

**Barings Global High Yield Credit Strategies Limited**

**Annual Report and Audited Financial Statements  
for the financial year ended 31 December 2018**

Registered Number: 527644

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**Barings Global High Yield Credit Strategies Limited**

**Financial Statements  
for the financial year ended 31 December 2018  
Contents**

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## Barings Global High Yield Credit Strategies Limited

### Directors and Other Information

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#### Directors

Mr. James Cleary (Irish resident, Irish national)\*  
Ms. Barbara Healy (Irish resident, Irish national)\*  
Mr. David Conway (Irish resident, Irish national)\*

#### Registered Office

70 Sir John Rogerson's Quay  
Dublin 2  
D02 R296  
Ireland

#### Investment Manager

Barings LLC  
300 S. Tyron Street  
Suite 2500  
Charlotte  
North Carolina 28202  
United States

#### Sub-Investment Manager

Barings (U.K.) Limited  
20 Old Bailey  
London EC4M 7BF  
United Kingdom

#### Custodian

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
D02 HD32  
Ireland

\* Independent Director

#### Administrator, Registrar and Transfer Agent

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
D02 HD32  
Ireland

#### Independent Auditor

KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
Dublin 1  
D01 F6F5  
Ireland

#### Irish Legal Advisors to the Company

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
D02 R296  
Ireland

#### Company Secretary

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
D02 R296  
Ireland

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## Barings Global High Yield Credit Strategies Limited

### Directors' Report for the financial year ended 31 December 2018 (continued)

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The Directors present their report together with the audited financial statements of Barings Global High Yield Credit Strategies Limited for the financial year ended 31 December 2018.

#### General information

Barings Global High Yield Credit Strategies Limited (the "Company") is a private limited liability company incorporated in Ireland under the registration number 527644. The Company is a subsidiary of Barings Global High Yield Credit Strategies Fund (the "Parent"), which is listed on the Global Exchange Market of Euronext Dublin. In March 2018, Euronext completed the purchase of the Irish Stock Exchange ("ISE") and renamed the ISE as Euronext Dublin. The Parent is a fund of an Irish incorporated umbrella fund, Barings Global Investment Funds 2 Plc, which is the ultimate parent of the Company (the "Ultimate Parent"). As at 31 December 2018, the Company held investments to the value of US\$2,766,671,717 (31 December 2017: US\$2,344,617,656). The Company financed its purchases of investments by way of a loan provided by the Ultimate Parent, on behalf of its fund, the Parent.

#### Business review and future developments

The Statement of Comprehensive Income is set out on page 7. The Directors do not anticipate any change in the structure or investment objectives of the Company.

#### Company objective

The Company's objective is to hold investments on behalf of its Parent.

#### Directors

The Directors who served during the financial year were:

Mr. James Cleary  
Ms. Barbara Healy  
Mr. David Conway

#### Company Secretary

Matsack Trust Limited acted as Company Secretary for the financial year.

#### Directors' and Secretary's interests

Neither the Directors nor the Secretary held any shares in the Company.

Ms. Barbara Healy, Mr. James Cleary and Mr. David Conway are also Directors of the Ultimate Parent.

There were no other contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the financial year.

#### Relevant audit information

As at the date this Directors' Report was approved and signed (set out below), each Director is satisfied that:

- (a) there is no relevant audit information of which the Company's statutory auditors are unaware;
- (b) s/he has taken all the steps that she or he ought to have taken as a Director in order to make herself or himself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information; and
- (c) where "relevant audit information" means information needed by the Company's statutory auditors in connection with preparing their report.

#### Risk management objectives and policies

The principal risks and uncertainties facing the Company are market risk, liquidity risk and credit risk. These are explained in Note 11 of the financial statements along with the risk management framework in place to deal with them.

#### Dividends

No dividends are recommended by the Directors in respect of the financial year ended 31 December 2018 or 31 December 2017.

#### Brexit

Whilst the medium to long-term consequences of the decision to leave the EU remain uncertain in any scenario, there could be short-term volatility which could have a negative impact on general economic conditions, business and consumer confidence in both the UK and EU, which may in turn have negative political, economic and market impacts more widely. The longer-term consequences may be affected by the terms of any future arrangements the UK has with the remaining member states of the EU27. Among other things, the UK's decision to leave the EU could lead to changes in the law and tax treatment of funds, instability in the equity, debt and foreign exchange markets, including volatility in the value of the pound sterling or the euro.

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**Barings Global High Yield Credit Strategies Limited**  
**Directors' Report**  
**for the financial year ended 31 December 2018 (continued)**

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**Accounting records**

The Directors ensure compliance with the Company's obligation to maintain adequate accounting records by appointing competent persons to be responsible for them. The accounting records are kept by State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

**Significant events during the financial year**

Please see Note 18.

**Significant events after the financial year end**

Please see Note 19.

**Independent auditor**

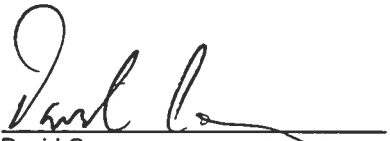
KPMG, Chartered Accountants, will continue in office in accordance with Section 383 (2) of the Companies Act, 2014.

On behalf of the Board of Directors:

Director:

  
\_\_\_\_\_  
James Cleary

Director:

  
\_\_\_\_\_  
David Conway

Date: 23 April 2019

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Barings Global High Yield Credit Strategies Limited

Statement Of Directors' Responsibilities  
for the financial year ended 31 December 2018

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**Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) and applicable law.


Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that financial year. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act, 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act, 2014.

On behalf of the board:

Director:   
James Cleary

Director:   
David Conway

Date: 23 April 2019

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**Barings Global High Yield Credit Strategies Limited**

**Independent Auditor's Report  
for the financial year ended 31 December 2018**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL HIGH YIELD CREDIT STRATEGIES LIMITED**

***1 Report on the audit of the financial statements***

***Opinion***

We have audited the financial statements of Barings Global High Yield Credit Strategies Limited ('the Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***We have nothing to report on going concern***

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report, schedule of investments and the significant changes in portfolio composition other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

***Opinions on other matters prescribed by the Companies Act 2014***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

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**Barings Global High Yield Credit Strategies Limited**  
**Independent Auditor's Report**  
**for the financial year ended 31 December 2018 (continued)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL HIGH YIELD CREDIT STRATEGIES LIMITED (continued)**

***Matters on which we are required to report by exception***

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

***2 Respective responsibilities and restrictions on use***

***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs Ireland will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

  
Jorge Fernandez Revilla  
for and on behalf of  
**KPMG**  
Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
Ireland

23 April 2019



**Barings Global High Yield Credit Strategies Limited**

**Statement of Comprehensive Income  
for the financial year ended to 31 December 2018**

	Note	31 Dec 2018 US\$	31 Dec 2017 US\$
Net gain on financial assets at fair value through profit or loss	6	4,367,913	134,237,740
Net loss on financial liabilities at fair value through profit or loss	13	(4,785,462)	(133,748,422)
<i>Other income/(expense)</i>			
Net gain/(loss) on foreign exchange		1,120,305	(17,519)
<b>Net operating income</b>		<b>702,756</b>	<b>471,799</b>
Hedging fee		(167,161)	(97,229)
Directors' fee	13	(3,956)	(4,727)
Audit and tax reporting fee	5	(80,048)	(48,420)
Miscellaneous fee		(27,312)	(49,545)
Liquidity facility fee		(361,388)	(239,077)
<b>Total operating expenses</b>		<b>(639,865)</b>	<b>(438,998)</b>
Interest expense		(42,116)	(28,203)
Commission on options		(20,489)	(4,298)
<b>Profit before income tax for the financial year</b>		<b>286</b>	<b>300</b>
Tax on ordinary activities	7	(72)	(75)
<b>Profit after tax</b>		<b>214</b>	<b>225</b>

There are no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income. All results are from continuing activities.

The accompanying notes are an integral part of these financial statements.


**Barings Global High Yield Credit Strategies Limited**

**Statement of Financial Position  
as at 31 December 2018**

	Note	31 Dec 2018 US\$	31 Dec 2017 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss:			
- Investments	9,11	2,766,671,717	2,344,617,656
- Forward foreign exchange contracts	9,11	1,225,054	80,415
- Option purchased		10,856,562	3,322,900
Other receivables	4	38,849,384	26,709,674
Receivable for investments sold		35,903,208	19,939,456
Cash and cash equivalents	3	106,233,959	81,247,408
<b>Total assets</b>		<b><u>2,959,739,884</u></b>	<b><u>2,475,917,509</u></b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss:			
- Loan and coupon payable from the Ultimate Parent	9,11,13	(2,893,366,496)	(2,340,913,506)
Financial liabilities held for trading:			
- Forward foreign exchange contracts	9,11	(2,943,075)	(3,933,645)
Payable for investments purchased		(63,370,617)	(131,026,195)
Other payables and accrued expenses	5	(58,475)	(43,156)
<b>Total liabilities</b>		<b><u>(2,959,738,663)</u></b>	<b><u>(2,475,916,502)</u></b>
<b>Net assets</b>		<b><u>1,221</u></b>	<b><u>1,007</u></b>
<b>Equity</b>			
Share capital	8	1	1
Retained earnings		1,220	1,006
<b>Total Equity</b>		<b><u>1,221</u></b>	<b><u>1,007</u></b>

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors:

Director:   
James Cleary

Director:   
David Conway

Date: 23 April 2019

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Barings Global High Yield Credit Strategies Limited

Statement of Changes In Equity  
for the financial year ended 31 December 2018

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Financial year ended 31 December 2018

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at beginning of the financial year	1	1,006	1,007
Profit for the financial year	-	214	214
<b>Balance at end of the financial year</b>	<b>1</b>	<b>1,220</b>	<b>1,221</b>

Financial year ended 31 December 2017

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at beginning of the financial year	1	781	782
Profit for the financial year	-	225	225
<b>Balance at end of the financial year</b>	<b>1</b>	<b>1,006</b>	<b>1,007</b>

The accompanying notes are an integral part of these financial statements.

**Barings Global High Yield Credit Strategies Limited**

**Statement of Cash Flows  
for the financial year ended 31 December 2018**

	<b>31 Dec 2018 US\$</b>	<b>31 Dec 2017 US\$</b>
<b>Operating activities</b>		
Profit after tax	214	225
Adjustments for:		
Net movement in investments	(505,673,391)	(1,145,503,423)
Net movement on derivatives	(9,668,871)	6,128,020
Coupon expense on loan from Ultimate Parent	4,785,462	133,748,422
<b>Operating cash outflows before movements in working capital</b>	<b>(510,556,586)</b>	<b>(1,005,626,756)</b>
Increase in other receivables	(12,139,710)	(9,940,448)
Increase in other payables	15,319	33,237
<b>Net cash outflows from operating activities</b>	<b>(522,680,977)</b>	<b>(1,015,533,967)</b>
<b>Financing activities</b>		
Proceeds of loan from the Ultimate Parent	942,999,307	1,184,917,408
Repayment of loan to the Ultimate Parent	(395,331,780)	(113,347,392)
<b>Net cash inflows from financing activities</b>	<b>547,667,527</b>	<b>1,071,570,016</b>
<b>Net increase in cash and cash equivalents</b>	<b>24,986,550</b>	<b>56,036,049</b>
<b>Cash and cash equivalents at start of the financial year</b>	<b>81,247,409</b>	<b>25,211,359</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>106,233,959</b>	<b>81,247,408</b>
<b>Supplemental information</b>		
Coupon received	174,227,276	106,983,153
Dividend received	836,795	351,081
Tax paid	(75)	(66)

The accompanying notes are an integral part of these financial statements.

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## Barings Global High Yield Credit Strategies Limited

### Notes to the Financial Statements for the financial year ended 31 December 2018

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#### 1. General Information

Barings Global High Yield Credit Strategies Limited (the “Company”) is a limited liability company incorporated in Ireland on 16 May 2013. The Company is a subsidiary of Barings Global High Yield Credit Strategies Fund (the “Parent”), which is listed on the Global Exchange Market of Euronext Dublin. The Parent is a fund of an Irish incorporated umbrella fund, Barings Global Investment Funds 2 Plc, which is the ultimate parent of the Company (the “Ultimate Parent”), which is listed on Euronext Dublin. As at 31 December 2018, the Company held investments to the value of US\$2,768,728,959 (31 December 2017: US\$2,344,617,656). The Company financed its purchases of investments by way of a loan provided by the Ultimate Parent, on behalf of its fund, the Parent.

The Company is managed by Barings International Fund Managers (Ireland) Limited. Barings Asset Management Limited and Barings LLC act as Investment Manager to the Company. The following notes refer to the Investment Managers but does not distinguish between them.

#### 2. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and the Companies Act, 2014 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets, financial liabilities and derivative financial instruments at fair value through profit or loss.

The financial statements are presented in US Dollars (“US\$”) and rounded to the nearest US\$.

This is the first set of the Company’s annual financial statements in which IFRS 9 Financial Instruments has been applied. Changes to significant accounting policies are described in Note 2a.

Details of the Company’s accounting policies are included in Note 2b.

##### 2a. Changes in significant accounting policies

The Company has initially applied IFRS 9 from 1 January 2018. IFRS 15 Revenue from Contracts with Customers is also effective from 1 January 2018 but does not have a material effect on the Company’s financial statements.

As permitted by the transition provisions of IFRS 9, comparative information throughout these financial statements has not been restated to reflect the requirements of the standard.

Except for the changes below, the Company has consistently applied the accounting policies as set out in Note 2b to all periods presented in these financial statements.

##### IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require:

- Impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under IAS 39, impairment was recognised when losses were incurred. The Company has no such losses to report.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: *Disclosures*, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

The adoption of IFRS 9 had no material impact on the net assets of the Company.

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**2a. Changes in significant accounting policies (continued)**

**(a) Classification and measurement of financial assets and financial liabilities**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note 2b.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

<b>Financial assets</b>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>
Equity investments	Designated at FVTPL	FVTPL
Loans*	Designated at FVTPL	Mandatorily at FVTPL
Debt securities*	Designated at FVTPL	Mandatorily at FVTPL
Derivative financial instruments	Held-for-trading	Mandatorily at FVTPL
Other receivables	Loans and receivables	Amortised cost
Receivable for investments sold	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost

\*Under IAS 39, these financial assets were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.

<b>Financial liabilities</b>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>
Loan from Ultimate Parent*	Designated at FVTPL	Designated at FVTPL
Coupon payable on loan from Ultimate Parent*	Designated at FVTPL	Designated at FVTPL
Derivative financial instruments	Held-for-trading	Held-for-trading
Payable for investments purchased	Amortised cost	Amortised cost
Other payables and accrued expenses	Amortised cost	Amortised cost

\*Loans from the Ultimate Parent and coupon payable on loan from Ultimate Parent are recorded at fair value and are classified as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch.

**(b) Impairment of financial assets**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**2a. Changes in significant accounting policies (continued)**

**(c) Transition**

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

- Comparative periods have not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in net assets as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9, but rather those of IAS 39. There is no material impact to the financial statements as a result of this.
- The Company has used the exemption not to restate comparative periods. The amendments made by IFRS 9 to IAS 1 introduced the requirement to present 'interest income calculated using the effective interest method' as a separate line item in the statement of comprehensive income. No reclassifications are required as in both years interest income is included within net gain on financial assets at FVTPL.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

**2b. Significant accounting policies**

**(a) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted**

IFRS 16 "Leases" was issued in January 2016 and will become effective for period beginning on or after 1 January 2019. The new standard is not expected to have any impact on the Company's financial position, performance or disclosures in its financial statements.

IFRS 17 "Insurance Contracts" was issued in May 2017 and will become effective for accounting periods beginning on or after 1 January 2021. It applies to: insurance contracts, including reinsurance contracts, issued by an entity; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as 'a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'. The new standard is not expected to have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

**(b) Foreign currency translation**

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US\$ at the foreign currency closing exchange rate ruling at the financial year end date.

