Barings U.S. Loan Limited

Annual Report and Audited Financial Statements
for the financial period
from 28 March 2018 (date of incorporation) to 31 December 2018

Registered Number: 623497

Barings U.S. Loan Limited

Financial Statements
for the financial period from 28 March 2018 (date of incorporation) to 31 December 2018
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Barings U.S. 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, DO2 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

Depositary
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, DO2 R296
Ireland

Company Secretary
Matsack Trust Limited
70 Sir John Rogerson's Quay
Dublin 2, DO2 R296
Ireland

* Independent Directors

The Directors present their report together with the audited financial statements of Barings U.S. Loan Limited for the financial period from 28 March 2018 (date of incorporation) to 31 December 2018.

General information
Barings U.S. Loan Limited (the "Company") is a limited liability company incorporated in Ireland under the registration number 623497. The Company is a wholly owned subsidiary of Barings U.S. Loan Fund (the "Parent"). 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$1,203,700,738. 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 objective is to hold investments on behalf of its Parent.

Directors
The Directors who served during the financial period were:
Mr. James Cleary
Ms. Barbara Healy
Mr. David Conway

Company Secretary
Matsack Trust Limited (the "Secretary") acted as Company Secretary for the financial period.

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 period.

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.

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.

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.

Risk management objectives and policies
The main risks arising from the Company's financial instruments are market risk, liquidity risk and credit risk. These are explained in Note 10 of the financial statements along with the risk management framework in place to deal with them.

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.

Dividends
No dividends are recommended by the Directors in respect of the financial period ended 31 December 2018.

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

Significant events during the financial period
Please see Note 17.

Significant events after the financial period end
Please see Note 18.

Independent auditor
KPMG, Chartered Accountants, was appointed during the financial period under Section 383 (1) of the Companies Act, 2014 and in accordance with Section 383 (2) of the Companies Act, 2014 will continue in office.

On behalf of the Board of Directors:

Director: James Cleary

Director: David Conway

Date: 23 April 2019

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 period. 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: ______________ Director: ______________
James Cleary David Conway

Date: 23 April 2019

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

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Barings U.S. Loan Limited ('the Company') for the financial period 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 financial period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS U.S. LOAN LIMITED (continued)

1 Report on the audit of the financial statements (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_responsiblities_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 Fernández 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 U.S. Loan Limited

Statement of Comprehensive Income
for the financial period from 28 March 2018 (date of incorporation) to 31 December 2018

	Note	31 Dec 2018 US$
Net change on financial assets at fair value through profit or loss	6	(40,129,165)
Net change on financial liabilities at fair value through profit or loss	12	40,098,265
Other income		
- Net loss on foreign exchange		(1,792)
- Miscellaneous income		185,004
Net operating income		**152,312**
Directors' fee	12	(1,192)
Audit and tax reporting fee	5	(123,712)
Miscellaneous fee		(26,408)
Total operating expenses		**(151,312)**
Coupon expense		-
Profit before income tax for the financial period		**1,000**
Tax on ordinary activities	7	(250)
Profit after tax		**750**

There are no recognised gains or losses in the financial period 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 U.S. Loan Limited

Statement of Financial Position
as at 31 December 2018

	Note	31 Dec 2018 US$
Assets:		
Financial assets at fair value through profit or loss:		
- Investments	9,10	1,203,753,427
- Forward foreign exchange contracts	9,10	1,792
Other receivables	4	11,304,618
Receivable for investments sold		9,956,248
Cash and cash equivalents	3	88,262,128
Total assets		**1,313,278,213**
Liabilities		
Financial liabilities designated at fair value through profit or loss:		
- Loan from the Ultimate Parent	9,12	(1,253,581,290)
- Unfunded loans		(52,689)
Payable for investments purchased		(59,491,924)
Other payables and accrued expenses	5	(151,559)
Total liabilities		**(1,313,277,462)**
Net assets		**751**
Equity		
Share capital	8	1
Retained earnings		750
Total equity		**751**

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

Statement of Changes In Equity
for the financial period from 28 March 2018 (date of incorporation) to 31 December 2018

