

2021

Barings
PARTICIPATION INVESTORS
2021 Annual Report



BARINGS PARTICIPATION INVESTORS

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

INVESTMENT OBJECTIVE & STRATEGIES

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

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

In this report, you will find a complete listing of the Trust's holdings. We encourage you to read this section carefully for a better understanding of the Trust. We cordially invite all shareholders to attend the Trust's Annual Meeting of Shareholders, which will be held on May 19, 2022 at 8:00 A.M. (Eastern Time) in Charlotte, North Carolina, and virtually at the following website <https://www.viewproxy.com/barings/broadridgevm/>.

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, 2021 is available (1) on the Trust's website at <http://www.barings.com/mpv> and (2) on the SEC's website at <http://www.sec.gov>.

FORM N-PORT

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

LEGAL MATTERS

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

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

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

BARINGS PARTICIPATION INVESTORS

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

ADVISER

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
Boston, Massachusetts 02110

COUNSEL TO THE TRUST

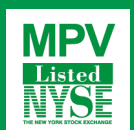
Ropes & Gray LLP
Boston, Massachusetts 02110

CUSTODIAN

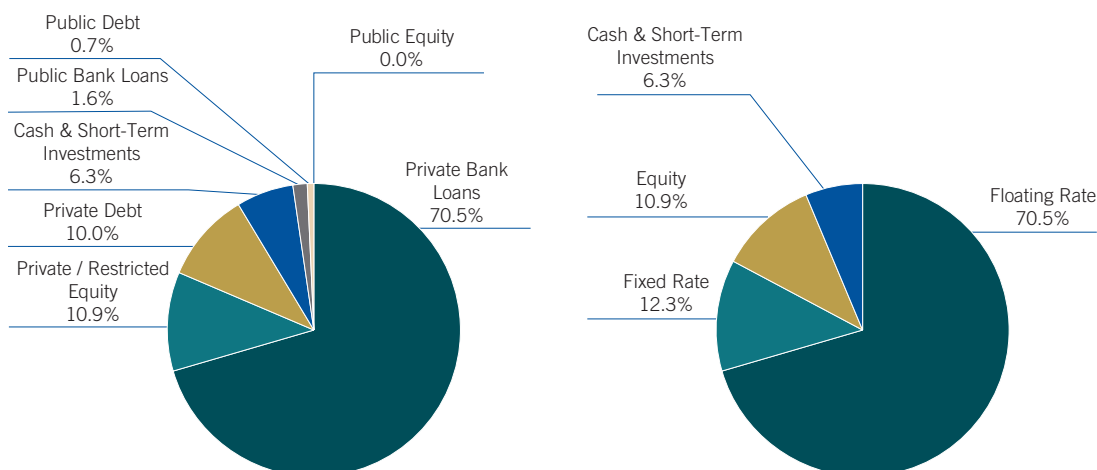
State Street Bank and Trust Company
Boston, MA 02110

TRANSFER AGENT & REGISTRAR

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

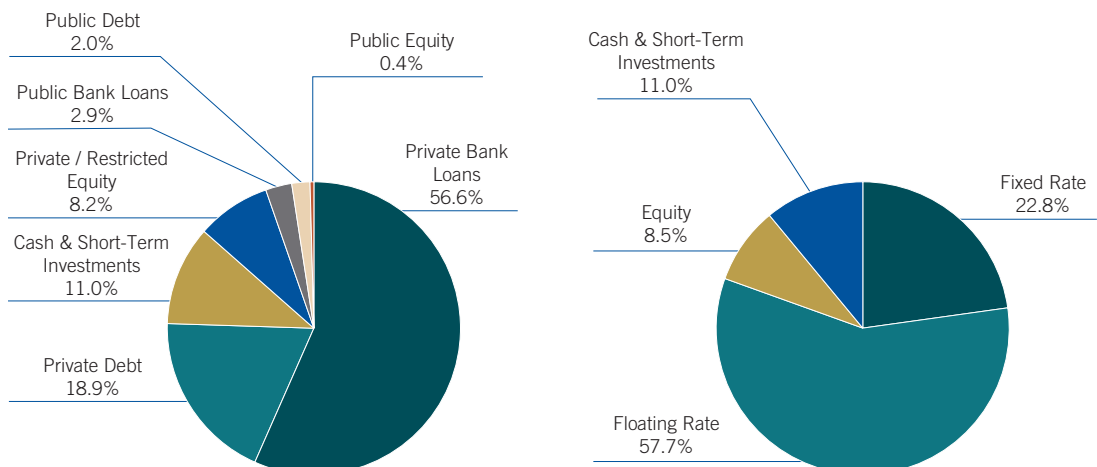


PORTFOLIO COMPOSITION AS OF 12/31/2021*



* Based on market value of total investments

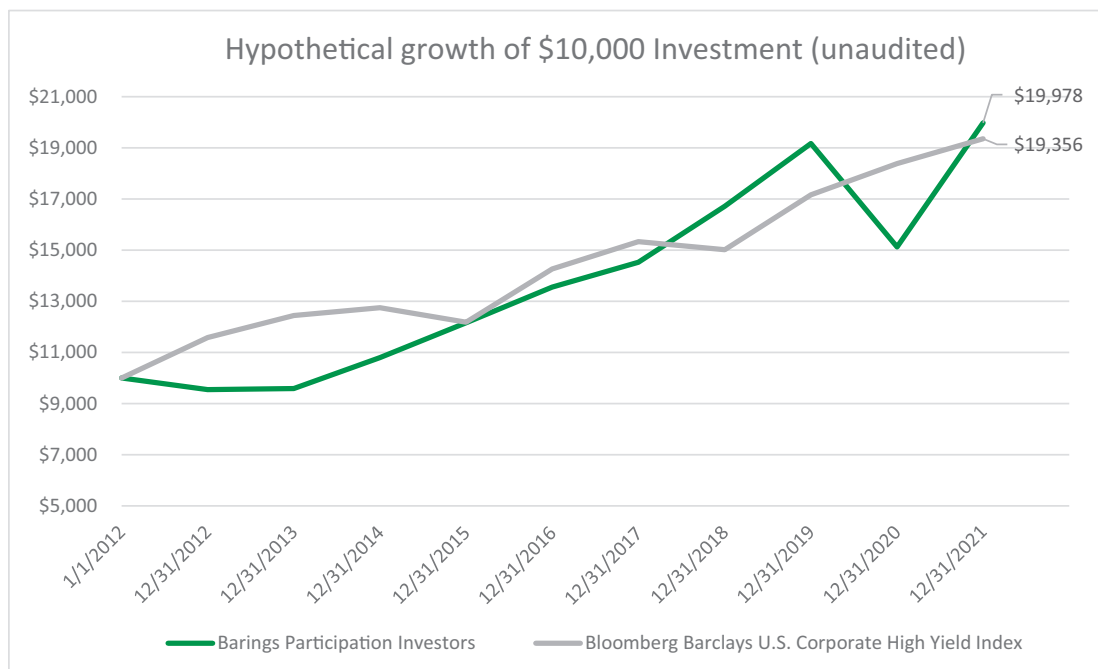
PORTFOLIO COMPOSITION AS OF 12/31/2020*



* Based on market value of total investments

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.



Average Annual Returns

December 31, 2021

	1 Year	5 Year	10 Year
Barings Participation Investors	32.09%	8.07%	7.19%
Bloomberg Barclays U.S. Corporate High Yield Index	5.28%	6.30%	6.83%

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, 2021.

PORTFOLIO PERFORMANCE

The Trust's net total portfolio rate of return for 2021 was 17.84%, as measured by the change in net asset value assuming the reinvestment of all dividends and distributions. The Trust's total net assets were \$161,080,475 or \$15.19 per share, as of December 31, 2021. This compares to \$144,177,379 or \$13.60 per share, as of December 31, 2020. The Trust paid a quarterly dividend of \$0.20 per share for each of the four quarters of 2021, for a total annual dividend of \$0.80 per share. In 2020, the Trust paid four quarterly dividends of \$0.20 per share, for a total annual dividend of \$.80 per share. Net taxable investment income for 2021 was \$0.89 per share, including approximately \$0.12 per share of non-recurring income, compared to 2020 net taxable investment income of \$1.00 per share, which included approximately \$0.21 per share of non-recurring income.

The Trust's stock price increased 24.6% during 2021, from \$11.88 as of December 31, 2020 to \$14.80 as of December 31, 2021. The Trust's stock price of \$14.80 as of December 31, 2021 equates to a 2.6% discount to the December 31, 2021 net asset value per share of \$15.19. The Trust's average quarter-end premium for the 3-, 5-, and 10-year periods ended December 31, 2021 was 0.1%, 2.1% and 3.9%, 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, 2021 and the Credit Suisse Leveraged Loan Index for the 1- and 3-year periods ended December 31, 2021 are provided for comparison purposes only.

	The Trust	Bloomberg Barclays US Corporate HY Index	Credit Suisse Leveraged Loan Index
1 Year	17.84%	5.28%	5.40%
3 Years	11.77%	8.83%	5.43%
5 Years	10.35%	6.30%	
10 Years	10.69%	6.83%	
25 Years	11.57%	6.87%	

Past performance is no guarantee of future results

PORTFOLIO ACTIVITY

The Trust had an active fourth quarter, closing on 26 new private placement investments totaling \$29.8 million and 19 add-on investments in existing portfolio companies totaling \$5.3 million. For the year, the Trust closed 49 new private placement investments, and 45 add-on investments in existing portfolio companies. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in private placement investments in 2021 was \$73.5million, which was significantly more than the \$31.6 million of private placement investments made by the Trust in 2020.

New deal activity in 2021 occurred throughout the year with steady investment in the first three quarters ending the year with an exceptionally strong fourth quarter. The Trust was well-positioned to invest in 2021 due to the continuation of increased origination flow into 1st lien senior secured middle market assets, expansion of the private debt platform of Barings (the Trust's investment adviser), and overall activity within the private debt market. These favorable items were partially offset by the continuance of hyper-competitive and aggressive market conditions. Competition for new investment opportunities remained intense due to the amount of fresh capital that flowed into the private debt and private equity markets. As a result, companies continued to be pursued aggressively by both buyers and lenders alike, leading to the continued prevalence of high purchase multiples and leverage levels in the market. We have strengthened our liquidity position by entering into a \$15.0 million committed revolving credit facility with MassMutual (See Note 4). We drew \$6.0 million on the facility at the end of the fourth quarter to fund new investments.

The Trust's portfolio experienced an increased level of economic stress due to COVID-19 in early 2020. During the course of 2020 and 2021, in addition to working on new investment activity, we continued to maintain our focus on managing and maintaining the quality of the portfolio. Towards the end of the third quarter 2020, the credit quality of the Trust's existing portfolio stabilized and began a trend of improvement that continued through the end of 2021. In our view, the number of companies on our watch list or in default has remained at acceptable levels.

We had 35 companies exit from the Trust's portfolio during 2021. This level of exit activity in the Trust's portfolio was above recent years as realization levels have ranged from 18-32 exits annually since 2014. In 33 of these exits, the Trust realized a positive return on its investment. This level of realization activity in recent years is yet another indicator of how active and aggressive the middle market M&A and debt markets have been, and continue to be.

During 2021, the Trust had 4 portfolio companies fully or partially pre-pay their debt obligations. These transactions, in which the debt instruments held by the Trust were fully or partially prepaid, are generally driven by performing companies seeking to take advantage of lower interest rates and the abundance of debt capital. Unless replaced by new private debt investments, these prepayments reduce net investment income. The level of refinancing activity the portfolio has experienced has remained relatively stable since 2016. Two portfolio companies paid dividends to the Trust on its equity holdings in those companies.

OUTLOOK FOR 2022

With demand for products and services continuing to increase, one key question in 2022 is whether supply chains can keep up with the renewed demand and whether we will see material increases in prices as a result of supply-chain bottlenecks, rising raw material and energy costs and labor shortages. Across the world, and particularly in regions with large manufacturing sectors which depend on international trade, these risks may be key. However, it is important to note that such issues do not affect every geography and sector the same. 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. 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 the current diversified portfolio to perform through the cycle.

As we enter 2022, default rates remain at relatively low levels, there appears to be plenty of both private equity and private debt capacity, which should continue to drive middle market M&A activity, and our pipeline of investment opportunities remains relatively

stable and healthy. However, as mentioned above, the dynamics within that market have been, and are expected to remain, aggressive. Rest assured that regardless of market conditions, we will continue to employ on behalf of the Trust the same investment philosophy that has served it well since its inception: investing in companies that we believe have a strong business proposition, solid cash flow and experienced, ethical management. We believe this philosophy, along with Barings' seasoned investment-management team, positions the Trust well to meet its long-term investment objectives.

