

BARINGS PARTICIPATION INVESTORS

Form N-Q

November 29, 2016

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: 09/30/16

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|------------|------------|
| Corporate Restricted Securities - 83.44%: (A) | | | | |
| Private Placement Investments - 69.63%: (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 | \$ 137,055 |
| Limited Liability Company Unit Class A Common (B) | 11,364 uts. | 10/17/12 | 11,364 | 153,952 |
| | | | 113,634 | 291,007 |
| ABC Industries, Inc. | | | | |
| A manufacturer of mine and tunneling ventilation products in the U.S. | | | | |
| 13% Senior Subordinated Note due 07/31/2019 | \$ 139,205 | 08/01/12 | 131,415 | 138,330 |
| | 125,000 | | | |
| Preferred Stock Series A (B) | shs. | 08/01/12 | 125,000 | 224,686 |
| Warrant, exercisable until 2022, to purchase common stock at \$.02 per share (B) | 22,414 shs. | 08/01/12 | 42,446 | 37,857 |
| | | | 298,861 | 400,873 |
| 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. | | | | |
| Advanced Technologies Holdings | | | | |
| A provider of factory maintenance services to industrial companies. | | | | |
| Preferred Stock Series A (B) | 152 shs. | 12/27/07 | 75,131 | 329,556 |
| Convertible Preferred Stock Series B (B) | 28 shs. | 01/04/11 | 21,600 | 60,321 |
| | | | 96,731 | 389,877 |
| 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% Senior Subordinated Note due 09/27/2020 | \$ 1,200,329 | 03/27/15 | 1,181,644 | 1,224,335 |
| Preferred Stock (B) | 1,122 shs. | 03/27/15 | 112,154 | 114,673 |
| Common Stock (B) | 346 shs. | 03/27/15 | 346 | — |
| | | | 1,294,144 | 1,339,008 |
| 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.

| | | | | |
|---|-------------|----------|-----------|-----------|
| 12.5% Senior Subordinated Note due 11/18/2020 | \$1,477,791 | 11/18/14 | 1,455,792 | 1,516,078 |
| Limited Liability Company Unit | 288 uts. | 11/18/14 | 288,000 | 438,245 |
| | | | 1,743,792 | 1,954,323 |

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|------------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| 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) | 114 uts. | 10/04/12 | \$ 113,636 | \$ 287,929 |

Animal Supply Company

A distributor of pet products to independent pet stores, veterinary clients and other pet specialty retailers.

| | | | | |
|---|--------------|----------|-----------|-----------|
| 11.75% Second Lien Term Loan due 09/17/2019 | \$ 1,759,500 | 03/30/15 | 1,742,382 | 1,700,068 |
|---|--------------|----------|-----------|-----------|

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% Senior Subordinated Note due 4/22/2023 | \$ 1,386,057 345,000 | 04/22/16 | 1,363,211 | 1,417,034 |
| Limited Liability Company Unit (B) | uts. | 04/20/16 | 345,000 1,708,211 | 296,700 1,713,734 |

ARI Holding Corporation

A leading national supplier of products used primarily by specialty contractors.

| | | | | |
|---|--------------|----------|-----------|-----------|
| 11.5% Senior Subordinated Note due 02/01/2020 | \$ 1,710,973 | * | 1,692,711 | 1,710,973 |
| Limited Partnership Interest | 524 uts. | 08/01/14 | 523,950 | 665,268 |
| * 05/21/13 and 08/01/14. | | | 2,216,661 | 2,376,241 |

ASC Holdings, Inc.

A manufacturer of capital equipment used by corrugated box manufacturers.

| | | | | |
|---|-----------------------|----------|--------------------|-------------------|
| 13% Senior Subordinated Note due 05/18/2021 | \$ 746,816 111,100 | 11/19/15 | 733,695 | 747,330 |
| Limited Liability Company Unit (B) | uts. | 11/18/15 | 111,100 844,795 | 60,661 807,991 |

Aurora Parts & Accessories LLC

A distributor of aftermarket over-the-road semi-trailer parts and accessories sold to customers across North America.

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| | | | | |
|---|--------------|----------|-----------|-----------|
| 11% Senior Subordinated Note due 02/17/2022 | \$ 1,515,400 | 08/17/15 | 1,489,554 | 1,560,862 |
| Preferred Stock (B) | 210 shs. | 08/17/15 | 209,390 | 199,743 |
| Common Stock (B) | 210 shs. | 08/17/15 | 210 | — |
| | | | 1,699,154 | 1,760,605 |

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% Senior Subordinated Note due 01/31/2021 (D) | \$ 500,587 | 07/31/14 | 491,228 | — |
| Limited Liability Company Unit | 45,504 uts. | * | — | — |
| * 07/31/14 and 10/14/15. | | | 491,228 | — |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|------------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Blue Wave Products, Inc. | | | | |
| A distributor of pool supplies. | | | | |
| 10% Senior Secured Term Note due 09/30/2018 | \$ 158,865 | 10/12/12 | \$ 157,586 | \$ 158,865 |
| 13% Senior Subordinated Note due 09/30/2019 | \$ 330,589 | 10/12/12 | 317,601 | 330,589 |
| Common Stock (B) | 51,064 shs. | 10/12/12 | 51,064 | 216,167 |
| Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B) | 20,216 shs. | 10/12/12 | 20,216 | 85,580 |
| | | | 546,467 | 791,201 |
| 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% Senior Subordinated Note due 06/30/2021 | \$ 1,597,826 | 06/30/15 | 1,571,194 | 495,326 |
| Common Stock (B) | 1,417 shs. | 06/30/15 | 156,800 | — |
| | | | 1,727,994 | 495,326 |
| 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) | 417 uts. | 10/17/12 | 41,667 | 107,220 |
| Limited Liability Company Unit Class B (B) | 167 uts. | 10/17/12 | 166,666 | 259,831 |
| | | | 208,333 | 367,051 |
| 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 | * | 1,359,332 | 1,412,605 |
| Preferred Stock (B) | 1,350 shs. | * | 134,972 | 166,134 |
| Preferred Stock (B) | 489 shs. | * | 48,721 | 60,214 |
| Common Stock (B) | 140 shs. | * | 14,864 | 103,140 |
| Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B) | 58 shs. | * | 5,430 | 42,841 |
| * 05/09/13 and 11/01/13. | | | 1,563,319 | 1,784,934 |
| 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% Senior Subordinated Note due 01/19/2018 | \$ 776,910 | 01/19/11 | 765,508 | 776,910 |
| 14% Senior Subordinated Note due 08/03/2019 | \$ 203,967 | 08/03/12 | 201,998 | 203,967 |
| Common Stock (B) | 375 shs. | 01/19/11 | 37,500 | 55,102 |

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| | | | | |
|---|----------|----------|---------------------|---------------------|
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B) | 295 shs. | 01/19/11 | 29,250 1,034,256 | 43,313 1,079,292 |
|---|----------|----------|---------------------|---------------------|

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|-----------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Church Services Holding Company | | | | |
| A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets. | | | | |
| 14.5% Senior Subordinated Note due 03/26/2018 | \$192,847 | 03/26/12 | \$190,667 | \$170,381 |
| Preferred Stock Series A (B) | 65 shs. | 09/22/16 | 6,465 | — |
| Preferred Stock (B) | 548 shs. | 04/11/16 | 54,762 | — |
| Common Stock (B) | 1,327 shs. | * | 132,700 | — |
| Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B) | 57 shs. | 03/26/12 | 5,740 | — |
| * 03/26/12, 05/25/12 and 06/19/12. | | | 390,334 | 170,381 |

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% Senior Subordinated Note due 04/01/2021 | \$2,015,881 | * | 1,983,139 | 2,016,289 |
| Limited Liability Company Unit | 1,853 uts. | 07/18/16 | 189,267 | 211,221 |
| * 10/01/14 and 07/18/16. | | | 2,172,406 | 2,227,510 |

Clough, Harbour and Associates

An engineering service firm that is located in Albany, NY.

| | | | | |
|---------------------|----------|----------|---------|---------|
| Preferred Stock (B) | 147 shs. | 12/02/08 | 146,594 | 712,348 |
|---------------------|----------|----------|---------|---------|

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) | 230 uts. | 03/04/15 | 147,304 | 121,590 |
|------------------------------------|----------|----------|---------|---------|

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 | 106,761 |
| Limited Liability Company Unit Class C (B) | 59,756 uts. | 01/12/07 | 59,756 | 82,643 |
| | 671,525 | | | |
| Limited Liability Company Unit Class D (B) | uts. | 05/03/10 | — | 854,555 |

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| | | | | |
|--|------------|----------|---------|-----------|
| Limited Liability Company Unit Class E (B) | 1,102 uts. | 05/03/10 | — | 135,815 |
| | | | 142,369 | 1,179,774 |

CORA Health Services, Inc.

