/25      | 167,000          | 167,000    | 171,384      |
| CITGO Petroleum Corporation                      | 6.250         | 08/15/22      | 425,000          | 425,000    | 421,281      |
| CVR Partners, LP.                                | 9.250         | 06/15/23      | 500,000          | 489,978    | 532,350      |
| Dell Inc.  | 4.420         | 06/15/21      | 600,000          | 619,691    | 615,460      |
| EP Energy LLC / Everest Acquisition Finance Inc. | 9.375         | 05/01/24      | 406,000          | 242,270    | 288,768      |
| First Quantum Minerals Ltd.                      | 7.500         | 04/01/25      | 500,000          | 484,518    | 492,500      |
| Hertz Corporation                                | 7.625         | 06/01/22      | 500,000          | 500,000    | 507,500      |
| Hilcorp Energy Company                           | 5.000         | 12/01/24      | 335,000          | 335,000    | 329,975      |
| IAMGOLD Corporation                              | 7.000         | 04/15/25      | 500,000          | 500,000    | 511,250      |
| J.B. Poindexter Co., Inc.                        | 9.000         | 04/01/22      | 401,000          | 401,000    | 413,531      |
| JBS USA Lux S.A.                                 | 6.750         | 02/15/28      | 476,000          | 476,000    | 456,960      |
| Jupiter Resources Inc.                           | 8.500         | 10/01/22      | 500,000          | 470,827    | 230,000      |
| LBC Tank Terminals Holding Netherlands B.V.      | 6.875         | 05/15/23      | 663,000          | 676,036    | 681,233      |
| Moog Inc.  | 5.250         | 12/01/22      | 500,000          | 502,661    | 512,500      |
| New Gold Inc.                                    | 6.250         | 11/15/22      | 500,000          | 502,096    | 510,625      |
| OPE KAG Finance Sub                              | 7.875         | 07/31/23      | 500,000          | 517,654    | 512,500      |
| Penske Corporation                               | 4.875         | 07/11/22      | 500,000          | 498,852    | 526,234      |
| Prime Security Services Borrower                 | 9.250         | 05/15/23      | 608,000          | 618,852    | 658,877      |
| Sinclair Broadcast Group, Inc.                   | 5.875         | 03/15/26      | 204,000          | 204,000    | 201,960      |
| Sinclair Television Group, Inc.                  | 5.125         | 02/15/27      | 500,000          | 500,000    | 463,750      |
| Suncoke Energy                                   | 7.500         | 06/15/25      | 500,000          | 492,861    | 515,000      |
| Teine Energy Ltd.                                | 6.875         | 09/30/22      | 500,000          | 506,250    | 510,000      |
| Topaz Marine S.A.                                | 9.125         | 07/26/22      | 500,000          | 500,000    | 518,500      |
| Unitymedia KabelBW GmbH                          | 6.125         | 01/15/25      | 500,000          | 500,000    | 524,375      |
| UPCB Finance IV Limited                          | 5.375         | 01/15/25      | 208,000          | 208,000    | 200,719      |
| Valeant Pharmaceuticals International            | 7.000         | 03/15/24      | 173,000          | 173,000    | 180,353      |
| Virgin Media Secured Finance PLC                 | 5.250         | 01/15/26      | 500,000          | 501,860    | 481,250      |
| VRX Escrow Corp.                                 | 6.125         | 04/15/25      | 182,000          | 182,000    | 157,066      |
| Warrior Met Coal, Inc.                           | 8.000         | 11/01/24      | 209,000          | 209,000    | 212,658      |
| Total Bonds                                      |               |               |                  | 14,376,513 | 14,286,244   |
| Common Stock - 0.00%                             |               |               |                  |            |              |
| TherOX, Inc. (B)                                 |               |               | 2                | —          | —            |
| Touchstone Health Partnership (B)                |               |               | 292              | —          | —            |

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|                            |            |            |
|----------------------------|------------|------------|
| Total Common Stock         | —          | —          |
| Total Rule 144A Securities | 14,376,513 | 14,286,244 |

