

Barings Global Loan Limited

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

Registered Number: 486239

Barings Global Loan Limited
Financial Statements
for the financial year ended 31 December 2018
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Barings Global Loan Limited

Directors and Other Information

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

Manager and Alternative Investment Fund Manager

(with effect from 29 June 2018)
Baring International Fund Managers (Ireland) Limited
70 Sir John Rogerson's Quay
Dublin 2, D02 R296
Ireland

Investment Manager and Alternative Investment Fund Manager

(up to 28 June 2018)
Barings Global Advisers Limited
20 Old Bailey
London EC4M 7BF
United Kingdom

Investment Managers

(with effect from 29 June 2018)
Baring Asset Management Limited
20 Old Bailey
London EC4M 7BF
United Kingdom

Barings LLC
300 S. Tryon St, Suite 2500
Charlotte
North Carolina 28202
United States

Sub-Investment Manager

(up to 28 June 2018)
Barings LLC
300 S. Tryon St, Suite 2500
Charlotte
North Carolina 28202
United States

Depository

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

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 and Statutory Audit Firm
1 Harbourmaster Place
International Financial Services Centre
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

* Independent Directors

Barings Global Loan Limited
Directors' Report
for the financial year ended 31 December 2018

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

General information

Barings Global Loan Limited (the "Company") is a limited liability company incorporated in Ireland under the registration number 486239. It is a wholly owned subsidiary of Barings Capital Global Loan Fund (the "Parent") which is listed on the Global Exchange Market of the Irish Stock Exchange ("ISE"). The Parent is a fund of an Irish incorporated umbrella fund, Barings Global Investment Funds 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\$7,850,534,242 (31 December 2017: US\$9,313,463,662). The Company financed its purchases of investments by way of a loan provided by the Ultimate Parent on behalf of its fund, the Parent, which is managed by Baring International Fund Managers (Ireland) Limited with effect from 29 June 2018. Baring Asset Management Limited and Barings LLC act as Investment Managers to the Parent with effect from 29 June 2018. Prior to 29 June 2018 Barings Global Advisers Limited acted as Investment Manager to the Parent, and Barings LLC acted as Sub-Investment Manager.

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 and Baring International Fund Managers (Ireland) Limited.

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; and
- (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 (31 December 2017: nil).

Audit Committee

The Company has decided that there is no requirement to form an audit committee as there are three independent Directors on the Board. The activities of the Company have been delegated to a number of service providers and there is a robust due diligence procedure in place for these service providers.

Barings Global Loan Limited

**Directors' Report
for the financial year ended 31 December 2017 (continued)**

Directors compliance statement

In accordance with Section 225 of the Companies Act 2014, the Directors:

- (a) acknowledge that they are responsible for securing the Company's compliance with its relevant obligations; and
- (b) confirm that:
- i) a compliance policy statement has been prepared setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) for ensuring compliance by the Company with its relevant obligations;
 - ii) an adequate structure is in place, that in the Directors' opinion, is designed to secure material compliance with the Company's relevant obligations; and
 - iii) an annual review procedure has been put in place to review the Company's relevant obligation and ensure a structure is in place to comply with these obligations.

Brexit

The outcome of the Brexit negotiations continues to be uncertain and Barings continues to plan for a number of possible scenarios including a "no-deal" outcome. Barings is committed to ensuring continuity for its investors and protecting against potential regulatory or other market access barriers related to Brexit. In this regard, Barings has appointed Baring International Fund Managers (Ireland) Limited ("BIFMI"), an Irish AIFM, as the manager of the Fund. As a consequence, Barings will be able to use BIFMI's AIFMD passports to continue to market products into EU27 and to manage EU27 funds, unaffected by Brexit. Portfolio management in respect of European investments will continue to be delegated back to Baring Asset Management Limited, a UK entity and portfolio management of US investments will continue to be conducted by Barings LLC, a US entity. The depositaries/custodians and administrators of such funds are also EU27 entities. In addition, Barings has established a Dublin office and recruited several key employees for it, reflecting the increased significance of BIFMI's role within the business.

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.

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 (the "Administrator"), 78 Sir John Rogerson's Quay, Dublin 2.

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

Barings Global Loan Limited

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

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; and
- 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 of Directors:

Director: 
James Cleary

Director: 
David Conway

Date: 23 April 2019

Barings Global Loan Limited
Independent Auditor's Report
for the financial year ended 31 December 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL LOAN LIMITED

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Barings Global Loan 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.

Barings Global Loan Limited
Independent Auditor's Report
for the financial year ended 31 December 2018 (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL LOAN 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.

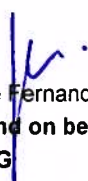
Auditor's responsibilities for the audit of the financial statements

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

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 and Statutory Audit Firm
1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

23 April 2019

Barings Global Loan Limited

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

	Note	31 Dec 2018 US\$	31 Dec 2017 US\$
Net change on financial assets at fair value through profit or loss	6	131,643,158	427,603,961
Net change on financial liabilities at fair value through profit or loss	13	(127,133,799)	(426,963,358)
<i>Other income</i>			
- Net (loss)/gain on foreign exchange		(2,077,763)	1,833,593
Net operating income		2,431,596	2,474,196
Depository fee		(2,170,811)	(2,193,604)
Directors' fee	13	(4,347)	(3,483)
Audit and tax reporting fee	5	(53,776)	(49,281)
Miscellaneous fee		(6,776)	(31,101)
Total operating expenses		(2,235,710)	(2,277,469)
Interest expense		(194,740)	(195,527)
Profit before income tax for the financial year		1,146	1,200
Tax on ordinary activities	7	(287)	(300)
Profit after tax		859	900

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 Loan Limited

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

	Note	31 Dec 2018 US\$	31 Dec 2017 US\$
Assets:			
Financial assets at fair value through profit or loss:			
- Investments	9,11	7,850,534,242	9,313,463,662
- Forward foreign exchange contracts	9,11	2,024,711	-
Other receivables	4	69,561,193	44,461,304
Receivable for investments sold		263,535,650	184,674,526
Cash and cash equivalents	3	152,293,332	235,533,787
Total assets		<u>8,337,949,128</u>	<u>9,778,133,279</u>
Liabilities:			
Financial liabilities designated at fair value through profit or loss:			
- Loan and coupon payable from the Ultimate Parent	13	(7,979,084,537)	(9,363,009,870)
Financial liabilities held for trading:			
- Forward foreign exchange contracts	9,11	(10,354,931)	(22,949,718)
Payable for investments purchased		(348,317,310)	(391,964,519)
Other payables and accrued expenses	5	(185,075)	(202,757)
Total liabilities		<u>(8,337,941,853)</u>	<u>(9,778,126,863)</u>
Net assets		<u>7,275</u>	<u>6,416</u>
Equity			
Share capital	8	1	1
Retained earnings		7,274	6,415
Total equity		<u>7,275</u>	<u>6,416</u>

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

Barings Global Loan Limited

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

Financial year ended 31 December 2018

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at beginning of the financial year	1	6,415	6,416
Profit for the financial year	-	859	859
Balance at end of the financial year	1	7,274	7,275

Financial year ended 31 December 2017

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at beginning of the financial year	1	5,515	5,516
Profit for the financial year	-	900	900
Balance at end of the financial year	1	6,415	6,416

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

Barings Global Loan Limited
Statement of Cash Flows
for the financial year ended 31 December 2018

	31 Dec 2018	31 Dec 2017
	US\$	US\$
Profit after income tax	859	900
Adjustments for:		
Net movement on investments	1,340,421,087	(1,398,803,374)
Net movement on derivatives	(14,619,498)	58,817,461
Coupon expense on loan from Ultimate Parent	127,133,799	426,963,358
Operating cash inflows/(outflows) before movements in working capital	1,452,936,247	(913,021,655)
(Increase)/decrease in other receivables	(25,099,889)	12,220,177
(Decrease)/increase in other payables	(17,682)	44,678
Cash (used in)/generated by working capital	(25,117,571)	12,264,855
Net cash inflows/(outflows) from operating activities	1,427,818,676	(900,756,800)
Financing activities		
Proceeds from loan from the Ultimate Parent	1,024,344,760	2,315,011,275
Repayment of loan to the Ultimate Parent	(2,535,403,891)	(1,392,584,212)
Net cash (outflows)/inflows from financing activities	(1,511,059,131)	922,427,063
Net increase in cash and cash equivalents	(83,240,455)	21,670,263
Cash and cash equivalents at start of financial year	235,533,787	213,863,524
Cash and cash equivalents at end of financial year	152,293,332	235,533,787
Supplemental information		
Coupon received	460,222,902	419,079,832
Tax paid	(300)	(263)

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

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018

1. General Information

Barings Global Loan Limited (the “Company”) is a limited liability Company incorporated in Ireland on 1 July 2010. The Company is a wholly owned subsidiary of Barings Global Loan Fund (the “Parent”) which is listed on the Global Exchange Market of the Euronext Dublin, in March 2018, Euronext completed the purchase of the Irish Stock Exchange (“ISE”) and renamed the ISE to Euronext Dublin. The Parent is a fund of an Irish incorporated umbrella fund, Barings Global Investment Funds Plc, which is the ultimate parent of the Company (“Ultimate Parent”). As at 31 December 2018, the Company held investments to the value of US\$7,850,534,242 (31 December 2017: US\$9,313,463,662). The Company financed its purchases of investments by way of a loan provided by the Ultimate Parent on behalf of its fund, the Parent.

With effect from 29 June 2018, Baring International Fund Managers (Ireland) Limited will act as Manager and Alternative Investment Fund Manager for the Company. Baring Asset Management Limited and Barings LLC act as Investment Managers to the Company with effect from 29 June 2018. Up to 28 June 2018, Barings Global Advisers Limited acted as Investment Manager and Barings LLC acted as Sub-Investment Manager. The following notes refer to the Investment Managers but do 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.

The accounting policies have been applied consistently by the Company.

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 liabilities of the Company.

(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.

Barings Global Loan 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 (continued)

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.

Financial assets	Original classification under IAS 39	New classification under IFRS 9
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.

Financial liabilities	Original classification under IAS 39	New classification under IFRS 9
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 designated 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.

(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.
- 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.

Barings Global Loan Limited

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

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 a significant 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 assets at fair value in the Statement of Comprehensive Income. Foreign exchange gains/(losses) on financial assets at fair value through profit or loss are included in net change on Financial through profit or loss 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 (loss)/gain 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\$.

(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.

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018 (continued)

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)

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 and investments in unlisted open-ended investment funds. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

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.

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018 (continued)

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

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 and investments in unlisted open-ended investment funds.

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.

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 (2017: loans and receivables)

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 coupon expense, are recognised in profit or loss. Loan from 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.

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018 (continued)

2b. Significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

(ii) Classification and subsequent measurement (continued)

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

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 Sub-Funds have 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.

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.

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018 (continued)

2b. Significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

(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.

(viii) 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 Managers 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).

(ix) 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.

Barings Global Loan Limited

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

2b. Significant accounting policies (continued)

(e) Income

Income from financial assets at fair value through profit or loss

Coupon income on financial assets at fair value through profit or loss is included in Net change on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Income not yet received is included in Other receivables in the Statement of Financial Position. Income which suffers a deduction of tax at source is shown gross of withholding tax. Non-recoverable withholding tax is disclosed separately in the Statement of Comprehensive Income.