A provider of outpatient rehabilitation therapy services.

| | | | | |
|--|------------|----------|---------|---------|
| 12.75% Senior Subordinated Note due 06/30/2023 | \$761,597 | 06/30/16 | 746,978 | 766,395 |
| Common Stock Class A (B) | 3,791 shs. | 06/30/16 | 3,791 | 3,791 |
| Preferred Stock Series A (B) | 758 shs. | 06/30/16 | 72,033 | 72,033 |
| | | | 822,802 | 842,219 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|-------------|-------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| CTM Holding, Inc. | | | | |
| A leading owner and operator of coin-operated children's rides, penny presses and candy kiosks in the U.S. | | | | |
| 15% Senior Subordinated Note due 11/22/2019 | \$1,287,228 | 11/22/13 | \$1,272,237 | \$1,294,241 |
| Common Stock (B) | 90 shs. | * | 514,284 | 417,956 |
| * 11/22/13 and 09/16/16. | | | 1,786,521 | 1,712,197 |
| | | | | |
| DPL Holding Corporation | | | | |
| A distributor and manufacturer of aftermarket undercarriage parts for medium and heavy duty trucks and trailers. | | | | |
| 14% Senior Subordinated Note due 05/04/2019 | \$1,396,975 | 05/04/12 | 1,384,436 | 1,392,497 |
| Preferred Stock (B) | 25 shs. | 05/04/12 | 252,434 | 298,403 |
| Common Stock (B) | 25 shs. | 05/04/12 | 28,048 | — |
| | | | 1,664,918 | 1,690,900 |
| | | | | |
| Dunn Paper | | | | |
| 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 | 1,690,500 | 1,690,500 |
| | | | | |
| 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 | 1,702,371 | 1,707,157 |
| | | | | |
| ECG Consulting Group | | | | |
| A healthcare management consulting company who provides strategic, financial, operational, and technology related consulting services to healthcare providers. | | | | |
| 11.75% Senior Subordinated Note due 11/21/2020 | \$1,311,891 | 11/21/14 | 1,289,412 | 1,338,129 |
| Limited Liability Company Unit (B) | 230 uts. | 11/19/14 | 71,875 | 73,186 |
| | | | 1,361,287 | 1,411,315 |
| | | | | |
| ERG Holding Company LLC | | | | |
| A provider of inpatient and outpatient clinical trial services to pharmaceutical companies and contract research organizations. | | | | |
| 13.5% Senior Subordinated Note due 10/04/2019 | \$965,724 | 04/04/14 | 953,838 | 975,382 |
| 14% Senior Subordinated Note due 10/04/2019 | \$253,243 | 07/01/16 | 248,512 | 255,277 |
| Common Stock (B) | 31 shs. | 04/04/14 | 77,533 | 95,445 |
| | | | 1,279,883 | 1,326,104 |

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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 | 77,219 |
| Limited Liability Company Unit Common (B) | 171 uts. | 09/27/10 | 17,073 | 170,340 |
| | | | 75,418 | 247,559 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|-----------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| 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 | 170,517 |
| Limited Liability Company Unit Class B-2 (B) | 8,248 uts. | 12/15/10 | 8,248 | 21,378 |
| Limited Liability Company Unit Class B-3 (B) | 6,522 uts. | 08/30/12 | 15,000 | 18,599 |
| Limited Liability Company Unit Class C (B) | 1,575 uts. | 12/20/10 | 16,009 | 33,013 |
| | | | 105,046 | 324,066 |
| FMH Holdings Corporation | | | | |
| A designer and manufacturer of highly engineered components for the aerospace, defense and space industries. | | | | |
| 11.5% Senior Subordinated Note due 11/01/2020 | \$1,443,937 | 05/01/15 | 1,421,549 | 1,458,376 |
| Common Stock (B) | 148 shs. | 05/01/15 | 148,096 | 244,251 |
| | | | 1,569,645 | 1,702,627 |
| 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 | 100,760 |
| Limited Liability Company Unit Common (B) | 767 uts. | 10/05/12 | 767 | 30,346 |
| | | | 76,687 | 131,106 |
| GenNx Novel Holding, Inc. | | | | |
| A manufacturer and distributor of nutraceutical ingredients. | | | | |
| 15% Senior Subordinated Note due 03/27/2020 | \$1,605,904 | 03/27/14 | 1,585,021 | 1,465,750 |
| Common Stock (B) | 15,500 shs. | 03/27/14 | 155,000 | 38,929 |
| | | | 1,740,021 | 1,504,679 |
| 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% Senior Subordinated Note due 03/27/2019 | \$1,213,951 | 03/27/13 | 1,202,198 | 1,204,687 |
| Common Stock (B) | 1,181 shs. | 03/27/13 | 118,110 | 133,052 |
| | | | 1,320,308 | 1,337,739 |

Glynlyon Holding Companies, Inc.

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

| | | | | |
|---|-------------|----------|-----------|-----------|
| 12% Senior Subordinated Note due 01/05/2022 | \$1,588,809 | 01/15/16 | 1,559,903 | 1,636,473 |
| Common Stock (B) | 147 shs. | 01/15/16 | 147,436 | 156,650 |
| | | | 1,707,339 | 1,793,123 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|-----------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| GlynnDevins Acquisition Corporation | | | | |
| A marketing communications agency that services senior living facilities. | | | | |
| Preferred Stock Series A (B) | 342 shs. | 06/19/15 | \$70,683 | \$76,522 |
| Common Stock (B) | 342 shs. | 06/19/15 | 2,945 | 8,264 |
| | | | 73,628 | 84,786 |
| 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 | 215,591 |
| GTI Holding Company | | | | |
| 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 | 694,191 | 706,432 |
| Common Stock (B) | 846 shs. | 02/05/14 | 84,636 | 90,673 |
| Warrant, exercisable until 2024, to purchase common stock at \$.01 per share (B) | 397 shs. | 02/05/14 | 36,816 | 42,550 |
| | | | 815,643 | 839,655 |
| Handi Quilter Holding Company | | | | |
| A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market. | | | | |
| 12% Senior Subordinated Note due 06/19/2021 | \$1,437,500 | 12/19/14 | 1,414,503 | 1,484,004 |
| Limited Liability Company Unit Preferred (B) | 359 uts. | * | 359,375 | 364,224 |
| Limited Liability Company Unit Common Class A (B) | 3,594 uts. | 12/19/14 | — | — |
| * 12/19/14 and 04/29/16. | | | 1,773,878 | 1,848,228 |
| Happy Floors Acquisition, Inc. | | | | |
| A wholesale importer and value-added distributor of premium European flooring tile to residential and commercial end markets. | | | | |
| 12.5% Senior Subordinated Note due 07/01/2022 | \$1,579,439 | 07/01/16 | 1,549,228 | 1,584,876 |
| Common Stock (B) | 150 shs. | 07/01/16 | 149,500 | 149,500 |
| | | | 1,698,728 | 1,734,376 |
| Hartland Controls Holding Corporation | | | | |
| A manufacturer and distributor of electronic and electromechanical components. | | | | |
| 14% Senior Subordinated Note due 08/14/2019 | \$1,100,874 | 02/14/14 | 1,087,386 | 1,111,883 |
| 12% Senior Subordinated Note due 08/14/2019 | \$431,250 | 06/22/15 | 428,064 | 439,875 |

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| | | | | |
|------------------------------|------------|----------|-----------|-----------|
| Preferred Stock Series A (B) | 1,140 shs. | 02/14/14 | 114,011 | 126,157 |
| Common Stock (B) | 821 shs. | 02/14/14 | 822 | 284,157 |
| | | | 1,630,283 | 1,962,072 |

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|-----------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Healthcare Direct Holding Company | | | | |
| A direct-to-customer marketer of discount dental plans. | | | | |
| Common Stock (B) | 517 shs. | 03/09/12 | \$21,419 | \$107,056 |
| HHI Group, LLC | | | | |
| A developer, marketer, and distributor of hobby-grade radio control products. | | | | |
| 16% Senior Subordinated Note due 01/17/2020 | \$1,705,848 | 01/17/14 | 1,686,231 | 1,475,827 |
| Limited Liability Company Unit (B) | 102 uts. | 01/17/14 | 101,563 | 2,232 |
| | | | 1,787,794 | 1,478,059 |
| Hi-Rel Group LLC | | | | |
| A manufacturer and distributor of precision metal piece parts for the microelectronic packaging industry, serving the aerospace/defense, telecommunications, and medical end markets. | | | | |
| 12% Senior Subordinated Note due 04/15/2021 | \$703,125 | 04/15/13 | 682,277 | 710,156 |
| Limited Liability Company Unit (B) | 234 uts. | 04/15/13 | 234,375 | 1,114,724 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 37,177 shs. | 04/15/13 | 32,344 | 212,238 |
| | | | 948,996 | 2,037,118 |
| Hollandia Produce LLC | | | | |
| A hydroponic greenhouse producer of branded root vegetables. | | | | |
| 13.75% Senior Subordinated Note due 03/31/2021 | \$1,320,718 | 12/30/15 | 1,297,748 | 1,328,186 |
| 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) | 47 uts. | 10/14/11 | — | — |
| Limited Liability Company Unit Class G (B) | 114 uts. | 10/14/11 | — | — |
| Limited Liability Company Unit Class H (B) | 47 uts. | 10/14/11 | — | — |
| Limited Liability Company Unit Class I (B) | 47 uts. | 10/14/11 | — | — |
| | | | — | — |
| Hospitality Mints Holding Company | | | | |
| A manufacturer of individually-wrapped imprinted promotional mints. | | | | |
| 12% Senior Subordinated Note due 10/01/2018 | \$1,098,837 | 08/19/08 | 1,094,457 | 1,028,587 |

