

2023

Barings
PARTICIPATION INVESTORS
2023 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 per year. The Trust pays dividends to its shareholders in cash, unless the shareholder elects to participate in the Dividend Reinvestment and Share Purchase Plan.

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 on May 16, 2024, at 8:00 A.M. (Eastern Time) in Charlotte, North Carolina, and virtually at the following website.

<https://www.viewproxy.com/barings/broadridgevsm/>

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, 2023, 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-PART

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-PART. 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
New York, NY 10154

COUNSEL TO THE TRUST

Ropes & Gray LLP
Boston, Massachusetts 02111

CUSTODIAN

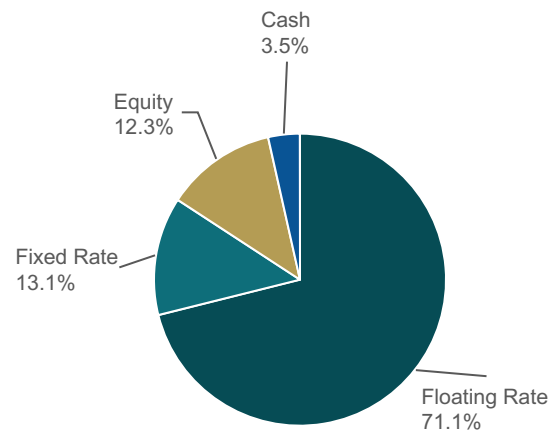
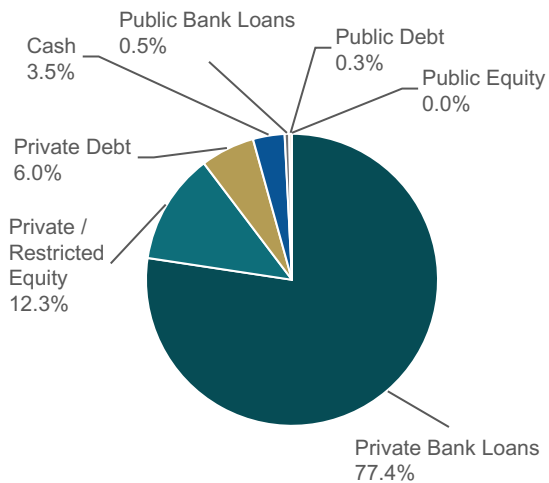
State Street Bank and Trust Company
Boston, MA 02110

TRANSFER AGENT & REGISTRAR

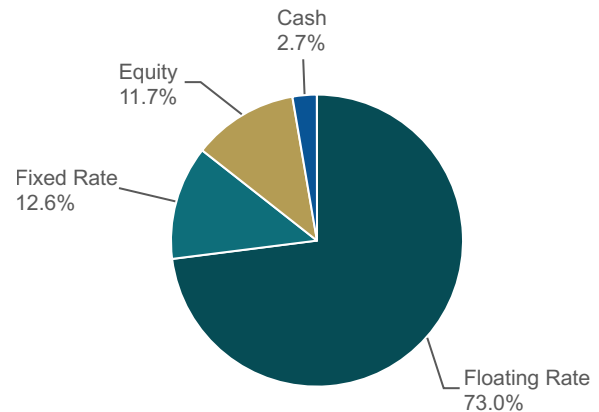
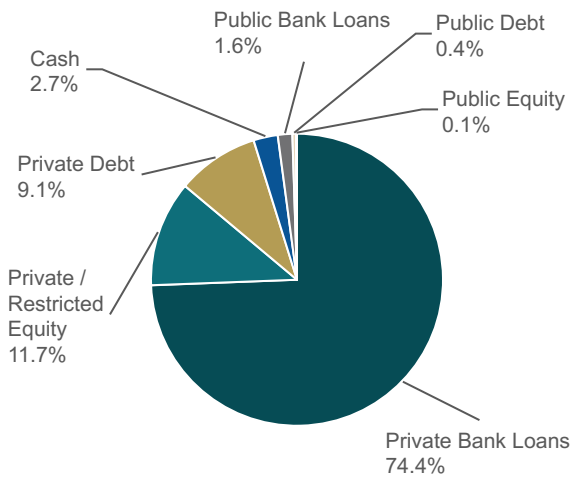
SS&C Global Investor & Distribution Solutions, Inc., formerly known as DST Systems, Inc. ("SS&C GIDS")
P.O. Box 219086
Kansas City, MO 64121-9086
1-800-647-7374



PORTFOLIO COMPOSITION AS OF 12/31/2023*



PORTFOLIO COMPOSITION AS OF 12/31/2022*

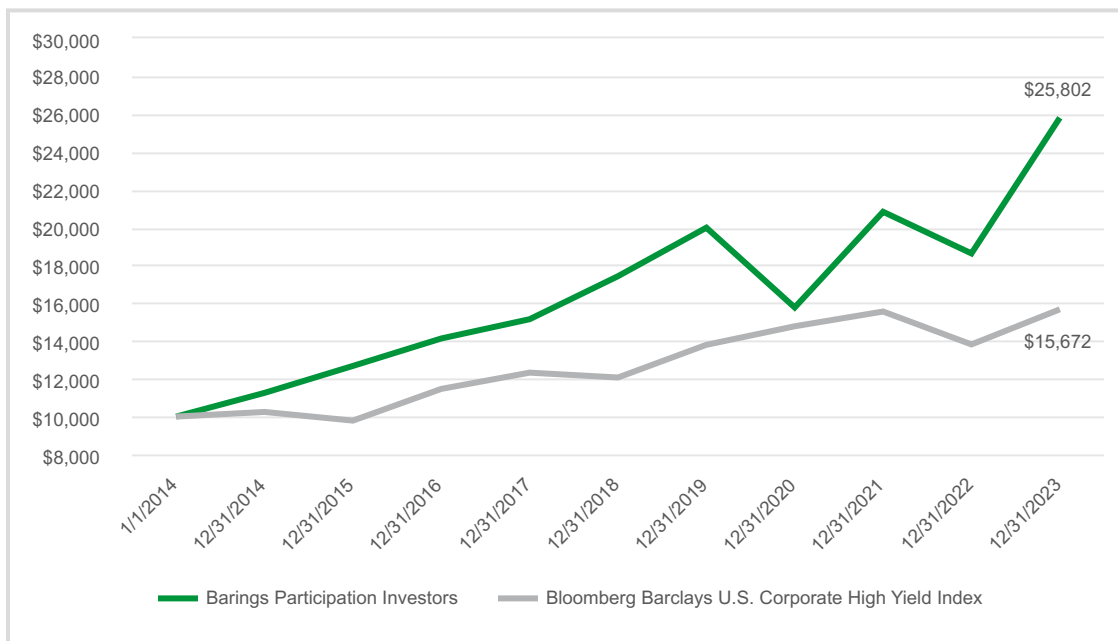


* Based on market value of total investments and cash balances

In July 2017, the head of the U.K. Financial Conduct Authority (the “FCA”), announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. In March 2021, the FCA confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of sterling, euro, Swiss franc, and Japanese yen, and the one week and two month U.S. dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. In addition, as a result of supervisory guidance from U.S. regulators, some U.S. regulated entities will cease to enter into new LIBOR contracts after January 1, 2022. At this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR, although the Alternative Reference Rates Committee, a steering committee convened by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York and comprised of large U.S. financial institutions, has recommended the use of the Secured Overnight Financing Rate, SOFR. There are many uncertainties regarding a transition from LIBOR to SOFR or any other alternative benchmark rate that may be established, including, but not limited to, the timing of any such transition, the need to amend all contracts with LIBOR as the referenced rate and, given the inherent differences between LIBOR and SOFR or any other alternative benchmark rate, how any transition may impact the cost and performance of impacted securities, variable rate debt and derivative financial instruments. In addition, SOFR or another alternative benchmark rate may fail to gain market acceptance, which could adversely affect the return on, value of and market for securities, variable rate debt and derivative financial instruments linked to such rates. The effects of a transition from LIBOR to SOFR or any other alternative benchmark rate on the Trust’s cost of capital and net investment income cannot yet be determined definitively. All of the Trust’s loan agreements with the Trust’s portfolio companies include fallback language in the event that LIBOR becomes unavailable.

This language generally either includes a clearly defined alternative reference rate after LIBOR’s discontinuation or provides that the administrative agent may identify a replacement reference rate, typically with the consent of (or prior consultation with) the borrower. In certain cases, the administrative agent will be required to obtain the consent of either a majority of the lenders under the facility, or the consent of each lender, prior to identifying a replacement reference rate. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to the Trust and could have a material adverse effect on the Trust’s business, financial condition and results of operations.

Hypothetical growth of \$10,000 Investment (unaudited)



Average Annual Returns December 31, 2023	1 Year	5 Year	10 Year
Barings Participation Investors	38.51%	8.29%	10.03%
Bloomberg Barclays U.S. Corporate High Yield Index	13.44%	5.37%	4.60%

Data for Barings Participation Investors (the “Trust”) represents returns based on the change in the Trust’s market price assuming the reinvestment of all dividends and distributions. Past performance is no guarantee of future results.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on distributions from the Trust or the sale of shares.

TO OUR SHAREHOLDERS

I am pleased to share with you the Trust's Annual Report for the year ended December 31, 2023.

PORTFOLIO PERFORMANCE

The Trust's net total portfolio rate of return for 2023 was 12.46%, as measured by the change in net asset value assuming the reinvestment of all dividends and distributions. The Trust's total net assets were \$163,366,715 or \$15.41 per share, as of December 31, 2023. This compares to \$158,923,575 or \$14.99 per share, as of December 31, 2022. The Trust paid a quarterly dividend of \$0.28 per share for the first quarter, \$0.32 for the second quarter, \$0.34 for the third quarter, and \$0.35 for the fourth quarter of 2023, for a total annual dividend of \$1.29 per share, representing a 50% increase to the 2022 dividend. The Trust paid a quarterly dividend of \$0.20 per share for the first two quarters of 2022, \$0.22 for the third quarter and \$0.24 for the fourth quarter for a total annual dividend of \$0.86 per share. Net taxable investment income for 2023 was \$1.53 per share, including approximately \$0.02 per share of non-recurring income, compared to 2022 net taxable investment income of \$1.01 per share, which included approximately \$0.02 per share of non-recurring income.

The Trust's stock price increased 26.62% during 2023, from \$12.32 as of December 31, 2022 to \$15.60 as of December 31, 2023. The Trust's stock price of \$15.60 as of December 31, 2023 equates to a 1.23% premium to the December 31, 2023 net asset value per share of \$15.41. The Trust's average quarter-end premium for the 3-, 5-, and 10-year periods ended December 31, 2023 was -12.4%, -6.0% and -1.75%, 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, 2023 and the Credit Suisse Leveraged Loan Index for the 1-, 3- and 5-year periods ended December 31, 2023 are provided for comparison purposes only.

	The Trust	Bloomberg Barclays US Corporate HY Index	Credit Suisse Leveraged Loan Index
1 Year	12.46%	13.44%	13.04%
3 Years	11.16%	1.98%	5.64%
5 Years	10.23%	5.37%	5.56%
10 Years	9.61%	4.60%	
25 Years	10.84%	6.32%	

Past performance is no guarantee of future results

PORTFOLIO ACTIVITY

Consistent with the stated Investment Objective of the Trust, we continue to search for relative value, identifying investments that provide current yield as well as those with opportunities for capital gains. The Trust closed six new private placement investments and 23 add-on investments in existing portfolio companies totaling \$4.7 million during the fourth quarter. For the year, the Trust closed 20 new private placement investments and 39 add-on investments in existing portfolio companies. The add-on investments include additional term loans and equity co-investment as well as drawdowns on revolvers and delayed draw term loans. 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 2023 was \$13.8 million, which was lower than the \$23.6 million of private placement investments made by the Trust in 2022. The lower investment amount can be attributed to fewer realizations as well as a softer M&A market in 2023.

Several macroeconomic risks continued during the quarter amid an uncertain environment for investors across the broader capital markets. Concerns, previously focused on COVID-19 and disrupted supply chains, swiftly shifted to the timing of interest rate cuts by the Fed, as they balanced the risk of reigniting inflation with causing a recession. While there continues to be levels of uncertainty and volatility we have not seen for some time, we take comfort that as bottom-up long-term investors we invest in high quality companies, in defensive sectors which we believe will perform through economic cycles (and volatile periods such as these). Both credit quality and capital structure of portfolio companies are key factors in our analysis, along with the quality of the ownership and management groups. As fundamental long-term investors, we believe it is imperative to remain disciplined and underwrite capital structures which will remain sound through economic cycles (and varying interest rate environments). We also seek to maintain a high level of portfolio diversification overall, looking at both industry and individual credit concentration. From a return perspective, the floating rate loans that constitute a majority of the portfolio provide some protection and higher returns in an inflationary environment. The North American Private Finance team continues to see good investment opportunities, and while the

activity, by number of investments and volume, was lower than the prior corresponding period, the quality of the investment opportunities remains high.

As market conventions have largely migrated to all senior capital structures, the Trust's flexible Investment Objective has allowed for continued investing in small to middle market companies. As of December 31, 2023, 68% of the Trust's investment portfolio is in first lien senior secured loans which provides strong risk adjusted returns for the Trust given the senior position in the capital stack. These investments have proven resilient to date. Junior debt comprised 15% of the Trust's portfolio and we will continue to invest in junior debt when the capital structure and risk adjusted return is deemed appropriate. Equity co-investments alongside the debt investments (13% of the Trust's portfolio) provide an opportunity for the Trust to realize capital gains in the future. Realized capital gains are typically retained to increase the earnings capacity of the Trust.

The Trust maintains liquidity based on available cash balances of \$6.4 million or 3.4% of total assets, and low leverage profile at 0.12x as of December 31, 2023. Given the migration of the portfolio towards more senior secured investments, the Trust arranged for a \$15.0 million committed revolving credit facility with MassMutual (See Note 4). This facility coupled with the current cash balance provides liquidity to support our current portfolio companies as well as invest in new portfolio companies. As always, the Trust continues to benefit from strong relationships with our carefully chosen financial sponsor partners. These relationships provide clear benefits to the portfolio companies including potential access to additional capital if needed and strategic thinking to compliment a company's management team. High-quality and timely information about portfolio companies, which is only available in a private market setting, allows us to work constructively with financial sponsors and maximize the portfolio companies' long-term health and value.

We had 13 companies exit from the Trust's portfolio during 2023. This level of exit activity in the Trust's portfolio was significantly below recent years as realization levels have ranged from 18-32 exits annually since 2014. In 4 of these exits, the Trust realized a positive return on its investment. This lower level of realization activity in 2023 highlights the impact of the macroeconomic risks on the middle market M&A and debt markets.

During 2023, the Trust had 9 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 being sold to either a strategic or financial buyer or those 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. With the higher base rates, the level of refinancing activity the portfolio has experienced slowed in 2023 compared to prior years.

OUTLOOK FOR 2024

Two of the bigger questions in 2024 involve the Fed and the economy. Specifically, when will the Fed begin to lower interest rates and will they lower them before the U.S. experiences a recession. Recent expectations called for a first cut in March. However, given the higher than expected PPI and CPI numbers released in February, there is a risk of "higher for longer" interest rates, with June now looking like the target for a first cut. While most supply chains appear to have normalized, the question now becomes, can the economy withstand a prolonged period of high interest rates without falling into a recession. When constructing portfolios, we focus on investing in high-quality businesses which are leaders in their space and offer defensive characteristics which will allow them to perform through the cycle. In addition, our underwriting process includes forward-looking analysis that incorporates rising rates, higher input prices and increased labor costs, with a focus on their impact to interest coverage and other relevant ratios. Additionally, as the Trust portfolio has migrated to a higher percentage of first lien assets, our position as lender is further strengthened by the fact that we are lead or co-lead on over 80% of our first lien loans. As a lead or co-lead, we can influence the credit documents to ensure that we have appropriate protections and remedies in the event of any covenant violation or specific 'ask' from the borrower or sponsor. Therefore, while segments of the broader economy may be affected by potential supply chain issues, increasing raw material and energy costs and labor shortages, we remain confident in our underwriting process and the current diversified portfolio to perform through the cycle.

As we enter 2024, default rates remain at relatively low levels, there appears to be plenty of both private equity and private debt capacity. While we expect the M&A activity to remain a bit subdued throughout the first quarter, 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.

In closing, we believe it is always appropriate to provide views on the Trust's long-term dividend policy which is to say, 'we believe that long-term dividends should be a reflection of long-term core earnings power.' Significant growth in net investment income, due primarily to increases in base rates for our floating rate holdings and quality credit selection, has lead the Board of Trustees to declare an increase each of the past six dividends, further benefiting shareholders. The Trust's 2023 net investment income of \$1.50 per share, net of taxes, fully supported the full year dividend of \$1.29 per share. In 2024, we do anticipate the earnings power to remain stable as long as the base rates remain elevated.