See Notes to Consolidated Financial Statements

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Public Securities - 18.15%: (A) | LIBOR Spread | Interest Rate | Maturity Date | Principal Amount | Cost       | Market Value |
|---|--------------|---------------|---------------|------------------|------------|--------------|
| Bank Loans - 2.35%                        |              |               |               |                  |            |              |
| Big River Steel LLC.                      | 5.000        | %7.300        | %08/23/23     | \$ 118,770       | \$ 117,698 | \$ 120,255   |
| Coronado Coal LLC                         | 6.500        | 8.812         | 03/14/25      | 253,841          | 246,226    | 250,034      |
| Coronado Coal LLC                         | 6.500        | 8.812         | 03/21/25      | 69,229           | 67,153     | 68,191       |
| Cunningham Lindsey U.S., Inc.             | 3.750        | 6.050         | 12/10/19      | 124,297          | 119,372    | 123,778      |
| DigiCert, Inc.                            | 8.000        | 6.520         | 10/31/24      | 205,369          | 204,401    | 207,552      |
| Focus Financial Partners, LLC.            | 7.500        | 9.800         | 05/22/25      | 400,000          | 409,000    | 407,000      |
| Gulf Finance, LLC                         | 5.250        | 7.560         | 08/25/23      | 259,739          | 257,760    | 238,635      |
| Higginbotham Insurance Agency, Inc.       | 7.250        | 9.130         | 05/10/22      | 198,238          | 196,317    | 196,751      |
| Murray Energy Corporation                 | 7.250        | 9.550         | 04/16/20      | 453,896          | 420,390    | 383,542      |
| OCI Beaumont LLC                          | 4.250        | 6.550         | 02/14/25      | 122,286          | 122,134    | 122,846      |
| Prospect Medical Holdings, Inc.           | 5.500        | 7.190         | 02/13/24      | 256,082          | 251,035    | 256,082      |
| PS Logistics LLC                          | 5.250        | 7.339         | 03/01/25      | 500,000          | 505,000    | 503,750      |
| Seadrill Partners Finco, LLC              | 6.000        | 8.300         | 02/21/21      | 488,520          | 311,546    | 408,730      |
| Summit Midstream Holdings, LLC            | 6.000        | 7.880         | 05/13/22      | 129,654          | 128,612    | 130,951      |
| Total Bank Loans                          |              |               |               |                  | 3,356,644  | 3,418,097    |

|                                 | Interest Rate | Maturity Date | Principal Amount | Cost       | Market Value |
|---------------------------------|---------------|---------------|------------------|------------|--------------|
| Bonds - 15.80%                  |               |               |                  |            |              |
| Air Lease Corp.                 | 3.000         | %09/15/23     | \$ 600,000       | \$ 593,959 | \$ 574,881   |
| AMC Entertainment Holdings Inc. | 6.125         | 05/15/27      | 500,000          | 486,877    | 492,550      |
| Anchorage Capital Group, L.L.C. | 8.970         | 01/15/29      | 500,000          | 517,188    | 512,733      |
| Anglogold Holdings PLC          | 5.375         | 04/15/20      | 600,000          | 601,666    | 617,621      |
| Anixter, Inc.                   | 5.125         | 10/01/21      | 165,000          | 165,000    | 169,125      |
| A. Schulman Inc.                | 6.875         | 06/01/23      | 500,000          | 505,075    | 527,500      |
| Bank of America Corporation     | 4.000         | 04/01/24      | 500,000          | 498,787    | 510,929      |
| Beazer Homes USA, Inc.          | 8.750         | 03/15/22      | 160,000          | 160,000    | 172,400      |
| Brunswick Corporation           | 7.125         | 08/01/27      | 500,000          | 503,663    | 607,820      |
| Bunge Limited Finance Corp.     | 3.250         | 08/15/26      | 600,000          | 601,894    | 564,101      |
| Community Health Sysyems Inc.   | 5.125         | 08/01/21      | 372,000          | 367,081    | 345,960      |
| Clearwater Paper Corporation    | 4.500         | 02/01/23      | 491,000          | 488,302    | 471,360      |
| Crown Castle International Corp | 5.250         | 01/15/23      | 600,000          | 658,078    | 637,591      |
| CubeSmart, L.P.                 | 4.000         | 11/15/25      | 500,000          | 506,046    | 498,197      |
| CVR Refining LLC                | 6.500         | 11/01/22      | 350,000          | 342,886    | 357,000      |
| CVS Health Corp                 | 4.300         | 03/25/28      | 345,000          | 339,998    | 346,470      |
| Discovery Communications        | 4.900         | 03/11/26      | 600,000          | 647,330    | 621,930      |

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|                                 |       |          |         |         |         |
|---------------------------------|-------|----------|---------|---------|---------|
| Dish DBS Corporation            | 7.750 | 07/01/26 | 500,000 | 541,140 | 468,875 |
| Duke Realty Limited Partnership | 3.875 | 10/15/22 | 500,000 | 498,684 | 509,639 |
| Expedia Inc.                    | 4.500 | 08/15/24 | 600,000 | 623,474 | 606,664 |

