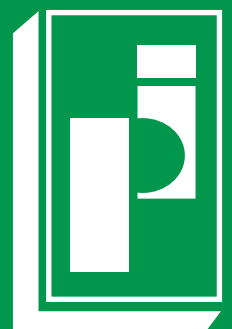


2020

Barings
PARTICIPATION INVESTORS
2020 Annual Report



BARINGS PARTICIPATION INVESTORS

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

INVESTMENT OBJECTIVE & STRATEGIES

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

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

In this report, you will find a complete listing of the Trust's holdings. We encourage you to read this section carefully for a better understanding of the Trust. We cordially invite all shareholders to attend the Trust's Annual Meeting of Shareholders, which will be held virtually on April 23, 2021 at 1:00 P.M. (Eastern Time) at the following website <https://viewproxy.com/barings/broadridgvesm/>.

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 LLC ("Barings"). A description of Barings' proxy voting policies and procedures is available (1) without charge, upon request, by calling, toll-free 1-866-399-1516; (2) on the Trust's website at <http://www.barings.com/mpv> and (3) on the U.S. Securities and Exchange Commission's ("SEC") 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, 2019 is available (1) on the Trust's website at <http://www.barings.com/mpv> and (2) on the SEC's website at <http://www.sec.gov>.

FORM N-PORT

The Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on part F of Form N-PORT. 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 on the Trust's website at <http://www.barings.com/mpv> or upon request by calling, toll-free, 1-866-399-1516.

LEGAL MATTERS

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

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

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

BARINGS PARTICIPATION INVESTORS

c / o Barings LLC
300 South Tryon St., Suite 2500
Charlotte, NC 28202
1-866-399-1516
<http://www.barings.com/mpv>

ADVISER

Barings LLC
300 South Tryon St., Suite 2500
Charlotte, NC 28202

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
Boston, Massachusetts 02110

COUNSEL TO THE TRUST

Ropes & Gray LLP
Boston, Massachusetts 02110

CUSTODIAN

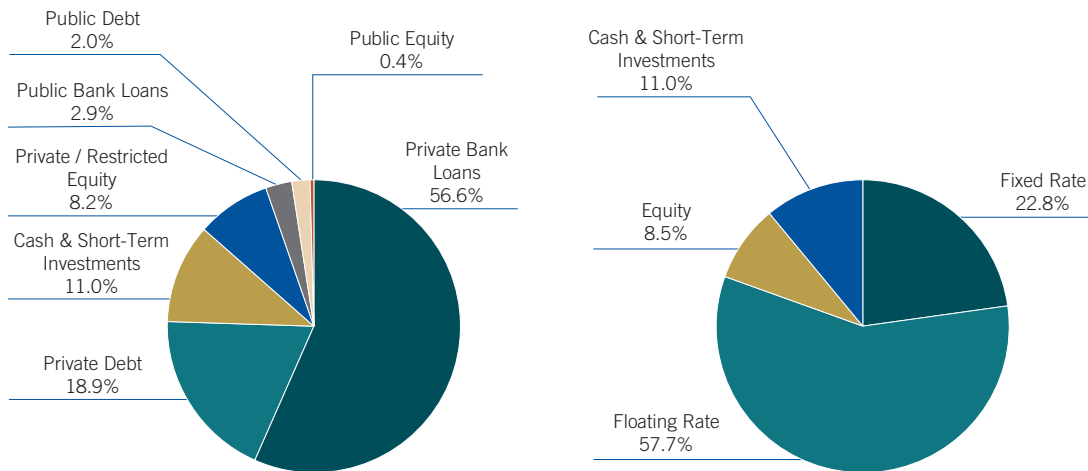
State Street Bank and Trust Company
Boston, MA 02110

TRANSFER AGENT & REGISTRAR

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

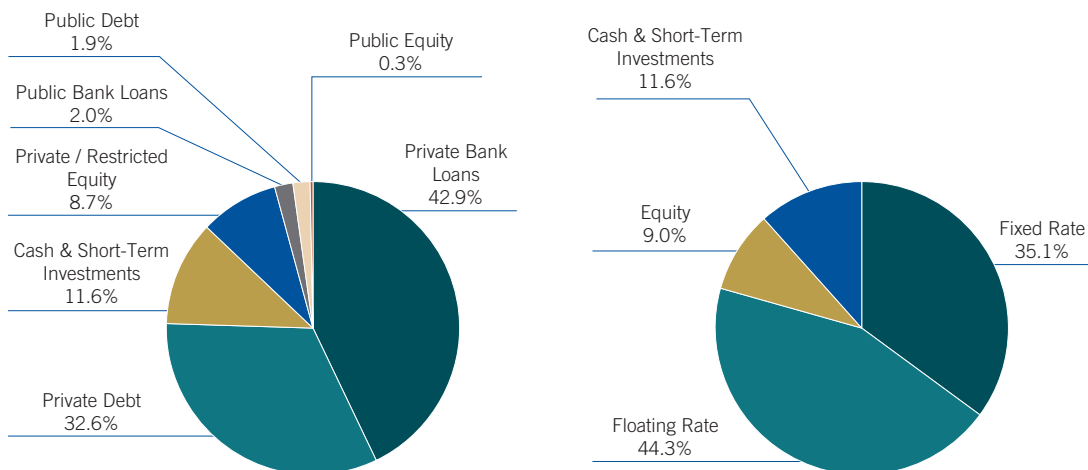


PORTFOLIO COMPOSITION AS OF 12/31/2020*



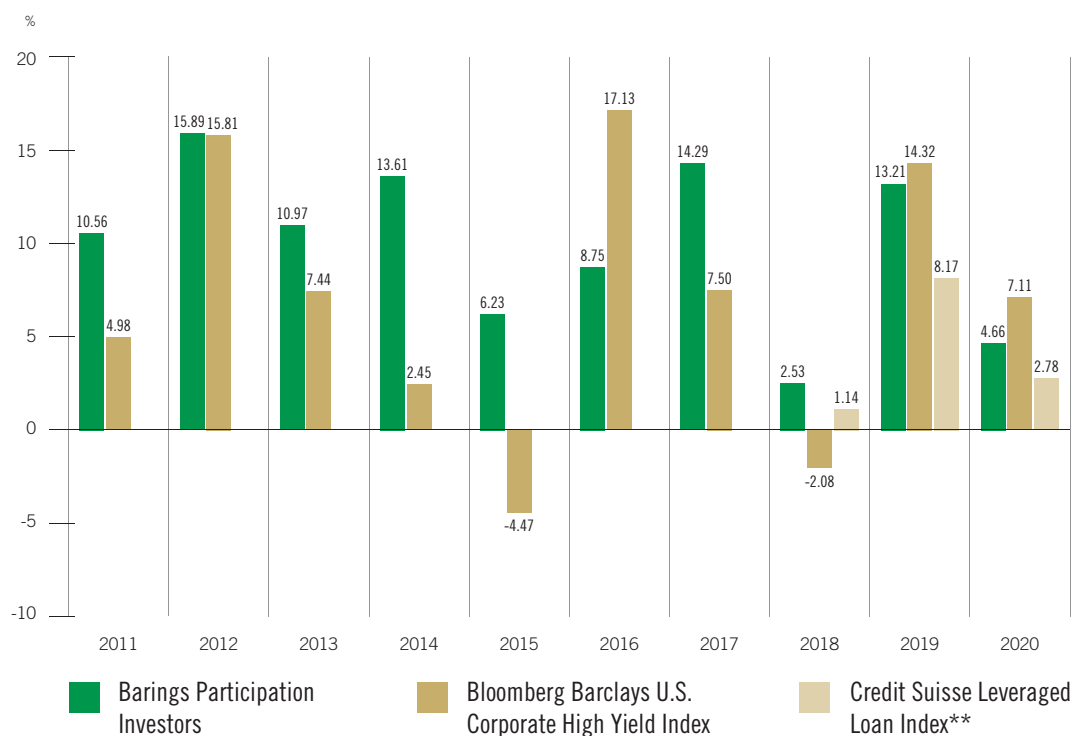
* Based on market value of total investments

PORTFOLIO COMPOSITION AS OF 12/31/2019*



* Based on market value of total investments

TOTAL ANNUAL PORTFOLIO RETURN (AS OF 12/31 EACH YEAR)*



* Data for Barings Participation Investors (the "Trust") represents returns based on the change in the Trust's net asset value assuming the reinvestment of all dividends and distributions. These returns differ from the total investment return based on market value of the Trust's shares due to the difference between the Trust's net asset value of its shares outstanding (See page 12 for total investment return based on market value). Past performance is no guarantee of future results.

** The Credit Suisse Leveraged Loan Index was added in 2018 to represent the Trust's portfolio composition which now includes a material amount of floating rate securities.

TO OUR SHAREHOLDERS

I am pleased to share with you the Trust's Annual Report for the year ended December 31, 2020.

PORTFOLIO PERFORMANCE

The Trust's net total portfolio rate of return for 2020 was 4.7%, as measured by the change in net asset value assuming the reinvestment of all dividends and distributions. The Trust's total net assets were \$144,177,379 or \$13.60 per share, as of December 31, 2020. This compares to \$146,082,140 or \$13.80 per share, as of December 31, 2019. The Trust paid a quarterly dividend of \$0.20 per share for each of the four quarters of 2020, for a total annual dividend of \$0.80 per share. In 2019, the Trust paid four quarterly dividends of \$0.27 per share, for a total annual dividend of \$1.08 per share. Net taxable investment income for 2020 was \$1.00 per share, including approximately \$0.21 per share of non-recurring income, compared to 2019 net taxable investment income of \$1.11 per share, which included approximately \$0.04 per share of non-recurring income.

The Trust's stock price decreased 26.3% during 2020, from \$16.13 as of December 31, 2019 to \$11.88 as of December 31, 2020. The Trust's stock price of \$11.88 as of December 31, 2020 equates to a 12.7% discount to the December 31, 2020 net asset value per share of \$13.60. The Trust's average quarter-end premium for the 3-, 5-, and 10-year periods ended December 31, 2020 was 5.3%, 5.0% and 7.0%, respectively.

The table below lists the average annual net returns of the Trust's portfolio, based on the change in net assets and assuming the reinvestment of all dividends and distributions. Average annual returns of the Bloomberg Barclays U.S. Corporate High Yield Index for the 1-, 3-, 5-, 10- and 25-year periods ended December 31, 2020 and the Credit Suisse Leveraged Loan Index for the 1- and 3-year periods ended December 31, 2020 are provided for comparison purposes only.

	The Trust	Bloomberg Barclays US Corporate HY Index	Credit Suisse Leveraged Loan Index
1 Year	4.66%	7.11%	2.78%
3 Years	6.70%	6.24%	3.99%
5 Years	8.59%	8.59%	
10 Years	9.99%	6.80%	
25 Years	11.45%	7.11%	

Past performance is no guarantee of future results

PORTFOLIO ACTIVITY

The Trust had an active fourth quarter, closing on 10 new private placement investments totaling \$15.7 million and 13 add-on investments in existing portfolio companies totaling \$3.8 million. For the year, the Trust closed 20 new private placement investments, and 22 add-on investments in existing portfolio companies. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in private placement investments in 2020 was \$31.6 million, which was significantly more than the \$24.1 million of private placement investments made by the Trust in 2019.

New deal activity in 2020 occurred primarily in the first and fourth quarters as a result of economic stress and uncertainty caused by COVID-19 beginning in March 2020. Lower middle-market merger and acquisition activity, as well as an increased need for internal portfolio company liquidity, led to lower new investment activity in the second and third quarters of 2020. The Trust was well-positioned to invest in the fourth quarter when the market returned due to the continuation of increased origination flow into 1st lien senior secured middle market assets, expansion of the private debt platform of Barings (the Trust's investment advisor); and overall activity within the private debt market. These favorable items were partially offset by the continuance of hyper-competitive and aggressive market conditions. Competition for new investment opportunities remained intense due to the amount of fresh capital that flowed into the private debt and private equity markets. As a result, companies continued to be pursued aggressively by both buyers and lenders alike, leading to the continued prevalence of high purchase multiples and leverage levels in the market.

Earlier in 2020, the Trust's portfolio experienced an increased level of economic stress due to COVID-19. The Trust had one 1st lien senior secured loan defer a portion of the cash interest. During the course of the year, in addition to working on new investment activity, we continued to maintain our focus on managing and maintaining the quality of the portfolio. Towards the end of the third quarter, the credit quality of the Trust's existing portfolio stabilized and began a trend of improvement that continued through the fourth quarter. In our view, the number of companies on our watch list or in default has remained at acceptable levels.

We had 13 companies exit from the Trust's portfolio during 2020. This level of exit activity in the Trust's portfolio was below recent years as realization levels have ranged from 18-32 exits annually since 2014. In 12 of these exits, the Trust realized a positive return on its investment. This level of realization activity in recent years is yet another indicator of how active and aggressive the middle market M&A and debt markets have been, and continue to be.

During 2020, the Trust had seven portfolio companies fully or partially pre-pay their debt obligations. These transactions, in which the debt instruments held by the Trust were fully or partially prepaid, are generally driven by performing companies seeking to take advantage of lower interest rates and the abundance of debt capital. Unless replaced by new private debt investments, these prepayments reduce net investment income. The level of refinancing activity the portfolio has experienced has remained relatively stable since 2016. Four portfolio companies paid dividends to the Trust on its equity holdings in those companies.

OUTLOOK FOR 2021

As we enter 2021, we believe debt markets continue to look promising. Default rates remain at relatively low levels, there appears to be plenty of both private equity and private debt capacity, which should continue to drive middle market M&A activity, and our pipeline of investment opportunities remains relatively stable and healthy. However, as mentioned above, the dynamics within that market have been, and are expected to remain, aggressive. Rest assured that regardless of market conditions, we will continue to employ on behalf of the Trust the same investment philosophy that has served it well since its inception: investing in companies that we believe have a strong business proposition, solid cash flow and experienced, ethical management. We believe this philosophy, along with Barings' seasoned investment-management team, positions the Trust well to meet its long-term investment objectives.

