

BARINGS CORPORATE INVESTORS

Form N-CSRS

September 08, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number 811-2183

Barings Corporate Investors
(Exact name of registrant as specified in charter)

1500 Main Street, P.O. Box 15189, Springfield, MA 01115-5189
(Address of principal executive offices) (Zip code)

Janice M. Bishop, Vice President, Secretary and Chief Legal Officer

Independence Wharf, 470 Atlantic Ave., 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: 06/30/17

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORT TO STOCKHOLDERS.

Attached hereto is the semi-annual shareholder report transmitted to shareholders pursuant to Rule 30e-1 of the Investment Company Act of 1940, as amended.





Adviser

Barings LLC

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

Independent Registered Public Accounting Firm

KPMG LLP

Boston, Massachusetts 02110

Counsel to the Trust

Ropes & Gray LLP

Boston, Massachusetts 02110

Custodian

State Street Bank and Trust Company

Boston, Massachusetts 02116

Transfer Agent & Registrar

DST Systems, Inc.

P.O. Box 219086

Kansas City, Missouri 64121-9086

1-800-647-7374

Internet Website

www.barings.com/mci

Barings Corporate Investors

c/o Barings LLC

1500 Main Street, Suite 2200

Springfield, Massachusetts 01115

(413) 226-1516

Investment Objective and Policy

Barings Corporate Investors (the "Trust") is a closed-end management investment company, first offered to the public in 1971, whose shares are traded on the New York Stock Exchange under the trading symbol "MCI". The Trust's share price can be found in the financial section of most newspapers under either the New York Stock Exchange listings or Closed-End Fund Listings.

The Trust's investment objective is to maintain a portfolio of securities providing a current yield and at the same time offering an opportunity for capital gains. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations. Such direct placement securities may, in some cases, be accompanied by equity features such as common stock, warrants, conversion rights, or other equity features and, occasionally, preferred stocks. The Trust typically purchases these investments, which are not publicly tradable, directly from their issuers in private placement transactions. These investments are typically mezzanine debt instruments with accompanying private equity securities made to small or middle market companies. In addition, the Trust may invest, subject to certain limitations, in marketable investment grade debt securities, other marketable debt securities (including high yield securities) and marketable common stocks. Below-investment grade or high yield securities have predominantly

speculative characteristics with respect to the capacity of the issuer to pay interest and repay principal.

Barings LLC ("Barings") manages the Trust on a total return basis. The Trust distributes substantially all of its net income to shareholders each year. Accordingly, the Trust pays dividends to shareholders in January, May, August, and November. The Trust pays dividends to its shareholders in cash, unless the shareholder elects to participate in the Dividend Reinvestment and Share Purchase Plan.

Form N-Q

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

Proxy Voting Policies & Procedures; Proxy Voting Record

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

Legal Matters

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

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

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

Barings Corporate Investors

TO OUR SHAREHOLDERS

July 31, 2017

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

The Board of Trustees declared a quarterly dividend of \$0.30 per share, payable on August 11, 2017 to shareholders of record on August 1, 2017. The Trust paid a \$0.30 per share dividend for the preceding quarter. The Trust earned \$0.34 per share of net investment income, including \$0.04 per share of non-recurring income for the second quarter of 2017, compared to \$0.33 per share, including \$0.04 per share of non-recurring income, in the previous quarter.

During the second quarter, the net assets of the Trust increased to \$302,454,098 or \$15.22 per share compared to \$292,381,934 or \$14.74 per share on March 31, 2017. This translates into a 5.4% total return for the quarter, based on the change in the Trust's net assets assuming the reinvestment of all dividends. Longer term, the Trust returned 14.1%, 10.1%, 12.7%, 10.5%, and 13.7% for the 1, 3, 5, 10, and 25-year periods, respectively, based on the change in the Trust's net assets assuming the reinvestment of all dividends.

The Trust's share price decreased 1.2% during the quarter, from \$15.27 per share as of March 31, 2017 to \$15.09 per share as of June 30, 2017. The Trust's market price of \$15.09 per share equates to a 0.9% discount to the June 30, 2017 net asset value per share of \$15.22. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 9.8%, 13.6% and 12.5%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, increased 2.5% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 2.2% for the quarter.