The Trust maintained its quarterly dividend of \$0.20 per share in 2021 for a total annual dividend of \$0.80 per share. As has been mentioned in prior reports, recurring investment income alone has generally not been sufficient to fully fund the current dividend rate, which has required supplementation from non-recurring income and earnings carry forwards. While recurring investment income remains stable, it may not be sufficient to fully fund the current dividend rate in the future. Net investment income has generally been below the dividend rate since 2013 due principally to the considerable reduction in the number of higher yielding junior debt investment opportunities resulting from prepayments and realizations in the portfolio, combined with generally lower investment returns available due to market and competitive dynamics in recent years. Floating interest rates continue to be low by historic standards, and should such rates rise, the Trust's income would likely also rise. The percentage of the portfolio in floating rate debt securities, which are often secured and generally of higher credit quality than higher-yielding junior debt, increased to 71% as of December 31, 2021, compared to 58% as of December 31, 2020. All of the above said, the level of recurring investment income expected to be generated by the Trust in 2022, combined with the availability of earnings carry forwards and other non-recurring income, is currently expected to be sufficient to maintain the current dividend rate over the next several quarters. Over time, however, the Trust's dividend paying ability tends to be correlated with its recurring earnings capacity. We and the Board of Trustees will continue to evaluate the current and future earnings capacity of the Trust and formulate a dividend strategy that is consistent with the Trust's recurring earnings.

As always, I would like to thank you for your continued interest in and support of Barings Participation Investors. I look forward to seeing you at the Trust's annual shareholder meeting on Thursday May 19, 2022.

Sincerely,

A handwritten signature in black ink, appearing to read "Christina Emery". The signature is fluid and cursive, with the first name "Christina" written in a larger, more prominent script than the last name "Emery".

Christina Emery

President

2021 Dividends	Record Date	Total Paid	Ordinary Income	Short-Term Gains	Long-Term Gains
Regular	5/3/2021	0.2000	0.2000	-	-
Regular	8/2/2021	0.2000	0.2000	-	-
Regular	11/8/2021	0.2000	0.2000	-	-
Regular	12/30/2021	0.2000	0.2000	-	-
		0.8000	0.8000	0.0000	0.0000

The following table summarizes the tax effects of the relation of capital gains for 2021:

	Amount per Share	Form 2439
2021 Gains Retained	0.3732	Line 1a
Long-Term Gains Retained	0.3732	
Taxes Paid	0.0784	Line 2*
Basis Adjustment	0.2948	**

* If you are not subject to federal capital gains tax (e.g. charitable organizations, IRAs and Keogh Plans) you may be able to claim a refund by filing Form 990-T.

** For federal income tax purposes, you may increase the adjusted cost basis of your shares by this amount (the excess of Line 1a over Line 2).

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
\$0.80	0.5025%	0.0040	0%

*** Not available to individual shareholders

**** Qualified dividends are reported in Box 1b on IRS Form 1099-Div for 2021

BARINGS PARTICIPATION INVESTORS

Financial Report

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**December 31, 2021****Assets:**

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities - private placement investments at fair value

(Cost - \$153,465,884)

\$ 159,889,400

Corporate restricted securities - rule 144A securities at fair value

(Cost - \$8,148,202)

8,843,569

Corporate public securities at fair value

(Cost - \$4,278,408)

4,366,139

Total investments (Cost - \$165,892,494)

173,099,108

Cash

11,611,912

Foreign currencies (Cost - \$6,830)

6,836

Dividend and interest receivable

1,517,809

Receivable for investments sold

440,668

Deferred financing fees

49,429

Other assets

250,722

Total assets**186,976,484****Liabilities:**

Note payable

15,000,000

Credit facility

6,000,000

Dividend payable

2,120,340

Tax payable

1,162,575

Payable for investments purchased

908,449

Investment advisory fee payable

372,973

Deferred tax liability

224,316

Interest payable

31,782

Accrued expenses

75,574

Total liabilities**25,896,009**

Commitments and Contingencies (See Note 7)

Total net assets**\$161,080,475****Net Assets:**

Common shares, par value \$.01 per share

\$ 106,017

Additional paid-in capital

145,010,902

Total distributable earnings

15,963,556

Total net assets**\$161,080,475****Common shares issued and outstanding (14,787,750 authorized)****10,601,700****Net asset value per share****\$ 15.19**

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS**For the year ended December 31, 2021**

Investment Income:	
Interest	\$ 11,624,654
Dividends	337,519
Other	<u>337,412</u>
Total investment income	<u>12,299,585</u>
Expenses:	
Investment advisory fees	1,424,174
Interest and other financing fees	622,857
Professional fees	300,259
Trustees' fees and expenses	291,848
Reports to shareholders	104,000
Custodian fees	24,000
Other	<u>96,651</u>
Total expenses	<u>2,863,789</u>
Investment income - net	<u>9,435,796</u>
Income tax, including excise tax expense	<u>247,154</u>
Net Investment income after taxes	<u>9,188,642</u>
Net realized and unrealized gain on investments and foreign currency:	
Net realized gain on investments before taxes	5,830,748
Net realized gain on foreign currency transactions before taxes	312
Income tax expenses	<u>(963,279)</u>
Net realized gain on investments and foreign currency transactions after taxes	<u>4,867,781</u>
Net increase in unrealized appreciation of investments before taxes	11,552,343
Net increase in unrealized appreciation of foreign currency translation before taxes	6
Net (increase) in deferred income tax expense	<u>(224,316)</u>
Net increase in unrealized appreciation of investments and foreign currency translation after taxes	<u>11,328,033</u>
Net gain on investments and foreign currency	<u>16,195,814</u>
Net increase in net assets resulting from operations	<u>\$25,384,456</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended December 31, 2021**

Net decrease in cash & foreign currencies:

Cash flows from operating activities:

Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$ 5,004,257
Purchases of portfolio securities	(78,420,291)
Proceeds from disposition of portfolio securities	65,688,651
Interest, dividends and other income received	12,146,438
Interest expense paid	(613,500)
Operating expenses paid	(2,125,654)
Income taxes paid	<u>(166,003)</u>
Net cash provided by operating activities	<u>1,513,898</u>

Cash flows from financing activities:

Borrowings under credit facility	6,000,000
Cash dividends paid from net investment income	(8,481,360)
Financing fees paid	<u>(54,271)</u>
Net cash used for financing activities	<u>(2,535,631)</u>

Net decrease in cash & foreign currencies	(1,021,733)
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Cash & foreign currencies - beginning of period	<u>12,640,481</u>
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Cash & foreign currencies - end of period	<u><u>\$ 11,618,748</u></u>
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Reconciliation of net increase in net assets to net cash provided by operating activities:

Net increase in net assets resulting from operations	<u>\$ 25,384,456</u>
Increase in investments	(24,621,761)
Increase in interest receivable	(415,160)
Increase in receivable for investments sold	(423,188)
Decrease in other assets	717,791
Decrease in payable for investments purchased	(521,621)
Increase in investment advisory fee payable	49,024
Increase in tax payable	1,044,430
Increase in deferred tax liability	224,316
Increase in interest payable	4,515
Increase in accrued expenses	<u>71,096</u>
Total adjustments to net assets from operations	<u>(23,870,558)</u>
Net cash provided by operating activities	<u><u>\$ 1,513,898</u></u>

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**For the year ended December 31, 2021**

	For the year ended 12/31/2021	For the year ended 12/31/2020
Increase in net assets:		
Operations:		
Investment income - net	\$ 9,188,642	\$ 10,630,477
Net realized gain on investments and foreign currency after taxes	4,867,781	240,048
Net change in unrealized appreciation / (depreciation) of investments and foreign currency after taxes	<u>11,328,033</u>	<u>(4,521,459)</u>
Net increase in net assets resulting from operations	25,384,456	6,349,066
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2021 - nil; 2020 - 14,472)	-	227,533
Dividends to shareholders from:		
Distributable earnings to Common Stock Shareholders (2021 - \$0.80 per share; 2020 - \$0.80 per share)	<u>(8,481,360)</u>	<u>(8,481,360)</u>
Total increase / (decrease) in net assets	16,903,096	(1,904,761)
Net assets, beginning of year	<u>144,177,379</u>	<u>146,082,140</u>
Net assets, end of year	<u>\$161,080,475</u>	<u>\$144,177,379</u>

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

	For the years ended December 31,				
	2021	2020	2019	2018	2017
Net asset value:					
Beginning of year	\$ 13.60	\$ 13.80	\$ 13.18	\$ 13.91	\$ 13.15
Net investment income (a)	0.86	1.00	1.00	1.03	1.09
Net realized and unrealized gain (loss) on investments	1.53	(0.40)	0.69	(0.68)	0.75
Total from investment operations	2.39	0.60	1.69	0.35	1.84
Dividends from net investment income to common shareholders	(0.80)	(0.80)	(1.08)	(1.08)	(1.08)
Increase / (Decrease) from dividends reinvested	0.00	0.00 (b)	0.01 (b)	(0.00)(b)	(0.00)(b)
Total dividends	(0.80)	(0.80)	(1.07)	(1.08)	(1.08)
Net asset value: End of year	\$ 15.19	\$ 13.60	\$ 13.80	\$ 13.18	\$ 13.91
Per share market value: End of year	\$ 14.80	\$ 11.88	\$ 16.13	\$ 15.05	\$ 14.10
Total investment return					
Net asset value (c)	17.84%	4.66%	13.21%	2.53%	14.29%
Market value (c)	32.09%	(21.11%)	14.72%	15.02%	7.21%
Net assets (in millions):					
End of year	\$ 161.08	\$ 144.18	\$ 146.08	\$ 138.75	\$ 145.48
Ratio of total expenses to average net assets (d)	2.66%	1.47%	2.26%	2.76%	3.23%
Ratio of operating expenses to average net assets	1.46%	1.38%	1.45%	1.56%	1.49%
Ratio of interest expense to average net assets	0.41%	0.43%	0.42%	0.42%	0.43%
Ratio of income tax expense to average net assets	0.79%	(0.34%)	0.39%	0.78%	1.31%
Ratio of net investment income to average net assets	5.99%	7.52%	7.30%	7.47%	7.92%
Portfolio turnover	43%	34%	22%	48%	24%
(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:					
Total principal amount (in millions)	\$ 21	\$ 15	\$ 15	\$ 15	\$ 15
Asset coverage per \$1,000 of indebtedness	\$ 8,670	\$ 10,612	\$ 10,739	\$ 10,250	\$ 10,699

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS**December 31, 2021**

Corporate Restricted Securities - 104.75%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Private Placement Investments - 99.26%: (C)				
1WorldSync, Inc.				
A product information sharing platform that connects manufacturers/suppliers and key retailers via the Global Data Synchronization Network.				
6.25% Term Loan due 06/24/2025 (LIBOR + 5.250%)	\$2,434,019	*	\$ 2,402,780	\$ 2,434,019
* 07/01/19 and 12/09/20.				
Accelerate Learning				
A provider of standards-based, digital science education content of K-12 schools.				
6.00% Term Loan due 12/31/2024 (LIBOR + 5.000%)	\$ 974,753	12/19/18	965,113	956,895
6.00% Term Loan due 12/20/2024 (LIBOR + 5.000%)	\$ 750,247	09/30/21	736,415	736,501
			<u>1,701,528</u>	<u>1,693,396</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 (F)	766 uts.	10/01/21	24,353	24,957
Limited Liability Company Unit Class A (F)	197 uts.	10/01/21	6,320	6,448
Limited Liability Company Unit Class B (F)	766 uts.	10/01/21	784	802
Limited Liability Company Unit Class B (F)	197 uts.	10/01/21	202	207
			<u>31,659</u>	<u>32,414</u>
Aftermath, Inc.				
A provider of crime scene cleanup and biohazard remediation services.				
6.00% Term Loan due 04/10/2025 (LIBOR + 5.000%)	\$ 963,473	04/09/19	951,655	950,948
6.00% Term Loan due 04/10/2025 (LIBOR + 5.000%)	\$ 759,623	04/23/21	748,261	748,988
			<u>1,699,916</u>	<u>1,699,936</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
AIT Worldwide Logistics, Inc.				
A provider of domestic and international third-party logistics services.				
8.50% Second Lien Term Loan due 03/31/2029	\$ 1,669,355	04/06/21	\$ 1,635,272	\$ 1,669,355
Limited Liability Company Unit (B)	56 uts.	04/06/21	55,645	109,953
			<u>1,690,917</u>	<u>1,779,308</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	238,597
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Amtech Software

A provider of enterprise resource planning software and technology solutions for packaging manufacturers.

6.25% First Lien Term Loan due 11/02/2027 (LIBOR + 5.500%) (G)	\$ 1,000,000	11/02/21	526,002	525,455
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ASC Holdings, Inc.

A manufacturer of capital equipment used by corrugated box manufacturers.

13% (1% PIK) Senior Subordinated Note due 12/31/2024	\$ 754,175	11/19/15	754,171	754,175
Limited Liability Company Unit (B)	111,100 uts.	11/18/15	111,100	14,999
			<u>865,271</u>	<u>769,174</u>

ASPEQ Holdings

A manufacturer of highly-engineered electric heating parts and equipment for a range of industrial, commercial, transportation and marine applications.

6.25% Term Loan due 10/31/2025 (LIBOR + 5.250%)	\$ 1,134,929	11/08/19	1,124,002	1,134,929
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Audio Precision

A provider of high-end audio test and measurement sensing instrumentation software and accessories.