The Trust lowered its quarterly dividend to \$0.20 per share in 2020 for a total annual dividend of \$0.80 per share, as compared to the \$0.27 per share quarterly dividend paid in 2019. As has been mentioned in prior reports, recurring investment income alone has

generally not been sufficient to fully fund the current dividend rate, which has required supplementation from non-recurring income and earnings carry forwards. While recurring investment income remains stable, it may not be sufficient to fully fund the current dividend rate in the future. Net investment income has generally been below the dividend rate since 2013 due principally to the considerable reduction in the number of higher yielding private debt securities resulting from prepayments and realizations in the portfolio, combined with generally lower investment returns available due to market and competitive dynamics in recent years. Floating interest rates continue to be low by historic standards, and should such rates rise, the Trust's income would likely also rise. The percentage of the portfolio in floating rate debt securities, which are often secured and generally of higher credit quality than higher-yielding junior debt, increased in 2020 to 58% as of December 31, 2020, compared to 44% as of December 31, 2019. All of the above said, the level of recurring investment income expected to be generated by the Trust in 2021 combined with the availability of earnings carry forwards and other non-recurring income, is currently expected to be sufficient to maintain the current dividend rate over the next several quarters. Over time, however, the Trust's dividend paying ability tends to be correlated with its recurring earnings capacity. We and the Board of Trustees will continue to evaluate the current and future earnings capacity of the Trust and formulate a dividend strategy that is consistent with the Trust's recurring earnings.

As always, I would like to thank you for your continued interest in and support of Barings Participation Investors. I look forward to seeing you at the Trust's annual shareholder meeting on April 23, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Christina Emery". The signature is fluid and cursive, with a large initial "C" and a stylized "E".

Christina Emery

President

2020 Dividends	Record Date	Total Paid	Ordinary Income	Short-Term Gains	Long-Term Gains
Regular	5/4/2020	0.2000	0.2000	-	-
Regular	8/3/2020	0.2000	0.2000	-	-
Regular	11/2/2020	0.2000	0.2000	-	-
Regular	12/31/2020	0.2000	0.2000	-	-
		0.8000	0.8000	0.0000	0.0000

The Trust did not have distributable net long term gains in 2020.

Annual Dividend Amount Per Share	Qualified for Dividend Received Deduction* Percent	Amount Per Share	Qualified Dividends** Percent	Amount Per Share	Interest Earned on U.S. Gov't. Obligations Percent	Amount Per Share
\$ 0.80	1.1105%	0.0089	1.1105%	0.0089	0%	0.0000

* Not available to individual shareholders

** Qualified dividends are reported in Box 1b on IRS Form 1099-Div for 2020

BARINGS PARTICIPATION INVESTORS

Financial Report

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**December 31, 2020****Assets:**

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities - private placement investments at fair value (Cost - \$128,000,750)	\$ 122,799,787
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Corporate restricted securities - rule 144A securities at fair value (Cost - \$11,273,307)	12,153,488
--	------------

Corporate public securities at fair value (Cost - \$8,551,323)	8,525,966
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Short-term securities at fair value (Cost - \$4,997,696)	4,998,106
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Total investments (Cost - \$152,823,076)	148,477,347
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Cash	12,640,481
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Interest receivable	1,102,649
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Receivable for investments sold	17,480
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Other assets	968,513
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Total assets	163,206,470
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Liabilities:

Note payable	15,000,000
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Dividend payable	2,120,340
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Payable for investments purchased	1,430,070
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Investment advisory fee payable	323,949
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Tax payable	118,145
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Interest payable	27,267
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Accrued expenses	9,320
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Total liabilities	19,029,091
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Commitments and Contingencies (See Note 7)	
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Total net assets	\$144,177,379
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Net Assets:

Common shares, par value \$.01 per share	\$ 106,017
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Additional paid-in capital	142,111,125
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Total distributable earnings	1,960,237
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Total net assets	\$144,177,379
-------------------------	----------------------

Common shares issued and outstanding (14,787,750 authorized)	10,601,700
--	------------

Net asset value per share	\$ 13.60
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CONSOLIDATED STATEMENT OF OPERATIONS**For the year ended December 31, 2020**

Investment Income:	
Interest	\$ 12,786,007
Dividends	272,848
Other	<u>139,975</u>
Total investment income	<u>13,198,830</u>
Expenses:	
Investment advisory fees	1,262,599
Interest	613,500
Trustees' fees and expenses	307,000
Professional fees	294,259
Reports to shareholders	46,000
Custodian fees	24,000
Other	<u>20,995</u>
Total expenses	<u>2,568,353</u>
Investment income - net	<u>10,630,477</u>
Net realized and unrealized gain on investments:	
Net realized loss on investments before taxes	(234,879)
Income tax benefit	<u>474,927</u>
Net realized gain on investments after taxes	<u>240,048</u>
Net increase (decrease) in unrealized appreciation (depreciation) of investments before taxes	<u>(4,521,459)</u>
Net increase (decrease) in unrealized appreciation (depreciation) of investments after taxes	<u>(4,521,459)</u>
Net loss on investments	<u>(4,281,411)</u>
Net increase in net assets resulting from operations	<u><u>\$ 6,349,066</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended December 31, 2020**

Net decrease in cash:

Cash flows from operating activities:

Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$ 859,755
Purchases of portfolio securities	(47,401,423)
Proceeds from disposition of portfolio securities	47,233,054
Interest, dividends and other income received	11,261,746
Interest expense paid	(613,500)
Operating expenses paid	(2,066,901)
Income taxes paid	(762,033)
Net cash provided by operating activities	<u>8,510,698</u>

Cash flows from financing activities:

Cash dividends paid from net investment income	(9,219,572)
Receipts for shares issued on reinvestment of dividends	227,533
Net cash used for financing activities	<u>(8,992,039)</u>

Net decrease in cash	(481,341)
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Cash - beginning of year	<u>13,121,822</u>
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Cash - end of year	<u><u>\$ 12,640,481</u></u>
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Reconciliation of net increase in net assets to net cash provided by operating activities:

Net increase in net assets resulting from operations	<u>\$ 6,349,066</u>
Decrease in investments	2,149,725
Increase in interest receivable	(131,026)
Decrease in receivable for investments sold	87,143
Increase in other assets	(966,538)
Increase in payable for investments purchased	1,430,070
Decrease in investment advisory fee payable	(4,736)
Decrease in tax payable	(295,694)
Decrease in accrued expenses	(107,312)
Total adjustments to net assets from operations	<u>2,161,632</u>
Net cash provided by operating activities	<u><u>\$ 8,510,698</u></u>

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**For the year ended December 31, 2020**

	2020	2019
Increase / (decrease) in net assets:		
Operations:		
Investment income - net	\$ 10,630,477	\$ 10,575,402
Net realized gain on investments after taxes	240,048	769,899
Net change in unrealized (depreciation) appreciation of investments after taxes	<u>(4,521,459)</u>	<u>6,464,660</u>
Net increase in net assets resulting from operations	6,349,066	17,809,961
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2020 - 14,472; 2019 - 60,330)	227,533	933,680
Dividends to shareholders from:		
Distributable earnings to Common Stock Shareholders (2020 - \$0.80 per share; 2019 - \$1.08 per share)	<u>(8,481,360)</u>	<u>(11,410,602)</u>
Total (decrease) / increase in net assets	(1,904,761)	7,333,039
Net assets, beginning of year	<u>146,082,140</u>	<u>138,749,101</u>
Net assets, end of year	<u>\$144,177,379</u>	<u>\$146,082,140</u>

CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS**Selected data for each share of beneficial interest outstanding:**

	For the years ended December 31,				
	2020	2019	2018	2017	2016
Net asset value:					
Beginning of year	\$ 13.80	\$ 13.18	\$ 13.91	\$ 13.15	\$ 13.10
Net investment income (a)	1.00	1.00	1.03	1.09	1.00
Net realized and unrealized gain (loss) on investments	(0.40)	0.69	(0.68)	0.75	0.13
Total from investment operations	0.60	1.69	0.35	1.84	1.13
Dividends from net investment income to common shareholders	(0.80)	(1.08)	(1.08)	(1.08)	(1.08)
Increase / (Decrease) from dividends reinvested	0.00 (b)	0.01 (b)	(0.00)(b)	(0.00)(b)	(0.00)(b)
Total dividends	(0.80)	(1.07)	(1.08)	(1.08)	(1.08)
Net asset value: End of year	\$ 13.60	\$ 13.80	\$ 13.18	\$ 13.91	\$ 13.15
Per share market value: End of year	\$ 11.88	\$ 16.13	\$ 15.05	\$ 14.10	\$ 14.20
Total investment return					
Net asset value (c)	4.66%	13.21%	2.53%	14.29%	8.75%
Market value (c)	(21.11%)	14.72%	15.02%	7.21%	11.45%
Net assets (in millions):					
End of year	\$ 144.18	\$ 146.08	\$ 138.75	\$ 145.48	\$ 136.61
Ratio of total expenses to average net assets (d)	1.47%	2.26%	2.76%	3.23%	2.26%
Ratio of operating expenses to average net assets	1.38%	1.45%	1.56%	1.49%	1.35%
Ratio of interest expense to average net assets	0.43%	0.42%	0.42%	0.43%	0.44%
Ratio of income tax expense (benefit) to average net assets	(0.34%)	0.39%	0.78%	1.31%	0.47%
Ratio of net investment income to average net assets	7.52%	7.30%	7.47%	7.92%	7.45%
Portfolio turnover	34%	22%	48%	24%	31%
(a) Calculated using average shares.					
(b) Rounds to less than \$0.01 per share.					
(c) Net asset value return represents portfolio returns based on change in the Trust's net asset value assuming the reinvestment of all dividends and distributions which differs from the total investment return based on the Trust's market value due to the difference between the Trust's net asset value and the market value of its shares outstanding; past performance is no guarantee of future results.					
(d) Total expenses include income tax expense (benefit).					
Senior borrowings:					
Total principal amount (in millions)	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Asset coverage per \$1,000 of indebtedness	\$ 10,612	\$ 10,739	\$ 10,250	\$ 10,699	\$ 10,107

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS**December 31, 2020**

Corporate Restricted Securities - 93.60%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Private Placement Investments - 85.17%: (C)				
1WorldSync, Inc.				
A product information sharing platform that connects manufacturers/suppliers and key retailers via the Global Data Synchronization Network.				
6.75% Term Loan due 6/24/2025 (LIBOR + 5.750%)	\$2,465,000	*	\$ 2,424,369	\$ 2,415,700
* 07/01/19 and 12/09/20.				
Accelerate Learning				
A provider of standards-based, digital science education content of K-12 schools.				
5.26% Term Loan due 12/31/2024 (LIBOR + 5.000%)	\$ 974,753	12/19/18	961,866	934,886
Advanced Manufacturing Enterprises LLC				
A designer and manufacturer of large, custom gearing products for a number of critical customer applications.				
Limited Liability Company Unit (B)	1,945 uts.	*	207,911	-
* 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.				
13% (1% PIK) Senior Subordinated Note due 02/28/2023	\$1,926,010*		1,917,662	1,926,010
12% Junior Subordinated Note due 02/28/2023	\$ 213,772	08/17/20	201,869	211,340
Preferred Stock (B)	73 shs.	**	-	7,832
Preferred Stock Series A (B)	1,155 shs.	***	115,513	195,750
Preferred Stock Series V (B)	53 shs.	12/31/19	5,251	6,286
Common Stock (B)	373 shs.	***	373	61,203
Common Stock Series B (B)	44 shs.	**	-	7,221
* 03/27/15, 11/16/18, 07/1/19, 08/21/19 and 12/05/19.			2,240,668	2,415,642
** 03/27/15, 11/15/18 and 12/31/19.				
*** 03/27/15, 11/15/18, 12/31/19 and 08/14/20.				

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Aftermath, Inc.				
A provider of crime scene cleanup and biohazard remediation services.				
6.75% Term Loan due 04/10/2025 (LIBOR + 5.750%)	\$ 963,473	04/09/19	\$ 948,045	\$ 954,260
American Scaffold, Inc.				
A provider of scaffolding and environmental containment solutions.				
6.25% Term Loan due 09/06/2025 (LIBOR + 5.250%)	\$1,287,571	09/06/19	1,264,984	1,287,571
AMS Holding LLC				
A leading multi-channel direct marketer of high-value collectible coins and proprietary-branded jewelry and watches.				
Limited Liability Company Unit Class A Preferred (B)(F)	114 uts.	10/04/12	113,636	234,236
ASC Holdings, Inc.				
A manufacturer of capital equipment used by corrugated box manufacturers.				
13% (1% PIK) Senior Subordinated Note due 05/18/2021	\$ 893,847	11/19/15	892,458	892,906
Limited Liability Company Unit (B)	111,100 uts.	11/18/15	111,100	38,441
			1,003,558	931,347
ASPEQ Holdings				
A manufacturer of highly-engineered electric heating parts and equipment for a range of industrial, commercial, transportation and marine applications.				
6.25% Term Loan due 10/31/2025 (LIBOR + 5.250%)	\$1,199,508	11/08/19	1,184,962	1,188,396
Audio Precision				
A provider of high-end audio test and measurement sensing instrumentation software and accessories.				
7.00% Term Loan due 07/27/2024 (LIBOR + 6.000%)	\$1,768,500	10/30/18	1,745,926	1,750,815