Bank interest and interest expense

Bank interest and interest expense is recognised on an effective interest method and includes interest income and expense from cash and cash equivalents. Bank interest income and expense are included in Net change on financial assets at fair value through profit or loss and Interest expense in the Statement of Comprehensive Income, respectively. Bank interest income not yet received is included in Other receivables in the Statement of Financial Position on an accruals basis.

(f) Miscellaneous income

Miscellaneous income is comprised of various fees received relating to the loans held in the Company's portfolio of investments e.g. extension fees and prepayment fees. It is recognised in the Statement of Comprehensive Income on an effective interest rate basis.

(g) Net change 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.

(h) Net change 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.

(i) Expenses

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

(j) 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.

(k) 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.

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018 (continued)

3. Cash and cash equivalents

Cash and cash equivalents are held with the Depository, State Street Custodial Services (Ireland) Limited. State Street Corporation, the Ultimate Parent of the Depository, had a Standard & Poor's credit rating of A (31 December 2017: A). As at 31 December 2018, the Company held US\$152,293,332 (31 December 2017: US\$235,533,787) in cash and cash equivalents. Cash and cash equivalents are measured at amortised cost.

4. Other receivables

	31 Dec 2018	31 Dec 2017
	US\$	US\$
Coupon receivable on loan investments	28,561,123	21,636,851
Principal receivable on loan investments	25,441,295	12,162,914
Coupon receivable on bonds	15,554,120	10,623,415
Other receivables	4,655	38,124
	<u>69,561,193</u>	<u>44,461,304</u>

5. Other payables and accrued expenses

	31 Dec 2018	31 Dec 2017
	US\$	US\$
Depository fee payable	(180,074)	(195,110)
Directors' fee payable	(386)	(293)
Miscellaneous payable	(4,615)	(7,354)
	<u>(185,075)</u>	<u>(202,757)</u>

The table below outlines the Statutory audit fees and tax advisory and compliance services fees charged for the financial years ended 31 December 2018 and 31 December 2017:

	31 Dec 2018	31 Dec 2017
	US\$	US\$
Statutory audit	(62,975)	(36,499)
Tax advisory and compliance services	(12,183)	(12,782)
Total	<u>(75,158)</u>	<u>(49,281)</u>

6. Net change on financial assets at fair value through profit or loss

	31 Dec 2018	31 Dec 2017
	US\$	US\$
Coupon income from financial assets designated at fair value through profit or loss	472,077,880	404,675,839
Dividend income	1,377,173	80,656
<i>Income from investments</i>		
- Realised gain/(loss) on investments	7,177,163	(16,784,124)
- Unrealised net change on investments	(533,513,528)	209,991,647
- Realised gain/(loss) on derivatives	169,904,973	(111,542,596)
- Unrealised net change on derivatives	14,619,497	(58,817,461)
	<u>131,643,158</u>	<u>427,603,961</u>

7. Taxation

	31 Dec 2018	31 Dec 2017
	US\$	US\$
Current financial year tax	<u>(287)</u>	<u>(300)</u>
Reconciliation of tax charge to profit before tax:		
Profit before tax	(1,147)	1,200
Corporation tax at 25%	<u>(287)</u>	<u>(300)</u>

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018 (continued)

8. Share capital

Authorised

The authorised share capital of the Company is €100,000,000.

Issued and fully paid

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

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.

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 based on broker quotes received from Markit Group Limited (broker quotes are estimates; actual values could differ significantly). The remainder were priced from market makers and other pricing providers providing quotes directly to the Managers or the Administrator 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 Managers independently review the prices received as single broker quotes and ensure that they are in line with expectations.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, (i.e., an exit price) reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. Where other pricing models are used, inputs are based on market data at the financial year end date.

Barings Global Loan 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)

Fair value for unquoted equity investments is estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer 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 realisable value of the investment, by the Directors or their delegate or a competent person, which may be one of the Managers (appointed by the Directors and each approved for the purpose by the Depositary) 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 Depositary.

Security type categorised as Level 3:

	Fair Value	Fair value
	31 Dec 2018	31 Dec 2017
	US\$	US\$
Equities	7,626,743	8,405,969
Loans	499,564,508	292,318,883
	507,191,251	300,724,852

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 market and the value of loans and sub-participations in loans will be determined in accordance with the above provisions or obtained from an independent pricing source (if available).

Please refer to the schedule of investments for the fair value of individual 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 purchased and other payables and accrued expenses 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.

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 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.

Barings Global Loan 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 2018 in valuing the Company's financial assets and liabilities carried at fair value:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Financial assets				
- Investments	25,859,889	7,317,483,102	507,191,251	7,850,534,242
- Forward foreign exchange contracts	-	2,024,711	-	-
Total financial assets	<u>25,859,889</u>	<u>7,319,507,813</u>	<u>507,191,251</u>	<u>7,852,558,953</u>
Financial liabilities				
- Loan and coupon payable from the Ultimate Parent	-	(7,979,084,537)	-	(7,979,084,537)
- Forward foreign exchange contracts	-	(10,354,931)	-	(10,354,931)
Total financial liabilities	-	<u>(1,781,708,370)</u>	-	<u>(1,781,708,370)</u>

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

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Financial assets				
- Investments	575,441,562	8,437,297,248	300,724,852	9,313,463,662
Total financial assets	<u>575,441,562</u>	<u>8,437,297,248</u>	<u>300,724,852</u>	<u>9,313,463,662</u>
Financial liabilities				
- Loan and coupon payable from the Ultimate Parent	-	(9,363,009,869)	-	(9,363,009,869)
- Forward foreign exchange contracts	-	(22,949,718)	-	(22,949,718)
Total financial liabilities	-	<u>(9,385,959,587)</u>	-	<u>(9,385,959,587)</u>

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 (31 December 2017: none). 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:

	Financial assets at fair value through profit or loss 31 Dec 2018 US\$	Financial assets at fair value through profit or loss 31 Dec 2017 US\$
Opening balance	300,724,852	131,265,822
Net (loss)/gain on investments	(34,305,650)	3,336,202
Purchases	358,908,428	215,158,869
Sales	(233,733,255)	(60,324,859)
Transfers out of Level 3	(57,915,809)	(33,052,482)
Transfer into Level 3	173,512,685	44,341,300
Closing balance	<u>507,191,251</u>	<u>300,724,852</u>
Total unrealised gains or losses recognised in the Statement of Comprehensive Income for assets held at the end of the reporting period:		
- Included within unrealised (loss)/gain on investments	<u>(36,345,041)</u>	<u>929,562</u>

Barings Global Loan 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.

Asset Class	Fair Value US\$	Unobservable Inputs	Ranges	Weighted Average
Equities	7,626,743	EBITDA Multiples/Recent Sales	0.00-44.00	10.59
Loans	499,564,508	Broker Quotes/Recent Sales	83.50-100.00	94.98

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.

Asset Class	Fair Value US\$	Unobservable Inputs	Ranges	Weighted Average
Equities	8,405,969	EBITDA Multiples/Recent Sales	0.00-388.00	103.76
Loans	292,318,883	Broker Quotes/Recent Sales	11.00-103.00	102.18

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, may 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\$25,359,563 (31 December 2017: US\$15,036,243).

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.

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

Structured Entity ("SE")	Line item in Statement of Financial Position	No. of Investments	Total Net Assets of the underlying Structured Entity* US\$	Carrying amount included in 'Financial assets at fair value through profit or loss' US\$	% of Total Net Assets **
CIS	Financial assets at fair value through profit or loss	2	78,774,811,068	265,899,605	3.35

*Based on the latest available Net Assets of the Structured Entities.

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

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

Structured Entity ("SE")	Line item in Statement of Financial Position	No. of Investments	Total Net Assets of the underlying Structured Entity* US\$	Carrying amount included in 'Financial assets at fair value through profit or loss' US\$	% of Total Net Assets **
CIS	Financial assets at fair value through profit or loss	2	127,197,350,000	575,441,564	6.08

*Based on the latest available Net Assets of the Structured Entities.

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

Barings Global Loan Limited

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

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 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 manage the 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 re-calculate, readjust and execute hedges in an efficient and timely manner. The Managers have appointed State Street Bank Boston Limited to implement and manage this process. The 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 and liabilities at fair value through profit or loss	Cash and cash equivalents	Other assets and liabilities*	Forward foreign exchange contracts	Net Exposure	% of Total assets
	US\$	US\$	US\$	US\$	US\$	%
CHF	-	(1,627,836)	-	1,627,836	-	-
EUR	1,979,939,012	32,864,584	6,399,929	(2,052,736,559)	(33,533,034)	(0.42)
GBP	416,241,944	4,902,226	3,474,096	(431,720,826)	(7,102,560)	(0.09)
SEK	-	(3,133)	-	3,133	-	-

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:

	Financial assets and liabilities at fair value through profit or loss	Cash and cash equivalents	Other assets and liabilities*	Forward foreign exchange contracts	Net Exposure	% of Total assets
	US\$	US\$	US\$	US\$	US\$	%
AUD	-	12	-	-	12	-
EUR	1,384,445,824	62,038,909	(2,246,765)	(1,373,252,477)	70,985,491	0.75
GBP	301,214,688	13,286,109	1,658,239	(302,887,467)	13,271,569	0.14

* Other assets and liabilities comprise 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.

Barings Global Loan 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 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 €1,000 per financial year (US Dollar equivalent at 31 December 2018: US\$1,146) (31 December 2017: US\$1,199) 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 coupon 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:

	31 Dec 2018 US\$	31 Dec 2017 US\$
EUR	1,676,652	3,549,275
GBP	355,128	663,578

(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, are bonds and loans. The loans have a floating rate payment structure, whereby a fixed basis point spread is paid over the prevailing reference rate, typically 3M LIBOR or EURIBOR, reset on a quarterly or semi-annual basis. Changes in interest rates can also have an effect on the valuation of financial asset and liability 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.