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| | | | | |
|---|----------|----------|---------------------|---------------------|
| Common Stock (B) | 251 shs. | 08/19/08 | 251,163 | 45,976 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 65 shs. | 08/19/08 | 60,233 1,405,853 | 11,884 1,086,447 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|--------------|--------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| HVAC Holdings, Inc. | | | | |
| A provider of integrated energy efficiency services and maintenance programs for HVAC systems. | | | | |
| 12% Senior Subordinated Note due 7/19/2022 | \$ 1,126,006 | 07/19/16 | \$ 1,113,934 | \$ 1,124,605 |
| Limited Liability Company Unit Class A Preferred (B) | 1,127 uts. | 09/27/12 | 112,726 | 165,271 |
| Limited Liability Company Unit Class A Common (B) | 910 uts. | 09/27/12 | 910 | 93,912 |
| | | | 1,227,570 | 1,383,788 |
| Ideal Tridon Holdings, Inc. | | | | |
| A designer and manufacturer of clamps and couplings used in automotive and industrial end markets. | | | | |
| Common Stock | 93 shs. | 10/27/11 | 77,462 | 172,099 |
| 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. | | | | |
| 13% Senior Subordinated Note due 11/10/2020 | \$ 1,084,039 | 11/10/14 | 1,067,760 | 1,092,950 |
| Common Stock (B) | 2,300 shs. | 11/10/14 | 230,000 | 242,871 |
| | | | 1,297,760 | 1,335,821 |
| 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 | 122,994 |
| J A C Holding Enterprises, Inc. | | | | |
| A supplier of luggage racks and accessories to the original equipment manufacturers. | | | | |
| Preferred Stock A (B) | 165 shs. | 12/20/10 | 165,000 | 326,697 |
| Preferred Stock B (B) | 0.06 shs. | 12/20/10 | — | 119 |
| Common Stock | 33 shs. | 12/20/10 | 1,667 | 207,498 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 12 shs. | 12/20/10 | 105,643 | 172,825 |
| | | | 272,310 | 707,139 |
| Janus Group Holdings LLC | | | | |
| A manufacturer of roll-up doors and hallway systems that are primarily used in self-storage facilities. | | | | |
| 13.5% Senior Subordinated Note due 06/10/2019 | \$ 577,581 | 12/11/13 | 570,838 | 583,357 |
| Limited Liability Company Unit Class A (B) | 283 uts. | 12/11/13 | 611,794 | 1,534,406 |
| | | | 1,182,632 | 2,117,763 |

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JMH Investors LLC

A developer and manufacturer of custom formulations for a wide variety of foods.

| | | | | |
|--|--------------|----------|-----------|---|
| 14.25% Senior Subordinated Note due 12/05/2019 (D) | \$ 1,093,961 | 12/05/12 | 1,079,903 | — |
| | 1,038,805 | | | |
| Limited Liability Company Unit (B) | uts. | 12/05/12 | 232,207 | — |
| | | | 1,312,110 | — |

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|-------|------------|
| K & N Parent, Inc. A manufacturer and supplier of automotive aftermarket performance air filters and intake systems. | | | | |
| Preferred Stock Series A | 102 shs. | 12/23/11 | \$— | \$— |
| Preferred Stock Series B | 29 shs. | 12/23/11 | — | — |
| Common Stock | 163 shs. | * | 6,522 | 304,493 |
| * 12/23/11 and 06/30/14. | | | 6,522 | 304,493 |

K N B Holdings Corporation

A designer, manufacturer and marketer of products for the custom framing market.

| | | | | |
|--|-------------|----------|---------|---------|
| Common Stock (B) | 71,053 shs. | 05/24/06 | 71,053 | 87,460 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 43,600 shs. | 05/25/06 | 37,871 | 53,668 |
| | | | 108,924 | 141,128 |

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 | — | 76,314 |
| Common Stock (B) | 353 shs. | 07/15/08 | 285,619 | 346,535 |
| | | | 285,619 | 422,849 |

Kyjen Company

A designer and distributor of branded and private label dog toys and accessories primarily in the US.

| | | | | |
|---|-------------|----------|-----------|-----------|
| 13% Senior Subordinated Note due 10/14/2021 | \$1,306,229 | 10/14/15 | 1,283,266 | 1,345,416 |
|---|-------------|----------|-----------|-----------|

Mail Communications Group, Inc.

A provider of mail processing and handling services, lettershop services, and commercial printing services.

| | | | | |
|--|-------------|----------|---------|---------|
| Limited Liability Company Unit | 12,764 uts. | * | 166,481 | 173,397 |
| Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B) | 1,787 shs. | 05/04/07 | 22,781 | 24,277 |
| * 05/04/07 and 01/02/08. | | | 189,262 | 197,674 |

Manhattan Beachwear Holding Company

A designer and distributor of women's swimwear.

| | | | | |
|---|-----------|----------|---------|---|
| 12.5% Senior Subordinated Note due 01/15/2018 (D) | \$419,971 | 01/15/10 | 404,121 | — |
|---|-----------|----------|---------|---|

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| | | | | |
|---|------------|----------|---------|---|
| 15% Senior Subordinated Note due 01/15/2018 (D) | \$ 115,253 | 10/05/10 | 114,604 | — |
| Common Stock (B) | 35 shs. | 10/05/10 | 35,400 | — |
| Common Stock Class B (B) | 118 shs. | 01/15/10 | 117,647 | — |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 104 shs. | 10/05/10 | 94,579 | — |
| | | | 766,351 | — |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|-----------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Master Cutlery LLC | | | | |
| A designer and marketer of a wide assortment of knives and swords. | | | | |
| 13% Senior Subordinated Note due 04/17/2020 | \$874,763 | 04/17/15 | \$866,780 | \$829,807 |
| Limited Liability Company Unit | 5 uts. | 04/17/15 | 678,329 | 274,290 |
| | | | 1,545,109 | 1,104,097 |
| MC Sign Holdings LLC | | | | |
| A provider of sign and lighting services nationwide. | | | | |
| 11.75% Senior Subordinated Note due 09/15/2021 | \$766,867 | 09/22/15 | 753,548 | 774,536 |
| | 101,500 | | | |
| Limited Liability Company Unit Class B (B) | uts. | 09/22/15 | 101,500 | 103,449 |
| | | | 855,048 | 877,985 |
| Merex Holding Corporation | | | | |
| 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% Senior Subordinated Note due 04/30/2022 (D) | \$23,839 | 08/18/15 | 23,839 | — |
| Limited Liability Company Unit Series A (B) | 228 uts. | 05/07/14 | 14,760 | — |
| | 155,945 | | | |
| Limited Liability Company Unit Series B (B) | uts. | 09/22/11 | 155,945 | — |
| Common Stock Class A (B) | 1,859 shs. | 08/18/15 | — | — |
| | | | 643,557 | 340,721 |
| 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% Senior Subordinated Note due 09/30/2021 | \$1,103,876 | 09/30/14 | 1,086,675 | 1,125,954 |
| | 219,545 | | | |
| Common Stock Class B (B) | shs. | 09/30/14 | 219,545 | 136,222 |
| | | | 1,306,220 | 1,262,176 |
| MNX Holding Company | | | | |
| An international third party logistics company providing customized logistics services to customers across the globe. | | | | |
| 14% Senior Subordinated Note due 11/02/2019 | \$1,303,250 | 11/02/12 | 1,289,691 | 1,303,250 |
| Common Stock (B) | 45 shs. | 11/02/12 | 44,643 | 45,255 |
| | | | 1,334,334 | 1,348,505 |

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% Senior Subordinated Note due 10/29/2021 \$1,730,864 04/29/16 1,698,431 1,740,012

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|-----------|-------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Motion Controls Holdings | | | | |
| A manufacturer of high performance mechanical motion control and linkage products. | | | | |
| 14.25% Senior Subordinated Note due 08/15/2020 | \$1,004,984 | 11/30/10 | \$997,562 | \$1,004,984 |
| Limited Liability Company Unit Class B-1 (B) | 75,000 uts. | 11/30/10 | — | 44,781 |
| Limited Liability Company Unit Class B-2 (B) | 6,801 uts. | 11/30/10 | — | 4,061 |
| | | | 997,562 | 1,053,826 |

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 | \$810,000 | 02/02/07 | 809,408 | — |
| Limited Partnership Interest of Saw Mill PCG Partners LLC (B) | 1.38% 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 | 36,011 |
| * 12/18/08 and 09/30/09. | | | 1,665,969 | 36,011 |

NSi Industries Holdings, Inc.