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Aurora Parts & Accessories LLC				
A distributor of aftermarket over-the-road semi-trailer parts and accessories sold to customers across North America.				
Preferred Stock (B)	210 shs.	08/17/15	\$ 209,390	\$ 209,390
Common Stock (B)	210 shs.	08/17/15	210	143,539
			<u>209,600</u>	<u>352,929</u>
BBB Industries LLC				
A supplier of re-manufactured parts to the North American automotive aftermarket.				
8.65% Second Lien Term Loan due 06/26/2026 (LIBOR + 8.500%)				
	\$1,725,000	08/02/18	1,688,825	1,635,472
BDP International, Inc.				
A provider of transportation and related services to the chemical and life sciences industries.				
6.25% Term Loan due 12/19/2024 (LIBOR + 5.250%)				
	2,415,700	12/18/18	2,383,822	2,367,386
6.25% Incremental Term Loan due 12/19/2024 (LIBOR + 5.250%)				
	43,138	12/07/20	42,289	42,275
			<u>2,426,111</u>	<u>2,409,661</u>
Beacon Pointe Advisors, LLC				
An integrated wealth management platform with comprehensive financial planning capabilities for high net worth clients with complex financial needs.				
6.00% Term Loan due 03/31/2026 (LIBOR + 5.000%) (H)				
	\$ 995,227	03/31/20	612,020	631,591
BEI Precision Systems & Space Company, Inc.				
A provider of advanced design, manufacturing, and testing for custom optical encoder-based positioning systems, precision accelerometers, and micro scanners.				
12% (1% PIK) Senior Subordinated Note due 04/28/2024				
	\$1,503,125	04/28/17	1,486,295	1,503,125
Limited Liability Company Unit (B)(F)	4,167 uts.	*	416,654	472,636
* 04/28/17 and 02/07/19.			<u>1,902,949</u>	<u>1,975,761</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Blue Wave Products, Inc.				
A distributor of pool supplies.				
Common Stock (B)	51,064 shs.	10/12/12	\$ 51,064	\$ 164,580
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	20,216 shs.	10/12/12	<u>20,216</u>	<u>65,157</u>
			<u>71,280</u>	<u>229,737</u>
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.				
Common Stock (B)	2,956 shs.	06/30/15	<u>937,438</u>	<u>50,459</u>
Brown Machine LLC				
A designer and manufacturer of thermoforming equipment used in the production of plastic packaging containers within the food and beverage industry.				
6.25% Term Loan due 10/04/2024 (LIBOR + 5.250%)	\$ 680,840	10/03/18	<u>675,513</u>	<u>680,840</u>
Cadence, Inc.				
A full-service contract manufacturer ("CMO") and supplier of advanced products, technologies, and services to medical device, life science, and industrial companies.				
5.50% First Lien Term Loan due 04/30/2025 (LIBOR + 4.500%)	\$ 890,782	*	<u>879,584</u>	<u>858,091</u>
* 05/14/18 and 05/31/19.				
Cadent, LLC				
A provider of advertising solutions driven by data and technology.				
6.50% Term Loan due 09/07/2023 (LIBOR + 5.500%)	\$ 970,231	09/04/18	<u>964,990</u>	<u>948,206</u>
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.				
Limited Liability Company Unit (B)	1,853 uts.	07/18/16	<u>189,267</u>	<u>364,715</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Claritas Holdings, Inc.				
A market research company that provides market segmentation insights to customers engaged in direct-to-consumer and business-to-business marketing activities.				
7.00% Term Loan due 12/31/2023 (LIBOR + 6.000%)	\$1,574,763	12/20/18	\$ 1,551,391	\$ 1,543,897
Clubessential LLC				
A leading SaaS platform for private clubs and resorts.				
6.25% (1% PIK) Senior Subordinated Note due 11/30/2023 (LIBOR + 5.250%)	\$1,716,375	01/09/20	1,695,119	1,696,637
Command Alkon				
A vertical-market software and technology provider to the heavy building materials industry delivering purpose-built, mission critical products that serve as the core operating & production systems for ready-mix concrete producers, asphalt producers, and aggregate suppliers.				
9.25% Term Loan due 04/17/2027 (LIBOR + 8.250%)	\$2,079,648*		2,022,555	2,017,259
Limited Liability Company Unit	18 uts.	04/23/20	18,006	18,629
Limited Liability Company Unit Class B	6,629 uts.	04/23/20	-	1,624
* 04/23/20, 10/30/20 and 11/18/20.			2,040,561	2,037,512
Concept Machine Tool Sales, LLC				
A full-service distributor of high-end machine tools and metrology equipment, exclusively representing a variety of global manufacturers in the Upper Midwest.				
6.00% Term Loan due 01/31/2025 (LIBOR + 5.000%)	\$ 623,694	01/30/20	613,514	577,353
Limited Liability Company Unit (F)	1,171 shs.	01/30/20	46,910	32,472
			660,424	609,825
CORA Health Services, Inc.				
A provider of outpatient rehabilitation therapy services.				
11.00% (1% PIK) Term Loan due 05/05/2025 (H)	\$1,555,713	*	1,474,926	1,473,536
Preferred Stock Series A (B)	758 shs.	06/30/16	2,647	120,277
Common Stock Class A (B)	3,791 shs.	06/30/16	3,791	28,958
* 05/01/18, 06/28/19 and 09/30/20			1,481,364	1,622,771

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
CTS Engines				
A provider of maintenance, repair and overhaul services within the aerospace & defense market.				
6.25% Term Loan due 12/22/2026 (LIBOR + 5.250%)	\$1,402,897	12/22/20	\$ 1,374,954	\$ 1,374,839
Dart Buyer, Inc.				
A manufacturer of helicopter aftermarket equipment and OEM Replacement parts for rotorcraft operators, providers and OEMs.				
5.75% Term Loan due 04/01/2025 (LIBOR + 4.750%) (H)	\$1,708,945	04/01/19	1,403,586	1,413,529
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 (D)	\$1,420,588	10/07/16	1,403,759	1,278,529
Limited Liability Company Unit (B)(F)	368,799 uts.	*	368,928	91,997
* 10/07/16, 07/25/18, 03/13/19 and 06/17/19.			1,772,687	1,370,526
DPL Holding Corporation				
A distributor and manufacturer of aftermarket undercarriage parts for medium and heavy duty trucks and trailers.				
Preferred Stock (B)	25 shs.	05/04/12	252,434	364,622
Common Stock (B)	25 shs.	05/04/12	28,048	-
			280,482	364,622
Dunn Paper				
A provider of specialty paper for niche product applications.				
9.75% Second Lien Term Loan due 08/26/2023 (LIBOR + 8.750%)	\$1,725,000	09/28/16	1,711,693	1,693,777

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Electronic Power Systems				
A provider of electrical testing services for apparatus equipment and protection & controls infrastructure.				
5.00% Term Loan due 12/21/2024 (LIBOR + 4.750%)	\$1,491,426	12/21/18	\$ 1,476,580	\$ 1,491,426
Common Stock (B)	52 shs.	12/28/18	52,176	99,677
			<u>1,528,756</u>	<u>1,591,103</u>
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 09/20/2022 (D)	\$1,588,640	10/14/16	1,568,694	-
Limited Liability Company Unit (B)(F)	101 uts.	10/14/16	159,722	-
			<u>1,728,416</u>	<u>-</u>
English Color & Supply LLC				
A distributor of aftermarket automotive paint and related products to collision repair shops, auto dealerships and fleet customers through a network of stores in the Southern U.S.				
11.5% (0.5% PIK) Senior Subordinated Note due 12/31/2023	\$1,350,723	06/30/17	1,337,195	1,349,707
Limited Liability Company Unit (B)(F)	397,695 uts.	06/30/17	397,695	368,003
			<u>1,734,890</u>	<u>1,717,710</u>
E.S.P. Associates, P.A.				
A professional services firm providing engineering, surveying and planning services to infrastructure projects.				
Limited Liability Company Unit (B)	273 uts.	*	295,518	167,206
* 06/29/18 and 12/29/20.				
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 Class B-1 (B)	49,342 uts.	12/15/10	42,343	613,849

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Foundation Risk Partners, Corp.				
A retail insurance brokerage firm focused on providing commercial P&C and employee benefits solutions to small and medium-sized clients.				
5.75% First Lien Term Loan due 11/10/2023 (LIBOR + 4.750%) (H)	\$ 666,458	09/30/20	\$ 553,315	\$ 553,337
9.50% Second Lien Term Loan due 11/10/2024 (LIBOR + 8.500%) (H)	\$ 333,333	09/30/20	102,512	103,377
			<u>655,827</u>	<u>656,714</u>
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	-
Limited Liability Company Unit Common (B)	767 uts.	10/05/12	767	-
			<u>76,687</u>	<u>-</u>
gloProfessional Holdings, Inc.				
A marketer and distributor of premium mineral-based cosmetics, cosmeceuticals and professional hair care products to the professional spa and physician's office channels.				
14% (2% PIK) Senior Subordinated Note due 11/30/2021 (D)	\$1,380,135	03/27/13	989,505	1,311,129
Preferred Stock (B)	295 shs.	03/29/19	295,276	363,152
Common Stock (B)	1,181 shs.	03/27/13	118,110	19,593
			<u>1,402,891</u>	<u>1,693,874</u>
GraphPad Software, Inc.				
A provider of data analysis, statistics and graphing software solution for scientific research applications, with a focus on the life sciences and academic end-markets.				
7.00% Term Loan due 12/21/2023 (LIBOR + 6.000%)	\$2,421,666	*	2,397,712	2,373,231
* 12/19/17 and 04/16/19.				
GTI Holding Company				
A designer, developer, and marketer of precision specialty hand tools and handheld test instruments.				
Common Stock (B)	1,046 shs.	*	104,636	215,450
Warrant, exercisable until 2027, to purchase common stock at \$.01 per share (B)	397 shs.	02/05/14	36,816	81,772
			<u>141,452</u>	<u>297,222</u>
* 02/05/14 and 11/22/17.				

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Handi Quilter Holding Company (Premier Needle Arts)				
A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.				
Limited Liability Company Unit Preferred (B)	372 uts.	*	\$ 371,644	\$ 433,899
Limited Liability Company Unit Common Class A (B)	3,594 uts.	12/19/14	-	-
*12/19/14 and 04/29/16.			<u>371,644</u>	<u>433,899</u>
Happy Floors Acquisition, Inc.				
A wholesale importer and value-added distributor of premium European flooring tile to residential and commercial end markets.				
12.5% (1% PIK) Senior Subordinated Note due 01/01/2023	\$ 393,890	07/01/16	391,775	393,890
Common Stock (B)	150 shs.	07/01/16	<u>149,500</u>	<u>375,042</u>
			<u>541,275</u>	<u>768,932</u>
Hartland Controls Holding Corporation				
A manufacturer and distributor of electronic and electromechanical components.				
14% (2% PIK) Senior Subordinated Note due 12/01/2023	\$1,198,294	02/14/14	1,197,477	1,198,294
14% Senior Subordinated Note due 12/01/2023	\$ 436,299	06/22/15	436,110	436,299
Common Stock (B)	821 shs.	02/14/14	<u>822</u>	<u>282,334</u>
			<u>1,634,409</u>	<u>1,916,927</u>
HHI Group, LLC				
A developer, marketer, and distributor of hobby-grade radio control products.				
14% (2% PIK) Senior Subordinated Note due 11/26/2020				
Limited Liability Company Unit (B)(F)	102 uts.	01/17/14	<u>101,563</u>	<u>409,129</u>
Holley Performance Products				
A provider of automotive aftermarket performance products.				
5.21% Term Loan due 10/24/2025 (LIBOR + 5.000%)	\$2,415,700	10/24/18	<u>2,390,674</u>	<u>2,415,700</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
HOP Entertainment LLC				
A provider of post production equipment and services to producers of television shows and motion pictures.				
Limited Liability Company Unit Class F (B)(F)	47 uts.	10/14/11	\$ -	\$ -
Limited Liability Company Unit Class G (B)(F)	114 uts.	10/14/11	-	-
Limited Liability Company Unit Class H (B)(F)	47 uts.	10/14/11	-	-
Limited Liability Company Unit Class I (B)(F)	47 uts.	10/14/11	-	-
			-	-
			-	-
Hyperion Materials & Technologies, Inc.				
A producer of specialty hard materials and precision tool components that are used to make precision cutting, grinding and other machining tools used by tool manufacturers and final product manufacturers.				
6.50% Term Loan due 08/14/2026 (LIBOR + 5.500%)	\$1,597,440	08/16/19	1,573,940	1,579,542
IGL Holdings III Corp.				
A specialty label and flexible packaging converter.				
6.75% Term Loan due 10/23/2026 (LIBOR + 5.750%) (H)	\$1,725,000	11/02/20	1,179,796	1,178,847
IM Analytics Holdings, LLC				
A provider of test and measurement equipment used for vibration, noise, and shock testing.				
8.00% Term Loan due 11/22/2023 (LIBOR + 7.000%)	\$1,057,907	11/21/19	1,050,246	899,856
Warrant, exercisable until 2026, to purchase common stock at \$.01 per share (B)	8,885 shs.	11/25/19	-	-
			1,050,246	899,856
Industrial Service Solutions				
A provider of maintenance, repair and overhaul services for process equipment within the industrial, energy and power end-markets.				
5.75% Term Loan due 02/05/2026 (LIBOR + 5.500%)	\$ 898,960	02/05/20	883,696	830,549

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Kano Laboratories LLC				
A producer of industrial strength penetrating oils and lubricants.				
6.00% Term Loan due 9/30/2026 (LIBOR + 5.000%) (H)	\$1,253,694	11/18/20	\$ 833,985	\$ 833,482
Limited Liability Company Unit	20 uts.	11/19/20	19,757	19,760
			<u>853,742</u>	<u>853,242</u>
LAC Acquisition LLC				
A provider of center-based applied behavior analysis treatment centers for children diagnosed with autism spectrum disorder.				
6.75% Term Loan due 10/01/2024 (LIBOR + 5.750%)	\$1,327,397	10/01/18	1,308,743	1,294,212
Limited Liability Company Unit Class A (F)	22,222 uts.	10/01/18	22,222	26,541
			<u>1,330,965</u>	<u>1,320,753</u>
LYNX Franchising				
A global franchisor of B2B services including commercial janitorial services, shared office space solutions, and textile and electronics restoration services.				
7.25% Term Loan due 12/18/2026 (LIBOR + 6.250%)	\$1,725,000	12/22/20	1,690,641	1,690,500
Manhattan Beachwear Holding Company				
A designer and distributor of women's swimwear.				
12.5% Senior Subordinated Note due 05/30/2022 (D)	\$ 419,971	01/15/10	404,121	-
15% (2.5% PIK) Senior Subordinated Note due 05/30/2022 (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 2023, to purchase common stock at \$.01 per share (B)	104 shs.	10/05/10	94,579	-
			<u>766,351</u>	<u>-</u>
Master Cutlery LLC				
A designer and marketer of a wide assortment of knives and swords.				
13% Senior Subordinated Note due 07/20/2022 (D)	\$ 868,102	04/17/15	867,529	-
Limited Liability Company Unit	5 uts.	04/17/15	678,329	-
			<u>1,545,858</u>	<u>-</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Media Recovery, Inc.				
A global manufacturer and developer of shock, temperature, vibration and other condition indicators and monitors for in-transit and storage applications.				
6.75% First Out Term Loan due 11/22/2025 (LIBOR + 6.000%)	\$ 494,457	11/25/19	\$ 486,250	\$ 485,804

MES Partners, Inc.

An industrial service business offering an array of cleaning and environmental services to the Gulf Coast region of the U.S.

Preferred Stock Series A (B)	30,926 shs.	07/25/19	12,412	-
Preferred Stock Series C (B)	1,275 shs.	09/22/20	457,365	160,286
Common Stock Class B (B)	259,252 shs.	*	244,163	-
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	351,890 shs.	09/22/20	-	-
* 09/30/14 and 02/28/18.			<u>713,940</u>	<u>160,286</u>

MeTEOR Education LLC

A leading provider of classroom and common area design services, furnishings, equipment and instructional support to K-12 schools.

12% Senior Subordinated Note due 06/20/2023	\$ 915,819	03/09/18	906,537	922,224
Limited Liability Company Unit (B)(F)	182 uts.	03/09/18	183,164	109,718
			<u>1,089,701</u>	<u>1,031,942</u>

Motion Controls Holdings

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

Limited Liability Company Unit Class B-1 (B)(F)	75,000 uts.	11/30/10	-	24,053
Limited Liability Company Unit Class B-2 (B)(F)	6,801 uts.	11/30/10	-	2,181
			<u>-</u>	<u>26,234</u>

Music Reports, Inc.