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 Thursday, May 16, 2024.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christina Emery".

Christina Emery
President

2023 Dividends	Record Date	Total Paid	Ordinary Income	Short-Term Gains	Long-Term Gains
Regular	5/31/2023	\$ 0.2800	\$ 0.2800	—	—
Regular	8/28/2023	0.3200	0.3200	—	—
Regular	11/6/2023	0.3400	0.3400	—	—
Regular	12/29/2023	0.3500	0.3500	—	—
		\$ 1.2900	\$ 1.2900	—	—

The Trust did not have distributable net long-term gains in 2023.

Annual Dividend	Qualified for Dividend Received Deduction*		Qualified Dividends**		Interest Earned on U.S. Gov't. Obligations	
Amount per Share	Percent	Amount per Share	Percent	Amount per Share	Percent	Amount per Share
\$1.29	4.0134%	\$0.0518	4.0134%	\$0.0518	0%	\$0.0000

* Not available to individual shareholders

** Qualified dividends are reported in Box 1b on IRS Form 1099-Div for 2023

BARINGS PARTICIPATION INVESTORS

Financial Report

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Assets:

Investments (See Consolidated Schedule of Investments)	
Corporate restricted securities - private placement investments at fair value (Cost - \$165,830,455)	\$ 173,231,561
Corporate restricted securities - rule 144A securities at fair value (Cost - \$5,959,802)	5,830,650
Corporate public securities at fair value (Cost - \$1,854,712)	1,513,765
Total investments (Cost - \$173,644,969)	180,575,976
Cash	6,478,597
Foreign currencies (Cost - \$6,830)	6,549
Dividend and interest receivable	2,788,295
Receivable for investments sold	107,098
Escrow receivable for investment sold	293,416
Other assets	228,175
Total assets	190,478,106

Liabilities:

Note payable	15,000,000
Credit facility (net of deferred financing fees)	6,573,545
Dividend payable	3,710,595
Deferred tax liability	282,774
Investment advisory fee payable	741,598
Tax payable	450,000
Interest payable	228,231
Accrued expenses	124,648
Total liabilities	27,111,391

Commitments and Contingencies (See Note 7)

Total net assets **\$ 163,366,715**

Net Assets:

Common shares, par value \$.01 per share	\$ 106,017
Additional paid-in capital	144,171,005
Total distributable earnings	19,089,693
Total net assets	\$ 163,366,715
Common shares issued and outstanding (14,787,750 authorized)	10,601,700
Net asset value per share	\$ 15.41

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2023

**Barings Participation Investors
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Investment Income:	
Interest	\$ 19,839,780
Dividends	84,157
Other	191,102
Total investment income	20,115,039
Expenses:	
Investment advisory fees	1,480,828
Interest and other financing fees	1,245,620
Professional fees	516,777
Trustees' fees and expenses	276,000
Reports to shareholders	168,000
Custodian fees	24,000
Other	85,430
Total expenses	3,796,655
Investment income - net	16,318,384
Income tax, including excise tax expense	441,369
Net Investment income after taxes	15,877,015
Net realized and unrealized gain on investments and foreign currency:	
Net realized loss on investments before taxes	(218,872)
Income tax expense	(114,242)
Net realized loss on investments and foreign currency transactions after taxes	(333,114)
Net increase in unrealized appreciation of investments before taxes	2,474,667
Net increase in unrealized appreciation of foreign currency translation before taxes	176
Deferred income tax benefit (expense)	100,589
Net increase in unrealized appreciation of investments and foreign currency transactions after taxes	2,575,432
Net gain on investments and foreign currency	2,242,318
Net increase in net assets resulting from operations	\$ 18,119,333

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

Barings Participation Investors
2023 Annual Report

Cash flows from operating activities:	
Purchases of portfolio securities	\$ (22,280,371)
Proceeds from disposition of portfolio securities	24,214,182
Interest, dividends and other income received	17,644,258
Interest expense paid	(1,205,274)
Operating expenses paid	(2,079,133)
Income taxes paid	(430,611)
Net cash provided by (used in) operating activities	<u>15,863,051</u>
Cash flows from financing activities:	
Borrowings under note payable	15,000,000
Repayments under note payable	(15,000,000)
Repayments under credit facility	(1,750,000)
Cash dividends paid from net investment income	(12,510,006)
Net cash provided by (used in) financing activities	<u>(14,260,006)</u>
Net increase in cash & foreign currencies	1,603,045
Cash & foreign currencies - beginning of period	4,881,925
Effects of foreign currency exchange rate changes on cash and cash equivalents	176
Cash & foreign currencies - end of period	<u>\$ 6,485,146</u>
Reconciliation of net increase in net assets to net cash used by operating activities:	
Net increase in net assets resulting from operations	\$ 18,119,333
Increase in investments	(1,442,313)
Increase in interest receivable	(339,113)
Increase in receivable for investments sold	(221,458)
Increase in payment-in-kind non-cash income received	(760,281)
Increase in amortization	(25,772)
Increase in other assets	(3,828)
Decrease in deferred tax liability	(100,589)
Increase in investment advisory fee payable	384,020
Increase in interest payable	40,346
Increase in accrued expenses	87,882
Increase in tax payable	125,000
Total adjustments to net assets from operations	<u>(2,256,106)</u>
Effects of foreign currency exchange rate changes on cash and cash equivalents	(176)
Net cash provided by (used in) operating activities	<u>\$ 15,863,051</u>

	For the year ended 12/31/2023	For the year ended 12/31/2022
Increase / (decrease) in net assets:		
Operations:		
Investment income - net	\$ 15,877,015	\$ 10,307,792
Net realized gain / (loss) on investments and foreign currency after taxes	(333,114)	(437,446)
Net change in unrealized appreciation / (depreciation) of investments and foreign currency after taxes	2,575,432	(2,909,784)
Net increase in net assets resulting from operations	18,119,333	6,960,562
Dividends to shareholders from:		
Distributable earnings to Common Stock Shareholders	(13,676,193)	(8,775,068)
Net realized gains	—	(342,394)
Total increase / (decrease) in net assets	4,443,140	(2,156,900)
Net assets, beginning of year	158,923,575	161,080,475
Net assets, end of year	\$ 163,366,715	\$ 158,923,575

Selected data for each share of beneficial interest outstanding:

	For the years ended December 31,				
	2023	2022	2021	2020	2019
Net asset value:					
Beginning of year	14.99	\$ 15.19	\$ 13.60	\$ 13.80	\$ 13.18
Net investment income (a)	1.50	0.97	0.86	1.00	1.00
Net realized and unrealized gain/(loss) on investments	0.21	(0.31)	1.53	(0.40)	0.69
Total from investment operations	1.71	0.66	2.39	0.60	1.69
Dividends from net investment income to common shareholders	(1.29)	(0.83)	(0.80)	(0.80)	(1.08)
Dividends from realized gain on investments to common shareholders	—	(0.03)	—	—	—
Increase from dividends reinvested	—	—	—	0.00 (b)	0.01
Total dividends	(1.29)	(0.86)	(0.80)	(0.80)	(1.07)
Net asset value: End of year	\$ 15.41	\$ 14.99	\$ 15.19	\$ 13.60	\$ 13.80
Per share market value: End of year	\$ 15.60	\$ 12.32	\$ 14.80	\$ 11.88	\$ 16.13
Total investment return					
Net asset value (c)	12.46%	4.42%	17.84%	4.66%	13.21%
Market value (c)	38.51%	(10.57%)	32.09%	(21.11%)	14.72%
Net assets (in millions):					
End of year	\$ 163.37	\$ 158.92	\$ 161.08	\$ 144.18	\$ 146.08
Ratio of total expenses to average net assets (d)	2.66%	2.35%	2.66%	1.47%	2.26%
Ratio of operating expenses to average net assets	1.56%	1.46%	1.46%	1.38%	1.45%
Ratio of interest expense to average net assets	0.76%	0.63%	0.41%	0.43%	0.42%
Ratio of income tax expense to average net assets	0.34%	0.26%	0.79%	(0.34%)	0.39%
Ratio of net investment income to average net assets	9.69%	6.39%	5.99%	7.52%	7.30%
Portfolio turnover	12%	12%	43%	34%	22%
(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.					
Senior borrowings at December 31st:					
Total principal amount (in millions)	\$ 22	\$ 24	\$ 21	\$ 15	\$ 15
Asset coverage per \$1,000 of indebtedness	\$ 8,511	\$ 7,763	\$ 8,670	\$ 10,612	\$ 10,739

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Corporate Restricted Securities - 109.61%: (A)				
Private Placement Investments - 106.04%: (C)				
1WorldSync, Inc.				
A product information sharing platform that connects manufacturers/suppliers and key retailers via the Global Data Synchronization Network.				
10.41% Term Loan due 06/24/2025 (SOFR + 5.000%)	\$ 2,384,615	*	\$ 2,371,408	\$ 2,384,615
* 07/01/19 and 12/09/20.				
Accurus Aerospace				
A supplier of highly engineered metallic parts, kits and assemblies, and processing services.				
10.77% First Term Loan due 03/31/2028 (SOFR + 5.250%) (G)	\$ 485,953	04/05/22	464,013	454,604
Limited Liability Company Unit (B)	8,752 uts.	10/14/21	8,752	10,240
			<u>472,765</u>	<u>464,844</u>
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.				
Advantage Software				
A provider of enterprise resource planning (ERP) software built for advertising and marketing agencies.				
Limited Liability Company Unit Class A (B) (F)	766 uts.	10/01/21	24,353	61,231
Limited Liability Company Unit Class A (B) (F)	197 uts.	10/01/21	6,320	15,793
Limited Liability Company Unit Class B (B) (F)	766 uts.	10/01/21	784	—
Limited Liability Company Unit Class B (B) (F)	197 uts.	10/01/21	202	—
			<u>31,659</u>	<u>77,024</u>
AIT Worldwide Logistics, Inc.				
A provider of domestic and international third-party logistics services.				
12.86% Second Lien Term Loan due 04/06/2029 (SOFR+ 7.500%)	\$ 1,669,355	04/06/21	1,644,648	1,654,331
Limited Liability Company Unit (B)	56 uts.	04/06/21	55,645	85,771
			<u>1,700,293</u>	<u>1,740,102</u>
Americo Chemical Products				
A provider of customized specialty chemical solutions and services for pretreatment of metal surfaces and related applications.				
10.86% First Lien Term Loan due 04/28/2029 (SOFR + 5.500%) (G)	\$ 613,730	04/28/23	480,081	488,779
Limited Liability Company Unit (B) (F)	22,480 uts.	04/28/23	22,480	22,705
			<u>502,561</u>	<u>511,484</u>
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	106,929
Amtech Software				
A provider of enterprise resource planning software and technology solutions for packaging manufacturers.				
11.38% First Lien Term Loan due 11/02/2027 (SOFR + 6.000%) (G)	\$ 806,364	11/02/21	737,870	743,666

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Applied Aerospace Structures Corp.				
A leading provider of specialized large-scale composite and metal-bonded structures for platforms in the aircraft, space, and land/sea end markets.				
11.63% Term Loan due 11/22/2028 (SOFR + 6.250%) (G)	\$ 191,871.00	12/01/22	\$ 161,352	\$ 164,913
Limited Liability Company Unit (B)	8 uts.	12/01/22	8,000	10,244
			<u>169,352</u>	<u>175,157</u>
ASC Communications, LLC (Becker's Healthcare)				
An operator of trade shows and controlled circulation publications targeting the healthcare market.				
10.11% Term Loan due 07/15/2027 (SOFR + 4.750%) (G)	\$ 406,098	07/15/22	378,811	380,063
Limited Liability Company Unit (B) (F)	535 uts.	07/15/22	11,221	14,618
			<u>390,032</u>	<u>394,681</u>
ASC Holdings, Inc.				
A manufacturer of capital equipment used by corrugated box manufacturers.				
13.00% (1.00% PIK) Senior Subordinated Note due 12/31/2024	\$ 909,008	11/19/15	908,918	839,015
Limited Liability Company Unit (B)	111,100 uts.	11/18/15	111,100	27,775
			<u>1,020,018</u>	<u>866,790</u>
Audio Precision				
A provider of high-end audio test and measurement sensing instrumentation software and accessories.				
10.36% Term Loan due 10/31/2024 (SOFR + 5.000%)	\$ 1,710,000	10/30/18	1,705,257	1,658,700
Aurora Parts & Accessories LLC (d.b.a Hoosier)				
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	284,272
			<u>209,600</u>	<u>493,662</u>
BBB Industries LLC - DBA (GC EOS Buyer Inc.)				
A supplier of remanufactured and new parts to the North American automotive aftermarket.				
14.35% Second Lien Term Loan due 07/25/2030 (SOFR + 9.000%)	\$ 454,545	07/25/22	439,615	436,818
Limited Liability Company Unit (B)	45 uts.	07/25/22	45,000	45,658
			<u>484,615</u>	<u>482,476</u>
Best Lawyers (Azalea Investment Holdings, LLC)				
A global digital media company that provides ranking and marketing services to the legal community.				
10.72% First Lien Term Loan due 11/19/2027 (SOFR + 5.250%) (G)	\$ 1,372,519	11/30/21	1,095,913	1,105,397
12.00% HoldCo PIK Note due 05/19/2028	\$ 359,635	11/30/21	355,710	351,723
Limited Liability Company Unit (B)	44,231 uts.	11/30/21	44,231	66,346
			<u>1,495,854</u>	<u>1,523,466</u>
Blue Wave Products, Inc.				
A distributor of pool supplies.				
Common Stock (B)	51,064 shs.	10/12/12	51,064	128,171
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	20,216 shs.	10/12/12	20,216	50,540
			<u>71,280</u>	<u>178,711</u>

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Bridger Aerospace				
A provider of comprehensive solutions to combat wildfires in the United States including fire suppression, air attack and unmanned aircraft systems.				
Series C Convertible Preferred Equity (7.00% PIK) (B)	183 shs.	08/12/22	\$ 194,454	\$ 187,826
BrightSign				
A provider of digital signage hardware and software solutions, serving a variety of end markets, including retail, restaurants, government, sports, and entertainment.				
11.25% Term Loan due 10/14/2027 (SOFR + 5.750%) (G)	\$ 1,402,003	10/14/21	1,348,406	1,308,199
Limited Liability Company Unit (B) (F)	111,835 uts.	10/14/21	111,835	93,942
			<u>1,460,241</u>	<u>1,402,141</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.				
11.21% Term Loan due 10/04/2024 (SOFR + 5.750%)	\$ 784,104	10/03/18	781,368	766,854
Cadence, Inc.				
A full-service contract manufacturer (“CMO”) and supplier of advanced products, technologies, and services to medical device, life science, and industrial companies.				
10.28% First Lien Term Loan due 04/30/2025 (SOFR+ 4.750%)	\$ 1,230,597	05/14/18	1,217,132	1,193,787
CAi Software				
A vendor of mission-critical, production-oriented software to niche manufacturing and distribution sectors.				
11.86% Term Loan due 12/10/2028 (SOFR + 6.250%) (G)	\$ 2,460,376	12/13/21	2,189,853	2,064,705
Cascade Services				
A residential services platform that provides HVAC repair and replacement work for single-family homes in southern geographies.				
10.39% First Lien Term Loan due 09/30/2029 (SOFR + 5.000%) (G)	\$ 1,000,000	10/04/23	512,782	511,765
Cash Flow Management				
A software provider that integrates core banking systems with branch technology and creates modern retail banking experiences for financial institutions.				
11.46% Term Loan due 12/27/2027 (SOFR + 6.100%) (G)	\$ 971,001	12/28/21	883,460	876,954
Limited Liability Company Unit (B) (F)	12,008 uts.	*	12,665	12,008
			<u>896,125</u>	<u>888,962</u>
CJS Global				
A janitorial services provider focused on high end restaurants in NYC, Florida, and Texas.				
11.11% Term Loan due 03/10/2029 (SOFR + 5.750%) (G)	\$ 845,454	03/20/23	581,003	590,237
Limited Liability Company Unit Common (B)	303,180 uts.	03/20/23	147,469	224,144
			<u>728,472</u>	<u>814,381</u>