Financial period ended 31 December 2018

	Share Capital US$	Retained Earnings US$	Total US$
Balance at beginning of the financial period	-	-	-
Issue of ordinary share	1	-	1
Profit for the financial period	-	750	750
Balance at end of the financial period	**1**	**750**	**751**

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

Barings U.S. Loan Limited

Statement of Cash Flows
for the financial period from 28 March 2018 (date of incorporation) to 31 December 2018

	31 Dec 2018 US$
Profit after income tax	750
Adjustments for:	
Net movement in investments*	(33,780,311)
Net movement in unrealised gain on derivatives	(1,792)
Coupon expense on loan from the Ultimate Parent	(40,098,265)
Operating cash outflows before movements in working capital	**(73,879,618)**
(Increase) in other receivables	(11,304,618)
Increase in other payables	151,559
Cash (used in) working capital	**(11,153,057)**
Net cash outflows from operating activities	**(85,032,675)**
Financing activities	
Proceeds from loan from the Ultimate Parent*	201,406,502
Repayment of loan to the Ultimate Parent	(28,111,699)
Net cash inflows from financing activities	**173,294,803**
Net increase in cash and cash equivalents	**88,262,128**
Cash and cash equivalents at start of financial period	**-**
Cash and cash equivalents at end of financial period	**88,262,128**
Supplemental information	
Coupon received	14,322,052

* On 31 August 2018, the Company received, by way of an inspecie transaction, non-cash assets amounting to US$1,102,606,842 and cash amounting to US$51,504,752 in exchange for a loan from the Parent. The non-cash element of the transaction has been excluded from the line items highlighted above.

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

1. General Information

Barings U.S. Loan Limited (the "Company") is a limited liability company incorporated in Ireland on 28 March 2018. The Company is a subsidiary of Barings U.S. Loan Fund (the "Parent. 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"), 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. As at 31 December 2018, the Company held investments to the value of US$1,203,700,738. 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.

On 31 August 2018, the Company received non-cash assets transferred from Babson Capital Floating Rate Income Master Fund, L.P. amounting to US$1,102,606,842 and cash amounting to US$51,504,752 in exchange for a loan from the Parent.

2. Significant accounting policies

(a) 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$") and rounded to the nearest US$.

These financial statements were prepared on a going concern basis.

The accounting policies have been applied consistently by the Company.

(b) New standards, amendments and interpretations issued and effective for the financial period beginning on or after 1 January 2018

The Company has applied IFRS 9 Financial Instruments from 28 March 2018 (date of incorporation).

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.

(c) New standards, amendments and interpretations issued but not yet effective for the financial period beginning on or after 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.

2. Significant accounting policies

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

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

(e) 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.

(f) 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 period end date.

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

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

(g) 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

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.

2. Significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

(ii) Classification and subsequent measurement (continued)

(a) Classification of financial assets

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

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

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

The Company has determined that it has two business models.

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

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).

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.

2. Significant accounting policies (continued)

(g) Financial assets and liabilities (continued)
(ii) Classification and subsequent measurement (continued)

(b) Subsequent measurement of financial assets

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

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'Interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'Net gain/loss on foreign exchange' and impairment would be recognised in 'impairment losses on financial instruments' in the Statement of Comprehensive Income, if any. 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.

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

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

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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

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

Financial liabilities at amortised cost:
- This includes payable for investments purchased, other payables and accrued expenses.

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

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial period 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 period 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 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.

2. Significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

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

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

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

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

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

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

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

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

The fair value of forward foreign exchange contracts that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the financial period 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) Unfunded loans
Unfunded loans occur when the Company commits to purchase a loan asset and has purchased less than 100% of the commitment as at the financial period end. The percentage outstanding as at the financial period end is the unfunded loan. The full 100% of the commitment is reflected in the Statement of Financial Position at the financial period end as a financial liability at fair value through profit or loss. The percentage outstanding is disclosed as an unfunded loan in the Schedule of Investments.

(iv) 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 changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are measured at amortised cost.

2. Significant accounting policies (continued)

(h) 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 judgements 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 ongoing 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.

(i) 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.

(j) 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.

(k) Net change on financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or 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 or dividend income and realised gains/losses, are recognised in the Statement of Comprehensive Income.