An administrator of comprehensive offering of rights and royalties solutions for music and cue sheet copyrights to music and entertainment customers.

7.25% Term Loan due 08/21/2026 (LIBOR + 6.250%)	\$ 605,170	08/25/20	590,925	591,806
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Omni Logistics, LLC				
A specialty freight forwarding business specifically targeting the semiconductor, media, technology and healthcare end markets.				
6.00% Term Loan due 12/30/2026 (LIBOR + 5.000%)	\$1,750,000	12/30/20	\$ 1,697,548	\$ 1,697,500
Options Technology Ltd				
A provider of vertically focused financial technology managed services and IT infrastructure products for the financial services industry.				
5.50% Term Loan due 12/18/2025 (LIBOR + 4.500%) (H)	\$1,598,229	12/23/19	1,236,056	1,241,535
PANOS Brands LLC				
A marketer and distributor of branded consumer foods in the specialty, natural, better-for-you, "free from" healthy and gluten-free categories.				
12% (1% PIK) Senior Subordinated Note due 08/17/2022	\$1,775,705	02/17/17	1,764,368	1,775,705
Common Stock Class B (B)	380,545 shs.	*	380,545	557,623
* 01/29/16 and 02/17/17.			2,144,913	2,333,328
PB Holdings LLC				
A designer, manufacturer and installer of maintenance and repair parts and equipment for industrial customers.				
5.52% Term Loan due 03/06/2025 (LIBOR + 5.250%)	\$ 783,253	03/06/19	772,355	712,056
Pegasus Transtech Corporation				
A provider of end-to-end document, driver and logistics management solutions, which enable its customers (carriers, brokers, and drivers) to operate more efficiently, reduce manual overhead, enhance compliance, and shorten cash conversion cycles.				
8.75% Term Loan due 08/31/2026 (LIBOR + 6.500%)	\$ 387,642	09/29/20	374,652	378,759
7.50% Term Loan due 11/17/2024 (LIBOR + 6.250%)	\$1,894,364	11/14/17	1,868,129	1,850,983
			2,242,781	2,229,742

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Petroplex Inv Holdings LLC				
A leading provider of acidizing services to E&P customers in the Permian Basin.				
Limited Liability Company Unit	0.40% int.	*	\$ 174,669	\$ 5,949
* 11/29/12 and 12/20/16.				
Polytex Holdings LLC				
A manufacturer of water based inks and related products serving primarily the wall covering market.				
13.9% (7.9% PIK) Senior Subordinated Note due 12/31/2021 (D)	\$1,069,985	07/31/14	1,064,183	909,487
Limited Liability Company Unit	148,096 uts.	07/31/14	148,096	-
Limited Liability Company Unit Class F	36,976 uts.	*	24,802	6,214
* 09/28/17 and 02/15/18.				
			<u>1,237,081</u>	<u>915,701</u>
PPC Event Services				
A special event equipment rental business.				
Preferred Stock Series P-1 (B)	71 shs.	07/21/20	71,018	-
Common Stock (B)	170,927 shs.	07/21/20	-	-
16.00% Term Loan due 05/28/2023 (D)	\$ 951,093	07/21/20	678,926	-
8.00% Term Loan due 05/28/2023 (D)	\$ 693,994	07/21/20	651,796	-
Limited Liability Company Unit (B)	3,450 uts.	11/20/14	172,500	-
Limited Liability Company Unit Series A-1 (B)	339 uts.	03/16/16	42,419	-
			<u>1,616,659</u>	-
Recovery Point Systems, Inc.				
A provider of IT infrastructure, colocation and cloud based resiliency services.				
7.50% Term Loan due 7/31/2026 (LIBOR + 6.500%)	\$1,356,514	08/12/20	1,331,142	1,353,123
RedSail Technologies				
A provider of pharmacy management software solutions for independent pharmacies and long-term care facilities.				
6.25% Term Loan due 10/27/2026 (LIBOR + 5.500%)	\$1,725,000	12/09/20	1,682,297	1,681,875

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
ReelCraft Industries, Inc.				
A designer and manufacturer of heavy-duty reels for diversified industrial, mobile equipment OEM, auto aftermarket, government/military and other end markets.				
Limited Liability Company Unit Class B	293,617 uts.	11/13/17	\$ 184,689	\$ 570,274
REVSpring, Inc.				
A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries.				
9.25% Second Lien Term Loan due 10/11/2026 (LIBOR + 8.250%)	\$1,725,000	10/11/18	1,687,649	1,678,943
Rock-it Cargo				
A provider of specialized international logistics solutions to the music touring, performing arts, live events, fine art and specialty industries.				
6.00% Term Loan due 06/22/2024 (G) (LIBOR + 5.000% Cash & 2.750% PIK)	\$2,479,244	*	2,443,050	2,051,326
* 07/30/18 and 09/30/20.				
ROI Solutions				
Call center outsourcing and end user engagement services provider.				
6.00% Term Loan due 07/31/2024 (LIBOR + 5.000%) (H)	\$1,619,570	07/31/18	638,681	651,711
RPX Corp				
A provider of subscription services that help member companies mitigate the risk of patent disputes and reduce the cost of patent litigation.				
7.00% Term Loan due 10/23/2025 (LIBOR + 6.000%)	\$1,725,000	10/22/20	1,687,675	1,686,188
Ruffalo Noel Levitz				
A provider of enrollment management, student retention and career services, and fundraising management for colleges and universities.				
7.00% Term Loan due 05/29/2022 (LIBOR + 6.000%)	\$1,238,636	01/08/19	1,230,930	1,232,322

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Safety Products Holdings, Inc.				
A manufacturer of highly engineered safety cutting tools.				
Common Stock	29 shs.	12/16/20	\$ 29,262	\$ 29,260
7.00% Term Loan due 12/15/2026 (LIBOR + 6.000%) (H)	\$1,695,738	12/15/20	<u>1,211,615</u>	<u>1,211,337</u>
			<u>1,240,877</u>	<u>1,240,597</u>
Sandvine Corporation				
A provider of active network intelligence solutions.				
8.15% Second Lien Term Loan due 11/02/2026 (LIBOR + 8.000%)	\$1,725,000	11/01/18	<u>1,693,549</u>	<u>1,713,021</u>
Sara Lee Frozen Foods				
A provider of frozen bakery products, desserts and sweet baked goods.				
5.50% Lien Term Loan due 07/30/2025 (LIBOR + 4.500%)	\$1,502,622	07/27/18	<u>1,480,528</u>	<u>1,401,947</u>
Scaled Agile, Inc.				
A provider of training and certifications for IT professionals focused on software development.				
5.75% Term Loan due 06/28/2024 (LIBOR + 4.750%)	\$ 657,547	06/27/19	<u>652,961</u>	<u>650,971</u>
SEKO Worldwide, LLC				
A third-party logistics provider of ground, ocean, air and home delivery forwarding services.				
6.00% Term Loan due 12/30/2026 (LIBOR + 5.000%)	\$1,725,000	12/30/20	<u>1,430,105</u>	<u>1,439,591</u>
Soliant Holdings, LLC				
A healthcare staffing platform focused on placing highly skilled professionals in the education, nursing/allied health, life sciences and pharmacy end-markets.				
6.50% Term Loan due 11/30/2026 (LIBOR + 5.500%) (H)	\$1,010,800	12/27/19	<u>993,485</u>	<u>1,003,623</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Specified Air Solutions				
A manufacturer and distributor of heating, dehumidification and other air quality solutions.				
10.5% (0.5% PIK) Senior Subordinated Note due 06/19/2024	\$1,237,406	12/19/18	\$ 1,229,179	\$ 1,237,406
Limited Liability Company Unit (B)	531,730 uts.	02/20/19	539,795	1,806,597
			<u>1,768,974</u>	<u>3,044,003</u>
Springbrook Software				
A provider of vertical-market enterprise resource planning software and payments platforms focused on the local government end-market.				
6.75% Term Loan due 12/20/2026 (LIBOR + 5.750%) (H)	\$1,648,956	12/23/19	1,176,215	1,181,816
SR Smith LLC				
A manufacturer of mine and tunneling ventilation products in the United States.				
11% Senior Subordinated Note due 03/27/2022 (D)	\$1,084,565	*	1,047,502	1,030,337
Limited Liability Company Unit Series A	1,072 uts.	*	1,060,968	2,075,570
* 03/27/17 and 08/07/18.			<u>2,108,470</u>	<u>3,105,907</u>
Strahman Holdings Inc.				
A manufacturer of industrial valves and wash down equipment for a variety of industries, including chemical, petrochemical, polymer, pharmaceutical, food processing, beverage and mining.				
Preferred Stock Series A (B)	158,967 shs.	12/13/13	158,967	394,577
Preferred Stock Series A-2 (B)	26,543 shs.	09/10/15	29,994	65,883
			<u>188,961</u>	<u>460,460</u>
Sunvair Aerospace Group Inc.				
An aerospace maintenance, repair, and overhaul provider servicing landing gears on narrow body aircraft.				
12% (1% PIK) Senior Subordinated Note due 08/01/2024	\$1,983,335	*	1,956,861	1,983,335
Preferred Stock Series A	28 shs.	12/21/20	71,176	71,170
Common Stock (B)	68 shs.	**	104,986	118,923
* 07/31/15 and 12/21/20.			<u>2,133,023</u>	<u>2,173,428</u>
** 07/31/15 and 11/08/17.				

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
The Hilb Group, LLC				
An insurance brokerage platform that offers insurance and benefits programs to middle-market companies throughout the Eastern seaboard.				
6.75% Term Loan due 09/30/2026 (LIBOR + 5.750%) (H)	\$1,722,022	*	\$ 1,558,094	\$ 1,573,679
* 12/02/19 and 12/15/20.				
Therma-Stor Holdings LLC				
A designer and manufacturer of dehumidifiers and water damage restoration equipment for residential and commercial applications.				
Limited Liability Company Unit (B)	19,696 uts.	11/30/17	-	10,698
Transit Technologies LLC				
A software platform for the transportation market that offers end-to-end software solutions focused on operations, fleet management and telematics services.				
4.97% Term Loan due 02/10/2025 (LIBOR + 4.750%) (H)	\$1,560,620	02/13/20	757,836	675,124
Trident Maritime Systems				
A leading provider of turnkey marine vessel systems and solutions for government and commercial new ship construction as well as repair, refurbishment, and retrofit markets worldwide.				
6.50% Term Loan due 06/04/2024 (LIBOR + 5.500%)	\$2,333,937	05/14/18	2,304,357	2,327,470
Tristar Global Energy Solutions, Inc.				
A hydrocarbon and decontamination services provider serving refineries worldwide.				
12.5% (1.5% PIK) Senior Subordinated Note due 03/31/2022 (D)	\$1,204,904	01/23/15	1,203,934	-
Truck-Lite				
A leading provider of harsh environment LED safety lighting, electronics, filtration systems, and telematics for a wide range of commercial vehicles, specialty vehicles, final mile delivery vehicles, off-road/off-highway, marine, and other adjacent harsh environment markets.				
7.25% Term Loan due 12/02/2026 (LIBOR + 6.250%)	\$1,713,721	12/13/19	1,684,606	1,670,707

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Trystar, Inc.				
A niche manufacturer of temporary power distribution products for the power rental, industrial, commercial utility and back-up emergency markets.				
5.75% Term Loan due 10/01/2023 (LIBOR + 4.750%)	\$2,461,839	09/28/18	\$ 2,435,069	\$ 2,418,757
Limited Liability Company Unit (B)(F)	49 uts.	09/28/18	49,676	42,940
			<u>2,484,745</u>	<u>2,461,697</u>
U.S. Legal Support, Inc.				
A provider of court reporting, record retrieval and other legal supplemental services.				
6.75% Term Loan due 11/12/2024 (LIBOR + 5.750%)	\$2,168,850	*	<u>2,081,154</u>	<u>1,961,172</u>
* 11/29/18 and 03/25/19.				
U.S. Oral Surgery Management				
An operator of oral surgery practices providing medically necessary treatments.				
7.00% Term Loan due 12/31/2023 (LIBOR + 6.000%)	\$2,431,723	*	<u>2,402,466</u>	<u>2,415,377</u>
* 01/04/19 and 10/01/19.				
U.S. Retirement & Benefits Partners, Inc.				
A leading independent provider of outsourced benefit design and administration and retirement services, primarily to K-12 school districts, employee unions, and governmental agencies.				
9.75% Second Lien Term Loan due 09/29/2025 (LIBOR + 8.750%) (H)	\$1,725,000	03/05/18	<u>1,675,605</u>	<u>1,655,692</u>
UBEO, LLC				
A dealer and servicer of printers and copiers to medium sized businesses.				
11.00% Term Loan due 10/03/2024	\$1,558,661	11/05/18	<u>1,538,847</u>	<u>1,549,886</u>
UroGPO, LLC				
A group purchasing organization that connects pharmaceutical companies with urology practices to facilitate the purchase of pharmaceutical drugs for discounted prices.				
7.25% Term Loan due 12/15/2026 (LIBOR + 6.250%)	\$2,500,000	12/14/20	<u>2,450,388</u>	<u>2,450,000</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
VP Holding Company				
A provider of school transportation services for special-needs and homeless children in Massachusetts and Connecticut.				
6.50% Lien Term Loan due 05/22/2024 (LIBOR + 5.500%)	\$2,414,688	05/17/18	\$ 2,387,438	\$ 2,359,391
Westminster Acquisition LLC				
A manufacturer of premium, all-natural oyster cracker products sold under the Westminster and Olde Cape Cod brands.				
14% Senior Subordinated Note due 08/03/2021 (D)	\$ 383,062	08/03/15	382,227	-
Limited Liability Company Unit (B)(F)	370,241 uts.	08/03/15	370,241	-
			<u>752,468</u>	<u>-</u>
Whitebridge Pet Brands Holdings, LLC				
A manufacturer and marketer of branded, all-natural treats and foods for dogs and cats.				
Limited Liability Company Unit Class A (B)(F)	123 uts.	04/18/17	148,096	168,857
Limited Liability Company Unit Class B (B)(F)	123 uts.	04/18/17	-	144,830
			<u>148,096</u>	<u>313,687</u>
Wolf-Gordon, Inc.				
A designer and specialty distributor of wallcoverings and related building products, including textiles, paint, and writeable surfaces.				
Common Stock (B)	157 shs.	01/22/16	62,177	133,977
World 50, Inc.				
A provider of exclusive peer-to-peer networks for C-suite executives at leading corporations.				
6.25% Term Loan due 01/10/2026 (LIBOR + 5.250%)	\$ 381,017	09/21/20	370,183	381,017
5.75% Term Loan due 12/31/2025 (LIBOR + 4.750%)	\$1,218,636	01/09/20	1,193,128	1,197,188
			<u>1,563,311</u>	<u>1,578,205</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
WP Supply Holding Corporation				
A distributor of fresh fruits and vegetables to grocery wholesalers and foodservice distributors in the upper Midwest.				
Common Stock (B)	1,500 shs.	11/03/11	\$ 150,000	\$ 150,695
York Wall Holding Company				
A designer, manufacturer and marketer of wall covering products for both residential and commercial wall coverings.				
Preferred Stock Series A (B)	2,936 shs.	02/05/19	293,616	293,600
Common Stock (B)	2,046 shs.	*	200,418	78,686
* 03/04/15 and 02/07/18.			494,034	372,286
Total Private Placement Investments (E)			\$128,000,750	\$122,799,787