The Trust closed three new private placement investments during the second quarter. The three new investments were in BEI Precision Systems & Space Company, Inc., English Color & Supply LLC and Whitebridge Pet Brands Holdings, LLC. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in these transactions was \$10,305,000.

Middle market transaction activity continued to be below expectations in the second quarter. While overall middle market loan volume increased 2% compared to the first quarter of 2017 and 7% compared to the comparable quarter in 2016, the increase was primarily driven by refinancing activity as new money volume (an indicator of M&A activity) was down 5% from the first quarter. More importantly, it was the larger end of the middle market that posted the quarter-over-quarter and year-over-year growth. Lending activity in the "traditional middle market", the primary market segment in which the Trust invests, was down 13% compared to the first quarter of 2017 and 20% lower than the comparable quarter of 2016 (source: Thomson Reuters LPC Middle Market Weekly – July 14, 2017). Exacerbating the low M&A activity is the continuation of hyper-competitive market conditions driven by the increasing abundance of debt capital available to borrowers. While deal flow remains stable and we continue to actively pursue new investment opportunities on behalf of the Trust, we do so cautiously in order to generate attractive investment returns without taking inappropriate levels of risk, a strategy that has served us well over the years.

The Trust's remaining portfolio remains in good condition with the number of companies on our watch list and/or in default remaining stable and at acceptable levels. Furthermore, the majority of the underlying companies in the portfolio generally demonstrated stable to improving financial performance during the quarter. Five private companies in which the Trust had outstanding investments were sold during the quarter resulting in favorable outcomes. In addition, three companies prepaid a portion or all of their subordinated debt held by the Trust. At quarter-end there were eleven companies in which the Trust had outstanding investments which were in an active sale process. We would expect these companies to be sold over the next few quarters.

The Trust was able to maintain its \$0.30 per share quarterly dividend in the second quarter. For the first time since 2013, the Trust's recurring investment income was sufficient to maintain the quarterly dividend and required no supplementation from non-recurring income to do so. As discussed in prior reports, since 2013 recurring investment income alone had not been sufficient to fully fund the current dividend rate principally due to the considerable reduction in the number of private debt securities in the portfolio resulting from the high level of exits and prepayment activity that occurred from 2013 through 2015, combined with generally lower investment returns available due to market and competitive dynamics over the past several years. Over the past several quarters many of the investments exited by the Trust in privately held companies were in non-interest bearing securities, while the majority of the Trust's new investments in privately held companies have been in interest bearing debt securities. Thus, recurring investment

(Continued)

income was sufficient to fund the current quarterly dividend. The level of expected recurring investment income generated by the Trust in 2017, combined with the availability of earnings carry forwards and other non-recurring income, is expected to be sufficient to maintain the current dividend rate over the next several quarters. However, until recurring investment income consistently reaches a level equal to the current dividend rate, there is the risk that the dividend may need to be reduced in the future.

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

Sincerely,

Robert M. Shettle

President

Portfolio Composition as of 6/30/2017*

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

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

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Barings Corporate Investors

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

June 30, 2017

(Unaudited)

Assets:

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value
(Cost - \$212,435,568) \$216,971,616

Corporate restricted securities at market value
(Cost - \$57,849,677) 58,808,444

Corporate public securities at market value
(Cost - \$44,363,143) 46,215,387

Short-term securities at amortized cost 1,998,678

Total investments (Cost - \$316,647,066) 323,994,125

Cash 9,170,096

Interest receivable 3,603,283

Other assets 6,747

Total assets 336,774,251

Liabilities:

Note payable 30,000,000

Payable for investments purchased 1,462,849

Deferred tax liability 1,371,595

Investment advisory fee payable 945,169

Interest payable 202,400

Tax payable 147,693

Accrued expenses 190,447

Total liabilities 34,320,153

Total net assets \$302,454,098

Net Assets:

Common shares, par value \$1.00 per share \$19,868,194

Additional paid-in capital 112,114,511

Retained net realized gain on investments, prior years 145,980,019

Undistributed net investment gain 8,785,835

Accumulated net realized gain on investments 9,730,075

Net unrealized depreciation of investments 5,975,464

Total net assets \$302,454,098

Common shares issued and outstanding (28,054,782 authorized) 19,868,194

Net asset value per share

\$15.22

See Notes to Consolidated Financial Statements

3

CONSOLIDATED STATEMENT OF OPERATIONS

For the six months ended June 30, 2017

(Unaudited)

| | |
|---|--------------|
| Investment Income: | |
| Interest | \$13,526,935 |
| Dividends | 2,426,510 |
| Other | 257,275 |
| Total investment income | 16,210,720 |
| Expenses: | |
| Investment advisory fees | 1,858,863 |
| Interest | 792,000 |
| Trustees' fees and expenses | 168,000 |
| Professional fees | 104,087 |
| Reports to shareholders | 57,000 |
| Custodian fees | 16,795 |
| Other | 58,253 |
| Total expenses | 3,054,998 |
| Investment income - net | 13,155,722 |
| Net realized and unrealized gain on investments: | |
| Net realized gain on investments before taxes | 3,230,440 |
| Income tax expense | (323,912) |
| Net realized gain on investments after taxes | 2,906,528 |
| Net increase (decrease) in unrealized appreciation (depreciation) of investments before taxes | 9,978,472 |
| Net (increase) decrease in deferred income tax expense | (358,394) |
| Net increase (decrease) in unrealized appreciation (depreciation) of investments after taxes | 9,620,078 |
| Net gain on investments | 12,526,606 |
| Net increase in net assets resulting from operations | \$25,682,328 |

See Notes to Consolidated Financial Statements

Barings Corporate Investors
CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended June 30, 2017
(Unaudited)

| | |
|--|--------------|
| Net decrease in cash: | |
| Cash flows from operating activities: | |
| Purchases/Proceeds/Maturities from short-term portfolio securities, net | \$8,933,108 |
| Purchases of portfolio securities | (37,946,279) |
| Proceeds from disposition of portfolio securities | 25,023,238 |
| Interest, dividends and other income received | 14,920,901 |
| Interest expense paid | (792,000) |
| Operating expenses paid | (2,201,481) |
| Income taxes paid | (2,320,378) |
| Net cash provided by operating activities | 5,617,109 |
| Cash flows from financing activities: | |
| Cash dividends paid from net investment income | (11,886,148) |
| Receipts for shares issued on reinvestment of dividends | 1,149,905 |
| Net cash used for financing activities | (10,736,243) |
| Net decrease in cash | (5,119,134) |
| Cash - beginning of year | 14,289,230 |
| Cash - end of period | \$9,170,096 |
| Reconciliation of net increase in net assets to net cash provided by operating activities: | |
| Net increase in net assets resulting from operations | \$25,682,328 |
| Increase in investments | (20,081,942) |
| Decrease in interest receivable | 110,393 |
| Decrease in other assets | 20,036 |
| Increase in payable for investments purchased | 1,462,849 |
| Increase in deferred tax liability | 358,394 |
| Increase in investment advisory fee payable | 65,260 |
| Decrease in tax payable | (1,996,466) |
| Decrease in accrued expenses | (3,743) |
| Total adjustments to net assets from operations | (20,065,219) |
| Net cash provided by operating activities | \$5,617,109 |

See Notes to Consolidated Financial Statements

5

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

| | For the six months ended 06/30/2017 (Unaudited) | For the year ended 12/31/2016 |
|--|--|-------------------------------------|
| Increase in net assets: | | |
| Operations: | | |
| Investment income - net | \$13,155,722 | \$22,171,839 |
| Net realized gain on investments after taxes | 2,906,528 | 3,711,135 |
| Net change in unrealized appreciation of investments after taxes | 9,620,078 | 1,357,082 |
| Net increase in net assets resulting from operations | 25,682,328 | 27,240,056 |
| Increase from common shares issued on reinvestment of dividends Common shares issued (2017 - 77,787; 2016 - 125,703) | 1,149,905 | 2,103,555 |
| Dividends to shareholders from: | | |
| Net investment income (2017 - \$0.30 per share; 2016 - \$1.20 per share) | (5,949,026) | (23,688,009) |
| Total increase in net assets | 20,883,207 | 5,655,602 |
| Net assets, beginning of period/year | 281,570,891 | 275,915,289 |
| Net assets, end of period/year (including undistributed net investment income of \$8,785,835 and \$1,579,139, respectively) | \$302,454,098 | \$281,570,891 |