Foreign currency exchange differences relating to derivative financial instruments are included in realised gain/(loss) on derivatives or unrealised gain/(loss) on derivatives in the Statement of Comprehensive Income. Foreign exchange gains/(losses) on financial assets at fair value through profit or loss are included in realised gain/(loss) on investments or unrealised gain/(loss) on investments in the Statement of Comprehensive Income. Other foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are included in the net gain/(loss) on foreign exchange in the Statement of Comprehensive Income.

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the functional currency), this is US\$.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**2b. Significant accounting policies (continued)**

**(c) Financial assets and liabilities**

**(i) Recognition and initial measurement**

Financial assets and financial liabilities are initially recognised at fair value through profit or loss on the Company's Statement of Financial Position on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised at the date they are originated. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

**(ii) Classification and subsequent measurement**

**(a) Classification of financial assets – Policy applicable from 1 January 2018**

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVPTL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPTL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

All other financial assets of the Company are measured at FVTPL.

*Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held the Company considers all of the relevant information about how the business is managed, including:

- The documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, receivable for investments sold and other receivables. These financial assets are held to collect contractual cash flow.
- Other business model: this includes loans, debt securities, equity investments, investments in unlisted open-ended investment funds and unlisted private equities. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.



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**Barings Global High Yield Credit Strategies Limited**  
**Notes to the Financial Statements**  
**for the financial year ended 31 December 2018 (continued)**

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**2b. Significant accounting policies (continued)**

**(c) Financial assets and liabilities (continued)**

(ii) Classification and subsequent measurement (continued)

(a) Classification of financial assets – Policy applicable from 1 January 2018 (continued)

*Assessment whether contractual cash flows are SPPI*

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features; and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

For a reconciliation of line items in the statement of financial position to the categories of financial instruments, as defined by IFRS 9, see Note 2a.

*Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

(b) Classification of financial assets – Policy applicable before 1 January 2018

The Fund classified financial assets into the following categories.

Financial assets at FVTPL:

- Held for trading: derivative financial instruments
- Designated as at FVTPL: loans, debt securities, equity investments, investments in unlisted open-ended investment funds, unlisted private equities.

Financial assets at amortised cost:

- Loans and receivables: cash and cash equivalents, receivable for investments sold and other receivables.

A financial asset was classified as held-for-trading if:

- It was acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition, it was part of a portfolio that was managed together and for which there was evidence of a recent pattern of short-term profit taking; or
- It was a derivative, other than a designated and effective hedging instrument.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**2b. Significant accounting policies (continued)**

**(c) Financial assets and liabilities (continued)**

(ii) Classification and subsequent measurement (continued)

(b) Classification of financial assets – Policy applicable before 1 January 2018 (continued)

The Company designated all debt and equity investments as at FVTPL on initial recognition because it managed these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities were on a fair value basis.

A non-derivative financial asset with fixed or determinable payments could be classified as a loan and receivable unless it was quoted in an active market or was an asset for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

For a reconciliation of line items in the statement of financial position to the categories of financial instruments, as defined by IAS 39, see Note 2a.

(c) Subsequent measurement of financial assets

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognised in profit or loss in 'Net change in financial assets at fair value through profit or loss' in the statement of comprehensive income.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'Interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'Net gain/loss on foreign exchange' and impairment would be recognised in 'impairment losses on financial instruments' in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

Cash and cash equivalents, receivable for investments sold and other receivables are included in this category.

(d) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Loan from the Ultimate Parent and coupon payable on loan from the Ultimate Parent are recorded at fair value and are classified as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

- This includes loan from ultimate parent and coupon payable on loan from Ultimate Parent.
- Held-for-trading: derivative financial instruments

Financial liabilities at amortised cost:

- This includes payable for investments purchased, other payables and accrued expenses.

(iii) Fair value measurement principles

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access to at that date. The fair value of a liability reflects its non-performance risk.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**2b. Significant accounting policies (continued)**

**(c) Financial assets and liabilities (continued)**

**(iii) Fair value measurement principles (continued)**

Financial assets and financial liabilities are priced at current mid prices. However, this does not impact on the profit for this financial year or the comparative financial year as any change is effectively transferred to the Parent, via the loans obtained from the Ultimate Parent. Under the loan agreement, all of the Company's profit or loss (except for a yearly profit of €1,000) is incorporated into the value of the outstanding loan. Accordingly any additional gains or losses arising from this pricing methodology change (as disclosed above) will be offset by an equal and opposite adjustment to the coupon payable amount on the loan from the Ultimate Parent.

If a quoted price is not available from a recognised market, or is unrepresentative in the opinion of the Directors or their delegate, such a security shall be valued, by estimating with care and in good faith the probable realisation value of the investment, by the Directors or their delegate or a competent person, which may be the Investment Managers (appointed by the Directors and each approved for the purpose by the Custodian) or valued at the probable realisation value estimated with care and in good faith by any other means, provided that the value is approved by the Custodian.

The value of any security, including debt and equity securities which is not normally quoted, listed or traded on or under the rules of a recognised exchange will be determined in accordance with the above provisions or obtained from an independent pricing source (if available).

The fair value of derivatives that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the Statement of Financial Position date taking into account current market conditions (volatility, appropriate yield curve) and the current creditworthiness of the counterparties.

**(iv) Amortised cost measurement principles**

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

**(v) Impairment**

IFRS 9 requires an impairment assessment to be carried out on its financial assets. The Directors have assessed that impairment does not apply to financial assets classified as fair value through profit or loss. The Directors consider the probability of default to be close to zero, as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised in the financial statements based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

**(vi) Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The Company uses the average cost method to determine realised gains and losses on derecognition. Additional gains or losses arising from this pricing methodology change (as disclosed above) will be offset by an equal and opposite adjustment to the coupon payable amount on the loan from the Ultimate Parent.

**(vii) Forward foreign exchange contracts**

Forward foreign exchange contracts are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. All forward foreign exchange contracts are carried as assets when fair value is positive and as liabilities when fair value is negative. Any changes in fair value are recognised in the Statement of Comprehensive Income.

The fair value of forward foreign exchange contracts that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the financial year end date taking into account current market conditions (volatility, appropriate yield curve) and the current creditworthiness of the counterparties. Specifically, the fair value of a forward foreign exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates on the valuation date. The unrealised gain or loss on open forward foreign exchange contracts is calculated as the difference between the contract price and this forward price.

The best evidence of fair value of a derivative at initial recognition is the transaction price. Subsequent changes in the fair value of any derivative instrument is recognised immediately in the Statement of Comprehensive Income.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**2b. Significant accounting policies (continued)**

**(c) Financial assets and liabilities (continued)**

(viii) Collateralised Loan Obligations ("CLO")

A CLO is a pooled investment vehicle, which invests in a diversified group of loan assets. To finance its investments the vehicle issues bonds/notes to investors. The servicing and repayment of these notes are linked directly to the performance of the underlying assets.

(ix) Collective Investment Schemes ("CIS's")

Financial assets include investments in open-ended investment funds. Fair value is based on the underlying fund administrator's calculation of the net asset value per share as the best approximation of fair value (market value of the fund's assets less liabilities divided by the number of shares) which will be the latest NAV published by the collective investment schemes, taking into account any adjustments that may be required to account for illiquidity, low trading volumes or any such factors that may indicate that the NAV may not be fair value.

The net asset values at 31 December 2018 provided by the administrators of the underlying funds may subsequently be adjusted when audited financial statements for the underlying funds become available. The Board of Directors and the Investment Manager will consider from time to time other factors that may have an impact on the Net Asset Value per share of the underlying funds and may consider adjusting its price to reflect a more appropriate fair value of a collective investment scheme. There have been no such adjustments at 31 December 2018 (2017: nil).

(x) Options

Options are derivative financial instruments that give the buyer, in exchange for a premium payment, the right but not the obligation to either purchase from (call option) or sell to (put option) the writer a specified underlying instrument at a specified price on or before a specified date. Daily fluctuations in the value of the option contract are recorded for financial reporting purposes as unrealised gains or losses by the Funds and are recorded as a realised gain or loss when the position is closed.

The best evidence of fair value of a derivative at initial recognition is the transaction price. Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statement of Comprehensive Income.

(xi) Cash and cash equivalents

Cash comprises of current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(d) Use of estimates**

The preparation of financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information on estimates and judgements used by the Directors are disclosed in Note 9 of the financial statements.

**(e) Interest income and expense**

Interest income and expense is recognised in the Statement of Comprehensive Income as it accrues, using the original effective interest rate calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

**(f) Net gain/(loss) on financial assets at fair value through profit or loss**

A financial asset is classified as at fair value through profit or loss on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any coupon's realised gains/losses or dividend income are recognised in the Statement of Comprehensive Income.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**2b. Significant accounting policies (continued)**

**(g) Net gain/(loss) on financial liabilities at fair value through profit or loss**

Loans from the Ultimate Parent are recorded at fair value and are classified as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch. The coupon expense on the loan from the Ultimate Parent is dependent on the financial performance of the Company and is recognised in the Statement of Comprehensive Income, on an accruals basis.

**(h) Expenses**

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

**(i) Taxation**

Corporation tax is provided on taxable profits at current rates applicable to the Company's activities.

The Company is a Qualifying Company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such, the profits of the Company are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D.

**(j) Receivable for investments sold and payable for investments purchased**

Receivable for investments sold and payable for investments purchased represent amounts receivable and payable respectively, for transactions contracted for but not yet delivered at the end of the financial year. These amounts are recognised initially at fair value and subsequently at amortised cost.

**(m) Revolving credit facility**

The Company has entered into a revolving credit facility with State Street Bank and Trust Company, RBC Bank, ScotiaBank and National Australia Bank Limited. Under this agreement credit facilities may from time to time be made available by State Street Bank and Trust Company to the Company. This is a limited recourse agreement, with recourse being limited to the assets of the Company. There are also security deeds in place between the Company and State Street Bank and Trust Company whereby the Company acts as Guarantor for any credit facilities extended. As at 31 December 2018, there were no amount outstanding on this credit facility (31 December 2017: no amount outstanding). Lines were not drawn through 2018. Interest expense on this facility will be accounted for on an "Effective Interest Rate" basis and will be included within the "finance costs" on the Statement of Comprehensive Income.

**(n) Coupon income and expense**

Coupon income and coupon expense are recognised in the Statement of Comprehensive Income on an accruals basis for all debt instruments and is included within the net gain on financial assets at fair value through profit and loss on the Statement of Comprehensive Income.

**3. Cash and cash equivalents**

Cash and cash equivalents are held with the Custodian, State Street Custodial Services (Ireland) Limited. State Street had a Standard & Poor's credit rating of A as at 31 December 2018 (31 December 2017: A). As at 31 December 2018, the Company held US\$ 106,233,959 (31 December 2017: US\$81,247,408) in cash and cash equivalents.

**4. Other receivables**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>US\$</b>	<b>US\$</b>
Coupon receivable on loan investments	5,969,299	5,825,674
Principal receivable on loan investments	566,543	741,745
Coupon receivable on bonds	32,302,826	20,138,471
Dividend receivable	10,716	3,784
	<u>38,849,384</u>	<u>26,709,674</u>

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**5. Other payables and accrued expenses**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>US\$</b>	<b>US\$</b>
Hedging fee payable	(18,810)	(8,768)
Directors' fees payable	(278)	(517)
Audit and tax reporting fee payable	(7,612)	(4,240)
Miscellaneous payable	(434)	(981)
Liquidity fee payable	(31,341)	(28,650)
	(58,475)	(43,156)

Statutory audit fees charged for the financial year were US\$76,019 (31 December 2017: US\$48,420) of which US\$5,558 (31 December 2017: US\$1,795) was still outstanding as at 31 December 2018. Tax reporting fees charged for the financial year were US\$10,060 (31 December 2017: US\$11,042) of which US\$2,054 (31 December 2017: US\$2,445) was still outstanding as at 31 December 2018.

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>US\$</b>	<b>US\$</b>
Statutory audit	(76,019)	(48,420)
Other assurance services	-	-
Tax advisory and compliance services	(10,060)	(11,042)
Other non-audit services	-	-
Total	(86,079)	(59,462)

**6. Net gain/(loss) on financial assets at fair value through profit or loss**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>US\$</b>	<b>US\$</b>
Coupon income from financial assets at fair value through profit or loss	186,535,255	117,389,467
Dividend income (gross of withholding tax)	843,727	354,865
<i>Income from investments</i>		
- Realised (loss)/gain on investments	(9,094,002)	22,297,010
- Movement in unrealised (loss)/gain on investments	(234,270,486)	31,449,531
- Realised gain/(loss) on derivatives	58,218,210	(27,802,213)
- Movement in unrealised gain/(loss) on derivatives	2,135,209	(9,450,920)
	4,367,913	134,237,740

**7. Taxation**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>US\$</b>	<b>US\$</b>
Current financial year tax	(72)	(75)
Reconciliation of tax charge to profit before tax:		
Profit before tax	286	300
Corporation tax at 25%	(72)	(75)

**8. Share capital**

**Authorised**

The authorised share capital of the Company is €1.

**Issued and fully paid**

The issued and paid up share capital is €1 and it is held by the Custodian.

The sole member of the Company present in person or proxy is a sufficient quorum at a general meeting. The sole member may decide to dispense with the holding of the annual general meeting.

The Company does not have any externally imposed capital requirements.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**9. Fair value hierarchy**

**Valuation of financial assets and liabilities**

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - Quoted market price in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**Valuation Framework**

The Company has an established control framework with respect to measurement of fair values. This framework includes a Valuations Committee which is independent of front office management. Specific controls include:

- Review and approval of valuation methodologies;
- A review and approval process for changes to pricing models;
- Review of unobservable inputs and valuation adjustments;
- Review of independent third party pricing sources; and
- Review of prices where no third party pricing source is available.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The majority of holdings as at 31 December 2018 and 31 December 2017 were broker priced loan holdings and bond holdings through ICE Data Services and were classified as Level 2. Single broker quotes are classified as Level 2 and Level 3 holdings depending on trading and inputs into the price. The Investment Managers independently review the prices received as single broker quotes and ensure that they are in line with expectations. There were no broker prices available for the following securities and as such, these securities have been classified as Level 3.

<b>Security Type</b>	<b>Fair Value 31 Dec 2018 US\$</b>	<b>Fair value 31 Dec 2017 US\$</b>
Bonds	-	4,437,641
CLOs	11,952,785	43,200,695
Equities	18,582,184	12,825,195
Loans	109,373,613	45,191,235
	<b><u>139,908,582</u></b>	<b><u>105,654,766</u></b>

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**9. Fair value hierarchy (continued)**

**Valuation of financial assets and liabilities (continued)**

If a quoted price is not available from a recognised market, or is unrepresentative in the opinion of the Directors or their delegate, such a security shall be valued, by estimating with care and in good faith the probable realisation value of the investment, by the Directors or their delegate or a competent person, which may be one of the Investment Managers (appointed by the Directors and each approved for the purpose by the Custodian) or valued at the probable realisation value estimated with care and in good faith by any other means provided that the value is approved by the Custodian.

Please refer to the schedule of investments for the fair value of investments which were classified as Level 3.

For each class of assets and liabilities not measured at fair value in the Statement of Financial Position but for which fair value is disclosed, IFRS 13 requires the Company to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and inputs used in the technique.

Assets and liabilities not carried at fair value are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents include deposits held with banks and other short-term investments in an active market and they are categorised as Level 1.

Receivable for investments sold and other receivables include the contractual amounts for settlement of trades and other obligations due to the Company. Payable for investments sold and other payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses. All receivable and payable balances are categorised as Level 2.

The majority of investments held by the Company as at 31 December 2018 and 31 December 2017 were classified as Level 2 and were classified as Level 2 since the date of purchase. The loan from the Ultimate Parent and the coupon payable on the loan from the Ultimate Parent is classified as Level 2 since its value is based on the underlying investments, the majority of which are classified as Level 2.

All forward foreign exchange contracts are classified as Level 2 since they are valued using observable inputs but are not quoted in an active market.