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Corporate Public Securities (A) (Continued) | Interest Rate | Maturity Date | Principal Amount | Cost         | Market Value |
|---|---------------|---------------|------------------|--------------|--------------|
| Ferrellgas Partners, L.P.                   | 6.750         | %01/15/22     | \$265,000        | \$267,337    | \$251,088    |
| Ferrellgas Partners, L.P.                   | 8.625         | 06/15/20      | 650,000          | 650,324      | 596,375      |
| Ford Motor Credit Co. LLC                   | 4.375         | 08/06/23      | 600,000          | 639,603      | 608,692      |
| General Motors Financial Co. Inc.           | 4.000         | 01/15/25      | 500,000          | 507,464      | 492,938      |
| Genesis Energy, L.P.                        | 5.625         | 06/15/24      | 500,000          | 470,918      | 471,250      |
| Hospital Corporation of America             | 5.375         | 02/01/25      | 100,000          | 101,369      | 100,250      |
| Hospital Corporation of America             | 5.250         | 06/15/26      | 174,000          | 174,000      | 176,262      |
| Hewlett Packard Enterprise Company          | 4.900         | 10/15/25      | 500,000          | 498,733      | 519,126      |
| Hughes Satellite Systems Corporation        | 6.625         | 08/01/26      | 500,000          | 496,895      | 497,500      |
| Laboratory Corporation of America Holdings  | 3.600         | 02/01/25      | 500,000          | 499,428      | 492,650      |
| Laredo Petroleum, Inc.                      | 5.625         | 01/15/22      | 500,000          | 479,163      | 496,250      |
| Lazard Group LLC                            | 4.250         | 11/14/20      | 500,000          | 499,326      | 513,909      |
| LyondellBasell Industries N.V.              | 5.750         | 04/15/24      | 500,000          | 579,136      | 549,616      |
| MPLX LP                                     | 4.875         | 12/01/24      | 500,000          | 500,000      | 524,284      |
| NRG Energy, Inc.                            | 7.250         | 05/15/26      | 500,000          | 502,858      | 528,900      |
| Oasis Petroleum Inc.                        | 6.875         | 03/15/22      | 500,000          | 478,431      | 507,120      |
| PBF Holding Company LLC                     | 6.997         | 11/15/23      | 33,000           | 33,000       | 34,155       |
| Perry Ellis International, Inc.             | 7.875         | 04/01/19      | 125,000          | 124,739      | 124,844      |
| Pitney Bowes Inc.                           | 3.375         | 10/01/21      | 500,000          | 499,713      | 476,250      |
| Reinsurance Group of America                | 3.950         | 09/15/26      | 500,000          | 502,811      | 494,890      |
| SM Energy Company                           | 6.750         | 09/15/26      | 750,000          | 744,395      | 742,500      |
| Sprint Corporation                          | 7.125         | 06/15/24      | 155,000          | 155,000      | 151,125      |
| Steelcase, Inc.                             | 6.375         | 02/15/21      | 500,000          | 503,034      | 538,127      |
| Suburban Propane Partners, L.P.             | 5.750         | 03/01/25      | 500,000          | 500,000      | 480,000      |
| Time Warner Cable, Inc.                     | 5.000         | 02/01/20      | 500,000          | 497,700      | 513,538      |
| Trinity Acquisition Plc                     | 4.400         | 03/15/26      | 500,000          | 514,805      | 506,657      |
| Tyson Foods, Inc.                           | 4.500         | 06/15/22      | 500,000          | 507,930      | 518,140      |
| William Lyon Homes                          | 7.000         | 08/15/22      | 500,000          | 500,000      | 512,500      |
| WPX Energy, Inc.                            | 5.250         | 09/15/24      | 425,000          | 425,000      | 418,625      |
| Xlit Ltd                                    | 4.450         | 03/31/25      | 600,000          | 612,271      | 603,888      |
| Total Bonds                                 |               |               |                  | 23,112,511   | 23,054,795   |
| Total Corporate Public Securities           |               |               |                  | \$26,469,155 | \$26,472,892 |

