

BARINGS PARTICIPATION INVESTORS

Form N-30D

November 29, 2017

Barings  
Participation Investors

Report for the  
Nine Months Ended September 30, 2017

Adviser

Barings LLC  
1500 Main Street, P.O. Box 15189  
Springfield, Massachusetts 01115-5189

Independent Registered Public Accounting Firm

KPMG LLP  
Boston, Massachusetts 02110

Counsel to the Trust

Ropes & Gray LLP  
Boston, Massachusetts 02110

Custodian

State Street Bank and Trust Company  
Boston, Massachusetts 02116  
Transfer Agent & Registrar

DST Systems, Inc.  
P.O. Box 219086  
Kansas City, Missouri 64121-9086  
1-800-647-7374

Internet Website

[www.barings.com/mpv](http://www.barings.com/mpv)

Barings Participation Investors  
c/o Barings LLC  
1500 Main Street, Suite 2200  
Springfield, Massachusetts 01115  
(413) 226-1516

## Investment Objective and Policy

Barings Participation Investors (the "Trust") is a closed-end management investment company, first offered to the public in 1988, whose shares are traded on the New York Stock Exchange under the trading symbol "MPV". The Trust's share price can be found in the financial section of most newspapers under either the New York Stock Exchange listings or Closed-End Fund Listings.

The Trust's investment objective is to maximize total return by providing a high level of current income, the potential for growth of income, and capital appreciation. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations purchased directly from their issuers, which tend to be smaller companies. The Trust will also invest in publicly traded debt securities (including high yield securities) again with an emphasis on those with equity features, and in convertible preferred stocks and, subject to certain limitations, readily marketable equity securities. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay principal. The Trust is prohibited from purchasing below-investment grade securities if, after giving effect to the purchase, more than 75% of the Trust's total assets would be invested in below-investment grade securities, which are securities that are rated, at the time of purchase, BB or B by S&P or Ba or B by Moody's, or, if unrated, are believed by Barings LLC ("Barings") to be of an equivalent quality. In addition, the Trust will not invest in any debt security that is rated, at the time of acquisition, below B by S&P or Moody's, or if unrated, is believed by Barings to be of an equivalent quality. In addition, the Trust may invest in high quality, readily marketable securities.

Barings manages the Trust on a total return basis. The Trust distributes substantially all of its net income to shareholders each year. Accordingly, the Trust pays dividends to shareholders in January, May, August, and November. All registered shareholders are automatically enrolled in the Dividend Reinvestment and Cash Purchase Plan unless cash distributions are requested.

## Form N-Q

The Trust files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. This information is available (i) on the SEC's website at <http://www.sec.gov>; and (ii) at the SEC's Public Reference Room in Washington, DC (which information on their operation may be obtained by calling 1-800-SEC-0330). A complete schedule of portfolio holdings as of each quarter-end is available upon request by calling, toll-free, 866-399-1516.

## Proxy Voting Policies & Procedures; Proxy Voting Record

The Trustees of the Trust have delegated proxy voting responsibilities relating to the voting of securities held by the Trust to Barings. A description of Barings' proxy voting policies and procedures is available (1) without charge, upon request, by calling, toll-free 866-399-1516; (2) on the Trust's website: [www.barings.com/mpv](http://www.barings.com/mpv); and (3) on the SEC's website at <http://www.sec.gov>. Information regarding how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) on the Trust's website: [www.barings.com/mpv](http://www.barings.com/mpv); and (2) on the SEC's website at <http://www.sec.gov>.

## Legal Matters

The Trust has entered into contractual arrangements with an investment adviser, transfer agent and custodian (collectively "service providers") who each provide services to the Trust. Shareholders are not parties to, or intended beneficiaries of, these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the Trust.

Under the Trust's Bylaws, any claims asserted against or on behalf of the Trust, including claims against Trustees and officers must be brought in courts located within the Commonwealth of Massachusetts.

The Trust's registration statement and this shareholder report are not contracts between the Trust and its shareholders and do not give rise to any contractual rights or obligations or any shareholder rights other than any rights conferred explicitly by federal or state securities laws that may not be waived.



Barings Participation Investors

TO OUR SHAREHOLDERS

October 31, 2017

We are pleased to present the September 30, 2017 Quarterly Report of Barings Participation Investors (the "Trust").

The Board of Trustees declared a quarterly dividend of \$0.27 per share, payable on November 10, 2017 to shareholders of record on October 30, 2017. The Trust paid a \$0.27 per share dividend for the preceding quarter. The Trust earned \$0.25 per share of net investment income for the third quarter of 2017, compared to \$0.29 per share, including \$0.04 per share of non-recurring income, in the previous quarter.

During the third quarter, the net assets of the Trust increased to \$148,640,732 or \$14.24 per share compared to \$145,538,123 or \$13.96 per share on June 30, 2017. This translates into a 4.0% total return for the quarter, based on the change in the Trust's net assets assuming the reinvestment of all dividends. Longer term, the Trust returned 12.9%, 10.1%, 11.5%, 9.9% and 12.4% for the 1, 3, 5, 10, and 25-year periods, respectively, based on the change in the Trust's net assets assuming the reinvestment of all dividends.