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Corporate Restricted Securities: (A) (Continued)	Interest Rate	Maturity Date	Principal Amount	Cost	Market Value
Rule 144A Securities - 8.43%:					
Bonds - 8.43%					
Altice Financing S.A.	7.500%	05/15/26	\$308,000	\$ 308,000	\$ 325,032
American Airlines Inc.	11.750	07/15/25	500,000	495,388	576,625
Boyne USA, Inc.	7.250	05/01/25	129,000	129,000	135,289
BWAY Holding Company	7.250	04/15/25	750,000	697,796	757,499
Cleveland-Cliffs Inc.	9.875	10/17/25	500,000	544,723	588,125
CommScope Finance LLC	8.250	03/01/27	500,000	477,458	533,750
CVR Energy Inc.	5.750	02/15/28	500,000	454,799	473,750
Diebold Nixdorf	9.375	07/15/25	350,000	372,229	392,000
First Quantum Minerals Ltd.	7.500	04/01/25	500,000	479,117	520,625
First Quantum Minerals Ltd.	7.250	04/01/23	385,000	382,635	396,810
GRD Holding III Corp.	8.750	09/01/25	375,000	378,254	405,938
Houghton Mifflin Harcourt	9.000	02/15/25	500,000	491,769	508,750
LBC Tank Terminals Holding Netherlands B.V.	6.875	05/15/23	511,000	515,471	511,000
OPE KAG Finance Sub	7.875	07/31/23	385,000	392,148	385,000
Panther BF Aggregator 2 LP	8.500	05/15/27	100,000	92,982	108,641
PBF Holding Company LLC	9.250	05/15/25	115,000	113,589	113,379
Prime Security Services, LLC	6.250	01/15/28	885,000	777,493	950,126
Solera Holdings Inc.	10.500	03/01/24	667,000	694,992	691,179
Suncoke Energy	7.500	06/15/25	500,000	487,339	496,350
Terrier Media Buyer, Inc.	8.875	12/15/27	530,000	508,546	584,325
The Manitowoc Company, Inc.	9.000	04/01/26	500,000	488,217	540,000
Trident TPI Holdings Inc.	9.250	08/01/24	500,000	488,056	532,500
Veritas US, Inc.	10.500	02/01/24	750,000	676,331	761,249
Verscend Holding Corp.	9.750	08/15/26	482,000	510,155	522,368
Warrior Met Coal, Inc.	8.000	11/01/24	161,000	161,000	164,623
WESCO International, Inc.	7.250	06/15/28	157,000	155,820	178,555
Total Bonds				11,273,307	12,153,488
Common Stock - 0.00%					
TherOX, Inc. (B)			2	-	-
Touchstone Health Partnership (B)			292	-	-
Total Common Stock				-	-
Total Rule 144A Securities				\$ 11,273,307	\$ 12,153,488
Total Corporate Restricted Securities				\$139,274,057	\$134,953,275

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Corporate Public Securities - 5.91%: (A)	LIBOR Spread	Interest Rate	Maturity Date	Principal Amount	Cost	Market Value
Bank Loans - 3.22%						
Almonde, Inc.	3.500%	4.500%	06/13/24	\$ 354,250	\$ 313,543	\$ 346,613
AHEAD DB Holdings, LLC	8.500	9.500	10/14/27	1,172,650	1,138,316	1,137,471
BMC Software Finance, Inc.	4.250	4.397	06/26/25	490,000	486,670	487,408
Confie Seguros Holding II Co.	8.500	8.725	10/31/25	446,131	439,954	398,591
Edelman Financial Services	6.750	6.897	06/08/26	128,178	127,733	128,178
Envision Healthcare Corp.	3.750	3.897	10/10/25	744,933	521,307	619,136
Golden Nugget, Inc.	2.500	3.250	10/04/23	434,320	368,911	418,371
ION Trading Technologies Sarl	4.000	5.000	11/21/24	269,930	265,703	268,967
PS Logistics LLC	4.750	5.750	03/01/25	472,929	475,803	458,741
STS Operating, Inc.	8.000	9.000	04/25/26	500,000	505,000	385,315
Total Bank Loans					4,642,940	4,648,791
Bonds - 2.25%						
Clear Channel Worldwide Holdings, Inc.		9.250	02/15/24	137,000	131,433	138,713
Dish DBS Corporation		7.750	07/01/26	385,000	407,877	431,204
Encana Corp.		6.500	08/15/34	500,000	477,681	579,020
Genesis Energy LP		6.500	10/01/25	337,000	320,863	327,733
Hecla Mining Company		7.250	02/15/28	500,000	472,454	546,250
Hughes Satellite Systems Corporation		7.625	06/15/21	500,000	500,415	512,500
PBF Holding Company LLC		7.250	06/15/25	385,000	394,133	249,570
Triumph Group, Inc.		7.750	08/15/25	500,000	503,088	456,875
Total Bonds					3,207,944	3,241,865
Common Stock - 0.09%						
Jupiter Resources Inc.				41,472	200,439	132,710
Total Common Stock					200,439	132,710
Preferred Stock - 0.35%						
B. Riley Financial Inc.				20,000	500,000	502,600
Total Preferred Stock					500,000	502,600
Total Corporate Public Securities					\$8,551,323	\$8,525,966

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Short-Term Securities:	Interest Rate/Yield [^]	Maturity Date	Principal Amount	Cost	Market Value
Commercial Paper - 3.47%					
American Honda Finance Corp.	0.253%	02/22/21	\$1,000,000	\$ 999,639	\$ 999,639
The Intercontinental Exchange	0.304	01/07/21	1,000,000	999,950	999,950
National Grid PLC	0.253	01/06/21	1,000,000	999,965	999,965
Standard Chartered Bank	0.155	10/05/21	1,000,000	998,821	999,231
The Walt Disney Company	0.470	02/22/21	1,000,000	999,321	999,321
Total Short-Term Securities				\$ 4,997,696	\$ 4,998,106
Total Investments	102.98%			\$152,823,076	\$148,477,347
Other Assets	10.22				14,729,123
Liabilities	(13.22)				(19,029,091)
Total Net Assets	100.00%				\$144,177,379

(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 December 31, 2020 the values of these securities amounted to \$122,799,787 or 85.17% of net assets.

(F) Held in PI Subsidiary Trust

(G) PIK non-accrual

(H) A portion of these securities contain unfunded commitments. As of December 31, 2020, total unfunded commitments amounted to \$5,329,225 and had unrealized depreciation of \$(16,400) or (0.01)% of net assets. See Note 7.

[^] Effective yield at purchase

PIK - Payment-in-kind

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Industry Classification:	Fair Value/ Market Value	Fair Value/ Market Value	
AEROSPACE & DEFENSE - 8.01%		CABLE & SATELLITE - 0.36%	
American Scaffold, Inc.	\$ 1,287,571	Hughes Satellite Systems Corporation	\$ 512,500
BEI Precision Systems & Space Company, Inc.	1,975,761	CHEMICALS - 1.58%	
CTS Engines	1,374,839	CVR Partners, L.P.	-
Dart Buyer, Inc.	1,413,529	Kano Laboratories LLC	853,242
Sunvair Aerospace Group Inc.	2,173,428	LBC Tank Terminals Holding Netherlands B.V.	511,000
Trident Maritime Systems	2,327,470	Polytex Holdings LLC	915,701
Trident TPI Holdings Inc.	532,500		2,279,943
Triumph Group, Inc.	456,875	CONSUMER CYCLICAL SERVICES - 4.66%	
	11,541,973	Accelerate Learning	934,886
AIRLINES - 0.40%		LYNX Franchising	1,690,500
American Airlines Inc.	576,625	MeTEOR Education LLC	1,031,942
AUTOMOTIVE - 6.43%		PPC Event Services	-
American Honda Finance Corp.	999,639	Prime Security Services, LLC	950,126
Aurora Parts & Accessories LLC	352,929	PS Logistics LLC	458,741
BBB Industries LLC	1,635,472	ROI Solutions	651,711
DPL Holding Corporation	364,622	Soliant Holdings, LLC	1,003,623
English Color & Supply LLC	1,717,710		6,721,529
Holley Performance Products	2,415,700	CONSUMER PRODUCTS - 2.76%	
Panther BF Aggregator 2 LP	108,641	AMS Holding LLC	234,236
Truck-Lite	1,670,707	Blue Wave Products, Inc.	229,737
	9,265,420	Elite Sportwear Holding, LLC	-
BANKING - 0.69%		gloProfessional Holdings, Inc.	1,693,874
Standard Chartered Bank	999,231	GTI Holding Company	297,222
BROKERAGE, ASSET MANAGERS & EXCHANGES - 1.79%		Handi Quilter Holding Company (Premier Needle Arts)	433,899
The Intercontinental Exchange	999,950	HHI Group, LLC	409,129
The Hilb Group, LLC	1,573,679	Manhattan Beachwear Holding Company	-
	2,573,629	Master Cutlery LLC	-
BUILDING MATERIALS - 0.63%		Whitebridge Pet Brands Holdings, LLC	313,687
Happy Floors Acquisition, Inc.	768,932	York Wall Holding Company	372,286
Wolf-Gordon, Inc.	133,977		3,984,070
	902,909		

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Industry Classification: (Continued)	Fair Value/ Market Value	Fair Value/ Market Value
DIVERSIFIED MANUFACTURING - 7.48%		
Advanced Manufacturing Enterprises LLC	\$ -	
F G I Equity LLC	613,849	
Hyperion Materials & Technologies, Inc.	1,579,542	
Motion Controls Holdings	26,234	
Reelcraft Industries, Inc.	570,274	
Safety Products Holdings, Inc.	1,240,597	
SR Smith LLC	3,105,907	
Strahman Holdings Inc.	460,460	
The Manitowoc Company, Inc.	540,000	
Therma-Stor Holdings LLC	10,698	
Trystar, Inc.	2,461,697	
WESCO International, Inc.	178,555	
	<u>10,787,813</u>	
ELECTRIC - 1.80%		
Electronic Power Systems	1,591,103	
National Grid PLC	999,965	
	<u>2,591,068</u>	
FINANCIAL OTHER - 2.76%		
Beacon Pointe Advisors, LLC	631,591	
B. Riley Financial Inc.	502,600	
Confie Seguros Holding II Co.	398,591	
Edelman Financial Services	128,178	
Foundation Risk Partners, Corp.	656,714	
U.S. Retirement & Benefits Partners, Inc.	1,655,692	
	<u>3,973,366</u>	
FOOD & BEVERAGE - 3.65%		
Del Real LLC	1,370,526	
PANOS Brands LLC	2,333,328	
Sara Lee Frozen Foods	1,401,947	
Westminster Acquisition LLC	-	
WP Supply Holding Corporation	150,695	
	<u>5,256,496</u>	
HEALTHCARE - 7.97%		
Cadence, Inc.		\$ 858,091
CORA Health Services, Inc.		1,622,771
Envision Healthcare Corp.		619,136
GD Dental Services LLC		-
LAC Acquisition LLC		1,320,753
RedSail Technologies		1,681,875
TherOX, Inc.		-
Touchstone Health Partnership		-
U.S. Oral Surgery Management		2,415,377
UroGPO, LLC		2,450,000
Verscend Holding Corp.		522,368
		<u>11,490,371</u>
INDEPENDENT - 0.49%		
Jupiter Resources Inc.		132,710
Encana Corp.		579,020
		<u>711,730</u>
INDUSTRIAL OTHER - 12.43%		
AFC - Dell Holding Corporation		2,415,642
Aftermath, Inc.		954,260
ASPEQ Holdings		1,188,396
Concept Machine Tool Sales, LLC		609,825
E.S.P. Associates, P.A.		167,206
Hartland Controls Holding Corporation		1,916,927
IGL Holdings III Corp.		1,178,847
IM Analytics Holdings, LLC		899,856
Industrial Service Solutions		830,549
Media Recovery, Inc.		485,804
PB Holdings LLC		712,056
Specified Air Solutions		3,044,003
STS Operating, Inc.		385,315
UBEO, LLC		1,549,886
World 50, Inc.		1,578,205
		<u>17,916,777</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Industry Classification: (Continued)	Fair Value/ Market Value	Fair Value/ Market Value	
MEDIA & ENTERTAINMENT - 3.04%		REFINING - 0.69%	
BlueSpire Holding, Inc.	\$ 50,459	CVR Energy Inc.	\$ 473,750
Boyer USA, Inc.	135,289	MES Partners, Inc.	160,286
Cadent, LLC	948,206	PBF Holding Company LLC	362,949
Clear Channel Worldwide Holdings, Inc.	138,713	Tristar Global Energy Solutions, Inc.	-
Dish DBS Corporation	431,204		<u>996,985</u>
HOP Entertainment LLC	-	RETAILERS - 0.28%	
Houghton Mifflin Harcourt	508,750	GRD Holding III Corp.	<u>405,938</u>
Music Reports, Inc.	591,806	RESTAURANTS - 0.29%	
The Walt Disney Company	999,321	Golden Nugget, Inc.	<u>418,371</u>
Terrier Media Buyer, Inc.	584,325	TECHNOLOGY - 20.68%	
	<u>4,388,073</u>	1WorldSync, Inc.	2,415,700
METALS & MINING - 1.88%		AHEAD DB Holdings, LLC	1,137,471
Cleveland-Cliffs Inc.	588,125	Almonde, Inc.	346,613
First Quantum Minerals Ltd.	917,435	Audio Precision	1,750,815
Hecla Mining Company	546,250	BMC Software Finance, Inc.	487,408
Suncoke Energy	496,350	Claritas Holdings, Inc.	1,543,897
Warrior Met Coal, Inc.	164,623	Clubessential LLC	1,696,637
	<u>2,712,783</u>	Command Alkon	2,037,512
MIDSTREAM - 0.23%		CommScope Finance LLC	533,750
Genesis Energy LP	327,733	Diebold Nixdorf	392,000
OIL FIELD SERVICES - 0.00%		GraphPad Software, Inc.	2,373,231
Petroplex Inv Holdings LLC	5,949	ION Trading Technologies Sarl	268,967
PACKAGING - 1.64%		Options Technology Ltd	1,241,535
ASC Holdings, Inc.	931,347	Recovery Point Systems, Inc.	1,353,123
Brown Machine LLC	680,840	REVSpring, Inc.	1,678,943
BWAY Holding Company	757,499	RPX Corp	1,686,188
	<u>2,369,686</u>	Ruffalo Noel Levitz	1,232,322
PAPER - 1.17%		Sandvine Corporation	1,713,021
Dunn Paper	1,693,777	Scaled Agile, Inc.	650,971
PHARMACEUTICALS - 0.25%		Solera Holdings Inc.	691,179
Clarion Brands Holding Corp.	364,715	Springbrook Software	1,181,816
		Transit Technologies LLC	675,124
		U.S. Legal Support, Inc.	1,961,172
		Veritas US, Inc.	761,249
			<u>29,810,644</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2020**

Industry Classification: (Continued)	Fair Value/ Market Value
TELECOMMUNICATIONS - 0.23%	
Altice Financing S.A.	\$ 325,032
TRANSPORTATION SERVICES - 8.72%	
BDP International, Inc.	2,409,661
Omni Logistics, LLC	1,697,500
OPE KAG Finance Sub	385,000
Pegasus Transtech Corporation	2,229,742
Rock-it Cargo	2,051,326
SEKO Worldwide, LLC	1,439,591
VP Holding Company	2,359,391
	<u>12,572,211</u>
Total Investments - 102.98% (Cost - \$152,823,076)	<u><u>\$148,477,347</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. History

Barings Participation Investors (the "Trust") was organized as a Massachusetts business trust under the laws of the Commonwealth of Massachusetts pursuant to a Declaration of Trust dated April 7, 1988.