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Cleaver-Brooks, Inc.				
A manufacturer of full suite boiler room solutions.				
11.11% Term Loan due 07/14/2028 (SOFR + 5.750%) (G)	\$ 586,283	07/18/22	\$ 508,211	\$ 517,086
11.00% HoldCo PIK Note due 07/14/2029	\$ 105,848	07/18/22	104,251	104,621
			<u>612,462</u>	<u>621,707</u>
CloudWave				
A provider of managed cloud hosting and IT services for hospitals.				
11.36% Term Loan due 01/04/2027 (SOFR + 6.000%) Limited Liability Company Unit (B) (F)	\$ 1,623,448	01/29/21	1,604,709	1,622,473
	55,645 uts.	01/29/21	55,645	99,605
			<u>1,660,354</u>	<u>1,722,078</u>
Cogency Global				
A provider of statutory representation and compliance services for corporate and professional services clients.				
11.25% Term Loan due 12/28/2027 (SOFR + 5.750%) (G)	\$ 901,777	02/14/22	806,748	801,089
11.23% Term Loan due 02/14/2028 (SOFR + 5.750%)	\$ 766,993	09/13/23	749,038	751,654
Preferred Stock (B)	33 shs.	02/14/22	36,108	59,509
			<u>1,591,894</u>	<u>1,612,252</u>
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.				
12.11% Term Loan due 04/17/2027 (SOFR + 6.750%)	\$ 2,017,003	*	1,987,958	1,999,052
Limited Liability Company Unit Class B (B) (I)	6,629 uts.	04/23/20	—	34,999
			<u>1,987,958</u>	<u>2,034,051</u>
* 04/23/20, 10/30/20 and 11/18/20.				
Compass Precision				
A manufacturer of custom metal precision components.				
11.00% (1.00% PIK) Senior Subordinated Note due 10/16/2025	\$ 1,315,823	04/15/22	1,302,562	1,276,349
Limited Liability Company Unit (B) (F)	158,995 uts.	10/14/21	431,250	491,296
			<u>1,733,812</u>	<u>1,767,645</u>
Comply365				
A provider of proprietary enterprise SaaS and mobile solutions for content management and document distribution in highly regulated industries, including Aviation and Rail.				
10.36% Term Loan due 04/19/2028 (SOFR + 5.000%) (G)	\$ 688,365	04/15/22	625,756	621,849
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.				
10.78% Term Loan due 01/31/2025 (SOFR + 5.250%)	\$ 579,276	01/30/20	576,789	527,141
10.54% Term Loan due 01/31/2027 (SOFR + 5.000%)	\$ 76,825	09/14/23	75,425	69,911
Limited Liability Company Unit (B) (F)	1,237 uts.	*	49,559	—
Limited Liability Company Unit (B) (F)	443 uts.	09/14/23	17,748	6,780
			<u>719,521</u>	<u>603,832</u>
* 01/30/20 and 03/05/21				
CTS Engines				
A provider of maintenance, repair and overhaul services within the aerospace & defense market.				
11.11% Term Loan due 12/22/2026 (SOFR + 5.750%) (G)	\$ 1,448,352	12/22/20	1,345,623	1,282,854

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
DataServ				
A managed IT services provider serving Ohio's state, local, and education ("SLED") market (79% of FY21 Revenue), as well as small and medium-sized businesses ("SMB", 8%) and enterprise clients (13%).				
11.12% First Lien Term Loan due 09/30/2028 (SOFR + 5.750%) (G)	\$ 237,971	11/02/22	\$ 185,637	\$ 186,610
Preferred Stock (B)	9,615 shs.	11/02/22	9,615	9,615
			<u>195,252</u>	<u>196,225</u>
Decks Direct				
An eCommerce direct-to-consumer seller of specialty residential decking products in the United States.				
11.61% Term Loan due 12/28/2026 (SOFR + 6.250%) (G)	\$ 1,499,489	12/29/21	1,066,863	1,051,447
11.61% Term Loan due 12/28/2026 (SOFR + 6.250%)	\$ 119,891	07/31/23	117,264	117,193
11.71% Term Loan due 12/28/2026 (SOFR + 6.250%)	\$ 290,220	12/21/23	283,750	283,690
Limited Liability Company Unit (B)	2,209 uts.	12/29/21	94,091	70,634
			<u>1,561,968</u>	<u>1,522,964</u>
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.				
Limited Liability Company Unit (B) (F)	368,799 uts.	*	368,928	361,423
* 10/07/16, 07/25/18, 03/13/19 and 06/17/19.				
DistroKid (IVP XII DKCo-Invest,LP)				
A subscription-based music distribution platform that allows artists to easily distribute, promote, and monetize their music across digital service providers, such as Spotify and Apple Music.				
11.11% Term Loan due 09/30/2027 (SOFR + 5.500%)	\$ 1,618,564	10/01/21	1,598,343	1,610,471
Limited Liability Company Unit (B) (F)	73,333 uts.	10/01/21	73,404	68,933
			<u>1,671,747</u>	<u>1,679,404</u>
Dwyer Instruments, Inc.				
A designer and manufacturer of precision measurement and control products for use with solids, liquids and gases.				
11.11% Term Loan due 07/01/2027 (SOFR + 5.750%)	\$ 1,704,728	07/20/21	1,682,951	1,670,633
Echo Logistics				
A provider of tech-enabled freight brokerage across various modes including Truckload, Less-than-Truckload, Parcel, and Intermodal, as well as managed (contracted) transportation services.				
12.48% Second Lien Term Loan due 11/05/2029 (SOFR + 7.000%)	\$ 1,679,204	11/22/21	1,657,559	1,568,376
Limited Liability Company Unit (B)	46 uts.	11/22/21	45,796	42,326
			<u>1,703,355</u>	<u>1,610,702</u>
EFC International				
A St. Louis-based global distributor (40% of revenue ex-US) of branded, highly engineered fasteners and specialty components.				
11.00% Term Loan due 02/28/2030	\$ 976,028	03/01/23	950,635	954,848
Limited Liability Company Unit (B) (F)	205 uts.	03/01/23	288,462	376,537
			<u>1,239,097</u>	<u>1,331,385</u>
EFI Productivity Software				
A provider of ERP software solutions purpose-built for the print and packaging industry.				
10.86% Term Loan due 12/30/2027 (SOFR + 5.500%) (G)	\$ 981,460	12/30/21	913,630	920,126

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Electric Power Systems International, Inc.				
A provider of electrical testing services for apparatus equipment and protection & controls infrastructure.				
11.25% Term Loan due 04/19/2028 (SOFR + 5.750%)	\$ 1,176,252	04/19/21	\$ 1,161,807	\$ 1,122,144
Elite Sportswear Holding, LLC				
A designer and manufacturer of gymnastics, competitive cheerleading and swimwear apparel in the U.S. and internationally.				
Limited Liability Company Unit (B) (F)	1,218,266 uts.	10/14/16	159,722	134,009
Ellkay				
A provider of data interoperability solutions for labs, hospitals and healthcare providers.				
11.78% Term Loan due 09/14/2027 (SOFR + 6.250%)	\$ 693,288	09/14/21	684,697	626,732
ENTACT Environmental Services, Inc.				
A provider of environmental remediation and geotechnical services for blue-chip companies with regulatory-driven liability enforcement needs.				
15.03% Term Loan due 12/15/2025 (SOFR + 9.424%)	\$ 1,123,601	02/09/21	1,117,002	1,123,601
eShipping				
An asset-life third party logistics Company that serves a broad variety of end markets and offers service across all major transportation modes.				
10.47% Term Loan due 11/05/2027 (SOFR + 5.000%) (G)	\$ 1,189,686	11/05/21	1,003,502	1,018,749
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	314,259
* 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	624,667
Five Star Holding, LLC				
A fully integrated platform of specialty packaging brands that manufactures flexible packaging solutions.				
12.64% Second Lien Term Loan due 04/27/2030 (SOFR + 7.250%)	\$ 476,190	05/04/22	468,647	466,190
Limited Liability Company Unit Common (B) (F)	34 uts.	10/14/21	33,631	29,750
			502,278	495,940
Follett School Solutions				
A provider of software for K-12 school libraries.				
11.11% First Lien Term Loan due 08/31/2028 (SOFR + 5.750%)	\$ 1,675,623	08/31/21	1,653,290	1,668,250
LP Units (B) (F)	881 uts.	08/30/21	8,805	12,415
LP Interest (B) (F)	200 shs.	08/30/21	2,003	2,824
			1,664,098	1,683,489

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Fortis Payments, LLC				
A payment service provider operating in the payments industry.				
10.70% First Lien Term Loan due 05/31/2026 (SOFR + 5.250%)	\$ 495,906	10/31/22	\$ 488,950	\$ 495,906
FragilePAK				
A provider of third-party logistics services focused on the full delivery life-cycle for big and bulky products.				
11.36% Term Loan due 05/24/2027 (SOFR + 5.750%)	\$ 1,051,172	05/21/21	1,034,795	1,003,869
Limited Liability Company Unit (B) (F)	108 uts.	05/21/21	107,813	72,636
			<u>1,142,608</u>	<u>1,076,505</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	143,354
Limited Liability Company Unit Common (B)	767 uts.	10/05/12	767	—
			<u>76,687</u>	<u>143,354</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.				
Preferred Stock (B)	650 shs.	03/29/19	649,606	722,817
Common Stock (B)	1,181 shs.	03/27/13	118,110	—
			<u>767,716</u>	<u>722,817</u>
Gojo Industries				
A manufacturer of hand hygiene and skin health products.				
10.38% Term Loan due 10/20/2028 (SOFR + 5.000%)	\$ 621,713	10/24/23	\$ 603,819	\$ 603,061
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.				
11.72% Term Loan due 04/27/2027 (SOFR + 6.000%)	\$ 2,341,184	*	2,324,582	2,334,159
11.19% Term Loan due 04/27/2027 (SOFR + 5.500%)	\$ 82,412	04/27/21	81,500	81,629
Preferred Stock (B) (F)	3,737 shs.	04/27/21	103,147	83,788
* 12/19/17 and 04/16/19.			<u>2,509,229</u>	<u>2,499,576</u>
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	126,108
Limited Liability Company Unit Common Class A (B) (I)	3,716 uts.	12/19/14	—	—
*12/19/14 and 04/29/16.			<u>371,644</u>	<u>126,108</u>
Heartland Veterinary Partners				
A veterinary support organization that provides a comprehensive set of general veterinary services as well as ancillary services such as boarding and grooming.				
11.00% Opco PIK Note due 11/09/2028	\$ 2,153,667	11/17/21	2,124,953	1,899,534

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
HemaSource, Inc.				
A technology-enabled distributor of consumable medical products to plasma collection centers.				
11.39% Term Loan due 08/31/2029 (SOFR + 6.000%) (G)	\$ 1,017,435	08/31/23	\$ 834,058	\$ 834,767
Limited Liability Company Unit Common (B)	11,337 uts.	08/31/23	11,337	11,337
			<u>845,395</u>	<u>846,104</u>
Home Care Assistance, LLC				
A provider of private pay non-medical home care assistance services.				
10.48% Term Loan due 03/30/2027 (SOFR + 5.000%)	\$ 835,231	03/26/21	826,205	763,401
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) (I)	47 uts.	10/14/11	—	—
Limited Liability Company Unit Class G (B) (F) (I)	114 uts.	10/14/11	—	—
Limited Liability Company Unit Class H (B) (F) (I)	47 uts.	10/14/11	—	—
Limited Liability Company Unit Class I (B) (F) (I)	47 uts.	10/14/11	—	—
			<u>—</u>	<u>—</u>
HTI Technology & Industries Inc.				
A designer and manufacturer of powered motion solutions to industrial customers.				
14.03% Term Loan due 07/07/2025 (SOFR + 8.500%) (G)	\$ 896,408	07/27/22	717,255	721,471
14.03% Term Loan due 07/27/2025 (SOFR + 8.500%) (G)	97,063	02/15/23	95,195	96,578
			<u>812,450</u>	<u>818,049</u>
Illumifin				
A leading provider of third-party administrator (“TPA”) services and software for life and annuity insurance providers.				
12.66% Term Loan due 02/04/2028 (SOFR + 6.000%)	\$ 396,230	04/05/22	390,863	302,323
ISTO Biologics				
In the orthobiologic space, providing solutions in autologous therapies and bone grafts for spine, orthopedics and sports medicine.				
11.60% Term Loan due 10/17/2028 (SOFR + 6.250%) (G)	\$ 639,730	10/18/23	563,461	562,805
JF Petroleum Group				
A provider of repair, maintenance, installation and projection management services to the US fueling infrastructure industry.				
10.98% Term Loan due 04/20/2026 (SOFR + 5.500%)	\$ 669,359	05/04/21	659,968	635,891
Jones Fish				
A provider of lake management services, fish stocking and pond aeration sales and services.				
10.99% First Lien Term Loan due 12/20/2027 (SOFR + 5.500%) (G)	\$ 1,559,551	02/28/22	1,111,355	1,105,350
10.98% First Lien Term Loan due 02/28/2029 (SOFR + 5.600%)	\$ 274,262	03/16/23	267,134	268,941
11.04% First Lien Term Loan due 02/28/2028 (SOFR + 5.500%)	\$ 143,646	04/28/23	140,559	140,859
11.07% First Lien Term Loan due 02/28/2028 (SOFR + 5.500%)	\$ 35,053	09/29/23	34,227	34,373
Common Stock (B) (F)	401 shs.	02/28/22	41,971	89,639
			<u>1,595,246</u>	<u>1,639,162</u>

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Kano Laboratories LLC				
A producer of industrial strength penetrating oils and lubricants.				
10.47% Term Loan due 09/30/2026 (SOFR + 5.000%) (G)	\$ 1,227,937	11/18/20	\$ 821,288	\$ 825,800
10.47% First Lien Term Loan due 10/31/2027 (SOFR + 5.000%) (G)	\$ 439,680	11/08/21	259,582	262,711
Limited Liability Company Unit Class (B)	20 uts.	11/19/20	19,757	21,769
			<u>1,100,627</u>	<u>1,110,280</u>
Kings III				
A provider of emergency phones and monitoring services.				
10.89% First Lien Term Loan due 07/07/2028 (SOFR + 5.500%) (G)	\$ 496,265	08/31/22	413,162	415,354
LeadsOnline				
A nationwide provider of data, technology and intelligence tools used by law enforcement agencies, investigators, and businesses.				
11.11% Term Loan due 12/23/2027 (SOFR + 5.500%) (G)	\$ 1,698,807	02/07/22	1,490,066	1,494,037
Limited Liability Company Unit (B) (F)	7,050 uts.	02/07/22	7,302	20,657
			<u>1,497,368</u>	<u>1,514,694</u>
LYNX Franchising				
A global franchisor of B2B services including commercial janitorial services, shared office space solutions, and textile and electronics restoration services.				
12.47% Incremental Term Loan due 12/18/2026 (SOFR + 6.750%)	\$ 2,439,243	*	2,414,055	2,423,632
* 12/22/20 and 09/09/21				
Madison Indoor Air Solutions				
A manufacturer and distributor of heating, dehumidification and other air quality solutions.				
Limited Liability Company Unit (B)	726,845 uts.	02/20/19	2,298,574	11,433,277
Magnolia Wash Holdings (Express Wash Acquisition Company, LLC)				
An express car wash consolidator primarily in the Southeastern US.				
12.16% Term Loan due 07/08/2028 (SOFR + 6.500%) (G)	\$ 533,482	07/14/22	516,175	517,834
Marshall Excelsior Co.				
A designer, manufacturer and supplier of mission critical, highly engineered flow control products used in the transportation, storage and consumption of liquified petroleum gas, liquified anhydrous ammonia, refined industrial and cryogenic gases.				
11.00% Term Loan due 02/18/2028 (SOFR + 5.500%) (G)	\$ 623,671	02/24/22	605,255	593,144
Master Cutlery LLC				
A designer and marketer of a wide assortment of knives and swords.				
13.00% Senior Subordinated Note due 05/22/2024 (D)	\$ 868,102	04/17/15	867,581	—
Limited Liability Company Unit (B)	5 uts.	04/17/15	678,329	—
			<u>1,545,910</u>	<u>—</u>