The Trust's share price increased 3.4% during the quarter, from \$13.95 per share as of June 30, 2017 to \$14.43 per share as of September 30, 2017. The Trust's market price of \$14.43 per share equates to a 1.3% premium over the September 30, 2017 net asset value per share of \$14.24. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 1.1%, 2.8% and 6.2%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, increased 5.7% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 2.0% for the quarter.

The Trust closed three add-on investments to existing portfolio companies during the third quarter. The three add-on investments were in Eagle Family Foods, Inc., Master Cutlery LLC and Polytex Holdings LLC. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in these transactions was \$290,431.

Also, in response to current market conditions, the Trustees agreed to reduce the minimum expected internal rate of return threshold for investments offered to the Trust pursuant to the Trust's existing co-investment exemptive order.

It was a slow quarter for the Trust in terms of new investments. As noted above, the Trust closed on only three add-on investments this quarter. While middle-market merger and acquisition activity was slightly higher in the third quarter, all of the growth occurred at the larger end of the market with the "traditional" middle-market contracting. Market conditions remain extremely competitive with purchase price and leverage multiples remaining at or near historical highs, and there continues to be a large supply of debt capital seeking middle-market investment opportunities. As always, we continue to maintain our underwriting discipline.

The Trust's remaining portfolio remains solid. Four private companies in which the Trust had outstanding investments were sold during the quarter resulting in favorable outcomes. In addition, one company prepaid their subordinated debt held by the Trust. We have several companies in which the Trust has outstanding investments that are in the process of being sold and we are cautiously optimistic about realization activity for the next few quarters.

The Trust was able to maintain its \$0.27 per share quarterly dividend in the third quarter. However, the Trust's recurring investment income was not sufficient to cover this quarter's dividend. As discussed in prior reports, generally since 2013 recurring investment income alone has not been sufficient to fully fund the current dividend rate principally due to the considerable reduction in the number of private debt securities in the portfolio resulting from the

high level of exits and prepayment activity that occurred from 2013 through 2015, combined with generally lower investment returns available due to market and competitive dynamics over the past several years. The level of expected recurring investment income generated by the Trust in 2017, combined with the availability of earnings carry forwards and other non-recurring income, is expected to be sufficient to maintain the current dividend rate over the next several quarters. However, until recurring investment income consistently reaches a level equal to the current dividend rate, there is the risk that the dividend may need to be reduced in the future.

Thank you for your continued interest in and support of Barings Participation Investors.

(Continued)

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Sincerely,

Robert M. Shettle

President

Portfolio Composition as of 9/30/17\*

\* Based on market value of total investments (including cash)

Cautionary Notice: Certain statements contained in this report may be "forward looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results to differ materially. These statements are subject to change at any time based upon economic, market or other conditions and may not be relied upon as investment advice or an indication of the Trust's trading intent. References to specific securities are not recommendations of such securities, and may not be representative of the Trust's current or future investments. We undertake no obligation to publicly update forward looking statements, whether as a result of new information, future events, or otherwise.



Barings Participation Investors  
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES  
September 30, 2017  
(Unaudited)

## Assets:

## Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value (Cost - \$95,358,716)	\$99,182,288
Corporate restricted securities at market value (Cost - \$18,159,945)	18,484,281
Corporate public securities at market value (Cost - \$30,958,332)	32,107,578
Short-term securities at amortized cost	5,772,806
 Total investments (Cost - \$150,249,799)	 155,546,953
Cash	8,623,399
Interest receivable	1,364,202
Receivable for investments sold	169,415
Other assets	6,065
 Total assets	 165,710,034

## Liabilities:

Note payable	15,000,000
Deferred tax liability	951,001
Payable for investments purchased	488,961
Investment advisory fee payable	334,442
Interest payable	27,267
Tax payable	17,872
Accrued expenses	249,759
 Total liabilities	 17,069,302

## Commitments and Contingencies (See Note 8)

Total net assets	\$ 148,640,732
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## Net Assets:

Common shares, par value \$.01 per share	\$104,404
Additional paid-in capital	95,659,244
Retained net realized gain on investments, prior years	40,511,310
Undistributed net investment income	3,499,054
Accumulated net realized gain on investments	4,520,567
Net unrealized appreciation of investments	4,346,153
 Total net assets	 \$ 148,640,732

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Common shares issued and outstanding (14,787,750 authorized) 10,440,458

Net asset value per share \$14.24

See Notes to Consolidated Financial Statements

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## CONSOLIDATED STATEMENT OF OPERATIONS

For the nine months ended September 30, 2017

(Unaudited)