See Notes to Consolidated Financial Statements





Barings Participation Investors  
CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
March 31, 2018  
(Unaudited)

| Short-Term Security:              | Interest<br>Rate/Yield <sup>^</sup> | Maturity<br>Date | Principal<br>Amount | Cost          | Market<br>Value |
|-----------------------------------|-------------------------------------|------------------|---------------------|---------------|-----------------|
| Commercial Paper - 2.74%          |                                     |                  |                     |               |                 |
| Bemis Company, Inc.               | 2.350                               | % 04/04/18       | \$ 1,000,000        | \$999,804     | \$999,804       |
| CRH Finance America, Inc.         | 2.350                               | 04/10/18         | 1,000,000           | 999,413       | 999,413         |
| Lam Research Corporation          | 2.350                               | 04/10/18         | 1,000,000           | 998,694       | 998,694         |
| Molex Electronic Technologies LLC | 3.120                               | 04/16/18         | 1,000,000           | 999,220       | 999,220         |
| Total Short-Term Security         |                                     |                  |                     | \$3,997,131   | \$3,997,131     |
| Total Investments                 | 103.20                              | %                |                     | \$151,395,974 | \$150,583,924   |
| Other Assets                      | 8.43                                |                  |                     |               | 12,298,537      |
| Liabilities                       | (11.63                              | )                |                     |               | (16,961,991 )   |
| Total Net Assets                  | 100.00                              | %                |                     |               | \$145,920,470   |

(A) In each of the convertible note, warrant, and common stock investments, the issuer has agreed to provide certain registration rights.

(B) Non-income producing security.

(C) Security valued at fair value using methods determined in good faith by or under the direction of the Board of Trustees.

(D) Defaulted security; interest not accrued.

(E) Illiquid security. As of March 31, 2018, the values of these securities amounted to \$105,827,657 or 72.52% of net assets.

(F) Held in PI Subsidiary Trust

<sup>^</sup> Effective yield at purchase

PIK - Payment-in-kind

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Industry Classification:                                     | Fair Value/<br>Market<br>Value |
|--|--------------------------------|
| <b>AEROSPACE &amp; DEFENSE - 3.54%</b>                       |                                |
| API Technologies Corp.                                       | \$ 1,986,848                   |
| BEI Precision Systems & Space<br>Company, Inc.               | 1,620,462                      |
| Merex Holding Corporation                                    | 404,638                        |
| Sunvair Aerospace Group Inc.                                 | 1,152,860                      |
|  | 5,164,808                      |
| <b>AUTOMOTIVE - 5.42%</b>                                    |                                |
| Aurora Parts & Accessories LLC                               | 1,604,095                      |
| DPL Holding Corporation                                      | 1,688,754                      |
| English Color & Supply LLC                                   | 1,747,470                      |
| Ford Motor Credit Co. LLC                                    | 608,692                        |
| General Motors Financial Co. Inc.                            | 492,938                        |
| Grakon Parent  | 234,860                        |
| J.B. Poindexter Co., Inc.                                    | 413,531                        |
| Moog Inc.  | 512,500                        |
| Power Stop Holdings LLC                                      | 290,140                        |
| Randy's Worldwide Automotive                                 | 317,186                        |
|  | 7,910,166                      |
| <b>BANKING - 0.35%</b>                                       |                                |
| Bank of America Corporation                                  | 510,929                        |
| <b>BROKERAGE, ASSET MANAGERS &amp;<br/>EXCHANGES - 0.49%</b> |                                |
| Higginbotham Insurance Agency, Inc.                          | 196,751                        |
| Lazard Group LLC   | 513,909                        |
|  | 710,660                        |
| <b>BUILDING MATERIALS - 7.96%</b>                            |                                |
| ARI Holding Corporation                                      | 2,707,877                      |
| Beacon Roofing Supply, Inc.                                  | 386,715                        |
| Happy Floors Acquisition, Inc.                               | 1,810,158                      |
| NSi Industries Holdings, Inc.                                | 1,794,321                      |
| Signature Systems Holding Company                            | 190,452                        |
| Sunrise Windows Holding Company                              | 999,929                        |
| Torrent Group Holdings, Inc.                                 | 96,403                         |
| Wellborn Forest Holding Company                              | 1,799,462                      |
| Wolf-Gordon, Inc.  | 1,822,734                      |
|  | 11,608,051                     |

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CABLE & SATELLITE - 1.52%

|                                      |         |                                |
|--------------------------------------|---------|--------------------------------|
| Hughes Satellite Systems Corporation | 497,500 |                                |
| Time Warner Cable, Inc.              | 513,538 |                                |
|                                      |         | Fair Value/<br>Market<br>Value |

|                                  |           |  |
|----------------------------------|-----------|--|
| Unitymedia KabelBW GmbH          | \$524,375 |  |
| UPCB Finance IV Limited          | 200,719   |  |
| Virgin Media Secured Finance PLC | 481,250   |  |
|                                  | 2,217,382 |  |