The following is a summary of the inputs used as of 31 December 2018 in valuing the Company's financial assets and liabilities carried at fair value:

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total Fair Value US\$</b>
<b>Financial assets</b>				
- Investments	70,151,428	2,556,611,707	139,908,582	2,766,671,717
- Forward foreign exchange contracts	-	1,225,054	-	1,225,054
- Options purchased	10,856,562	-	-	10,856,562
<b>Total financial assets</b>	<b>81,007,990</b>	<b>2,557,836,761</b>	<b>139,908,582</b>	<b>2,778,753,333</b>
<b>Financial liabilities</b>				
- Loan and coupon payable from the Ultimate Parent	-	(2,893,366,496)	-	(2,893,366,496)
- Forward foreign exchange contracts	-	(2,943,075)	-	(2,943,075)
<b>Total financial liabilities</b>	<b>-</b>	<b>(2,896,309,571)</b>	<b>-</b>	<b>(2,896,309,571)</b>



**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**9. Fair value hierarchy (continued)**

**Valuation of financial assets and liabilities (continued)**

The following is a summary of the inputs used as of 31 December 2017 in valuing the Company's financial instruments carried at fair value:

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total Fair Value US\$</b>
<b>Financial assets</b>				
- Investments	6,150,954	2,232,811,936	105,654,766	2,344,617,656
- Forward foreign exchange contracts	-	80,415	-	80,415
- Options purchased	3,322,900	-	-	3,322,900
<b>Total financial assets</b>	<b>9,473,854</b>	<b>2,232,892,351</b>	<b>105,654,766</b>	<b>2,348,020,971</b>
<b>Financial liabilities</b>				
- Loan and coupon payable from the Ultimate Parent	-	(2,340,913,506)	-	(2,340,913,506)
- Forward foreign exchange contracts	-	(3,933,645)	-	(3,933,645)
<b>Total financial liabilities</b>	<b>-</b>	<b>(2,344,847,151)</b>	<b>-</b>	<b>(2,344,847,151)</b>

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the financial year. There were no transfers between Level 1 and Level 2 during the financial year. Transfers between Level 2 and Level 3 are discussed after the Level 3 reconciliation tables below, where relevant.

The following table shows the movement in Level 3 of the fair value hierarchy for the financial year ended 31 December 2018 and 31 December 2017:

	<b>Financial assets at fair value through profit or loss 31 Dec 2018 US\$</b>	<b>Financial assets at fair value through profit or loss 31 Dec 2017 US\$</b>
Opening balance	105,654,766	11,333,045
(Losses)/Gains recognised in profit or loss	(15,211,361)	4,192,068
Purchases	110,277,266	94,117,795
Sales	(39,214,107)	(2,899,883)
Transfers out of Level 3	(40,162,852)	(8,522,554)
Transfer into Level 3	18,564,870	7,434,295
Closing balance	<b>139,908,582</b>	<b>105,654,766</b>

Total unrealised gains/(losses) recognised in the Statement of Comprehensive Income for assets held at the end of the financial year:

- Included within unrealised (losses)/gains on investments	(11,761,960)	3,804,380
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The Company determines the fair value for loans, collateralised loan positions and some bonds using independent, unadjusted indicative broker quotes. A broker quote is generally not a binding offer. The categorisation of loan positions, CLOs and Bonds are dependent if the broker quotes reflect actual current market conditions, or if they are indicative prices based on broker's valuation models, depending on the significance and observability of the inputs to the model.

For loan, CLO and Bond positions that have been categorised as Level 2, fair value has been determined using independent broker quotes based on observable inputs. If it could not be verified that the valuation is based significantly on observable inputs, then the investments would fall into Level 3.

The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

At 31 December 2018, CLOs, equities and loans with a fair value of US\$139,908,582 (31 December 2017: US\$105,654,766) were categorised as Level 3. This classification was given to these securities as a result of decreased liquidity in the market for these securities and wider spreads that are consequently reflected in a broader spectrum of indicative broker quotes for these securities, which are factors that indicate that the broker quotes are not based on observable prices.

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**9. Fair value hierarchy (continued)**

**Valuation of financial assets and liabilities (continued)**

The table below sets out information about significant unobservable inputs used at 31 December 2018 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

<b>Asset Class</b>	<b>Fair Value US\$</b>	<b>Unobservable Inputs</b>	<b>Ranges</b>	<b>Weighted Average</b>
CLOs	11,952,785	Broker Quotes	0.00-87.00	85.04
Equities	18,582,184	Stapled Equity, Broker Quote, Estimated Recovery, Internal Valuation, & 3rd Party Valuation	0.00-340.00	7.95
Loans	109,373,613	Broker Quotes	51.56-114.57	92.96

The table below sets out information about significant unobservable inputs used at 31 December 2017 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

<b>Asset Class</b>	<b>Fair Value US\$</b>	<b>Unobservable Inputs</b>	<b>Ranges</b>	<b>Weighted Average</b>
Bonds	4,437,641	Broker Quotes	56.50-64.28	61.63
CLOs	43,200,695	Broker Quotes	67.81-100.00	97.74
Equities	12,825,195	Broker Quotes	0.00-97.25	25.51
Loans	45,191,235	Broker Quotes	0.00-103.00	97.78

*Sensitivity of Level 3 asset measured at fair value to changes in assumptions*

The results of using reasonably possible alternative assumptions for valuing the Level 3 asset may result in the fair value estimate and recoverability of the asset being subject to uncertainty and a range of possible outcomes are likely. Such differences, if any, would not have a material effect on the overall portfolio as at 31 December 2018 and as at 31 December 2017.

If the value of level 3 securities increased/(decreased) by 5%, the effect on the NAV would be US\$6,995,429 (31 December 2017: US\$5,282,738).

**10. Interests in other entities**

**Interests in Unconsolidated Structured Entities**

IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual agreements. A structured entity often has some of the following features or attributes:

- restricted activities;
- a narrow and well defined objective;
- insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- financing in the form of multiple contractually linked instruments that create concentrations of credit or other risks.

**Involvement with Unconsolidated Structured Entities**

The Company has concluded that the CLOs and CISs in which it invests, but does not consolidate meets the definition of structured entities because:

- The voting rights in the CLOs and CISs are not the dominant rights in deciding who controls them, as they relate to administrator tasks only;
- Each CLOs and CISs activities are restricted by its prospectus; and
- The CLOs and CISs have narrow and well defined objectives to provide investment opportunities to investors Subsidiary.

Below is a summary of the Company's holdings in non-subsidiary unconsolidated structured entities as at 31 December 2018:

<b>Structured Entity ("SE")</b>	<b>Line item in Statement of Financial Position</b>	<b>No. of Investments</b>	<b>Original Issuer Size</b>	<b>Carrying amount included in 'Financial assets at fair value through profit or loss'</b>	<b>% of Total Net Assets*</b>
CLO	Financial Assets at fair value through profit or loss	135	3,623,660,740	386,091,051	13.39
CIS	Financial Assets at fair value through profit or loss	1	303,128,904**	36,511,967	1.27

\*% of Total Net Assets refers to the Total Net Assets of the Parent.

\*\*This is the total assets under management of the CIS.

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**10. Interests in other entities (continued)**

Below is a summary of the Company's holdings in non-subsiary unconsolidated structured entities as at 31 December 2017:

Structured Entity ("SE")	Line item in Statement of Financial Position	No. of Investments	Original Issuer Size	Carrying amount included in 'Financial assets at fair value through profit or loss'	% of Total Net Assets*
CLO	Financial Assets at fair value through profit or loss	131	3,525,984,390	319,795,743	13.61
CIS	Financial Assets at fair value through profit or loss	1	35,281,720,000**	147,034,526	6.26

\*% of Total Net Assets refers to the Total Net Assets of the Parent.

\*\*This is the total assets under management of the CIS.

**11. Financial instruments and associated risks**

The Company is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

**(a) Market risk**

Market risk embodies the potential for both losses and gains and includes foreign currency risk, interest rate risk and price risk, which are discussed in detail under separate headings within this note.

The Company's exposure to market risk is that the value of assets will generally fluctuate with, among other things, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the issuers of the loans that the Company invests in.

The Company's market risk is managed on a daily basis by the Investment Managers in accordance with policies and procedures in place. The Company's overall market positions are reported to the Board of Directors on a quarterly basis.

As the majority of the financial instruments are carried at fair value through profit or loss, all changes in market conditions will directly impact the Company's results.

**(i) Foreign currency risk**

The Company uses forward foreign exchange contracts to hedge against foreign exchange risks on a portion of its portfolio. The Company does not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio being hedged. The hedging transactions may result in a poorer overall performance for the Company than if it had not engaged in such hedging transactions. Since the characteristics of many securities change as markets change, the success of the Company's hedging strategy is also subject to the Company's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. The Investment Managers have appointed State Street Bank Boston Limited to implement and manage this process.

The Investment Managers regularly review such positions to ensure that they are in line with the Company's investment policies.

The following table sets out the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities at 31 December 2018:

	Financial assets at fair value through profit or loss US\$	Cash and cash equivalents US\$	Other assets and liabilities* US\$	Forward foreign exchange contracts US\$	Net exposure US\$	% of Total assets %
EUR	551,193,219	13,837,589	6,845,419	(574,844,623)	(2,968,396)	(0.10)
GBP	275,747,218	11,563,585	8,426,182	(301,923,816)	(6,186,831)	(0.21)
NOK	-	(46,262)	-	46,262	-	0.00

\* Other assets and liabilities are comprised mainly of trade payables and receivables.

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**11. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**(i) Foreign currency risk (continued)**

The following table sets out the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities at 31 December 2017:

	<b>Financial assets at fair value through profit or loss US\$</b>	<b>Cash and cash equivalents US\$</b>	<b>Other assets and liabilities* US\$</b>	<b>Forward foreign exchange contracts US\$</b>	<b>Net exposure US\$</b>	<b>% of Total assets %</b>
EUR	259,502,076	17,865,601	(29,782,279)	(248,919,926)	(1,334,528)	(0.05)
GBP	190,303,591	1,650,629	(7,184,602)	(185,349,757)	(580,139)	(0.02)

\* Other assets and liabilities are comprised mainly of trade payables and receivables.

*Sensitivity analysis*

The following currency sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data. Future rate movements and correlations between currencies could vary significantly from those experienced in the past.

The Company is exposed to foreign currency risk, however the risk is effectively transferred to the Parent via the loan obtained from the Ultimate Parent, since under the loan agreement, all of the Company's profit or loss except for an immaterial amount of €250 per calendar financial year (US Dollar equivalent at 31 December 2018: US\$286 and at 31 December 2017: US\$300) will be incorporated into the value of the outstanding loans (please see Note 13). Accordingly, any additional gains or losses arising from changes in foreign currency rates will be offset by an equal and opposite adjustment to the interest payable amount on the loan from the Ultimate Parent.

As at 31 December 2018, had the exchange rate increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in the value of the Company's investments, denominated in currencies other than the base currency of the Company, would be as follows:

	<b>31 Dec 2018 US\$</b>	<b>31 Dec 2017 US\$</b>
EUR	(148,420)	(66,726)
GBP	(309,342)	(29,007)

**(ii) Interest rate risk**

The Company is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. The Company's investments which are subject to interest rate risk consist of Bonds, CLO's and Loans.

Changes in interest rates can also have an effect on the valuation of financial assets and liabilities instruments held by the Company.

Other than the loan from the Ultimate Parent, the Company has no liabilities as at 31 December 2018 and 31 December 2017 that are exposed to changes in interest rates.

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**11. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**(ii) Interest rate risk (continued)**

The following tables detail the Company's exposure to interest rate risk. It includes the Company's assets and trading liabilities at fair values, categorised by maturity date and measured by the carrying value of the assets and liabilities at 31 December 2018 and 31 December 2017:

**31 December 2018**

	<b>Within one year US\$</b>	<b>1 - 5 years US\$</b>	<b>Greater than 5 years US\$</b>	<b>Non- interest bearing US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>					
At fair value through profit or loss:					
- Investments	20,114,059	1,031,091,221	1,621,825,686	93,640,751	2,766,671,717
- Forward foreign exchange contracts	-	-	-	1,225,054	1,225,054
- Options purchased	-	-	-	10,856,562	10,856,562
Other receivables	-	-	-	38,849,384	38,849,384
Receivable for investments sold	-	-	-	35,903,208	35,903,208
Cash and cash equivalents	106,233,959	-	-	-	106,233,959
<b>Total assets</b>	<b>126,348,018</b>	<b>1,031,091,221</b>	<b>1,621,825,686</b>	<b>180,474,959</b>	<b>2,959,739,884</b>

**Financial liabilities**

Designated at fair value through profit or loss:

- Loan and coupon payable from Ultimate Parent (2,893,366,496) - - - (2,893,366,496)

Held for trading:

- Forward foreign exchange contracts - - - (2,943,075) (2,943,075)

Payable for investments purchased - - - (63,370,617) (63,370,617)

Other payable and accrued expenses - - - (58,475) (58,475)

**Total liabilities** (2,893,366,496) - - - (66,372,167) (2,959,738,663)

**Total interest sensitivity gap** (2,767,018,478) 1,031,091,221 1,621,825,686

**31 December 2017**

	<b>Within one year US\$</b>	<b>1 - 5 years US\$</b>	<b>Greater than 5 years US\$</b>	<b>Non- interest bearing US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>					
Designated at fair value through profit or loss:					
- Investments	27,326,096	741,696,819	1,404,557,640	171,037,101	2,344,617,656
Held for trading:					
- Forward foreign exchange contracts	-	-	-	80,415	80,415
- Options purchased	-	-	-	3,322,900	3,322,900
Other receivables	-	-	-	26,709,674	26,709,674
Receivable for investments sold	-	-	-	19,939,456	19,939,456
Cash and cash equivalents	81,247,408	-	-	-	81,247,408
<b>Total assets</b>	<b>108,573,504</b>	<b>741,696,819</b>	<b>1,404,557,640</b>	<b>221,089,546</b>	<b>2,475,917,509</b>

**Financial liabilities**

Designated at fair value through profit or loss:

- Loan and coupon payable from Ultimate Parent (2,340,913,506) - - - (2,340,913,506)

Held for trading:

- Forward foreign exchange contracts - - - (3,933,645) (3,933,645)

Payable for investments purchased - - - (131,026,195) (131,026,195)

Other payable and accrued expenses - - - (43,156) (43,156)

**Total liabilities** (2,340,913,506) - - - (135,002,996) (2,475,916,502)

**Total interest sensitivity gap** (2,232,340,002) 741,696,819 1,404,557,640

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**11. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**(ii) Interest rate risk (continued)**

*Interest rate sensitivity*

The below interest rate sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data. Future interest rate movements could vary significantly from those experienced in the past.

The interest rate risks of the Company are effectively transferred to the Parent via the loans obtained from the Ultimate Parent on behalf of its fund, the Parent. Accordingly, any additional gains or losses arising from changes in interest rates will be offset by an equal and opposite adjustment to the interest payable amount on the loan from the Ultimate Parent.

It should be noted that a change in the EURIBOR or LIBOR interest rates may affect the fair value of the loan from the Parent as follows (assuming negligible duration on floating rate instruments):

Interest rate change%	% Effect on Loan Fair Value 31 Dec 2018	Interest rate change%	% Effect on Loan Fair Value 31 Dec 2018
(0.50)	+0.67	+0.50	(0.66)
(0.75)	+1.01	+0.75	(0.98)
(1.00)	+1.35	+1.00	(1.31)

Interest rate change%	% Effect on Loan Fair Value 31 Dec 2017	Interest rate change%	% Effect on Loan Fair Value 31 Dec 2017
(0.50)	+0.61	+0.50	(0.60)
(0.75)	+0.91	+0.75	(0.89)
(1.00)	+1.22	+1.00	(1.19)

**(iii) Price risk**

All of the Company's financial investments are carried at fair value in the Statement of Financial Position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including other receivables, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement (e.g. interest rates, volatility, estimated cash flows etc.) and therefore, cannot be determined with precision.

*Sensitivity analysis*

The below price sensitivity analysis information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data. Future price movements could vary significantly from those experienced in the past.

A 5% increase in investment prices at 31 December 2018 would have increased the value of investments at fair value through profit or loss by US\$138,333,586 (31 December 2017: US\$117,230,883) and it would have also increased the value of the loans from the Ultimate Parent by an equal amount. The net impact on the net assets of the Company would be nil (31 December 2017: nil).