Corporate Restricted Securities - 109.61%: (A)	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.				
11.61% First Lien Term Loan due 11/22/2025 (SOFR + 6.000%)	\$ 478,693	11/25/19	\$ 475,611	\$ 460,503
MNS Engineers, Inc.				
A consulting firm that provides civil engineering, construction management and land surveying services.				
10.96% First Lien Term Loan due 07/30/2027 (SOFR + 5.500%)	\$ 1,176,000	08/09/21	1,161,890	1,171,296
Limited Liability Company Unit (B)	100,000 uts.	08/09/21	100,000	107,000
			<u>1,261,890</u>	<u>1,278,296</u>
Mobile Pro Systems				
A manufacturer of creative mobile surveillance systems for real-time monitoring in nearly any environment.				
10.00% Second Lien Term Loan due 06/23/2027	\$ 608,262	06/27/22	601,037	602,241
Common Stock (B) (F)	4,118 shs.	02/28/22	411,765	506,677
			<u>1,012,802</u>	<u>1,108,918</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.				
11.52% Incremental Term Loan due 08/21/2026 (SOFR + 6.000%)	\$ 783,584	11/05/21	774,960	779,196
11.52% Term Loan due 08/21/2026 (SOFR + 6.000%)	\$ 548,682	08/25/20	542,625	545,609
			<u>1,317,585</u>	<u>1,324,805</u>
Narda-MITEQ (JFL-Narda Partners, LLC)				
A manufacturer of radio frequency and microwave components and assemblies.				
10.36% First Lien Term Loan due 11/30/2027 (SOFR + 5.000%)	\$ 547,418	12/06/21	541,153	544,243
10.36% Incremental Term Loan due 12/06/2027 (SOFR + 5.000%) (G)	\$ 1,068,313	12/28/21	848,277	854,434
Limited Liability Company Unit Class A Preferred (B)	790 uts.	12/06/21	79,043	92,251
Limited Liability Company Unit Class B Common (B)	88 uts.	12/06/21	8,783	39,435
			<u>1,477,256</u>	<u>1,530,363</u>
Navia Benefit Solutions, Inc.				
A third-party administrator of employee-directed healthcare benefits.				
10.36% Term Loan due 02/01/2026 (SOFR + 5.000%)	\$ 1,149,892	02/10/21	1,139,450	1,129,769
7.57% Incremental Term Loan due 02/01/2027 (SOFR + 2.250%)	\$ 512,325	11/14/22	503,068	503,359
			<u>1,642,518</u>	<u>1,633,128</u>
Net at Work				
An SMB-focused IT service provider specializing in software sales, implementation, managed services and hosting services.				
11.12% Term Loan due 09/13/2029 (SOFR + 5.750%) (G)	\$ 1,696,250	09/13/23	1,028,701	1,030,133
Limited Liability Company Unit Class (B) (F)	32,603 uts.	09/13/23	32,603	32,603
			<u>1,061,304</u>	<u>1,062,736</u>

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Newforma				
A leader in Project Information Management software for the construction industry.				
11.87% Term Loan due 04/02/2029 (SOFR + 6.500%) (G)	\$ 745,203	03/31/23	\$ 659,365	\$ 662,142
Limited Liability Company Unit (B)	81,722 shs.	*	84,194	80,905
			<u>743,559</u>	<u>743,047</u>
Northstar Recycling				
A managed service provider for waste and recycling services, primarily targeting food and beverage end markets.				
10.01% Term Loan due 09/30/2027 (SOFR + 4.650%)	\$ 734,326	10/01/21	725,150	729,406
Ocelot Holdco				
An electric power services provider that focuses on construction and maintenance services, installing electrical distribution systems and substation infrastructure.				
10.00% Takeback Term Loan due 10/20/2027	\$ 217,627	10/24/23	217,627	217,627
Preferred Stock (B)	15 shs.	10/24/23	97,615	130,311
Common Stock (B) (I)	12 shs.	10/24/23	—	—
			<u>315,242</u>	<u>347,938</u>
Office Ally (OA TOPCO, LP)				
A provider of medical claims clearinghouse software to office-based physician providers and healthcare insurance payers.				
10.86% Term Loan due 12/10/2028 (SOFR + 5.500%) (G)	\$ 968,300	12/20/21	821,451	826,557
10.86% Term Loan due 12/20/2028 (SOFR + 5.500%) (G)	\$ 112,237	04/29/22	110,553	111,238
Limited Liability Company Unit (B)	21,092 uts.	12/20/21	21,092	27,631
			<u>953,096</u>	<u>965,426</u>
Omega Holdings				
A distributor of aftermarket automotive air conditioning products.				
10.46% Term Loan due 03/31/2029 (SOFR + 5.000%) (G)	\$ 638,673	03/31/22	452,317	440,026
Omni Logistics, LLC				
A specialty freight forwarding business specifically targeting the semiconductor, media, technology and healthcare end markets.				
10.36% Term Loan due 12/30/2026 (SOFR + 5.000%)	\$ 1,702,072	12/30/20	1,676,576	1,608,458
Options Technology Ltd				
A provider of vertically focused financial technology managed services and IT infrastructure products for the financial services industry.				
10.11% Term Loan due 12/18/2025 (SOFR + 4.750%)	\$ 1,554,766	12/23/19	1,544,480	1,542,327
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.				
12.00% (1.00% PIK) Senior Subordinated Note due 06/30/2025	\$ 1,902,180	02/17/17	1,604,412	1,902,180
Common Stock Class A (B)	380,545 shs.	*	380,545	399,572
			<u>1,984,957</u>	<u>2,301,752</u>

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Parkview Dental Partners				
A dental service organization focused in the southwest Florida market.				
13.65% Term Loan due 10/12/2029 (SOFR + 8.300%) (G)	\$ 933,333	10/20/23	\$ 593,791	\$ 593,167
Limited Liability Company Unit (B) (F)	\$ 29,166	10/20/23	291,660	291,660
			<u>885,451</u>	<u>884,827</u>
PB Holdings LLC				
A designer, manufacturer and installer of maintenance and repair parts and equipment for industrial customers.				
10.61% Term Loan due 02/28/2024 (SOFR + 5.250%)	\$ 698,506	03/06/19	695,766	692,918
Pearl Holding Group				
A managing general agent that originates, underwrites, and administers non-standard auto insurance policies for carriers in Florida.				
4.00% First Lien Term Loan due 12/16/2026 (SOFR + 4.000%)	\$ 1,853,895	12/20/21	1,825,454	1,823,306
Warrant-Class A, to purchase common stock at \$.01 per share (B)	924 shs.	12/22/21	—	46,847
Warrant-Class B, to purchase common stock at \$.01 per share (B)	312 shs.	12/22/21	—	15,818
Warrant-Class CC, to purchase common stock at \$.01 per share (B)	32 shs.	12/22/21	—	—
Warrant-Class D, to purchase common stock at \$.01 per share (B)	89 shs.	12/22/21	—	4,512
			<u>1,825,454</u>	<u>1,890,483</u>
Pegasus Transtech Corporation				
A provider of end-to-end document, driver and logistics management solutions, which enable its customers (carriers, brokers, and drivers) to operate more efficiently, reduce manual overhead, enhance compliance, and shorten cash conversion cycles.				
11.36% Term Loan due 11/17/2024 (SOFR + 6.000%)	\$ 1,440,404	11/14/17	1,428,890	1,440,404
13.50% Term Loan due 08/31/2026 (SOFR + 5.000%)	\$ 290,754	09/29/20	286,170	290,754
			<u>1,715,060</u>	<u>1,731,158</u>
Polara (VSC Polara LLC)				
A manufacturer of pedestrian traffic management and safety systems, including accessible pedestrian signals, "push to walk" buttons, and related "traffic" control units.				
10.21% First Lien Term Loan due 12/03/2027 (SOFR + 4.750%) (G)	\$ 866,468	12/03/21	746,876	758,202
Limited Liability Company Unit (B) (F)	1,471 uts.	12/03/21	147,110	255,221
			<u>893,986</u>	<u>1,013,423</u>
Polytex Holdings LLC				
A manufacturer of water based inks and related products serving primarily the wall covering market.				
13.90% (7.90% PIK) Senior Subordinated Note due 12/31/2024 (D)	\$ 2,289,263	07/31/14	1,064,183	515,084
Limited Liability Company Unit (B)	148,096 uts.	07/31/14	148,096	—
Limited Liability Company Unit Class F (B)	36,976 uts.	*	24,802	—
* 09/28/17 and 02/15/18.			<u>1,237,081</u>	<u>515,084</u>

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Portfolio Group				
A provider of professional finance and insurance products to automobile dealerships, delivering a suite of offerings that supplement earnings derived from vehicle transactions.				
11.36% First Lien Term Loan due 12/02/2025 (SOFR + 6.000%) (G)	\$ 1,442,186.00	11/15/21	\$ 1,273,169	\$ 1,240,786
PPC Event Services				
A special event equipment rental business.				
Preferred Stock Series P-1 (B) (I)	71 shs.	07/21/20	—	90,551
Common Stock (B) (I)	170,927 shs.	07/21/20	—	223,915
Limited Liability Company Unit (B)	3,450 uts.	11/20/14	172,500	4,520
Limited Liability Company Unit Series A-1 (B)	339 uts.	03/16/16	42,419	445
			<u>214,919</u>	<u>319,431</u>
Process Insights Acquisition, Inc.				
A designer and assembler of highly engineered, mission critical instruments and sensors that provide compositional analyses to measure contaminants and impurities within gases and liquids.				
11.62% Term Loan due 06/30/2029 (SOFR + 6.250%) (G)	\$ 824,115	07/18/23	584,815	599,173
Limited Liability Company Unit (B)	32 shs.	07/18/23	32,000	38,033
			<u>616,815</u>	<u>637,206</u>
ProfitOptics				
A software development and consulting company that delivers solutions via its proprietary software development platform, Catalyst.				
11.47% Term Loan due 02/15/2028 (SOFR + 5.750%) (G)	\$ 847,419	03/15/22	751,695	763,548
8.00% Senior Subordinated Note due 02/15/2029	\$ 32,258	03/15/22	32,258	29,097
Limited Liability Company Unit (B)	96,774 uts.	03/15/22	64,516	88,065
			<u>848,469</u>	<u>880,710</u>
Randy's Worldwide				
A designer and distributor of automotive aftermarket parts serving the repair/replacement, off-road and racing/performance segments.				
11.87% First Lien Term Loan due 10/31/2028 (SOFR + 6.500%) (G)	\$ 193,988	11/01/22	131,911	133,056
Limited Liability Company Unit Class A (B)	54 uts.	11/01/22	5,400	5,767
			<u>137,311</u>	<u>138,823</u>
Recovery Point Systems, Inc.				
A provider of IT infrastructure, colocation and cloud based resiliency services.				
11.07% Term Loan due 07/31/2026 (SOFR + 6.500%)	\$ 1,315,819	08/12/20	1,304,360	1,315,819
Limited Liability Company Unit (B) (F)	21,532 uts.	03/05/21	21,532	11,843
			<u>1,325,892</u>	<u>1,327,662</u>
RedSail Technologies				
A provider of pharmacy management software solutions for independent pharmacies and long-term care facilities.				
10.10% Term Loan due 10/27/2026 (SOFR + 4.750%)	\$ 1,522,357	12/09/20	1,500,922	1,522,357
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 (B)	293,617 uts.	11/13/17	184,689	907,277

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Renovation Brands (Renovation Parent Holdings, LLC)				
A portfolio of seven proprietary brands that sell various home improvement products primarily through the e-Commerce channel.				
11.01% Term Loan due 08/16/2027 (SOFR + 5.500%)	\$ 951,456	11/15/21	\$ 936,471	\$ 833,476
Limited Liability Company Unit (B)	39,474 uts.	09/29/17	39,474	13,421
			<u>975,945</u>	<u>846,897</u>
Resonetics, LLC				
A provider of laser micro-machining manufacturing services for medical device and diagnostic companies.				
12.62% Second Lien Term Loan due 04/28/2029 (SOFR + 7.000%)	\$ 1,725,000	04/28/21	1,702,047	1,716,375
12.62% Incremental Second Lien Term Loan due 04/28/2029 (SOFR + 7.000%)	\$ 552,000	11/15/21	544,113	549,240
			<u>2,246,160</u>	<u>2,265,615</u>
REVSpring, Inc.				
A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries.				
13.86% Second Lien Term Loan due 10/11/2026 (SOFR + 8.250%)	\$ 1,725,000	10/11/18	1,707,042	1,725,000
RoadOne IntermodalLogistics				
A provider of intermodal logistics and solutions including drayage (moving containers at port/rail locations), dedicated trucking services, warehousing, storage, and transloading (unloading, storing, and repackaging freight), among other services.				
11.61% First Lien Term Loan due 12/30/2028 (SOFR + 6.250%) (G)	\$ 744,630	12/30/22	542,520	546,653
Rock Labor				
A provider of live entertainment event labor in the United States.				
12.89% Term Loan due 09/14/2029 (SOFR + 7.500%) (G)	\$ 404,203	09/14/23	334,812	335,220
Limited Liability Company Unit (B) (F)	12,266 uts.	09/14/23	65,676	80,465
			<u>400,488</u>	<u>415,685</u>
Rock-it Cargo				
A provider of specialized international logistics solutions to the music touring, performing arts, live events, fine art and specialty industries.				
10.52% Term Loan due 07/31/2026 (SOFR + 5.000%)	\$ 2,428,783	*	2,423,101	2,386,765
ROI Solutions				
Call center outsourcing and end user engagement services provider.				
10.36% Term Loan due 07/31/2024 (SOFR + 5.000%)	\$ 500,164	07/31/18	497,903	500,164
RPX Corp				
A provider of subscription services that help member companies mitigate the risk of patent disputes and reduce the cost of patent litigation.				
10.86% Term Loan due 10/23/2025 (SOFR + 5.500%)	\$ 2,216,470	*	2,196,934	2,204,059

* 10/22/20 and 09/28/21.

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Ruffalo Noel Levitz				
A provider of enrollment management, student retention and career services, and fundraising management for colleges and universities.				
11.45% Term Loan due 05/29/2024 (SOFR + 6.000%)	\$ 1,234,732	01/08/19	\$ 1,230,360	\$ 1,190,282
Safety Products Holdings, Inc.				
A manufacturer of highly engineered safety cutting tools.				
11.54% Term Loan due 12/15/2026 (SOFR+ 6.000%)	\$ 1,648,213	12/15/20	1,629,941	1,611,952
Common Stock (B)	30 shs.	12/16/20	29,900	36,805
			<u>1,659,841</u>	<u>1,648,757</u>
Sandvine Corporation				
A provider of active network intelligence solutions.				
13.36% Second Lien Term Loan due 11/02/2026 (SOFR+ 8.000%)	\$ 1,725,000	11/01/18	1,709,710	1,502,475
Sara Lee Frozen Foods				
A provider of frozen bakery products, desserts and sweet baked goods.				
12.00% First Lien Term Loan due 07/30/2025 (SOFR + 3.500%)	\$ 1,460,457	07/27/18	1,453,055	1,359,685
SBP Holdings				
A specialty product distribution platform which provides mission-critical products, services, and technical expertise across industrial rubber and fluid power segments.				
12.11% First Lien Term Loan due 01/31/2028 (SOFR + 6.750%) (G)	\$ 745,359	03/27/23	662,498	671,162
Scaled Agile, Inc.				
A provider of training and certifications for IT professionals focused on software development.				
10.95% Term Loan due 12/15/2027 (SOFR + 5.500%) (G)	\$ 1,475,013	12/16/21	1,261,252	1,246,516
SEKO Worldwide, LLC				
A third-party logistics provider of ground, ocean, air and home delivery forwarding services.				
10.72% Term Loan due 12/30/2026 (SOFR + 5.000%)	\$ 1,678,628	12/30/20	1,657,239	1,628,269
Smart Bear				
A provider of web-based tools for software development, testing and monitoring.				
12.98% Second Lien Term Loan due 11/10/2028 (SOFR + 7.500%)	\$ 1,725,000	03/02/21	1,694,045	1,719,653
Smartling, Inc.				
A provider in SaaS-based translation management systems and related translation services.				
9.86% Term Loan due 10/26/2027 (SOFR + 4.500%) (G)	\$ 1,699,125	11/03/21	1,575,896	1,580,663