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

	Within one year US\$	1 - 5 years US\$	Greater than 5 years US\$	Non- Interest Bearing US\$	Total US\$
Financial assets					
At fair value through profit or loss:					
- Investments	30,440,585	3,007,491,291	4,513,238,560	299,363,806	7,850,534,242
- Forward foreign exchange contracts	-	-	-	2,024,711	2,024,711
Other receivables	-	-	-	69,561,193	69,561,193
Receivable for investments sold	-	-	-	263,535,650	263,535,650
Cash and cash equivalents	152,293,332	-	-	-	152,293,332
Total assets	182,733,917	3,007,491,291	4,513,238,560	634,485,360	8,337,949,128
Financial liabilities:					
Designated at fair value through profit or loss:					
- Loan and coupon payable from the Ultimate Parent	(7,979,084,537)	-	-	-	(7,979,084,537)
Held for trading:					
- Forward foreign exchange contracts	-	-	-	(10,354,931)	(10,354,931)
Payable for investments purchased	-	-	-	(348,317,310)	(348,317,310)
Other payables and accrued expenses	-	-	-	(185,075)	(185,075)
Total liabilities	(7,979,084,537)	-	-	(358,857,316)	(8,337,941,843)
Total interest sensitivity gap	(7,796,350,620)	3,007,491,291	4,513,238,560	-	(8,337,941,843)

Barings Global Loan 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 table details 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 2017:

	Within one year US\$	1 - 5 years US\$	Greater than 5 years US\$	Non- Interest Bearing US\$	Total US\$
Financial assets:					
Designated at fair value through profit or loss:					
- Investments	3,899,146	3,256,765,375	5,467,175,320	585,623,821	9,313,463,662
- Forward foreign exchange contracts	-	-	-	-	-
Other receivables	-	-	-	44,461,304	44,461,304
Receivable for investments sold	-	-	-	184,674,526	184,674,526
Cash and cash equivalents	235,533,787	-	-	-	235,533,787
Total assets	<u>239,432,933</u>	<u>3,256,765,375</u>	<u>5,467,175,320</u>	<u>814,759,651</u>	<u>9,778,133,279</u>
Financial liabilities:					
Designated at fair value through profit or loss:					
- Loan and coupon payable from the Ultimate Parent	(9,363,009,869)	-	-	-	(9,363,009,869)
Held for trading:					
- Forward foreign exchange contracts	-	-	-	(22,949,718)	(22,949,718)
Payable for investments purchased	-	-	-	(391,964,519)	(391,964,519)
Other payables and accrued expenses	-	-	-	(202,757)	(202,757)
Total liabilities	<u>(9,363,009,869)</u>	<u>-</u>	<u>-</u>	<u>(415,116,994)</u>	<u>(9,778,126,863)</u>
Total interest sensitivity gap	<u>(9,123,576,936)</u>	<u>3,256,765,375</u>	<u>5,467,175,320</u>		

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 coupon payable amount on the loan.

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)	+0.15	+0.50	(0.15)
(0.75)	+0.23	+0.75	(0.23)
(1.00)	+0.30	+1.00	(0.30)
Interest rate change %	% Effect on Loan Fair Value 31 Dec 2017	Interest rate change %	% Effect on Loan Fair Value 31 Dec 2017
(0.50)	+0.13	+0.50	(0.13)
(0.75)	+0.19	+0.75	(0.19)
(1.00)	+0.26	+1.00	(0.25)

Barings Global Loan 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)

(iii) Price Risk

All of the Company's financial investments (loans, bonds, equities, collective investment schemes and forward foreign exchange contracts) are carried at fair value on 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, interest receivable on bank, receivable for investments sold, payable for investments purchased other 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\$392,526,712 (31 December 2017: US\$465,673,183) 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 the 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 11.85% (31 December 2017: 13.80%) 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 Managers will compare the relative significance of the risks against the expected benefits of the investment.

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 carrying amounts of financial assets best represent the maximum credit risk exposure at the financial year end date. The 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 foreign 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.

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.

Barings Global Loan 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)

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

Description	Counterparty	Value of derivative assets US\$	Financial instruments US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	National Australia Bank Limited	1,012,899	(1,012,899)	-	-
Forward foreign exchange contracts	State Street Bank	1,011,812	(1,011,812)	-	-
		<u>2,024,711</u>	<u>(2,024,711)</u>	-	-

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

Description	Counterparty	Value of derivative liabilities US\$	Financial instruments US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	National Australia Bank Limited	(4,478,980)	1,012,899	-	(3,466,081)
Forward foreign exchange contracts	State Street Bank	(5,875,951)	1,011,812	-	(4,864,139)
		<u>(10,354,931)</u>	<u>2,024,711</u>	-	<u>(8,330,220)</u>

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

Description	Counterparty	Value of derivative liabilities US\$	Financial instruments US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	National Australia Bank Limited	(9,995,484)	-	-	(9,995,484)
Forward foreign exchange contracts	State Street Bank	(12,954,234)	-	-	(12,954,234)
		<u>(22,949,718)</u>	-	-	<u>(22,949,718)</u>

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

Country	% of Market Value 31 Dec 2018	% of Market Value 31 Dec 2017
Austria	0.1	0.0
Belgium	0.2	0.1
Canada	1.9	2.3
Chile	-	0.2
Denmark	0.4	0.3
France	3.6	2.8
Germany	9.1	6.1
Ghana	0.3	0.3
Hong Kong	0.1	0.2
Ireland	4.4	3.9
Italy	1.6	0.2
Jamaica	0.2	0.4
Luxembourg	0.6	3.1
Netherlands	3.5	2.7
Spain	1.6	1.1
Sweden	1.0	0.4
Switzerland	0.6	0.3
United Kingdom	11.8	6.7
United States	59.0	68.9
	<u>100.0</u>	<u>100.0</u>

Barings Global Loan 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)

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

Moody's Rating	% of Market Value 31 Dec 2018	% of Market Value 31 Dec 2017
Baa3	-	0.2
Ba1	2.8	3.0
Ba2	3.8	8.6
Ba3	6.6	12.0
B1	17.5	21.0
B2	43.9	31.0
B3	12.3	7.7
Caa1	2.6	2.1
Caa2	5.2	2.8
Caa3	0.5	0.7
Ca	-	0.1
Not publicly rated	4.8	10.8
Total	<u>100.0</u>	<u>100.0</u>

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 Managers also monitor the settlement process on a regular basis.

The nature of the non-publicly rated assets is entirely consistent with the loan market. The 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 Managers continually evaluate the 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:

	31 Dec 2018 US\$	31 Dec 2017 US\$
Investments	7,817,070,041	9,303,281,406
Forward foreign exchange contracts	2,024,711	-
Other receivables	69,561,193	44,461,304
Receivable for investments sold	263,535,650	184,674,526
Cash and cash equivalents	152,293,332	235,533,787
Total	<u>8,167,420,927</u>	<u>9,767,951,023</u>

Amounts in the above 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 Depositary, State Street Custodial Services (Ireland) Limited. Bankruptcy or insolvency of the Depositary may cause the Company's rights with respect to securities held by the Depositary to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the Depositary the Company uses. The Standard & Poor's credit rating of State Street Corporation, the ultimate parent of the Depositary, as at 31 December 2018 was A (31 December 2017: A). The Standard & Poor's credit rating of National Australia Bank Limited as at 31 December 2018 was AA- (31 December 2017: AA-).

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

Barings Global Loan 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)

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

Industry	% of Market Value 31 Dec 2018	% of Market Value 31 Dec 2017
Aerospace & Defence	1.0	1.9
Automobile	1.4	1.3
Banking	0.2	-
Beverage, Food & Tobacco	3.5	3.6
Broadcasting & Entertainment	4.9	4.3
Buildings & Real Estate	1.5	1.7
Cargo Transport	0.5	0.5
Chemicals, Plastics & Rubber	5.1	4.8
Containers, Packaging & Glass	3.9	5.7
Diversified/Conglomerate Manufacturing	2.7	2.2
Diversified/Conglomerate Service	12.9	12.6
Ecological	0.6	0.8
Electronics	5.4	3.3
Farming & Agriculture	-	0.1
Finance	4.7	5.2
Grocery	0.4	0.6
Healthcare, Education & Childcare	15.9	14.4
Home & Office Furnishings, Housewares & Durable Consumer Products	2.4	1.5
Hotels, Motels, Inns & Gaming	2.1	2.0
Insurance	4.5	4.7
Leisure, Amusement & Entertainment	2.7	2.2
Machinery Non-Agriculture, Non-Construction & Non-Electronic	3.2	1.4
Mining, Steel, Iron & Non Precious Metals	1.3	1.6
Mutual Fund	3.3	6.2
Oil & Gas	3.6	4.7
Personal & Non-Durable Consumer Products Manufacturing Only	0.1	0.1
Personal, Food & Miscellaneous	-	0.2
Personal Transportation	0.4	0.8
Printing & Publishing	2.3	2.0
Retail Stores	4.9	2.8
Telecommunications	3.7	4.0
Utilities	0.9	2.8
	100.0	100.0

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\$263,535,650 (31 December 2017: US\$184,674,526) and trade payables of US\$348,317,310 (31 December 2017: US\$391,964,519) of which none of the receivables (31 March 2018: 5,172,326) and none of the payables (31 March 2018: US\$48,479,595) remained outstanding 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 Managers.

(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.

Barings Global Loan 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 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 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 satisfying a repurchase of redeemable shares request of less than 5% of the NAV of the Parent by a distribution of investments in specie.

The Company must generate sufficient cash to satisfy redemption requests in the Parent. The Parent's constitutional documentation makes provision for a range of measures to assist with the management of liquidity on an ongoing basis, including, for example, the deferral of redemption applications exceeding 15% of the shares of the Parent. The Company is typically managed with a small 'buffer' of cash (to minimise the cash drag impact on returns for investors) but also typically has investments in senior secured public floating rate notes whose settlement period (T+2 through Euroclear) permits more rapid sale where this might be required for liquidity purposes.

There is a revolving credit facility in place between the Ultimate Parent, on behalf of its fund, the Parent, and State Street Bank and Trust Company whereby subject to the terms of the agreement, the Subsidiary may borrow for short term liquidity purposes. The main purpose of this facility is to enable the Company to finance redemption requests and hedging requirements at short notice. This facility was not used during the financial year ended 31 December 2018 or 31 December 2017. No amounts are outstanding on this facility at 31 December 2018 (2017: nil).

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

The table below set out the Fund's gross-settled derivative financial instruments at 31 December 2018. The forward foreign exchange contracts held are for both portfolio and share class hedging purposes.

	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Asset - Forward foreign exchange contracts	2,699,399,828	-	-	2,699,399,828
Liability - Forward foreign exchange contracts	(2,707,730,048)	-	-	(2,707,730,048)
	<u>(8,330,220)</u>	<u>-</u>	<u>-</u>	<u>(8,330,220)</u>

The table below set out the Fund's gross-settled derivative financial instruments at 31 December 2017. The forward foreign exchange contracts held are for both portfolio and share class hedging purposes.

	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Asset - Forward foreign exchange contracts	1,653,190,226	-	-	1,653,190,226
Liability - Forward foreign exchange contracts	(1,676,139,944)	-	-	(1,676,139,944)
	<u>(22,949,718)</u>	<u>-</u>	<u>-</u>	<u>(22,949,718)</u>

Barings Global Loan Limited

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

12. Exchange rates

The following exchange rates (against the 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
Australian Dollar (AUD)	0.7043	0.7802
Euro (EUR)	1.1457	1.1998
Great British Pound (GBP)	1.2746	1.1998
Swiss Franc (CHF)	1.0174	0.9745
Swedish Krona (SEK)	0.1128	0.1219

13. Related party transactions

Loan from the Ultimate Parent

The Company is a wholly owned subsidiary of Barings Global Loan Fund (the "Parent") which is a fund of Barings Global Investment Funds 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 (coupon 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\$7,979,084,537 (31 December 2017: US\$9,363,009,870). The net change on financial liabilities at fair value through profit or loss for the year ended 31 December 2018 was US\$127,133,799 (31 December 2017: US\$426,963,358).

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 Parent (i.e. contractual amounts at maturity by an equivalent amount).