The Trust is a diversified closed-end management investment company. Barings LLC ("Barings"), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"), acts as its investment adviser. The Trust's investment objective is to maintain a portfolio of securities providing a current yield and, when available, an opportunity for capital gains. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations including bank loans and mezzanine debt instruments. Such direct placement securities may, in some cases, be accompanied by equity features such as common stock, preferred stock, warrants, conversion rights, or other equity features. The Trust typically purchases these investments, which are not publicly tradable, directly from their issuers in private placement transactions. These investments are typically made to small or middle market companies. In addition, the Trust may invest, subject to certain limitations, in marketable debt securities (including high yield and/or investment grade securities) and marketable common stock. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay capital.

In 1998, the Board of Trustees authorized the formation of a wholly-owned subsidiary of the Trust ("PI Subsidiary Trust") for the purpose of holding certain investments. The results of the PI Subsidiary Trust are consolidated in the accompanying financial statements. Footnote 2.D below discusses the Federal tax consequences of the PI Subsidiary Trust.

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed consistently by the Trust in the preparation of its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Trustees have determined that the Trust is an investment company in accordance with Accounting Standards Codification ("ASC") 946, Financial Services - Investment Companies, for the purpose of financial reporting.

A. Fair Value Measurements:

Under U.S. GAAP, fair value represents the price that should be received to sell an asset (exit price) in an

orderly transaction between willing market participants at the measurement date.

Determination of Fair Value

The determination of the fair value of the Trust's investments is the responsibility of the Trust's Board of Trustees (the "Trustees"). The Trustees have adopted procedures for the valuation of the Trust's securities and have delegated responsibility for applying those procedures to Barings. Barings has established a Pricing Committee which is responsible for setting the guidelines used in following the procedures adopted by the Trustees ensuring that those guidelines are being followed. Barings considers all relevant factors that are reasonably available, through either public information or information available to Barings, when determining the fair value of a security. The Trustees meet at least once each quarter to approve the value of the Trust's portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or of Barings. In approving valuations, the Trustees will consider reports by Barings analyzing each portfolio security in accordance with the procedures and guidelines referred to above, which include the relevant factors referred to below. Barings has agreed to provide such reports to the Trust at least quarterly. The consolidated financial statements include private placement restricted securities valued at \$122,799,787 (85.17% of net assets) as of December 31, 2020 the values of which have been estimated by the Trustees based on the process described above in the absence of readily ascertainable market values. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Independent Valuation Process

The fair value of bank loans and equity investments that are unsyndicated or for which market quotations are not readily available, including middle-market bank loans, will be submitted to an independent provider to perform an independent valuation on those bank loans and equity investments as of the end of each quarter. Such bank loans and equity investments will be held at cost until such time as they are sent to the valuation provider for an initial valuation subject to override by the Adviser should it determine that there have been material changes in interest rates and/or the credit quality of the issuer.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The independent valuation provider applies various methods (synthetic rating analysis, discounting cash flows, and re-underwriting analysis) to establish the rate of return a market participant would require (the "discount rate") as of the valuation date, given market conditions, prevailing lending standards and the perceived credit quality of the issuer. Future expected cash flows for each investment are discounted back to present value using these discount rates in the discounted cash flow analysis. A range of value will be provided by the valuation provider and the Adviser will determine the point within that range that it will use in making valuation recommendations to the Trustees, and will report to the Trustees on its rationale for each such determination. The Adviser will continue to use its internal valuation model as a comparison point to validate the price range provided by the valuation provider and, where applicable, in determining the point within that range that it will use in making valuation recommendations to the Trustees. If the Advisers' Pricing Committee disagrees with the price range provided, it may make a fair value recommendation to the Trustees that is outside of the range provided by the independent valuation provider, and will notify the Trustees of any such override and the reasons therefore. In certain instances, the Trust may determine that it is not cost-effective, and as a result is not in the shareholders' best interests, to request the independent valuation firm to perform the Procedures on certain investments. Such instances include, but are not limited to, situations where the fair value of the investment in the portfolio company is determined to be insignificant relative to the total investment portfolio. Finally, the Trustees determined in good faith that the Trust's investments were valued at fair value in accordance with the Trust's valuation policies and procedures and the 1940 Act based on, among other things, the input of Barings, the Trust's Audit Committee and the independent valuation firm.

Following is a description of valuation methodologies used for assets recorded at fair value.

Corporate Public Securities at Fair Value – Bank Loans, Corporate Bonds, Preferred Stocks and Common Stocks

The Trust uses external independent third-party pricing services to determine the fair values of its Corporate Public Securities. At December 31, 2020, 100% of the carrying value of these investments was from external pricing services. In the event that the primary pricing service does not provide a price, the Trust utilizes the pricing provided by a secondary pricing service.

Public debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Trust's pricing services use multiple valuation techniques to determine fair value. In instances where significant market activity exists, the pricing services may utilize a market based approach through which quotes from market makers are used to determine fair value. In instances where significant market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, option adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal underlying prepayments, collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

The Trust's investments in bank loans are normally valued at the bid quotation obtained from dealers in loans by an independent pricing service in accordance with the Trust's valuation policies and procedures approved by the Trustees.

Public equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sales price of that day.

At least annually, Barings conducts reviews of the primary pricing vendors to validate that the inputs used in that vendors' pricing process are deemed to be market observable as defined in the standard. While Barings is not provided access to proprietary models of the vendors, the reviews have included on-site walk-throughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The reviews also include an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. Barings believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (exit prices) and are classified appropriately in the hierarchy.

Corporate Restricted Securities at Fair Value – Bank Loans, Corporate Bonds

The fair value of certain notes is generally determined using an internal model that discounts the anticipated cash flows of those notes using a specific discount rate. Changes to that discount rate are driven by

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

changes in general interest rates, probabilities of default and credit adjustments. The discount rate used within the models to discount the future anticipated cash flows is considered a significant unobservable input. Increases/(decreases) in the discount rate would result in a (decrease)/increase to the notes' fair value.

The fair value of certain distressed notes is based on an enterprise waterfall methodology which is discussed in the equity security valuation section below.

**Corporate Restricted Securities at Fair Value –
Common Stock, Preferred Stock and
Partnerships & LLC's**

The fair value of equity securities is generally determined using an enterprise waterfall methodology. Under this methodology, the enterprise value of the company is first estimated and that value is then allocated to the company's outstanding debt and equity securities based on the documented priority of each class of securities in the capital structure. Generally, the waterfall proceeds from senior debt, to senior and junior subordinated debt, to preferred stock, then finally common stock.

To estimate a company's enterprise value, the company's trailing twelve months earnings before interest, taxes, depreciation and amortization ("EBITDA") is multiplied by a valuation multiple.

Both the company's EBITDA and valuation multiple are considered significant unobservable inputs. Increases/(decreases) to the company's EBITDA and/or valuation multiple would result in increases/(decreases) to the equity value.

Short-Term Securities

Short-term securities with more than sixty days to maturity are valued at fair value, using external

independent third-party services. Short-term securities, of sufficient credit quality, having a maturity of sixty days or less are valued at amortized cost, which approximates fair value.

New Accounting Pronouncement

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-04 ("ASU 2020-04") "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." This guidance provides optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Trust is still evaluating the impact of this accounting standard.

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)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes the levels in the fair value hierarchy into which the Trust's financial instruments are categorized as of December 31, 2020.

The fair values of the Trust's investments disaggregated into the three levels of the fair value hierarchy based upon the lowest level of significant input used in the valuation as of December 31, 2020 are as follows:

Assets:	Total	Level 1	Level 2	Level 3
Restricted Securities				
Corporate Bonds	\$ 30,513,211	\$ -	\$12,153,488	\$ 18,359,723
Bank Loans	91,262,071	-	3,137,092	88,124,979
Common Stock - U.S.	2,664,149	-	29,260	2,634,889
Preferred Stock	2,686,725	-	-	2,686,725
Partnerships and LLCs	7,827,119	-	-	7,827,119
Public Securities				
Bank Loans	4,648,791	-	3,511,320	1,137,471
Corporate Bonds	3,241,865	-	3,241,865	-
Common Stock - U.S.	132,710	-	-	132,710
Preferred Stock	502,600	-	502,600	-
Short-term Securities	4,998,106	999,231	3,998,875	-
Total	\$148,477,347	\$999,231	\$26,574,500	\$120,903,616

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

Quantitative Information about Level 3 Fair Value Measurements

The following table represents quantitative information about Level 3 fair value measurements as of December 31, 2020.

	Fair Value	Valuation Technique	Unobservable Inputs	Range	Weighted*
Bank Loans	\$ 64,114,074	Market Yield	Yield Analysis	5.6% - 23.8%	8.4%
	\$ 1,473,535	Income Approach	Implied Spread	7.4% - 15.4%	12.0%
Corporate Bonds	\$ 11,846,906	Income Approach	Implied Spread	8.0% - 15.1%	11.0%
Equity Securities**	\$ 13,128,974	Enterprise Value Waterfall Approach	Valuation Multiple	5.0x to 17.8x	10.2x
			EBITDA	\$(2.3) million to \$297.9 million	\$30.8 million

Certain of the Trust's Level 3 equity securities investments may be valued using unadjusted inputs that have not been internally developed by the Trust, including recently purchased securities held at cost. As a result, fair value of assets of \$30,340,127 have been excluded from the preceding table.

* The weighted averages disclosed in the table above were weighted by relative fair value

** Including partnerships and LLC's

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

Assets:	Beginning balance at 12/31/2019	Included in earnings	Purchases	Sales	Prepayments	Transfers into Level 3*	Transfers out of Level 3*	Ending balance at 12/30/2020
Restricted Securities								
Corporate Bonds	\$ 42,798,389	\$ (4,424,932)	\$ 1,122,385	\$ (13,057,335)	\$ (8,078,784)	\$ -	\$ -	\$ 18,359,723
Bank Loans	70,255,151	(1,471,968)	27,824,597	-	(9,470,816)	988,015	-	88,124,979
Common Stock - U.S.	3,993,481	798,431	10	(2,157,033)	-	-	-	2,634,889
Preferred Stock	2,836,867	(326,847)	602,919	(426,214)	-	-	-	2,686,725
Partnerships and LLCs	7,510,960	627,878	154,350	(466,069)	-	-	-	7,827,119
Public Securities								
Bank Loans	1,168,841	(5,000)	1,137,472	(490,000)	-	-	(673,842)	1,137,471
Common Stock - U.S.	-	101,606	-	-	-	31,104	-	132,710
Corporate Bonds	-	404	51,185	(51,589)	-	-	-	-
	\$128,563,689	\$ (4,700,428)	\$30,892,918	\$ (16,648,240)	\$ (17,549,600)	\$1,109,119	\$ (673,842)	\$120,903,616

* For the year ended December 31, 2020, transfers into and out of Level 3 were the result of changes in the observability of significant inputs for certain portfolio companies.

Income, Gains and Losses on Level 3 assets included in Net Increase in Net Assets resulting from Operations for the year are presented in the following accounts on the Statement of Operations:

	Net Increase in Net Assets Resulting from Operations	Change in Unrealized Gains & (Losses) in Net Assets from assets still held
Interest (Amortization)	\$ 384,580	\$ -
Net realized gain on investments before taxes	536,678	-
Net change in unrealized appreciation of investments before taxes	(5,621,686)	(5,404,955)

B. Accounting for Investments:**Investment Income**

Investment transactions are accounted for on the trade date. Interest income, including the amortization of premiums and accretion of discounts on bonds held using the yield- to-maturity method, is recorded on the accrual basis to the extent that such amounts are expected to be collected. Generally, when interest and/or principal payments on a loan become past due, or if the Trust otherwise does not expect the borrower to be able to service its debt and other obligations, the Trust will place the investment on nonaccrual status and will cease recognizing interest income on that investment for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The Trust writes

off any previously accrued and uncollected interest when it is determined that interest is no longer considered collectible. As of December 31, 2020, the fair value of the Trust's nonaccrual assets was \$4,529,482, or 3.1% of the total fair value of the Trust's portfolio, and the cost of the Trust's nonaccrual assets was \$10,376,780, or 6.8% of the total cost of the Trust's portfolio.