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
smartShift Technologies				
A provider of technology-enabled services for the SAP ERP ecosystem.				
11.63% First Lien Term Loan due 09/30/2029 (SOFR + 6.250%) (G)	\$ 1,498,122	09/01/23	\$ 946,053	\$ 945,623
Common Stock (B)	29 shs.	09/01/23	29,000	30,398
			<u>975,053</u>	<u>976,021</u>
Spatco				
A provider of mission-critical services to maintain, test, inspect, certify, and install fueling station infrastructure.				
12.00% (1.00% PIK) Term Loan due 11/30/2028	\$ 500,000	11/08/23	490,292	490,000
Springbrook Software				
A provider of vertical-market enterprise resource planning software and payments platforms focused on the local government end-market.				
10.98% Term Loan due 12/20/2026 (SOFR + 5.500%)	\$ 1,301,386	12/23/19	1,291,704	1,288,372
11.98% Incremental Term Loan due 12/23/2026 (SOFR + 6.500%)	\$ 402,332	12/28/22	396,324	402,332
			<u>1,688,028</u>	<u>1,690,704</u>
Stackline				
An e-commerce data company that tracks products sold through online retailers.				
7.75% Term Loan due 07/30/2028 (SOFR + 7.750%)	\$ 2,064,205	07/29/21	2,042,196	2,020,856
Common Stock (B)	1,340 shs.	07/30/21	42,078	61,640
			<u>2,084,274</u>	<u>2,082,496</u>
Standard Elevator Systems				
A scaled manufacturer of elevator components combining four elevator companies, Standard Elevator Systems, EMI Porta, Texacone, and ZZIPCO.				
11.45% First Lien Term Loan due 12/02/2027 (SOFR + 5.750%) (G)	\$ 1,248,850	12/02/21	1,212,656	1,090,347
Stratus Unlimited				
A nationwide provider of brand implementation services, including exterior and interior signage, refresh and remodel, and facility maintenance and repair.				
10.96% Term Loan due 06/08/2027 (SOFR + 5.500%) (G)	\$ 931,667	07/02/21	862,075	870,366
Limited Liability Company Unit (B)	75 uts.	06/30/21	74,666	77,829
			<u>936,741</u>	<u>948,195</u>
Sunvair Aerospace Group Inc.				
An aerospace maintenance, repair, and overhaul provider servicing landing gears on narrow body aircraft.				
12.75% (1.00% PIK) Senior Subordinated Note due 07/31/2025	\$ 2,060,730	*	2,053,817	2,058,304
Preferred Stock Series A (B)	28 shs.	12/21/20	71,176	89,952
Common Stock (B)	68 shs.	**	104,986	305,819
			<u>2,229,979</u>	<u>2,454,075</u>
* 07/31/15 and 12/21/20.				
** 07/31/15 and 11/08/17.				
Syntax Systems Ltd.				
A cloud management service provider.				
10.96% Term Loan due 10/14/2028 (SOFR + 5.500%) (G)	\$ 790,817	10/28/21	746,393	751,717

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Tank Holding				
A manufacturer of proprietary rotational molded polyethylene and steel storage tanks and containers.				
13.25% Term Loan due 03/31/2028 (SOFR + 4.750%) (G)	\$ 494,023	03/31/22	\$ 470,158	\$ 472,588
11.46% Incremental Term Loan due 03/31/2028 (SOFR + 6.000%) (G)	\$ 226,668	05/22/23	175,451	179,271
			<u>645,609</u>	<u>651,859</u>
Team Air (Swifty Holdings LLC)				
A leading HVAC wholesale distributor headquartered in Nashville, Tennessee.				
12.00% Senior Subordinated Note due 05/02/2030	\$ 1,035,000	05/25/23	1,016,105	1,017,716
Limited Liability Company Unit (B) (F)	690,000 uts.	05/25/23	690,000	724,500
			<u>1,706,105</u>	<u>1,742,216</u>
Tencarva Machinery Company				
A distributor of mission critical, engineered equipment, replacement parts and services in the industrial and municipal end-markets.				
10.61% Term Loan due 12/20/2027 (SOFR + 5.000%) (G)	\$ 1,948,421	12/20/21	1,628,336	1,639,780
Terrybear				
A designer and wholesaler of cremation urns and memorial products for people and pets.				
10.00% (4.00% PIK) Term Loan due 04/27/2028	\$ 945,402	04/29/22	932,654	895,296
Limited Liability Company Unit (B) (F)	84,038 uts.	10/14/21	823,577	397,502
			<u>1,756,231</u>	<u>1,292,798</u>
The Caprock Group (aka TA/TCG Holdings, LLC)				
A wealth manager focused on ultra-high-net-worth individuals, who have \$25-30 million of investable assets on average.				
13.29% Holdco PIK Note due 10/21/2028 (SOFR + 7.750%)	\$ 1,241,153	10/28/21	1,225,317	1,234,326
9.61% Term Loan due 12/15/2027 (SOFR + 4.250%) (G)	\$ 446,446	12/21/21	100,871	106,423
			<u>1,326,188</u>	<u>1,340,749</u>
The Hilb Group, LLC				
An insurance brokerage platform that offers insurance and benefits programs to middle-market companies throughout the Eastern seaboard.				
11.21% Term Loan due 12/02/2026 (SOFR + 5.750%)	\$ 1,670,897	*	1,653,112	1,657,864
* 12/02/19 and 12/15/20.				
The Octave Music Group, Inc. (fka TouchTunes)				
A global provider of digital music and media and introduced the play-for-play digital jukebox in 1998.				
12.85% Second Lien Term Loan due 03/31/2030 (SOFR + 7.500%)	\$ 161,976	04/01/22	159,447	160,632
Limited Liability Company Unit (B)	25,641 uts.	04/01/22	25,641	81,538
			<u>185,088</u>	<u>242,170</u>
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) (I)	19,696 uts.	11/30/17	—	13,619

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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.				
10.31% Term Loan due 02/10/2025 (SOFR + 4.750%)	\$ 780,310	02/13/20	\$ 777,270	\$ 780,310
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.				
11.00% Term Loan due 02/19/2026 (SOFR + 5.600%)	\$ 1,682,010	02/25/21	1,666,534	1,644,164
10.85% Incremental Term Loan due 02/26/2027 (SOFR + 5.500%)	\$ 78,484	10/19/23	76,825	76,718
			<u>1,743,359</u>	<u>1,720,882</u>
Trintech, Inc.				
An international provider of core, cloud-based financial close software.				
11.86% Term Loan due 07/25/2029 (SOFR + 6.500%) (G)	\$ 1,725,000	07/25/23	1,589,017	1,593,865
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.				
11.71% Term Loan due 12/02/2026 (SOFR + 6.250%)	\$ 1,661,971	12/13/19	1,647,963	1,645,351
12.15% First Line Term Loan due 04/28/2029 (SOFR + 6.250%)	\$ 789,714	11/15/21	780,526	781,817
			<u>2,428,489</u>	<u>2,427,168</u>
Trystar, Inc.				
A niche manufacturer of temporary power distribution products for the power rental, industrial, commercial utility and back-up emergency markets.				
Limited Liability Company Unit (B) (F)	56 uts.	09/28/18	60,413	167,352
Turnberry Solutions, Inc.				
A provider of technology consulting services.				
11.45% Term Loan due 07/30/2026 (SOFR + 6.000%)	\$ 1,596,401	07/29/21	1,579,947	1,583,949
U.S. Legal Support, Inc.				
A provider of court reporting, record retrieval and other legal supplemental services.				
11.11% Term Loan due 11/12/2024 (SOFR + 5.750%)	\$ 2,046,427	*	2,040,159	1,999,360
* 11/29/18 and 03/25/19.				
UroGPO, LLC				
A group purchasing organization that connects pharmaceutical companies with urology practices to facilitate the purchase of pharmaceutical drugs for discounted prices.				
11.25% Term Loan due 12/15/2026 (SOFR + 5.750%)	\$ 2,200,000	12/14/20	2,178,331	2,173,160

Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
VitalSource				
A provider of digital fulfillment software for the higher education sector.				
10.88% Term Loan due 06/01/2028 (SOFR + 5.500%)	\$ 1,634,301	06/01/21	\$ 1,613,682	\$ 1,634,301
Limited Liability Company Unit (B) (F)	1,891 uts.	06/01/21	18,909	49,920
			<u>1,632,591</u>	<u>1,684,221</u>
VP Holding Company				
A provider of school transportation services for special-needs and homeless children in Massachusetts and Connecticut.				
10.86% Term Loan due 05/22/2024 (SOFR + 5.500%)	\$ 2,166,117	05/17/18	2,163,311	2,085,971
Warner Pacific Insurance Services				
A wholesale insurance broker focused on employee benefits.				
11.70% Term Loan due 12/27/2027 (SOFR + 6.250%) (G)	\$ 859,481	08/01/23	413,668	413,494
Westminster Acquisition LLC				
A manufacturer of premium, all-natural oyster cracker products sold under the Westminster and Olde Cape Cod brands.				
Limited Liability Company Unit (B) (F)	370,241 uts.	08/03/15	370,241	66,643
Whitcraft Holdings, Inc.				
A leading supplier of highly engineered components for commercial and military aircraft engines.				
12.36% Term Loan due 02/15/2029 (SOFR + 7.000%) (G)	\$ 964,556	02/15/23	814,241	817,289
Limited Liability Company Unit (B)	4,206 uts.	02/15/23	42,058	53,582
			<u>856,299</u>	<u>870,871</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	300,662
Woodland Foods, Inc.				
A provider of specialty dry ingredients such as herbs & spices, rice & grains, mushrooms & truffles, chilies, and other ingredients to customers within the industrial, foodservice, and retail end-markets.				
11.37% Term Loan due 11/30/2027 (SOFR + 5.750%) (G)	\$ 1,185,501	12/01/21	1,110,441	1,028,701
Limited Liability Company Unit (B) (F)	146 uts.	09/29/17	145,803	88,692
			<u>1,256,244</u>	<u>1,117,393</u>
World 50, Inc.				
A provider of exclusive peer-to-peer networks for C-suite executives at leading corporations.				
10.10% Term Loan due 12/31/2025 (SOFR + 4.500%)	\$ 1,177,944	01/09/20	1,167,985	1,172,997
10.10% Term Loan due 01/10/2026 (SOFR + 4.500%)	\$ 279,305	09/21/20	276,102	277,573
			<u>1,444,087</u>	<u>1,450,570</u>
Worldwide Electric Corporation				
Develops, produces, and distributes electric motors, gear reducers, motor controls, generators, and frequency converters.				
11.10% Term Loan due 10/03/2029 (SOFR + 5.750%) (G)	\$ 990,994	10/03/22	871,652	890,062

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Corporate Restricted Securities - 109.61%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Ziyad				
An end-to-end importer, brand manager, value-added processor, and distributor of Middle Eastern and Mediterranean foods.				
11.50% First Lien Term Loan due 02/09/2028 (SOFR + 6.000%) (G)	\$ 991,676	02/08/22	\$ 805,090	\$ 811,360
11.50% Incremental Term Loan due 02/09/2028 (SOFR + 6.000%) (G)	\$ 683,920	08/31/23	289,320	298,501
Limited Liability Company Unit (B) (F)	31 uts.	02/09/22	31,256	35,324
			<u>1,125,666</u>	<u>1,145,185</u>
Total Private Placement Investments (E)			<u>\$165,830,455</u>	<u>\$173,231,561</u>

**Corporate Restricted Securities:
(A) (Continued)**

	Interest Rate	Maturity Date	Principal Amount	Cost	Market Value
Rule 144A Securities - 3.57%: (H)					
Bonds - 3.57%					
AOC, LLC	6.625	10/15/2029	\$ 70,000	\$ 62,496	\$ 59,194
Carriage Purchaser Inc.	7.875	10/15/2029	750,000	585,437	614,036
Coronado Finance Pty Ltd.	10.750	05/15/2026	219,000	216,779	228,157
County of Gallatin MT	11.500	09/01/2027	340,000	340,000	360,019
CSC Holdings LLC	5.000	11/15/2031	625,000	532,139	378,125
CVR Energy Inc.	5.750	02/15/2028	500,000	471,050	461,250
First Quantum Minerals Ltd.	7.500	04/01/2025	388,000	366,176	370,702
Frontier Communications	8.750	05/15/2030	194,000	194,000	199,569
Neptune Energy Bondco PLC	6.625	05/15/2025	500,000	497,745	495,493
New Enterprise Stone & Lime Co Inc.	9.750	07/15/2028	505,000	487,836	505,000
Prime Security Services, LLC	6.250	01/15/2028	885,000	814,246	880,583
Scientific Games Holdings LP	6.625	03/01/2030	480,000	480,000	453,806
Terrier Media Buyer, Inc.	8.875	12/15/2027	428,000	415,261	339,460
Verscend Holding Corp	9.750	08/15/2026	482,000	496,637	485,256
Total Bonds				5,959,802	5,830,650
Common Stock - 0.00%					
TherOX, Inc. (B) (I)			2 shs	—	—
Touchstone Health Partnership (B) (I)			292 shs	—	—
Total Common Stock				—	—
Total Rule 144A Securities				\$ 5,959,802	\$ 5,830,650
Total Corporate Restricted Securities				\$ 171,790,257	\$ 179,062,211

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

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Corporate Public Securities - 0.92%: (A)	<u>Spread</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Cost</u>	<u>Market Value</u>
Bank Loans - 0.62%						
Edelman Financial Services	6.750	12.220	06/08/26	\$ 128,178	\$ 127,973	\$ 128,018
Magenta Buyer LLC	8.250	13.895	05/03/29	503,333	499,540	191,267
STS Operating, Inc.	8.000	13.456	04/25/26	500,000	505,000	493,750
Syncsort Incorporated	7.250	12.890	04/23/29	222,222	221,077	201,990
Total Bank Loans					1,353,590	1,015,025
Bonds - 0.30%						
Triumph Group, Inc.		7.750	08/15/25	500,000	501,122	498,740
Total Bonds					501,122	498,740
Total Corporate Public Securities					\$ 1,854,712	\$ 1,513,765
Total Investments		110.53%			\$ 173,644,969	\$ 180,575,976
Other Assets		6.17				10,078,585
Liabilities		(16.70)				(27,287,846)
Total Net Assets		100.00%				\$ 163,366,715

- (A) In each of the convertible note, warrant, convertible preferred 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 securities. As of December 31, 2023, the value of these securities amounted to \$173,231,561 or 106.04% of net assets.
- (F) Held in PI Subsidiary Trust.
- (G) A portion of these securities contain unfunded commitments. As of December 31, 2023, total value of unfunded commitments amounted to \$9,633,977 and had net unrealized depreciation of \$(13,677) or (0.01)% of net assets. See Note 7.
- (H) Security exempt from registration under Rule 144a of the Securities Act of 1933. These securities may only be resold in transactions exempt from registration, normally to qualified institutional buyers.
- (I) Security received at zero cost through a restructuring of previously held debt or equity securities.

PIK - Payment-in-kind

SOFR - Secure Overnight Financing Rate

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

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**Barings Participation Investors
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Industry Classification:	Fair Value/ Market Value
AEROSPACE & DEFENSE - 6.92%	
Accurus Aerospace	\$ 464,844
Applied Aerospace Structures Corp.	175,157
Bridger Aerospace	547,845
Compass Precision	1,767,645
CTS Engines	1,282,854
Narda-MITEQ (JFL-Narda Partners, LLC)	1,530,363
Sunvair Aerospace Group Inc.	2,454,075
Trident Maritime Systems	1,720,882
Triumph Group, Inc.	498,740
Whitcraft Holdings, Inc.	870,871
	<u>11,313,276</u>
AIRLINES - 0.99%	
Echo Logistics	<u>1,610,702</u>
AUTOMOTIVE - 3.93%	
Aurora Parts & Accessories LLC (d.b.a Hoosier)	493,662
BBB Industries LLC - DBA (GC EOS Buyer Inc.)	482,476
EFC International	1,331,385
JF Petroleum Group	635,891
Omega Holdings	440,026
Randy's Worldwide	138,823
Spatco	490,000
Truck-Lite	2,427,168
	<u>6,439,431</u>
BROKERAGE, ASSET MANAGERS & EXCHANGES - 1.84%	
The Caprock Group	1,340,749
The Hilb Group, LLC	1,657,864
	<u>2,998,613</u>
BUILDING MATERIALS - 1.43%	
Decks Direct, LLC	1,522,964
New Enterprise Stone & Lime Co Inc.	505,000
Wolf-Gordon, Inc.	300,662
	<u>2,328,626</u>
CABLE & SATELLITE - 0.23%	
CSC Holdings LLC	<u>378,125</u>
CHEMICALS - 1.31%	
Americo Chemical Products	511,484
Kano Laboratories LLC	1,110,280
Polytex Holdings LLC	515,084
	<u>2,136,848</u>