A manufacturer and distributor of electrical components and accessories to small to mid-sized electrical wholesalers.

| | | | | |
|--|-------------|----------|-----------|-----------|
| 12.75% Senior Subordinated Note due 05/17/2023 | \$1,527,814 | 06/30/16 | 1,499,119 | 1,563,548 |
| Common Stock (B) | 207 shs. | 05/17/16 | 207,000 | 237,184 |
| | | | 1,706,119 | 1,800,732 |

O E C Holding Corporation

A provider of elevator maintenance, repair and modernization services.

| | | | | |
|------------------------------|----------|----------|--------|---------|
| Preferred Stock Series A (B) | 554 shs. | 06/04/10 | 55,354 | 69,031 |
| Preferred Stock Series B (B) | 311 shs. | 06/04/10 | 31,125 | 55,140 |
| Common Stock (B) | 344 shs. | 06/04/10 | 344 | 49,862 |
| | | | 86,823 | 174,033 |

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% Senior Subordinated Note due 07/29/2021 | \$1,449,000 | 01/29/16 | 1,422,609 | 1,492,470 |
| | 276,000 | | | |
| Common Stock Class A (B) | shs. | 01/29/16 | 276,000 | 329,001 |
| | | | 1,698,609 | 1,821,471 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|-----------|-------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Pearlman Enterprises, Inc. | | | | |
| A developer and distributor of tools, equipment and supplies to the natural and engineered stone industry. | | | | |
| Preferred Stock Series A (B) | 1,236 shs. | 05/22/09 | \$59,034 | \$1,235,800 |
| Preferred Stock Series B (B) | 7,059 shs. | 05/22/09 | 290,050 | 179,644 |
| Common Stock (B) | 21,462 shs. | 05/22/09 | 993,816 | — |
| | | | 1,342,900 | 1,415,444 |
| Petroplex Inv Holdings LLC | | | | |
| A leading provider of acidizing services to E&P customers in the Permian Basin. | | | | |
| | 156,250 | | | |
| Limited Liability Company Unit | uts. | 11/29/12 | 156,250 | — |
| Polytex Holdings LLC | | | | |
| A manufacturer of water based inks and related products serving primarily the wall covering market. | | | | |
| 13% Senior Subordinated Note due 01/31/2020 | \$1,059,351 | 07/31/14 | 1,045,056 | 1,044,220 |
| | 148,096 | | | |
| Limited Liability Company Unit | uts. | 07/31/14 | 148,096 | 128,088 |
| | | | 1,193,152 | 1,172,308 |
| Power Stop Holdings LLC | | | | |
| A supplier of performance upgrade aftermarket brake products. | | | | |
| 11% Senior Subordinated Note due 05/29/2022 | \$1,610,100 | 05/29/15 | 1,583,360 | 1,642,302 |
| Limited Liability Company Unit Preferred (B) | 1,149 uts. | 05/29/15 | 114,900 | 127,997 |
| Limited Liability Company Unit Common (B) | 1,149 uts. | 05/29/15 | — | 77,735 |
| | | | 1,698,260 | 1,848,034 |
| PPC Event Services | | | | |
| A special event equipment rental business. | | | | |
| 14% Senior Subordinated Note due 05/20/2020 | \$1,161,087 | 11/20/14 | 1,144,535 | 1,184,309 |
| Limited Liability Company Unit (B) | 3,450 uts. | 11/20/14 | 172,500 | 439,740 |
| Limited Liability Company Unit Series A-1 (B) | 339 uts. | 03/16/16 | 42,419 | 49,825 |
| | | | 1,359,454 | 1,673,874 |
| 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 | 1,117,965 | 1,158,616 |
| Common Stock (B) | 118 shs. | 05/12/15 | 118,476 | 174,818 |
| | | | 1,236,441 | 1,333,434 |

REVSpring, Inc.

A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries.

| | | | | |
|--|-------------|---|---------|---------|
| Limited Liability Company Unit Class A (B) | 13,548 uts. | * | 135,477 | 253,325 |
|--|-------------|---|---------|---------|

* 10/21/11 and 08/03/12.

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|-----------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Safety Infrastructure Solutions | | | | |
| A provider of trench safety equipment to a diverse customer base across multiple end markets in Texas and the Southwestern United States. | | | | |
| Preferred Stock (B) | 2,098 shs. | 03/30/12 | \$83,920 | \$123,628 |
| Common Stock (B) | 983 shs. | 03/30/12 | 9,830 | 176,065 |
| | | | 93,750 | 299,693 |
| 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 | 31,129 |
| Warrant, exercisable until 2023, to purchase common stock A at \$.01 per share (B) | 31 shs. | 03/15/13 | 28,316 | 12,718 |
| | | | 103,825 | 43,847 |
| Smart Source Holdings LLC | | | | |
| A short-term computer rental company. | | | | |
| Limited Liability Company Unit (B) | 328 uts. | * | 261,262 | 393,663 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 83 shs. | * | 67,467 | 99,715 |
| | | | 328,729 | 493,378 |
| * 08/31/07 and 03/06/08. | | | | |
| SMB Machinery Holdings, Inc. | | | | |
| A reseller of used, rebuilt and refurbished packaging and processing equipment, primarily serving the bottling and food manufacturing industries. | | | | |
| 14% 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% Senior Subordinated Note due 11/23/2021 | \$1,725,000 | 05/23/16 | 1,692,087 | 1,757,116 |

Strahman Holdings Inc

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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.

| | | | | |
|---|-------------|----------|-----------|-----------|
| 14% Senior Subordinated Note due 06/13/2019 | \$1,059,783 | 12/13/13 | 1,044,659 | 1,051,600 |
| | 158,967 | | | |
| Preferred Stock Series A (B) | shs. | 12/13/13 | 158,967 | 192,350 |
| Preferred Stock Series A-2 (B) | 26,543 shs. | 09/10/15 | 29,994 | 32,117 |
| | | | 1,233,620 | 1,276,067 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|-------------|-------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Sunrise Windows Holding Company | | | | |
| A manufacturer and marketer of premium vinyl windows exclusively selling to the residential remodeling and replacement market. | | | | |
| 16% Senior Subordinated Note due 12/14/2017 | \$1,372,356 | * | \$1,355,714 | \$1,235,120 |
| Common Stock (B) | 38 shs. | 12/14/10 | 38,168 | 13,630 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 37 shs. | 12/14/10 | 37,249 | 13,301 |
| * 12/14/10, 08/17/12 and 03/31/16. | | | 1,431,131 | 1,262,051 |

Sunvair Aerospace Group Inc.

An aerospace maintenance, repair, and overhaul provider servicing landing gears on narrow body aircraft.

| | | | | |
|---|-------------|----------|-----------|-----------|
| 12% Senior Subordinated Note due 07/31/2021 | \$1,215,600 | 07/31/15 | 1,195,390 | 1,206,825 |
| Common Stock (B) | 68 shs. | 07/31/15 | 78,150 | 49,525 |
| | | | 1,273,540 | 1,256,350 |

Team Drive-Away Holdings LLC

An asset-light provider of over the road driveaway services for class 8 trucks and specialized equipment.

| | | | | |
|---|-------------|----------|---------|---------|
| 12.5% Senior Subordinated Note due 04/15/2021 | \$766,700 | 10/15/15 | 753,337 | 789,701 |
| Limited Liability Company Unit (B) | 95,800 uts. | 10/15/15 | 95,800 | 121,187 |
| | | | 849,137 | 910,888 |

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.

| | | | | |
|--|-------------|----------|---------|---------|
| 3% Senior Subordinated Note due 12/31/2018 (D) | \$634,764 | 12/05/13 | — | 634,764 |
| 15% Senior Subordinated Note due 12/05/2020 (D) | \$67,125 | 12/05/13 | 219,203 | 67,125 |
| Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B) | 28,079 shs. | 12/05/13 | — | 5,616 |
| | | | 219,203 | 707,505 |

Tranzonic Holdings LLC

A producer of commercial and industrial supplies, such as safety products, janitorial supplies, work apparel, washroom and restroom supplies and sanitary care products.

| | | | | |
|--|---------|----------|---------|---------|
| | 147,727 | | | |
| Limited Liability Company Unit Preferred Class A (B) | shs. | 07/05/13 | 147,727 | 214,778 |

Tristar Global Energy Solutions, Inc.

A hydrocarbon and decontamination services provider serving refineries worldwide.