**(b) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company resulting in a financial loss to the Company. The Company may invest in investments such as loans which are below investment grade, which as a result carry greater credit risk than investment grade sovereign or corporate bonds or loans.

The Company's credit risk concentration is spread between a number of counterparties. The top ten holdings in the Company represented 8.13% (31 December 2017: 12.91%) of the market value of the Company's assets.

Furthermore, where exposure to loans is gained by purchase of Sub-Participations, there is the additional credit and bankruptcy risk of the direct participant and its failure for whatever reason to account to the Company for monies received in respect of loans directly held by it. In analysing each loan or Sub-Participation, the Investment Managers will compare the relative significance of the risks against the expected benefits of the investment.

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**11. Financial instruments and associated risks (continued)**

**(b) Credit risk (continued)**

In purchasing Sub-Participations, the Company generally will not have the right to enforce compliance by the obligor with the terms of the applicable debt agreement nor directly benefit from the supporting collateral for the debt in respect of which it has purchased a Sub-Participation. As a result, the Company will assume the credit risk of both the obligor and the institution selling the Sub-Participation. The Company did not hold any Sub-Participations as at 31 December 2018 and 31 December 2017.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the financial year end date. The Investment Manager through its investment strategy will endeavour to avoid losses relating to defaults on the underlying assets. In-house research is used to identify asset allocation opportunities amongst various fixed income asset classes and to take advantage of episodes of market mis-pricing.

The Company may utilise different financial instruments to seek to hedge against declines in the value of the Company's positions as a result of changes in currency exchange rates. The Company is exposed to credit risk associated with the forward currency counterparties with whom it trades and will also bear the risk of settlement default.

None of the financial assets and financial liabilities are offset in the Statement of Financial Position. The Company's financial assets and financial liabilities are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments. While the terms and conditions of these agreements may vary, all transactions under any such agreement constitute a single contractual relationship. Each party's obligation to make any payments, deliveries or other transfers in respect of any transaction under such an agreement may be netted against the other party's obligations under such agreement. A default by a party in performance with respect to one transaction under such an agreement would give the other party the right to terminate all transactions under such agreement and calculate one net amount owed from one party to the other. The following tables present information about the offsetting of derivative instruments.

At 31 December 2018, the Company's derivative assets and liabilities are as follows:

Description	Counterparty	Value of derivative assets US\$	Financial instruments US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	1,225,054	(1,225,054)	-	-
Options purchased	Morgan Stanley	10,856,562	-	-	10,856,562
		<b>12,081,616</b>	<b>(1,225,054)</b>	-	<b>10,856,562</b>

Description	Counterparty	Value of derivative liabilities US\$	Financial instruments US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	(1,617,648)	1,225,054	-	(392,594)
Forward foreign exchange contracts	National Australia Bank	(1,325,427)	-	-	(1,325,427)
		<b>(2,943,075)</b>	<b>1,225,054</b>	-	<b>(1,718,021)</b>

At 31 December 2017, the Company's derivative assets and liabilities are as follows:

Description	Counterparty	Value of derivative assets US\$	Financial instruments US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	80,415	(80,415)	-	-
Options purchased	Morgan Stanley	3,322,900	-	-	3,322,900
		<b>3,403,315</b>	<b>(80,415)</b>	-	<b>3,322,900</b>

Description	Counterparty	Value of derivative liabilities US\$	Financial instruments US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	(2,086,074)	80,415	-	(2,005,659)
Forward foreign exchange contracts	National Australia Bank	(1,847,571)	-	-	(1,847,571)
		<b>(3,933,645)</b>	<b>80,415</b>	-	<b>(3,853,230)</b>

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**11. Financial instruments and associated risks (continued)**

**(b) Credit risk (continued)**

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. The Company monitors the credit rating and financial positions of the brokers used to mitigate this risk. The Investment Managers also monitor the settlement process on a regular basis.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the financial year end date. The Investment Managers through their investment strategy will endeavour to avoid losses relating to defaults on the underlying assets. In-house research is used to identify asset allocation opportunities amongst various fixed income asset classes and to take advantage of episodes of market mid-pricing.

The Company may utilise different financial instruments to seek to hedge against declines in the value of the Company's positions as a result of changes in currency exchange rates. The Company is exposed to credit risk associated with the forward foreign exchange contract counterparties with whom it trades and will also bear the risk of settlement default.

The Company held investments in bonds and loans with the following publically quoted credit ratings:

<b>Moody's Rating</b>	<b>% of Market Value 31 Dec 2018</b>	<b>% of Market Value 31 Dec 2017</b>
Baa1	0.19	-
Baa2	0.13	0.16
Baa3	0.61	-
Ba1	1.65	1.24
Ba2	4.40	6.27
Ba3	14.52	13.62
B1	14.73	13.81
B2	22.74	21.47
B3	17.34	16.43
C	0.26	-
Ca	0.12	0.43
Caa1	10.29	7.62
Caa2	6.77	6.37
Caa3	1.48	0.67
Not publicly rated	4.77	11.91
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

The nature of the non-publicly rated assets is entirely consistent with the loan market. The Investment Managers undertake extensive due diligence on all deals before initial investment. Post initial approval by the credit committee and throughout the holding period of the investment, the Investment Managers continually evaluate the relevant investment's performance including such measures as reviewing pricing levels, monthly accounts, budgets and meeting management, where appropriate.

At the reporting date, the Company's financial assets exposed to credit risk are as follows:

	<b>31 Dec 2018 US\$</b>	<b>31 Dec 2017 US\$</b>
Investments at fair value	2,709,542,933	2,320,615,081
Forward foreign exchange contracts	1,225,054	80,415
Options purchased	10,856,562	3,322,900
Other receivables	38,849,384	26,709,674
Receivable for investments sold	35,903,208	19,939,456
Cash and cash equivalents	106,233,959	81,247,408
<b>Total</b>	<b>2,902,611,100</b>	<b>2,451,914,934</b>

Amounts in the preceding table are based on the carrying value of the financial assets as at the financial year end date.

Substantially all of the non-loan assets of the Company (including cash) are held by the Custodian, State Street Custodial Services (Ireland) Limited. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the Custodian the Company uses. The Standard & Poor's credit rating of State Street was A as at 31 December 2018 (31 December 2017: A), National Australia Bank was AA- as at 31 December 2018 (31 December 2017: AA-), Morgan Stanley was A+ as at 31 December 2018 (31 December 2017: A+).



**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**11. Financial instruments and associated risks (continued)**

**(b) Credit risk (continued)**

All of the loan assets of the Company have agent banks, and are not safeguarded within the Custodian's network. Bankruptcy or insolvency of an agent bank may cause the Company's rights with respect to amounts held by the agent bank (on behalf of the associated loan) to be delayed or limited.

The Company's Investment Managers analyse credit concentration based on the counterparty, industry and geographical location of the financial assets that the Company holds.

The Company's financial assets exposed to credit risk were concentrated in the following industries:

	<b>% of Market Value 31 Dec 2018</b>	<b>% of Market Value 31 Dec 2017</b>
Aerospace & Defence	1.46	2.42
Automobile	2.09	2.15
Banking	0.24	0.19
Beverage, Food & Tobacco	3.55	2.46
Broadcasting & Entertainment	4.05	2.52
Buildings & Real Estate	1.30	2.08
Cargo Transport	1.14	1.47
Chemicals, Plastic & Rubber	5.87	3.80
Collateralised Loan Obligations	13.95	13.65
Containers, Packaging & Glass	1.84	3.20
Diversified/Conglomerate Manufacturing	1.23	2.17
Diversified/Conglomerate Service	7.53	11.03
Diversified Natural Resources, Precious Metals & Minerals	0.25	0.38
Ecological	0.29	0.42
Electronics	2.82	2.38
Farming & Agriculture	0.01	0.12
Finance	7.43	12.48
Grocery	0.70	1.15
Healthcare, Education & Childcare	9.92	7.03
Home & Office Furnishings, Housewares, & Durable Consumer Products	2.32	1.32
Hotels, Motels, Inns & Gaming	1.22	1.59
Insurance	1.62	1.23
Leisure, Amusement & Entertainment	2.65	2.92
Machinery Non-Agriculture, Non-Construction & Non-Electronic	2.16	1.15
Mining, Steel, Iron & Non Precious Metals	4.05	3.25
Oil & Gas	8.44	7.52
Personal Transportation	0.14	0.55
Personal & Non-Durable Consumer Products Manufacturing Only	0.42	-
Personal, Food & Miscellaneous	0.28	0.43
Printing & Publishing	0.38	0.57
Retail Stores	3.71	3.34
Telecommunications	5.25	3.20
Textiles & Leather	0.09	-
Utilities	1.60	1.83
	<u>100.00</u>	<u>100.00</u>

Credit risk also incorporates counterparty risk, which covers the likelihood of a counterparty failing which would principally arise on transactions with brokers that are awaiting settlement. As at 31 December 2018, the Company had trade receivables of US\$35,903,208 (31 December 2017: US\$19,939,456) and trade payables of US\$63,370,617 (31 December 2017: US\$131,026,195), of which US\$Nil (31 March 2018: US\$2,373,161) of the receivables and US\$7,433,435 of the payables (31 March 2018: US\$22,427,328) remains outstanding as at 31 March 2019, all other amounts have been settled. Risk relating to unsettled transactions is considered small due to the approval process of the brokers used and an active weekly settlement process employed from the outset by the Investment Managers.

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**11. Financial instruments and associated risks (continued)**

**(b) Credit risk (continued)**

The Company's financial assets exposed to credit risk were concentrated in the following geographical areas:

	<b>% of Market Value 31 Dec 2018</b>	<b>% of Market Value 31 Dec 2017</b>
Austria	0.19	-
Belgium	0.35	-
Canada	1.25	1.25
Denmark	0.91	0.50
France	2.30	7.54
Germany	7.26	3.41
Ghana	0.91	0.75
Hong Kong	0.42	0.03
Ireland	4.14	0.85
Italy	1.65	0.12
Jamaica	0.11	0.27
Mexico	-	0.28
Netherlands	3.38	2.72
Portugal	0.35	0.87
Spain	0.44	0.71
Sweden	0.97	1.31
Switzerland	0.83	0.31
United Kingdom	10.75	9.35
United States	63.15	69.73
Zambia	0.64	-
	<u>100.00</u>	<u>100.00</u>

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner that is disadvantageous to the Company.

The loan from the Ultimate Parent is repayable at any moment in time. However, the amount repayable shall be an amount equal to the relevant assets in the same currency as the loan. No other assets will be available to the Ultimate Parent and the obligation to make payments shall be reduced accordingly (if necessary). Therefore, liquidity risk in relation to repayment of the loan from the Ultimate Parent is reduced.

The Company may invest in investments such as loans, which are below investment grade, which as a result carry greater liquidity risk than investment grade sovereign or corporate bonds or loans.

Due to the unique and customised nature of loan agreements evidencing private debt assets and the private syndication thereof, these assets are not as easily purchased or sold as publicly traded securities. Although the range of investors in private debt has broadened in recent years, there can be no assurance that future levels of supply and demand in loan trading will provide the degree of liquidity, which currently exists in the market. In addition, the terms of these assets may restrict their transferability without borrower consent. The Investment Managers will consider any such restriction, along with all other factors, in determining whether or not to advise the Company to acquire participation in each asset.

The requirement to sell investments quickly may result in an adverse impact on the value of holdings as forced sales will potentially be made below the fair value of investments. The Company may have to execute forced sales to satisfy large redemption requests in the Parent. However, to mitigate this risk, the Prospectus of the Ultimate Parent and the Supplement for the Parent provide for the restrictions in repurchasing redeemable shares.

These restrictions will influence how quickly the Company's assets could be liquidated, if necessary, and include deferring a repurchase of redeemable shares request if the Investment Managers believe there is insufficient cash or liquid assets to meet the repurchase request. The Parent may also borrow up to 25% of its NAV to facilitate redemption payments, distribution payments or to meet the margin requirements associated with currency hedging transactions. No such amounts have been borrowed during the financial year ended 31 December 2018 or 31 December 2017.

**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

**11. Financial instruments and associated risks (continued)**

**(c) Liquidity risk (continued)**

The Company is typically managed with a small 'buffer' of cash (to minimise the cash drag impact on returns for investors) but can hold a maximum of 20% of the NAV of the Parent to facilitate cash management. It also typically has investments in senior secured public floating rate notes whose settlement period based on contractual maturity (T+2 through Euroclear) permits more rapid sale where this might be required for liquidity purposes.

The Company has entered into a base currency revolving credit facility with State Street Bank and Trust Company, RBC Bank, ScotiaBank and National Australia Bank Limited. Under this agreement a credit facility may from time to time be made available by State Street Bank and Trust Company to the Company. This is a limited recourse agreement, with recourse being limited to the assets of the Company. There is also a security deed in place between the Company and State Street Bank and Trust Company whereby the Parent acts as Guarantor for the credit facility extended. As at 31 December 2018, there was no amount outstanding on this credit facility (31 December 2017: no amount outstanding). Lines were not drawn through 2018. Interest expense on this facility is accounted for on an "Effective Interest Rate" basis and is included within the "finance costs" line item on the Statements of Comprehensive Income.

All of the Company's financial liabilities as at 31 December 2018 and 31 December 2017 were payable within three months.

The tables below set out the Funds' gross-settled derivative financial instruments at 31 December 2018. The forward foreign exchange contracts held are for share class hedging purposes.

	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
<b>Derivative financial assets and liabilities</b>				
- Asset - Forward foreign exchange contracts	612,639,122	306,294,614	-	918,933,736
- Liability - Forward foreign exchange contracts	(615,453,582)	(305,198,175)	-	(920,651,757)
	<u>(2,814,460)</u>	<u>1,096,439</u>	<u>-</u>	<u>(1,718,021)</u>

At 31 December 2017, the Company's payable liabilities are as follows:

The tables below set out the Funds' gross-settled derivative financial instruments at 31 December 2017. The forward foreign exchange contracts held are for share class hedging purposes.

	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
<b>Derivative financial assets and liabilities</b>				
- Asset - Forward foreign exchange contracts	446,180,577	-	-	446,180,577
- Liability - Forward foreign exchange contracts	(450,033,807)	-	-	(450,033,807)
	<u>(3,853,230)</u>	<u>-</u>	<u>-</u>	<u>(3,853,230)</u>

**12. Exchange rates**

The following exchange rates (against US\$) were used in the Statement of Financial Position to translate foreign currency amounts, investments and other assets and liabilities denominated in currencies other than US\$ at the reporting date:

	31 Dec 2018	31 Dec 2017
Euro (EUR)	1.1457	1.1998
Great British Pound (GBP)	1.2746	1.3502
Norwegian Krone (NOK)	0.1157	-
Swedish Krona (SEK)	-	0.1219
Swiss Franc (CHF)	-	1.0262

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**Barings Global High Yield Credit Strategies Limited**

**Notes to the Financial Statements  
for the financial year ended 31 December 2018 (continued)**

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**13. Related party transactions**

**Loan from the Ultimate Parent**

The Company is a wholly owned subsidiary of Barings Global High Yield Credit Strategies Fund (the "Parent") which is a fund of Barings Global Investment Funds 2 Plc (the "Ultimate Parent"). The Company is funded for its acquisition of investments on behalf of the Parent by way of loans from the Ultimate Parent, which are granted pursuant to a loan agreement and repayable on demand. The obligations of the Company to the Parent shall be limited recourse obligations payable solely from the portfolio held by or on behalf of the Company after satisfying in full all senior obligations. The cost of the loan (interest charged on loan) will be dependent on the profit of the Company.

The carrying amount of the Loan and coupon payable from the Ultimate Parent, designated at fair value through profit or loss as at 31 December 2018, was US\$2,893,366,496 (31 December 2017: US\$2,340,913,506). The net change on financial liabilities at fair value through profit or loss for the year ended 31 December 2018 was US\$(4,785,462) (31 December 2017: US\$(133,748,422)) as disclosed in the Statement of Comprehensive Income.