Revolving credit facility and security deed

There is a revolving credit facility in place between the Ultimate Parent, on behalf of its fund, the Parent, and State Street Bank and Trust Company whereby credit facilities may from time to time be made available by State Street Bank and Trust Company to the Subsidiary of the Parent, the Company. There is also a security deed in place between the Ultimate Parent, on behalf of its fund, the Parent, and State Street Bank and Trust Company whereby the Parent acts as Guarantor for any credit facilities extended to the Company. The credit facilities were not used during the financial year ended 31 December 2018 or 31 December 2017.

Investment Manager

With effect from 29 June 2018, Baring Asset Management Limited was appointed as Investment Manager to the Company. Barings LLC acted as Sub-Investment Manager to the Company up to 28 June 2018 and as Investment Manager with effect from 29 June 2018. The Investment Managers implement the investment strategy as specified in the Prospectus and Supplements. The Investment Managers are paid by the Parent.

At 31 December 2018, the Company holds shares in Barings USD Liquidity Fund, a sub-fund of Barings Umbrella Fund Plc which is also 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\$4,347 (31 December 2017: US\$3,483), of which US\$386 (31 December 2017: US\$293) was payable at the financial year end.

Ms. Barbara Healy, Mr. James Cleary and Mr. David Conway are also Directors of the Ultimate Parent and Baring International Fund Managers (Ireland) Limited.

Barings Global Loan Limited
Notes to the Financial Statements
for the financial year ended 31 December 2018 (continued)

14. Ultimate Parent undertaking and Parent undertaking of larger groups

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

The immediate Parent of Barings Global Loan Limited is Barings Global Loan 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 coupon on debt investments.

16. Dividends

No dividends are recommended by the Directors in respect of the financial year ended 31 December 2018 (31 December 2017: Nil).

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

With effect from 29 June 2018, Baring International Fund Managers (Ireland) Limited was appointed as Manager and Alternative Investment Fund Manager to the Company.

With effect from 29 June 2018, Baring Asset Management Limited was appointed as Investment Manager to the Company. Barings LLC acted as Sub-Investment Manager to the Company up to 28 June 2018 and as Investment Manager with effect from 29 June 2018.

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

19. Significant events after the financial year end

The outcome of the Brexit negotiations continues to be uncertain and Barings continues to plan for a number of possible scenarios including a "no-deal" outcome. Barings is committed to ensuring continuity for its investors and protecting against potential regulatory or other market access barriers related to Brexit. In this regard, Barings has appointed Baring International Fund Managers (Ireland) Limited ("BIFMI"), an Irish AIFM, as the manager of the Fund. As a consequence, Barings will be able to use BIFMI's AIFMD passports to continue to market products into EU27 and to manage EU27 funds, unaffected by Brexit. Portfolio management in respect of European investments will continue to be delegated back to Baring Asset Management Limited, a UK entity and portfolio management of US investments will continue to be conducted by Barings LLC, a US entity. The depositaries/custodians and administrators of such funds are also EU27 entities. In addition, Barings has established a Dublin office and recruited several key employees for it, reflecting the increased significance of BIFMI's role within the business.

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 Loan Limited

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

Loans Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
Austria	Diversified / Conglomerate Manufacturing	Al Alpine AT Bidco GmbH 2018 EUR Term Loan B	5,196,003	0.07
	Machinery Non- Agriculture, Non- Construction, Non- Electronic	AHT Cooling Systems GmbH EUR Term Loan B1	5,283,192	0.07
Belgium	Beverage, Food & Tobacco	Soppa Investments S.A.R.L. 2016 EUR Term Loan B1	4,656,967	0.06
		Soppa Investments S.A.R.L. 2016 EUR Term Loan B2	727,631	0.01
		Soppa Investments S.A.R.L. 2016 EUR Term Loan B3	641,709	0.01
		Soppa Investments S.A.R.L. 2016 EUR Term Loan B4	1,256,503	0.02
Canada	Beverage, Food & Tobacco	1011778 B.C. Unlimited Liability Company Term Loan B3	29,579,355	0.37
	Machinery Non- Agriculture, Non- Construction, Non- Electronic	Titan Acquisition Limited 2018 Term Loan B	83,741,922	1.05
	Printing & Publishing	Trader Corporation 2017 Term Loan B**	23,458,847	0.30
Denmark	Finance	Nets Holding A/S EUR Term Loan B1E	15,709,730	0.20
		Evergood 4 ApS 2018 EUR Term Loan B	11,790,949	0.15
France	Beverage, Food & Tobacco	Labeyrie Fine Foods SAS EUR Term Loan B1	12,932,406	0.16
		Solina Bidco 2017 EUR Term Loan B2	4,713,256	0.06
	Broadcasting & Entertainment	Technicolor SA EUR Term Loan B	7,098,277	0.09
		Technicolor SA 2017 EUR Term Loan B	8,581,665	0.11
	Buildings & Real Estate	LSF10 Impala Investments S.a r.l. 2018 EUR Term Loan B	19,366,213	0.24
		LSF10 Impala Investments S.a r.l. 2018 EUR 2nd Lien Term Loan	6,518,313	0.08
	Chemicals, Plastics & Rubber	Novacap S.A. EUR Term Loan B1	28,356,088	0.36
		Novacap S.A. 2017 Incremental Term Loan B3	569,896	0.01
	Containers, Packaging & Glass	Verallia Packaging S.A.S. EUR Term Loan B4	50,177,154	0.63
		CCP Lux Holding S.a. r.l. EUR 2nd Lien Term Loan	16,179,418	0.20
	Diversified / Conglomerate Manufacturing	Delachaux S.A. GBP Term Loan B3	4,654,842	0.06
		Averys 2018 EUR 2nd Lien Term Loan	7,214,678	0.09
	Diversified / Conglomerate Service	Altran Technologies S.A. EUR 1st Lien Term Loan	12,410,541	0.16
	Healthcare, Education & Childcare	Ceva Sante Animale EUR Term Loan B	12,360,288	0.16
		Orphea Limited GBP Term Loan**	7,381,483	0.09
		Cerba Healthcare S.A.S. EUR Term Loan B	2,237,695	0.03
		Domus Vi SA EUR Term Loan B	13,150,700	0.17
	Hotels, Motels, Inns & Gaming	Financiere Sun S.A.S. 2017 EUR Term Loan B	12,554,470	0.16
	Leisure, Amusement, Entertainment	Vacalians Group EUR Term Loan B	8,786,897	0.11
	Retail Stores	Thom Europe S.A.S EUR Term Loan B	21,839,633	0.28
Germany	Broadcasting & Entertainment	Tele Columbus AG 2018 EUR Term Loan A2	3,374,224	0.04
	Chemicals, Plastics & Rubber	Colouroz Investment 1 GmbH EUR Term Loan	19,619,914	0.25
		Flint Group GmbH USD Term Loan C	8,817,938	0.11
		Flint Group US LLC USD 1st Lien Term Loan B2	50,608,029	0.64
		Colouroz Investment 2 LLC USD 2nd Lien Term Loan B2	7,241,360	0.09

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

** This is a level 3 security.

Barings Global Loan Limited

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

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
		Colouroz Investment 1 GmbH EUR Term Loan B3	894,454	0.01
		Flint Group GmbH EUR Add on Term Loan B4	2,439,146	0.03
		Flint Group GmbH EUR Term Loan B5	531,684	0.01
		Flint Group GmbH 2017 EUR Incremental B6	1,345,458	0.02
		Flint Group US LLC USD Term Loan B8	1,225,173	0.02
		Flint Group GmbH 2017 EUR Incremental B7	1,833,904	0.02
	Diversified / Conglomerate Manufacturing	Xella International GmbH 2017 EUR Term Loan B	52,985,769	0.67
		PCF GmbH EUR Term Loan	9,540,085	0.12
		SGB-SMIT Management GmbH EUR Term Loan B	10,458,403	0.13
		Xella International GmbH 2017 EUR Incremental Term Loan	12,379,539	0.16
	Healthcare, Education & Childcare	Aenova Holding GmbH EUR Term Loan B Aenova	16,080,012	0.20
		Aenova Holding GmbH EUR 2nd Lien Term Loan	5,307,112	0.07
		Aenova Holding GmbH EUR Term Loan B DRAG	8,020,144	0.10
		Aenova Holding GmbH EUR Term Loan B SCH	5,317,717	0.07
		Aenova Holding GmbH EUR Term Loan B Temmler	10,570,687	0.13
		Amedes Holding AG EUR Term Loan B	39,174,406	0.49
		Riemser Pharma GmbH EUR Term Loan B	22,184,223	0.28
		Nidda Healthcare Holding AG EUR Term Loan B1	18,803,136	0.24
		Nidda Healthcare Holding AG EUR Delayed Draw Term Loan B2	6,129,954	0.08
		Nidda Healthcare Holding AG EUR Term Loan C	24,763,846	0.31
		Rodenstock GmbH EUR Term Loan B2	26,050,750	0.33
		Nidda Healthcare Holding AG GBP Term Loan C	6,988,330	0.09
	Hotels, Motels, Inns & Gaming	Tackle S.A.R.L 2017 EUR Term Loan	30,058,894	0.38
	Machinery Non- Agriculture, Non- Construction, Non- Electronic	Alison Bidco S.a.r.l. EUR 1st Lien Term Loan B1	3,248	0.00
		Alison Bidco S.a.r.l. USD 1st Lien Term Loan B1	8,959,507	0.11
		Alison Bidco S.a.r.l. USD 1st Lien Term Loan B2	8,959,507	0.11
	Mining, Steel, Iron & Non Precious Metals	H.C. Starck GmbH EUR 2nd Lien Term Loan	2,561,618	0.03
		H.C. Starck GmbH 2nd Lien Term Loan	961,973	0.01
	Printing & Publishing	Springer Nature Deutschland GmbH USD Term Loan B13	68,204,959	0.86
		Springer Nature Deutschland GmbH 2018 EUR Term Loan B14	25,225,554	0.32
	Retail Stores	Kirk Beauty One GmbH 2017 EUR Term Loan B1	15,902,592	0.20
		Kirk Beauty One GmbH 2017 EUR Term Loan B2	6,810,028	0.09
		Kirk Beauty One GmbH 2017 EUR Term Loan B3	12,219,245	0.15
		Kirk Beauty One GmbH 2017 EUR Term Loan B4	8,340,217	0.11
		Kirk Beauty One GmbH 2017 EUR Term Loan B5	1,867,505	0.02
		Kirk Beauty One GmbH 2017 EUR Term Loan B6	9,196,668	0.12
		Kirk Beauty One GmbH 2017 EUR Term Loan B7	5,037,506	0.06
Hong Kong	Finance	Stiphout Finance LLC USD 2nd Lien Term Loan**	1,899,388	0.02
		Stiphout Finance LLC EUR 2nd Lien Term Loan	2,203,313	0.03
Ireland	Telecommunications	Eircom Finco S.a.r.l. EUR Term Loan B6	25,634,713	0.32
Jamaica	Telecommunications	Digicel International Finance Limited 2017 Term Loan B	16,069,992	0.20