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| | | | | |
|---|-------------|----------|-----------|-----------|
| 12.5% Senior Subordinated Note due 07/31/2020 | \$1,139,119 | 01/23/15 | 1,122,100 | 1,126,192 |
|---|-------------|----------|-----------|-----------|

Veritext Corporation

A provider of stenographic staffing and other services used during the legal deposition process.

| | | | | |
|---|-------------|----------|-----------|-----------|
| 10.75% Second Lien Term Loan due 01/29/2023 | \$1,725,000 | 01/21/16 | 1,693,819 | 1,723,668 |
|---|-------------|----------|-----------|-----------|

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|------------|------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| Vitex Packaging Group, Inc. | | | | |
| A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags. | 406,525 | | | |
| Class B Unit (B) | uts. | 10/29/09 | \$ 184,266 | \$— |
| | 450,000 | | | |
| Class C Unit (B) | uts. | 10/29/09 | 413,244 | 102,742 |
| | 383,011 | | | |
| Limited Liability Company Unit Class A (B) | uts. | * | 229,353 | — |
| Limited Liability Company Unit Class B (B) | 96,848 uts. | 07/19/04 | 96,848 | — |
| * 07/19/04 and 10/29/09. | | | 923,711 | 102,742 |

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 | 558,444 |
|------------------|------------|----------|---------|---------|

Wellborn Forest Holding Company

A manufacturer of semi-custom kitchen and bath cabinetry.

| | | | | |
|--|--------------|----------|-----------|-----------|
| 8% Senior Subordinated Note due 09/30/2017 (D) | \$ 1,680,931 | 11/30/06 | 867,531 | 1,512,838 |
| Common Stock (B) | 101 shs. | 11/30/06 | 101,250 | — |
| Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B) | 51 shs. | 11/30/06 | 45,790 | — |
| | | | 1,014,571 | 1,512,838 |

Westminster Acquisition LLC

A manufacturer of premium, all-natural oyster cracker products sold under the Westminster and Olde Cape Cod brands.

| | | | | |
|---|------------|----------|---------|---------|
| 12% Senior Subordinated Note due 02/03/2021 | \$ 374,549 | 08/03/15 | 368,517 | 382,040 |
| | 370,241 | | | |
| Limited Liability Company Unit (B) | uts. | 08/03/15 | 370,241 | 559,546 |
| | | | 738,758 | 941,586 |

Whitcraft Holdings, Inc.

A leading independent manufacturer of precision formed, machined, and fabricated flight-critical aerospace components.

| | | | | |
|------------------|----------|----------|---------|---------|
| Common Stock (B) | 205 shs. | 12/16/10 | 205,480 | 223,158 |
|------------------|----------|----------|---------|---------|

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| | | | | |
|---|---------|----------|-------------------|-------------------|
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 55 shs. | 12/16/10 | 49,334 254,814 | 59,971 283,129 |
|---|---------|----------|-------------------|-------------------|

Wolf-Gordon, Inc.

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

| | | | | |
|---|-------------|----------|----------------------|----------------------|
| 12.5% Senior Subordinated Note due 07/22/2021 | \$1,584,508 | 01/22/16 | 1,555,991 | 1,632,043 |
| Common Stock (B) | 157 shs. | 01/22/16 | 156,818 1,712,809 | 177,327 1,809,370 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|--------------|--------------|
| Corporate Restricted Securities: (A) (Continued) | | | | |
| WP Supply Holding Corporation | | | | |
| A distributor of fresh fruits and vegetables to grocery wholesalers and foodservice distributors in the upper Midwest. | | | | |
| 14.5% Senior Subordinated Note due 06/12/2020 | \$960,675 | 11/03/11 | \$953,670 | \$960,675 |
| Common Stock (B) | 1,500 shs. | 11/03/11 | 150,000 | 215,297 |
| | | | 1,103,670 | 1,175,972 |
| York Wall Holding Company | | | | |
| A designer, manufacturer and marketer of wall covering products for both residential and commercial wall coverings. | | | | |
| 12.5% Senior Subordinated Note due 03/04/2021 | \$1,578,218 | 03/04/15 | 1,553,360 | 1,374,787 |
| Common Stock (B) | 1,835 shs. | 03/04/15 | 183,500 | 85,680 |
| | | | 1,736,860 | 1,460,467 |
| Total Private Placement Investments (E) | | | \$96,700,255 | \$98,517,161 |

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Interest Rate | Maturity Date | Principal Amount | Cost | Market Value |
|--|---------------|---------------|------------------|-----------|--------------|
| Rule 144A Securities - 13.81%: | | | | | |
| Bonds - 13.81% | | | | | |
| Altice Financing S.A. | 7.500% | 05/15/26 | \$400,000 | \$400,000 | \$416,500 |
| Amsted Industries | 5.375 | 09/15/24 | 240,000 | 240,000 | 238,800 |
| Beazer Homes USA, Inc. | 8.750 | 03/15/22 | 160,000 | 160,000 | 168,800 |
| Belden Inc. | 5.250 | 07/15/24 | 210,000 | 210,000 | 213,150 |
| Boise Cascade Company | 5.625 | 09/01/24 | 130,000 | 130,000 | 131,950 |
| Cimpres N.V. | 7.000 | 04/01/22 | 500,000 | 486,833 | 521,250 |
| CITGO Petroleum Corporation | 6.250 | 08/15/22 | 425,000 | 425,000 | 414,375 |
| Consolidated Energy Finance S.A. | 6.750 | 10/15/19 | 500,000 | 494,662 | 493,750 |
| Constellium N.V. | 7.875 | 04/01/21 | 373,000 | 373,000 | 398,177 |
| Cornerstone Chemical Company | 9.375 | 03/15/18 | 375,000 | 378,449 | 373,125 |
| CTP Transportation Products, LLC | 8.250 | 12/15/19 | 310,000 | 310,000 | 242,575 |
| CVR Partners, LP. | 9.250 | 06/15/23 | 500,000 | 487,893 | 483,750 |
| Dean Foods | 6.500 | 03/15/23 | 329,000 | 329,000 | 350,878 |
| Dell Inc. | 4.420 | 06/15/21 | 600,000 | 628,238 | 627,072 |
| Digicel Group Limited | 6.000 | 04/15/21 | 500,000 | 457,217 | 441,700 |
| Endo Finance LLC | 5.375 | 01/31/23 | 500,000 | 490,521 | 442,500 |
| First Data Corporation | 5.000 | 01/15/24 | 406,000 | 406,000 | 412,090 |
| HD Supply, Inc. | 5.250 | 12/15/21 | 127,000 | 127,000 | 134,302 |
| Hilcorp Energy Company | 5.000 | 12/01/24 | 335,000 | 335,000 | 320,763 |
| HP Enterprise Company | 4.900 | 10/15/25 | 500,000 | 498,680 | 533,653 |
| Hughes Satellite Systems Corporation | 6.625 | 08/01/26 | 500,000 | 496,516 | 482,500 |
| International Wire Group | 8.500 | 10/15/17 | 500,000 | 509,826 | 500,700 |
| J.B. Poindexter Co., Inc. | 9.000 | 04/01/22 | 500,000 | 500,000 | 529,375 |
| Jupiter Resources Inc. | 8.500 | 10/01/22 | 500,000 | 473,328 | 420,000 |
| OPE KAG Finance Sub | 7.875 | 07/31/23 | 500,000 | 521,579 | 473,750 |
| LBC Tank Terminals Holding Netherlands B.V. | 6.875 | 05/15/23 | 663,000 | 679,138 | 659,685 |
| Mallinckrodt PLC | 5.750 | 08/01/22 | 500,000 | 500,000 | 493,125 |
| MEG Energy Corporation | 6.375 | 01/30/23 | 500,000 | 500,000 | 395,625 |
| Micron Technology, Inc. | 5.250 | 08/01/23 | 494,000 | 494,000 | 487,825 |
| Micron Technology, Inc. | 7.500 | 09/15/23 | 203,000 | 203,000 | 225,480 |
| Moog Inc. | 5.250 | 12/01/22 | 500,000 | 503,402 | 516,875 |
| Nielsen Finance LLC | 5.000 | 04/15/22 | 271,000 | 272,632 | 279,808 |
| Penske Corporation | 4.875 | 07/11/22 | 500,000 | 498,571 | 557,948 |
| Prime Security Services Borrower | 9.250 | 05/15/23 | 500,000 | 500,000 | 545,000 |
| Sabre GLBL, Inc. | 5.250 | 11/15/23 | 122,000 | 122,000 | 124,135 |
| Sinclair Broadcast Group, Inc. | 5.875 | 03/15/26 | 204,000 | 204,000 | 212,160 |
| Sinclair Television Group, Inc. | 5.125 | 02/15/27 | 500,000 | 500,000 | 488,750 |
| Tallgrass Operations LLC | 5.500 | 09/15/24 | 304,000 | 304,000 | 306,280 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Interest Rate | Maturity Date | Shares or Principal Amount | Cost | Market Value |
|--|---------------|---------------|----------------------------|----------------|----------------|
| TeamHealth Holdings Inc | 7.250 % | 12/15/23 | \$ 115,000 | \$ 115,000 | \$ 123,769 |
| Topaz Marine S.A. | 8.625 | 11/01/18 | 500,000 | 500,000 | 483,630 |
| Unitymedia KabelBW GmbH | 6.125 | 01/15/25 | 500,000 | 500,000 | 524,375 |
| Univision Communications, Inc. | 5.125 | 05/15/23 | 160,000 | 160,000 | 162,000 |
| Univision Communications, Inc. | 5.125 | 02/15/25 | 419,000 | 424,761 | 421,619 |
| UPCB Finance IV Limited | 5.375 | 01/15/25 | 208,000 | 208,000 | 208,967 |
| Valeant Pharmaceuticals International | 7.000 | 10/01/20 | 250,000 | 250,462 | 242,500 |
| Virgin Media Secured Finance PLC | 5.250 | 01/15/26 | 500,000 | 503,527 | 507,500 |
| VRX Escrow Corp. | 6.125 | 04/15/25 | 382,000 | 382,000 | 328,998 |
| Welltec A/S | 8.000 | 02/01/19 | 375,000 | 371,844 | 362,344 |
| West Corporation | 5.375 | 07/15/22 | 500,000 | 492,300 | 490,000 |
| Western Digital Corporation | 10.500 | 04/01/24 | 253,000 | 253,000 | 293,480 |
| Wolverine World Wide, Inc. | 5.000 | 09/01/26 | 335,000 | 335,000 | 338,350 |
| Total Bonds | | | | 19,645,379 | 19,545,713 |
| Common Stock - 0.00% | | | | | |
| TherOX, Inc. (B) | | | 2 | — | — |
| Touchstone Health Partnership (B) | | | 292 | — | — |
| Total Common Stock | | | | — | — |
| Total Rule 144A Securities | | | | 19,645,379 | 19,545,713 |
| Total Corporate Restricted Securities | | | | \$ 116,345,634 | \$ 118,062,874 |