Investment Income:	
Interest	\$9,299,732
Dividends	1,066,596
Other	204,942
Total investment income	10,571,270
Expenses:	
Investment advisory fees	979,422
Interest	460,125
Trustees' fees and expenses	181,000
Professional fees	177,387
Reports to shareholders	72,000
Custodian fees	17,997
Other	129,742
Total expenses	2,017,673
Investment income - net	8,553,597
Net realized and unrealized gain on investments:	
Net realized gain on investments before taxes	2,168,185
Income tax expense	(135,239 )
Net realized gain on investments after taxes	2,032,946
Net increase (decrease) in unrealized appreciation (depreciation) of investments before taxes	6,856,037
Net (increase) decrease in deferred income tax expense	(535,987 )
Net increase (decrease) in unrealized appreciation (depreciation) of investments after taxes	6,320,050
Net gain on investments	8,352,996
Net increase in net assets resulting from operations	\$ 16,906,593

See Notes to Consolidated Financial Statements

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Barings Participation Investors  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the nine months ended September 30, 2017  
(Unaudited)

Net increase in cash:	
Cash flows from operating activities:	
Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$4,279,095
Purchases of portfolio securities	(19,118,341)
Proceeds from disposition of portfolio securities	19,457,229
Interest, dividends and other income received	10,004,350
Interest expense paid	(460,125 )
Operating expenses paid	(1,439,301 )
Income taxes paid	(621,670 )
Net cash provided by operating activities	12,101,237
Cash flows from financing activities:	
Cash dividends paid from net investment income	(8,427,549 )
Receipts for shares issued on reinvestment of dividends	750,690
Net cash used for financing activities	(7,676,859 )
Net increase in cash	4,424,378
Cash - beginning of period	4,199,021
Cash - end of period	\$8,623,399
Reconciliation of net increase in net assets to net cash provided by operating activities:	
Net increase in net assets resulting from operations	\$16,906,593
Increase in investments	(5,849,923 )
Decrease in interest receivable	384,312
Increase in receivable for investments sold	(17,227 )
Decrease in other assets	20,718
Increase in deferred tax liability	535,987
Increase in payable for investments purchased	488,961
Increase in investment advisory fee payable	27,077
Decrease in tax payable	(486,431 )
Increase in accrued expenses	91,170
Total adjustments to net assets from operations	(4,805,356 )
Net cash provided by operating activities	\$12,101,237

See Notes to Consolidated Financial Statements

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## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	For the nine months ended 09/30/2017 (Unaudited)	For the year ended 12/31/2016
Increase in net assets:		
Operations:		
Investment income - net	\$8,553,597	\$10,324,242
Net realized gain on investments after taxes	2,032,946	1,279,991
Net change in unrealized appreciation of investments after taxes	6,320,050	38,399
Net increase in net assets resulting from operations	16,906,593	11,642,632
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2017 - 54,285; 2016 - 57,782)	750,690	806,973
Dividends to shareholders from:		
Net investment income (2017 - \$0.54 per share; 2016 - \$1.08 per share)	(5,623,282 )	(11,192,508 )
Total increase in net assets	12,034,001	1,257,097
Net assets, beginning of period/year	136,606,731	135,349,634
Net assets, end of period/year (including undistributed net investment income of \$3,499,054 and \$568,739, respectively)	\$148,640,732	\$136,606,731

See Notes to Consolidated Financial Statements

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Barings Participation Investors

CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

Selected data for each share of beneficial interest outstanding:

	For the nine months ended 09/30/2017 (Unaudited)	For the years ended December 31,			
		2016	2015	2014	2013
Net asset value:					
Beginning of period/year	\$ 13.15	\$ 13.10	\$ 13.35	\$ 12.83	\$ 12.56
Net investment income (a)	0.83	1.00	0.95	1.04	1.00
Net realized and unrealized gain (loss) on investments	0.80	0.13	(0.12 )	0.57	0.35
Total from investment operations	1.63	1.13	0.83	1.61	1.35
Dividends from net investment income to common shareholders	(0.54 )	(1.08 )	(1.08 )	(0.96 )	(1.08 )
Dividends from realized gain on investments to common shareholders	—	—	—	(0.12 )	—
Increase from dividends reinvested	(0.00 )(b)	(0.00 )(b)	(0.00 )(b)	(0.01 )	(0.00 )(b)
Total dividends	(0.54 )	(1.08 )	(1.08 )	(1.09 )	(1.08 )
Net asset value: End of period/year	\$ 14.24	\$ 13.15	\$ 13.10	\$ 13.35	\$ 12.83
Per share market value: End of period/year	\$ 14.43	\$ 14.20	\$ 13.75	\$ 13.23	\$ 12.88
Total investment return					
Net asset value (c)	12.62%	8.75%	6.23%	13.61%	10.97%
Market value (c)	5.60%	11.45%	12.66%	12.54%	0.47%
Net assets (in millions):					
End of period/year	\$ 148.64	\$ 136.61	\$ 135.35	\$ 137.57	\$ 131.42
Ratio of total expenses to average net assets	2.02% (e)	2.26%	2.17%	2.84%	2.15%
Ratio of operating expenses to average net assets	1.46% (e)	1.35%	1.49%	1.49%	1.51%
Ratio of interest expense to average net assets	0.43% (e)	0.44%	0.44%	0.45%	0.47%
Ratio of income tax expense to average net assets (d)	0.13% (e)	0.47%	0.24%	0.90%	0.17%
Ratio of net investment income to average net assets	8.04% (e)	7.45%	6.95%	7.82%	7.77%
Portfolio turnover	13%	31%	30%	32%	30%

(a) Calculated using average shares.