Payment-in-Kind Interest

The Trust currently holds, and expects to hold in the future, some investments in its portfolio that contain Payment-in-Kind ("PIK") interest provisions. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the investment, rather than being paid to the Trust in cash, and is recorded as interest income. Thus, the actual collection of PIK interest may be deferred until the time of debt principal repayment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

PIK interest, which is a non-cash source of income at the time of recognition, is included in the Trust's taxable income and therefore affects the amount the Trust is required to distribute to its stockholders to maintain its qualification as a "regulated investment company" for federal income tax purposes, even though the Trust has not yet collected the cash. Generally, when current cash interest and/or principal payments on an investment become past due, or if the Trust otherwise does not expect the borrower to be able to service its debt and other obligations, the Trust will place the investment on PIK non-accrual status and will cease recognizing PIK interest income on that investment for financial reporting purposes until all principal and interest have been brought current through payment or due to a restructuring such that the interest income is deemed to be collectible. The Trust writes off any accrued and uncollected PIK interest when it is determined that the PIK interest is no longer collectible. As of December 31, 2020, the fair value of the Trust's PIK non-accrual assets was \$2,051,326, or 1.4% of the total fair value of the Trust's portfolio, and the cost of the Trust's PIK non-accrual assets was \$2,443,050, or 1.6% of the total cost of the Trust's portfolio.

Realized Gain or Loss and Unrealized Appreciation or Depreciation of Portfolio Investments

Realized gains and losses on investment transactions and unrealized appreciation and depreciation of investments are reported for financial statement and Federal income tax purposes on the identified cost method.

C. Use of Estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

D. Federal Income Taxes:

The Trust has elected to be taxed as a "regulated investment company" under the Internal Revenue Code, and intends to maintain this qualification and to distribute substantially all of its net taxable income to its shareholders. In any year when net long-term capital gains are realized by the Trust, management, after evaluating the prevailing economic conditions, will recommend that Trustees either designate the net realized long-term gains as undistributed and pay the federal capital gains taxes thereon, or distribute all or a portion of such net gains. For the year ended

December 31, 2020, the Trust did not have realized taxable long-term capital gains.

The Trust is taxed as a regulated investment company and is therefore limited as to the amount of non-qualified income that it may receive as the result of operating a trade or business, e.g. the Trust's pro rata share of income allocable to the Trust by a partnership operating company. The Trust's violation of this limitation could result in the loss of its status as a regulated investment company, thereby subjecting all of its net income and capital gains to corporate taxes prior to distribution to its shareholders. The Trust, from time-to-time, identifies investment opportunities in the securities of entities that could cause such trade or business income to be allocable to the Trust. The PI Subsidiary Trust (described in Footnote 1, above) was formed in order to allow investment in such securities without adversely affecting the Trust's status as a regulated investment company.

Net investment income and net realized gains or losses of the Trust as presented under U.S. GAAP may differ from distributable taxable earnings due to earnings from the PI Subsidiary Trust as well as certain permanent and temporary differences in the recognition of income and realized gains or losses on certain investments. In accordance with U.S. GAAP, the Trust has made reclassifications among its capital accounts. These reclassifications are intended to adjust the components of the Trust's net assets to reflect the tax character of permanent book/tax differences and have no impact on the net assets or net asset value of the Trust. As of December 31, 2020, the Trust made reclassifications to increase or (decrease) the components of net assets detailed below:

Paid-in Capital	Total Distributable Earnings
\$(138,992)	\$138,992

The Trusts' current income tax benefit as shown on the Statement of Operations is \$(474,927) which is comprised of excise tax expense related to the regulated investment company of \$138,992 as well as tax benefit related to the PI Subsidiary Trust as described in the table below of \$(613,919).

The PI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust receiving any distributions from the PI Subsidiary Trust, all of the PI Subsidiary Trust's taxable income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates. The PI Subsidiary Trust had \$185,790 of taxable income as of December 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The components of income taxes included in the PI Subsidiary Trust were as follows:

Income tax expense (benefit)

Current:	
Federal	\$(504,098)
State	(109,821)
Total current	<u>(613,919)</u>
Deferred:	
Federal	\$ -
State	-
Total deferred	<u>-</u>
Total income tax benefit from continuing operations	<u><u>\$(613,919)</u></u>

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of the existing assets and liabilities and their respective tax basis. As of December 31, 2020, the PI Subsidiary Trust has no net deferred tax liability.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2020 were as follows:

Deferred tax assets/(liabilities):

Net operating loss carryover	\$ 149,959
Total deferred tax assets	149,959
Less valuation allowance	(121,227)
Net deferred tax asset	<u>28,733</u>
Unrealized loss on investments	(28,733)
Total deferred tax liabilities	<u>(28,733)</u>
Net deferred tax liability	<u><u>\$ -</u></u>

The Trust recognizes a tax benefit from an uncertain position only if it is more likely than not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. If this threshold is met, the Trust measures the tax benefit as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax positions not deemed to meet the "more-likely-than-not" threshold are reserved and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. The Trust has evaluated and determined that the tax positions did not have a material effect on the Trust's financial position and results of operations for the year ended December 31, 2020.

A reconciliation of the differences between the PI Subsidiary Trust's income tax expense and the amount computed by applying the prevailing U.S. federal tax rate to pretax income for the year ended December 31, 2020 is as follows:

	<u>Amount</u>	<u>Percentage</u>
Provision for income at the U.S. federal rate	\$ 39,016	21.00%
State tax, net of federal effect	8,500	4.58%
Change in valuation allowance	(182,676)	(98.32)%
True-up	<u>(478,759)</u>	<u>(257.69)%</u>
Income tax benefit	<u><u>\$(613,919)</u></u>	<u><u>(330.44)%</u></u>

E. Distributions to Shareholders:

The Trust records distributions to shareholders from distributable earnings, if any, on the ex-dividend date. The Trust's dividend is declared four times per year, in April, July, October, and December. The Trust's net realized capital gain distribution, if any, is declared in December.

The tax basis components of distributable earnings at December 31, 2020 are as follows:

Undistributed Ordinary Income	\$ 1,937,476
Accumulated Realized Gain	4,366,366
Capital Loss Carryover	(12,070)
Net Unrealized Appreciation/ (Depreciation)	(4,331,535)

The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are primarily due to partnership investments.

The following information is provided on a tax basis as of December 31, 2020:

Tax Cost	\$152,808,882
Tax Unrealized Appreciation	8,289,084
Tax Unrealized Depreciation	(12,620,619)
Net Unrealized Depreciation	(4,331,535)

The tax character of distributions declared during the years ended December 31, 2019 and 2020 was as follows:

Distributions paid from:	<u>2020</u>	<u>2019</u>
Ordinary Income	\$8,481,360	\$11,410,602

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**3. Investment Advisory and Administrative Services Contract****A. Services:**

Under an Investment Advisory and Administrative Services Contract (the "Contract") with the Trust, Barings has agreed to use its best efforts to present to the Trust a continuing and suitable investment program consistent with the investment objectives and policies of the Trust. Barings represents the Trust in any negotiations with issuers, investment banking firms, securities brokers or dealers and other institutions or investors relating to the Trust's investments. Under the Contract, Barings also provides administration of the day-to-day operations of the Trust and provides the Trust with office space and office equipment, accounting and bookkeeping services, and necessary executive, clerical and secretarial personnel for the performance of the foregoing services.

B. Fee:

For its services under the Contract, Barings is paid a quarterly investment advisory fee equal to 0.225% of the value of the Trust's net assets as of the last business day of each fiscal quarter, an amount approximately equivalent to 0.90% on an annual basis. A majority of the Trustees, including a majority of the Trustees who are not interested persons of the Trust or of Barings, approve the valuation of the Trust's net assets as of such day.

4. Senior Indebtedness

MassMutual holds the Trust's \$15,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust on December 13, 2011. The Note is due December 13, 2023 and accrues interest at 4.09% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the year ended December 31, 2020, the Trust incurred total interest expense on the Note of \$613,500.

The Trust may redeem the Note, in whole or in part, at the principal amount proposed to be redeemed together with the accrued and unpaid interest thereon through the redemption date plus the Make Whole Premium. The Make Whole Premium equals the excess of (i) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at the rate of interest of U.S. Treasury

obligations whose maturity approximates that of the Note plus 0.50% over (ii) the principal of the Note proposed to be redeemed.

Management estimates that the fair value of the Note was \$16,281,705 as of December 31, 2020. The fair value measurement of the Note would be categorized as a Level 3 under ASC 820.

5. Purchases and Sales of Investments

	For the year ended 12/31/2020	
	Cost of Investments Acquired	Proceeds from Sales or Maturities
Corporate restricted securities	\$42,731,248	\$42,541,794
Corporate public securities	6,100,245	4,604,117

6. Risks**Investment Risks**

In the normal course of its business, the Trust trades various financial instruments and enters into certain investment activities with investment risks. These risks include: market risk; volatility risk; credit, counterparty and liquidity risk; loan risk; prepayment and extension risk; duration risk; below investment grade (high yield/junk bond) instruments risk; borrowing and leverage risk; and management risk. It is the Trust's policy to identify, measure and monitor risk through various mechanisms including risk management strategies and credit policies. These include monitoring risk guidelines and diversifying exposures across a variety of instruments, markets and counterparties. There can be no assurance that the Trust will be able to implement its credit guidelines or that its risk monitoring strategies will be successful.

Impacts of COVID-19

The pandemic related to the global spread of novel coronavirus disease (COVID-19), which was first detected in December 2019, has resulted in significant disruptions to global business activity and the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the securities and commodities markets in general. This pandemic, the full effects of which are still unknown, has resulted in substantial market volatility and may continue to adversely impact the prices and liquidity of the Trust's investments and the Trust's performance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

LIBOR

The United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. The transition process might lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments held by a fund and reduce the effectiveness of new hedges placed against existing LIBOR-based investments. While some LIBOR-based instruments contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

7. Commitments and Contingencies

During the normal course of business, the Trust may enter into contracts and agreements that contain a variety of representations and warranties. The exposure, if any, to the Trust under these arrangements is unknown as this would involve future claims that may or may not be made against the Trust and which have not yet occurred. The Trust has no history of prior claims related to such contracts and agreements.

At December 31, 2020, the Trust had the following unfunded commitments:

<u>Investment</u>	<u>Unfunded Amount</u>	<u>Unfunded Value</u>
Beacon Pointe Advisors, LLC	\$363,636	\$370,787
CORA Health Services, Inc.	80,301	80,879
Dart Buyer, Inc	281,175	286,162
Foundation Risk Partners, Corp. (1st Lien)	99,376	99,395
Foundation Risk Partners, Corp. (2nd Lien)	222,222	223,016
IGL Holdings III Corp.	511,653	511,371
Kano Laboratories LLC	395,138	394,979
Options Technology Ltd	335,621	336,772

<u>Investment</u>	<u>Unfunded Amount</u>	<u>Unfunded Value</u>
ROI Solutions, LLC	\$ 961,561	\$ 969,297
Safety Products	446,247	446,173
SEKO Worldwide, LLC	250,909	252,294
Springbrook Software	448,116	449,820
The Hilb Group, LLC	126,776	126,751
Transit Technologies LLC	780,310	738,954
U.S. Retirement & Benefits Partners, Inc.	26,183	26,174
Total	<u>\$5,329,224</u>	<u>\$5,312,824</u>

As of December 31, 2020 unfunded commitments had unrealized depreciation of \$(16,400) or (0.01)% of net assets.

8. Aggregate Remuneration Paid to Officers, Trustees and Their Affiliated Persons

For the year ended December 31, 2020, the Trust paid its Trustees aggregate remuneration of \$291,250, including compensation to Mr. Joyal. During the year, the Trust did not pay any compensation to Mr. Noreen. Each of Messrs. Joyal and Noreen is an "interested person" (as defined by the 1940 Act) of the Trust.

All of the Trust's officers are employees of Barings or MassMutual. Pursuant to the Contract, the Trust does not compensate its officers who are employees of Barings or MassMutual (except for the Chief Compliance Officer of the Trust unless assumed by Barings). For the year ended December 31, 2020, Barings paid the compensation of the Chief Compliance Officer of the Trust.

Mr. Noreen, one of the Trust's Trustees, is an "affiliated person" (as defined by the 1940 Act) of MassMutual and Barings.

9. Certifications (Unaudited)

As required under New York Stock Exchange ("NYSE") Corporate Governance Rules, the Trust's principal executive officer has certified to the NYSE that she was not aware, as of the certification date, of any violation by the Trust of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Trust's principal executive and principal financial officers have made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-PORT, relating to, among other things, the Trust's disclosure controls and procedures and internal control over financial reporting, as applicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**10. Quarterly Results of Investment Operations
(Unaudited)**

	<u>March 31, 2020</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$ 3,518,403	
Net investment income	2,788,295	\$ 0.26
Net realized and unrealized loss on investments (net of taxes)	(11,233,880)	(1.06)
	<u>June 30, 2020</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$ 2,711,944	
Net investment income	2,023,305	\$ 0.19
Net realized and unrealized gain on investments (net of taxes)	20,738	0.00
	<u>September 30, 2020</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$ 2,634,304	
Net investment income	2,123,495	\$ 0.20
Net realized and unrealized gain on investments (net of taxes)	3,734,931	0.35
	<u>December 31, 2020</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$ 4,334,179	
Net investment income	3,695,382	\$ 0.35
Net realized and unrealized gain on investments (net of taxes)	3,196,801	0.30

11. Subsequent Events

The Trust has evaluated the possibility of subsequent events after the balance sheet date of December 31, 2020, through the date that the financial statements are issued. The Trust has determined that there are no material events that would require recognition or disclosure in this report through this date.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and Board of Trustees of Barings Participation Investors:

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities of Barings Participation Investors and subsidiary (collectively, the "Trust"), including the consolidated schedule of investments, as of December 31, 2020, the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the "consolidated financial statements") and the consolidated selected financial highlights (the "consolidated financial highlights") for each of the years in the five-year period then ended. In our opinion, the consolidated financial statements and consolidated financial highlights present fairly, in all material respects, the financial position of the Trust as of December 31, 2020, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements and consolidated financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these consolidated financial statements and consolidated financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and consolidated financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements and consolidated financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements and consolidated financial highlights. Such procedures also included confirmation of securities owned as of December 31, 2020, by correspondence with custodians and agent banks or by other appropriate auditing procedures when replies from agent banks were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and consolidated financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the auditor of the Trust since 2004.