See Notes to Consolidated Financial Statements

6

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Barings Corporate Investors

CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

Selected data for each share of beneficial interest outstanding:

| | For the six months ended 06/30/2017 (Unaudited) | For the years ended December 31, | | | |
|--|---|----------------------------------|----------|----------|----------|
| | 2016 | 2015 | 2014 | 2013 | |
| Net asset value: | | | | | |
| Beginning of period/year | \$ 14.23 | \$14.03 | \$14.34 | \$13.85 | \$13.38 |
| Net investment income (a) | 0.66 | 1.12 | 1.04 | 1.23 | 1.18 |
| Net realized and unrealized gain (loss) on investments | 0.63 | 0.26 | (0.16) | 0.45 | 0.48 |
| Total from investment operations | 1.29 | 1.38 | 0.88 | 1.68 | 1.66 |
| Dividends from net investment income to common shareholders | (0.30) | (1.20) | (1.20) | (1.20) | (1.20) |
| Dividends from net realized gain on investments to common shareholders | — | — | — | — | — |
| (Decrease)/Increase from dividends reinvested | 0.00 | 0.02 | 0.01 | 0.01 | 0.01 |
| Total dividends | (0.30) | (1.18) | (1.19) | (1.19) | (1.19) |
| Net asset value: End of period/year | \$ 15.22 | \$14.23 | \$14.03 | \$14.34 | \$13.85 |
| Per share market value: | | | | | |
| End of period/year | \$ 15.09 | \$15.48 | \$17.25 | \$15.89 | \$14.93 |
| Total investment return | | | | | |
| Net asset value (b) | 9.15% | 10.13% | 6.20% | 13.78% | 12.76% |
| Market value (b) | (0.51%) | (3.49%) | 17.01% | 16.53% | 5.93% |
| Net assets (in millions): | | | | | |
| End of period/year | \$ 302.45 | \$281.57 | \$275.92 | \$280.13 | \$268.69 |
| Ratio of total expenses to average net assets | 2.34% | 2.92% | 2.56% | 3.66% | 2.42% |
| Ratio of operating expenses to average net assets | 1.57% | 1.56% | 1.67% | 1.65% | 1.64% |
| Ratio of interest expense to average net assets | 0.55% | 0.56% | 0.55% | 0.57% | 0.59% |
| Ratio of income tax expense to average net assets (c) | 0.22% | 0.80% | 0.34% | 1.44% | 0.19% |
| Ratio of net investment income to average net assets | 9.11% | 7.80% | 7.12% | 8.57% | 8.50% |
| Portfolio turnover | 8% | 29% | 29% | 38% | 34% |

(a) Calculated using average shares.

Net asset value return represents portfolio returns based on change in the Trust's net asset value assuming the reinvestment of all dividends and distributions which differs from the total investment return based on the Trust's market value due to the difference between the Trust's net asset value and the market value of its shares outstanding; past performance is no guarantee of future results.

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

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Senior borrowings:

| | | | | | |
|--|----------|----------|----------|----------|---------|
| Total principal amount (in millions) | \$30 | \$30 | \$30 | \$30 | \$30 |
| Asset coverage per \$1,000 of indebtedness | \$11,082 | \$10,386 | \$10,197 | \$10,338 | \$9,956 |

See Notes to Consolidated Financial Statements

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CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|------|------------|
| Corporate Restricted Securities - 91.18%: (A) | | | | |

Private Placement Investments - 71.74%: (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) | 245 uts. | 10/17/12 | \$245,450 | \$348,891 |
| Limited Liability Company Unit Class A Common (B) | 27,273 uts. | 10/17/12 | 27,273 | 496,405 |
| | | | 272,723 | 845,296 |

ABC Industries, Inc.

A manufacturer of mine and tunneling ventilation products in the U.S.

| | | | | |
|--|----------------------|----------|---------|---------|
| 13% Senior Subordinated Note due 07/31/2019 | \$262,403 300,000 | 08/01/12 | 251,022 | 260,572 |
| Preferred Stock Series A (B) | shs. | 08/01/12 | 300,000 | 567,827 |
| Warrant, exercisable until 2022, to purchase common stock at \$.02 per share (B) | 53,794 shs. | 08/01/12 | 101,870 | 95,818 |
| | | | 652,892 | 924,217 |

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) | 4,669 uts. | * | 498,983 | — |
|------------------------------------|------------|---|---------|---|

* 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 | \$2,453,761 | 03/27/15 | 2,421,586 | 2,478,299 |
| Preferred Stock (B) | 2,276 shs. | 03/27/15 | 227,558 | 203,548 |
| Common Stock (B) | 703 shs. | 03/27/15 | 703 | — |
| | | | 2,649,847 | 2,681,847 |

Airxcel Holdings

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

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| | | | | |
|--------------------------------|----------|----------|---------|---------|
| Limited Liability Company Unit | 583 uts. | 11/18/14 | 583,000 | 998,604 |
|--------------------------------|----------|----------|---------|---------|

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.

