



**TAX INFORMATION
DIVIDENDS FOR 2016**

Dear Shareholders:

We are pleased to inform shareholders of Barings Participation Investors (the “Trust”) that a quarterly dividend of \$0.27 per-share was paid on January 13, 2017 to shareholders of record on December 31, 2016.

The January 13, 2017 distribution represents 2016 calendar year dividend for federal income tax purposes and are included on IRS Form 1099-DIV.

The dividends declared and paid during 2016 and the January 13, 2017 dividend resulted in the Trust’s distribution of substantially all of its net investment income for the calendar year 2016. These dividends are included on your IRS Form 1099-DIV for 2016. No portion of the Trust’s distributions is being made out of capital gains.

The following table summarizes, for federal income tax purposes, the cash dividends paid by the Trust for the calendar year 2016:

<u>Record Date</u>	<u>Payment Date</u>	<u>Cash Dividend Per Share</u>	<u>Ordinary Income</u>
5/2/16	5/13/16	\$.27	\$.27
8/1/16	8/12/16	.27	.27
11/7/16	11/18/16	.27	.27
12/31/16	1/13/17	<u>.27</u>	<u>.27</u>
		\$ 1.08	\$ 1.08

The entire \$1.08 per-share cash dividend declared in 2016 is included as ordinary income on your IRS Form 1099-DIV for 2016. Of this amount, approximately \$0.1321 per share represents qualified dividends. For shareholders who are individuals, qualified dividends are taxed as long-term capital gains. Qualified dividends are reported in Box 1b on IRS Form 1099-DIV for 2016. The \$1.08 per-share dividend consists of the following components: \$0.9549 per-share is from net investment income from 2016 and \$0.1251 per share is from undistributed net investment income from 2015. The undistributed net investment income from 2015 was distributed in the May 2016 dividend.

January 2017

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The name Barings Participation Investors is the designation of the Trustees under a Declaration of Trust dated April 7, 1988, as amended from time to time. The name Barings Corporate Investors is the designation of the Trustees under a Declaration of Trust dated September 13, 1985, as amended from time to time. The obligations of such Trusts are not binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trusts Individually, but the Trusts’ assets and property only shall be bound.