

BARINGS PARTICIPATION INVESTORS

Form N-Q

May 30, 2018

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

(Exact name of registrant as specified in charter)

1500 Main Street, Springfield, MA 01115

(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

(Name and address of agent for service)

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

Date of fiscal year end: 12/31

Date of reporting period: 03/31/18

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
Preferred Stock Series A (B)				
	125,000 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
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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 due 04/30/2023	\$1,568,182	10/31/16	1,542,172	1,557,481
11.5% (1.25% PIK) Senior Subordinated Note 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
AMS Holding LLC				
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
API Technologies Corp.				
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
ARI Holding Corporation				
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
ASC Holdings, Inc.				
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
Aurora Parts & Accessories LLC				
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

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
BCC Software, Inc.				
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
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	\$1,462,403	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
Blue Wave Products, Inc.				
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
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	—

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 due 06/19/2020	\$794,786	01/19/11	789,043	794,786
14% (2% PIK) Senior Subordinated Note 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 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
Clarion Brands Holding Corp.				
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
Clough, Harbour and Associates				
An engineering service firm that is located in Albany, NY.				
Preferred Stock (B)				
	147 shs.	12/02/08	146,594	1,311,014
Clubessential LLC				
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
Compass Chemical International LLC				
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
CORA Health Services, Inc.				
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
CTM Holding, Inc.				
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

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
DPL Holding Corporation				
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
Dunn Paper				
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
Eagle Family Foods, Inc.				
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
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				
	\$1,326,719	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
Elite Sportswear 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				
	\$1,588,640	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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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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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
GlynnDevins Acquisition Corporation				
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
Grakon Parent				
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
GraphPad Software, Inc.				
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
GTI Holding Company				
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
Handi Quilter Holding Company (Premier Needle Arts)				
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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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
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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 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	—

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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
JMH Investors LLC				
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
K P I Holdings, Inc.				
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
Manhattan Beachwear Holding Company				
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
Master Cutlery LLC				
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
Merex Holding Corporation				

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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
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MES Partners, Inc.

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

MeTEOR Education LLC

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

Midwest Industrial Rubber, Inc.

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

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 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 10/29/2021	\$1,756,918	04/29/16	1,732,210	1,625,761
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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	\$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
New Mountain Learning, LLC				
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
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	1,503,669	1,535,805
Common Stock (B)	207 shs.	05/17/16	207,000	258,516
			1,710,669	1,794,321
PANOS Brands LLC				
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
Pegasus Transtech Corporation				
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
Petroplex Inv Holdings LLC				
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
Power Stop Holdings LLC				
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
PPC Event Services				
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
Randy's Worldwide Automotive				
A designer and distributor of automotive aftermarket parts.				
Common Stock (B)	118 shs.	05/12/15	118,476	317,186
ReelCraft Industries, Inc.				
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
Signature Systems Holding Company				
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

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
SMB Machinery Holdings, Inc.				
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	—
Software Paradigms International Group, LLC				
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
SR Smith LLC				
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
Strahman Holdings Inc.				
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
Strategic Insight, Inc.				
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
Sunrise Windows Holding Company				

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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

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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
Sunvair Aerospace Group Inc.				
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
Team Drive-Away Holdings LLC				
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
Therma-Stor Holdings LLC				
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
Torrent Group Holdings, Inc.				
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
Tristar Global Energy Solutions, Inc.				
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
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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
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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
Veritext Corporation				
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.				
VP Holding Company				
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
Wellborn Forest Holding Company				
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	