7.00% Term Loan due 10/31/2024 (LIBOR + 6.000%)	\$ 1,746,000	10/30/18	1,729,528	1,746,000
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See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Aurora Parts & Accessories LLC				
A distributor of aftermarket over-the-road semi-trailer parts and accessories sold to customers across North America.				
Preferred Stock (B)	210 shs.	08/17/15	\$ 209,390	\$ 209,390
Common Stock (B)	210 shs.	08/17/15	210	138,754
			<u>209,600</u>	<u>348,144</u>
BDP International, Inc.				
A provider of transportation and related services to the chemical and life sciences industries.				
6.25% Term Loan due 12/14/2024 (LIBOR + 5.250%)	\$ 2,391,050	12/18/18	2,367,478	2,355,184
6.25% Incremental Term Loan due 12/19/2024 (LIBOR + 5.250%)	\$ 42,706	12/07/20	42,078	42,066
6.25% Incremental Term Loan due 12/21/2024 (LIBOR + 5.250%)	\$ 40,854	03/30/21	40,202	40,241
			<u>2,449,758</u>	<u>2,437,491</u>
Best Lawyers (Azalea Investment Holdings, LLC)				
A global digital media company that provides ranking and marketing services to the legal community.				
12.00% HoldCo PIK Note due 05/19/2028	\$ 289,712	11/30/21	283,996	283,917
6.25% First Lien Term Loan due 11/19/2027 (LIBOR + 5.250%) (G)	\$ 1,391,058	11/30/21	1,031,914	1,031,505
Limited Liability Company Unit	44,231 uts.	11/30/21	44,231	44,231
			<u>1,360,141</u>	<u>1,359,653</u>
Blue Wave Products, Inc.				
A distributor of pool supplies.				
Common Stock (B)	51,064 shs.	10/12/12	51,064	112,841
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	20,216 shs.	10/12/12	20,216	44,673
			<u>71,280</u>	<u>157,514</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
BrightSign				
A provider of digital signage hardware and software solutions, serving a variety of end markets, including retail, restaurants, government, sports, and entertainment.				
6.75% Term Loan due 10/14/2027 (LIBOR + 5.750%) (G)	\$ 1,427,877	10/14/21	\$ 1,279,879	\$ 1,279,396
Limited Liability Company Unit (F)	111,835 uts.	10/14/21	111,835	114,631
			<u>1,391,714</u>	<u>1,394,027</u>
Brown Machine LLC				
A designer and manufacturer of thermoforming equipment used in the production of plastic packaging containers within the food and beverage industry.				
6.25% Term Loan due 10/04/2024 (LIBOR + 5.250%)	\$ 854,448	10/03/18	848,840	854,448
Cadence, Inc.				
A full-service contract manufacturer ("CMO") and supplier of advanced products, technologies, and services to medical device, life science, and industrial companies.				
6.00% First Lien Term Loan due 04/30/2025 (LIBOR + 5.000%)	\$ 879,427	05/14/18	870,892	854,803
Cadent, LLC				
A provider of advertising solutions driven by data and technology.				
6.00% Term Loan due 09/07/2023 (LIBOR + 5.000%)	\$ 890,428	09/04/18	887,404	890,428
CAi Software				
A vendor of mission-critical, production-oriented software to niche manufacturing and distribution sectors.				
7.25% Term Loan due 12/10/2028 (LIBOR + 6.250%) (G)	\$ 2,500,000	12/13/21	2,214,626	2,214,254
Cash Flow Management				
A software provider that integrates core banking systems with branch technology and creates modern retail banking experiences for financial institutions				
6.75% Term Loan due 12/27/2027 (LIBOR + 5.750%) (G)	\$ 986,967	12/28/21	892,636	892,600

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Claritas Holdings, Inc.				
A market research company that provides market segmentation insights to customers engaged in direct-to-consumer and business-to-business marketing activities.				
6.75% Term Loan due 12/31/2023 (LIBOR + 5.750%)	\$1,543,682	12/20/18	\$ 1,528,486	\$ 1,543,682
CloudWave				
A provider of managed cloud hosting and IT services for hospitals.				
7.00% Term Loan due 01/04/2027 (LIBOR + 6.000%)	\$1,656,835	01/29/21	1,625,356	1,631,016
Limited Liability Company Unit (B)(F)	55,645 uts.	01/29/21	55,645	38,673
			<u>1,681,001</u>	<u>1,669,689</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.				
9.25% Term Loan due 04/17/2027 (LIBOR + 8.250%) (G)	\$2,495,330	*	2,003,189	2,050,597
Limited Liability Company Unit (B)(F)	18 uts.	04/23/20	18,006	20,113
Limited Liability Company Unit Class B	6,629 uts.	04/23/20	—	36,968
* 04/23/20, 10/30/20 and 11/18/20.			<u>2,021,195</u>	<u>2,107,678</u>
Concept Machine Tool Sales, LLC				
A full-service distributor of high-end machine tools and metrology equipment, exclusively representing a variety of global manufacturers in the Upper Midwest.				
6.00% Term Loan due 01/31/2025 (LIBOR + 5.000%)	\$ 584,016	01/30/20	576,817	563,576
Limited Liability Company Unit (F)	1,237 shs.	*	49,559	32,026
* 01/30/20 and 03/05/21			<u>626,376</u>	<u>595,602</u>
CTS Engines				
A provider of maintenance, repair and overhaul services within the aerospace & defense market.				
6.50% Term Loan due 12/22/2026 (LIBOR + 5.500%)	\$1,388,868	12/22/20	1,365,834	1,341,647

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Dart Buyer, Inc.				
A manufacturer of helicopter aftermarket equipment and OEM Replacement parts for rotorcraft operators, providers and OEMs.				
6.25% Term Loan due 04/01/2025 (LIBOR + 5.250%) (G)	\$ 1,694,506	04/01/19	\$ 1,394,995	\$ 1,357,412
Decks Direct				
An eCommerce direct-to-consumer seller of specialty residential decking products in the United States.				
7.00% Term Loan due 12/28/2026 (LIBOR + 6.000%) (G)	\$ 1,630,909	12/29/21	1,221,981	1,221,928
Common Stock	2,209 shs.	12/29/21	94,091	94,097
			<u>1,316,072</u>	<u>1,316,025</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.				
11% Senior Subordinated Note due 04/06/2023 (D)	\$ 1,420,588	10/07/16	1,403,759	1,349,559
Limited Liability Company Unit (B)(F)	368,799 uts.	*	368,928	83,529
* 10/07/16, 07/25/18, 03/13/19 and 06/17/19.			<u>1,772,687</u>	<u>1,433,088</u>
DistroKid (IVP XII DK Co-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.				
7.00% Term Loan due 09/30/2027 (LIBOR + 6.000%)	\$ 1,651,596	10/01/21	1,619,951	1,618,564
Limited Liability Company Unit (F)	73,333 uts.	10/01/21	73,404	73,333
			<u>1,693,355</u>	<u>1,691,897</u>
Dunn Paper				
A provider of specialty paper for niche product applications.				
10.25% Second Lien Term Loan due 08/31/2023 (LIBOR + 9.250%)	\$ 1,725,000	09/28/16	1,714,183	1,512,825

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Dwyer Instruments, Inc.				
A designer and manufacturer of precision measurement and control products for use with solids, liquids and gases.				
6.25% Term Loan due 07/01/2027 (LIBOR + 5.500%) (G)	\$ 1,000,000	07/20/21	\$ 849,918	\$ 859,421
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.				
7.50% Second Lien Term Loan due 11/05/2029 (LIBOR + 7.250%)	\$ 1,679,204	11/22/21	1,650,222	1,649,817
Limited Liability Company Unit	46 uts.	11/22/21	45,796	45,800
			<u>1,696,018</u>	<u>1,695,617</u>
EFI Productivity Software				
A provider of ERP software solutions purpose-built for the print and packaging industry.				
6.50% Term Loan due 12/30/2027 (LIBOR + 6.00%) (G)	\$ 1,000,000	12/30/21	906,988	906,988
Electric Power Systems International, Inc.				
A provider of electrical testing services for apparatus equipment and protection & controls infrastructure.				
6.75% Term Loan due 04/19/2028 (LIBOR + 5.750%) (G)	\$ 1,250,282	04/19/21	1,113,869	1,117,190
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	—
Ellkay				
A provider of data interoperability solutions for labs, hospitals and healthcare providers.				
6.75% Term Loan due 09/14/2027 (LIBOR + 5.750%)	\$ 705,668	09/14/21	692,202	692,953

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
English Color & Supply LLC				
A distributor of aftermarket automotive paint and related products to collision repair shops, auto dealerships and fleet customers through a network of stores in the Southern U.S.				
11.5% (0.5% PIK) Senior Subordinated Note due 12/31/2023	\$ 1,357,489	06/30/17	\$ 1,348,429	\$ 1,352,948
Limited Liability Company Unit (B)(F)	397,695 uts.	06/30/17	397,695	821,453
			<u>1,746,124</u>	<u>2,174,401</u>
ENTACT Environmental Services, Inc.				
A provider of environmental remediation and geotechnical services for blue-chip companies with regulatory-driven liability enforcement needs.				
6.75% Term Loan due 12/15/2025 (LIBOR + 4.750%)	\$ 1,015,229	02/09/21	1,006,947	1,002,031
eShipping				
An asset-life third party logistics Company that serves a broad variety of end markets and offers service across all major transportation modes.				
6.75% Term Loan due 11/05/2027 (LIBOR + 5.750%) (G)	\$ 1,725,000	11/05/21	1,256,729	1,255,831
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	272,945
* 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	724,337

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Follett School Solutions				
A provider of software for K-12 school libraries.				
6.50% First Lien Term Loan due 07/09/2028 (LIBOR + 5.750%)	\$1,709,907	08/31/21	\$ 1,676,653	\$ 1,679,508
LP Units (B)(F)	881 uts.	08/30/21	8,805	22,751
LP Interest (B)(F)	200 shs.	08/30/21	2,003	5,175
			<u>1,687,461</u>	<u>1,707,434</u>
FragilePAK				
A provider of third-party logistics services focused on the full delivery life-cycle for big and bulky products.				
5.85% Term Loan due 05/24/2027 (LIBOR + 5.750%) (G)	\$1,614,492	05/21/21	1,035,457	1,039,787
Limited Liability Company Unit (B)(F)	108 shs.	05/21/21	107,813	106,475
			<u>1,143,270</u>	<u>1,146,262</u>
GD Dental Services LLC				
A provider of convenient "onestop" general, specialty, and cosmetic dental services with offices located throughout Florida and Georgia.				
Limited Liability Company Unit Preferred (B)	76 uts.	10/05/12	75,920	55,583
Limited Liability Company Unit Common (B)	767 uts.	10/05/12	767	—
			<u>76,687</u>	<u>55,583</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	805,606
Common Stock (B)	1,181 shs.	03/27/13	118,110	27,664
			<u>767,716</u>	<u>833,270</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
GraphPad Software, Inc.				
A provider of data analysis, statistics and graphing software solution for scientific research applications, with a focus on the life sciences and academic end-markets.				
7.00% Term Loan due 04/27/2027 (LIBOR + 6.000%)	\$2,390,711	*	\$ 2,375,026	\$ 2,402,665
6.50% Term Loan due 04/27/2027 (PRIME + 5.500%)	\$ 84,102	04/27/21	82,611	84,523
Preferred Stock (B)(F)	3,737 shs.	04/27/21	103,147	112,714
* 12/19/17 and 04/16/19.			<u>2,560,784</u>	<u>2,599,902</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	609,931
Limited Liability Company Unit Common Class A (B)	3,594 uts.	12/19/14	—	20,944
* 12/19/14 and 04/29/16.			<u>371,644</u>	<u>630,875</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 (G)	\$1,725,000	11/17/21	1,569,320	1,568,518
HHI Group, LLC				
A developer, marketer, and distributor of hobby-grade radio control products.				
Limited Liability Company Unit (B)(F)	102 uts.	01/17/14	101,563	500,024
Home Care Assistance, LLC				
A provider of private pay non-medical home care assistance services.				
5.75% Term Loan due 03/30/2027 (LIBOR + 4.750%) (G)	\$ 852,830	03/26/21	837,929	835,773