In the event that accumulated losses prove not to be recoverable during the life of the Company, this will reduce the obligation to the loans from the Ultimate Parent (i.e. contractual amounts at maturity by an equivalent amount).

**Investment Managers**

To implement the investment strategies as specified in the Prospectus and the Supplement, the Company has appointed Barings LLC as Investment Manager. Barings LLC is an investment management company incorporated in the United States and is registered with the Securities Exchange Commission ("SEC") as an investment advisor. Barings (U.K.), an investment management company incorporated in the United Kingdom has been appointed as Sub-Investment Manager. Barings (U.K.) Limited is a subsidiary of Barings LLC. The Investment Managers are paid by the Parent.

At 31 December 2018, the Company holds 12% of the net asset value of Barings USD Liquidity Fund, a sub-fund of Barings Umbrella Fund Plc which is managed by Baring Asset Management Limited.

**Directors' and Secretary interests**

Neither the Directors nor the Company Secretary held any shares in the Company. Directors' fees for the financial year amounted to US\$3,956 (31 December 2017: US\$4,727) of which US\$278 (31 December 2017: US\$517) was payable at the financial year end. Ms. Barbara Healy, Mr. James Cleary and Mr. David Conway are also Directors of the Ultimate Parent.

**14. Ultimate Parent undertaking and Parent undertaking of larger groups**

The Company's Ultimate Parent undertaking is Barings Global Investment Funds 2 Plc, a company incorporated in Ireland.

The immediate Parent of Barings Global High Yield Credit Strategies Limited is Barings Global High Yield Credit Strategies Fund.

**15. Charges**

The loans from the Ultimate Parent on behalf of the Parent are secured by the assignment of a fixed first charge of the Company's rights, title and interest on debt investments.

**16. Dividends**

No dividends are recommended by the Directors in respect of the financial year ended 31 December 2018 or 31 December 2017.

**17. Contingent liabilities**

The Directors are not aware of any contingent liabilities as at 31 December 2018 or 31 December 2017.

**18. Significant events during the financial year**

There were no significant events during the financial year, which require adjustment to, or disclosure in the financial statements.

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**Barings Global High Yield Credit Strategies Limited**  
**Notes to the Financial Statements**  
**for the financial year ended 31 December 2018 (continued)**

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**19. Significant events after the financial year end**

**Brexit**

Whilst the medium to long-term consequences of the decision to leave the EU remain uncertain in any scenario, there could be short-term volatility which could have a negative impact on general economic conditions, business and consumer confidence in both the UK and EU, which may in turn have negative political, economic and market impacts more widely. The longer-term consequences may be affected by the terms of any future arrangements the UK has with the remaining member states of the EU27. Among other things, the UK's decision to leave the EU could lead to changes in the law and tax treatment of funds, instability in the equity, debt and foreign exchange markets, including volatility in the value of the pound sterling or the euro.

There were no other significant events affecting the Company since the financial year end date, which require adjustment to, or disclosure in the financial statements.

**20. Comparative financial year**

The comparative amounts in these financial statements are for the financial year ended 31 December 2017.

**21. Approval of financial statements**

The Directors approved these financial statements on 23 April 2019.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018**

<b>Loans Country</b>	<b>Industry</b>	<b>Obligor</b>	<b>Fair Value US\$</b>	<b>% of Net Assets*</b>
Austria	Machinery Non-Agriculture, Non-Construction, Non-Electronic	AHT Cooling EUR Term Loan B1	1,120,920	0.04
Canada	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Husky Injection Molding Systems Ltd Term Loan B	6,042,039	0.21
France	Automobile	Fraikin New Money Bonds	2,455,048	0.09
		Fraikin Reinstated Senior Holdco Debt	2,643,599	0.09
	Buildings & Real Estate	Impala EUR 2nd Lien Term Loan	1,838,499	0.06
		Impala EUR Term Loan B	5,344,385	0.19
		Terreal Holdco PIK**	5,207,919	0.18
	Diversified / Conglomerate	Averys EUR 2nd Lien Term Loan	2,020,110	0.07
	Manufacturing			
	Diversified / Conglomerate	Alma Consulting Group New Senior A**	1,321,827	0.05
	Service			
		Alma Consulting Group New Senior B**	566,497	0.02
Germany	Retail Stores	Thom Europe SAS EUR Term Loan B	4,294,155	0.15
	Chemicals, Plastics & Rubber	Flint Group EUR 1st Lien Term Loan	12,184,969	0.42
		Flint Group EUR 1st Lien Term Loan B3	80,999	0.00
		Flint Group USD 1st Lien Term Loan B2	3,170,262	0.11
		Flint Group GmbH 2017 EUR Incremental Term Loan B6	19,982	0.00
		Flint Group GmbH 2017 EUR Incremental Term Loan B7	48,921	0.00
		Flint Group GmbH EUR 2nd Lien Term Loan**	2,427,151	0.08
		Flint Group GmbH EUR Add on Term Loan B5	1,429,867	0.05
		Flint Group GmbH EUR Term Loan Incremental B4	2,697,495	0.09
		Flint Group GmbH USD 1st Lien Term Loan C	643,923	0.02
		Flint Group US LLC USD 1st Lien Term Loan B2	2,560,492	0.09
		Flint Group USD Incremental Term Loan B8	772,679	0.03
	Healthcare, Education & Childcare	Aenova EUR 2nd Lien Term Loan	13,046,651	0.45
		Aenova Holding GmbH EUR Term Loan B Aenova	4,808,741	0.17
		Aenova Holding GmbH EUR Term Loan B Dragenopharm	2,264,478	0.08
		Aenova Holding GmbH EUR Term Loan B Swisscaps	1,657,851	0.06
		Aenova Holding GmbH EUR Term Loan B Temmler	1,129,524	0.04
		Amedes Holding AG EUR Term Loan B	2,271,763	0.08
		Rodenstock EUR Term Loan B2	7,540,465	0.26
		Stada GBP Term Loan C	1,497,499	0.05

\*% of Net Assets refers to the Net Assets of the Parent

\*\*This is a Level 3 security.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Alstom Auxiliary Components EUR Term Loan B1	5,042,668	0.17
	Mining, Steel, Iron & Non Precious Metals	HC Starck GmbH EUR 2nd Lien Term Loan	4,793,473	0.17
		HC Starck GmbH USD 2nd Lien Term Loan	1,436,099	0.05
	Printing & Publishing	Springer USD Term Loan B13	2,372,601	0.08
	Retail Stores	Douglas EUR Term Loan B1	643,448	0.02
		Douglas EUR Term Loan B2	182,046	0.01
		Douglas EUR Term Loan B3	395,088	0.01
		Douglas EUR Term Loan B4	307,740	0.01
		Douglas EUR Term Loan B5	73,791	0.00
		Douglas EUR Term Loan B6	379,261	0.01
		Douglas EUR Term Loan B7	1,326,977	0.05
		Douglas EUR Incremental Term Loan B8	9,137,567	0.32
Hong Kong	Finance	Vistra Group Recpriced USD 2nd Lien Term Loan**	179,188	0.01
Jamaica	Telecommunications	Digicel Group Limited Term Loan B	3,062,302	0.11
Netherlands	Aerospace & Defense	TenCate Repriced EUR Term Loan B1	776,979	0.03
	Beverage, Food & Tobacco	Refresco GBP Term Loan B	4,658,837	0.16
		Refresco USD Term Loan B**	662,803	0.02
	Broadcasting & Entertainment	Endemol EUR 1st Lien Term Loan	1,102,353	0.04
		Endemol GBP 1st Lien Term Loan	542,603	0.02
		Endemol USD 1st Lien Term Loan	10,374,996	0.36
		Endemol USD 2nd Lien Term Loan	9,583,750	0.33
	Chemicals, Plastics & Rubber	Nouryon USD Term Loan B**	6,105,284	0.21
	Diversified / Conglomerate Service	TMF EUR 2nd Lien Term Loan	4,059,105	0.14
	Ecological	Renewi Term Loan C**	-	0.00
	Home & Office Furnishings, Housewares, & Durable Consumer Products	Keter Group B.V. EUR Term Loan B3A	1,570,393	0.05
Spain	Beverage, Food & Tobacco	Deoleo 2nd Lien Term Loan	286,437	0.01
		Deoleo Unperfected Term Loan B	2,749,083	0.10
	Broadcasting & Entertainment	Imagina EUR 2nd Lien Term Loan	3,257,223	0.11
		Imagina EUR Term Loan B1	2,195,762	0.08
		Imagina EUR Term Loan B2	1,316,265	0.05
	Leisure, Amusement, Entertainment	Dorna New USD Term Loan	4,317,500	0.15

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a Level 3 security.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Loans (continued)</b>			<b>Fair Value</b>	<b>% of Net</b>	
<b>Country</b>	<b>Industry</b>	<b>Obligor</b>	<b>US\$</b>	<b>Assets*</b>	
Sweden	Diversified / Conglomerate Service	Verisure Holding AB EUR Term Loan B1E	9,804,853	0.34	
United Kingdom	Automobile	Belron Term Loan B2 - USD**	1,038,986	0.04	
	Beverage, Food & Tobacco	Accolade Wines GBP Term Loan B	4,063,424	0.14	
	Broadcasting & Entertainment	All3Media GBP Senior Term Loan B	5,424,389	0.19	
	Diversified / Conglomerate Manufacturing	All3Media EUR 2nd Lien Term Loan	1,727,037	0.06	
		Finastra EUR 1st Lien Term Loan	2,334,483	0.08	
	Diversified / Conglomerate Service	CPA Global USD Term Loan B**	4,560,520	0.16	
	Ecological Healthcare, Education & Childcare	Finastra USD 1st Lien Term Loan	10,007,943	0.35	
		Finastra USD 2nd Lien Term Loan	7,322,196	0.25	
		IRIS Software GBP Term Loan B**	2,421,740	0.08	
		PHS New GBP Term Loan	4,975,025	0.17	
		Advanz Pharma EUR Term Loan B	7,692,444	0.27	
		Advanz Pharma USD Term Loan B	Cognita EUR 2nd Lien Term Loan**	9,886,387	0.34
			Tunstall EUR Term Loan B**	9,272,518	0.32
			Tunstall GBP Term Loan B	4,581,212	0.16
			Park Resorts New Term Loan B	4,401,289	0.15
		Hotels, Motels, Inns & Gaming	Wyndham Vacation Rentals Europe EUR 2nd Lien Term Loan	3,329,262	0.12
	Wyndham Vacation Rentals Europe EUR Term Loan B		4,618,523	0.16	
	Insurance	Innovation Group EUR Term Loan B**	2,852,460	0.10	
		Innovation Group Extended Bridge Facility**	637,259	0.02	
		Innovation Group GBP Term Loan B**	2,059,429	0.07	
Machinery Non- Agriculture, Non- Construction, Non- Electronic	Doncasters Group Limited GBP Term Loan C	3,687,640	0.13		
	Oil & Gas Retail Stores	KCA Deutag Repriced USD Term Loan B	3,816,024	0.13	
Euro Garages EUR 2nd Lien Term Loan B		2,043,448	0.07		
Euro Garages EUR Term Loan B1		2,979,361	0.10		
Euro Garages EUR Term Loan B3		1,515,212	0.05		
Euro Garages GBP Term Loan B		1,665,639	0.06		
Euro Garages USD Incremental Term Loan B		6,302,355	0.22		
Euro Garages USD Term Loan B1		4,468,761	0.16		
Virgin Media GBP Term Loan M		13,932,949	0.48		
Telecommunications					

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a Level 3 security.



**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Loans (continued)</b>			<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Obligor</b>	<b>US\$</b>	<b>Assets*</b>
United States	Aerospace & Defense	Atlantic Aviation FBO Inc. 1st Lien Term Loan**	2,056,711	0.07
		CPI International Inc. 1st Lien Term Loan	5,557,139	0.19
	Banking	Higginbotham Insurance Agency, Inc. 1st Lien Term Loan**	820,046	0.03
	Beverage, Food & Tobacco	CTI Foods 2nd Lien Term Loan	46,333	0.00
		CTI Foods Term Loan B	1,366,497	0.05
		CTI Foods Term Loan B (L550)	7,686,608	0.27
		Inspire Brands 1st Lien Term Loan	13,732,429	0.48
	Broadcasting & Entertainment	Avsc Holding Corp. 1st Lien Term Loan	7,468,669	0.26
		Avsc Holding Corp. 2nd Lien Term Loan**	793,595	0.03
		Gray TV Term Loan C	5,760,801	0.20
		Intelsat Jackson Holdings S.A. 2017 Term Loan B3	5,349,245	0.19
	Buildings & Real Estate	Srs Distribution Inc. Term Loan B	7,100,536	0.25
	Cargo Transport	Kenan Advantage 2015 Term Loan B	6,879,143	0.24
		Kenan Advantage CAD Term Loan B	1,635,887	0.06
	Chemicals, Plastics & Rubber	AOC 1st Lien Term Loan**	4,307,774	0.15
		Associated Asphalt, Inc. Term Loan B	5,841,870	0.20
		Diversey EUR Term Loan B	985,934	0.03
		Pinnacle Operating Corp Stub Term Loan B**	3,761,835	0.13
		Platform Specialty Chemicals USD Senior Secured Term Loan B	2,356,532	0.08
		SI Group Term Loan**	3,044,606	0.11
		Solenis International USD 2nd Lien Term Loan**	1,848,613	0.06
		Solenis International USD Term Loan B	3,221,738	0.11
	Containers, Packaging & Glass	Consolidated Container Term Loan B	7,844,980	0.27
		Mauser Packaging Solutions Term Loan B	6,654,036	0.23
		Hoffmaster Group, Inc. Repriced 1st Lien Term Loan	3,065,520	0.11
		Novolex 1st Lien Term Loan	6,045,980	0.21
		Proampac 2nd Lien Term Loan	2,072,009	0.07
		Proampac Term Loan B	4,645,072	0.16
	Diversified / Conglomerate Manufacturing	Qlik Technologies Inc Term Loan B	6,633,450	0.23
		Triple Point Group Holdings Inc. Term Loan B**	1,747,578	0.06
	Diversified / Conglomerate Service	Autodata Term Loan B**	6,704,338	0.23
		Brickman Acquisition New Term Loan B**	798,360	0.03
		Cision Repriced USD Term Loan B	7,162,967	0.25
		EAB 1st Lien Term Loan**	4,989,545	0.17

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a Level 3 security.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
		Go Daddy Term Loan B	3,413,440	0.12
		Hyland Software 2nd Lien Term Loan	923,570	0.03
		Hyland Software Term Loan B	16,296,956	0.57
		Informatica Corporation Repriced USD Term Loan B	14,379,733	0.50
		Internet Brands Inc. 1st Lien Term Loan	10,448,614	0.36
		Internet Brands Inc. 2nd Lien Term Loan**	1,425,875	0.05
		Kofax Term Loan B	7,400,598	0.26
		Kronos 2nd Lien Term Loan	823,475	0.03
		LegalZoom 1st Lien Term Loan**	2,167,305	0.08
		Mitchell International Upsized 1st Lien Term Loan	2,474,698	0.09
		Peak 10, Inc 1st Lien Term Loan	14,365,160	0.50
		Red Ventures 1st Lien Term Loan**	3,140,241	0.11
		Refinitiv USD Term Loan B	6,681,419	0.23
		Vertafore 2nd Lien Term Loan	4,810,425	0.17
		Vertafore Term Loan B	9,534,350	0.33
	Ecological	Environmental Resources Management 2nd Lien Term Loan	299,015	0.01
		Environmental Resources Management USD Term Loan B	1,393,567	0.05
	Electronics	First Data 2022 USD Term Loan	934,543	0.03
		Ion Trading Technologies Incremental USD Term Loan B**	3,774,916	0.13
		Ion Trading Technologies Repriced EUR Term Loan B	11,433,220	0.40
		Renaissance Learning, Inc. Term Loan B	6,692,792	0.23
		SS&C Technologies, Inc. Term Loan B5	2,332,587	0.08
		Veritas EUR Repriced Term Loan B	1,147,124	0.04
		Veritas USD Repriced Term Loan B	6,246,036	0.22
	Finance	Edelman Financial Group, Inc. 2nd Lien**	1,649,938	0.06
		North American Bancard Holdings, Inc. Term Loan B	4,580,018	0.16
		Tempo Term Loan	17,673,775	0.61
		Virtu Financial Repriced Term Loan B	222,111	0.01
	Healthcare, Education & Childcare	Aveanna Delayed Draw Incremental 1st Lien Term Loan**	(12,599)	0.00
		Aveanna Incremental 1st Lien Term Loan**	1,393,182	0.05
		Endo Pharmaceuticals Term Loan B	15,080,341	0.52
		Envision Healthcare Term Loan	21,358,927	0.74
		Horizon Pharma plc Term Loan B	6,131,062	0.21
		LifeScan Global USD Term Loan B	2,385,031	0.08
		MModal Inc. New Term Loan	6,650,283	0.23
		Ortho-Clinical Diagnostics Inc. Term Loan B	11,066,221	0.38
		Parexel International Corp. Term Loan B	11,361,113	0.39
		Prometric 1st Lien Term Loan	8,277,448	0.29
		Radiology Partners 1st Lien Term Loan B	6,173,244	0.21
		Sivantos & Widex USD Term Loan B	4,826,236	0.17
		U.S. Anesthesia Partners, 1st Lien Term Loan	11,537,851	0.40