11.75% (1.5% PIK) Senior Subordinated Note

| | | | | |
|----------------|-------------|----------|-----------|-----------|
| due 04/30/2023 | \$3,181,818 | 10/31/16 | 3,122,698 | 3,192,476 |
|----------------|-------------|----------|-----------|-----------|

| | | | | |
|--|---------|--|--|--|
| | 318,182 | | | |
|--|---------|--|--|--|

| | | | | |
|------------------|------|----------|---------|---------|
| Common Stock (B) | shs. | 10/31/16 | 318,182 | 486,244 |
|------------------|------|----------|---------|---------|

| | | | | |
|--|--|--|-----------|-----------|
| | | | 3,440,880 | 3,678,720 |
|--|--|--|-----------|-----------|

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Barings Corporate Investors
 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 June 30, 2017
 (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) | 273 uts. | 10/04/12 | \$272,727 | \$600,919 |
| 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 | \$2,833,434 | 04/22/16 | 2,804,365 | 2,877,268 |
| Limited Liability Company Unit (B) | 0.90% int. | 04/20/16 | 700,000 | 700,000 |
| | | | 3,504,365 | 3,577,268 |
| 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 | \$3,434,795 | * | 3,405,290 | 3,434,795 |
| Limited Partnership Interest | 1,048 uts. | 08/01/14 | 1,047,900 | 1,179,218 |
| | | | 4,453,190 | 4,614,013 |
| ASC Holdings, Inc. | | | | |
| A manufacturer of capital equipment used by corrugated box manufacturers. | | | | |
| 13% (1% PIK) Senior Subordinated Note due 05/18/2021 | \$1,526,814 | 11/19/15 | 1,503,475 | 1,466,178 |
| Limited Liability Company Unit (B) | 225,300 uts. | 11/18/15 | 225,300 | 67,815 |
| | | | 1,728,775 | 1,533,993 |
| 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 | \$3,074,700 | 08/17/15 | 3,027,272 | 3,148,747 |
| Preferred Stock (B) | 425 shs. | 08/17/15 | 424,875 | 400,568 |

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| | | | | |
|------------------|----------|----------|-----------|-----------|
| Common Stock (B) | 425 shs. | 08/17/15 | 425 | — |
| | | | 3,452,572 | 3,549,315 |

Avantech Testing Services LLC

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

15% (3.75% PIK) Senior Subordinated Note

| | | | | |
|--|-------------|----------|---------|---|
| due 01/31/2021 (D) | \$1,015,684 | 07/31/14 | 996,694 | — |
| Limited Liability Company Unit (B) (F) | 92,327 uts. | * | — | — |

* 07/31/14 and 10/14/15.

| | |
|---------|---|
| 996,694 | — |
|---------|---|

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2017

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|-------------|-------------|
| 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 | \$2,940,000 | 04/28/17 | \$2,882,145 | \$2,968,686 |
| Limited Liability Company Unit (B) (F) | 5,600 uts. | 04/28/17 | 560,000 | 560,000 |
| | | | 3,442,145 | 3,528,686 |
| Blue Wave Products, Inc. | | | | |
| A distributor of pool supplies. | | | | |
| 10% Senior Secured Term Note due 09/30/2018 | \$223,404 | 10/12/12 | 222,243 | 223,404 |
| 13% (1% PIK) Senior Subordinated Note due 09/30/2019 | \$749,418 | 10/12/12 | 726,385 | 749,418 |
| Common Stock (B) | 114,894 shs. | 10/12/12 | 114,894 | 701,637 |
| Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B) | 45,486 shs. | 10/12/12 | 45,486 | 277,775 |
| | | | 1,109,008 | 1,952,234 |
| 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) | \$3,217,730 | 06/30/15 | 3,167,754 | — |
| Common Stock (B) | 2,876 shs. | 06/30/15 | 318,200 | — |
| | | | 3,485,954 | — |
| BP SCI LLC | | | | |
| A leading value-added distributor of branded pipes, valves, and fittings (PVF) to diversified end markets. | | | | |
| Limited Liability Company Unit Class A (B) (F) | 1,000 uts. | 10/17/12 | 100,000 | 171,002 |
| Limited Liability Company Unit Class B (B) (F) | 400 uts. | 10/17/12 | 400,000 | 682,287 |
| | | | 500,000 | 853,289 |
| CG Holdings Manufacturing Company | | | | |