Industry Classification:	Fair Value/ Market Value
CONSUMER CYCLICAL SERVICES - 5.73%	
CJS Global	\$ 814,381
LYNX Franchising	2,423,632
Mobile Pro Systems	1,108,918
PPC Event Services	319,431
Prime Security Services, LLC	880,583
ROI Solutions	500,164
Team Air (Swiftly Holdings LLC)	1,742,216
Turnberry Solutions, Inc.	1,583,949
	<u>9,373,274</u>
CONSUMER PRODUCTS - 3.40%	
AMS Holding LLC	106,929
Blue Wave Products, Inc.	178,711
Elite Sportswear Holding, LLC	134,009
gloProfessional Holdings, Inc.	722,817
Handi Quilter Holding Company	126,108
Jones Fish	1,639,162
Magnolia Wash Holdings (Express Wash Acquisition Company, LLC)	517,834
Renovation Brands (Renovation Parent Holdings, LLC)	846,897
Terrybear	1,292,798
	<u>5,565,265</u>
DIVERSIFIED MANUFACTURING - 6.77%	
AOC, LLC	59,194
F G I Equity LLC	624,667
HTI Technology & Industries Inc.	818,049
MNS Engineers, Inc.	1,278,296
Process Insights Acquisition, Inc.	637,206
Reelcraft Industries, Inc.	907,277
Resonetics, LLC	2,265,615
Safety Products Holdings, Inc.	1,648,757
Standard Elevator Systems	1,090,347
Tank Holding	651,859
Therma-Stor Holdings LLC	13,619
Trystar, Inc.	167,352
Worldwide Electric Corporation	890,062
	<u>11,052,300</u>
ELECTRIC - 2.02%	
Cascade Services	511,765
Dwyer Instruments, Inc.	1,670,633
Electric Power Systems International, Inc.	1,122,144
	<u>3,304,542</u>

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

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Industry Classification:	Fair Value/ Market Value
ENVIRONMENTAL - 1.50%	
ENTACT Environmental Services, Inc.	\$ 1,123,601
Marshall Excelsior Co.	593,144
Northstar Recycling	729,406
	<u>2,446,151</u>
FINANCIAL COMPANIES - 0.76%	
Portfolio Group	<u>1,240,786</u>
FINANCIAL OTHER - 1.37%	
Cogency Global	1,612,252
Edelman Financial Services	128,018
Fortis Payments, LLC	495,906
	<u>2,236,176</u>
FOOD & BEVERAGE - 3.89%	
Del Real LLC	361,423
PANOS Brands LLC	2,301,752
Sara Lee Frozen Foods	1,359,685
Westminster Acquisition LLC	66,643
Woodland Foods, Inc.	1,117,393
Ziyad	1,145,185
	<u>6,352,081</u>
GAMING - 0.28%	
Scientific Games Holdings LP	<u>453,806</u>
HEALTHCARE - 8.57%	
Cadence, Inc.	1,193,787
Ellkay	626,732
GD Dental Services LLC	143,354
Heartland Veterinary Partners	1,899,534
HemaSource, Inc.	846,104
Home Care Assistance, LLC	763,401
ISTO Biologics	562,805
Illumifin	302,323
Navia Benefit Solutions, Inc.	1,633,128
Office Ally (OA TOPCO, LP)	965,426
Parkview Dental Partners	884,827
RedSail Technologies	1,522,357
UroGPO, LLC	2,173,160
Verscend Holding Corp	485,256
	<u>14,002,194</u>
HEALTH INSURANCE - 0.25%	
Warner Pacific Insurance Services	<u>413,494</u>

Industry Classification:	Fair Value/ Market Value
INDUSTRIAL OTHER - 13.29%	
Cleaver-Brooks, Inc.	\$ 621,707
Concept Machine Tool Sales, LLC	603,832
E.S.P. Associates, P.A.	314,259
Gojo Industries	603,061
Kings III	415,354
Madison Indoor Air Solutions	11,433,277
Media Recovery, Inc.	460,503
Ocelot Holdco	347,938
PB Holdings LLC	692,918
Polara (VSC Polara LLC)	1,013,423
SBP Holdings	671,162
Stratus Unlimited	948,195
STS Operating, Inc.	493,750
Tencarva Machinery Company	1,639,780
World 50, Inc.	1,450,570
	<u>21,709,729</u>
LOCAL AUTHORITY - 0.93%	
LeadsOnline	<u>1,514,694</u>
MEDIA & ENTERTAINMENT - 3.60%	
Advantage Software	77,024
ASC Communications, LLC (Becker's Healthcare)	394,681
BrightSign	1,402,141
DistroKid (IVP XII DKCo-Invest, LP)	1,679,404
HOP Entertainment LLC	—
Rock Labor	415,685
Music Reports, Inc.	1,324,805
Terrier Media Buyer, Inc.	339,460
The Octave Music Group, Inc. (fka TouchTunes)	242,170
	<u>5,875,370</u>
METALS & MINING - 0.37%	
Coronado Finance Pty Ltd.	228,157
First Quantum Minerals Ltd.	370,702
	<u>598,859</u>
OIL FIELD SERVICES - 0.30%	
Neptune Energy Bondco PLC	<u>495,493</u>
PACKAGING - 1.30%	
ASC Holdings, Inc.	866,790
Brown Machine LLC	766,854
Five Star Holding, LLC	495,940
	<u>2,129,584</u>

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

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Industry Classification:	Fair Value/ Market Value
PROPERTY & CASUALTY - 1.16%	
Pearl Holding Group	\$ 1,890,483
REFINING - 0.28%	
CVR Energy Inc.	461,250
TECHNOLOGY - 29.15%	
1WorldSync, Inc.	2,384,615
Amtech Software	743,666
Audio Precision	1,658,700
Best Lawyers (Azalea Investment Holdings, LLC)	1,523,466
CAi Software	2,064,705
Cash Flow Management	888,962
CloudWave	1,722,078
Command Alkon	2,034,051
Comply365	621,849
DataServ	196,225
GraphPad Software, Inc.	2,499,576
EFI Productivity Software	920,126
Follett School Solutions	1,683,489
Magenta Buyer LLC	191,267
Net at Work	1,062,736
Newforma	743,047
Options Technology Ltd	1,542,327
ProfitOptics	880,710
Recovery Point Systems, Inc.	1,327,662
REVSpring, Inc.	1,725,000
RPX Corp	2,204,059
Ruffalo Noel Levitz	1,190,282
Sandvine Corporation	1,502,475
Scaled Agile, Inc.	1,246,516
Smart Bear	1,719,653
Smartling, Inc.	1,580,663
smartShift Technologies	976,021
Springbrook Software	1,690,704
Stackline	2,082,496
Syncsort Incorporated	201,990
Syntax Systems Ltd.	751,717
Transit Technologies LLC	780,310
Trintech, Inc.	1,593,865
U.S. Legal Support, Inc.	1,999,360
VitalSource	1,684,221
	<u>47,618,589</u>

Industry Classification:	Fair Value/ Market Value
TELECOM - WIRELINE INTEGRATED & SERVICES - 0.12%	
Frontier Communications	\$ 199,569
TRANSPORTATION SERVICES - 8.84%	
AIT Worldwide Logistics, Inc.	1,740,102
Carriage Purchaser Inc.	614,036
eShipping	1,018,749
FragilePAK	1,076,505
Omni Logistics, LLC	1,608,458
Pegasus Transtech Corporation	1,731,158
RoadOne IntermodaLogistics	546,653
Rock-it Cargo	2,386,765
SEKO Worldwide, LLC	1,628,269
VP Holding Company	2,085,971
	<u>14,436,666</u>
Total Investments - 110.53%	
(Cost - \$173,644,969)	<u>\$ 180,575,976</u>

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 stocks. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay capital.

On January 27, 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. The effects of all internal transactions between the Trust and its wholly-owned subsidiary are eliminated in consolidation.

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 net asset value (“NAV”) of the Trust’s shares is determined as of the close of business on the last business day of each quarter, as of the date of any distribution, and at such other times as Barings, as the Trust’s valuation designee under Rule 2a-5 of the 1940 Act, shall determine the fair value of the Trust’s investments, subject to the general oversight of the Board.

Barings has established a Pricing Committee which is responsible for setting the guidelines used in fair valuation following the procedures adopted by the Trustees and ensuring that those guidelines are being followed. Barings considers all relevant factors that are reasonably available, through either public information or information directly available to Barings, when determining the fair value of a security. Barings reports to the Board each quarter regarding the valuation of each portfolio security in accordance with the procedures and guidelines referred to above, which include the relevant factors referred to below. The consolidated financial statements include private placement restricted securities valued at \$173,231,561 (106.04% of net assets) as of December 31, 2023 the values of which have been estimated by Barings 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. 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 determinations. The Adviser will use its internal valuation model as a comparison point to validate the price range provided by the valuation provider. If the Advisers' Pricing Committee disagrees with the price range provided, it may make a fair value determination that is outside of the range provided by the independent valuation provider, such determination to be reported to the Trustees in the Adviser's quarterly reporting to the Board. 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.

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, 2023, 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 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.

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The EBITDA valuation multiple is the primary significant unobservable input. Increases/ (decreases) to the company's EBITDA 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 Pronouncements

In March 2020, the FASB issued Accounting Standards Update, 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued Accounting Standards Update 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, which deferred the sunset day of this guidance to December 31, 2024. The Trust has evaluated the guidance and does not expect a significant impact on its consolidated financial statements.

In June 2022, the FASB issued Accounting Standards Update, 2022-03, Fair Value Measurement (Topic 820), which affects all entities that have investments in equity securities measured at fair value that are subject to a contractual sale restriction ("ASU 2022-03"). The amendments in ASU 2022-03 clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring the fair value. The amendments also require additional disclosures for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. The effective date for the amendments in ASU 2022-03 is for fiscal years beginning after December 15, 2023 and interim periods within those fiscal years. At this time, management is evaluating the implications of these changes on the Trust's financial statements.

Fair Value Hierarchy

The Trust categorizes its investments measured at fair value in three levels, based on the inputs and assumptions used to determine fair value. These levels are as follows:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Trust's own assumptions in determining the fair value of investments)

The following table summarizes the levels in the fair value hierarchy into which the Trust's financial instruments are categorized as of December 31, 2023.

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, 2023 are as follows:

Assets:	Total	Level 1	Level 2	Level 3
Restricted Securities				
Corporate Bonds	\$ 11,145,232	\$ —	\$ 5,830,650	\$ 5,314,582
Bank Loans	144,717,205	—	—	144,717,205
Common Stock - U.S.	2,555,922	—	—	2,555,922
Preferred Stock	1,490,355	—	—	1,490,355
Partnerships and LLCs	19,153,497	—	—	19,153,497
Public Securities				
Bank Loans	1,015,025	—	1,015,025	—
Corporate Bonds	498,740	—	498,740	—
Total	\$ 180,575,976	\$ —	\$ 7,344,415	\$ 173,231,561

See information disaggregated by issuer, 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, 2023.

	Fair Value	Valuation Technique	Unobservable Inputs	Range	Weighted*
Bank Loans	\$ 134,641,708	Income Approach	Implied Spread	8.8% - 20.5%	11.9%
Corporate Bonds	\$ 4,799,498	Income Approach	Implied Spread	13.0% - 24.2%	15.3%
	\$ 515,084	Market Approach	Revenue Multiple	0.2x	0.2x
Equity Securities**	\$ 22,800,251	Enterprise Value Waterfall Approach	Valuation Multiple	4.0x - 36.0x	11.5x
	\$ 61,640	Market Approach	Revenue Multiple	9.5x	9.5x

Certain of the Trust's Level 3 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 \$10,413,380 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

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

Assets:	Beginning balance at 12/31/2022	Included in earnings	Purchases	Sales	Prepayments	Transfers into Level 3	Transfers out of Level 3	Ending balance at 12/31/2023
Restricted Securities								
Corporate Bonds	\$ 8,994,817	\$ 260,505	\$ 727,366	\$ (88,217)	\$ (4,579,889)	\$ —	\$ —	\$ 5,314,582
Bank Loans	136,498,290	271,953	20,411,152	(841,534)	(11,622,656)	—	—	144,717,205
Common Stock - U.S.	1,873,505	686,467	33,212	(37,262)	—	—	—	2,555,922
Preferred Stock	1,780,582	413,311	119,605	(823,143)	—	—	—	1,490,355
Partnerships and LLCs	17,784,752	782,866	1,728,462	(1,142,583)	—	—	—	19,153,497
Public Securities								
Bank Loans	304,405	7,800	36,016	(310,480)	(630,090)	1,057,349	(465,000)	—
Common Stock	31,290	(31,290)	—	—	—	—	—	—
Total	\$167,267,641	\$ 2,391,612	\$ 23,055,813	\$ (3,243,219)	\$ (16,832,635)	\$ 1,057,349	\$ (465,000)	\$173,231,561

For the year ended December 31, 2023, transfers into and out of Level 3 were the result of changes in the observability of significant inputs for certain portfolio companies.

OID Amortization, 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 / (Decrease) in Net Assets Resulting from Operations	Change in Unrealized (Depreciation) in Net Assets from assets still held
Interest - OID amortization	\$ 543,938	\$ —
Net realized gain (loss) on investments before taxes	(184,500)	—
Net change in unrealized appreciation of investments before taxes	2,032,174	644,909

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 non-accrual 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, 2023, the fair value of the Trust's non-accrual assets was \$515,084, or 0.3% of the total fair value of the Trust's portfolio, and the cost of the Trust's non-accrual assets was \$1,931,765, or 1.1% 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. 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, 2023, the Trust held no PIK non-accrual assets.

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 and disclosure of contingent assets and liabilities at the date of the financial statements 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 the 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, 2023, 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 net assets to reflect the

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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, 2023, the Trust made reclassifications to increase or (decrease) the components of net assets detailed below:

Paid-In Capital	Total Distributable Earnings	Realized Capital Losses
<u>(441,187)</u>	<u>19,561</u>	<u>421,626</u>

The Trusts' current income tax expense as shown on the Statement of Operations included excise tax expense of \$441,369 and income tax expense related to realized gains on investments of \$114,242. The \$114,242 of income tax expense on realized gains on investments included income tax expense related to the PI Subsidiary Trust as described in the table below of \$114,242 and \$0 of capital gains tax.

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 \$420,535 of taxable income as of December 31, 2023.

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

Income tax expense (benefit)

Current:

Federal	\$ 121,683
State	(7,441)
Total current	<u>\$ 114,242</u>

Deferred:

Federal	\$ 74,596
State	(175,185)
Total deferred	<u>(100,589)</u>
Total income tax expense from continuing operations	<u>\$ 13,653</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, 2023, the PI Subsidiary Trust had \$282,774 of 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, 2023 were as follows:

Deferred tax assets/(liabilities):

Business interest expense carryforward	\$ 122,649
General business credit carryforward	568
State net operating loss carryforward	\$ 65,311
Total deferred tax assets	<u>188,528</u>
Less valuation allowance	<u>—</u>
Net deferred tax asset	<u>188,528</u>
Unrealized gain on investments	<u>(471,302)</u>
Total deferred tax liabilities	<u>471,300</u>
Net deferred tax liability	<u>\$ (282,774)</u>

The PI Subsidiary Trust has a valuation allowance of \$0 as of December 31, 2023. Management believes it is more likely than not that the deferred taxes will be realized.

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

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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, 2023.

A reconciliation of the differences between the 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, 2023 is as follows:

	Amount	Percentage
Provision for income taxes at the U.S. federal rate	\$(18,833)	21.00%
State tax, net of federal effect	(160,892)	179.40%
State deferred reprice and other true-ups	193,378	(215.60)%
Income tax expense	<u>\$13,653</u>	<u>(15.20)%</u>

Each of the Trust's and the PI Subsidiary Trust's Federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service. The Trust and PI Subsidiary Trust file in various states and generally the prior four years remain subject to examination by each state's respective taxing authority.

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. The Trust's net realized capital gain distribution, if any, is declared in December.

The tax basis components of distributable earnings at December 31, 2023 are as follows:

Undistributed Ordinary Income	\$ 10,345,388
Accumulated Net Realized Losses	(1,697,072)
Net Unrealized Appreciation	5,525,547
Other Temporary Differences / Subsidiary Trust	4,915,830

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, 2023:

Tax Cost	\$ 175,050,606
Tax Unrealized Appreciation	12,597,788
Tax Unrealized Depreciation	(7,072,417)
Net Unrealized Appreciation	5,525,371

The tax character of distributions declared during the years ended December 31, 2023 and 2022 was as follows:

Distributions paid from:	<u>2023</u>	<u>2022</u>
Ordinary income	\$ 13,676,193	\$ 8,775,068
Long-term capital gains	—	342,394

3. Investment Services Contract

A. Services:

Under an Investment Services Contract (the "Contract") with the Trust, Barings agrees 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. Borrowings

Senior Secured Indebtedness

MassMutual holds the Trust's \$15,000,000 Senior Floating Rate Convertible Note (the "Note") issued by the Trust on December 13, 2023. The Note is due December 13, 2033 and accrues interest at the rate of SOFR plus 2.20% 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, 2023, the Trust incurred total interest expense on the Note of \$56,925.

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 a Make Whole Premium. The Make Whole Premium equals the excess of (1) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at a rate which is equal to the lesser of (i) the interest rate applicable interest on the premium calculation date, and (ii) 0.50% plus the Treasury Constant Yield at such time, over (2) the principal of the Note proposed to be redeemed. If the amount designated in clause (1) above is equal to or less than the amount specified in clause (2) above, then the Make Whole Premium shall be 3.00%.