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a Level 3 security.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
		Verscend Technologies, Inc. Term Loan B	2,671,693	0.09
		Vyair Medical Term Loan B**	3,761,100	0.13
	Home & Office Furnishings, Housewares, & Durable Consumer Products	Hayward Industries, Inc. 1st Lien Term Loan	11,165,220	0.39
		Serta Simmons Bedding LLC 1st Lien Term Loan	12,918,307	0.46
		Serta Simmons Bedding LLC 2nd Lien Term Loan	6,237,706	0.22
		Springs Windows 1st Lien Term Loan B	2,510,061	0.09
	Hotels, Motels, Inns & Gaming	Penn National Gaming Inc New Term Loan B2	2,617,844	0.09
	Insurance	Confie Seguros New Amended 2nd Lien Term Loan	5,554,132	0.19
		Sedgwick CMS Term Loan B	9,579,200	0.33
		USI Holdings Term Loan B	5,642,909	0.20
		York Risk Services Holding Corp. Term Loan B	1,895,428	0.07
	Leisure, Amusement, Entertainment	MGM Holdings, Inc. 2nd Lien**	11,225,807	0.39
		SeaWorld Parks & Entertainment, Term Loan B5	12,675,987	0.43
	Machinery Non- Agriculture, Non- Construction, Non- Electronic	Apex Tool Group LLC Term Loan B	6,573,423	0.23
		Diebold Nixdorf USD Term Loan A1	1,070,579	0.04
		Pro Mach 1st Lien Term Loan	10,690,832	0.37
	Mining, Steel, Iron & Non Precious Metals	Atkore International Term Loan B	8,739,871	0.30
		Boomerang Tube, LLC Term Loan**	774,881	0.03
		Covia Unimin Term Loan	1,888,228	0.07
		US Silica Term Loan B	363,949	0.01
	Oil & Gas	Caelus Energy Alaska O3, LLC 2nd Lien Term Loan	1,183,364	0.04
		Fieldwood Energy LLC Exit 1st Lien Term Loan	3,955,348	0.14
		Fieldwood Energy LLC Exit 2nd Lien Term Loan	1,879,763	0.07
		Gulf Finance Term Loan B	10,780,806	0.36
		Seadrill Partners LLC Term Loan B	6,797,216	0.24
		Total Safety Term Loan B	8,693,800	0.31
		UTEX Industries Inc. Term loan B	2,438,223	0.08
	Personal & Non Durable Consumer Products Mfg. Only Printing & Publishing	Coty USD Term Loan B	926,250	0.03
		Ascend Learning, LLC Term Loan B	6,843,472	0.24
		Getty Images Term Loan B	6,579,543	0.23
	Retail Stores	Ascena Retail Group Inc. Term Loan B	1,262,833	0.04
		Staples Term Loan B	14,449,979	0.49
	Telecommunications	BMC Software USD Term Loan B	6,769,245	0.23
		GTT Communications USD Term Loan B	3,535,073	0.12
		Sprint Nextel Corporation Term Loan B	4,556,971	0.16
		Syniverse Technologies 2nd Lien Term Loan	1,873,386	0.06

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a level 3 position.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
		Syniverse Technologies Term Loan B	2,632,344	0.09
	Utilities	Linden Cogeneration Power Term Loan B	2,740,255	0.10
		Helix Gen Term Loan B	1,095,250	0.04
<b>Total Loans (2017: 36.78%)</b>			<b>954,739,659</b>	<b>33.14</b>

\*\*This is a level 3 position.

Collateralised Loan Obligations			Fair Value	% of Net	
Country	Holding	Details	US\$	Assets*	
Ireland	2,250,000	Adagio VI CLO	2,408,088	0.08	
	5,000,000	ALME Loan Funding III	5,531,559	0.19	
	1,200,000	Avoca CLO XVIII DAC	1,258,248	0.04	
	7,000,000	Bain Capital Euro CLO 2018-1 DAC	7,506,952	0.26	
	3,350,000	Bain Capital Euro CLO 2018-2	3,631,721	0.13	
	6,000,000	BlackRock European CLO VI DAC	6,545,119	0.23	
	3,700,000	BlackRock European CLO VII DAC Class D	4,030,121	0.14	
	3,600,000	BlackRock European CLO VII DAC Class E	3,719,352	0.13	
	2,000,000	Cadogan Square CLO XI DAC	2,096,348	0.07	
	4,368,000	CVC Cordatus Loan Fund III	4,613,197	0.16	
	2,000,000	CVC Cordatus Loan Fund X	2,091,504	0.07	
	2,000,000	CVC Cordatus Loan Fund XI DAC	2,121,942	0.07	
	4,200,000	CVC Cordatus Loan Fund XII DAC	4,626,881	0.16	
	1,600,000	Oak Hill European Credit Partners VI DAC	1,680,850	0.06	
	2,000,000	RYE Harbour Clo DAC	2,246,895	0.08	
	Netherlands	2,750,000	Avoca CLO XIV DAC	2,900,048	0.10
		5,000,000	Cairn CLO III BV	5,444,013	0.19
		1,000,000	Cairn CLO IV BV	1,118,645	0.04
		5,600,000	Cairn CLO VI BV	6,348,333	0.22
		2,000,000	Cairn CLO VIII BV	2,170,281	0.08
2,000,000		Dryden 56 Euro CLO 2017 BV	2,074,013	0.07	
3,450,000		Dryden 62 Euro CLO	3,577,815	0.12	
2,325,000		Dryden 66 EURO CLO	2,477,831	0.09	
United States		3,200,000	Allegro CLO VI Ltd	2,814,774	0.10
		2,870,000	Allegro CLO VII Ltd	2,559,323	0.09
	4,000,000	ALM XVI Ltd	3,780,448	0.13	
	3,500	ALM XVI Ltd Pref.	2,249,986	0.08	
	5,000,000	Anchorage Capital CLO 1-R Ltd	4,451,465	0.15	
	2,400,000	Anchorage Capital CLO 2013-1 Ltd	2,256,811	0.08	
	2,300,000	Anchorage Capital CLO 6 Ltd	2,168,442	0.08	
	1,000,000	Anchorage Credit Funding 2 Ltd	999,429	0.03	
	2,500,000	Anchorage Credit Funding 3 Ltd	2,505,888	0.09	
	5,250,000	Anchorage Credit Funding 5 Ltd	4,925,975	0.17	
	3,000,000	Ares XLVIII CLO	2,640,498	0.09	
	3,000,000	Atlas Senior Loan Fund VIII Ltd	2,770,131	0.10	
	1,050,000	Atlas Senior Loan Fund X Ltd	919,498	0.03	
	4,000,000	Atlas CLO XI	3,612,684	0.13	
	3,000,000	Atrium IX	2,342,942	0.08	
	1,250,000	Avery Point VI CLO Ltd	1,166,771	0.04	
	2,000,000	Bain Capital Credit CLO 2017-2	1,918,338	0.07	
	400,000	BlueMountain CLO 2014-1 Ltd**	-	0.00	
2,600,000	BlueMountain CLO XXIII Ltd	2,359,419	0.08		
3,750,000	BlueMountain Fuji US CLO I Ltd	3,510,218	0.12		
2,100,000	BlueMountain Fuji US CLO II Ltd	1,981,056	0.07		
4,000,000	BlueMountain Fuji US CLO III Ltd	3,536,912	0.12		

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a level 3 position.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Collateralised Loan Obligations (continued)</b>		<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Holding</b>	<b>US\$</b>	<b>Assets*</b>
	1,350,000	1,235,858	0.04
	4,500,000		
	2,500,000	4,301,721	0.16
	4,600,000	2,308,035	0.08
	1,090,000	4,061,472	0.14
	1,500,000	989,100	0.03
	750,000	1,334,862	0.05
	2,200,000	556,208	0.02
	2,300,000	2,032,281	0.07
	2,900,000	2,147,218	0.07
	4,000,000	2,709,415	0.09
	1,500,000	3,558,728	0.12
	2,500,000	1,405,647	0.05
	5,000,000	2,371,960	0.08
	4,425,000	4,673,873	0.16
	3,600,000	4,103,033	0.14
	3,750,000	3,131,561	0.11
	2,500,000	3,445,249	0.12
	5,300,000	2,314,463	0.08
	5,000,000	4,948,091	0.17
	2,800,000	4,555,795	0.16
	4,500,000	2,771,499	0.10
	12,250,000	3,989,781	0.14
	3,000,000	10,689,256	0.37
	2,500,000	2,849,469	0.10
	3,100,000	2,142,115	0.07
	3,000,000	2,774,206	0.10
	4,000,000	2,760,237	0.10
	2,850,000	3,980,000	0.14
	4,000,000	2,690,239	0.10
	4,647,500	3,716,076	0.13
	5,000,000	3,795,452	0.14
	2,000,000	4,784,935	0.17
	5,250,000	1,913,508	0.07
	4,000,000	4,617,538	0.16
	4,000,000	3,607,720	0.13
	2,000,000	3,559,556	0.12
	1,500,000	1,930,820	0.07
	1,000,000	964,208	0.03
	2,600,000	599,523	0.02
	2,000,000	2,493,834	0.09
	4,000,000	120,540	0.00
	4,000,000	3,688,769	0.13
	4,000,000	3,747,078	0.13
	2,500,000	2,388,073	0.08
	2,000,000	1,774,642	0.06
	3,750,000	3,415,598	0.12
	3,000,000	2,829,789	0.10
	2,150,000	1,870,001	0.06
	2,000,000	1,797,066	0.06

\*% of Net Assets refers to the Net Assets of the Parent.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

Collateralised Loan Obligations (continued)			Fair Value	% of Net
Country	Holding	Details	US\$	Assets*
	13,795,000	Magnetite VII Ltd	9,769,472	0.33
	1,625,000	Magnetite XIX Ltd	1,487,439	0.05
	1,900,000	Magnetite XV Ltd	1,670,345	0.06
	3,250,000	Magnetite XVI Ltd	3,096,403	0.11
	2,600,000	Magnetite XX Ltd	2,336,989	0.08
	1,800,000	Milos CLO Ltd	1,688,078	0.06
	3,300,000	Neuberger Berman CLO XVI-S Ltd	3,075,673	0.11
	6,305,406	OHA Credit Partners X-R Ltd	2,922,972	0.10
	3,500,000	OHA Credit Partners XII Ltd	3,239,779	0.11
	4,200,000	OHA Credit Partners XIV Ltd	3,982,246	0.13
	2,600,000	OHA Loan Funding 2013-1 Ltd	2,377,744	0.08
	1,800,000	Regatta X Funding Ltd	1,610,282	0.06
	2,330,000	Regatta XI Funding Ltd	2,073,304	0.07
	3,000,000	Sound Point CLO II Ltd	2,668,851	0.09
	7,000,000	Sound Point CLO XVI Ltd	6,495,594	0.23
	3,450,000	Sound Point CLO XVII	3,277,479	0.11
	6,000,000	Sound Point CLO XVIII Ltd	5,342,483	0.19
	5,500,000	Sounds Point CLO IV-R Ltd	5,112,194	0.18
	2,700,000	Steele Creek CLO 2017-1	2,252,151	0.08
	1,000,000	Symphony CLO XIV Ltd	258,792	0.01
	3,500,000	TCI-Flatiron CLO 2017-1 Ltd	3,292,149	0.11
	1,250,000	Thacher Park CLO Ltd	447,233	0.02
	2,700,000	THL Credit Wind River 2017-1 CLO Ltd	2,552,299	0.09
	2,200,000	THL Credit Wind River 2017-3 CLO Ltd	2,077,775	0.07
	1,500,000	THL Credit Wind River 2017-4 CLO Ltd	1,366,070	0.05
	5,100,000	Voya CLO 2015-1 Ltd	4,701,389	0.16
	5,000,000	Voya CLO 2017-1 Ltd	4,646,715	0.16
	3,250,000	Voya CLO 2018-3 Ltd	2,928,049	0.10
	6,760,500	Wellfleet CLO 2016-1 Ltd	5,558,586	0.19
	3,700,000	Wellfleet CLO 2017-2 Ltd	3,563,748	0.12
	3,500,000	Wellfleet CLO 2017-3 Ltd	3,091,834	0.11
	4,550,000	Wellfleet CLO 2018-1 Ltd	3,990,072	0.14
	3,000,000	Wellfleet CLO 2018-3 Ltd	3,000,000	0.10

**Total Collateralised Loan Obligations (2017: 13.61%)**

**386,091,051 13.40**

Bonds			Fair Value	% of Net
Country	Industry	Holding	US\$	Assets*
Belgium	Home & Office Furnishings, Housewares, & Durable Consumer Products	9,067,950	9,674,713	0.34
Canada	Mining, Steel, Iron & Non Precious Metals	5,800,000	5,024,250	0.17
		8,000,000	8,000,000	0.29
Denmark	Oil & Gas	6,800,000	6,748,999	0.23
	Telecommunications	13,130,000	18,495,299	0.64
France	Cargo Transport	2,745,000	3,112,107	0.11
	Diversified / Conglomerate Service	10,000,000	11,257,563	0.39
		9,000,000	9,488,440	0.34

\*% of Net Assets refers to the Net Assets of the Parent.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Bonds (continued)</b>				<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	6,550,000	Novafives SAS 5.000%, due 15/06/2025	6,070,332	0.21
Germany	Broadcasting & Entertainment	5,295,000	Tele Columbus AG 3.875%, due 02/05/2025	5,526,046	0.19
	Chemicals, Plastics & Rubber	10,300,000	CAAB 6.875%, due 15/06/2022	9,543,766	0.33
	Healthcare, Education & Childcare	3,800,000	CeramTec GmbH 5.250%, due 15/12/2025	4,169,224	0.14
		10,590,000	Synlab Unsecured Bondco PLC 8.250%, due 01/07/2023	12,511,144	0.45
	Personal & Non Durable Consumer Products Mfg. Only Retail Stores	585,000	WEPA Hygieneprodukte GmbH 3.750%, due 15/05/2024	638,182	0.02
		8,200,000	CBR Fashion Finance BV 5.125%, due 01/10/2022	7,757,836	0.27
		2,110,000	Takko Luxembourg 2 SCA 5.375%, due 15/11/2023	1,740,720	0.06
		2,950,000	Takko FRN Luxembourg 2 SCA 5.375%, due 15/11/2023	2,405,485	0.08
	Utilities	8,820,000	Nordex SE 6.500%, due 01/02/2023	9,216,126	0.32
		15,400,000	Techem 6.000%, due 30/07/2026	16,715,277	0.58
Ghana	Oil & Gas	17,195,000	Kosmos Energy Ltd. 7.875%, due 01/08/2021	17,173,506	0.60
		8,684,000	Tullow Oil PLC 7.000%, due 01/03/2025	8,097,830	0.28
Ireland	Containers, Packaging & Glass	2,000,000	Ardagh Packaging Finance 4.625%, due 15/05/2023	1,915,000	0.07
		11,500,000	Ardagh Packaging Finance 7.250%, due 15/05/2024	11,514,375	0.40
	Utilities	8,950,000	Viridian Group FinanceCo 4.750%, due 15/09/2024	10,511,881	0.36
Italy	Diversified / Conglomerate Manufacturing	1,900,000	Fedrigoni 4.125%, due 30/11/2024	2,130,121	0.07
	Finance	4,625,000	Nexi Capital SpA 4.125%, due 01/11/2023	5,259,508	0.18
	Healthcare, Education & Childcare	2,650,000	Recordati SpA 6.750%, due 30/10/2025	3,022,877	0.10
	Telecommunications	22,350,000	Telecom Italia SpA 3.625%, due 25/05/2026	25,651,140	0.89
		1,750,000	Wind Tre SpA 2.750%, due 20/01/2024	1,799,542	0.06
		4,905,000	Wind Tre SpA 3.125%, due 20/01/2025	5,020,544	0.18
Netherlands	Beverage, Food & Tobacco	9,100,000	Refresco 6.500%, due 15/05/2026	9,655,295	0.33
	Chemicals, Plastics & Rubber	7,557,000	Nouryon 6.500%, due 01/10/2026	8,039,067	0.28
	Retail Stores	6,348,000	Maxeda DIY Holding BV 6.125%, due 15/07/2022	6,708,061	0.23