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A coating provider serving the automotive, agricultural, heavy truck and other end markets.

| | | | | |
|---|-------------|---|-----------|-----------|
| 13% Senior Subordinated Note 11/01/2019 | \$3,390,252 | * | 3,295,336 | 3,390,252 |
| Preferred Stock (B) | 3,241 shs. | * | 324,054 | 422,426 |
| Preferred Stock (B) | 1,174 shs. | * | 116,929 | 153,049 |
| Common Stock (B) | 337 shs. | * | 35,673 | 664,850 |
| Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B) | 137 shs. | * | 13,033 | 270,499 |

* 05/09/13 and 11/01/13. 3,785,025 4,901,076

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Barings Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2017

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|-------------|-------------|
| 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 | \$2,357,344 | 01/19/11 | \$2,335,995 | \$2,357,344 |
| 14% (2% PIK) Senior Subordinated Note due 06/19/2020 | \$621,228 | 08/03/12 | 616,456 | 621,228 |
| Common Stock (B) | 1,125 shs. | 01/19/11 | 112,500 | 138,436 |
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B) | 884 shs. | 01/19/11 | 87,750 | 108,819 |
| | | | 3,152,701 | 3,225,827 |
| Church Services Holding Company | | | | |
| A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets. | | | | |
| Limited Liability Company Unit (B) (F) | 3 uts. | 03/26/12 | 569,935 | — |
| 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 | \$4,136,379.15 | * | 4,077,713 | 4,121,730 |
| Limited Liability Company Unit (B) | 3,759 uts. | 07/18/16 | 384,020 | 304,568 |
| * 10/01/14 and 07/18/16. | | | 4,461,733 | 4,426,298 |
| Clough, Harbour and Associates | | | | |
| An engineering service firm that is located in Albany, NY. | | | | |
| Preferred Stock (B) | 277 shs. | 12/02/08 | 276,900 | 1,223,848 |
| 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) | 467 uts. | 03/04/15 | 298,900 | 294,192 |

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Connecticut Electric, Inc.

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

| | | | | |
|--|----------------|----------|---------|-----------|
| Limited Liability Company Unit Class A (B) | 156,046 uts. | 01/12/07 | 156,046 | 244,218 |
| Limited Liability Company Unit Class C (B) | 112,873 uts. | 01/12/07 | 112,873 | 196,562 |
| Limited Liability Company Unit Class D (B) | 1,268,437 uts. | 05/03/10 | — | 2,123,091 |
| Limited Liability Company Unit Class E (B) | 2,081 uts. | 05/03/10 | — | 495,896 |
| | | | 268,919 | 3,059,767 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2017

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|--------------|--------------|
| CORA Health Services, Inc. | | | | |
| A provider of outpatient rehabilitation therapy services. | | | | |
| 12.75% (1.75% PIK) Senior Subordinated Note due 06/30/2023 | \$ 1,565,637 | 06/30/16 | \$ 1,537,806 | \$ 1,599,894 |
| Preferred Stock Series A (B) | 1,538 shs. | 06/30/16 | 146,154 | 165,692 |
| Common Stock Class A (B) | 7,692 shs. | 06/30/16 | 7,692 | 19,623 |
| | | | 1,691,652 | 1,785,209 |
| 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 | \$ 2,632,816 | 11/22/13 | 2,608,755 | 2,632,816 |
| Common Stock (B) | 180 shs. | * | 1,028,568 | 812,973 |
| * 11/22/13 and 09/16/16. | | | 3,637,323 | 3,445,789 |
| 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 | \$ 2,882,353 | 10/07/16 | 2,829,322 | 2,876,264 |
| Limited Liability Company Unit (B) (F) | 617,647 uts. | 10/07/16 | 617,647 | 642,353 |
| | | | 3,446,969 | 3,518,617 |
| 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 | \$ 3,403,284 | 05/04/12 | 3,378,046 | 3,334,215 |
| Preferred Stock (B) | 61 shs. | 05/04/12 | 605,841 | 578,533 |
| Common Stock (B) | 61 shs. | 05/04/12 | 67,316 | — |
| | | | 4,051,203 | 3,912,748 |

Dunn Paper

A provider of specialty paper for niche product applications.