(l) Net change on financial liabilities at fair value through profit or loss

Loans from the Ultimate Parent are recorded at fair value and are designated 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.

(m) Expenses

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

(n) 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.

(o) 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 period. These amounts are recognised initially at fair value and subsequently at amortised cost.

3. Cash and cash equivalents

Cash and cash equivalents are held with the Depositary, State Street Custodial Services (Ireland) Limited. State Street Corporation, the Ultimate Parent of the Depositary had a Standard & Poor's credit rating of A as at 31 December 2018. As at 31 December 2018, the Company held US$88,262,128 in cash and cash equivalents.

4. Other receivables

	31 Dec 2018 US$
Coupon receivable on loan investments	8,903,463
Principal receivable on loan investments	1,129,783
Coupon receivable on bonds	1,271,372
	11,304,618

5. Other payables and accrued expenses

	31 Dec 2018 US$
Directors' fee payable	(1,192)
Audit and tax reporting fee payable	(28,839)
Miscellaneous payable	(121,528)
	(151,559)

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 US$
Statutory audit	(28,839)
Tax advisory and compliance services	-
Total	(28,839)

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

	31 Dec 2018 US$
Coupon income from financial assets at fair value through profit or loss	24,496,888
Income from investments	
- Realised gain on investments	(451,203)
- Unrealised net change on investments	(64,185,260)
- Realised gain/(loss) on derivatives	8,618
- Unrealised net change on derivatives	1,792
	(40,129,165)

7. Taxation

	31 Dec 2018 US$
Current financial period tax	(250)
Reconciliation of tax charge to profit before tax:	
Profit before tax	1,000
Corporation tax at 25%	(250)

8. Share capital

Authorised
The authorised share capital of the Company is €1.

Issued and fully paid
The issued and paid up share capital is €1 and it is held by the 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 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 period end date.

9. Fair value hierarchy (continued)

Valuation of financial assets and liabilities (continued)

Valuation Framework (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 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 31 Dec 2018 US$**
Equities	2,506,184
Loans	101,265,884
	103,772,068

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 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 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.

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	906,527	1,099,074,832	103,772,068	1,203,753,427
- Forward foreign exchange contracts	-	1,792	-	1,792
Total financial assets	**906,527**	**1,099,076,624**	**103,772,068**	**1,203,755,219**
Financial liabilities				
- Loan from the Ultimate Parent	-	(1,253,581,290)	-	(1,253,581,290)
- Unfunded loans	-	(52,689)	-	(52,689)
Total financial liabilities	**-**	**(1,253,633,979)**	**-**	**(1,253,633,979)**

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the financial period. There were no transfers between Level 1 and Level 2 during the financial period. 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 period ended 31 December 2018.

	Financial assets at fair value through profit or loss 31 Dec 2018 US$
Opening balance	-
Purchases	109,944,077
Sales	(1,427,039)
Net gain/(loss) on investments	(4,744,970)
Transfers out of Level 3	-
Transfer into Level 3	-
Closing balance	103,772,068
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 gain/(loss) on investments	(4,744,970)

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
Loans	101,213,197	Broker Quotes/ Recent Sales	83.50-100	91.79
Equities	2,506,184	EBITDA Multiples/Recent Sales	0-340	12.03

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

If the value of Level 3 securities increased/(decreased) by 5%, the effect on the NAV would be US$5,188,603.

10. 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 hedge against foreign exchange risks on a portion of its portfolio. The Company does not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio being hedged. The hedging transactions may result in a poorer overall performance for the Company than if it had not engaged in such hedging transactions. Since the characteristics of many securities change as markets change, the success of the Company's hedging strategy is also subject to the Company's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. The Managers implement and manages this process and has appointed State Street Bank Boston Limited to execute 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 at fair value through profit or loss US$	Cash and cash equivalents US$	Other assets and liabilities* US$	Forward foreign exchange contracts US$	Net exposure US$	% of Total assets %
EUR	-	(483,108)	-	483,108	-	-

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

Sensitivity analysis

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

The Company is exposed to foreign currency risk, however the risk is effectively transferred to the Parent via the loan obtained from the Ultimate Parent, since under the loan agreement, all of the Company's profit or loss except for an immaterial amount of US$1000 per calendar financial year will be incorporated into the value of the outstanding loans (please see Note 12). 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.