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Corporate Public Securities - 18.21%: (A) | Interest Rate | Maturity Date | Principal Amount | Cost | Market Value |
|--|---------------|---------------|------------------|------------|--------------|
| Bank Loans - 0.28% | | | | | |
| Aquilex Holdings LLC | 5.000% | 12/31/20 | \$ 157,303 | \$ 157,062 | \$ 150,224 |
| Seadrill Partners Finco, LLC | 4.000 | 02/21/21 | 496,173 | 223,407 | 246,018 |
| Total Bank Loans | | | | 380,469 | 396,242 |
| Bonds - 17.93% | | | | | |
| Accuride Corp | 9.500 | 08/01/18 | 500,000 | 492,947 | 500,000 |
| ADT Security Services Corporation | 4.125 | 06/15/23 | 500,000 | 438,444 | 492,500 |
| Air Lease Corp. | 3.000 | 09/15/23 | 600,000 | 594,742 | 593,178 |
| Alcoa, Inc. | 6.150 | 08/15/20 | 600,000 | 616,566 | 661,500 |
| Anglogold Holdings PLC | 5.375 | 04/15/20 | 600,000 | 602,798 | 625,146 |
| Anixter, Inc. | 5.125 | 10/01/21 | 165,000 | 165,000 | 172,013 |
| Antero Resources Corporation | 5.375 | 11/01/21 | 395,000 | 395,000 | 399,444 |
| Bank of America Corporation | 4.000 | 04/01/24 | 500,000 | 498,526 | 538,806 |
| Brunswick Corporation | 7.125 | 08/01/27 | 500,000 | 504,073 | 588,750 |
| Bunge Limited Finance Corp. | 3.250 | 08/15/26 | 600,000 | 602,183 | 603,715 |
| Clearwater Paper Corporation | 4.500 | 02/01/23 | 500,000 | 496,522 | 500,625 |
| Commercial Metals Company | 4.875 | 05/15/23 | 750,000 | 751,127 | 744,375 |
| CVR Refining LLC | 6.500 | 11/01/22 | 350,000 | 341,021 | 316,750 |
| Duke Realty Limited Partnership | 3.875 | 10/15/22 | 500,000 | 501,781 | 532,726 |
| EP Energy Corporation | 9.375 | 05/01/20 | 406,000 | 190,797 | 287,245 |
| Ferrellgas Partners, L.P. | 8.625 | 06/15/20 | 650,000 | 650,631 | 638,625 |
| Ford Motor Credit Co. LLC | 4.375 | 08/06/23 | 600,000 | 649,622 | 645,018 |
| Forum Energy Technologies | 6.250 | 10/01/21 | 160,000 | 160,000 | 151,600 |
| Frontier Communications Corporation | 6.875 | 01/15/25 | 500,000 | 490,791 | 442,500 |
| General Motors Financial Co. Inc. | 4.000 | 01/15/25 | 500,000 | 508,882 | 504,723 |
| GEO Group, Inc. | 5.875 | 01/15/22 | 500,000 | 474,031 | 450,000 |
| HealthSouth Corporation | 5.125 | 03/15/23 | 421,000 | 412,362 | 419,947 |
| Hertz Corporation | 6.750 | 04/15/19 | 220,000 | 218,594 | 224,975 |
| Hornbeck Offshore Services, Inc. | 1.500 | 09/01/19 | 500,000 | 257,500 | 285,000 |
| Hospital Corporation of America | 5.375 | 02/01/25 | 100,000 | 101,613 | 103,250 |
| Hospital Corporation of America | 5.250 | 06/15/26 | 174,000 | 174,000 | 184,875 |
| Icahn Enterprises L.P. | 6.000 | 08/01/20 | 600,000 | 607,532 | 603,000 |
| Jabil Circuit, Inc. | 4.700 | 09/15/22 | 500,000 | 499,986 | 524,190 |
| Laboratory Corporation of America Holdings | 3.600 | 02/01/25 | 500,000 | 499,326 | 525,220 |
| Lamar Media Corp. | 5.375 | 01/15/24 | 160,000 | 160,000 | 168,000 |
| Laredo Petroleum, Inc. | 5.625 | 01/15/22 | 500,000 | 472,295 | 485,000 |
| Lazard Group LLC | 4.250 | 11/14/20 | 500,000 | 498,972 | 536,095 |

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| | | | | | |
|--------------------------------|-------|----------|-----------|-----------|-----------|
| Lifepoint Hospitals, Inc. | 5.500 | 12/01/21 | 350,000 | 357,567 | 364,875 |
| LyondellBasell Industries N.V. | 5.750 | 04/15/24 | 500,000 | 596,782 | 596,358 |
| MasTec, Inc. | 4.875 | 03/15/23 | 500,000 | 492,394 | 493,750 |
| Meritor, Inc. | 6.750 | 06/15/21 | 1,000,000 | 1,000,000 | 1,007,500 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Corporate Public Securities - 18.21%: (A) | Interest Rate | Maturity Date | Principal Amount | Cost | Market Value |
|---|---------------|---------------|------------------|---------------|---------------|
| MPLX LP | 4.875 % | 12/01/24 | \$500,000 | \$500,000 | \$517,163 |
| Netflix, Inc. | 5.500 | 02/15/22 | 299,000 | 299,000 | 321,799 |
| Omnova Solutions, Inc. | 7.875 | 11/01/18 | 450,000 | 453,362 | 451,620 |
| Owens Corning | 4.200 | 12/01/24 | 600,000 | 637,870 | 636,542 |
| Perry Ellis International, Inc. | 7.875 | 04/01/19 | 125,000 | 124,439 | 126,406 |
| Pitney Bowes Inc. | 3.375 | 10/01/21 | 500,000 | 499,606 | 499,760 |
| Precision Drilling Corporation | 6.625 | 11/15/20 | 250,000 | 254,344 | 231,875 |
| Reinsurance Group of America | 3.950 | 09/15/26 | 500,000 | 503,217 | 523,107 |
| R.R. Donnelley & Sons Company | 6.000 | 04/01/24 | 500,000 | 500,000 | 496,250 |
| Sanchez Energy Corporation | 6.125 | 01/15/23 | 500,000 | 357,619 | 401,250 |
| Sprint Corporation | 7.125 | 06/15/24 | 155,000 | 155,000 | 151,125 |
| Sprint Nextel Corporation | 6.000 | 12/01/16 | 500,000 | 500,521 | 502,500 |
| Steelcase, Inc. | 6.375 | 02/15/21 | 500,000 | 504,454 | 570,082 |
| Suburban Propane Partners, L.P. | 5.750 | 03/01/25 | 500,000 | 500,000 | 506,250 |
| Summit Midstream Holdings, LLC | 5.500 | 08/15/22 | 92,000 | 66,738 | 87,630 |
| Time Warner Cable, Inc. | 5.000 | 02/01/20 | 500,000 | 495,986 | 541,999 |
| Tyson Foods, Inc. | 4.500 | 06/15/22 | 500,000 | 510,457 | 555,159 |
| Weatherford International | 4.500 | 04/15/22 | 500,000 | 513,514 | 422,500 |
| William Lyon Homes | 7.000 | 08/15/22 | 500,000 | 500,000 | 515,000 |
| WPX Energy, Inc. | 5.250 | 09/15/24 | 425,000 | 425,000 | 400,563 |
| Total Bonds | | | | 24,775,534 | 25,369,854 |
| Total Corporate Public Securities | | | | \$25,156,003 | \$25,766,096 |
| Short-Term Security: | Interest Rate | Maturity Date | Principal Amount | Cost | Market Value |
| Commercial Paper - 6.01% | | | | | |
| Agrium U.S. Inc. | 0.800 % | 10/12/16 | \$2,000,000 | \$1,999,511 | \$1,999,511 |
| Fortive Corporation | 0.770 | 10/19/16 | 2,250,000 | 2,249,134 | 2,249,134 |
| Molex Incorporated | 0.730 | 10/06/16 | 2,250,000 | 2,249,772 | 2,249,772 |
| The Volvo Group | 0.820 | 10/13/16 | 2,000,000 | 1,999,453 | 1,999,453 |
| Total Short-Term Security | | | | \$8,497,870 | \$8,497,870 |
| Total Investments | 107.65 % | | | \$149,999,507 | \$152,326,840 |

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| | | |
|------------------|----------|----------------|
| Other Assets | 5.66 | 8,000,327 |
| Liabilities | (13.31) | (18,830,345) |
| Total Net Assets | 100.00% | \$ 141,496,822 |

(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 September 30, 2016 the values of these securities amounted to \$98,517,161 or 69.63% of net assets.