Prior to the issuance of the Note, MassMutual held the Trust's \$15,000,000 Senior Fixed Rate Convertible Note (the "Prior Note") issued by the Trust in 2011. The Prior Note matured on December 13, 2023, and accrued at 4.09% per annum. Upon maturity, all principal was returned to MassMutual (including accrued interest). For the period January 1 through December 13, 2023, the Trust incurred total interest expense on the Prior Note of \$582,825.

At December 31, 2023, management estimates the fair value of the Note to be \$15,000,000. The fair value measurement of the Note is categorized as a Level 3 liability under ASC 820. The fair value of the Note is based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

Credit Facility

On July 22, 2021, MassMutual provided to the Trust, a five-year \$15,000,000 committed revolving credit facility. Borrowings under the revolving credit facility bear interest, at the rate of LIBOR (London Interbank Offered Rate) plus 2.25% on the outstanding borrowings. The Trust will also be responsible for paying a commitment fee of 0.50% on the unused amount. On December 13, 2023, the Trust amended the credit agreement with MassMutual to increase the aggregate commitment amount by \$7,500,000 to a total aggregate commitment amount of \$22,500,000, extend the maturity date to December 13, 2028 and set the interest accrual to a rate of SOFR plus 2.20% on the outstanding borrowings. Deferred financing fees in the amount of \$176,455 has been netted against the credit facility balance as presented on the Consolidated Statement of Assets & Liabilities.

The average principal balance and interest rate for the period during which the credit facility was utilized for the year ended December 31, 2023, was approximately \$7,000,000 and 7.47%, respectively. As of December 31, 2023, the principal balance outstanding was \$6,750,000 at an interest rate of 7.61%.

At December 31, 2023, management estimates the fair value of the Credit Facility to be \$6,750,000. The fair value measurement of the Credit Facility is categorized as a Level 3 liability under ASC 820. The fair value of the Credit Facility is based on a market yield approach and current interest rates, which are Level 3 inputs to the market yield model.

5. Purchases and Sales of Investments

	For the year ended 12/31/2023	
	Cost of Investments Acquired	Proceeds from Sales or Maturities
Corporate restricted securities	\$ 22,246,077	\$ 22,198,096
Corporate public securities	34,294	2,237,544

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:

Below Investment Grade (high yield/junk bond) Instruments Risk

Below investment grade securities, commonly known as “junk” or “high yield” bonds, have speculative characteristics and involve greater volatility of price and yield, greater risk of loss of principal and interest, and generally reflect a greater possibility of an adverse change in financial condition that could affect an issuer’s ability to honor its obligations. Below investment grade debt instruments are considered to be predominantly speculative investments. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Below investment grade debt instruments are subject to the increased risk of an issuer’s inability to meet principal and interest payment obligations. These instruments may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the financial markets generally and less secondary market liquidity. The prices of below investment grade debt instruments may be affected by legislative and regulatory developments. Because below investment grade debt instruments are difficult to value and are more likely to be fair valued, particularly during erratic markets, the values realized on their sale may differ from the values at which they are carried on the books of the Trust.

The Trust may invest in bonds and loans of corporate issuers that are, at the time of purchase, rated below investment grade by at least one credit rating agency or unrated but determined by Barings to be of comparable quality. The Trust may also invest in other below investment grade debt obligations. Barings consider both credit risk and market risk in making investment decisions for the Trust. If a default occurs with respect to any below investment grade debt instruments and the Trust sells or otherwise disposes of its exposure to such instruments, it is likely that the proceeds would be less than the unpaid principal and interest. Even if such instruments are held to maturity, recovery by the Trust of its initial investment and any anticipated income or appreciation would be uncertain and may not occur. Market trading volume for high yield instruments is generally lower and the secondary market for such instruments could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer.

Borrowing and Leverage Risk

The Trust may borrow, subject to certain limitations, to fund redemptions, post collateral for hedges or to purchase loans, bonds and structured products prior to settlement of pending sale transactions. Any such borrowings, as well as transactions such as when-issued, delayed-delivery, forward commitment purchases and loans of portfolio securities, can result in leverage. The use of leverage involves special risks, and makes the net asset value of the Trust and the yield to shareholders more volatile. There can be no assurance that the Trust’s leveraging strategies would be successful. In addition, the counterparties to the Trust’s leveraging transactions will have priority of payment over the Trust’s shareholders.

Credit Risk

Credit risk is the risk that one or more debt obligations in the Trust’s portfolio will decline in price, or fail to pay dividends, interest or principal when due because the issuer of the obligation experiences an actual or perceived decline in its financial status. Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated instruments. They do not, however, evaluate the market value risk of below investment grade debt instruments and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the instruments. Consequently, credit ratings are used only as a preliminary indicator of investment quality. Investments in below investment grade and comparable unrated obligations will be more dependent on Barings’s credit analysis than would be the case with investments in investment grade instruments. Barings employ their own credit research and analysis, which includes a study of existing debt, capital structure, ability to service debt and to pay dividends, sensitivity to economic conditions, operating history and current earnings trends.

One or more debt obligations in the Trust’s portfolio may decline in price, or fail to pay dividends, interest or principal when due because the issuer of the obligation experiences an actual or perceived decline in its financial status or due to changes in the specific or general market, economic, industry, political, regulatory, public health or other conditions.

Duration Risk

The Trust may invest in investments of any duration or maturity. Although stated in years, duration is not simply a measure of time. Duration measures the time-weighted expected cash flows of a security, which can determine the security’s sensitivity to changes in

the general level of interest rates (or yields). Securities with longer durations tend to be more sensitive to interest rate (or yield) changes than securities with shorter durations. Duration differs from maturity in that it considers potential changes to interest rates, and a security's coupon payments, yield, price and par value and call features, in addition to the amount of time until the security matures. Various techniques may be used to shorten or lengthen the Trust's duration. The duration of a security will be expected to change over time with changes in market factors and time to maturity.

Liquidity Risk

The Trust may, subject to certain limitations, invest in illiquid securities (i.e., securities that cannot be disposed of in current market conditions in seven calendar days or less without the disposition significantly changing the market value of the security). Illiquid securities may trade at a discount from comparable, more liquid investments, and may be subject to wide fluctuations in market value. Some securities may be subject to restrictions on resale. Illiquid securities may be difficult to value. Also, the Trust may not be able to dispose of illiquid securities at a favorable time or price when desired, and the Trust may suffer a loss if forced to sell such securities for cash needs. Below investment grade loans and other debt securities tend to be less liquid than higher-rated securities.

Loan Risk

The loans in which the Trust may invest are subject to a number of risks. Loans are subject to the risk of non-payment of scheduled interest or principal. Such non-payment would result in a reduction of income to the Trust, a reduction in the value of the investment and a potential decrease in the net asset value of the Trust. There can be no assurance that the liquidation of any collateral securing a loan would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments, or that such collateral could be readily liquidated. In the event of bankruptcy of a borrower, the Trust could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a loan. Loan participations and assignments involve credit risk, interest rate risk, liquidity risk, and the risks of being a lender. Loans are not as easily purchased or sold as publicly traded securities and there can be no assurance that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. In addition, the terms of the loans may restrict their transferability without borrower consent.

These factors may have an adverse effect on the market price of the loan and the Trust's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for the Trust to obtain precise valuations of the high yield loans in its portfolio. The settlement period (the period between the execution of the trade and the delivery of cash to the purchaser) for some loan transactions may be significantly longer than the settlement period for other investments, and in some cases longer than seven days. It is possible that sale proceeds from loan transactions will not be available to meet redemption obligations, in which case the Trust may be required to utilize cash balances or, if necessary, sell its more liquid investments or investments with shorter settlement periods. Some loans may not be considered "securities" for certain purposes under the federal securities laws, and purchasers, such as the Trust, therefore may not be entitled to rely on the anti-fraud protections of the federal securities laws.

Management Risk

The Trust is subject to management risk because it is an actively managed portfolio. Barings apply investment techniques and risk analyses in making investment decisions for the Trust, but there can be no guarantee that such techniques and analyses will produce the desired results.

Market Risk

The value of the Trust's portfolio securities may decline, at times sharply and unpredictably, as a result of unfavorable market-induced changes affecting particular industries, sectors, or issuers. Stock and bond markets can decline significantly in response to issuer, market, economic, industry, political, regulatory, geopolitical, public health and other conditions, as well as investor perceptions of these conditions. Such conditions may include, but are not limited to, war, terrorism, natural and environmental disasters and epidemics or pandemics (including the recent coronavirus pandemic), which may be highly disruptive to economies and markets. Such conditions may also adversely affect the liquidity of the Trust's securities. The Trust is subject to risks affecting issuers, such as management performance, financial leverage, industry problems, and reduced demand for goods or services.

Prepayment and Extension Risk

Prepayment and extension risk is the risk that a loan, bond or other investment might be called or otherwise converted, prepaid or redeemed before maturity. This risk is primarily associated with mortgage-backed and other asset-backed securities and floating rate loans. If the investment is converted, prepaid or redeemed before maturity, particularly during a time of declining interest rates or spreads, the Trust may not be able to invest the proceeds in other investments providing as high a level of income, resulting in a reduced yield to the Trust. Conversely, as interest rates rise or spreads widen, the likelihood of prepayment decreases and the maturity

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) Barings Participation Investors
2023 Annual Report**

of the investment may extend. The Trust may be unable to capitalize on securities with higher interest rates or wider spreads because the Trust's investments are locked in at a lower rate for a longer period of time.

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, 2023, the Trust had the following unfunded commitments:

Delayed Draw Term Loans	Unfunded Amount	Unfunded Value
Best Lawyers	\$ 148,173	\$ 149,701
Cascade Services	397,059	396,655
CTS Engines LLC	87,542	87,481
HTI Technology & Industries Inc	102,273	102,550
Jones Fish	224,337	225,426
Kings III	30,738	31,057
Net at Work	522,727	523,168
Parkview Dental Partners	321,500	321,266
Kano Laboratories LLC	569,601	571,053
Portfolio Group	155,250	149,537
Process Insights Acquisition, Inc.	105,865	107,256
Randy's Worldwide	44,125	44,384
RoadOne IntermodaLogistics	84,100	84,826
SBP Holdings	7,542	8,555
smartShift Technologies	350,028	348,878
Stratus Unlimited	58,040	61,248
Tank Holding Corp	45,265	46,416
The Caprock Group	234,041	237,136
Warner Pacific Insurance Services	430,258	430,171
Ziyad	380,378	385,485
	\$ 4,298,842	\$ 4,312,249
Revolvers	Unfunded Amount	Unfunded Value
Accurus Aerospace International UK Buyer	\$ 16,770	\$ 15,590
Americo Chemical Products	120,041	121,742
Amtech Software	58,182	58,835
Applied Aerospace Structures Corp.	25,806	26,286
ASC Communications, LLC	22,664	22,734
Best Lawyers	110,577	111,341
BrightSign	44,734	40,886
CAi Software	235,746	223,755
Cascade Services	66,176	66,109
Cash Flow Management	74,627	74,127
CJS Global	242,424	246,801
Cleaver-Brooks, Inc.	69,197	70,244
Cogency Global	82,652	82,123
Comply365	52,748	52,449

Revolvers	Unfunded Amount	Unfunded Value
DataServ	\$ 48,077	\$ 48,239
Decks Direct, LLC	414,304	410,317
EFI Productivity Software	54,759	55,242
eShipping	170,937	173,128
HemaSource, Inc.	159,369	159,510
HTI Technology & Industries Inc	68,182	68,367
ISTO Biologics	60,932	60,870
Jones Fish	199,610	198,808
Kings III	44,664	44,916
LeadsOnline - Weatherby Parent Holdings LLC	188,590	189,839
Magnolia Wash Holdings	9,246	9,310
Marshall Excelsior Co.	10,568	8,762
Narda-MITEQ	207,682	208,867
Net at Work	104,545	104,656
Newforma	66,294	66,706
Office Ally	133,124	133,826
Omega Holdings	176,932	173,420
Polara	108,266	109,681
Process Insights Acquisition, Inc.	114,821	116,782
ProfitOptics	83,871	86,566
Randy's Worldwide	13,263	13,378
RoadOne IntermodaLogistics	97,347	97,922
Rock Labor	57,867	57,926
SBP Holdings	53,238	53,849
Scaled Agile, Inc	193,097	190,592
Smartling, Inc.	101,471	101,755
smartShift Technologies	168,014	168,119
Standard Elevator Systems	19,881	5,564
Syntax Systems Ltd	39,099	39,671
Tank Holding Corp	16,000	16,107
Tencarva Machinery Company	297,534	299,282
The Caprock Group	105,981	107,208
Trintech Inc	88,010	88,356
Whitcraft LLC	117,365	117,763
Woodland Foods, Inc.	59,589	46,038
Worldwide Electric Corporation	100,932	103,263
Ziyad	173,007	174,101
	\$ 5,348,812	\$ 5,321,728
 Total Unfunded Commitments	 \$ 9,647,654	 \$ 9,633,977

As of December 31, 2023, unfunded commitments had net unrealized depreciation of \$(13,677) or (0.01)% of net assets.

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

For the year ended December 31, 2023, the Trust paid its Trustees aggregate remuneration of \$258,620. During the year, the Trust did not pay any compensation to Mr. Noreen or to Mr. Mihalick. Each of Messrs. Noreen and Mihalick is an “interested person” (as defined by the 1940 Act) of the Trust.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) Barings Participation Investors
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With the exception of the Trust’s Chief Compliance Officer, 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 .

The Trust’s Chief Compliance Officer is a Principal Consultant of ACA Group (“ACA”). For the period February 27, 2023 to December 31, 2023, the Trust paid ACA an annual fee plus out-of-pocket expenses for the provision of personnel and services provided related to the Trust’s compliance program. Prior to February 27, 2023, the Trust’s previous Chief Compliance Officer was an employee of Barings. For the period January 1, 2023 to February 26, 2023, Barings paid the compensation of the previous Chief Compliance Officer of the Trust.

Mr. Noreen is an “affiliated person” (as defined by the 1940 Act) of MassMutual and Barings. Mr. Mihalick is an “affiliated person” (as defined by the 1940 Act) of 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.

10. Quarterly Results of Investment Operations (Unaudited)

	March 31, 2023	
	Amount	Per Share
Investment income	\$ 5,152,721	
Net investment income	4,241,315	\$ 0.40
Net realized and unrealized gain on investments (net of taxes)	595,553	0.06
	June 30, 2023	
	Amount	Per Share
Investment income	\$ 4,684,577	
Net investment income	3,762,195	\$ 0.35
Net realized and unrealized gain on investments (net of taxes)	231,948	0.02
	September 30, 2023	
	Amount	Per Share
Investment income	\$ 5,277,863	
Net investment income	4,343,755	\$ 0.41
Net realized and unrealized gain on investments (net of taxes)	495,064	0.04
	December 31, 2023	
	Amount	Per Share
Investment income	\$ 4,999,878	
Net investment income (net of taxes)	3,529,750	\$ 0.33
Net realized and unrealized gain on investments (net of taxes)	919,753	0.09

11. Subsequent Events

The Trust has evaluated the possibility of subsequent events after the balance sheet date of December 31, 2023, 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, except as provided below.



Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of Barings Participation Investors

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities of Barings Participation Investors and subsidiary (the Trust), including the consolidated schedule of investments, as of December 31, 2023, 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 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, 2023, 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 consolidated 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, 2023, by correspondence with custodians and agent banks, or by other appropriate auditing procedures when replies 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.