\*% of Net Assets refers to the Net Assets of the Parent.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Bonds (continued)</b>				<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
	Textiles & Leather	1,050,000	The LYCRA Company 5.375% due 01/05/2023	1,110,885	0.04
		1,471,000	The LYCRA Company 7.500% due 01/05/2025	1,381,637	0.05
Portugal	Telecommunications	10,657,000	Altice International S.a.r.l 7.500% due 15/05/2026	9,751,155	0.34
Spain	Personal Transportation	3,483,000	Naviera Armas SA 6.500%, due 31/07/2023	3,911,424	0.14
Sweden	Diversified / Conglomerate Service	23,650,000	Verisure Midholding AB 5.750%, due 01/12/2023	26,217,683	0.91
Switzerland	Aerospace & Defense	5,387,000	Swissport Financing Sarl 9.750%, due 15/12/2022	6,508,493	0.23
	Automobile	11,325,000	Garrett Motion 5.125%, due 15/10/2026	11,512,796	0.41
	Healthcare, Education & Childcare	4,876,000	Unilabs Subholding AB 5.750%, due 15/05/2025	5,077,936	0.18
United Kingdom	Automobile	16,045,000	Automotive Association 5.500%, due 31/07/2022	16,525,577	0.57
		9,230,000	RAC Bond Co PLC 5.000%, due 06/11/2022	10,558,312	0.37
	Beverage, Food & Tobacco	900,000	Boparan Finance PLC 4.375%, due 15/07/2021	751,933	0.03
		192,574	Boparan Finance PLC 5.250%, due 15/07/2019	228,841	0.01
		19,805,000	Boparan Finance PLC 5.500%, due 15/07/2021	18,389,852	0.64
	Finance	3,300,000	Arrow Global Finance PLC 5.125%, due 15/09/2024	3,777,149	0.13
		8,500,000	Cabot Financial Luxembourg SA 7.500%, due 01/10/2023	9,910,275	0.34
		12,949,000	Domestic & General 6.375%, due 15/11/2020	16,319,939	0.57
		9,240,000	Domestic & General 7.875%, due 15/11/2021	11,570,045	0.40
		4,700,000	Lowell 4.500%, due 01/09/2023	4,484,432	0.16
		8,030,000	Lowell 8.500%, due 01/11/2022	8,677,571	0.30
		9,950,000	Lowell 11.000%, due 01/11/2023	9,599,208	0.33
		8,000,000	Together 6.125%, due 15/01/2024	9,839,859	0.34
	Healthcare, Education & Childcare	5,055,000	Mydentist 6.250%, due 15/08/2022	5,350,996	0.19
	Hotels, Motels, Inns & Gaming	8,205,600	Travelodge 8.500%, due 15/05/2023	10,784,126	0.37
	Leisure, Amusement, Entertainment	11,728,000	Perform Group Financing Plc 8.500%, due 15/11/2020	15,031,022	0.52
		9,680,000	Thomas Cook Group PLC 6.250%, due 15/06/2022	8,574,619	0.30
		2,700,000	Vue Cinemas 7.875%, due 15/07/2020	3,403,994	0.12
	Oil & Gas	7,287,000	KCA Deutag UK Finance PLC 9.625%, due 01/04/2023	5,902,470	0.20
		4,050,000	KCA Deutag UK Finance PLC 9.875%, due 01/04/2022	3,341,250	0.12
	Personal, Food & Miscellaneous	6,350,000	Ocado Group PLC 4.000%, due 15/06/2024	7,859,800	0.27

\*% of Net Assets refers to the Net Assets of the Parent.



**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Bonds (continued)</b>				<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
	Retail Stores	4,350,000	House of Fraser Funding PLC 0.000%, due 15/09/2020	374,254	0.01
		4,300,000	Watches of Switzerland 8.500%, due 15/04/2023	5,120,281	0.18
		9,300,000	Travelex Financing PLC 8.000%, due 15/05/2022	9,156,886	0.32
United States	Aerospace & Defense	6,678,000	Triumph Group Inc 5.250%, due 01/06/2022	5,843,250	0.20
		13,242,000	Triumph Group Inc 7.750%, due 15/08/2025	11,719,170	0.41
		5,225,000	VistaJet Malta Finance PLC / VistaJet Co Finance LLC 7.750%, due 01/06/2020	5,029,063	0.17
	Automobile	1,907,000	Gates Global LLC / Gates Global Co 6.000%, due 15/07/2022	1,876,011	0.07
	Beverage, Food & Tobacco	1,411,000	Carrols Restaurant Group Inc 8.000%, due 01/05/2022	1,416,291	0.05
		5,570,000	Inspire Brands 6.750%, due 15/02/2026	4,887,675	0.17
		2,500,000	JBS S.A. 7.250%, due 01/06/2021	2,525,000	0.09
		8,300,000	JBS USA LUX SA / JBS USA Finance Inc 5.875%, due 15/07/2024	8,206,625	0.28
		8,427,000	JBS USA LUX SA / JBS USA Finance Inc 6.750%, due 15/02/2028	8,247,926	0.29
		4,991,000	Pilgrim's Pride Corp 5.750%, due 15/03/2025	4,704,018	0.16
		4,645,000	Pilgrim's Pride Corp 5.875%, due 30/09/2027	4,226,950	0.15
	Broadcasting & Entertainment	16,641,000	Charter Communications Inc. 5.000%, due 01/02/2028	15,351,323	0.53
		10,369,000	Clear Channel Worldwide Holdings Inc 6.500%, due 15/11/2022	10,420,845	0.36
		13,711,000	Clear Channel Worldwide Holdings Inc 7.625%, due 15/03/2020	13,440,499	0.47
		14,914,000	DISH DBS Corp 7.750%, due 01/07/2026	12,378,620	0.43
		6,000,000	Intelsat Jackson Holdings SA 8.500%, due 15/10/2024	5,850,000	0.20
		3,517,000	Intelsat Jackson Holdings SA 9.750%, due 15/07/2025	3,544,433	0.12
	Buildings & Real Estate	3,638,000	Century Communities Inc 6.875%, due 15/05/2022	3,556,145	0.12
		2,000,000	M/I Homes Inc 5.625%, due 01/08/2025	1,840,000	0.06
		8,220,000	Standard Industries Inc/NJ 4.750%, due 15/01/2028	6,935,625	0.24
		6,946,000	William Lyon Homes Inc 5.875%, due 31/01/2025	5,938,829	0.21
	Cargo Transport	6,589,000	American Airlines Group Inc 5.500%, due 01/10/2019	6,638,418	0.23
		4,530,000	Direct ChassisLink Inc. 10.000%, due 15/06/2023	4,371,450	0.15
		10,376,000	Kenan Advantage Group Inc 7.875%, due 31/07/2023	9,986,900	0.35
	Chemicals, Plastics & Rubber	5,954,000	Consolidated Energy Finance SA 6.875%, due 15/06/2025	5,693,513	0.20
		5,635,000	Diversey 5.625%, due 15/08/2025	5,528,206	0.19
		6,399,000	Platform Specialty Chemicals 5.875%, due 01/12/2025	6,015,060	0.21
		11,912,000	LBC Tank Terminals Holding Netherlands BV 6.875%, due 15/05/2023	10,720,800	0.37

\*% of Net Assets refers to the Net Assets of the Parent.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Bonds (continued)</b>				<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
		4,027,616	Pinnacle Operating Corp 9.000%, due 15/05/2023	2,718,641	0.09
	Containers, Packaging & Glass	9,750,000	Mauser Packaging Solutions 4.750%, due 15/04/2024	10,969,053	0.38
		5,000,000	Mauser Packaging Solutions 5.500%, due 15/04/2024	4,718,750	0.16
	Diversified / Conglomerate Manufacturing	500,000	Appvion Inc 9.000%, due 06/01/2020**	-	0.00
		5,000,000	General Electric Co 4.650%, due 17/10/2021	5,018,246	0.17
		15,400,000	Griffon Corp 5.250%, due 01/03/2022	13,994,750	0.49
	Diversified / Conglomerate Service	14,161,000	Carlson Travel Inc 6.750%, due 15/12/2023	13,683,066	0.47
		4,738,000	Carlson Travel Inc 9.500%, due 15/12/2024	4,323,425	0.15
		760,000	Iron Mountain UK PLC 3.875%, due 15/11/2025	861,364	0.03
		23,613,000	ADT Corp 9.250%, due 15/05/2023	24,409,939	0.86
		14,009,000	Zachry Holdings Inc 7.500%, due 01/02/2020	13,798,864	0.49
	Diversified Natural Resources, Precious Metals & Minerals	13,391,000	Parker Drilling Co 6.750%, due 15/07/2022	6,896,365	0.24
	Electronics	12,604,000	International Wire Group Inc 10.750%, due 01/08/2021	11,280,580	0.39
		18,328,000	TIBCO Software Inc 11.375%, due 01/12/2021	19,244,400	0.67
		8,172,000	Veritas US Inc 7.500%, due 01/02/2023	6,701,040	0.23
		14,465,000	Veritas US Inc 10.500%, due 01/02/2024	9,583,063	0.33
	Finance	7,500,000	Alliance Data Systems Corp 5.375%, due 01/08/2022	7,340,625	0.25
		2,575,000	Alliance Data Systems Corp 5.875%, due 01/11/2021	2,577,833	0.09
		6,000,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 6.000%, due 01/08/2020	6,000,000	0.21
		8,290,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 6.250%, due 01/02/2022	8,207,100	0.28
		6,853,000	Icahn Enterprises LP / Icahn Enterprises Finance Corp 6.375%, due 15/12/2025	6,613,145	0.23
		15,448,000	LPL Financial 5.750%, due 15/09/2025	14,521,120	0.50
		1,375,000	Tempo 6.750%, due 01/06/2025	1,278,750	0.04
		6,305,000	Virtu Financial 6.750%, due 15/06/2022	6,144,033	0.21
	Grocery	8,573,000	C&S Group Enterprises LLC 5.375%, due 15/07/2022	8,251,513	0.29
		11,739,000	Post Holdings Inc 5.750%, due 01/03/2027	11,064,008	0.38
	Healthcare, Education & Childcare	9,580,000	Avanos Medical Inc 6.250%, due 15/10/2022	9,556,050	0.33
		5,767,000	Avantor Inc 6.000%, due 01/10/2024	5,680,494	0.20
		1,000,000	Bausch Health Cos Inc 4.500%, due 15/05/2023	1,086,268	0.04

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a level 3 position.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

Bonds (continued)				Fair Value	% of Net
Country	Industry	Holding	Details	US\$	Assets*
		2,445,000	Bausch Health Cos Inc 5.500%, due 01/11/2025	2,289,131	0.08
		22,192,000	Bausch Health Cos Inc 6.125%, due 15/04/2025	19,418,000	0.67
		2,259,000	Bausch Health Cos Inc 9.000%, due 15/12/2025	2,256,176	0.08
		14,823,000	Bausch Health Companies 9.250%, due 01/04/2026	14,860,058	0.52
		2,197,000	Endo Pharmaceuticals 6.000%, due 15/07/2023	1,686,198	0.06
		5,495,000	Endo Pharmaceuticals 7.250%, due 15/01/2022	4,780,650	0.17
		8,665,000	Envision Healthcare Corp 8.750%, due 15/10/2026	7,516,888	0.26
		25,015,000	Ortho-Clinical Diagnostics 6.625%, due 15/05/2022	22,638,575	0.79
	Hotels, Motels, Inns & Gaming	426,003	Caesars Entertainment Corp 5.000%, due 01/10/2024	529,848	0.02
		16,307,000	Wynn Las Vegas LLC 5.500%, due 01/03/2025	15,247,044	0.53
	Insurance	9,137,000	Acrisure LLC 7.000%, due 15/11/2025	7,834,978	0.27
		2,000,000	AssuredPartners Inc 7.000%, due 15/08/2025	1,814,400	0.06
		1,201,000	York Risk Services Holding Corp 8.500%, due 01/10/2022	840,699	0.03
	Leisure, Amusement, Entertainment	6,000,000	Allegiant Travel Co 5.500%, due 15/07/2019	6,030,000	0.21
		15,225,000	AMC Entertainment Holdings Inc 6.375%, due 15/11/2024	18,150,228	0.63
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	11,017,000	Apex Tool Group LLC 9.000%, due 15/02/2023	9,364,450	0.32
	Mining, Steel, Iron & Non Precious Metals	9,000,000	Allegheny Technologies Inc 5.950%, due 15/01/2021	8,865,000	0.31
		4,644,000	Kissner Holdings LP 8.375%, due 01/12/2022	4,644,000	0.16
		6,500,000	New Gold Inc 6.250%, due 15/11/2022	5,492,500	0.19
		3,425,000	Peabody Energy Corp 6.000%, due 31/03/2022	3,335,094	0.12
		20,281,000	SunCoke Energy Partners LP 7.500%, due 15/06/2025	19,266,950	0.67
		4,675,000	Warrior Met Coal Inc 8.000%, due 01/11/2024	4,651,625	0.16
	Oil & Gas	4,500,000	Calumet Specialty Products Partners LP 6.500%, due 15/04/2021	3,768,750	0.13
		25,195,000	CITGO Holding Inc 10.750%, due 15/02/2020	25,761,888	0.89
		9,237,000	EP Energy LLC / Everest Acquisition Finance Inc 8.000%, due 15/02/2025	3,856,448	0.13
		8,645,000	Ferrellgas Partners LP 6.750%, due 15/01/2022	7,088,900	0.25
		6,748,000	Ferrellgas Partners LP 6.750%, due 15/06/2023	5,465,880	0.19