(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, include 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 assets and liabilities instruments held by the Company.

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

10. 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 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	11,536,294	426,147,692	755,963,524	10,105,917	1,203,753,427
- Forward foreign exchange contracts	-	-	-	1,792	1,792
Other receivables	-	-	-	11,304,618	11,304,618
Receivable for Investment sold	-	-	-	9,956,248	9,956,248
Cash and cash equivalents	88,262,128	-	-	-	88,262,128
Total assets	**99,798,422**	**426,147,692**	**755,963,524**	**31,368,575**	**1,313,278,213**
Financial liabilities					
At fair value through profit or loss:					
- Loan and coupon payable on loan from the Ultimate Parent	(1,253,581,290)	-	-	-	(1,253,581,290)
- Unfunded loans	-	-	(52,689)	-	(52,689)
Payable for investments purchased	-	-	-	(59,491,924)	(59,491,924)
Other payable and accrued expenses	-	-	-	(151,560)	(151,560)
Total liabilities	**(1,253,581,290)**	**-**	**(52,689)**	**(59,643,484)**	**(1,313,277,463)**
Total interest sensitivity gap	**(1,153,782,868)**	**426,147,692**	**755,910,835**		

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 from the Ultimate Parent.

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

Interest rate change%	% Effect on Loan Fair Value 31 Dec 2018	Interest rate change%	% Effect on Loan Fair Value 31 Dec 2018
(0.50)	+0.12	+0.50	(0.11)
(0.75)	+0.17	+0.75	(0.17)
(1.00)	+0.23	+1.00	(0.23)

10. Financial instruments and associated risks (continued)

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

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

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

A 5% increase in investment prices at 31 December 2018 would have increased the value of investments at fair value through profit or loss by US$60,185,037 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.

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

The Company's credit risk concentration is spread between a number of counterparties. The top ten holdings in the Company represented 11.49% 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 period 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 currency exchange rates. The Company is exposed to credit risk associated with the forward currency counterparties with whom it trades and will also bear the risk of settlement default.

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

10. Financial instruments and associated risks (continued)

(b) Credit risk (continued)

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

Description	Counterparty	Value of derivative assets US$	Financial instruments US$	Collateral received US$	Net US$
Forward foreign exchange contracts	State Street Bank	1,792	-	-	1,792
		1,792	-	-	**1,792**

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

Country	**% of Market Value 31 Dec 2018**
Canada	0.6
Germany	1.0
Luxembourg	1.0
Netherlands	1.2
United Kingdom	3.2
United States	93.0
	100.0

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

Moody's Rating	**% of Market Value 31 Dec 2018**
Ba1	1.2
Ba2	5.6
Ba3	12.1
B1	20.4
B2	34.8
B3	13.0
Caa1	3.4
Caa2	7.1
Caa3	0.6
Not publicly rated	1.8
	100.0

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$
Investments at fair value	1,193,647,510
Forward foreign exchange contracts	1,792
Other receivables	11,304,618
Receivables for investments sold	9,956,248
Cash and cash equivalents	88,262,128
Total	**1,303,172,296**

10. Financial instruments and associated risks (continued)

(b) Credit risk (continued)

Amounts in the above table are based on the carrying value of the financial assets as at the financial period 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 as at 31 December 2018 was A.

All of the loan assets of the Company have agent banks, and are not safeguarded within the Depositary'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.

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

Industry	% of Market Value 31 Dec 2018
Aerospace and Defense	1.6
Automobile	1.4
Banking	0.2
Beverage, Food and Tobacco	1.2
Broadcasting and Entertainment	4.7
Buildings and Real Estate	1.1
Cargo Transport	0.5
Chemicals, Plastics and Rubber	6.2
Containers, Packaging and Glass	3.0
Diversified/Conglomerate Manufacturing	2.4
Diversified/Conglomerate Service	14.1
Diversified Natural Resources, Precious Metals and Minerals	0.5
Ecological	0.6
Electronics	6.0
Finance	3.0
Healthcare, Education and Childcare	15.5
Home and Office Furnishings, Housewares, and Durable Consumer Products	1.0
Hotels, Motels, Inns and Gaming	0.7
Insurance	9.4
Leisure, Amusement, Entertainment	2.9
Machinery Non-Agriculture, Non-Construction, Non-Electronic	2.5
Mining, Steel, Iron and Non Precious Metals	1.0
Oil and Gas	6.2
Personal and Non-Durable Consumer Products	1.0
Personal Transportation	0.6
Printing and Publishing	1.2
Retail Stores	5.7
Telecommunications	4.4
Utilities	1.4
	100.0