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
HOP Entertainment LLC				
A provider of post production equipment and services to producers of television shows and motion pictures.				
Limited Liability Company Unit Class F (B)(F)	47 uts.	10/14/11	\$ —	\$ —
Limited Liability Company Unit Class G (B)(F)	114 uts.	10/14/11	—	—
Limited Liability Company Unit Class H (B)(F)	47 uts.	10/14/11	—	—
Limited Liability Company Unit Class I (B)(F)	47 uts.	10/14/11	—	—
			<u>—</u>	<u>—</u>
			<u>—</u>	<u>—</u>
IGL Holdings III Corp.				
A specialty label and flexible packaging converter.				
5.92% Term Loan due 10/23/2026 (LIBOR + 5.750%) (G)	\$1,712,044	11/02/20	<u>1,501,742</u>	<u>1,512,191</u>
IM Analytics Holdings, LLC				
A provider of test and measurement equipment used for vibration, noise, and shock testing.				
8.00% Term Loan due 11/22/2023 (LIBOR + 7.000%)	\$1,047,221	11/21/19	1,042,254	850,867
Warrant, exercisable until 2026, to purchase common stock at \$.01 per share (B)	8,885 shs.	11/25/19	<u>—</u>	<u>—</u>
			<u>1,042,254</u>	<u>850,867</u>
Industrial Service Solutions				
A provider of maintenance, repair and overhaul services for process equipment within the industrial, energy and power end-markets.				
6.50% Term Loan due 01/31/2026 (LIBOR + 5.500%)	\$ 888,050	02/05/20	<u>875,928</u>	<u>844,535</u>
JF Petroleum Group				
A provider of repair, maintenance, installation and projection management services to the US fueling infrastructure industry.				
6.50% Term Loan due 07/31/2024 (LIBOR + 5.500%)	\$ 683,140	05/04/21	<u>665,362</u>	<u>655,815</u>

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Kano Laboratories LLC				
A producer of industrial strength penetrating oils and lubricants.				
6.00% Term Loan due 09/30/2026 (LIBOR + 5.000%) (G)	\$1,245,108	11/18/20	\$ 829,812	\$ 825,068
6.00% Term Loan due 10/31/2027 (LIBOR + 5.000%) (G)	\$ 452,766	11/08/21	269,471	269,247
Limited Liability Company Unit	20 uts.	11/19/20	19,757	19,940
			<u>1,119,040</u>	<u>1,114,255</u>
LYNX Franchising				
A global franchisor of B2B services including commercial janitorial services, shared office space solutions, and textile and electronics restoration services.				
7.25% Term Loan due 12/18/2026 (LIBOR + 6.250%)	\$2,495,688*		<u>2,452,557</u>	<u>2,445,774</u>
* 12/22/20 and 09/09/21				
Manhattan Beachwear Holding Company				
A designer and distributor of women's swimwear.				
12.5% Senior Subordinated Note due 05/30/2022 (D)	\$ 419,971	01/15/10	404,121	—
15% (2.5% PIK) Senior Subordinated Note due 05/30/2022 (D)	\$ 115,253	10/05/10	114,604	—
Common Stock (B)	35 shs.	10/05/10	35,400	—
Common Stock Class B (B)	118 shs.	01/15/10	117,647	—
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	104 shs.	10/05/10	94,579	—
			<u>766,351</u>	<u>—</u>
Master Cutlery LLC				
A designer and marketer of a wide assortment of knives and swords.				
13% Senior Subordinated Note due 07/20/2022 (D)	\$ 868,102	04/17/15	867,529	86,810
Limited Liability Company Unit	5 uts.	04/17/15	678,329	—
			<u>1,545,858</u>	<u>86,810</u>

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Media Recovery, Inc.				
A global manufacturer and developer of shock, temperature, vibration and other condition indicators and monitors for in-transit and storage applications.				
7.00% First Out Term Loan due 11/22/2025 (LIBOR + 6.000%)	\$ 488,583	11/25/19	\$ 482,128	\$ 488,583
MES Partners, Inc.				
An industrial service business offering an array of cleaning and environmental services to the Gulf Coast region of the U.S.				
Preferred Stock Series A (B)	30,926 shs.	07/25/19	12,412	19,604
Preferred Stock Series C (B)	1,275 shs.	09/22/20	457,365	—
Common Stock Class B (B)	259,252 shs.	*	244,163	—
Warrant, exercisable until 2030, to purchase common stock at \$.01 per share (B)	351,890 shs.	09/22/20	—	—
* 09/30/14 and 02/28/18.			<u>713,940</u>	<u>19,604</u>
MeTEOR Education LLC				
A leading provider of classroom and common area design services, furnishings, equipment and instructional support to K-12 schools.				
12% Senior Subordinated Note due 06/20/2023	\$ 915,819	03/09/18	910,345	915,819
Limited Liability Company Unit (B)(F)	182 uts.	03/09/18	183,164	145,448
			<u>1,093,509</u>	<u>1,061,267</u>
MNS Engineers, Inc.				
A consulting firm that provides civil engineering, construction management and land surveying services.				
6.50% Term Loan due 07/30/2027 (LIBOR + 5.500%)	\$ 1,197,000	08/09/21	1,174,611	1,176,120
Limited Liability Company Unit (B)	100,000 uts.	08/09/21	100,000	102,000
			<u>1,274,611</u>	<u>1,278,120</u>
Motion Controls Holdings				
A manufacturer of high performance mechanical motion control and linkage products.				
Limited Liability Company Unit Class B-1 (B)(F)	75,000 uts.	11/30/10	—	13,500
Limited Liability Company Unit Class B-2 (B)(F)	6,801 uts.	11/30/10	—	1,224
			<u>—</u>	<u>14,724</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Music Reports, Inc.				
An administrator of comprehensive offering of rights and royalties solutions for music and cue sheet copyrights to music and entertainment customers.				
7.25% Incremental Term Loan due 08/21/2026 (LIBOR + 6.250%)	\$ 820,507	11/05/21	\$ 804,631	\$ 804,097
7.00% Term Loan due 08/21/2026 (LIBOR + 6.000%)	\$ 597,605	08/25/20	586,028	585,653
			<u>1,390,659</u>	<u>1,389,750</u>
Narda-MITEQ (JFL-Narda Partners, LLC)				
A manufacturer of radio frequency and microwave components and assemblies.				
6.25% Incremental Term Loan due 12/06/2027 (LIBOR + 5.250%) (G)	\$ 873,738	12/28/21	858,475	858,447
6.25% First Lien Term Loan due 11/30/2027 (LIBOR + 5.250%) (G)	\$ 763,436	12/06/21	542,539	542,394
Limited Liability Company Unit Class A Preferred	790 uts.	12/06/21	79,043	79,043
Limited Liability Company Unit Class B Common	88 uts.	12/06/21	8,783	8,783
			<u>1,488,840</u>	<u>1,488,667</u>
National Auto Care				
A provider of professional finance and insurance products and consulting services to auto, RV, and powersports dealerships.				
6.25% First Lien Term Loan due 09/28/2024 (LIBOR + 5.250%) (G)	\$ 998,707	12/20/21	496,175	496,027
Navia Benefit Solutions, Inc.				
A third-party administrator of employee-directed healthcare benefits.				
6.25% Term Loan due 02/01/2027 (LIBOR + 5.250%) (G)	\$1,719,825	02/10/21	1,150,459	1,165,786
Northstar Recycling				
A managed service provider for waste and recycling services, primarily targeting food and beverage end markets.				
5.75% Term Loan due 09/30/2027 (LIBOR + 4.750%)	\$ 749,313	10/01/21	734,956	734,326

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Office Ally (OA TOPCO, LP)				
A provider of medical claims clearinghouse software to office-based physician providers and healthcare insurance payers.				
6.75% Term Loan due 12/10/2028 (LIBOR + 6.000%) (G)	\$ 983,176	12/20/21	\$ 830,400	\$ 830,388
Limited Liability Company Unit	21,092 uts.	09/29/17	21,092	21,092
			<u>851,492</u>	<u>851,480</u>
Omni Logistics, LLC				
A specialty freight forwarding business specifically targeting the semiconductor, media, technology and healthcare end markets.				
6.00% Term Loan due 12/30/2026 (LIBOR + 5.000%)	\$1,741,250	12/30/20	1,697,762	1,706,425
Options Technology Ltd				
A provider of vertically focused financial technology managed services and IT infrastructure products for the financial services industry.				
5.50% Term Loan due 12/18/2025 (LIBOR + 4.500%) (G)	\$1,586,986	12/23/19	1,565,908	1,555,246
PANOS Brands LLC				
A marketer and distributor of branded consumer foods in the specialty, natural, better-for-you, "free from" healthy and gluten-free categories.				
12% (1% PIK) Senior Subordinated Note due 12/29/2023	\$1,775,705	02/17/17	1,770,896	1,775,705
Common Stock Class A (B)	380,545 shs.	*	380,545	358,451
* 01/29/16 and 02/17/17.			<u>2,151,441</u>	<u>2,134,156</u>
PB Holdings LLC				
A designer, manufacturer and installer of maintenance and repair parts and equipment for industrial customers.				
5.47% Term Loan due 02/28/2024 (LIBOR + 5.250%)	\$ 783,253	03/06/19	774,963	754,273

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Pearl Holding Group				
A managing general agent that originates, underwrites, and administers non-standard auto insurance policies for carries in Florida.				
9.00% First Lien Term Loan due 12/16/2026 (LIBOR + 6.000%) (G)	\$1,725,000	12/20/21	\$ 1,438,798	\$ 1,438,435
Warrant—Class A, to purchase common stock at \$.01 per share	924 uts.	12/22/21	—	—
Warrant—Class B, to purchase common stock at \$.01 per share	312 uts.	12/22/21	—	—
Warrant—Class CC, to purchase common stock at \$.01 per share	32 uts.	12/22/21	—	—
Warrant—Class D, to purchase common stock at \$.01 per share	82 uts.	12/22/21	—	—
			<u>1,438,798</u>	<u>1,438,435</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.

7.75% Term Loan due 08/31/2026 (LIBOR + 6.750%)	\$ 383,766	09/29/20	373,176	383,766
7.50% Term Loan due 11/17/2024 (LIBOR + 6.500%)	\$1,894,364	11/14/17	<u>1,874,887</u>	<u>1,894,364</u>
			<u>2,248,063</u>	<u>2,278,130</u>

Petroplex Inv Holdings LLC

A leading provider of acidizing services to E&P customers in the Permian Basin.

Limited Liability Company Unit	0.63% int.	*	<u>174,669</u>	<u>9,958</u>
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* 11/29/12 and 12/20/16.

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.

5.75% First Lien Term Loan due 12/03/2027 (LIBOR + 4.750%) (G)	\$ 950,713	12/03/21	823,684	823,433
Limited Liability Company Unit (F)	759 uts.	12/03/21	<u>75,861</u>	<u>75,861</u>
			<u>899,545</u>	<u>899,294</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Polytex Holdings LLC				
A manufacturer of water based inks and related products serving primarily the wall covering market.				
13.9% (5.5% PIK) Senior Subordinated Note due 12/31/2024 (D)	\$1,069,985	07/31/14	\$ 1,064,183	\$ 1,016,486
Limited Liability Company Unit	148,096 uts.	07/31/14	148,096	33,944
Limited Liability Company Unit Class F	36,976 uts.	*	24,802	24,442
* 09/28/17 and 02/15/18.			<u>1,237,081</u>	<u>1,074,872</u>

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.

6.16% First Lien Term Loan due 12/02/2025 (LIBOR + 6.000%) (G)	\$1,207,500	11/15/21	946,068	945,300
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PPC Event Services

A special event equipment rental business.

Preferred Stock Series P-1 (B)	71 shs.	07/21/20	71,018	211,285
Common Stock (B)	170,927 shs.	07/21/20	—	—
16.00% Term Loan due 05/28/2023 (D)	\$1,021,607	07/21/20	846,461	911,322
8.00% Term Loan due 05/28/2023 (D)	\$ 765,931	07/21/20	616,911	689,338
Limited Liability Company Unit (B)	3,450 uts.	11/20/14	172,500	—
Limited Liability Company Unit Series A-1 (B)	339 uts.	03/16/16	42,419	—
			<u>1,749,309</u>	<u>1,811,945</u>

Recovery Point Systems, Inc.

A provider of IT infrastructure, colocation and cloud based resiliency services.