(b) Rounds to less than \$0.01 per share.

(c) Net asset value return represents portfolio returns based on change in the Trust's net asset value assuming the reinvestment of all dividends and distributions which differs from the total investment return based on the Trust's market value due to the difference between the Trust's net asset value and the market value of its shares



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outstanding; past performance is no guarantee of future results.

As additional information, this ratio is included to reflect the taxes paid on retained long-term gains. These taxes (d)paid are netted against realized capital gains in the Statement of Operations. The taxes paid are treated as deemed distributions and a credit for the taxes paid is passed on to shareholders.

(e) Annualized.

Senior borrowings:

Total principal amount (in millions)	\$15	\$15	\$15	\$15	\$15
Asset coverage per \$1,000 of indebtedness	\$10,909	\$10,107	\$10,023	\$10,171	\$9,761

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2017

(Unaudited)

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Corporate Restricted Securities - 79.17%: (A)				
Private Placement Investments - 66.73%: (C)				
1492 Acquisition LLC				
A leading producer of premium Italian cured meats and deli meats in the U.S.				
Limited Liability Company Unit Class A Preferred (B)	102 uts.	10/17/12	\$102,270	\$148,310
Limited Liability Company Unit Class A Common (B)	11,364 uts.	10/17/12	11,364	240,224
			113,634	388,534
ABC Industries, Inc.				
A manufacturer of mine and tunneling ventilation products in the U.S.				
13% Senior Subordinated Note due 07/31/2019	\$109,335 125,000	08/01/12	105,086	108,740
Preferred Stock Series A (B)	shs.	08/01/12	125,000	251,460
Warrant, exercisable until 2022, to purchase common stock at \$.02 per share (B)	22,414 shs.	08/01/12	42,446	42,589
			272,532	402,789
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.	*	207,910	—
* 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	\$1,212,377	03/27/15	1,197,524	1,224,501
Preferred Stock (B)	1,122 shs.	03/27/15	112,154	130,707
Common Stock (B)	346 shs.	03/27/15	346	—
			1,310,024	1,355,208
Airxcel Holdings				
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	617,324
AM Conservation Holding Corp.				

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

11.75% (1.5% PIK) Senior Subordinated Note

due 04/30/2023

\$1,568,182	10/31/16	1,539,920	1,576,467
156,818			

Common Stock (B)

shs.	10/31/16	156,818	237,645
		1,696,738	1,814,112

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(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	\$ 284,979
<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	\$ 1,399,969	04/22/16	1,388,664	1,423,830
Limited Liability Company Unit (B)	0.40% int.	04/20/16	345,000	417,450
			1,733,664	1,841,280
<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	\$ 1,719,544	*	1,706,033	1,719,544
Limited Partnership Interest	524 uts.	08/01/14	523,950	581,460
* 05/21/13 and 08/01/14.			2,229,983	2,301,004
<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	\$ 754,313	11/19/15	743,388	726,916
	111,100			
Limited Liability Company Unit (B)	uts.	11/18/15	111,100	42,885
			854,488	769,801
<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	1,493,316	1,487,572
Preferred Stock (B)	210 shs.	08/17/15	209,390	152,452
Common Stock (B)	210 shs.	08/17/15	210	—

1,702,916 1,640,024

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 01/31/2021 (D)	\$ 500,587	07/31/14	491,228	—
Limited Liability Company Unit (B)(F)	45,504 uts.	*	—	—
* 07/31/14 and 10/14/15.			491,228	—

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Corporate Restricted Securities: (A) (Continued)				
BEI Precision Systems & Space Company, Inc. 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	\$1,455,118	04/28/17	\$1,427,284	\$1,472,294
Limited Liability Company Unit (B)(F)	2,760 uts.	04/28/17	276,000	188,967
			1,703,284	1,661,261
Blue Wave Products, Inc. A distributor of pool supplies.				
10% Senior Secured Term Note due 09/30/2018	\$79,433	10/12/12	79,100	79,433
13% (1% PIK) Senior Subordinated Note due 09/30/2019	\$333,907	10/12/12	324,664	333,907
Common Stock (B)	51,064 shs.	10/12/12	51,064	376,380
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	20,216 shs.	10/12/12	20,216	149,007
			475,044	938,727
BlueSpire Holding, Inc. 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	—
BP SCI LLC A leading value-added distributor of branded pipes, valves, and fittings (PVF) to diversified end markets.				
Limited Liability Company Unit Class A (B)(F)	417 uts.	10/17/12	41,667	263,730
Limited Liability Company Unit Class B (B)(F)	167 uts.	10/17/12	166,666	292,916
			208,333	556,646
CG Holdings Manufacturing Company A coating provider serving the automotive, agricultural, heavy truck and other end markets.				
13% Senior Subordinated Note due 11/01/2019	\$1,412,605	*	1,370,751	1,412,606
Preferred Stock (B)	1,350 shs.	*	134,972	182,772
Preferred Stock (B)	489 shs.	*	48,721	66,245
Common Stock (B)	140 shs.	*	14,864	410,593
Warrant, exercisable until 2023, to purchase	58 shs.	*	5,430	170,546

common stock at \$.01 per share (B)

\* 05/09/13 and 11/01/13.