PIK - Payment-in-kind

Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Industry Classification: | Fair Value/ Market Value |
|--|--------------------------------|
| AEROSPACE & DEFENSE - 3.74% | |
| API Technologies Corp. | \$1,713,734 |
| FMH Holdings Corporation | 1,702,627 |
| Merex Holding Corporation | 340,721 |
| Sunvair Aerospace Group Inc. | 1,256,350 |
| Whitcraft Holdings, Inc. | 283,129 |
| | 5,296,561 |
| AUTOMOTIVE - 10.85% | |
| Accuride Corp | 500,000 |
| Aurora Parts & Accessories LLC | 1,760,605 |
| CG Holdings Manufacturing Company | 1,784,934 |
| DPL Holding Corporation | 1,690,900 |
| Ford Motor Credit Co. LLC | 645,018 |
| General Motors Financial Co. Inc. | 504,723 |
| Grakon Parent | 215,591 |
| J A C Holding Enterprises, Inc. | 707,139 |
| J.B. Poindexter Co., Inc. | 529,375 |
| K & N Parent, Inc. | 304,493 |
| Meritor, Inc. | 1,007,500 |
| Moog Inc. | 516,875 |
| Power Stop Holdings LLC | 1,848,034 |
| Randy's Worldwide Automotive | 1,333,434 |
| The Volvo Group | 1,999,453 |
| | 15,348,074 |
| BANKING - 0.38% | |
| Bank of America Corporation | 538,806 |
| BROKERAGE, ASSET MANAGERS & EXCHANGES - 0.81% | |
| Icahn Enterprises L.P. | 603,000 |
| Lazard Group LLC | 536,095 |
| | 1,139,095 |
| BUILDING MATERIALS - 10.99% | |
| ARI Holding Corporation | 2,376,241 |
| Boise Cascade Company | 131,950 |

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| | | |
|---|------------|--------------------------------|
| Janus Group Holdings LLC | 2,117,763 | |
| Happy Floors Acquisition, Inc. | 1,734,376 | |
| NSi Industries Holdings, Inc. | 1,800,732 | |
| Owens Corning | 636,542 | |
| Pearlman Enterprises, Inc. | 1,415,444 | |
| Signature Systems Holding Company | 43,847 | |
| Sunrise Windows Holding Company | 1,262,051 | |
| | | Fair Value/ Market Value |
| Torrent Group Holdings, Inc. | \$707,505 | |
| Wellborn Forest Holding Company | 1,512,838 | |
| Wolf-Gordon, Inc. | 1,809,370 | |
| | 15,548,659 | |
| CABLE & SATELLITE - 1.60% | | |
| Hughes Satellite Systems Corporation | 482,500 | |
| Time Warner Cable, Inc. | 541,999 | |
| Unitymedia KabelBW GmbH | 524,375 | |
| UPCB Finance IV Limited | 208,967 | |
| Virgin Media Secured Finance PLC | 507,500 | |
| | 2,265,341 | |
| CHEMICALS - 4.49% | | |
| Agrium U.S. Inc. | 1,999,511 | |
| Compass Chemical International LLC | 121,590 | |
| Consolidated Energy Finance S.A. | 493,750 | |
| Cornerstone Chemical Company | 373,125 | |
| CVR Partners, LP. | 483,750 | |
| LBC Tank Terminals Holding Netherlands B.V. | 659,685 | |
| LyondellBasell Industries N.V. | 596,358 | |
| Omnova Solutions, Inc. | 451,620 | |
| Polytex Holdings LLC | 1,172,308 | |
| | 6,351,697 | |
| CONSTRUCTION MACHINERY - 0.21% | | |
| Safety Infrastructure Solutions | 299,693 | |
| CONSUMER CYCLICAL SERVICES - 3.83% | | |
| ADT Security Services Corporation | 492,500 | |
| CHG Alternative Education Holding Company | 1,079,292 | |
| Church Services Holding Company | 170,381 | |
| Cimpres N.V. | 521,250 | |
| GEO Group, Inc. | 450,000 | |
| PPC Event Services | 1,673,874 | |
| Prime Security Services Borrower | 545,000 | |
| West Corporation | 490,000 | |
| | 5,422,297 | |
| CONSUMER PRODUCTS - 9.53% | | |

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| | |
|-----------------------|-----------|
| AMS Holding LLC | 287,929 |
| Animal Supply Company | 1,700,068 |

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Industry Classification: (Continued) | Fair Value/ Market Value |
|--|--------------------------------|
| Blue Wave Products, Inc. | \$791,201 |
| gloProfessional Holdings, Inc. | 1,337,739 |
| GTI Holding Company | 839,655 |
| Handi Quilter Holding Company | 1,848,228 |
| HHI Group, LLC | 1,478,059 |
| HP Enterprise Company | 533,653 |
| K N B Holdings Corporation | 141,128 |
| Kyjen Company | 1,345,416 |
| Manhattan Beachwear Holding Company | — |
| MasTec, Inc. | 493,750 |
| Master Cutlery LLC | 1,104,097 |
| Perry Ellis International, Inc. | 126,406 |
| York Wall Holding Company | 1,460,467 |
| | 13,487,796 |
| | |
| DIVERSIFIED MANUFACTURING - 6.43% | |
| ABC Industries, Inc. | 400,873 |
| Advanced Manufacturing Enterprises LLC | — |
| Airxcel Holdings | 1,954,323 |
| Amsted Industries | 238,800 |
| Belden Inc. | 213,150 |
| BP SCI LLC | 367,051 |
| CTP Transportation Products, LLC | 242,575 |
| F G I Equity LLC | 324,066 |
| Fortive Corporation | 2,249,134 |
| Forum Energy Technologies | 151,600 |
| Ideal Tridon Holdings, Inc. | 172,099 |
| K P I Holdings, Inc. | 422,849 |
| Motion Controls Holdings | 1,053,826 |
| NetShape Technologies, Inc. | 36,011 |
| Strahman Holdings Inc | 1,276,067 |
| | 9,102,424 |
| | |
| FINANCE COMPANIES - 0.42% | |
| Air Lease Corp. | 593,178 |
| | |
| FINANCIAL OTHER - 0.09% | |
| Insurance Claims Management, Inc. | 122,994 |
| | |
| FOOD & BEVERAGE - 9.15% | |
| 1492 Acquisition LLC | 291,007 |

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| | |
|--|--------------------------------|
| Bunge Limited Finance Corp. | 603,715 |
| Dean Foods | 350,878 |
| Eagle Family Foods, Inc. | 1,707,157 |
| | Fair Value/ Market Value |
| F F C Holding Corporation | \$247,559 |
| GenNx Novel Holding, Inc. | 1,504,679 |
| Hollandia Produce LLC | 1,328,186 |
| Hospitality Mints Holding Company | 1,086,447 |
| Impact Confections | 1,335,821 |
| JMH Investors LLC | — |
| PANOS Brands LLC | 1,821,471 |
| Tyson Foods, Inc. | 555,159 |
| Westminster Acquisition LLC | 941,586 |
| WP Supply Holding Corporation | 1,175,972 |
| | 12,949,637 |
| GAMING - 1.21% | |
| CTM Holding, Inc. | 1,712,197 |
| HEALTHCARE - 3.38% | |
| CORA Health Services, Inc. | 842,219 |
| ECG Consulting Group | 1,411,315 |
| GD Dental Services LLC | 131,106 |
| Healthcare Direct Holding Company | 107,056 |
| HealthSouth Corporation | 419,947 |
| Hospital Corporation of America | 288,125 |
| Laboratory Corporation of America Holdings | 525,220 |
| Lifepoint Hospitals, Inc. | 364,875 |
| TeamHealth Holdings Inc | 123,769 |
| TherOX, Inc. | — |
| Touchstone Health Partnership | — |
| Valeant Pharmaceuticals International | 242,500 |
| VRX Escrow Corp. | 328,998 |
| | 4,785,130 |
| HEALTH INSURANCE - 0.37% | |
| Reinsurance Group of America | 523,107 |
| HOME CONSTRUCTION - 0.48% | |
| Beazer Homes USA, Inc. | 168,800 |
| William Lyon Homes | 515,000 |
| | 683,800 |
| INDEPENDENT - 1.85% | |
| Antero Resources Corporation | 399,444 |
| EP Energy Corporation | 287,245 |
| Jupiter Resources Inc. | 420,000 |

Laredo Petroleum, Inc.