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

** This is a level 3 security.

Barings Global Loan Limited

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

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
Luxembourg	Chemicals, Plastics & Rubber	Allnex (Luxembourg) & Cy S.C.A. 2016 EUR Term Loan B1	30,724,900	0.39
	Finance	SGG Group SA GBP Term Loan B	12,507,727	0.16
		SGG Group SA EUR Term Loan B	6,050,339	0.08
		SGG Group SA 2018 GBP 2nd Lien Term Loan	1,261,854	0.02
Netherlands	Beverage, Food & Tobacco	Refresco Group BV EUR Term Loan B1	17,766,313	0.22
		Refresco Group BV GBP Term Loan B2	5,162,496	0.07
		Sigma Bidco B.V. 2018 GBP Term Loan B4	9,732,430	0.12
	Broadcasting & Entertainment	AP NMT Acquisition BV EUR 1st Lien Term Loan	28,053,662	0.35
		AP NMT Acquisition BV USD 1st Lien Term Loan	41,540,616	0.52
		AP NMT Acquisition BV GBP 1st Lien Term Loan	13,173,573	0.17
		AP NMT Acquisition BV USD 2nd Lien Term Loan	13,099,281	0.17
	Cargo Transport	CEVA Group PLC 2018 USD Term Loan B	18,721,828	0.24
	Diversified / Conglomerate Service	TMF Group Holding B.V. 2018 EUR Term Loan B	19,749,687	0.25
		TMF Group Holding B.V. 2018 EUR 2nd Lien Term Loan	4,388,221	0.06
	Home & Office Furnishings, Housewares, & Durable Consumer Products	Keter Group B.V. EUR Term Loan B	1,374,151	0.02
		Keter Group B.V. EUR Term Loan B3A	10,634,737	0.13
	Hotels, Motels, Inns & Gaming	Rouge Beachhouse B.V. 2018 EUR Term Loan B	13,027,890	0.16
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Ammeraal Beltech Holding B.V. 2018 EUR 1st Lien Term Loan B	5,587,871	0.07
	Retail Stores	Peer Holding III B.V. 2018 EUR Term Loan B	22,184,131	0.28
	Telecommunications	Ziggo Secured Finance BV EUR Term Loan F	24,610,735	0.31
		CDS Holdco III B.V. EUR 2017 Term Loan B	9,260,851	0.12
Spain	Beverage, Food & Tobacco	Deoleo, S.A. EUR Perfected 1st Lien Term Loan	5,320,751	0.07
		Deoleo, S.A. EUR 2nd Lien Term Loan(-- Duplicate Facility (MOVED from BankDeal (19233)))	794,170	0.01
		Deoleo, S.A. EUR Unperfected Term Loan	5,953,215	0.07
	Broadcasting & Entertainment	Imagina Media Audiovisual, S.L. 2018 EUR Term Loan B1	8,891,037	0.11
		Imagina Media Audiovisual, S.L. 2018 EUR 2nd Lien Term Loan	13,257,469	0.17
		Imagina Media Audiovisual, S.L. 2018 EUR Term Loan B2	5,329,793	0.07
	Hotels, Motels, Inns & Gaming	HNVR Holdco Limited EUR Term Loan B	16,388,893	0.21
		HNVR Holdco Limited EUR 2017 Term Loan B2	5,573,667	0.07
	Leisure, Amusement, Entertainment	Dorna Sports, S.L. 2017 EUR Term Loan B	24,281,548	0.31
		Dorna Sports, S.L. 2017 USD Term Loan B	5,573,500	0.07
Sweden	Diversified / Conglomerate Service	International Park Holdings B.V. EUR Term Loan B	14,201,648	0.18
		Verisure Holding AB EUR Term Loan B1E	56,251,843	0.71
		Verisure Holding AB 2018 EUR Term Loan B	21,346,556	0.27

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

Barings Global Loan Limited

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

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
Switzerland	Aerospace & Defense	Swissport Financing S.a r.l. 2017 EUR Term Loan B	18,651,375	0.23
	Chemicals, Plastics & Rubber	Archroma Finance Sarl EUR 2017 Term Loan B1	15,191,482	0.19
	Healthcare, Education & Childcare	Unilabs Holding AB EUR 2017 Term Loan B2	4,458,616	0.06
	Leisure, Amusement, Entertainment	Columbus Capital BV 2018 EUR Term Loan B	8,035,326	0.10
United Kingdom	Automobile	Belron Finance US LLC 2018 Term Loan B**	2,673,980	0.03
	Beverage, Food & Tobacco	Froneri International Plc 2018 EUR Term Loan B	10,035,007	0.13
	Broadcasting & Entertainment	Amphora Finance Limited 2018 GBP Term Loan B All3Media International New GBP Term Loan B	16,507,660 23,994,945	0.21 0.30
	Chemicals, Plastics & Rubber	DLG Acquisitions Limited EUR 2nd Lien Term Loan B Ineos US Finance LLC 2017 EUR Term Loan B	12,664,939 33,038,025	0.16 0.42
	Diversified / Conglomerate Service	Eagle Bidco Limited GBP Term Loan B	3,389,798	0.04
		Almonde, Inc. USD 1st Lien Term Loan	74,418,011	0.94
		Almonde, Inc. USD 2nd Lien Term Loan	21,624,360	0.27
		Capri Finance LLC USD 2017 1st Lien Term Loan**	15,866,809	0.20
		Colour Bidco Limited GBP New Term Loan B	4,825,962	0.06
		IRIS Bidco Limited 2018 GBP Term Loan B**	9,304,578	0.12
	Ecological Healthcare, Education & Childcare	PHS Group Limited 2016 GBP Term Loan A1 Tunstall Group Holdings Limited GBP Term Loan B	14,848,316 8,039,919	0.19 0.10
		Tunstall Group Holdings Limited EUR Term Loan B**	12,659,701	0.16
		Elysium Healthcare Holdings 3 Limited 2018 GBP Term Loan B1	20,583,990	0.26
		Advanz Pharma Corp 2018 EUR Exit Term Loan B	14,692,338	0.19
		Advanz Pharma Corp 2018 USD Exit Term Loan B	49,572,500	0.62
		Lernen Bidco Limited 2018 EUR 2nd Lien Term Loan**	32,451,927	0.41
	Hotels, Motels, Inns & Gaming	Richmond UK Bidco Limited 2017 GBP Term Loan B	20,458,471	0.26
		Compass IV Limited 2018 EUR Term Loan B	21,210,996	0.27
		Compass IV Limited 2018 EUR 2nd Lien Term Loan	14,897,037	0.19
	Leisure, Amusement, Entertainment	Delta 2 (LUX) S.a.r.l. 2018 USD Term Loan	64,626,090	0.81
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Doncasters Finance US LLC GBP Term Loan C	11,342,841	0.14
	Oil & Gas	KCA Deutag Alpha Limited 2018 Term Loan B	16,098,717	0.20
	Retail Stores	EG Group Limited 2018 EUR Term Loan B1	22,021,203	0.28
		EG Group Limited 2018 USD Term Loan B	17,099,394	0.22
		EG Group Limited 2018 GBP Term Loan B	8,577,957	0.11
		EG Group Limited 2018 EUR Delayed Draw Term Loan B3	8,380,433	0.11
		EG Finco Limited 2018 USD Term Loan	34,524,164	0.43
		EG Finco Limited 2018 EUR 2nd Lien Term Loan	9,422,566	0.12
	Telecommunications	Virgin Media Investment Holdings Limited GBP Term Loan L	1,747,763	0.02
		Virgin Media Investment Holdings Limited GBP Term Loan M	28,082,850	0.35

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

** This is a level 3 security.

Barings Global Loan Limited

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

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
United States of America	Aerospace & Defense	Doncasters Finance US LLC USD Term Loan	11,964,639	0.15
		Wesco Aircraft Hardware Corp. Term Loan B	17,077,515	0.22
		Wesco Aircraft Hardware Corp. 2016 Term Loan A	7,875,934	0.10
		CPI International Inc. 2017 1st Lien Term Loan	13,575,092	0.17
		TransDigm, Inc. 2018 Term Loan G	4,712,705	0.06
		TransDigm, Inc. 2018 Term Loan E	3,487,994	0.04
		TransDigm, Inc. 2018 Term Loan F	3,495,824	0.04
	Automobile	NN, Inc. 2016 Term Loan B	13,221,683	0.17
		U.S. Farathane, LLC 2017 Term Loan B4**	29,019,703	0.37
		Gates Global LLC 2017 EUR Repriced Term Loan B	10,263,255	0.13
		DexKo Global Inc. 2018 USD Term Loan	25,505,358	0.32
	Beverage, Food & Tobacco	CTI Foods Holding Co, LLC New 1st Lien Term Loan	17,080,635	0.22
		CTI Foods Holding Co, LLC New 2nd Lien Term Loan	648,663	0.01
		USIC Holdings, Inc. 2017 Term Loan B	34,002,187	0.43
		IRB Holding Corp 1st Lien Term Loan	55,613,409	0.70
	Broadcasting & Entertainment	Gray Television, Inc. 2017 Term Loan B	2,074,112	0.03
		Univision Communications Inc. Term Loan C5	41,321,309	0.52
		CSC Holdings, LLC 2017 1st Lien Term Loan	37,816,691	0.48
		Intelsat Jackson Holdings S.A. 2017 Term Loan B3	24,957,086	0.31
		Charter Communications Operating, LLC 2017 Term Loan B	27,728,523	0.35
		PSAV Holdings LLC 2018 1st Lien Term Loan	22,284,908	0.28
		PSAV Holdings LLC 2018 2nd Lien Term Loan**	17,638,392	0.22
		Gray Television, Inc. 2018 Term Loan C	4,349,859	0.05
	Buildings & Real Estate	Capital Automotive L.P. 2017 1st Lien Term Loan	6,750,865	0.09
		Core & Main LP 2017 Term Loan B	20,251,423	0.26
		Realogy Group LLC 2018 Term Loan B**	9,476,071	0.12
		SRS Distribution Inc. 2018 1st Lien Term Loan	24,339,392	0.31
		GYP Holdings III Corp. 2018 Term Loan B	28,528,887	0.36
	Cargo Transport	American Airlines, Inc. 2018 Term Loan B	17,760,732	0.22
	Chemicals, Plastics & Rubber	Pinnacle Operating Corp. Term Loan (Extended)	15,643,823	0.20
		MacDermid, Inc. EUR Term Loan C5	8,285,328	0.10
		Axalta Coating Systems US Holdings Inc. USD Term Loan B3	8,076,777	0.10
		Diamond (BC) B.V. EUR Term Loan	12,279,895	0.15
		MacDermid, Inc. EUR Term Loan C6	15,318,291	0.19
		Encapsys, LLC 1st Lien Term Loan	12,885,054	0.16
		Pinnacle Operating Corp. Stub Term Loan B**	10,548,000	0.13
		Invictus U.S., LLC 2nd Lien Term Loan	6,217,252	0.08
		PMHC II, Inc. 2018 1st Lien Term Loan	20,476,871	0.26
		Solenis International LP 2018 1st Lien Term Loan	19,150,673	0.24
		Solenis Holdings LLC 2018 2nd Lien Term Loan**	10,141,250	0.13
		Schenectady International Group Inc. 2018 1st Lien Term Loan**	20,277,729	0.26
		Platform Specialty Products Corporation Term Loan	17,350,464	0.22
	Containers, Packaging & Glass	Proampac PG Borrower LLC 2016 1st Lien Term Loan	23,513,209	0.30
		Proampac PG Borrower LLC 2016 2nd Lien Term Loan	3,788,073	0.05