CHEMICALS - 2.38%

|  |           |  |
|--|-----------|--|
| A. Schulman Inc.                               | 527,500   |  |
| Compass Chemical International LLC             | 221,612   |  |
| CVR Partners, LP.                              | 532,350   |  |
| LBC Tank Terminals Holding<br>Netherlands B.V. | 681,233   |  |
| LyondellBasell Industries N.V.                 | 549,616   |  |
| OCI Beaumont LLC                               | 122,846   |  |
| Polytex Holdings LLC                           | 834,499   |  |
|  | 3,469,656 |  |

CONSUMER CYCLICAL SERVICES - 3.40%

|  |           |  |
|--|-----------|--|
| CHG Alternative Education<br>Holding Company | 1,072,284 |  |
| MeTEOR Education LLC                         | 1,084,136 |  |
| PPC Event Services                           | 1,648,547 |  |
| Prime Security Services Borrower             | 658,877   |  |
| PS Logistics LLC                             | 503,750   |  |
|  | 4,967,594 |  |

CONSUMER PRODUCTS - 10.12%

|                                      |            |  |
|--------------------------------------|------------|--|
| AMS Holding LLC                      | 232,510    |  |
| Blue Wave Products, Inc.             | 891,617    |  |
| Elite Sportwear Holding, LLC         | 1,506,373  |  |
| gloProfessional Holdings, Inc.       | 1,147,514  |  |
| GTI Holding Company                  | 916,218    |  |
| Handi Quilter Holding Company        | 2,209,020  |  |
| HHI Group, LLC                       | 1,698,103  |  |
| Manhattan Beachwear Holding Company  | 581,531    |  |
| Master Cutlery LLC                   | 651,077    |  |
| New Mountain Learning, LLC           | 1,384,410  |  |
| Perry Ellis International, Inc.      | 124,844    |  |
| Whitebridge Pet Brands Holdings, LLC | 1,652,428  |  |
| York Wall Holding Company            | 1,755,916  |  |
|                                      | 14,751,561 |  |

DIVERSIFIED MANUFACTURING - 5.95%

|  |         |  |
|--|---------|--|
| ABC Industries, Inc.                   | 372,905 |  |
| Advanced Manufacturing Enterprises LLC | 24,489  |  |

See Notes to Consolidated Financial Statements

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Barings Participation Investors  
CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
March 31, 2018  
(Unaudited)

| Industry Classification: (Continued)       | Fair Value/<br>Market<br>Value |
|--|--------------------------------|
| Airxcel Holdings                           | \$903,249                      |
| Amsted Industries                          | 240,000                        |
| F G I Equity LLC                           | 623,541                        |
| K P I Holdings, Inc.                       | 538,956                        |
| Motion Controls Holdings                   | 331,162                        |
| Reelcraft Industries, Inc.                 | 1,773,253                      |
| SR Smith LLC                               | 1,950,069                      |
| Strahman Holdings Inc.                     | 297,797                        |
| Therma-Stor Holdings LLC                   | 1,628,312                      |
|  | 8,683,733                      |
|  |                                |
| ELECTRIC - 1.70%                           |                                |
| AM Conservation Holding Corp.              | 1,946,122                      |
| NRG Energy, Inc.                           | 528,900                        |
|  | 2,475,022                      |
|  |                                |
| FINANCE COMPANIES - 0.39%                  |                                |
| Air Lease Corp.                            | 574,881                        |
|  |                                |
| FINANCIAL OTHER - 3.48%                    |                                |
| Anchorage Capital Group, L.L.C.            | 512,733                        |
| CRH Finance America, Inc.                  | 999,413                        |
| Cunningham Lindsey U.S., Inc.              | 123,778                        |
| Focus Financial Partners, LLC.             | 407,000                        |
| Strategic Insight, Inc.                    | 1,692,260                      |
| U.S. Retirement and Benefit Partners, Inc. | 1,347,328                      |
|  | 5,082,512                      |
|  |                                |
| FOOD & BEVERAGE - 8.31%                    |                                |
| Bunge Limited Finance Corp.                | 564,101                        |
| Del Real LLC                               | 1,741,792                      |
| Eagle Family Foods, Inc.                   | 1,896,475                      |
| F F C Holding Corporation                  | 253,387                        |
| Hollandia Produce LLC                      | 1,129,336                      |
| Hospitality Mints Holding Company          | 988,953                        |
| Impact Confections                         | —                              |
| JBS USA Lux S.A.                           | 456,960                        |
| JMH Investors LLC                          | 350,972                        |
| PANOS Brands LLC                           | 2,266,869                      |
| Tyson Foods, Inc.                          | 518,140                        |
| Westminster Acquisition LLC                | 829,226                        |