7.50% Term Loan due 07/31/2026 (LIBOR + 6.500%)	\$1,339,558	08/12/20	1,318,966	1,339,558
Limited Liability Company Unit (F)	21,532 uts.	03/05/21	21,532	17,226
			<u>1,340,498</u>	<u>1,356,784</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
RedSail Technologies				
A provider of pharmacy management software solutions for independent pharmacies and long-term care facilities.				
6.25% Term Loan due 12/11/2027 (LIBOR + 5.500%)	\$ 1,643,455	12/09/20	\$ 1,609,758	\$ 1,643,455
ReelCraft Industries, Inc.				
A designer and manufacturer of heavy-duty reels for diversified industrial, mobile equipment OEM, auto aftermarket, government/military and other end markets.				
Limited Liability Company Unit Class B	293,617 uts.	11/13/17	184,689	834,179
Renovation Brands				
A portfolio of seven proprietary brands that sell various home improvement products primarily through the e-Commerce channel.				
6.50% Term Loan due 08/16/2027 (LIBOR + 5.500%)	\$ 970,874	11/15/21	947,145	946,602
Limited Liability Company Unit	39,474 uts.	09/29/17	39,474	40,658
			<u>986,619</u>	<u>987,260</u>
Resonetics, LLC				
A provider of laser micro-machining manufacturing services for medical device and diagnostic companies.				
7.75% Second Lien Term Loan due 04/28/2029 (LIBOR + 7.000%)	\$ 1,725,000	04/28/21	1,693,428	1,690,500
7.16% Second Lien Term Loan due 04/28/2029 (LIBOR + 7.000%)	\$ 552,000	11/15/21	541,151	540,960
			<u>2,234,579</u>	<u>2,231,460</u>
REVSpring, Inc.				
A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries.				
9.25% Second Lien Term Loan due 10/11/2026 (LIBOR + 8.250%)	\$ 1,725,000	10/11/18	1,694,113	1,725,000

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Rock-it Cargo				
A provider of specialized international logistics solutions to the music touring, performing arts, live events, fine art and specialty industries.				
6.00% Term Loan due 06/22/2024 (LIBOR + 5.000%)	\$2,448,431	*	\$ 2,422,669	\$ 1,973,436
* 07/30/18 and 09/30/20.				
ROI Solutions				
Call center outsourcing and end user engagement services provider.				
6.00% Term Loan due 07/31/2024 (LIBOR + 5.000%) (G)	\$1,592,918	07/31/18	1,044,585	1,058,290
RPX Corp				
A provider of subscription services that help member companies mitigate the risk of patent disputes and reduce the cost of patent litigation.				
7.00% Term Loan due 10/23/2025 (LIBOR + 6.000%)	\$2,488,641	*	2,442,468	2,437,470
* 10/22/20 and 09/28/21.				
Ruffalo Noel Levitz				
A provider of enrollment management, student retention and career services, and fundraising management for colleges and universities.				
7.00% Term Loan due 05/29/2022 (LIBOR + 5.500%)	\$1,229,180	01/08/19	1,226,974	1,229,180
Safety Products Holdings, Inc.				
A manufacturer of highly engineered safety cutting tools.				
7.00% Term Loan due 12/15/2026 (LIBOR + 6.000%) (G)	\$1,672,310	12/15/20	1,641,229	1,634,683
Common Stock	29 shs.	12/16/20	29,262	40,092
			<u>1,670,491</u>	<u>1,674,775</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Sandvine Corporation				
A provider of active network intelligence solutions.				
8.09% Second Lien Term Loan due 11/02/2026 (LIBOR + 8.000%)	\$1,725,000	11/01/18	\$ 1,698,936	\$ 1,725,000
Sara Lee Frozen Foods				
A provider of frozen bakery products, desserts and sweet baked goods.				
5.50% Lien Term Loan due 07/30/2025 (LIBOR + 4.500%)	\$1,491,123	07/27/18	1,473,987	1,373,324
Scaled Agile, Inc.				
A provider of training and certifications for IT professionals focused on software development.				
6.50% Term Loan due 12/15/2027 (LIBOR + 5.500%) (G)	\$1,725,000	12/16/21	1,171,950	1,171,614
SEKO Worldwide, LLC				
A third-party logistics provider of ground, ocean, air and home delivery forwarding services.				
6.00% Term Loan due 12/30/2026 (LIBOR + 5.000%) (G)	\$1,710,259	12/30/20	1,423,016	1,433,696
Smart Bear				
A provider of web-based tools for software development, testing and monitoring.				
8.00% Second Lien Term Loan due 03/03/2029 (LIBOR + 7.500%)	\$1,725,000	03/02/21	1,682,070	1,725,000
Smartling, Inc.				
A provider in SaaS-based translation management systems and related translation services.				
6.75% Term Loan due 10/26/2027 (LIBOR + 5.750%) (G)	\$1,725,000	11/03/21	1,386,944	1,386,088

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Specified Air Solutions (dba 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	\$ 11,309,713
Springbrook Software				
A provider of vertical-market enterprise resource planning software and payments platforms focused on the local government end-market.				
6.50% Term Loan due 12/20/2026 (LIBOR + 5.500%)	\$ 1,633,473	12/23/19	1,308,442	1,328,754
Stackline				
An e-commerce data company that tracks products sold through online retailers.				
8.75% Term Loan due 07/30/2028 (LIBOR + 7.750%)	\$ 1,682,927	07/29/21	1,651,308	1,653,943
Common Stock (B)	1,340 shs.	07/30/21	42,078	54,739
			<u>1,693,386</u>	<u>1,708,682</u>
Standard Elevator Systems				
A scaled manufacturer of elevator components combining four elevator companies, Standard Elevator Systems, EMI Porta, Texacone, and ZZIPCO.				
6.50% First Lien Term Loan due 12/02/2027 (LIBOR + 5.750%) (G)	\$ 1,725,000	12/02/21	930,803	930,331
Strahman Holdings Inc.				
A manufacturer of industrial valves and wash down equipment for a variety of industries, including chemical, petrochemical, polymer, pharmaceutical, food processing, beverage and mining.				
Preferred Stock Series A (B)	158,967 shs.	12/13/13	158,967	233,855
Preferred Stock Series A-2 (B)	26,543 shs.	09/10/15	29,994	39,047
			<u>188,961</u>	<u>272,902</u>
Stratus Unlimited				
A nationwide provide of brand implementation services, including exterior and interior signage, refresh and remodel, and facility maintenance and repair.				
6.50% Term Loan due 06/08/2027 (LIBOR + 5.500%) (G)	\$ 948,661	07/02/21	758,063	769,914
Limited Liability Company Unit (B)	75 uts.	06/30/21	74,666	76,116
			<u>832,729</u>	<u>846,030</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Sunvair Aerospace Group Inc.				
An aerospace maintenance, repair, and overhaul provider servicing landing gears on narrow body aircraft.				
12% (1-1.5% PIK) Senior Subordinated Note due 08/01/2024	\$2,006,384	*	\$ 1,986,356	\$ 1,996,517
Preferred Stock Series A (B)	28 shs.	12/21/20	71,176	90,185
Common Stock (B)	68 shs.	**	104,986	217,385
* 07/31/15 and 12/21/20.			2,162,518	2,304,087
** 07/31/15 and 11/08/17.				
Syntax Systems Ltd				
A cloud management service provider.				
6.25% Term Loan due 10/14/2028 (LIBOR + 5.500%) (G)	\$1,000,000	10/28/21	740,060	739,796
Tencarva Machinery Company				
A distributor of mission critical, engineered equipment, replacement parts and services in the industrial and municipal end-markets.				
6.50% Term Loan due 12/20/2027 (LIBOR + 5.500%) (G)	\$1,977,260	12/20/21	1,411,759	1,411,569
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.				
8.75% HoldCo PIK Note due 10/21/2028	\$1,150,000	10/28/21	1,127,577	1,127,000
1.21% Term Loan due 12/15/2027 (LIBOR + 4.250%) (G)	\$ 575,000	12/21/21	97,682	97,632
			1,225,259	1,224,632
The Hilb Group, LLC				
An insurance brokerage platform that offers insurance and benefits programs to middle-market companies throughout the Eastern seaboard.				
6.75% Term Loan due 12/02/2026 (LIBOR + 5.750%) (G)	\$1,706,510	*	1,675,909	1,672,379
* 12/02/19 and 12/15/20.				

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2021

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Therma-Stor Holdings LLC				
A designer and manufacturer of dehumidifiers and water damage restoration equipment for residential and commercial applications.				
Limited Liability Company Unit (B)	19,696 uts.	11/30/17	\$ —	\$ 10,698
Transit Technologies LLC				
A software platform for the transportation market that offers end-to-end software solutions focused on operations, fleet management and telematics services.				
4.91% Term Loan due 02/10/2025 (LIBOR + 4.750%) (G)	\$1,020,405	02/13/20	769,188	755,821
Trident Maritime Systems				
A leading provider of turnkey marine vessel systems and solutions for government and commercial new ship construction as well as repair, refurbishment, and retrofit markets worldwide.				
6.50% Term Loan due 02/26/2027 (LIBOR + 5.500%)	\$1,712,063	02/25/21	1,687,191	1,712,063
Tristar Global Energy Solutions, Inc.				
A hydrocarbon and decontamination services provider serving refineries worldwide.				
12.5% (1.5% PIK) Senior Subordinated Note due 03/31/2022 (D)	\$1,204,904	01/23/15	1,203,934	301,226
Truck-Lite				
A leading provider of harsh environment LED safety lighting, electronics, filtration systems, and telematics for a wide range of commercial vehicles, specialty vehicles, final mile delivery vehicles, off-road/off-highway, marine, and other adjacent harsh environment markets.				
7.25% Term Loan due 12/02/2026 (LIBOR + 6.250%)	\$1,696,471	*	1,672,489	1,662,542
6.47% First Lien Term Loan due 04/28/2029 (LIBOR + 6.250%) (G)	\$ 803,529	11/15/21	487,003	486,672
* 12/13/2019 and 11/15/2021.			2,159,492	2,149,214

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Trystar, Inc.				
A niche manufacturer of temporary power distribution products for the power rental, industrial, commercial utility and back-up emergency markets.				
6.25% Term Loan due 10/01/2023 (LIBOR + 5.250%)	\$2,271,264	09/28/18	\$ 2,255,554	\$ 2,231,517
5.90% Third Amendment Term Loan due 09/28/2023 (LIBOR + 5.750%)	\$ 215,038	10/27/21	211,550	211,275
Limited Liability Company Unit (B)(F)	56 uts.	09/28/18	60,413	52,114
			<u>2,527,517</u>	<u>2,494,906</u>
Turnberry Solutions, Inc.				
A provider of technology consulting services.				
7.00% Term Loan due 07/30/2026 (LIBOR + 6.000%)	\$1,628,981	07/29/21	1,599,166	1,600,926
U.S. Legal Support, Inc.				
A provider of court reporting, record retrieval and other legal supplemental services.				
6.75% Term Loan due 11/12/2024 (LIBOR + 5.750%)	\$2,089,362	*	2,069,059	2,089,362
* 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.				
6.75% Term Loan due 12/15/2026 (LIBOR + 5.750%)	\$2,316,667	12/14/20	2,278,412	2,316,667
VitalSource				
A provider of digital fulfillment software for the higher education sector.				
6.17% Term Loan due 06/01/2028 (LIBOR + 6.000%)	\$1,694,196	06/01/21	1,663,149	1,666,901
Limited Liability Company Unit (B)(F)	1,891 uts.	06/01/21	18,909	19,656
			<u>1,682,058</u>	<u>1,686,557</u>
VP Holding Company				
A provider of school transportation services for special-needs and homeless children in Massachusetts and Connecticut.				
6.50% Term Loan due 05/22/2024 (LIBOR + 5.500%)	\$2,396,318	05/17/18	2,377,257	2,357,714

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 12,477
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	263,387
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.				
6.50% Term Loan due 11/30/2027 (LIBOR + 5.500%) (G)	\$ 1,205,684	12/01/21	1,000,470	1,000,128
Limited Liability Company Unit (F)	145.803 uts.	12/01/21	145,803	145,803
			<u>1,146,273</u>	<u>1,145,931</u>
World 50, Inc.				
A provider of exclusive peer-to-peer networks for C-suite executives at leading corporations.				
6.25% Term Loan due 01/10/2026 (LIBOR + 5.250%)	\$ 377,197	09/21/20	368,605	377,198
5.50% Term Loan due 12/31/2025 (LIBOR + 4.500%)	\$ 1,206,358	01/09/20	1,186,123	1,188,262
			<u>1,554,728</u>	<u>1,565,460</u>
Total Private Placement Investments (E)			<u>\$153,465,884</u>	<u>\$159,889,400</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Restricted Securities: (A) (Continued)	Interest Rate	Maturity Date	Principal Amount	Cost	Market Value
Rule 144A Securities - 5.49%: (H)					
Bonds - 5.49%					
American Airlines Inc	11.750%	07/15/25	\$500,000	\$ 496,226	\$ 616,875
BWAY Holding Company	7.250	04/15/25	750,000	708,217	751,901
Cleveland-Cliffs Inc.	9.875	10/17/25	331,000	355,247	374,622
CommScope Finance LLC	8.250	03/01/27	500,000	480,299	513,845
Coronado Finance Pty Ltd.	10.750	05/15/26	247,000	242,824	266,246
CVR Energy Inc.	5.750	02/15/28	500,000	459,831	480,000
Diebold Nixdorf	9.375	07/15/25	350,000	367,817	376,860
First Quantum Minerals Ltd.	7.500	04/01/25	500,000	476,875	514,350
First Quantum Minerals Ltd.	7.250	04/01/23	238,000	237,132	240,737
Houghton Mifflin Harcourt	9.000	02/15/25	500,000	493,530	522,500
Neptune Energy Bondco PLC	6.625	05/15/25	500,000	494,930	510,625
Panther BF Aggregator 2 LP	8.500	05/15/27	100,000	93,817	106,000
Picou Holdings LLC	10.000	12/31/25	500,000	455,054	512,500
Prime Security Services, LLC	6.250	01/15/28	885,000	788,721	922,613
Terrier Media Buyer, Inc.	8.875	12/15/27	530,000	510,738	572,808
The Manitowoc Company, Inc.	9.000	04/01/26	500,000	490,000	526,250
Trident TPI Holdings Inc.	9.250	08/01/24	500,000	490,929	522,500
Verscend Holding Corp	9.750	08/15/26	482,000	506,015	512,337
Total Bonds				8,148,202	8,843,569
Common Stock - 0.00%					
TherOX, Inc. (B)			26	-	-
Touchstone Health Partnership (B)			292	-	-
Total Common Stock				-	-
Total Rule 144A Securities				\$ 8,148,202	\$ 8,843,569
Total Corporate Restricted Securities				\$161,614,086	\$168,732,969