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

** This is a level 3 security.

Barings Global Loan Limited

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

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
		Flex Acquisition Company, Inc. 1st Lien Term Loan	76,587,529	0.96
		BWAY Holding Company 2017 Term Loan B	52,346,138	0.66
		Anchor Glass Container Corporation 2017 1st Lien Term Loan	22,593,918	0.28
		Hoffmaster Group, Inc. 2018 1st Lien Term Loan	13,695,972	0.17
	Diversified / Conglomerate Manufacturing	Triple Point Technology, Inc. 1st Lien Term Loan**	8,507,800	0.11
		Project Alpha Intermediate Holding, Inc. 2017 Term Loan B	36,470,512	0.46
		MTS Systems Corporation 2017 Term Loan B	15,443,923	0.19
		LTI Holdings, Inc. 2018 Add On 1st Lien Term Loan	24,929,807	0.31
	Diversified / Conglomerate Service	Kronos Incorporated New 2nd Lien Term Loan	40,501,845	0.51
		Prime Security Services Borrower, LLC 2016 1st Lien Term Loan	14,930,312	0.19
		TierPoint, LLC 2017 1st Lien Term Loan	1,795,829	0.02
		Kronos Incorporated 2017 Term Loan B	61,878,208	0.78
		Hyland Software, Inc. 2017 2nd Lien Term Loan	2,304,193	0.03
		Element Materials Technology Group US Holdings Inc. 2017 EUR Term Loan B	2,739,501	0.03
		Element Materials Technology Group US Holdings Inc. 2017 GBP Term Loan B	3,816,649	0.05
		Flexential Intermediate Corporation 2017 1st Lien Term Loan	61,221,311	0.77
		GTCR Valor Companies, Inc. USD 2017 Term Loan B1	50,834,059	0.64
		MH Sub I, LLC 2017 1st Lien Term Loan	50,841,889	0.64
		MH Sub I, LLC 2017 2nd Lien Term Loan**	6,077,500	0.08
		EAB Global, Inc. 1st Lien Term Loan**	28,360,688	0.36
		Applied Systems, Inc. 2017 1st Lien Term Loan	35,546,308	0.45
		Applied Systems, Inc. 2017 2nd Lien Term Loan	1,946,821	0.02
		Mitchell International, Inc. 2017 1st Lien Term Loan	18,695,127	0.24
		Infor (US), Inc. EUR 2017 Term Loan B	15,302,088	0.19
		Go Daddy Operating Company, LLC 2017 Repriced Term Loan	13,215,084	0.17
		Barracuda Networks, Inc. 2nd Lien Term Loan	3,349,426	0.04
		Project Leopard Holdings, Inc. 2018 Term Loan	19,692,863	0.25
		Sabre GLOB Inc. 2018 Term Loan B	2,915,016	0.04
		Men's Wearhouse, Inc. (The) 2018 Term Loan B2	2,891,467	0.04
		Vertafore, Inc. 2018 1st Lien Term Loan	47,671,750	0.60
		Financial & Risk US Holdings, Inc. 2018 USD Term Loan	49,725,000	0.63
		I-Logic Technologies Bidco Limited 2018 USD Term Loan	13,431,429	0.17
		Red Ventures, LLC 2018 Term Loan B**	46,952,619	0.59
		Hyland Software, Inc. 2018 Term Loan 3	45,266,222	0.56
		LegalZoom.com, Inc. 2018 1st Lien Term Loan**	15,936,889	0.20
	Diversified Natural Resources, Precious Metals & Minerals Ecological	Caraustar Industries, Inc. 2017 Term Loan B	15,654,268	0.20
		Emerald US Inc. Term Loan B1	25,171,306	0.32
		Emerald 3 Limited 2nd Lien Term Loan	9,816,700	0.12
	Electronics	Sophia, L.P. 2017 Term Loan B	38,744,309	0.49
		First Data Corporation 2017 USD Term Loan	2,833,211	0.04
		Veritas Bermuda Ltd. USD Repriced Term Loan B	39,284,685	0.48
		Veritas Bermuda Ltd. EUR Repriced Term Loan B	37,657,932	0.47
		Wall Street Systems Delaware, Inc. 2017 Term Loan B	9,844,456	0.12
		Wall Street Systems Delaware, Inc. 2017 EUR Term Loan B	7,754,656	0.10
		EXC Holdings III Corp. USD 2017 1st Lien Term Loan**	28,752,231	0.36

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

** This is a level 3 security.

Barings Global Loan Limited

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

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
		EXC Holdings III Corp. USD 2017 2nd Lien Term Loan	12,503,160	0.16
		First Data Corporation 2024 USD Term Loan	12,456,481	0.16
		SS&C Technologies Inc. 2018 Term Loan B3	6,005,009	0.08
		SS&C Technologies Holdings Europe S.A.R.L. 2018 Term Loan B4	2,277,782	0.03
		Omnitracs, Inc. 2018 Term Loan B	24,811,219	0.31
		Renaissance Holding Corp. 2018 1st Lien Term Loan	34,921,251	0.44
		Renaissance Holding Corp. 2018 2nd Lien Term Loan	25,993,380	0.33
		ION Trading Technologies S.a.r.l. USD Incremental Term Loan B**	39,424,515	0.50
		ION Trading Technologies S.a.r.l. EUR Incremental Term Loan B	41,663,136	0.52
		SS&C Technologies Inc. 2018 Term Loan B5	12,853,119	0.16
	Finance	Moneygram International, Inc New Term Loan B	15,127,150	0.19
		NFP Corp. Term Loan B	68,113,857	0.86
		Trans Union, LLC Term Loan B3	2,007,829	0.03
		NAB Holdings LLC 2017 Repriced Term Loan	23,356,126	0.29
		Trans Union, LLC 2018 Term Loan B4	4,824,478	0.06
		Edelman Financial Center, LLC 2018 1st Lien Term Loan	4,705,940	0.06
		Edelman Financial Center, LLC 2018 2nd Lien Term Loan**	13,567,536	0.17
	Grocery	Smart & Final Stores LLC 1st Lien Term Loan	15,274,428	0.19
		Post Holdings Inc. 2017 Series A Incremental Term Loan	16,876,659	0.21
	Healthcare, Education & Childcare	MModal Inc. New Term Loan	6,304,117	0.08
		Arbor Pharmaceuticals, Inc. Term Loan B**	22,989,642	0.29
		Press Ganey Holdings, Inc. 2nd Lien Term Loan**	14,058,716	0.18
		Team Health Holdings, Inc. 1st Lien Term Loan	52,156,290	0.66
		Auris Luxembourg III S.a.r.l. 2017 USD Term Loan B7	8,938,200	0.11
		Mallinckrodt International Finance S.A. USD Term Loan B	84,901,767	1.07
		BCPE Eagle Buyer LLC 2017 1st Lien Term Loan**	18,471,000	0.23
		Endo Luxembourg Finance Company I S.a.r.l. 2017 Term Loan B	49,060,597	0.62
		Parexel International Corporation Term Loan B	75,125,862	0.95
		Avantor, Inc. 2017 1st Lien Term Loan	68,607,144	0.86
		Wink Holdco, Inc 1st Lien Term Loan B	27,528,533	0.35
		Wink Holdco, Inc 2nd Lien Term Loan B	12,504,885	0.16
		Indivior Finance S.a.r.l. USD 2017 Term Loan B	6,550,942	0.08
		Prometric Holdings, Inc. 1st Lien Term Loan	16,745,966	0.21
		Lifescan Global Corporation 2018 1st Lien Term Loan	19,490,228	0.25
		Ortho-Clinical Diagnostics SA 2018 Term Loan B	55,315,800	0.70
		Radiology Partners Holdings, LLC 2018 1st Lien Term Loan B	29,475,000	0.36
		Aveanna Healthcare, LLC 2018 Incremental Term Loan B**	5,338,494	0.07
		Aveanna Healthcare, LLC 2018 1st Lien Delayed Draw Term Loan**	(48,277)	0.00
		Auris Luxembourg III S.a.r.l. 2018 EUR Term Loan B	23,689,305	0.30
		Auris Luxembourg III S.a.r.l. 2018 USD Term Loan B	24,422,000	0.31
		Verscend Holding Corp. 2018 Term Loan B	20,934,545	0.26
		Envision Healthcare Corporation 2018 1st Lien Term Loan	59,816,960	0.75
		Valeant Pharmaceuticals International, Inc. Term Loan B	19,243,553	0.24
	Home & Office Furnishings, Housewares, & Durable Consumer Products	Serta Simmons Bedding, LLC 1st Lien Term Loan	74,684,203	0.94

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

** This is a level 3 security.

Barings Global Loan Limited

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

Loans (continued)			Fair Value	% of Net
Country	Industry	Obligor	US\$	Assets*
		Serta Simmons Bedding, LLC 2nd Lien Term Loan	6,561,187	0.08
		Hayward Industries, Inc. 1st Lien Term Loan	57,842,365	0.73
		SIWF Holdings Inc. 1st Lien Term Loan	21,032,726	0.26
	Hotels, Motels, Inns & Gaming	Penn National Gaming, Inc. 2018 1st Lien Term Loan B	5,796,347	0.07
	Insurance	York Risk Services Holding Corp. Term Loan B	25,165,001	0.32
		Asurion LLC 2017 2nd Lien Term Loan	34,701,767	0.44
		USI, Inc. 2017 Repriced Term Loan	68,651,628	0.86
		AssuredPartners, Inc. 2017 1st Lien Add-On Term Loan	64,506,105	0.81
		Asurion LLC 2018 Term Loan B6	49,667,176	0.63
		Hub International Limited 2018 Term Loan B	27,637,614	0.35
		Alliant Holdings I, Inc. 2018 Term Loan B	60,118,457	0.76
		Confie Seguros Holding II Co. 2018 2nd Lien Term Loan	19,533,300	0.25
	Leisure, Amusement, Entertainment	SeaWorld Parks & Entertainment, Inc. Term Loan B5	52,527,139	0.66
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Milacron LLC Amended Term Loan B**	28,560,097	0.35
		Apex Tool Group, LLC 2018 Term Loan B	55,513,988	0.70
		Pro Mach Group, Inc. 2018 Term Loan B	34,750,305	0.44
	Mining, Steel, Iron & Non Precious Metals	Atkore International, Inc. 2016 1st Lien Term Loan	38,337,669	0.48
		Big River Steel LLC Term Loan B	13,339,468	0.17
		Covia Holdings Corporation Term Loan	12,297,031	0.15
		U.S. Silica Company 2018 Term Loan B	15,242,639	0.19
		Boomerang Tube, LLC 2018 Term Loan**	4,258,845	0.05
	Oil & Gas	Bronco Midstream Funding LLC Term Loan B	6,953,371	0.09
		Seadrill Partners Finco LLC Term Loan B	55,312,580	0.70
		Caelus Energy Alaska O3, LLC 2nd Lien Term Loan	11,610,364	0.15
		UTEX Industries Inc. 1st Lien Term loan 2014	9,110,637	0.11
		Gulf Finance, LLC Term Loan B	36,546,164	0.46
		Fieldwood Energy LLC Exit 2nd Lien Term Loan	16,994,743	0.21
		Fieldwood Energy LLC Exit 1st Lien Term Loan	51,423,582	0.65
	Personal & Non Durable Consumer Products Mfg. Only	Coty Inc. 2018 USD Term Loan B	7,410,000	0.09
	Printing & Publishing	Getty Images, Inc. Term Loan B	30,440,585	0.38
		Ascend Learning, LLC 2017 Term Loan B	32,040,591	0.40
	Retail Stores	CH Hold Corp. 2nd Lien Term Loan	2,428,892	0.03
		Staples, Inc. 2017 Term Loan B	51,110,058	0.63
		Harbor Freight Tools USA, Inc. 2018 Term Loan B	35,652,760	0.45
		CVS Holdings I, LP 2018 1st Lien Term Loan	16,844,815	0.21
		CVS Holdings I, LP 2018 2nd Lien Term Loan**	15,558,357	0.20
	Telecommunications	Sprint Communications, Inc. 1st Lien Term Loan B	13,887,980	0.17
		Cogeco Communications (USA) II L.P. 2017 1st Lien Term Loan	1,977,437	0.02
		Syniverse Holdings, Inc. 2018 1st Lien Term Loan	65,829,318	0.82
		Syniverse Holdings, Inc. 2018 2nd Lien Term Loan	25,786,246	0.32
		GTT Communications, Inc. 2018 USD Term Loan B	46,930,915	0.59
	Utilities	Helix Gen Funding, LLC Term Loan B	15,671,688	0.20
Total Loans (31 December 2017: US\$8,137,809,112)			6,539,061,419	82.38