Boston, Massachusetts
March 1, 2021

INTERESTED TRUSTEES

Name (Age), Address	Position(s) With The Trust(s)	Office Term and Length of Time Served	Principal Occupations During Past 5 Years	Portfolios Overseen in Fund Complex	Other Directorships Held by Director
Clifford M. Noreen* (63) 300 South Tryon Street, Suite 2500 Charlotte, NC 28202	Trustee / Nominee, Chairman	Term expires 2021; Trustee since 2009	Head of Global Investment Strategy (since 2019); Deputy Chief Investment Officer and Managing Director (2016-2018), MassMutual; President (2008-2016), Vice Chairman (2007-2008), Member of the Board of Managers (2006-2016), Managing Director (2000-2016), Barings; President (2005-2009), Vice President (1993-2005) of the Trusts.	2	Chairman and Trustee (since 2009), President (2005-2009), Vice President (1993-2005), Barings Corporate Investors; President (2009-2015), Senior Vice President (1996-2009), HYP Management LLC (LLC Manager); Member of the Board of Managers (since 2008), Jefferies Finance LLC (finance company); Chairman (since 2009), Trustee (since 2005), President (2005-2009), CI Subsidiary Trust and PI Subsidiary Trust; Member of the Investment Committee (since 1999), Diocese of Springfield; Member of the Investment Committee (since 2005), Baystate Health Systems; Member of the Board of Managers (2011-2016), Wood Creek Capital Management, LLC (investment advisory firm); Director (2005-2013), MassMutual Corporate Value Limited (investment company); Director (2005-2013), MassMutual Corporate Value Partners Limited (investment company).

* Mr. Noreen is classified as an "interested person" of each Trust and Barings (as defined by the 1940 Act), because of his position as an Officer of each Trust and his former position as President of Barings.

INTERESTED TRUSTEES

Name (Age), Address	Position(s) With The Trust(s)	Office Term and Length of Time Served	Principal Occupations During Past 5 Years	Portfolios Overseen in Fund Complex	Other Directorships Held by Director
Robert E. Joyal* (76) 300 South Tryon Street, Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2021; Trustee since 2003	Retired (since 2003); President (2001-2003), Barings; President (1993-2003) of the Trusts.	2	Trustee (since 2003), President (1993-2003), Barings Corporate Investors; Trustee (2003-2020), MassMutual Select Funds (open-end investment company advised by MassMutual); Trustee (2003-2020), MML Series Investment Funds (open-end investment company advised by MassMutual); Trustee (2012-2020), MML Series Investment Funds II (open-end investment company advised by MassMutual); Trustee (2012-2020), MassMutual Premier Funds (open-end investment company advised by MassMutual); Director (2013-2018), Leucadia National Corporation (holding company owning businesses ranging from insurance to telecommunications); Director (2012-2017), Ormat Technologies, Inc. (geothermal energy company); Director (2013-2016), Baring Asset Management (Korea) Limited (company that engages in asset management, business administration and investment management); Director (2006-2014), Jefferies Group, Inc. (financial services); Director (2018-2021) Jefferies Financial Group (financial services).

* Mr. Joyal retired as President of Barings in June 2003. In addition and as noted above, Mr. Joyal was a former Director of Jefferies Financial Group, which is the parent company of Jefferies Finance, LLC, and a former Director of Jefferies Group, Inc., which has a wholly-owned broker-dealer subsidiary that may execute portfolio transactions and/or engage in principal transactions with the Trusts, other investment companies advised by Barings or any other advisory accounts over which Barings has brokerage placement discretion. Accordingly, the Trusts have determined to classify Mr. Joyal as an "interested person" of the Trusts and Barings (as defined by the 1940 Act).

INDEPENDENT TRUSTEES

Name (Age), Address	Position(s) With The Trust(s)	Office Term and Length of Time Served	Principal Occupations During Past 5 Years	Portfolios Overseen in Fund Complex	Other Directorships Held by Director
Michael H. Brown (63) 300 South Tryon Street, Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2023; Trustee since 2005	Private Investor; Managing Director (1994-2005), Morgan Stanley.	2	Trustee (since 2005), Barings Corporate Investors; Independent Director (2006-2014), Invicta Holdings LLC and its subsidiaries (derivative trading company owned indirectly by MassMutual).
Barbara M. Ginader (64) 300 South Tryon Street, Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2023; Trustee since 2013	Retired (since 2018); Managing Director and General Partner (1993-2018), Boston Ventures Management (private equity firm).	2	Trustee (since 2013), Barings Corporate Investors; Member of the Board of Overseers (2013-2014), MSPCA-Angell Memorial Hospital; Member of the Grants Committee (2012-2017), IECA Foundation; Managing Director (1993-2018), Boston Ventures IV, L.P., Boston Ventures V, L.P. and Boston Ventures VI, L.P. (private equity funds).
Edward P. Grace III (70) 300 South Tryon Street, Suite 2500 Charlotte, NC 28202	Trustee / Nominee	Term expires 2021; Trustee since 2012	President (since 1997), Phelps Grace International, Inc. (investment management); Managing Director (1998-2018), Grace Venture Partners LP (venture capital fund); Senior Advisor (2011-2017), Angelo Gordon & Co. (investment adviser).	2	Trustee (since 2012), Barings Corporate Investors; Director (since 2012), Benihana, Inc. (restaurant chain); Director (2011-2018), Firebirds Wood Fired Holding Corporation (restaurant chain); Director (since 1998), Shawmut Design and Construction (construction management and general contracting firm); Director (2010-2017), Larkburger, Inc. (restaurant chain).
Susan B. Sweeney (68) 300 South Tryon Street, Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2022; Trustee since 2012	Retired (since 2014); Senior Vice President and Chief Investment Officer (2010-2014), Selective Insurance Company of America; Senior Managing Director (2008-2010), Ironwood Capital.	111	Trustee (since 2012), Barings Corporate Investors; Trustee (since 2009), MassMutual Select Funds (open-end investment company advised by MassMutual); Trustee (since 2009), MML Series Investment Funds (open-end investment company advised by MassMutual); Trustee (since 2012), MML Series Investment Funds II (open-end investment company advised by MassMutual); Trustee (since 2012), MassMutual Premier Funds (open-end investment company advised by MassMutual).

INDEPENDENT TRUSTEES

Name (Age), Address	Position(s) With The Trust(s)	Office Term and Length of Time Served	Principal Occupations During Past 5 Years	Portfolios Overseen in Fund Complex	Other Directorships Held by Director
Maleyne M. Syracuse (64) 300 South Tryon Street, Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2023; Trustee since 2007	Private Investor (since 2007); Managing Director (2000-2007), JP Morgan Securities, Inc. (investment banking); Managing Director (1999-2000), Deutsche Bank Securities; Managing Director (1981-1999), Bankers Trust/BT Securities.	2	Trustee (since 2007), Barings Corporate Investors, Member of the Board of Directors (since 1998) and President of the Board (since 2002), Peters Valley School of Craft (non-profit arts organization); Member of the Board of Directors (since 2014) and Treasurer (since 2017), Charles Lawrence Keith & Clara Miller Foundation (non-profit philanthropic foundation); Member of the Board of Directors (since 2015) and Treasurer of the Board (since 2016), Greater Pike Community Foundation (non-profit philanthropic foundation).

OFFICERS OF THE TRUST

Name (Age), Address	Position(s) With the Trust(s)	Time Served	Principal Occupation(s) During the Past 5 Years
Christina Emery (47) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	President	Since 2020	Managing Director (since 2011), Director (2007-2011), Associate Director (2005-2007), Barings; President (since 2020), Vice President (2018-2020), Barings Corporate Investors; Trustee (since 2020), President (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Member of the Investment Committee (since 2018), Tower Square Capital Partners II/III/IV; Member of the Investment Committee and Principal (since 2020), Barings Small Business Fund.
Jonathan Bock (39) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Financial Officer	Since 2020	Managing Director (since 2018), Barings; Chief Financial Officer (since 2020) Barings Corporate Investors, Trustee (since 2020), Treasurer (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Chief Financial Officer (since 2018), Barings BDC, Inc. (business development company advised by Barings); Chief Financial Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Managing Director (2011-2018), Wells Fargo.
Jill Dinerman (44) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Legal Officer	Since 2020	General Counsel (since 2020), Managing Director (since 2016), Deputy General Counsel (January-November 2020), Corporate Secretary (2018-2020), Associate General Counsel (2018-2020), Senior Counsel (2016-2018), Counsel and Director (2011-2016), Barings; Chief Legal Officer (since 2020), Assistant Secretary (2019-2020), Barings Corporate Investors; Vice President (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Chief Legal Officer and Secretary (since 2020), Assistant Secretary (2019-2020), Barings Funds Trust (open-end Investment company advised by Barings); Chief Legal Officer and Secretary (since 2020), Assistant Secretary (2019-2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Chief Legal Officer (since 2020), Assistant Secretary (2019-2020), Barings BDC, Inc. (business development company advised by Barings); Chief Legal Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Director (since 2019), Baring International Investments Limited.
Michael Cowart (38) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Compliance Officer	Since 2020	Director (since 2018), Barings; Chief Compliance Officer (since 2020), Barings Corporate Investors; Chief Compliance Officer (since 2020), Barings Funds Trust (open-end investment company advised by Barings); Chief Compliance Officer (since 2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Chief Compliance Officer (since 2020), Barings BDC, Inc. (business development company advised by Barings); Chief Compliance Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Chief Compliance Officer (since 2019), Barings Securities LLC.

OFFICERS OF THE TRUST

Name (Age), Address	Position(s) With the Trust(s)	Time Served	Principal Occupation(s) During the Past 5 Years
Elizabeth Murray (43) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Principal Accounting Officer	Since 2020	Managing Director (since 2020), Director (2018-2020), Barings; Principal Accounting Officer (since 2020), Barings Corporate Investors; Controller (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Treasurer (since 2020), Barings Funds Trust (open-end investment company advised by Barings); Treasurer (since 2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Principal Accounting Officer (since 2020), Director of External Reporting (2018-2020), Barings BDC, Inc. (business development company advised by Barings); Principal Accounting Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Principal Accounting Officer (since 2019), Jocassee Partners LLC; Vice President of Financial Reporting (2012-2018), Barings BDC, Inc. (f/k/a Triangle Capital Corporation).
Christopher Hanscom (38) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Treasurer	Since 2017	Director (since 2018), Associate Director (2015-2018), Analyst (2005-2015), Barings; Treasurer (since 2017), Barings Corporate Investors; Assistant Controller (since 2020), CI Subsidiary Trust and PI Subsidiary Trust.
Ashlee Steinnerd (39) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Secretary	Since 2020	Director (since 2019), Barings; Secretary (since 2020) Barings Corporate Investors; Secretary (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Secretary (since 2020), Barings BDC, Inc. (business development company advised by Barings); Secretary (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Senior Counsel (2011-2019), Securities and Exchange Commission.
Alexandra Pacini (28) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Assistant Secretary	Since 2020	Analyst (since 2017), Barings; Assistant Secretary (since 2020), Barings Corporate Investors; Assistant Secretary (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Assistant Secretary (since 2020), Barings Funds Trust (open-end investment company advised by Barings); Assistant Secretary (since 2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Assistant Secretary (since 2020), Barings BDC, Inc. (business development company advised by Barings).
Sean Feeley (53) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Vice President	Since 2011	Managing Director (since 2003), Barings; Vice President (since 2011), Barings Corporate Investors; Vice President (since 2011), CI Subsidiary Trust and PI Subsidiary Trust; President (since 2017), Vice President (2012-2017), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings).
Jonathan Landsberg (36) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Vice President	Since 2020	Director (since 2018), Barings; Vice President (since 2020), Barings Corporate Investors; Vice President (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Director of Finance and Head of Investor Relations (since 2020), Assistant Director of Finance (2018-2020), Barings BDC, Inc. (business development company advised by Barings); Director of Finance and Head of Investor Relations (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Principal (since 2019), Jocassee Partners LLC; Board Member (since 2020), Thompson Rivers LLC; Research Analyst (2014-2018), Wells Fargo Securities.

* Officers hold their position with the Trusts until a successor has been duly elected and qualified. Officers are generally elected annually by the Board of each Trust. The officers were last elected on October 21, 2020.

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DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

Barings Participation Investors (the "Trust") offers a Dividend Reinvestment and Cash Purchase Plan (the "Plan"). The Plan provides a simple and automatic way for shareholders to add to their holdings in the Trust through the receipt of dividend shares issued by the Trust or through the reinvestment of cash dividends in Trust shares purchased in the open market. The dividends of each shareholder will be automatically reinvested in the Trust by DST Systems, Inc., the Transfer Agent, in accordance with the Plan, unless such shareholder elects not to participate by providing written notice to the Transfer Agent. A shareholder may terminate his or her participation by notifying the Transfer Agent in writing.

Participating shareholders may also make additional contributions to the Plan from their own funds. Such contributions may be made by personal check or other means in an amount not less than \$100 nor more than \$5,000 per quarter. Cash contributions must be received by the Transfer Agent at least five days (but no more than 30 days) before the payment date of a dividend or distribution.

Whenever the Trust declares a dividend payable in cash or shares, the Transfer Agent, acting on behalf of each participating shareholder, will take the dividend in shares only if the net asset value is lower than the market price plus an estimated brokerage commission as of the close of business on the valuation day. The valuation day is the last day preceding the day of dividend payment. When the dividend is to be taken in shares, the number of shares to be received is determined by dividing the cash dividend by the net asset value as of the close of business on the valuation date or, if greater than net asset value, 95% of the closing share price. If the net asset value of the shares is higher than the market value plus an estimated commission, the Transfer Agent, consistent with obtaining the best price and execution, will buy shares on the open market at current prices promptly after the dividend payment date.

The reinvestment of dividends does not, in any way, relieve participating shareholders of any federal, state or local tax. For federal income tax purposes, the amount reportable in respect of a dividend received in newly-issued shares of the Trust will be the fair market value of the shares received, which will be reportable as ordinary income and/or capital gains.

As compensation for its services, the Transfer Agent receives a fee of 5% of any dividend and cash contribution (in no event in excess of \$2.50 per distribution per shareholder.)

Any questions regarding the Plan should be addressed to DST Systems, Inc., Agent for Barings Participation Investors' Dividend Reinvestment and Cash Purchase Plan, P.O. Box 219086, Kansas City, MO 64121-9086.

Members of the Board of Trustees

Michael H. Brown* Private Investor	Barbara M. Ginader* Retired Managing Director and General Partner Boston Ventures Management	Edward P. Grace* President Phelps Grace International, Inc
Robert E. Joyal Retired President, Barings LLC	Clifford M. Noreen Head of Global Investment Strategy Massachusetts Mutual Life Insurance Company	Susan B. Sweeney* Private Investor
Maleyne M. Syracuse* Private Investor		

Officers

Clifford M. Noreen Chairman	Christina Emery President	Jonathan Bock Chief Financial Officer
Jill Dinerman Chief Legal Officer	Michael Cowart Chief Compliance Officer	Elizabeth Murray Principal Accounting Officer
Christopher Hanscom Treasurer	Ashlee Steinnerd Secretary	Alexandra Pacini Assistant Secretary
Sean Feeley Vice President	Jonathan Landsberg Vice President	

* Member of the Audit Committee



Barings
PARTICIPATION INVESTORS
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