\*% of Net Assets refers to the Net Assets of the Parent.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Bonds (continued)</b>				<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
		4,400,000	Ferrellgas Partners LP 8.625%, due 15/06/2020	3,162,500	0.11
		5,000,000	Genesis Energy LP 6.000%, due 15/05/2023	4,637,500	0.16
		4,779,000	Genesis Energy LP 6.250%, due 15/05/2026	4,121,888	0.14
		11,062,000	Genesis Energy LP 6.500%, due 01/10/2025	9,789,870	0.34
		12,113,000	Jonah Energy LLC 7.250%, due 15/10/2025	7,873,450	0.27
		6,000,000	PBF Holding Co LLC 7.000%, due 15/11/2023	5,760,000	0.20
		16,421,000	PBF Holding Co LLC 7.250%, due 15/06/2025	15,517,845	0.54
		2,038,000	SM Energy Co 6.625%, due 15/01/2027	1,813,820	0.06
		7,997,000	SM Energy Co 6.750%, due 15/09/2026	7,197,300	0.25
		7,375,000	Suburban Propane Partners LP 5.500%, due 01/06/2024	6,895,625	0.24
		5,341,000	Suburban Propane Partners LP 5.875%, due 01/03/2027	4,753,489	0.16
		2,942,000	Transocean Inc 6.800%, due 15/03/2038	1,971,140	0.07
	Personal & Non Durable Consumer Products Mfg. Only	9,000,000	High Ridge Brands Co 8.875%, due 15/03/2025	4,005,000	0.14
		4,976,000	Prestige Brands Inc 6.375%, due 01/03/2024	4,826,720	0.17
	Retail Stores	13,083,000	Penske Automotive Group Inc 5.500%, due 15/05/2026	12,216,251	0.42
	Telecommunications	5,000,000	Charter Communications Inc. 5.500%, due 01/05/2026	4,818,750	0.17
		3,000,000	Charter Communications Inc. 5.875%, due 01/05/2027	2,917,500	0.10
		5,000,000	Cequel Communications 7.500%, due 01/04/2028	5,012,500	0.17
		2,342,000	General Communication, Inc. 6.875%, due 15/04/2025	2,283,450	0.08
		9,672,000	Hughes Satellite Systems Corp 6.625%, due 01/08/2026	8,886,150	0.31
		10,284,000	Sprint Nextel Corporation 7.625%, due 01/03/2026	10,181,160	0.35
		9,118,000	Sprint Nextel Corporation 7.875%, due 15/09/2023	9,380,143	0.33
Zambia	Mining, Steel, Iron & Non Precious Metals	9,134,000	First Quantum Minerals Ltd 6.500%, due 01/03/2024	7,615,473	0.26
		6,183,000	First Quantum Minerals Ltd 6.875%, due 01/03/2026	4,985,044	0.17
		6,165,000	First Quantum Minerals Ltd 7.500%, due 01/04/2025	5,109,244	0.18
<b>Total Bonds (2017: 42.09%)</b>				<b>1,332,200,256</b>	<b>46.25</b>

\*% of Net Assets refers to the Net Assets of the Parent.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Equity Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>Fair Value US\$</b>	<b>% of Net Assets*</b>
Canada	Healthcare, Education & Childcare	185,099	Advanz Pharma Corp	3,636,837	0.13
	Oil & Gas	1,443,276	Jupiter Resources Inc.	4,907,138	0.17
France	Buildings & Real Estate	180,762,179	Terreal Class A**	936,129	0.03
		2,800	Terreal Class P**	-	0.00
	Cargo Transport	4,709	Fraikin Pref**	-	0.00
		672	Fraikin A1**	90,853	0.00
		1,938	Fraikin A2**	262,015	0.01
		672	Fraikin B1**	90,853	0.00
		1,938	Fraikin B2**	262,015	0.01
		672	Fraikin C1**	90,853	0.00
		1,938	Fraikin C2**	262,015	0.01
		672	Fraikin D1**	90,853	0.00
		1,938	Fraikin D2**	262,015	0.01
		672	Fraikin E1**	90,853	0.00
		1,938	Fraikin E2**	262,015	0.01
		672	Fraikin F1**	90,853	0.00
		1,938	Fraikin F2**	262,015	0.01
		672	Fraikin G1**	90,853	0.00
		1,938	Fraikin G2**	262,015	0.01
		672	Fraikin H1**	90,853	0.00
		1,938	Fraikin H2**	262,015	0.01
		672	Fraikin I1**	90,853	0.00
1,939	Fraikin I2**	262,150	0.01		
Germany	Diversified / Conglomerate Service	91,559	Alma Consulting Group Luxco Shares**	-	0.00
		164,331	Alma Consulting Group Mezzanine PPL**	-	0.00
		4,222,251	Alma Consulting Group Senior Debt PPL**	-	0.00
		220,071	Alma Consulting Group Senior Equity PPL**	-	0.00
		2,267	Vivarte New Money Preference Shares**	-	0.00
Italy	Retail Stores	80,151	ATU Ordinary Shares**	-	0.00
		36,612	Stiga Class A1**	2,474,943	0.10
Netherlands	Automobile	15,641	Stiga Class A2**	125,445	0.00
		354,442	Stiga Class A3**	60,915	0.00
United Kingdom	Home & Office Furnishings, Housewares, & Durable Consumer Products	884,951	Renewi	369,970	0.01
		156,187	Renewi A1**	-	0.00
		5,039	Renewi A2**	-	0.00
		5,039	Renewi A3**	-	0.00
		5,039	Renewi A4**	-	0.00
		5,039	Renewi A5**	-	0.00
		5,039	Renewi A6**	-	0.00
		5,039	Renewi A7**	-	0.00
		5,039	Renewi A8**	-	0.00
		5,039	Renewi A9**	-	0.00
		22,980	Maxeda DIY B.V. Ordinary Shares Class A**	237,701	0.01
		41,491,715	Maxeda DIY B.V. Preference Shares**	950,782	0.03
United Kingdom	Ecological	9,498	Tunstall Class B1**	-	0.00
		22,980	Maxeda DIY B.V. Ordinary Shares Class A**	237,701	0.01

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a level 3 position

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Equity (continued)</b>				<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
		6,270	Tunstall Class B2**	-	0.00
United States	Diversified / Conglomerate Manufacturing	976	Appvion Inc**	5,196	0.00
	Farming & Agriculture	3,157,216	Pinnacle Operating Corp (Jimmy Sanders) Preference Shares	315,722	0.01
	Healthcare, Education & Childcare	270,732	MModal Inc.	22,267,707	0.78
	Hotels, Motels, Inns & Gaming	88,353	Caesars Entertainment Corp	600,359	0.02
	Leisure, Amusement, Entertainment	76,222	MGM Holdings Inc**	6,326,426	0.23
	Mining, Steel, Iron & Non Precious Metals	11,025,279	Boomerang Tube LLC**	1,071,988	0.04
	Oil & Gas	136,270	Fieldwood Energy LLC	5,178,260	0.18
		33,437	Fieldwood Energy LLC Restricted	1,270,606	0.04
		2,461	Sabine Oil & Gas LLC Tranche 1 Warrants**	3,692	0.00
		438	Sabine Oil & Gas LLC Tranche 2 Warrants**	2,300	0.00
		775	Sabine Oil & Gas LLC**	34,100	0.00
		9,343	Total Safety (W3 Co)**	3,176,621	0.11
<b>Total Equity (2017: 1.01%)</b>				<b>57,128,784</b>	<b>1.98</b>

\*\*This is a level 3 position.

<b>Collective Investment Schemes</b>				<b>Fair Value</b>	<b>% of Net</b>
<b>Country</b>	<b>Industry</b>	<b>Holding</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
Ireland	Finance	36,511,967	Barings USD Liquidity Fund	36,511,967	1.27
<b>Total Collective Investment Schemes (2017: 6.26%)</b>				<b>36,511,967</b>	<b>1.27</b>
<b>Total investments at fair value through profit or loss (2017: 99.75%)</b>				<b>2,766,671,717</b>	<b>96.04</b>

\*% of Net Assets refers to the Net Assets of the Parent.

\*\*This is a level 3 position.

**Barings Global High Yield Credit Strategies Limited**

**Schedule of Investments (Unaudited)  
as at 31 December 2018 (continued)**

<b>Options Purchased</b>			<b>Notional</b>		<b>Fair Value</b>	<b>% of Net</b>
<b>Maturity</b>	<b>Counterparty</b>	<b>Currency</b>	<b>Amount</b>	<b>Details</b>	<b>US\$</b>	<b>Assets*</b>
21/06/2019	Morgan Stanley	EUR	45,100	Put at 3,000 Index	10,856,562	0.38
<b>Total options purchased at fair value (Premium paid USD 3,750,320) (2017: 0.14%)</b>					<b>10,856,562</b>	<b>0.38</b>

**Forward Foreign Exchange Contracts**

<b>Maturity</b>	<b>Counterparty</b>	<b>Currency</b>	<b>Amount Bought</b>	<b>Currency</b>	<b>Amount Sold</b>	<b>Unrealised Gain</b>	<b>% of Net Assets*</b>
						<b>US\$</b>	
15/01/2019	State Street Bank & Trust Company	EUR	776,693	USD	889,633	1,148	0.00
15/01/2019	State Street Bank & Trust Company	EUR	215,559	USD	244,338	2,884	0.00
15/01/2019	State Street Bank & Trust Company	EUR	3,909,600	USD	4,478,099	5,778	0.00
14/02/2019	State Street Bank & Trust Company	EUR	2,013,053	USD	2,305,670	8,875	0.00
15/01/2019	State Street Bank & Trust Company	EUR	3,153,938	USD	3,604,894	12,322	0.00
15/01/2019	State Street Bank & Trust Company	EUR	1,400,000	USD	1,591,114	14,530	0.00
15/01/2019	State Street Bank & Trust Company	EUR	3,124,948	USD	3,563,575	20,393	0.00
15/01/2019	State Street Bank & Trust Company	EUR	4,005,000	USD	4,551,723	41,567	0.00
14/02/2019	State Street Bank & Trust Company	GBP	502,500	USD	630,221	11,588	0.00
01/02/2019	State Street Bank & Trust Company	NOK	400,000	USD	45,697	565	0.00
14/02/2019	State Street Bank & Trust Company	USD	937,095	GBP	732,771	1,175	0.00
14/02/2019	State Street Bank & Trust Company	USD	1,360,529	GBP	1,063,880	1,706	0.00
14/02/2019	State Street Bank & Trust Company	USD	79,359,709	GBP	61,904,691	292,962	0.01
14/02/2019	State Street Bank & Trust Company	USD	219,299,411	GBP	171,064,920	809,560	0.03
<b>Total unrealised gain on forward foreign exchange contracts (2017: 0.00%)</b>						<b>1,225,054</b>	<b>0.04</b>

<b>Maturity</b>	<b>Counterparty</b>	<b>Currency</b>	<b>Amount Bought</b>	<b>Currency</b>	<b>Amount Sold</b>	<b>Unrealised Loss</b>	<b>% of Net Assets*</b>
						<b>US\$</b>	
15/01/2019	State Street Bank & Trust Company	USD	716,629	EUR	625,652	(925)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	169,911	EUR	148,997	(972)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	207,986	EUR	182,386	(1,190)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	207,986	EUR	182,386	(1,190)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	332,410	EUR	291,700	(2,137)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	552,593	EUR	484,917	(3,553)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	603,842	EUR	529,821	(3,804)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	672,574	EUR	590,204	(4,324)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	506,203	EUR	445,401	(4,623)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	882,685	EUR	773,767	(4,739)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	800,960	EUR	702,776	(5,046)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	696,068	EUR	611,831	(5,634)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	1,208,934	EUR	1,059,758	(6,491)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	629,203	EUR	555,092	(7,427)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	951,586	EUR	837,288	(8,690)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	1,362,107	EUR	1,198,500	(12,439)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	2,629,253	EUR	2,305,628	(15,046)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	3,153,104	EUR	2,765,000	(18,044)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	3,252,080	EUR	2,851,794	(18,610)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	3,983,548	EUR	3,492,000	(21,388)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	3,397,757	EUR	2,981,250	(21,405)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	4,220,827	EUR	3,700,000	(22,662)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	4,001,249	EUR	3,508,750	(22,898)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	4,791,209	EUR	4,200,000	(25,725)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	2,556,348	EUR	2,255,250	(30,173)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	2,650,430	EUR	2,338,250	(31,283)	(0.00)
15/01/2019	State Street Bank & Trust Company	USD	3,961,971	EUR	3,482,500	(32,070)	(0.01)
15/01/2019	State Street Bank & Trust Company	USD	263,409,301	EUR	230,767,270	(1,255,113)	(0.04)
15/01/2019	National Australia Bank Limited	USD	280,759,386	EUR	245,956,536	(1,325,427)	(0.05)
01/02/2019	State Street Bank & Trust Company	USD	302,724	GBP	237,990	(619)	(0.00)
14/02/2019	State Street Bank & Trust Company	USD	336,681	GBP	266,143	(3,245)	(0.00)
14/02/2019	State Street Bank & Trust Company	USD	873,231	GBP	687,322	(4,640)	(0.00)
14/02/2019	State Street Bank & Trust Company	USD	253,319	GBP	201,981	(4,658)	(0.00)
14/02/2019	State Street Bank & Trust Company	USD	918,282	GBP	732,182	(16,885)	(0.00)
<b>Total unrealised loss on forward foreign exchange contracts (2017: (0.16)%)</b>						<b>(2,943,075)</b>	<b>(0.10)</b>
<b>Net unrealised loss on forward foreign exchange contracts (2017: (0.16)%)</b>						<b>(1,718,021)</b>	<b>(0.06)</b>

\*% of Net Assets refers to the Net Assets of the Parent.

**Barings Global High Yield Credit Strategies Limited**

**Significant Changes in Portfolio Composition (Unaudited)  
As at 31 December 2018**

**Purchases**

<b>Issuer</b>	<b>Cost US\$</b>
Institutional Cash Series Plc	876,000,000
Barings USD Liquidity Fund	62,500,000
Telecom Italia 3.625%, due 25/05/2026	26,927,651
TDC A/S 5.625%, due 23/02/2023	23,995,077
Envision Healthcare Corporation 2018 1st Lien Term Loan	22,795,440
Sprint Nextel Corp. 7.875%, due 15/09/2023	21,346,455
Techem 6.000%, due 30/07/2026	17,747,832
Domestic & General 6.375%, due 15/11/2020	17,281,740
ADT Corp / Protection One 9.250%, due 15/05/2023	17,144,416
PBF Holding Co LLC 7.250%, due 15/06/2025	16,968,383
Hyland Software, Inc. 2018 Term Loan 3	16,924,852
Wynn Las Vegas LLC 5.500%, due 01/03/2025	16,514,005
Ortho-Clinical Diagnostics Inc 6.625%, due 15/05/2022	16,286,254
Bausch Health Companies 9.250%, due 01/04/2026	14,823,000
SunCoke Energy Partners LP 7.500%, due 15/06/2025	13,557,650
Travelport Corp Finance PLC 6.000%, due 15/03/2026	13,436,000
CITGO Holding Inc 10.750%, due 15/02/2020	13,403,528
Balta Issuer SARL 7.750%, due 15/09/2022	13,353,721
Synlab 8.250%, due 01/07/2023	13,258,315
Garrett Motion 5.125%, due 15/10/2026	12,533,766

**Sales**

<b>Issuer</b>	<b>Proceeds US\$</b>
Institutional Cash Series Plc	1,024,437,022
Barings USD Liquidity Fund	26,000,000
Hyland Software, Inc. 2017 1st Lien Term Loan	16,924,852
Tenet Healthcare Corp, 4.625%, due 15/07/2024	16,455,230
Hertz Corp, 7.625%, due 01/06/2022	14,810,191
Travelport Corp Finance Plc 6.000%, due 15/03/2026	13,663,640
Ortho-Clinical Diagnostics SA Term Loan B	12,110,569
Asurion LLC 2017 Term Loan B5	12,022,684
Energy Transfer Equity LP, 4.250%, due 15/03/2023	11,738,024
Sprint Nextel Corp. 7.875%, due 15/09/2023	11,471,490
NRG Energy Inc, 7.250%, due 15/05/2026	10,716,303
A Schulman Inc, 6.875%, due 01/06/2023	10,632,338
TransDigm Inc, 6.375%, due 15/06/2026	10,276,915
Calpine Corporation Term Loan B5	9,999,361
Delta 2 (LUX) S.a.r.l. USD Term Loan B3	9,659,069
Marketo, Inc. 2018 1st Lien Term Loan	9,442,247
Envision Healthcare Corporation 2016 Term Loan B	9,208,610
Iron Mountain UK Plc 3.875%, due 15/11/2025	9,205,188
Teva Pharmaceutical Finance Netherlands III BV 6.000%, due 15/04/2024	9,105,540
Altice International S.a.r.l 4.750%, due 15/01/2028	8,884,159

Listed above are aggregate purchases of securities exceeding 1% of the total value of purchases for the financial year ended 31 December 2018 and aggregate sales greater than 1% of the total value of sales for the financial year ended 31 December 2018.

At a minimum, the largest 20 purchases and sales are required to be disclosed, if applicable.