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

** This is a level 3 security.

Barings Global Loan Limited

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

Bonds				Fair Value	% of Net
Country	Industry	Holding	Details	US\$	Assets*
Belgium	Home & Office Furnishings, Housewares, and Durable Consumer Products	11,178,000	LSF9 Balta Issuer SARL, 7.750%, due 15/09/2022	11,925,953	0.15
Canada	Beverage, Food & Tobacco	12,435,000	1011778 BC ULC / New Red Finance Inc, 5.000%, due 15/10/2025	11,471,288	0.14
	Hotels, Motels, Inns & Gaming	4,980,000	1011778 BC ULC / New Red Finance Inc, 4.625%, due 15/01/2022	4,830,600	0.06
Czech Republic	Buildings & Real Estate	1,350,000	RESIDOMO Sro, 3.375%, due 15/10/2024	1,507,536	0.02
France	Diversified / Conglomerate Service	7,050,000	Algeco Global Finance Plc, 6.250%, due 15/02/2023	7,979,393	0.10
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	8,000,000	Algeco Global Finance Plc, 6.500%, due 15/02/2023	9,006,051	0.11
		5,000,000	Novafives SAS, 4.500%, due 15/06/2025	4,642,520	0.06
		3,225,000	Novafives SAS, 5.000%, due 15/06/2025	2,988,828	0.04
	Oil & Gas	850,000	CGG Holding US Inc, 7.875%, due 01/05/2023	990,687	0.01
Germany	Broadcasting & Entertainment	18,715,000	Tele Columbus AG, 3.875%, due 02/05/2025	19,531,624	0.25
	Chemicals, Plastics & Rubber	5,476,000	Monitchem HoldCo 3 SA, 4.439%, due 15/06/2021	6,110,998	0.08
		7,600,000	Monitchem HoldCo 3 SA, 5.250%, due 15/06/2021	8,511,774	0.11
	Diversified / Conglomerate Manufacturing	9,392,000	Galapagos SA/Luxembourg, 4.439%, due 15/06/2021	7,490,650	0.09
		3,655,000	Galapagos SA/Luxembourg, 5.375%, due 15/06/2021	2,974,283	0.04
	Healthcare, Education & Childcare	1,850,000	Nidda Healthcare Holding GmbH, 3.500%, due 30/09/2024	1,999,348	0.03
		46,410,000	Synlab Bondco PLC, 6.250%, due 01/07/2022	54,241,449	0.68
		1,400,000	Synlab Bondco PLC, 6.250%, due 01/07/2023	1,636,243	0.02
	Personal & Non Durable Consumer Products Mfg. Only	1,250,000	WEPA Hygieneprodukte GmbH, 3.750%, due 15/05/2024	1,363,637	0.02
	Retail Stores	1,350,000	CBR Fashion Finance BV, 5.125%, due 01/10/2022	1,277,205	0.02
		27,705,000	Takko Luxembourg 2 SCA, 5.375%, due 15/11/2023	22,591,172	0.28
		8,750,000	Takko Luxembourg 2 SCA, 5.375%, due 15/11/2024	7,218,624	0.10
Ghana	Oil & Gas	23,735,000	Kosmos Energy Ltd, 7.875%, due 01/08/2021	23,705,331	0.30
Ireland	Containers, Packaging & Glass	37,653,000	Ardagh Packaging Finance PLC / Ardagh Holdings USA Inc, 4.625%, due 15/05/2023	36,052,748	0.45
	Utilities	1,200,000	Viridian Group FinanceCo PLC / Viridian Power & Energy, 4.000%, due 15/09/2025	1,268,826	0.02
		12,420,000	Viridian Group FinanceCo PLC / Viridian Power & Energy, 4.750%, due 15/09/2024	14,587,437	0.18
Italy	Containers, Packaging & Glass	1,500,000	Guala Closures SpA/Italy, 3.500%, due 15/04/2024	1,704,411	0.02
	Diversified / Conglomerate Manufacturing	9,100,000	Fabric BC SpA, 4.125%, due 30/11/2024	10,202,156	0.13

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

Barings Global Loan Limited

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

Bonds (continued)			Fair Value	% of Net
Country	Industry	Holding Details	US\$	Assets*
	Diversified / Conglomerate Service	19,300,000 TeamSystem SpA, 4.000%, due 15/04/2023	22,032,808	0.27
	Finance	31,200,000 Nexi Capital SpA, 3.625%, due 01/05/2023	35,389,916	0.45
	Healthcare, Education & Childcare	20,800,000 Rossini Sarl, 6.250%, due 30/10/2025	23,938,835	0.30
	Retail Stores	10,500,000 Marcolin SpA, 4.125%, due 15/02/2023	11,979,723	0.15
	Telecommunications	21,310,000 Wind Tre SpA, 2.750%, due 20/01/2024	21,913,293	0.28
Netherlands	Retail Stores	2,200,000 Maxeda DIY Holding BV, 6.125%, due 15/07/2022	2,324,785	0.03
	Telecommunications	14,350,000 Ziggo Secured Finance BV, 4.250%, due 15/01/2027	16,213,382	0.20
	Textiles & Leather	700,000 Eagle Intermediate Global Holding BV/Ruyi US Finance LLC, 5.375%, due 01/05/2023	740,590	0.01
		231,000 Eagle Intermediate Global Holding BV/Ruyi US Finance LLC, 7.500%, due 01/05/2025	216,967	0.00
Portugal	Telecommunications	4,000,000 Altice Financing SA, 6.625%, due 15/02/2023	3,850,000	0.05
Spain	Personal Transportation	10,150,000 Naviera Armas SA, 4.250%, due 15/11/2024	10,912,060	0.14
		8,725,000 Naviera Armas SA, 6.500%, due 31/07/2023	9,798,212	0.12
United Kingdom	Automobile	19,627,000 AA Bond Co Ltd, 5.500%, due 31/07/2043	20,214,864	0.24
		6,601,000 RAC Bond Co PLC, 5.000%, due 06/11/2022	7,550,966	0.10
	Finance	16,700,000 Arrow Global Finance PLC, 3.750%, due 01/03/2026	18,102,887	0.23
		8,000,000 Arrow Global Finance PLC, 5.125%, due 15/09/2024	9,156,725	0.12
		9,900,000 Cabot Financial Luxembourg SA, 7.500%, due 01/10/2023	11,542,555	0.15
		4,250,000 Galaxy Bidco Ltd, 5.387%, due 15/11/2020	5,389,964	0.07
		9,851,000 Galaxy Bidco Ltd, 6.375%, due 15/11/2020	12,415,454	0.16
		53,300,000 Garfunkelux Holdco 3 SA, 4.500%, due 01/09/2023	50,855,369	0.64
		7,540,000 Garfunkelux Holdco 3 SA, 8.500%, due 01/11/2022	8,148,055	0.10
		13,550,000 Jerrold Finco Plc, 6.125%, due 15/01/2024	16,666,262	0.21
		6,965,000 Jerrold Finco Plc, 6.250%, due 15/09/2021	8,756,497	0.11
	Healthcare, Education & Childcare	4,150,000 IDH Finance Plc, 6.250%, due 15/08/2022	4,393,003	0.06
	Hotels, Motels, Inns & Gaming	7,402,000 TVL Finance PLC, 5.401%, due 15/05/2023	9,339,298	0.12
		8,320,000 TVL Finance PLC, 8.500%, due 15/05/2023	10,934,475	0.14
	Leisure, Amusement, Entertainment	5,954,000 CPUK Finance Ltd, 4.875%, due 28/08/2025	7,139,154	0.09
		11,225,000 Perform Group Financing Plc, 8.500%, due 15/11/2020	14,386,358	0.18
		5,800,000 Vue International Bidco PLC, 4.942%, due 15/07/2020	6,593,847	0.08
		5,200,000 Vue International Bidco PLC, 7.875%, due 15/07/2020	6,555,840	0.08
	Oil & Gas	8,200,000 KCA Deutag UK Finance PLC, 7.250%, due 15/05/2021	6,683,000	0.08
		4,275,000 KCA Deutag UK Finance PLC, 9.625%, due 01/04/2023	3,462,750	0.04
		8,700,000 KCA Deutag UK Finance PLC, 9.875%, due 01/04/2022	7,177,500	0.09
	Retail Stores	House of Fraser Funding PLC, 6.381%, due 15/09/2020	1,088,349	0.01
		12,650,000		
		9,700,000 Jewel UK Bondco PLC, 8.500%, due 15/04/2023	11,550,401	0.15
		3,100,000 Travelex Financing PLC, 8.000%, due 15/05/2022	3,052,295	0.04
United States of America	Beverage, Food & Tobacco	33,163,000 1011778 BC ULC / New Red Finance Inc, 4.250%, due 15/05/2024	30,592,867	0.39
	Broadcasting & Entertainment	250,000 Univision Communications Inc, 5.125%, due 15/05/2023	225,000	0.00
	Chemicals, Plastics & Rubber	1,450,000 Kronos International Inc, 3.750%, due 15/09/2025	1,495,286	0.02
		7,647,606 Pinnacle Operating Corp, 9.000%, due 15/05/2023	5,162,134	0.07