1,574,738 2,242,762

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<b>CHG Alternative Education Holding Company</b>				
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 due 06/19/2020	\$788,793	01/19/11	\$782,350	\$788,793
14% (2% PIK) Senior Subordinated Note due 06/19/2020	\$208,134	08/03/12	206,653	208,134
Common Stock (B)	375 shs.	01/19/11	37,500	38,118
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	295 shs.	01/19/11	29,250	29,963
			1,055,753	1,065,008
<b>Church Services Holding Company</b>				
A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets.				
Limited Liability Company Unit (B)(F)	1 ut.	03/26/12	189,978	—
<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	\$2,046,289	*	2,018,735	2,042,283
Limited Liability Company Unit (B)	1,853 uts.	07/18/16	189,267	138,404
* 10/01/14 and 07/18/16.			2,208,002	2,180,687
<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	858,132
<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	147,304	192,425



Connecticut Electric, Inc.

A supplier and distributor of electrical products sold into the retail and wholesale markets.

Limited Liability Company Unit Class A (B)	82,613 uts.	01/12/07	82,613	128,941
Limited Liability Company Unit Class C (B)	59,756 uts.	01/12/07	59,756	103,728
	671,525			
Limited Liability Company Unit Class D (B)	uts.	05/03/10	—	1,120,057
Limited Liability Company Unit Class E (B)	1,102 uts.	05/03/10	—	260,556
			142,369	1,613,282

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<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	\$775,013	06/30/16	\$761,884	\$793,088
Preferred Stock Series A (B)	758 shs.	06/30/16	72,033	84,218
Common Stock Class A (B)	3,791 shs.	06/30/16	3,791	23,287
			837,708	900,593
<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	\$1,326,281	11/22/13	1,315,315	1,326,281
Common Stock (B)	90 shs.	*	514,284	558,242
* 11/22/13 and 09/16/16.			1,829,599	1,884,523
<b>Del Real LLC</b>				
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	1,395,269	1,420,588
	304,412			
Limited Liability Company Unit (B)(F)	uts.	10/07/16	304,412	337,897
			1,699,681	1,758,485
<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	\$1,425,125	05/04/12	1,415,222	1,399,628
Preferred Stock (B)	25 shs.	05/04/12	252,434	200,106
Common Stock (B)	25 shs.	05/04/12	28,048	—
			1,695,704	1,599,734
<b>Dunn Paper</b>				
A provider of specialty paper for niche product applications.				
9.75% Second Lien Term Loan due 08/31/2023	\$1,725,000	09/28/16	1,695,344	1,690,500

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Eagle Family Foods, Inc.

A producer of low-cost branded and private label canned milk.

10.05% Last Out Term Loan due 12/31/2021	\$ 1,725,000	12/22/15	1,706,680	1,709,376
0.29% Second Last Out Term Loan due 8/29/2023	\$ 177,404	09/07/17	175,646	175,797
			1,882,326	1,885,173

## Barings Participation Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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## ECG Consulting Group

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	\$1,321,758	11/21/14	\$1,303,731	\$1,334,976
Limited Liability Company Unit (B)(F)	230 uts.	11/19/14	71,875	139,556
			1,375,606	1,474,532

## Elite Sportwear Holding, LLC

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	\$1,580,639	10/14/16	1,557,371	1,583,673
Limited Liability Company Unit (B)(F)	101 uts.	10/14/16	159,722	147,915
			1,717,093	1,731,588

## English Color &amp; 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	\$1,328,964	06/30/17	1,303,438	1,331,902
	397,695			
Limited Liability Company Unit (B)(F)	uts.	06/30/17	397,695	437,465
			1,701,133	1,769,367

## 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	\$980,292	04/04/14	971,823	980,292
14% (2% PIK) Senior Subordinated Note due 10/04/2019	\$258,346	07/01/16	254,967	259,508
Common Stock (B)	0.31% int.	04/04/14	77,533	77,525
			1,304,323	1,317,325

## F F C Holding Corporation

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

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Limited Liability Company Unit Preferred (B)	171 uts.	09/27/10	58,345	85,700
Limited Liability Company Unit Common (B)	171 uts.	09/27/10	17,073	439,547
			75,418	525,247