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9.75% Second Lien Term Loan due 08/31/2023 \$3,500,000 09/28/16 3,437,260 3,430,000

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 \$3,500,000 12/22/15 3,460,625 3,500,000

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Barings Corporate Investors
 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 June 30, 2017
 (Unaudited)

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

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 | \$2,676,809 | 11/21/14 | \$2,637,870 | \$2,703,577 |
| Limited Liability Company Unit (B) (F) | 467 uts. | 11/19/14 | 145,833 | 193,915 |
| | | | 2,783,703 | 2,897,492 |

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 | \$3,198,918 | 10/14/16 | 3,149,449 | 3,199,990 |
| Limited Liability Company Unit (B) (F) | 204 uts. | 10/14/16 | 324,074 | 316,198 |
| | | | 3,473,523 | 3,516,188 |

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 | \$2,693,084 | 06/30/17 | 2,639,245 | 2,693,084 |
| | 806,916 | | | |
| Limited Liability Company Unit (B) (F) | uts. | 06/30/17 | 806,916 | 806,916 |
| | | | 3,446,161 | 3,500,000 |

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 | \$1,981,566 | 04/04/14 | 1,962,558 | 1,981,566 |
| 14% (2% PIK) Senior Subordinated Note due 10/04/2019 | \$521,572 | 07/01/16 | 513,993 | 532,004 |
| Common Stock (B) | 0.64% int. | 04/04/14 | 157,314 | 175,135 |
| | | | 2,633,865 | 2,688,705 |

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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) | 512 uts. | 09/27/10 | 175,035 | 252,077 |
| Limited Liability Company Unit Common (B) | 512 uts. | 09/27/10 | 51,220 | 1,409,897 |
| | | | 226,255 | 1,661,974 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

June 30, 2017

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|------|------------|
|--|--|---------------------|------|------------|

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) | 483,355 uts. | 04/15/14 | \$— | \$483,355 |
| Limited Liability Company Unit Class B-1 (B) | 394,737 uts. | 12/15/10 | 394,737 | 1,781,338 |
| Limited Liability Company Unit Class B-2 (B) | 49,488 uts. | 12/15/10 | 49,488 | 223,326 |
| Limited Liability Company Unit Class B-3 (B) | 39,130 uts. | 08/30/12 | 90,000 | 186,759 |
| Limited Liability Company Unit Class C (B) | 9,449 uts. | 12/20/10 | 96,056 | 304,062 |
| | | | 630,281 | 2,978,840 |

FMH Holdings Corporation

A designer and manufacturer of highly engineered components for the aerospace, defense and space industries.

| | | | | |
|------------------|----------|----------|---------|---------|
| Common Stock (B) | 300 shs. | 05/01/15 | 300,485 | 556,019 |
|------------------|----------|----------|---------|---------|

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) | 182 uts. | 10/05/12 | 182,209 | 255,499 |
| Limited Liability Company Unit Common (B) | 1,840 uts. | 10/05/12 | 1,840 | — |
| | | | 184,049 | 255,499 |

GenNx Novel Holding, Inc.

A manufacturer and distributor of nutraceutical ingredients.

| | | | | |
|---|-------------|----------|-----------|-----------|
| 15% (1% PIK) Senior Subordinated Note due 03/27/2020 | \$3,282,855 | 03/27/14 | 3,245,877 | 3,118,712 |
| Common Stock (B) | 31,500 shs. | 03/27/14 | 315,000 | 211,008 |
| | | | 3,560,877 | 3,329,720 |

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.

| | | | | |
|--|-------------|----------|-----------|--|
| | \$2,957,402 | 03/27/13 | 2,936,675 | |
|--|-------------|----------|-----------|--|

14% (2% PIK) Senior Subordinated Note
due 03/27/2019