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

Barings Global Loan Limited

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

Bonds (continued)			Fair Value	% of Net
Country	Industry	Holding Details	US\$	Assets*
	Containers, Packaging & Glass	7,000,000 BWAY Holding Co, 4.750%, due 15/04/2024	7,875,218	0.10
	Diversified / Conglomerate Service	32,333,000 ADT Corp/The, 6.250%, due 15/10/2021	32,939,244	0.41
		12,250,000 ADT Security Corp/The, 3.500%, due 15/07/2022	11,377,188	0.14
		25,515,000 Carlson Travel Inc, 4.750%, due 15/06/2023	29,094,942	0.37
	Electronics	27,104,000 First Data Corp, 5.000%, due 15/01/2024	26,189,240	0.33
		18,248,000 Veritas US Inc / Veritas Bermuda Ltd, 7.500%, due 01/02/2023	14,963,360	0.19
		1,300,000 Veritas US Inc / Veritas Bermuda Ltd, 7.500%, due 01/02/2024	1,307,014	0.01
	Finance	8,543,000 VFH Parent LLC / Orchestra Co-Issuer Inc, 6.750%, due 15/06/2022	8,324,897	0.10
	Healthcare, Education & Childcare	3,000,000 HCA Inc, 5.000%, due 15/03/2024	2,977,500	0.04
		25,970,000 HCA Inc, 5.875%, due 15/03/2022	26,684,175	0.34
		49,326,000 Tenet Healthcare Corp, 4.625%, due 15/07/2024	46,058,153	0.57
	Mining, Steel, Iron & Non Precious Metals	6,095,000 Cleveland-Cliffs Inc, 4.875%, due 15/01/2024	5,683,588	0.07
	Oil & Gas	22,407,000 EP Energy LLC / Everest Acquisition Finance Inc, 8.000%, due 15/02/2025	9,354,923	0.12
	Personal Transportation	13,082,000 Hertz Corp/The, 7.625%, due 01/06/2022	12,362,490	0.16
	Utilities	30,719,000 Calpine Corp, 5.250%, due 01/06/2026	28,146,284	0.35
		11,000,000 Calpine Corp, 5.875%, due 15/01/2024	10,807,500	0.14
Total Bonds (31 December 2017: US\$590,030,730)			1,009,898,214	12.72
Equities			Fair Value	% of Net
Country	Industry	Holding Details	US\$	Assets*
France	Retail Stores	10,700 Vivarte SAS**	-	0.00
Germany	Automobile	2,121,504 A.T.U. Cayman Cayco **	2	0.00
United Kingdom	Ecological	47,863 Biffa Group Holdings Limited**	41,850	0.00
	Healthcare, Education & Childcare	14,797 Tunstall Group Holdings Limited**	-	0.00
		9,766 Tunstall Group Holdings Limited**	-	0.00
United States of America	Farming & Agriculture	5,249,075 Pinnacle Agriculture Enterprises	524,907	0.01
	Mining, Steel, Iron & Non Precious Metals	69,327,193 Boomerang Tube Holdings, Inc.**	6,740,683	0.08
	Oil & Gas	512,477 Fieldwood	19,474,127	0.25
		125,748 Fieldwood Energy Llc	4,778,424	0.06
		2,073 Sabine Oil Gas Llc**	10,883	0.00
		3,671 Sabine Oil Gas Llc 1**	161,524	0.00
		11,640 Sabine Oil Gas Llc 2**	17,460	0.00
		2,120 Southcross Energy Partners, L.	1,060,000	0.01
		2,120 Southcross Holdings Lp**	-	0.00
		194,383 Templar Energy Llc**	485,959	0.01
		280,636 Templar Energy Llc 1**	168,382	0.00
Total Equities (31 December 2017: US\$10,182,256)			33,464,201	0.42

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

** This is a level 3 security.

Barings Global Loan Limited

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

Collective Investment Schemes			Fair Value	% of Net
Country	Industry	Holding Details	US\$	Assets*
Ireland	Mutual Fund	265,877,174 Barings USD Liquidity Funds	265,877,173	3.35
Luxembourg	Mutual Fund	22,432 JPMorgan Liquidity Funds - US Dollar Liquidity Fund	22,432	0.00
Total Collective Investment Schemes: (31 December 2017: US\$575,441,564)			265,899,605	3.35
Total investments at positive fair value through profit or loss (31 December 2017: US\$9,313,463,662)			7,850,534,242	98.90

Forward Foreign Exchange Contracts

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Gain US\$	% of Net Assets*
02/01/2019	State Street Bank	EUR	1,257	USD	1,434	5	0.00
03/01/2019	State Street Bank	GBP	10,600	USD	13,461	50	0.00
02/01/2019	State Street Bank	SEK	27,768	USD	3,070	63	0.00
03/01/2019	State Street Bank	EUR	191,535	USD	219,202	249	0.00
15/01/2019	State Street Bank	USD	386,580	EUR	336,499	653	0.00
03/01/2019	State Street Bank	CHF	1,600,000	USD	1,626,182	1,654	0.00
15/01/2019	State Street Bank	EUR	994,375	USD	1,130,117	10,320	0.00
15/01/2019	State Street Bank	EUR	995,000	USD	1,130,827	10,327	0.00
15/01/2019	State Street Bank	EUR	2,785,875	USD	3,176,909	18,180	0.00
15/01/2019	State Street Bank	EUR	3,176,875	USD	3,620,246	23,277	0.00
15/01/2019	State Street Bank	EUR	7,367,119	USD	8,401,190	48,077	0.00
15/01/2019	State Street Bank	EUR	37,644,116	USD	43,110,794	62,823	0.00
15/01/2019	State Street Bank	EUR	40,000,000	USD	45,630,560	244,995	0.00
15/01/2019	State Street Bank	USD	157,181,727	GBP	122,781,917	591,139	0.01
15/01/2019	National Australia Bank	USD	268,770,425	GBP	209,947,371	1,012,899	0.01
Total unrealised gain on forward foreign exchange contracts (31 December 2017: US\$ nil)						2,024,711	0.02

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Gain US\$	% of Net Assets*
15/01/2019	State Street Bank	USD	167,095	EUR	146,631	(1,074)	(0.00)
15/01/2019	State Street Bank	USD	162,862	EUR	143,300	(1,487)	(0.00)
15/01/2019	State Street Bank	EUR	1,627,155	USD	1,869,325	(3,159)	(0.00)
15/01/2019	State Street Bank	USD	623,959	EUR	547,158	(3,571)	(0.00)
15/01/2019	State Street Bank	EUR	2,012,500	USD	2,312,020	(3,907)	(0.00)
15/01/2019	State Street Bank	USD	579,070	EUR	508,992	(4,687)	(0.00)
15/01/2019	State Street Bank	USD	831,945	EUR	729,544	(4,761)	(0.00)
15/01/2019	State Street Bank	USD	1,256,006	GBP	990,000	(6,596)	(0.00)
15/01/2019	State Street Bank	USD	2,251,675	EUR	1,970,000	(7,697)	(0.00)
15/01/2019	State Street Bank	USD	1,689,163	EUR	1,481,250	(9,666)	(0.00)
15/01/2019	State Street Bank	USD	2,270,120	EUR	1,990,000	(12,188)	(0.00)
15/01/2019	State Street Bank	USD	2,201,554	EUR	1,932,395	(14,688)	(0.00)
15/01/2019	State Street Bank	USD	6,091,629	GBP	4,801,500	(31,990)	(0.00)
15/01/2019	State Street Bank	USD	5,221,411	EUR	4,594,250	(47,683)	(0.00)
15/01/2019	State Street Bank	USD	8,627,995	EUR	7,611,750	(101,836)	(0.00)
15/01/2019	National Australia Bank	USD	948,762,574	EUR	831,154,248	(4,478,980)	(0.06)
15/01/2019	State Street Bank	USD	1,179,665,743	EUR	1,033,479,998	(5,620,961)	(0.07)
Total unrealised loss on forward foreign exchange contracts (31 December 2017: US\$22,949,718)						(10,354,931)	(0.13)
Net unrealised loss on forward foreign exchange contracts (31 December 2017: US\$22,949,718)						(8,330,220)	(0.10)

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

Barings Global Loan Limited**Significant Changes in Portfolio Composition (Unaudited)
for the financial year ended 31 December 2018**

Top 20 Purchases

Issuer	Cost US\$
JPMorgan Liquidity Funds - US Dollar Liquidity Fund	2,213,000,000
Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund	535,000,000
Barings Liquidity Funds - US Dollar Liquidity Fund	426,377,173
Garfunkelux Holdco 3 SA, 4.500%, due 01/09/2023	63,934,207
Synlab Bondco PLC, 6.250%, due 01/07/2022	58,638,392
Asurion LLC2018 Term Loan B6	93,148,670
Titan Acquisition Limited2018 Term Loan B	91,676,958
Alliant Holdings I, Inc.2018 Term Loan B	85,349,377
Travelport Finance (Luxembourg) S.a.r.l.2018 Term Loan B	80,254,766
Ortho-Clinical Diagnostics SA2018 Term Loan B	78,756,527
Syniverse Holdings, Inc.2018 1st Lien Term Loan	74,207,822
Delta 2 (LUX) S.a.r.l.2018 USD Term Loan	73,432,611
SS&C Technologies Inc.2018 Term Loan B3	66,393,448
Envision Healthcare Corporation2018 1st Lien Term Loan	63,830,000
Crown Finance US, Inc.2018 USD Term Loan	62,728,300
Amneal Pharmaceuticals LLC2018 Term Loan B	60,565,081
Red Ventures, LLC1st Lien Term Loan	59,083,187
Apex Tool Group, LLC2018 Term Loan B	58,721,566
IRB Holding Corp1st Lien Term Loan	58,678,296
Avolon TLB Borrower 1 (US) LLC Term Loan B2	57,001,658

Top 20 Sales

Issuer	Proceeds US\$
JPMorgan Liquidity Funds - US Dollar Liquidity Fund	2,471,033,000
Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund	861,127,150
Barings Liquidity Funds - US Dollar Liquidity Fund	160,500,000
Sprint Communications, Inc. 1st Lien Term Loan B	96,838,342
Asurion LLC 2017 Term Loan B5	93,787,313
Tempo Acquisition LLC Term Loan	92,853,367
Avolon TLB Borrower 1 (US) LLC Term Loan B2	92,270,414
1011778 B.C. Unlimited Liability Company Term Loan B3	91,446,749
VF Holding Corp. Reprice Term Loan	88,385,694
Energy Transfer Equity, L.P. USD 2017 Term Loan B	85,101,041
Alliant Holdings I, Inc. 2015 Term Loan B	84,826,485
Quikrete Holdings, Inc. 2016 1st Lien Term Loan	84,024,344
Change Healthcare Holdings LLC 2017 Term Loan B	83,760,688
Delta 2 (LUX) S.a.r.l. USD Term Loan B3	83,496,584
Infor (US), Inc. Term Loan B6	83,299,609
First Data Corporation 2017 USD Term Loan	83,119,666
Travelport Finance (Luxembourg) S.a.r.l. New 2017 Term Loan	82,428,715
Travelport Finance (Luxembourg) S.a.r.l. 2018 Term Loan B	80,855,123
Seattle Spinco, Inc. USD Term Loan B3	79,609,546
Intelsat Jackson Holdings S.A. Term Loan B2	78,754,748

Listed above are the aggregate purchases and sales of on investment exceeding 1.00% of the total value of purchases and sales for the financial year ended 31 December 2018 or at least the top 20 purchases and sales.

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