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|                               |            |
|-------------------------------|------------|
| WP Supply Holding Corporation | 1,132,682  |
|                               | 12,128,893 |

Fair Value/  
Market  
Value

|                   |             |
|-------------------|-------------|
| GAMING - 1.32%    |             |
| CTM Holding, Inc. | \$1,928,752 |

HEALTHCARE - 3.10%

|  |           |
|--|-----------|
| Avantor Inc.                               | 403,970   |
| CORA Health Services, Inc.                 | 910,935   |
| Community Health Sysyems Inc.              | 345,960   |
| ECG Consulting Group                       | 1,502,336 |
| GD Dental Services LLC                     | 4,390     |
| Hospital Corporation of America            | 276,512   |
| Laboratory Corporation of America Holdings | 492,650   |
| Prospect Medical Holdings, Inc.            | 256,082   |
| TherOX, Inc.                               | —         |
| Touchstone Health Partnership              | —         |
| Valeant Pharmaceuticals International      | 180,353   |
| VRX Escrow Corp.                           | 157,066   |
|  | 4,530,254 |

HEALTH INSURANCE - 0.34%

|                              |         |
|------------------------------|---------|
| Reinsurance Group of America | 494,890 |
|------------------------------|---------|

HOME CONSTRUCTION - 0.47%

|                        |         |
|------------------------|---------|
| Beazer Homes USA, Inc. | 172,400 |
| William Lyon Homes     | 512,500 |
|                        | 684,900 |

INDEPENDENT - 1.35%

|                        |           |
|------------------------|-----------|
| Jupiter Resources Inc. | 230,000   |
| Laredo Petroleum, Inc. | 496,250   |
| Oasis Petroleum Inc.   | 507,120   |
| SM Energy Company      | 742,500   |
|                        | 1,975,870 |

INDUSTRIAL OTHER - 6.87%

|                                       |           |
|---------------------------------------|-----------|
| AFC - Dell Holding Corporation        | 1,362,945 |
| Brunswick Corporation                 | 607,820   |
| Clough, Harbour and Associates        | 1,311,014 |
| Hartland Controls Holding Corporation | 1,849,296 |
| Lam Research Corporation              | 998,694   |
| Midwest Industrial Rubber, Inc.       | 1,743,273 |
| Molex Electronic Technologies LLC     | 999,220   |
| Smart Source Holdings LLC             | 616,277   |
| SMB Machinery Holdings, Inc.          | —         |
| Steelcase, Inc.                       | 538,127   |

10,026,666

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2018

(Unaudited)

| Industry Classification: (Continued)     | Fair Value/<br>Market<br>Value |
|--|--------------------------------|
| <b>MEDIA &amp; ENTERTAINMENT - 2.89%</b> |                                |
| AMC Entertainment Holdings Inc.          | \$492,550                      |
| BlueSpire Holding, Inc.                  | —                              |
| Boyne USA, Inc.                          | 171,384                        |
| Discovery Communications                 | 621,930                        |
| Dish DBS Corporation                     | 468,875                        |
| GlynnDevins Acquisition Corporation      | 165,540                        |
| HOP Entertainment LLC                    | —                              |
| Money Mailer Equity LLC                  | 1,625,761                      |
| Sinclair Broadcast Group, Inc.           | 201,960                        |
| Sinclair Television Group, Inc.          | 463,750                        |
|  | 4,211,750                      |
| <b>METALS &amp; MINING - 2.88%</b>       |                                |
| Alliance Residential Company             | 525,000                        |
| Anglogold Holdings PLC                   | 617,621                        |
| Big River Steel LLC.                     | 120,255                        |
| Coronado Coal LLC                        | 318,225                        |
| First Quantum Minerals Ltd.              | 492,500                        |
| IAMGOLD Corporation                      | 511,250                        |
| Murray Energy Corporation                | 383,542                        |
| New Gold Inc.                            | 510,625                        |
| Suncoke Energy                           | 515,000                        |
| Warrior Met Coal, Inc.                   | 212,658                        |
|  | 4,206,676                      |
| <b>MIDSTREAM - 1.57%</b>                 |                                |
| CVR Refining LLC                         | 357,000                        |
| Ferrellgas Partners, L.P.                | 847,463                        |
| Genesis Energy, L.P.                     | 471,250                        |
| Suburban Propane Partners, L.P.          | 480,000                        |
| Summit Midstream Holdings, LLC           | 130,951                        |
|  | 2,286,664                      |
| <b>OIL FIELD SERVICES - 1.87%</b>        |                                |
| EP Energy LLC / Everest Acquisition      |                                |
| Finance Inc.                             | 288,768                        |
| Gulf Finance, LLC                        | 238,635                        |
| Hilcorp Energy Company                   | 329,975                        |
| Petroplex Inv Holdings LLC               | 18,929                         |
| Seadrill Partners Finco, LLC             | 408,730                        |
| Teine Energy Ltd.                        | 510,000                        |