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Corporate Public Securities - 2.71%: (A)	LIBOR Spread	Interest Rate	Maturity Date	Principal Amount	Cost	Market Value
Bank Loans - 1.83%						
Almonde, Inc.	7.250%	8.250%	06/13/25	\$500,000	\$ 505,000	\$ 498,580
Alpine US Bidco LLC	9.000	9.750	04/28/29	628,215	610,855	621,933
Edelman Financial Services	6.750	6.854	06/08/26	128,178	127,812	128,392
Kenan Advantage Group Inc.	7.250	8.000	08/17/27	264,317	259,305	262,996
Magenta Buyer LLC	8.250	9.000	05/03/29	503,333	498,179	498,772
STS Operating, Inc.	8.000	9.000	04/25/26	500,000	505,000	486,250
Front Line Power Construction LLC	2.500	13.500	11/01/28	250,000	241,864	242,500
Syncsort Incorporated	7.250	8.000	04/23/29	222,222	220,645	221,529
Total Bank Loans					2,968,660	2,960,952
Bonds - 0.85%						
Genesis Energy LP		6.500	10/01/25	337,000	323,788	332,787
Hecla Mining Company		7.250	02/15/28	500,000	475,343	535,625
Triumph Group, Inc.		7.750	08/15/25	500,000	502,481	496,250
Total Bonds					1,301,612	1,364,662
Common Stock - 0.03%						
Tourmaline Oil Corp				42,397	-	33,565
Front Line Power Construction LLC				3,178	8,136	6,960
Total Common Stock					8,136	40,525
Total Corporate Public Securities					\$ 4,278,408	\$ 4,366,139
Total Investments		107.46%			\$165,892,494	\$173,099,108
Other Assets		8.62				13,877,376
Liabilities		(16.08)				(25,896,009)
Total Net Assets		100.00%				\$161,080,475

(A) In each of the convertible note, warrant, and common stock investments, the issuer has agreed to provide certain registration rights.

(B) Non-income producing security.

(C) Security valued at fair value using methods determined in good faith by or under the direction of the Board of Trustees.

(D) Defaulted security; interest not accrued.

(E) Illiquid security. As of December 31, 2021 the values of these securities amounted to \$159,889,400 or 99.26% of net assets.

PIK - Payment-in-kind

(F) Held in PI Subsidiary Trust

(G) A portion of these securities contain unfunded commitments. As of December 31, 2021, total unfunded commitments amounted to \$10,941,481 and had unrealized depreciation of \$(826) or (0.00)% 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.

PIK - Payment-in-kind

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Industry Classification:	Fair Value/ Market Value	Fair Value/ Market Value	
AEROSPACE & DEFENSE - 5.73%		CONSUMER CYCLICAL SERVICES - 6.57%	
CTS Engines	\$ 1,341,647	Accelerate Learning	\$ 1,693,396
Dart Buyer, Inc.	1,357,412	LYNX Franchising	2,445,774
Narda-MITEQ (JFL-Narda Partners, LLC)	1,488,667	MeTEOR Education LLC	1,061,267
Sunvair Aerospace Group Inc.	2,304,087	PPC Event Services	1,811,945
Trident Maritime Systems	1,712,063	Prime Security Services, LLC	922,613
Trident TPI Holdings Inc.	522,500	ROI Solutions	1,058,290
Triumph Group, Inc.	496,250	Turnberry Solutions, Inc.	1,600,926
	<u>9,222,626</u>		<u>10,594,211</u>
AIRLINES - 1.44%		CONSUMER PRODUCTS - 2.13%	
American Airlines Inc	616,875	AMS Holding LLC	238,597
Echo Logistics	1,695,617	Blue Wave Products, Inc.	157,514
	<u>2,312,492</u>	Elite Sportswear Holding, LLC	-
AUTOMOTIVE - 3.37%		gloProfessional Holdings, Inc.	833,270
Aurora Parts & Accessories LLC	348,144	Handi Quilter Holding Company	630,875
English Color & Supply LLC	2,174,401	HHI Group, LLC	500,024
JF Petroleum Group	655,815	Manhattan Beachwear Holding Company	-
Panther BF Aggregator 2 LP	106,000	Master Cutlery LLC	86,810
Truck-Lite	2,149,214	Renovation Brands	987,260
	<u>5,433,574</u>		<u>3,434,350</u>
BROKERAGE, ASSET MANAGERS & EXCHANGES - 1.80%		DIVERSIFIED MANUFACTURING - 6.82%	
The Caprock Group (aka TA/TCG Holdings, LLC)	1,224,632	Advanced Manufacturing Enterprises LLC	-
The Hilb Group, LLC	1,672,379	F G I Equity LLC	724,337
	<u>2,897,011</u>	MNS Engineers, Inc.	1,278,120
BUILDING MATERIALS - 0.98%		Motion Controls Holdings	14,724
Decks Direct	1,316,025	Reelcraft Industries, Inc.	834,179
Wolf-Gordon, Inc.	263,387	Resonetics, LLC	2,231,460
	<u>1,579,412</u>	Safety Products Holdings, Inc.	1,674,775
CHEMICALS - 1.36%		Standard Elevator Systems	930,331
Kano Laboratories LLC	1,114,255	Strahman Holdings Inc.	272,902
Polytex Holdings LLC	1,074,872	The Manitowoc Company, Inc.	526,250
	<u>2,189,127</u>	Therma-Stor Holdings LLC	10,698
		Trystar, Inc.	2,494,906
			<u>10,992,682</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Industry Classification: (Continued)	Fair Value/ Market Value	Fair Value/ Market Value	
ELECTRIC - 1.23%		INDUSTRIAL OTHER - 15.47%	
Dwyer Instruments, Inc.	\$ 859,421	Aftermath, Inc.	\$ 1,699,936
Electric Power Systems International, Inc.	1,117,190	ASPEQ Holdings	1,134,929
	<u>1,976,611</u>	Concept Machine Tool Sales, LLC	595,602
		E.S.P. Associates, P.A.	272,945
ENVIRONMENTAL - 1.08%		Front Line Power Construction LLC	249,460
ENTACT Environmental Services, Inc.	1,002,031	IGL Holdings III Corp.	1,512,191
Northstar Recycling	734,326	IM Analytics Holdings, LLC	850,867
	<u>1,736,357</u>	Industrial Service Solutions	844,535
		Media Recovery, Inc.	488,583
FINANCE COMPANIES - 0.59%		PB Holdings LLC	754,273
Portfolio Group	945,300	Polara (VSC Polara LLC)	899,294
		Specified Air Solutions (dba Madison Indoor Air Solutions)	11,309,713
FINANCIAL OTHER - 0.39%		Stratus Unlimited	846,030
Edelman Financial Services	128,392	STS Operating, Inc.	486,250
National Auto Care	496,027	Tencarva Machinery Company	1,411,569
	<u>624,419</u>	World 50, Inc.	1,565,460
			<u>24,921,637</u>
FOOD & BEVERAGE - 4.17%		MEDIA & ENTERTAINMENT - 4.03%	
Alpine US Bidco LLC	621,933	Advantage Software	32,414
Del Real LLC	1,433,088	BrightSign	1,394,027
PANOS Brands LLC	2,134,156	Cadent, LLC	890,428
Sara Lee Frozen Foods	1,373,324	DistroKid (IVP XII DK Co-Invest, LP)	1,691,897
Westminster Acquisition LLC	12,477	HOP Entertainment LLC	-
Woodland Foods, Inc.	1,145,931	Houghton Mifflin Harcourt	522,500
	<u>6,720,909</u>	Music Reports, Inc.	1,389,750
		Terrier Media Buyer, Inc.	572,808
HEALTHCARE - 6.52%			<u>6,493,824</u>
Cadence, Inc.	854,803	METALS & MINING - 1.52%	
Ellkay	692,953	Cleveland-Cliffs Inc.	374,622
GD Dental Services LLC	55,583	Coronado Finance Pty Ltd.	266,246
Heartland Veterinary Partners	1,568,518	First Quantum Minerals Ltd.	755,087
Home Care Assistance, LLC	835,773	Hecla Mining Company	535,625
Navia Benefit Solutions, Inc.	1,165,786	Picou Holdings LLC	512,500
Office Ally (OA TOPCO, LP)	851,480		<u>2,444,080</u>
RedSail Technologies	1,643,455		
TherOX, Inc.	-		
Touchstone Health Partnership	-		
UroGPO, LLC	2,316,667		
Verscend Holding Corp	512,337		
	<u>10,497,355</u>		

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**December 31, 2021**

Industry Classification: (Continued)	<u>Fair Value/ Market Value</u>	<u>Fair Value/ Market Value</u>
MIDSTREAM - 0.21%		
Genesis Energy LP	\$ 332,787	EFI Productivity Software
		Follett School Solutions
OIL FIELD SERVICES - 0.34%		GraphPad Software, Inc.
Neptune Energy Bondco PLC	510,625	Magenta Buyer LLC
Petroplex Inv Holdings LLC	9,958	Options Technology Ltd
Tourmaline Oil Corp	33,565	Recovery Point Systems, Inc.
	<u>554,148</u>	REVSpring, Inc.
		RPX Corp
PACKAGING - 1.47%		Ruffalo Noel Levitz
ASC Holdings, Inc.	769,174	Sandvine Corporation
Brown Machine LLC	854,448	Scaled Agile, Inc.
BWAY Holding Company	751,901	Smart Bear
	<u>2,375,523</u>	Smartling, Inc.
		Springbrook Software
PAPER - 0.94%		Stackline
Dunn Paper	1,512,825	Syncsort Incorporated
		Syntax Systems Ltd
PROPERTY & CASUALTY - 0.89%		Transit Technologies LLC
Pearl Holding Group	1,438,435	U.S. Legal Support, Inc.
		VitalSource
REFINING - 0.50%		
CVR Energy Inc.	480,000	
MES Partners, Inc.	19,604	
Tristar Global Energy Solutions, Inc.	301,226	
	<u>800,830</u>	
TECHNOLOGY - 27.59%		TRANSPORTATION SERVICES - 10.36%
1WorldSync, Inc.	2,434,019	AIT Worldwide Logistics, Inc.
Almonde, Inc.	498,580	BDP International, Inc.
Amtech Software	525,455	eShipping
Audio Precision	1,746,000	FragilePAK
Best Lawyers (Azalea Investment Holdings, LLC)	1,359,653	Omni Logistics, LLC
CAi Software	2,214,254	Pegasus Transtech Corporation
Cash Flow Management	892,600	Rock-it Cargo
Claritas Holdings, Inc.	1,543,682	SEKO Worldwide, LLC
CloudWave	1,669,689	VP Holding Company
Command Alkon	2,107,678	Kenan Advantage Group Inc.
CommScope Finance LLC	513,845	
Diebold Nixdorf	376,860	
		<u>16,631,289</u>
		Total Investments - 107.46%
		(Cost -\$165,892,494)
		<u>\$173,099,108</u>

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. History

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

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

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

2. Significant Accounting Policies

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

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

A. Fair Value Measurements:

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

orderly transaction between willing market participants at the measurement date.

Determination of Fair Value

The determination of the fair value of the Trust's investments is the responsibility of the Trust's Board of Trustees (the "Trustees"). The Trustees have adopted procedures for the valuation of the Trust's securities and have delegated responsibility for applying those procedures to Barings. Barings has established a Pricing Committee which is responsible for setting the guidelines used in following the procedures adopted by the Trustees ensuring that those guidelines are being followed. Barings considers all relevant factors that are reasonably available, through either public information or information available to Barings, when determining the fair value of a security. The Trustees meet at least once each quarter to approve the value of the Trust's portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or of Barings. In approving valuations, the Trustees will consider reports by Barings analyzing each portfolio security in accordance with the procedures and guidelines referred to above, which include the relevant factors referred to below. Barings has agreed to provide such reports to the Trust at least quarterly. The consolidated financial statements include private placement restricted securities valued at \$159,889,400 (99.26% of net assets) as of December 31, 2021 the values of which have been estimated by the Trustees based on the process described above in the absence of readily ascertainable market values. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Independent Valuation Process

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

The Trust uses external independent third-party pricing services to determine the fair values of its Corporate Public Securities. At December 31, 2021, 100% of the carrying value of these investments was from external pricing services. In the event that the primary pricing service does not provide a price, the Trust utilizes the pricing provided by a secondary pricing service.

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

Short-Term Securities

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

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

New Accounting Pronouncement

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

Fair Value Hierarchy

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

Level 1 – quoted prices in active markets for identical securities

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes the levels in the fair value hierarchy into which the Trust's financial instruments are categorized as of December 31, 2021.