485,000

See Notes to Consolidated Financial Statements

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Barings Participation Investors
(formerly known as Babson Capital Participation Investors)

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Industry Classification: (Continued) | Fair Value/ Market Value |
|---------------------------------------|--------------------------------|
| MEG Energy Corporation | \$395,625 |
| Precision Drilling Corporation | 231,875 |
| Sanchez Energy Corporation | 401,250 |
| | 2,620,439 |
| | |
| INDUSTRIAL OTHER - 10.81% | |
| Advanced Technologies Holdings | 389,877 |
| AFC - Dell Holding Corporation | 1,339,008 |
| Aquilex Holdings LLC | 150,224 |
| Brunswick Corporation | 588,750 |
| Clough, Harbour and Associates | 712,348 |
| Connecticut Electric, Inc. | 1,179,774 |
| Hartland Controls Holding Corporation | 1,962,072 |
| Hi-Rel Group LLC | 2,037,118 |
| HVAC Holdings, Inc. | 1,383,788 |
| International Wire Group | 500,700 |
| Mail Communications Group, Inc. | 197,674 |
| MC Sign Holdings LLC | 877,985 |
| Molex Incorporated | 2,249,772 |
| Nielsen Finance LLC | 279,808 |
| O E C Holding Corporation | 174,033 |
| Smart Source Holdings LLC | 493,378 |
| SMB Machinery Holdings, Inc. | — |
| Steelcase, Inc. | 570,082 |
| Tranzonic Holdings LLC | 214,778 |
| | 15,301,169 |
| | |
| MEDIA & ENTERTAINMENT - 3.25% | |
| BlueSpire Holding, Inc. | 495,326 |
| GlynnDevins Acquisition Corporation | 84,786 |
| HOP Entertainment LLC | — |
| Lamar Media Corp. | 168,000 |
| Money Mailer Equity LLC | 1,740,012 |
| Netflix, Inc. | 321,799 |
| R.R. Donnelley & Sons Company | 496,250 |
| Sinclair Broadcast Group, Inc. | 212,160 |
| Sinclair Television Group, Inc. | 488,750 |
| Univision Communications, Inc. | 583,619 |

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4,590,702

METALS & MINING - 1.72%

Alcoa, Inc. 661,500
 AngloGold Holdings PLC 625,146

Fair Value/
 Market
 Value

Commercial Metals Company \$744,375
 Constellium N.V. 398,177
 2,429,198

MIDSTREAM - 1.31%

CVR Refining LLC 316,750
 Ferrellgas Partners, L.P. 638,625
 Suburban Propane Partners, L.P. 506,250
 Summit Midstream Holdings, LLC 87,630
 Tallgrass Operations LLC 306,280
 1,855,535

OIL FIELD SERVICES - 1.78%

Avantech Testing Services LLC —
 Hilcorp Energy Company 320,763
 Hornbeck Offshore Services, Inc. 285,000
 Petroplex Inv Holdings LLC —
 Seadrill Partners Finco, LLC 246,018
 Topaz Marine S.A. 483,630
 Weatherford International 422,500
 Welltec A/S 362,344
 WPX Energy, Inc. 400,563
 2,520,818

OTHER - REITS - 0.38%

Duke Realty Limited Partnership 532,726

PACKAGING - 0.64%

ASC Holdings, Inc. 807,991
 Vitex Packaging Group, Inc. 102,742
 910,733

PAPER - 1.55%

Clearwater Paper Corporation 500,625
 Dunn Paper 1,690,500
 2,191,125

PHARMACEUTICALS - 3.17%

Clarion Brands Holding Corp. 2,227,510
 Endo Finance LLC 442,500
 ERG Holding Company LLC 1,326,104
 Mallinckrodt PLC 493,125

4,489,239

See Notes to Consolidated Financial Statements

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2016

(Unaudited)

| Industry Classification: (Continued) | Fair Value/ Market Value |
|---|--------------------------------|
| REFINING - 2.35% | |
| CITGO Petroleum Corporation | \$414,375 |
| MES Partners, Inc. | 1,262,176 |
| MPLX LP | 517,163 |
| Tristar Global Energy Solutions, Inc. | 1,126,192 |
| | 3,319,906 |
| RETAILERS - 0.33% | |
| HD Supply, Inc. | 134,302 |
| Wolverine World Wide, Inc. | 338,350 |
| | 472,652 |
| TECHNOLOGY - 6.29% | |
| Anixter, Inc. | 172,013 |
| Dell Inc. | 627,072 |
| First Data Corporation | 412,090 |
| Glynlyon Holding Companies, Inc. | 1,793,123 |
| Jabil Circuit, Inc. | 524,190 |
| Micron Technology, Inc. | 713,305 |
| Pitney Bowes Inc. | 499,760 |
| REVSpring, Inc. | 253,325 |
| Sabre GLBL, Inc. | 124,135 |
| Software Paradigms International Group, LLC | 1,757,116 |
| Veritext Corporation | 1,723,668 |
| Western Digital Corporation | 293,480 |
| | 8,893,277 |
| | Fair Value/ Market Value |
| TELECOMMUNICATIONS - 0.30% | |
| Altice Financing S.A. | \$416,500 |
| TRANSPORTATION SERVICES - 2.88% | |
| Hertz Corporation | 224,975 |
| MNX Holding Company | 1,348,505 |
| OPE KAG Finance Sub | 473,750 |
| Penske Corporation | 557,948 |
| Team Drive-Away Holdings LLC | 910,888 |
| VP Holding Company | 558,444 |
| | 4,074,510 |

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WIRELESS - 0.77%

| | |
|---------------------------|-----------|
| Digicel Group Limited | 441,700 |
| Sprint Corporation | 151,125 |
| Sprint Nextel Corporation | 502,500 |
| | 1,095,325 |

WIRELINES - 0.31%

| | |
|-------------------------------------|---------|
| Frontier Communications Corporation | 442,500 |
|-------------------------------------|---------|

Total Investments - 107.65% \$ 152,326,840

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 is a summary of the inputs used to value the Trust's net assets as of September 30, 2016:

| Assets: | Total | Level | | |
|-----------------------|---------------|-------|--------------|--------------|
| | | 1 | Level 2 | Level 3 |
| Restricted Securities | | | | |
| Corporate Bonds | \$94,985,898 | \$ — | \$19,545,713 | \$75,440,185 |
| Common Stock - U.S. | 7,270,599 | — | — | 7,270,599 |
| Preferred Stock | 4,655,317 | — | — | 4,655,317 |
| Partnerships and LLCs | 11,151,060 | — | — | 11,151,060 |
| Public Securities | | | | |
| Bank Loans | 396,242 | — | 396,242 | — |
| Corporate Bonds | 25,369,854 | — | 25,369,854 | — |
| Short-term Securities | 8,497,870 | — | 8,497,870 | — |
| Total | \$152,326,840 | \$ — | \$53,809,679 | \$98,517,161 |

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

| Assets: | Beginning balance at 12/31/2015 | Included in earnings | Purchases | Sales | Prepayments | Transfers | | |
|-----------------------|---------------------------------|----------------------|--------------|----------------|---------------|------------------------|--------------------------|-----------------------------|
| | | | | | | Transfers into Level 3 | Transfers out of Level 3 | Ending balance at 9/30/2016 |
| Restricted Securities | | | | | | | | |
| Corporate Bonds | \$67,658,072 | \$(1,751,473) | \$18,869,394 | \$(4,798,853) | \$(4,536,955) | \$ — | — | \$75,440,185 |
| Common Stock - U.S. | 7,806,723 | 360,419 | 854,829 | (1,751,372) | — | — | — | 7,270,599 |
| Preferred Stock | 6,609,176 | 1,163,529 | 133,260 | (3,250,648) | — | — | — | 4,655,317 |
| Partnerships and LLCs | 9,670,199 | 2,243,189 | 648,561 | (1,410,889) | — | — | — | 11,151,060 |
| Total | \$91,744,170 | \$2,015,664 | \$20,506,044 | \$(11,211,762) | \$(4,536,955) | \$ — | — | \$98,517,161 |

There were no transfers into or out of Level 1 and Level 2 assets.

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 November 29, 2016

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 November 29, 2016

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

Date November 29, 2016

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