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|                   |           |
|-------------------|-----------|
| Topaz Marine S.A. | 518,500   |
| WPX Energy, Inc.  | 418,625   |
|                   | 2,732,162 |

Fair Value/  
Market  
Value

OTHER - REITS - 0.69%

|                                 |           |
|---------------------------------|-----------|
| Duke Realty Limited Partnership | \$509,639 |
| CubeSmart, L.P.                 | 498,197   |
|                                 | 1,007,836 |

PACKAGING - 1.22%

|                     |           |
|---------------------|-----------|
| ASC Holdings, Inc.  | 776,413   |
| Bemis Company, Inc. | 999,804   |
|                     | 1,776,217 |

PAPER - 1.50%

|                              |           |
|------------------------------|-----------|
| Clearwater Paper Corporation | 471,360   |
| Dunn Paper                   | 1,716,375 |
|                              | 2,187,735 |

PHARMACEUTICALS - 2.76%

|                              |           |
|------------------------------|-----------|
| Clarion Brands Holding Corp. | 2,244,342 |
| CVS Health Corp              | 346,470   |
| ERG Holding Company LLC      | 1,443,092 |
|                              | 4,033,904 |

PROPERTY & CASUALTY - 0.76%

|                         |           |
|-------------------------|-----------|
| Trinity Acquisition Plc | 506,657   |
| Xlit Ltd                | 603,888   |
|                         | 1,110,545 |

REFINING - 2.48%

|                                       |           |
|---------------------------------------|-----------|
| CITGO Petroleum Corporation           | 421,281   |
| MES Partners, Inc.                    | 1,580,708 |
| MPLX LP                               | 524,284   |
| PBF Holding Company LLC               | 34,155    |
| Tristar Global Energy Solutions, Inc. | 1,055,906 |
|                                       | 3,616,334 |

TECHNOLOGY - 11.10%

|                                  |           |
|----------------------------------|-----------|
| 1A Smart Start, Inc.             | 1,696,653 |
| Anixter, Inc.                    | 169,125   |
| BCC Software, Inc.               | 1,716,976 |
| Clubessential LLC                | 1,713,111 |
| Dell Inc.                        | 615,460   |
| DigiCert, Inc.                   | 207,552   |
| Expedia Inc.                     | 606,664   |
| Glynlyon Holding Companies, Inc. | 230,223   |

GraphPad Software, Inc.

2,425,044

See Notes to Consolidated Financial Statements

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Barings Participation Investors  
 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 March 31, 2018  
 (Unaudited)

| Industry Classification: (Continued)           | Fair Value/<br>Market Value |
|--|-----------------------------|
| Hewlett Packard Enterprise Company             | \$519,126                   |
| Pitney Bowes Inc.                              | 476,250                     |
| Software Paradigms International<br>Group, LLC | 1,730,504                   |
| Velocity Technology Solutions, Inc.            | 2,088,014                   |
| Veritext Corporation                           | 1,994,258                   |
|  | 16,188,960                  |
| <br>TELECOMMUNICATIONS - 0.27%                 |                             |
| Altice Financing S.A.                          | 392,000                     |
| <br>TRANSPORTATION SERVICES - 4.21%            |                             |
| Hertz Corporation                              | 507,500                     |
| MNX Holding Company                            | 1,414,711                   |
| OPE KAG Finance Sub                            | 512,500                     |
| Penske Corporation                             | 526,234                     |
| Pegasus Transtech Corporation                  | 2,281,601                   |
| Team Drive-Away Holdings LLC                   | 184,032                     |
| VP Holding Company                             | 720,667                     |
|  | 6,147,245                   |
| <br>WIRELESS - 0.54%                           |                             |
| Crown Castle International Corp                | 637,591                     |
| Sprint Corporation                             | 151,125                     |
|  | 788,716                     |
| <br>Total Investments - 103.20%                |                             |
| (Cost - \$151,395,974)                         | \$150,583,924               |

See Notes to Consolidated Financial Statements

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## Fair Value Hierarchy

The Trust categorizes its investments measured at fair value in three levels, based on the inputs and assumptions used to determine fair value. These levels are as follows:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Trust's own assumptions in determining the fair value of investments)

The following table summarizes the levels in the fair value hierarchy into which the Trust's financial instruments are categorized as of March 31, 2018.