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, 2021 are as follows:

Assets:	Total	Level 1	Level 2	Level 3
Restricted Securities				
Corporate Bonds	\$ 18,392,813	\$ -	\$ 8,843,569	\$ 9,549,244
Bank Loans	130,187,625	-	-	130,187,625
Common Stock - U.S.	1,257,986	-	-	1,257,986
Preferred Stock	1,608,973	-	-	1,608,973
Partnerships and LLCs	17,285,572	-	-	17,285,572
Public Securities				
Bank Loans	2,960,952	-	1,833,524	1,127,428
Corporate Bonds	1,364,662	-	1,364,662	-
Common Stock - U.S.	40,525	6,960	-	33,565
Total	\$173,099,108	\$6,960	\$12,041,755	\$161,050,393

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

Quantitative Information about Level 3 Fair Value Measurements

The following table represents quantitative information about Level 3 fair value measurements as of December 31, 2021.

	Fair Value	Valuation Technique	Unobservable Inputs	Range	Weighted*
Bank Loans	\$ 93,204,798	Income Approach	Implied Spread	8.1% - 8.7%	8.4%
Corporate Bonds	\$ 9,549,244	Income Approach	Implied Spread	10.6% - 21.5%	13.7%
Equity Securities**	\$ 19,532,074	Enterprise Value Waterfall Approach	Valuation Multiple	5.0x to 54.0x	13.8x

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 \$38,764,277 have been excluded from the preceding table.

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

** Including partnerships and LLC's

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

Assets:	Beginning balance at 12/31/2020	Included in earnings	Purchases	Sales	Prepayments	Transfers into Level 3	Transfers out of Level 3	Ending balance at 12/31/2021
Restricted Securities								
Corporate Bonds	\$ 18,359,723	\$ (633,149)	\$ 2,006,817	\$ (6,515,425)	\$ (3,668,722)	\$ -	\$ -	\$ 9,549,244
Bank Loans	88,124,979	2,655,767	69,406,202	-	(33,136,414)	3,137,091	-	130,187,625
Common Stock - U.S.	2,767,599	1,112,590	42,079	(2,693,542)	-	29,260	-	1,257,986
Preferred Stock	2,252,826	60,714	354,332	(1,058,899)	-	-	-	1,608,973
Partnerships and LLCs	8,261,019	12,468,063	3,154,718	(6,598,228)	-	-	-	17,285,572
Public Securities								
Bank Loans	1,137,471	104,680	1,608,171	-	(1,618,781)	398,591	(502,704)	1,127,428
Common Stock - U.S.	-	33,565	-	-	-	-	-	33,565
Corporate Bonds	-	-	-	-	-	-	-	-
	\$120,903,617	\$15,802,230	\$76,572,319	\$(16,866,094)	\$(38,423,917)	\$3,564,942	\$(502,704)	\$161,050,393

* For the year ended December 31, 2021, transfers into and out of Level 3 were the result of changes in the observability of significant inputs for certain portfolio companies.

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

	Net Increase in Net Assets Resulting from Operations	Change in Unrealized Appreciation in Net Assets from assets still held
Interest Income (OID Amortization)	\$ 420,144	\$ -
Net realized gain on investments before taxes	5,162,872	-
Net change in unrealized appreciation of investments before taxes	10,219,214	11,641,663

B. Accounting for Investments:

Investment Income

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

determined that interest is no longer considered collectible. As of December 31, 2021, the fair value of the Trust's nonaccrual assets was \$4,354,740, or 2.5% of the total fair value of the Trust's portfolio, and the cost of the Trust's nonaccrual assets was \$6,521,502, or 3.9% 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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, 2021, 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, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

D. Federal Income Taxes:

The Trust has elected to be taxed as a “regulated investment company” under the Internal Revenue Code, and intends to maintain this qualification and to distribute substantially all of its net taxable income to its shareholders. In any year when net long-term capital gains are realized by the Trust, management, after evaluating the prevailing economic conditions, will recommend that Trustees either designate the net realized long-term gains as undistributed and pay the federal capital gains taxes thereon, or distribute all or a portion of such net gains. For the year ended December 31, 2021, the Trust incurred \$810,000 of tax as a result of retained capital gains.

The Trust is taxed as a regulated investment company and is therefore limited as to the amount of non-qualified income that it may receive as the result of

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

Net investment income and net realized gains or losses of the Trust as presented under U.S. GAAP may differ from distributable taxable earnings due to earnings from the PI Subsidiary Trust as well as certain permanent and temporary differences in the recognition of income and realized gains or losses on certain investments. In accordance with U.S. GAAP, the Trust has made reclassifications among its capital accounts. These reclassifications are intended to adjust the components of the Trust’s net assets to reflect the tax character of permanent book/tax differences and have no impact on the net assets or net asset value of the Trust. As of December 31, 2021, the Trust made reclassifications to increase or (decrease) the components of net assets detailed below:

Paid-in Capital	Total Distributable Earnings	Retained Capital Gains
2,899,782	710,184	(3,609,966)

The Trusts’ current income tax expense as shown on the Statement of Operations included excise tax expense of \$247,154 and income tax expense related to realized gains on investments of 963,279. The 963,279 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 \$152,575 and \$704 of 2020 tax return payments.

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 \$865,130 of taxable income as of December 31, 2021.

On March 27, 2020 President Trump signed into law H.R. 748, the CARES Act. Included in the CARES Act is a provision allowing for a five year carryback of net operating losses generated in tax years beginning

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

after December 31, 2017 and beginning before January 1, 2021. As a result of the application of the CARES Act, the PI Subsidiary Trust carried back \$257,221 of net operating losses generated in tax year 2020 resulting in an \$87,455 refund from taxes paid in tax year 2015.

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

Income tax expense (benefit)

Current:		
Federal	\$ 94,222	
State	58,353	
Total current	<u>152,575</u>	
Deferred:		
Federal	\$159,821	
State	64,495	
Total deferred	<u>224,316</u>	
Total income tax expense from continuing operations	<u>\$376,891</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, 2021, the PI Subsidiary Trust had \$224,316 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, 2021 were as follows:

Deferred tax assets/(liabilities):

Net operating loss carryover	\$ 69,732
General business credit carryforward	568
Total deferred tax assets	<u>69,300</u>
Less valuation allowance	<u>-</u>
Net deferred tax asset	<u>69,300</u>
Unrealized loss on investments	<u>(293,616)</u>
Total deferred tax liabilities	<u>(293,616)</u>
Net deferred tax liability	<u>\$(224,316)</u>

The PI Subsidiary Trust has valuation allowances of \$0 and \$121,227 as of December 31, 2021 and 2020, respectively. The 2020 valuation allowance was released during 2021 as management believes it is more than likely that 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 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, 2021.

A reconciliation of the differences between the PI Subsidiary Trust's income tax expense and the amount computed by applying the prevailing U.S. federal tax rate to pretax income for the year ended December 31, 2021 is as follows:

	<u>Amount</u>	<u>Percentage</u>
Provision for income at the U.S. federal rate	\$ 360,907	21.00%
State tax, net of federal effect	85,491	4.97%
Change in valuation allowance	(121,227)	(7.05)%
True-up	85,159	4.96%
Federal tax carryback	<u>(33,439)</u>	<u>(1.95)%</u>
Income tax expense	<u>\$ 376,891</u>	<u>21.93%</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, in April, July, October, and December. The Trust's net realized capital gain distribution, if any, is declared in December.

The tax basis components of distributable earnings at December 31, 2021 are as follows:

Undistributed Ordinary Income	\$5,725,062
Undistributed Realized Gains	352,296
Net Unrealized Appreciation	5,296,881
Other Temporary Differences/ Subsidiary Trust	4,589,317

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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, 2021:

Tax Cost	\$167,802,235
Tax Unrealized Appreciation	12,359,082
Tax Unrealized Depreciation	(7,062,207)
Net Unrealized Appreciation	5,296,875

The tax character of distributions declared during the years ended December 31, 2020 and 2021 was as follows:

Distributions paid from:	<u>2021</u>	<u>2020</u>
Ordinary Income	\$8,481,360	\$8,481,360

3. Investment Advisory and Administrative Services Contract

A. Services:

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

B. Fee:

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

4. Borrowings

Senior Secured Indebtedness

MassMutual holds the Trust's \$15,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust

on December 13, 2011. The Note is due December 13, 2023 and accrues interest at 4.09% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the year ended December 31, 2021, the Trust incurred total interest expense on the Note of \$613,500.

The Trust may redeem the Note, in whole or in part, at the principal amount proposed to be redeemed together with the accrued and unpaid interest thereon through the redemption date plus the Make Whole Premium. The Make Whole Premium equals the excess of (i) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at the rate of interest of U.S. Treasury obligations whose maturity approximates that of the Note plus 0.50% over (ii) the principal of the Note proposed to be redeemed.

Management estimates that the fair value of the Note was \$15,691,530 as of December 31, 2021. The fair value measurement of the Note would be categorized as a Level 3 under ASC 820.

Credit Facility

On July 22, 2021 (the "Effective Date"), 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 plus 2.25%. The Trust will also be responsible for paying a commitment fee of 0.50% on the unused amount. For purposes of calculating the commitment fee for the period from the Effective Date to the earlier to occur of (x) the date that is 270 days after the Effective Date and (y) the first date on which the aggregate outstanding borrowings is greater than \$7,500,000, the unused amount shall be deemed to be in an amount equal to \$7,500,000. As of December 31, 2021, the Trust had \$6,000,000 of outstanding borrowings on the revolving credit facility. Management estimates that the fair value of the Credit Facility was \$6,000,000 as of December 31, 2021. The fair value measurement of the Credit Facility would be categorized as a Level 3 under ASC 820.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Purchases and Sales of Investments

	For the year ended 12/31/2021	
	Cost of Investments Acquired	Proceeds from Sales or Maturities
Corporate restricted securities	\$74,600,690	\$58,557,232
Corporate public securities	3,297,986	7,554,607

6. Risks

Investment Risks

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

Impacts of COVID-19

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

LIBOR

The United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and

financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. The transition process might lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments held by a fund and reduce the effectiveness of new hedges placed against existing LIBOR-based investments. While some LIBOR-based instruments contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

7. Commitments and Contingencies

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

At December 31, 2021, the Trust had the following unfunded commitments:

Delayed Draw Term Loans:

<u>Investment</u>	<u>Unfunded Amount</u>	<u>Unfunded Value</u>
Amtech Software	\$ 363,636	\$ 363,437
Best Lawyers	221,154	221,089
Command Alkon	436,013	435,845
Dart Buyer, Inc	281,175	260,886
Dwyer Instruments, Inc.	131,579	132,829
Electric Power Systems International Inc	113,921	114,224
eShipping	293,035	292,883
FragilePAK	539,063	540,509
Heartland Veterinary Partners	113,357	113,207
IGL Holdings III Corp.	182,733	185,851
Kano Laboratories LLC	569,601	568,010
National Auto Care	392,157	392,099
Navia Benefit Solutions Inc	543,720	549,869
Pearl Holding Group	226,974	226,878
Portfolio Group	238,050	237,721
ROI Solutions, LLC	534,628	542,901
Scaled Agile, Inc	287,170	287,044
SEKO Worldwide, LLC	250,909	252,476
Smartling, Inc.	202,941	202,841
Standard Elevator Systems	613,983	613,785
Stratus Unlimited	172,106	176,675
Syntax Systems Ltd	193,308	193,259
Tencarva Machinery Company	233,555	233,532
The Caprock Group	360,424	360,391
Transit Technologies LLC	240,095	236,950
Truck-Lite Co., LLC	300,786	300,662
	<u>\$8,036,073</u>	<u>\$8,035,851</u>

Revolvers:

<u>Investment</u>	<u>Unfunded Amount</u>	<u>Unfunded Value</u>
Amtech Software	\$ 90,909	\$ 90,859
Best Lawyers	110,577	110,544
BrightSign	134,202	134,157
CAi Software	235,746	235,711
Cash Flow Management	74,627	74,624
Decks Direct	376,364	376,351
EFI Productivity Software	73,012	73,012
eShipping	141,634	141,545
Narda-MITEQ	207,682	207,652
National Auto Care	98,039	98,025
Office Ally	133,124	133,112
Polara	108,266	108,237
Scaled Agile, Inc	231,716	231,683
Smartling, Inc.	101,471	101,420
Standard Elevator Systems	146,186	146,146
Syntax Systems Ltd	56,896	56,861
Tencarva Machinery Company	297,534	297,506
The Caprock Group	105,981	105,973
Woodland Foods, Inc.	181,442	181,386
	<u>\$ 2,905,409</u>	<u>\$ 2,904,804</u>
Total Unfunded Commitments	<u>\$10,941,481</u>	<u>\$10,940,655</u>

As of December 31, 2021 unfunded commitments had unrealized depreciation of \$(826) or (0.00)% of net assets.

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

For the year ended December 31, 2021, the Trust paid its Trustees aggregate remuneration of \$273,025, including compensation to Mr. Joyal (who retired as a Trustee effective April 23, 2021). During the year, the Trust did not pay any compensation to Mr. Noreen or to Mr. Lloyd (who was elected a Trustee effective April 23, 2021). Each of Messrs. Joyal, Noreen is an "interested person" and Lloyd (as defined by the 1940 Act) of the Trust.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

All of the Trust's officers are employees of Barings or MassMutual. Pursuant to the Contract, the Trust does not compensate its officers who are employees of Barings or MassMutual (except for the Chief Compliance Officer of the Trust unless assumed by Barings). For the year ended December 31, 2021, Barings paid the compensation of the Chief Compliance Officer of the Trust.