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<b>F G I Equity LLC</b>				
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	334,823
Limited Liability Company Unit Class B-2 (B)	8,248 uts.	12/15/10	8,248	41,977
Limited Liability Company Unit Class B-3 (B)	6,522 uts.	08/30/12	15,000	34,887
Limited Liability Company Unit Class C (B)	1,575 uts.	12/20/10	16,009	55,980
			105,046	548,226
<b>FMH Holdings Corporation</b>				
A designer and manufacturer of highly engineered components for the aerospace, defense and space industries.				
Common Stock (B)	148 shs.	05/01/15	148,096	333,750
<b>GD Dental Services LLC</b>				
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	94,899
Limited Liability Company Unit Common (B)	767 uts.	10/05/12	767	—
			76,687	94,899
<b>gloProfessional Holdings, Inc.</b>				
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	\$1,238,413	03/27/13	1,230,892	1,123,488
Common Stock (B)	1,181 shs.	03/27/13	118,110	61,665
			1,349,002	1,185,153
<b>Glynlyon Holding Companies, Inc.</b>				
A technology-enabled curriculum provider of K-12 and support services predominantly to small and medium public school districts.				
12% (1% PIK) Senior Subordinated Note due 01/15/2022	\$1,604,757	01/15/16	1,579,980	1,636,852
Common Stock (B)	147 shs.	01/15/16	147,436	260,266
			1,727,416	1,897,118

GlynnDevins Acquisition Corporation

A marketing communications agency that services senior living facilities.

Preferred Stock Series A (B)	342 shs.	06/19/15	70,683	82,644
Common Stock (B)	342 shs.	06/19/15	2,945	44,949
			73,628	127,593

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<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	\$ 203,550
<b>GTI Holding Company</b>				
A designer, developer, and marketer of precision specialty hand tools and handheld test instruments.				
12% Senior Subordinated Note due 02/05/2020	\$ 727,865	02/05/14	702,700	720,988
Common Stock (B)	846 shs.	02/05/14	84,636	53,256
Warrant, exercisable until 2024, to purchase common stock at \$.01 per share (B)	397 shs.	02/05/14	36,816	24,991
			824,152	799,235
<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	*	1,700,717	1,740,947
Limited Liability Company Unit Preferred (B)	372 uts.	**	371,644	435,728
Limited Liability Company Unit Common Class A (B)	3,594 uts.	12/19/14	—	42,250
			2,072,361	2,218,925
<b>Happy Floors Acquisition, Inc.</b>				
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	\$ 1,595,292	07/01/16	1,568,977	1,626,654
Common Stock (B)	150 shs.	07/01/16	149,500	166,535
			1,718,477	1,793,189
<b>Hartland Controls Holding Corporation</b>				
A manufacturer and distributor of electronic and electromechanical components.				
14% (2% PIK) Senior Subordinated Note due 08/14/2020	\$ 1,123,058	02/14/14	1,112,767	1,123,058
12% Senior Subordinated Note due 08/14/2020	\$ 431,250	06/22/15	428,850	435,563
Common Stock (B)	821 shs.	02/14/14	822	355,363
			1,542,439	1,913,984





## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<b>HHI Group, LLC</b>				
A developer, marketer, and distributor of hobby-grade radio control products.				
14% (2% PIK) Senior Subordinated Note due 11/26/2020	\$1,674,736	01/17/14	\$1,659,884	\$1,674,326
Limited Liability Company Unit (B)(F)	102 uts.	01/17/14	101,563	22,663
			1,761,447	1,696,989
<b>Hollandia Produce LLC</b>				
A hydroponic greenhouse producer of branded root vegetables.				
14.25% (2.75% PIK) Senior Subordinated Note due 12/11/2020	\$1,388,935	*	1,369,788	1,250,041
* 12/30/15 and 12/23/16.				
<b>HOP Entertainment LLC</b>				
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	—	—
			—	—
<b>Hospitality Mints Holding Company</b>				
A manufacturer of individually-wrapped imprinted promotional mints.				
12% Senior Subordinated Note due 10/01/2018	\$1,098,837	08/19/08	1,096,447	988,953
Common Stock (B)	251 shs.	08/19/08	251,163	—
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	65 shs.	08/19/08	60,233	—
			1,407,843	988,953
<b>Impact Confections</b>				
An independent manufacturer and marketer of confectionery products including Warheads® brand sour candies, Melster® brand classic candies, and co-manufactured/private label classic candies.				
13% (1% PIK) Senior Subordinated Note due 11/10/2020	\$1,094,920	11/10/14	1,081,831	886,450
Common Stock (B)	2,300 shs.	11/10/14	230,000	—
			1,311,831	886,450

Insurance Claims Management, Inc.

A third party administrator providing auto and property claim administration services for insurance companies.