Charlotte, North Carolina

February 29, 2024

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
<p>Clifford M. Noreen* (66) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	<p>Trustee/ Nominee, Chairman</p>	<p>Term expires 2024; Trustee since 2009</p>	<p>Head of Global Investment Strategy (since 2019), and Deputy Chief Investment Officer and Managing Director (2016-2018), MassMutual.</p>	<p>112</p>	<p>President (2005-2009), Vice President (1993-2005) of the Trust; Chairman (since 2009), President (2005-2009), Vice President (1993-2005), Barings Corporate Investors; Chairman (since 2009), Trustee (since 2005), President (2005-2009), CI Subsidiary Trust and PI Subsidiary Trust; Trustee (since 2021), MassMutual Select Funds (open-end investment company advised by MML Investment Advisers); Trustee (since 2021), MML Series Investment Funds (open-end investment company advised by MML Investment Advisers); Trustee (since 2021) MML Series Investment Funds II (open-end investment company advised by MML Investment Advisers); Trustee (since 2021), MassMutual Funds (open-end investment company advised by MML Investment Advisers); Trustee (since 2021), MassMutual Advantage Funds (open-end investment company advised by MML Investment Advisers); Trustee (since 2009), MassMutual Asset Finance LLC (equipment financing company); Member of the Board of Managers (since 2008), Jefferies Finance LLC (finance company); Member of the Investment Committee (since 2005), Baystate Health Systems; Member of the Investment Committee (since 1999), Diocese of Springfield; Member of the Board of Managers (2011-2016), Wood Creek Capital Management, LLC (investment advisory firm); President (2009-2015), Senior Vice President (1996-2009), HYP Management LLC (LLC Manager); Director (2005-2013), MassMutual Corporate Value Limited (investment company); and Director (2005-2013), MassMutual Corporate Value Partners Limited (investment company).</p>

* Mr. Noreen is classified as an "interested person" of the Trust and Barings (as defined by the 1940 Act), because of his position as an Officer of the 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
<p>David M. Mihalick* (50) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	<p>Trustee</p>	<p>Term expires 2025; Trustee since May 2022</p>	<p>Head of Private Assets (since 2021), Head of U.S. Public Fixed Income and Member of Global Investment Grade Allocation Committee (2019-2021), and Head of U.S. High Yield and Member of Global High Yield Allocation Committee (2017-2021), Barings LLC.</p>	<p>5</p>	<p>Trustee (since 2022), Barings Corporate Investors; Director (since 2020), Barings BDC, Inc. (business development company advised by Barings); Director (since 2021), Barings Capital Investment Corporation (business development company advised by Barings); Trustee (since 2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); and Trustee (2020-2021), Barings Funds Trust (open-end investment company advised by Barings until 2021).</p>

* Mr. Mihalick is classified as an “interested person” of the Trust and Barings (as defined by the 1940 Act), because of his current position at Barings.

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
<p>Michael H. Brown (66) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Trustee	Term expires 2026; Trustee since 2005	Private Investor (since 2005); 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).
<p>Barbara M. Ginader (67) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Trustee	Term expires 2026; Trustee since 2013	Retired (since 2018); 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).
<p>Edward P. Grace III (73) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Trustee	Term expires 2025; Trustee since 2012	President (since 1997), Phelps Grace International, Inc. (investment management); and Managing Director (1998-2018), Grace Venture Partners LP (venture capital fund).	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 (2010-2017), Larkburger, Inc. (restaurant chain); and Director (since 1998), Shawmut Design and Construction (construction management and general contracting firm).
<p>Susan B. Sweeney (71) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Trustee	Term expires 2025; Trustee since 2012	Retired (since 2014); Senior Vice President and Chief Investment Officer (2010-2014), Selective Insurance Company of America.	112	Trustee (since 2012), Barings Corporate Investors; Trustee (since 2009), MassMutual Select Funds (open-end investment company advised by MML Investment Advisers); Trustee (since 2009), MML Series Investment Funds (open-end investment company advised by MML Investment Advisers); Trustee (since 2012) MML Series Investment Funds II (open-end investment company advised by MML Investment Advisers); Trustee (since 2012), MassMutual Funds (open-end investment company advised by MML Investment Advisers); Trustee (since 2021), MassMutual Advantage Funds (open-end investment company advised by MML Investment Advisers); and Trustee (2021-2022), Barings Private Equity Opportunities and Commitments Fund (formerly known as MassMutual Access Pine Point Fund) (closed-end investment company formerly

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
<p>Maleyne M. Syracuse (67)</p> <p>300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Trustee	Term expires 2026; Trustee since 2007	Private Investor (since 2007); Managing Director (2000-2007), JP Morgan Securities, Inc. (investment banking).	2	Trustee (since 2007), Barings Corporate Investors; Member of the Board of Directors (since 1998), Board President (2002-2021) and Board Treasurer (since 2023), Peters Valley School of Craft (non-profit arts organization); and Member of the Board of Directors (since 2022), Cornelia Connelly Center (non-profit educational organization).

OFFICERS OF THE TRUST

Name (Age), Address	Position(s) With The Trust(s)	Time Served	Principal Occupation(s) During the Past 5 Years
<p>Christina Emery (50) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	<p>President</p>	<p>Since 2020</p>	<p>Vice President (2018-2020) of the Trust; Managing Director (since 2011), Director (2005-2011), Barings; President (since 2020), Vice President (2018-2020), Barings Corporate Investors; and Trustee (since 2020), President (since 2020), CI Subsidiary Trust and PI Subsidiary Trust.</p>
<p>Christopher Hanscom (41) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	<p>Chief Financial Officer & Treasurer</p>	<p>Chief Financial Officer Since December 2022; Treasurer Since 2017</p>	<p>Sr. Director (since 2023), Director (2018-2023), Associate Director (2015-2018), Analyst (2005-2015), Barings; Chief Financial Officer (since 2022), Treasurer (since 2017), Barings Corporate Investors; Trustee (since 2022), Chief Financial Officer (since 2022), Assistant Controller (2020-2022), CI Subsidiary Trust and PI Subsidiary Trust; and Chief Financial Officer (since January 2023), Treasurer (2021-2023), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings).</p>
<p>Ashlee Steinnerd (42) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	<p>Chief Legal Officer</p>	<p>Since February 2023</p>	<p>Secretary (2020-February 2023) of the Trust; Managing Director (since 2022), Head of Regulatory (since 2021), Director (2019-2022), Barings; Chief Legal Officer (since February 2023), Secretary (2020-February 2023), Barings Corporate Investors; Chief Legal Officer (since February 2023), Secretary (2020-February 2023), CI Subsidiary Trust and PI Subsidiary Trust; Chief Legal Officer (since February 2023), Secretary (2021-February 2023), Barings Global Short Duration High Yield Fund (close-end investment company advised by Barings); Chief Legal Officer (since February 2023), Secretary (2020-February 2023), Barings BDC, Inc. (business development company advised by Barings); Chief Legal Officer (since February 2023), Secretary (2020-February 2023), Barings Capital Investment Corporation (business development company advised by Barings); Chief Legal Officer (since February 2023), Secretary (2021-February 2023), Barings Private Credit Corporation (business development company advised by Barings); Chief Legal Officer (since February 2023), Secretary (2022-February 2023), Barings Private Equity Opportunities and Commitments Fund (closed-end investment company advised by Barings); and Senior Counsel (2011-2019), Securities and Exchange Commission.</p>
<p>Robert Spengler (43) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	<p>Chief Compliance Officer</p>	<p>Since February 2023</p>	<p>Chief Compliance Officer (since February 2023), Barings Corporate Investors; Chief Compliance Officer (since February 2023), Barings Private Equity Opportunities and Commitments Fund (closed-end investment company advised by Barings); Senior Principal Consultant (since 2020), Foreside Fund Officer Services, LLC; Vice President (2018-2020), Duff & Phelps; and Compliance Manager (2014-2018), Cipperman Compliance Services, LLC.</p>
<p>Andrea Nitzan (56) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	<p>Principal Accounting Officer</p>	<p>Since January 2023</p>	<p>Managing Director and Chief Accounting Officer (since 2020), Barings; Principal Accounting Officer (since January 2023), Barings Corporate Investors; Principal Accounting Officer (since January 2023), CI Subsidiary Trust and PI Subsidiary Trust; and Treasurer (since January 2023), Barings Global Short Duration High Yield Fund (close-end investment company advised by Barings).</p>

OFFICERS OF THE TRUST

Name (Age), Address	Position(s) With The Trust(s)	Time Served	Principal Occupation(s) During the Past 5 Years
<p>Alexandra Pacini (31)</p> <p>300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Secretary	Since February 2023	Assistant Secretary (2020-February 2023) of the Trust; Director (since April 2023), Associate Director (2021-April 2023), Analyst (2017-2021), Barings; Secretary (since February 2023), Assistant Secretary (2020-February 2023), Barings Corporate Investors; Secretary (since February 2023), Assistant Secretary (2020-February 2023), CI Subsidiary Trust and PI Subsidiary Trust; Secretary (since February 2023), Assistant Secretary (2020-February 2023), Barings Global Short Duration High Yield Fund (close-end investment company advised by Barings); Secretary (since February 2023), Assistant Secretary (2020-February 2023), Barings BDC, Inc. (business development company advised by Barings); Secretary (since February 2023), Assistant Secretary (2021-February 2023), Barings Capital Investment Corporation (business development company advised by Barings); Secretary (since February 2023), Assistant Secretary (2021-February 2023), Barings Private Credit Corporation (business development company advised by Barings); Secretary (since February 2023), Assistant Secretary (2022-February 2023), Barings Private Equity Opportunities and Commitments Fund (closed-end investment company advised by Barings); and Assistant Secretary (2020-2021), Barings Funds Trust (open-end investment company advised by Barings until 2021).
<p>Sean Feeley (56)</p> <p>300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	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).
<p>Joseph Evanchick (59)</p> <p>300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Vice President	Since January 2023	Managing Director (since 2012), Barings; Vice President (since January 2023), Barings Corporate Investors; and Vice President (since January 2023), CI Subsidiary Trust and PI Subsidiary Trust.
<p>Matthew Curtis (52)</p> <p>300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Tax Officer	Since 2022	Managing Director and Global Head of Tax (since 2017), Barings; Tax Officer (since 2022), Barings Corporate Investors; Tax Officer (since 2022), CI Subsidiary Trust and PI Subsidiary Trust; Tax Officer (since 2022), Barings BDC, Inc. (business development company advised by Barings); Tax Officer (since 2022), Barings Capital Investment Corporation (business development company advised by Barings); Tax Officer (since 2022), Barings Private Credit Corporation (business development company advised by Barings); Tax Officer (since 2022), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); and Tax Officer (since 2022), Barings Private Equity Opportunities and Commitments Fund (closed-end investment company advised by Barings).

* 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 November 16, 2023.

APPROVAL OF INVESTMENT SERVICES CONTRACT

At a meeting of the Trustees held on November 16, 2023, the Trustees (including a majority of the Trustees who are not “interested persons” of the Trust or Barings) unanimously approved a one-year continuance of the Contract.

Prior to the meeting, the Trustees requested and received from Ropes & Gray LLP, counsel to the Trust, a memorandum describing the Trustees’ legal responsibilities in connection with their review and re-approval of the Contract. The Trustees also requested and received from Barings extensive written and oral information regarding, among other matters: the principal terms of the Contract; the reasons why Barings was proposing the continuance of the Contract; Barings and its personnel; the Trust’s investment performance, including comparative performance information; the nature and quality of the services provided by Barings to the Trust; financial results and condition of Barings; the fee arrangements between Barings and the Trust; fee and expense information, including comparative fee and expense information; profitability of the advisory arrangement to Barings; and “fallout” benefits to Barings resulting from the Contract.

In connection with their deliberations regarding the continuation of the Contract, the Trustees, including the independent Trustees, considered such information and factors as they believed, in light of the legal advice furnished to them and their own business judgment, to be relevant. The Trustees’ conclusion as to the continuance of the Contract was based on a comprehensive consideration of all information provided to the Trustees and not the result of any single factor. Some of the factors that figured particularly in the Trustees’ deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. It is also important to recognize that the fee arrangements between Barings and the Trust are the result of years of review and discussion between the independent Trustees and Barings, that certain aspects of such arrangements may receive greater scrutiny in some years than in others, and that the Trustees’ conclusions may be based, in part, on their consideration of these same arrangements during the course of the year and in prior years.

Nature, Extent and Quality of Services to be Provided by Barings to the Trust

In evaluating the scope and quality of the services provided by Barings to the Trust, the Trustees considered, among other factors: (i) the scope of services required to be provided by Barings under the Contract; (ii) Barings’ ability to find and negotiate private placement securities that are consistent with the stated investment objectives of the Trust; (iii) the experience and quality of Barings’ staff; (iv) the strength of Barings’ financial condition; (v) the nature of the private placement market compared to public markets (including the fact that finding, analyzing, negotiating and servicing private placement securities is more labor-intensive than buying and selling public securities and the administration of private placement securities is more extensive, expensive, and requires greater time and expertise than a portfolio of only public securities); (vi) the potential advantages afforded to the Trust by its ability to co-invest in negotiated private placements with MassMutual and its affiliates; and (vii) the scope of services provided by Barings in light of regulatory and legislative initiatives that have required increased legal, compliance and business attention and diligence. Based on such considerations, the Trustees concluded that, overall, they are satisfied with the nature, extent and quality of services provided by Barings, and expected to be provided in the future, under the renewed Contract.

Investment Performance

The Trustees also examined the Trust’s short-term, intermediate-term, and long-term performance as compared against various benchmark indices presented at the meeting, which showed that the Trust had underperformed the Credit Suisse Leverage Loan Index for the 3-month, year-to-date and 1-year periods, outperformed the Credit Suisse Leveraged Loan Index for the 3- and 5-year periods, had outperformed the Bloomberg Barclays US Corporate High Yield Index for the 3-month, year-to-date, 1-, 3-, 5- and 10-year periods, and had underperformed the S&P 500 Index for the 3-month, year-to-date, 1-, 3-, 5- and 10-year periods, in each case ended June 30, 2023. In addition, the Trustees considered comparisons of the Trust’s performance with the performance of (i) selected closed-end investment companies and funds that may invest in private placement securities and/or bank loans; (ii) selected business development companies with comparable types of investments; and (iii) investment companies included in the Broadridge closed-end bond universe. The Trustees considered that, while such comparisons are helpful in judging performance, they are not directly comparable in terms of types of investments. Based on these considerations and the detailed performance information provided to the Trustees at the regular Board meetings each quarter, the Trustees concluded that the Trust’s absolute and relative performance over time have been sufficient to warrant renewal of the Contract.

Advisory Fee/Costs of Services Provided and Profitability/ Manager’s “Fallout” Benefits

In connection with the Trustees’ consideration of the advisory fee paid by the Trust to Barings under the Contract, Barings noted that it was unaware of any registered closed-end investment companies that are directly comparable to the Trust in terms of the types of investments and percentages invested in private placement securities (which require more extensive advisory and administrative services than a portfolio of publicly traded securities, as previously discussed) other than Barings Corporate Investors, which is also

advised by Barings. Under the terms of its Investment Services Contract, Barings Corporate Investors is charged a quarterly investment advisory fee of 0.3125% of net asset value as of the end of each quarter, which is approximately equal to 1.25% annually. In considering the fee rate provided in the Contract, the Trustees noted the advisory fee charged by Barings to various private and public funds that Barings manages that invest in similar asset classes, and observed that the fee charged to Barings Corporate Investors is lower than the Trust's advisory fee.

At the request of the Trustees, Barings provided information concerning the profitability of Barings' advisory relationship with the Trust. The Trustees also considered the non-economic benefits Barings and its affiliates derived from its relationship with the Trust, including the reputational benefits derived from having the Trust listed on the New York Stock Exchange, and the de minimis amount of commissions resulting from the Trust's portfolio transactions used by Barings for third-party soft dollar arrangements. The Trustees recognized that Barings should be entitled to earn a reasonable level of profit for services provided to the Trust and, based on their review, concluded that they were satisfied that Barings' historical level of profitability from its relationship with the Trust was not excessive and that the advisory fee structure under the Contract is reasonable.

Economies of Scale

The Trustees considered the concept of economies of scale and possible advisory fee reductions if the Trust were to grow in assets. Given that the Trust is not continuously offering shares, such growth comes principally from retained net realized gain on investments and dividend reinvestment. The Trustees concluded that the absence of breakpoints in the fee schedule under the Contract was currently acceptable given the Trust's current size and closed-end fund structure.

Based on their evaluation of factors that they deemed to be material, including those factors described above, the Trustees (including a majority of the Trustees who are not "interested persons" of the Trust or Barings) unanimously concluded that the Trust's Contract should be continued for an additional one-year period.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

Barings Participation Investors (the “Trust”) offers a Dividend Reinvestment and Share Purchase Plan (the “Plan”). The Plan provides a simple way for shareholders to add to their holdings in the Trust through the receipt of dividend shares issued by the Trust or through the investment of cash dividends in Trust shares purchased in the open market. A shareholder may join the Plan by filling out and mailing an authorization card to SS&C GIDS, the Transfer Agent.

Participating shareholders will continue to participate until they notify the Transfer Agent, in writing, of their desire to terminate participation. Unless a shareholder elects to participate in the Plan, he or she will, in effect, have elected to receive dividends and distributions in cash. 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 \$10 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 SS&C GIDS, Agent for Barings Participation Investors’ Dividend Reinvestment and Share Purchase Plan, P.O. Box 219086, Kansas City, MO 64121-9086.

Members of the Board of Trustees

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* Member of the Audit Committee



Barings
PARTICIPATION INVESTORS
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