Mr. Noreen is an "affiliated person" (as defined by the 1940 Act) of MassMutual and Barings. Mr. Lloyd 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)

	<u>March 31, 2021</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$2,742,160	
Net investment income	2,059,266	\$ 0.19
Net realized and unrealized gain on investments (net of taxes)	4,123,347	0.39
	<u>June 30, 2021</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$2,799,993	
Net investment income	2,108,892	\$ 0.20
Net realized and unrealized gain on investments (net of taxes)	4,093,744	0.39
	<u>September 30, 2021</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$2,798,220	
Net investment income	2,079,446	\$ 0.20
Net realized and unrealized gain on investments (net of taxes)	7,997,029	0.75
	<u>December 31, 2021</u>	
	<u>Amount</u>	<u>Per Share</u>
Investment income	\$3,959,212	
Net investment income (net of taxes)	2,941,038	\$ 0.28
Net realized and unrealized loss on investments (net of taxes)	(18,306)	(0.00)

11. Subsequent Events

The Trust has evaluated the possibility of subsequent events after the balance sheet date of December 31, 2021, through the date that the financial statements are issued. The Trust has determined that there are no material events that would require recognition or disclosure in this report through this date.



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities of Barings Participation Investors and subsidiary (collectively, the "Trust"), including the consolidated schedule of investments, as of December 31, 2021, the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the "consolidated financial statements") and the consolidated selected financial highlights (the "consolidated financial highlights") for each of the years in the five-year period then ended. In our opinion, the consolidated financial statements and consolidated financial highlights present fairly, in all material respects, the financial position of the Trust as of December 31, 2021, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and consolidated financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements and consolidated financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements and consolidated financial highlights. Such procedures also included confirmation of securities owned as of December 31, 2021, by correspondence with custodians and agent banks, or by other appropriate auditing procedures when replies from agent banks were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and consolidated financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

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

New York, New York
March 1, 2022

INTERESTED TRUSTEES

Name (Age), Address	Position(s) With the Trust(s)	Office Term and Length of Time Served	Principal Occupations During Past 5 years	Portfolios Overseen in Fund Complex	Other Directorships Held By Director
Clifford M. Noreen* (64) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee, Chairman	Term expires 2024; Trustee since 2009	Head of Global Investment Strategy (since 2019), Deputy Chief Investment Officer and Managing Director (2016-2018), MassMutual; President (2008-2016), Vice Chairman (2007-2008), Member of the Board of Managers (2006-2016), Managing Director (2000-2016), Barings; President (2005-2009), Vice President (1993-2005) of the Trusts.	111	Chairman and Trustee (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 MassMutual); Trustee (since 2021), MML Series Investment Funds (open-end investment company advised by MassMutual); Trustee (since 2021) MML Series Investment Funds II (open-end investment company advised by MassMutual); Trustee (since 2021), MassMutual Premier Funds (open-end investment company advised by MassMutual); 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).

* 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
Eric J. Lloyd* (53) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2022; Trustee since 2021	President (since 2021), Global Head of Private Assets (2013-2021), Barings.	5	Trustee (since 2021), Barings Corporate Investors; Chief Executive Officer and Director (since 2018), Barings BDC, Inc. (business development company advised by Barings); Director (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); and Director (since 2021), Barings Private Credit Corporation (business development company advised by Barings).

* Mr. Lloyd 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
Michael H. Brown (64) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2023; 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).
Barbara M. Ginader (65) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2023; 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).
Edward P. Grace III (71) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Term expires 2024; Trustee since 2012	President (since 1997), Phelps Grace International, Inc. (investment management); Managing Director (1998-2018), Grace Venture Partners LP (venture capital fund); Senior Advisor (2011-2017), Angelo Gordon & Co. (investment adviser).	2	Trustee (since 2012), Barings Corporate Investors; Director (since 2012), Benihana, Inc. (restaurant chain); Director (2011-2018), Firebirds Wood Fired Holding Corporation (restaurant chain); Director (2010-2017), Larkburger, Inc. (restaurant chain); Director (since 1998), Shawmut Design and Construction (construction management and general contracting firm).
Susan B. Sweeney (69) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee/ Nominee	Term expires 2022; Trustee since 2012	Retired (since 2014); Senior Vice President and Chief Investment Officer (2010-2014), Selective Insurance Company of America; Senior Managing Director (2008-2010), Ironwood Capital.	111	Trustee (since 2012), Barings Corporate Investors; Trustee (since 2009), MassMutual Select Funds (open-end investment company advised by MassMutual); Trustee (since 2009), MML Series Investment Funds (open-end investment company advised by MassMutual); Trustee (since 2012) MML Series Investment Funds II (open-end investment company advised by MassMutual); Trustee (since 2012), MassMutual Premier Funds (open-end investment company advised by MassMutual).

INDEPENDENT TRUSTEES

Name (Age), Address	Position(s) With the Trust(s)	Office Term and Length of Time Served	Principal Occupations During Past 5 years	Portfolios Overseen in Fund Complex	Other Directorships Held By Director
<p>Maleyne M. Syracuse (65) 300 South Tryon Street Suite 2500 Charlotte, NC 28202</p>	Trustee	Term expires 2023; Trustee since 2007	Private Investor (since 2007); Managing Director (2000-2007), JP Morgan Securities, Inc. (investment banking); Managing Director (1999-2000), Deutsche Bank Securities (investment banking); Managing Director (1981-1999), Bankers Trust/BT Securities (investment banking).	2	Trustee (since 2007), Barings Corporate Investors; Member of the Board of Directors (since 1998) and President of the Board (since 2002), Peters Valley School of Craft (non-profit arts organization); Member of the Board of Directors (since 2014) and Treasurer (since 2017), Charles Lawrence Keith & Clara Miller Foundation (non-profit philanthropic foundation).

OFFICERS OF THE TRUST

Name (Age), Address	Position(s) With the Trust(s)	Time Served	Principal Occupation(s) During the Past 5 Years
Christina Emery (48) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	President	Since 2020	Managing Director (since 2011), Director (2005-2011), Barings; President (since 2020), Vice President (2018-2020), Barings Corporate Investors; Trustee (since 2020), President (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Member of the Investment Committee (since 2018), Tower Square Capital Partners II/III/IV; and Member of the Investment Committee and Principal (since 2020), Barings Small Business Fund.
Jonathan Bock (40) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Financial Officer	Since 2020	Managing Director (since 2018), Barings; Chief Financial Officer (since 2020) Barings Corporate Investors, Trustee (since 2020), Treasurer (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Chief Financial Officer (since 2018), Barings BDC, Inc. (business development company advised by Barings); Chief Financial Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); President & Co-Chief Executive Officer (since 2021), Barings Private Credit Corporation (business development company advised by Barings); and Managing Director (2011-2018), Wells Fargo.
Jill Dinerman (45) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Legal Officer	Since 2020	Global Head of Legal and General Counsel (since 2020), Managing Director (since 2016), Associate General Counsel and Corporate Secretary (2018-2020), Senior Counsel (2016-2018), Counsel and Director (2011-2016), Barings; Chief Legal Officer (since 2020), Assistant Secretary (2019-2020), Barings Corporate Investors; Vice President (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Vice President and Chief Legal Officer (since 2020), Secretary (2020-2021), Assistant Secretary (2019-2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Chief Legal Officer (since 2020), Assistant Secretary (2019-2020), Barings BDC, Inc. (business development company advised by Barings); Chief Legal Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Chief Legal Officer (since 2021), Barings Private Credit Corporation (business development company advised by Barings); Secretary (since 2018), Barings Securities LLC; Chief Legal Officer (since 2020), Barings BDC Finance I LLC; Chief Legal Officer (since 2020), Barings BDC Senior Fund I LLC; Non-Executive Director (since 2018), Baring International Investments Limited; Non-Executive Director (since 2021), Baring Asset Management Limited; Non-Executive Director (since 2021), Baring Investment Services Limited; Non-Executive Director (since 2021), Barings (U.K.) Limited; Non-Executive Director (since 2021), Barings Europe Limited; and Vice President, Secretary and Chief Legal Officer (2020-2021), Assistant Secretary (2019-2020), Barings Funds Trust (open-end Investment company advised by Barings).

OFFICERS OF THE TRUST

Name (Age), Address	Position(s) With the Trust(s)	Time Served	Principal Occupation(s) During the Past 5 Years
Michael Cowart (39) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Compliance Officer	Since 2020	Managing Director (since 2021), Director (2018-2021), Barings; Chief Compliance Officer (since 2020), Barings Corporate Investors; Chief Compliance Officer (since 2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Chief Compliance Officer (since 2020), Barings BDC, Inc. (business development company advised by Barings); Chief Compliance Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Chief Compliance Officer (since 2021), Barings Private Credit Corporation (business development company advised by Barings); Chief Compliance Officer (since 2019), Barings Securities LLC; Chief Compliance Officer (2020-2021), Barings Funds Trust (open-end investment company advised by Barings); and Assistant General Counsel (2016-2018), LPL Financial (independent broker-dealer).
Elizabeth Murray (44) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Principal Accounting Officer	Since 2020	Managing Director (since 2020), Director (2018-2020), Barings; Principal Accounting Officer (since 2020), Barings Corporate Investors; Controller (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Treasurer (since 2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Principal Accounting Officer (since 2020), Director of External Reporting (2018-2020), Barings BDC, Inc. (business development company advised by Barings); Principal Accounting Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Principal Accounting Officer (since 2021), Barings Private Credit Corporation (business development company advised by Barings); Treasurer (2020-2021), Barings Funds Trust (open-end investment company advised by Barings); and Vice President of Financial Reporting (2012-2018), Barings BDC, Inc. (f/k/a Triangle Capital Corporation).
Christopher Hanscom (39) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Treasurer	Since 2017	Director (since 2018), Associate Director (2015-2018), Analyst (2005-2015), Barings; Treasurer (since 2017), Barings Corporate Investors; Assistant Controller (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; and Treasurer (since 2021), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings).
Ashlee Steinnerd (40) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Secretary	Since 2020	Head of Regulatory and Registered Funds (since 2021), Director (since 2019), Barings; Secretary (since 2020) Barings Corporate Investors; Secretary (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Secretary (since 2020), Barings BDC, Inc. (business development company advised by Barings); Secretary (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Secretary (since 2021), Barings Private Credit Corporation (business development company advised by Barings); Secretary (since 2021), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); and Senior Counsel (2011-2019), Securities and Exchange Commission.

OFFICERS OF THE TRUST

Name (Age), Address	Position(s) With the Trust(s)	Time Served	Principal Occupation(s) During the Past 5 Years
Alexandra Pacini (29) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Assistant Secretary	Since 2020	Associate Director (since 2021), Analyst (2017-2021), Barings; Assistant Secretary (since 2020), Barings Corporate Investors; Assistant Secretary (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Assistant Secretary (since 2020), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings); Assistant Secretary (since 2020), Barings BDC, Inc. (business development company advised by Barings); Assistant Secretary (since 2021), Barings Capital Investment Corporation (business development company advised by Barings); Assistant Secretary (since 2021), Barings Private Credit Corporation (business development company advised by Barings); and Assistant Secretary (2020-2021), Barings Funds Trust (open-end investment company advised by Barings).
Sean Feeley (54) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Vice President	Since 2011	Managing Director (since 2003), Barings; Vice President (since 2011), Barings Corporate Investors; Vice President (since 2011), CI Subsidiary Trust and PI Subsidiary Trust; President (since 2017), Vice President (2012-2017), Barings Global Short Duration High Yield Fund (closed-end investment company advised by Barings).
Jonathan Landsberg (37) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Vice President	Since 2020	Director (since 2018), Barings; Vice President (since 2020), Barings Corporate Investors; Vice President (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Treasurer (since 2021), Head of Investor Relations (since 2020), Director of Finance (2020-2021), Assistant Director of Finance (2018-2020), Barings BDC, Inc. (business development company advised by Barings); Treasurer (since 2021), Head of Investor Relations (since 2020), Director of Finance (2020-2021), Barings Capital Investment Corporation (business development company advised by Barings); Treasurer and Chief Financial Officer (since 2021), Barings Private Credit Corporation (business development company advised by Barings); Principal (since 2019), Jocassee Partners LLC; Board Member (since 2020), Thompson Rivers LLC; Board Member (since 2021), Banff Partners LP; Board Member (since 2021), Waccamaw River LLC; and Research Analyst (2014-2018), Wells Fargo Securities.

* Officers hold their position with the Trusts until a successor has been duly elected and qualified. Officers are generally elected annually by the Board of each Trust. The officers were last elected on October 27, 2021.

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DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

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

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

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

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

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

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

Members of the Board of Trustees

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

Officers

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

* Member of the Audit Committee



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