Common Stock (B)	47 shs.	02/27/07	1,424	132,434
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<b>Janus Group Holdings LLC</b>				
A manufacturer of roll-up doors and hallway systems that are primarily used in self-storage facilities.				
Limited Liability Company Unit Class A (B)(F)	283 uts.	12/11/13	\$—	\$1,652,071
<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)	163,043 uts.	10/31/16	163,043	226,139
Limited Liability Company Unit Class A-2 (B)(F)	1,032,609 uts.	10/31/16	—	78,006
			395,250	304,145
<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	—	82,604
Common Stock (B)	353 shs.	07/15/08	285,619	381,643
			285,619	464,247
<b>Kyjen Company</b>				
A designer and distributor of branded and private label dog toys and accessories primarily in the US.				
13% (1% PIK) Senior Subordinated Note due 10/14/2021	\$1,319,341	10/14/15	1,299,807	1,345,727
<b>Manhattan Beachwear Holding Company</b>				
A designer and distributor of women's swimwear.				
12.5% Senior Subordinated Note due 04/30/2018 (D)	\$419,971	01/15/10	404,121	377,974
15% (2.5% PIK) Senior Subordinated Note due 04/30/2020 (D)	\$115,253	10/05/10	114,604	103,727
Common Stock (B)	35 shs.	10/05/10	35,400	27,317
Common Stock Class B (B)	118 shs.	01/15/10	117,647	90,788
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	104 shs.	10/05/10	94,579	80,347

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			766,351	680,153
Master Cutlery LLC				
A designer and marketer of a wide assortment of knives and swords.				
13% Senior Subordinated Note due 04/17/2020	\$865,882	04/17/15	860,027	649,411
13% Senior Subordinated Note due 10/29/2018	\$100,511	09/29/17	100,511	100,511
Limited Liability Company Unit	5 uts.	04/17/15	678,329	—
			1,638,867	749,922

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<b>MC Sign Holdings LLC</b>				
A provider of sign and lighting services nationwide.				
11.75% (0.75% PIK) Senior Subordinated Note due 08/09/2022				
	\$989,300 101,500	*	\$973,837	\$991,938
Limited Liability Company Unit Class B (B)	uts.	09/22/15	101,500	158,157
* 09/22/15 and 02/09/17.			1,075,337	1,150,095
<b>Merex Holding Corporation</b>				
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	449,752
15% PIK Senior Subordinated Note due 04/30/2022 (D)				
	\$23,839	08/18/15	23,839	22,647
14% PIK Senior Subordinated Note due 06/30/2019				
	\$37,859	10/21/16	37,859	37,853
Common Stock Class A (B)	83,080 shs.	*	170,705	254,013
* 08/18/15, 10/20/16 and 01/27/17.			681,416	764,265
<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				
	\$1,114,956 219,545	09/30/14	1,100,412	1,103,129
Common Stock Class B (B)	shs.	09/30/14	219,545	86,737
			1,319,957	1,189,866
<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				
	\$1,566,584	12/02/16	1,538,558	1,594,962
Preferred Stock	1,711 shs.	12/02/16	171,116	150,154

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Common Stock	242 shs.	12/02/16	242	—
			1,709,916	1,745,116

MNX Holding Company

An international third party logistics company providing customized logistics services to customers across the globe.

14% (2% PIK) Senior Subordinated Note

due 11/02/2019 \$ 1,329,511 11/02/12 1,319,721 1,329,511

Common Stock (B) 45 shs. 11/02/12 44,643 48,102

1,364,364 1,377,613

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Corporate Restricted Securities: (A) (Continued)				
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 10/29/2021				
	\$1,748,238	04/29/16	\$1,720,751	\$1,684,997
Motion Controls Holdings				
A manufacturer of high performance mechanical motion control and linkage products.				
14.25% (1.75% PIK) Senior Subordinated Note due 08/15/2020				
	\$282,920	11/30/10	281,084	282,920
Limited Liability Company Unit Class B-1 (B)(F)	75,000 uts.	11/30/10	—	40,971
Limited Liability Company Unit Class B-2 (B)(F)	6,801 uts.	11/30/10	—	3,715
			281,084	327,606
NetShape Technologies, Inc.				
A manufacturer of powder metal and metal injection molded precision components used in industrial, consumer, and other applications.				
12% Senior Subordinated Note due 06/10/2020 (D)				
	\$810,000	02/02/07	809,408	—
Limited Partnership Interest of Saw Mill PCG Partners LLC (B)				
	1.46% int.	02/01/07	588,077	—
Limited Liability Company Unit Class D of Saw Mill PCG Partners LLC (B)				
	9 uts.	*	8,873	—
Limited Liability Company Unit Class D-1 of Saw Mill PCG Partners LLC (B)				
	121 uts.	09/30/09	121,160	—
Limited Liability Company Unit Class D-2 of Saw Mill PCG Partners LLC (B)				
	68 uts.	04/29/11	34,547	—
Limited Liability Company Unit Class D-3 of Saw Mill PCG Partners LLC (B)				
	104 uts.	12/10/14	103,904	—
			1,665,969	—
* 12/18/08 and 09/30/09.				
NSi Industries Holdings, Inc.				
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	1,502,058	1,555,450
Common Stock (B)				
	207 shs.	05/17/16	207,000	250,752
			1,709,058	1,806,202





## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<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 07/29/2021	\$1,449,000	01/29/16	\$1,426,870	\$1,477,980
12% (1% PIK) Senior Subordinated Note due 08/17/2022	\$326,705	02/17/17	320,704	330,673
Common Stock Class B (B)	380,545 shs.	*	380,545	488,675
* 01/29/16 and 02/17/17.			2,128,119	2,297,328
<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	9,206
* 11/29/12 and 12/20/16.				
<b>Polytex Holdings LLC</b>				
A manufacturer of water based inks and related products serving primarily the wall covering market.				
13% (1% PIK) Senior Subordinated Note due 01/31/2020	\$1,069,985	07/31/14	1,059,341	1,016,108
	148,096			
Limited Liability Company Unit	uts.	07/31/14	148,096	—
Limited Liability Company Unit Class F	20,621 uts.	09/28/17	14,274	14,274
			1,221,711	1,030,382
<b>Power Stop Holdings LLC</b>				
A supplier of performance upgrade aftermarket brake products.				
11% Senior Subordinated Note due 05/29/2022	\$1,610,100	05/29/15	1,587,023	1,626,201
Limited Liability Company Unit Preferred (B)(F)	1,149 uts.	05/29/15	114,900	141,285
Limited Liability Company Unit Common (B)(F)	1,149 uts.	05/29/15	—	108,716
			1,701,923	1,876,202
<b>PPC Event Services</b>				
A special event equipment rental business.				
14% (2% PIK) Senior Subordinated Note due 05/20/2020	\$1,184,484	11/20/14	1,171,698	1,184,484
Limited Liability Company Unit (B)	3,450 uts.	11/20/14	172,500	458,907

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Limited Liability Company Unit Series A-1 (B)	339 uts.	03/16/16	42,419	52,160
			1,386,617	1,695,551
Randy's Worldwide Automotive				
A designer and distributor of automotive aftermarket parts.				
11.5% Senior Subordinated Note due 05/12/2021	\$1,135,898	05/12/15	1,121,325	1,147,257
Common Stock (B)	118 shs.	05/12/15	118,476	303,372
			1,239,801	1,450,629

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<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	\$67,639
Warrant, exercisable until 2023, to purchase common stock A at \$.01 per share (B)	31 shs.	03/15/13	28,316 103,825	27,634 95,273
<b>Smart Source Holdings LLC</b>				
A short-term computer rental company.				
Limited Liability Company Unit (B)	328 uts.	*	261,262	451,090
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	83 shs.	*	67,467	114,261
* 08/31/07 and 03/06/08.			328,729	565,351
<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	1,696,914	1,742,250
<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	857,662	867,652
Limited Liability Company Unit Series A (B)(F)	14 uts.	03/27/17	846,631 1,704,293	942,711 1,810,363
<b>Strahman Holdings Inc</b>				

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A manufacturer of industrial valves and wash down equipment for a variety of industries, including chemical, petrochemical, polymer, pharmaceutical, food processing, beverage and mining.

	158,967			
Preferred Stock Series A (B)	shs.	12/13/13	158,967	253,630
Preferred Stock Series A-2 (B)	26,543 shs.	09/10/15	29,994	42,349
			188,961	295,979

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
<b>Sunrise Windows Holding Company</b>				
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
<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	\$ 1,224,740	07/31/15	1,207,975	1,169,792
Common Stock (B)	68 shs.	07/31/15	78,150	55,819
			1,286,125	1,225,611
<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	138,048
<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	\$ 72,303	12/05/13	223,110	72,302
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	28,079 shs.	12/05/13	—	17,970
			223,110	90,272
<b>Tranzonic Holdings LLC</b>				
A producer of commercial and industrial supplies, such as safety products, janitorial supplies, work apparel, washroom and restroom supplies and sanitary care products.				
Limited Liability Company Unit Preferred Class A (B)	152,696 shs.	*	166,248	814,950
* 07/05/13 and 02/13/17.				

Tristar Global Energy Solutions, Inc.

A hydrocarbon and decontamination services provider serving refineries worldwide.

12.5% (1.5% PIK) Senior Subordinated Note

due 07/31/2020

\$1,156,302 01/23/15 1,142,950 1,049,735

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Barings Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2017

(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.				
10.75% Second Lien Term Loan due 01/29/2023	\$2,012,500	*	\$1,981,078	\$1,982,375
* 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	662,668
<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	895,271	1,778,423
Common Stock (B)	101 shs.	11/30/06	101,250	—
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	51 shs.	11/30/06	45,790	—
			1,042,311	1,778,423
<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	\$378,309	08/03/15	373,457	382,092
	370,241			
Limited Liability Company Unit (B)(F)	uts.	08/03/15	370,241	633,786
			743,698	1,015,878
<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	\$1,484,359	04/18/17	1,464,269	1,490,807
Limited Liability Company Unit Class A (B)(F)	123 uts.	04/18/17	148,096	131,193
Limited Liability Company Unit Class B (B)(F)	123 uts.	04/18/17	—	37,071
			1,612,365	1,659,071
<b>Wolf-Gordon, Inc.</b>				



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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	\$1,608,409	01/22/16	1,584,472	1,640,578
Common Stock (B)	157 shs.	01/22/16	156,818	168,720
			1,741,290	1,809,298