The fair values of the Trust's investments disaggregated into the three levels of the fair value hierarchy based upon the lowest level of significant input used in the valuation as of March 31, 2018 are as follows:

| Assets:                      | Total                 | Level<br>1  | Level 2              | Level 3               |
|------------------------------|-----------------------|-------------|----------------------|-----------------------|
| <b>Restricted Securities</b> |                       |             |                      |                       |
| Corporate Bonds              | \$ 82,419,449         | \$ —        | \$ 14,286,244        | \$ 68,133,205         |
| Bank Loans                   | 18,522,417            | —           | —                    | 18,522,417            |
| Common Stock - U.S.          | 6,091,393             | —           | —                    | 6,091,393             |
| Preferred Stock              | 2,925,577             | —           | —                    | 2,925,577             |
| Partnerships and LLCs        | 10,155,065            | —           | —                    | 10,155,065            |
| <b>Public Securities</b>     |                       |             |                      |                       |
| Bank Loans                   | 3,418,097             | —           | 1,741,166            | 1,676,931             |
| Corporate Bonds              | 23,054,795            | —           | 23,054,795           | —                     |
| Common Stock—U.S.            | —                     | —           | —                    | —                     |
| Preferred Stock              | —                     | —           | —                    | —                     |
| Short-term Securities        | 3,997,131             | —           | 3,997,131            | —                     |
| <b>Total</b>                 | <b>\$ 150,583,924</b> | <b>\$ —</b> | <b>\$ 43,079,336</b> | <b>\$ 107,504,588</b> |

See information disaggregated by security type and industry classification in the Consolidated Schedule of Investments.

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

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|                       | Beginning<br>balance at<br>12/31/2017 | Included in<br>earnings | Purchases   | Sales         | Prepayments   | Transfers<br>into<br>Level 3 | Transfers<br>out<br>of<br>Level<br>3 | Ending<br>balance at<br>3/31/2018 |
|-----------------------|---------------------------------------|-------------------------|-------------|---------------|---------------|------------------------------|--------------------------------------|-----------------------------------|
| Assets:               |                                       |                         |             |               |               |                              |                                      |                                   |
| Restricted Securities |                                       |                         |             |               |               |                              |                                      |                                   |
| Corporate Bonds       | \$68,182,386                          | \$(1,560,926)           | \$3,193,009 | \$(36,550)    | \$(1,644,714) | \$—                          | \$—                                  | \$68,133,205                      |
| Bank Loans            | 15,737,992                            | 55,774                  | 2,728,651   | —             | —             | —                            | —                                    | 18,522,417                        |
| Common Stock - U.S.   | 6,911,240                             | (180,558)               | 41,537      | (680,826)     | —             | —                            | —                                    | 6,091,393                         |
| Preferred Stock       | 2,525,813                             | 399,764                 | —           | —             | —             | —                            | —                                    | 2,925,577                         |
| Partnerships and LLCs | 14,061,127                            | (368,512)               | 193,692     | (3,731,242)   | —             | —                            | —                                    | 10,155,065                        |
| Public Securities     |                                       |                         |             |               |               |                              |                                      |                                   |
| Bank Loans            | 523,461                               | 7,334                   | 818,379     | —             | (6,192)       | 333,949                      | —                                    | 1,676,931                         |
| Total                 | \$107,942,019                         | \$(1,647,124)           | \$6,975,268 | \$(4,448,618) | \$(1,650,906) | \$333,949                    | \$—                                  | \$107,504,588                     |

ITEM 2. CONTROLS AND PROCEDURES.

(a) The principal executive officer and principal financial officer of the Registrant evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as of a date within 90 days of the filing date of this report and based on that evaluation have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There have been changes in the Registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act)("internal controls") that occurred during the Registrant's last fiscal quarter. The Registrant's investment adviser, Barings LLC, who maintains the Registrant's internal controls, revised its internal controls to oversee State Street Bank & Trust who now provides certain administrative and accounting services to the Registrant.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) are attached hereto as an exhibit.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Barings Participation Investors

By (Signature and Title)\*/s/ Robert M. Shettle  
Robert M. Shettle, President

Date May 30, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title)\*/s/ Robert M. Shettle  
Robert M. Shettle, President

Date May 30, 2018

By (Signature and Title)\*/s/ James M. Roy  
James M. Roy, Vice President and  
Chief Financial Officer

Date May 30, 2018

\* PRINT THE NAME AND TITLE OF EACH SIGNING OFFICER UNDER HIS OR HER SIGNATURE.