10. Financial instruments and associated risks (continued)

(b) Credit risk (continued)

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$9,956,248 and trade payables of US$59,491,924 of which none of the receivables and payables 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.

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 Net Asset Value 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 10% of the Net Asset Value 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 period ended 31 December 2018.

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

The tables below set out the Company’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	1-3 months	Greater than 3 months	Total
	US$	**US$**	**US$**	**US$**
Asset - Forward foreign exchange contracts	483,108	-	-	483,108
Liability - Forward foreign exchange contracts	(481,316)	-	-	(481,316)
	1,792	**-**	**-**	**1,792**

11. Exchange rates

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

	31 Dec 2018
Euro (EUR)	1.1457

12. Related party transactions

Loan from the Ultimate Parent
The Company is a wholly owned subsidiary of Barings U.S. 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 from the Ultimate Parent designated at fair value through profit or loss as at 31 December 2018 was US$1,253,581,290. The net change on financial liabilities at fair value through profit or loss for the period ended 31 December 2018 was a gain of US$40,098,265.

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

Investment Managers
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.

On 31 August 2018, the Company received non-cash assets transferred from Babson Capital Floating Rate Income Master Fund, L.P. amounting to US$1,102,606,842 and cash amounting to US$51,504,752 in exchange for a loan from the Parent.

Directors' and Secretary interests
Directors' fees for the financial period amounted to US$1,192 of which US$1,192 was payable at the financial period 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.

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

13. Ultimate Parent undertaking and Parent undertaking of larger groups

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

The immediate Parent of Barings U.S. Loan Limited is Barings U.S. Loan Fund.

14. 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.

15. Dividends

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

16. Contingent liabilities

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

17. Significant events during the financial period

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 period, which require adjustment to, or disclosure in the financial statements.

18. Significant events after the financial period 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 period end date, which require adjustment to, or disclosure in the financial statements.

19. Approval of financial statements

The Directors approved these financial statements on 23 April 2019.

Barings U.S. Loan Limited

Schedule of Investments (Unaudited)
as at 31 December 2018

Loans

Country	Industry	Obligor	Fair Value US$	% of Net Assets*
Canada	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Titan Acquisition Limited 2018 Term Loan B	6,964,869	0.55
Germany	Chemicals, Plastics and Rubber	Flint Group GmbH USD Term Loan C	716,396	0.06
		Flint Group US LLC USD 1st Lien Term Loan B2	4,333,606	0.34
		Flint Group US LLC USD Term Loan B8	1,109,918	0.09
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Alison Bidco S.a.r.l. USD 1st Lien Term Loan B1	1,712,611	0.14
		Alison Bidco S.a.r.l. USD 1st Lien Term Loan B2	1,712,611	0.14
	Printing and Publishing	Springer Nature Deutschland GmbH USD Term Loan B13	2,925,103	0.23
Luxembourg	Chemicals, Plastics and Rubber	Allnex (Luxembourg) & Cy S.C.A. 2016 USD Term Loan B2	6,872,947	0.55
		Allnex USA, Inc. USD Term Loan B3	5,178,030	0.41
Netherlands	Broadcasting and Entertainment	AP NMT Acquisition BV USD 1st Lien Term Loan	14,293,245	1.12
United Kingdom	Automobile	Belron Finance US LLC 2018 Term Loan B**	4,754,631	0.38
	Diversified / Conglomerate Service	Almonde, Inc. USD 1st Lien Term Loan	11,513,164	0.91
		Almonde, Inc. USD 2nd Lien Term Loan	3,681,629	0.29
	Leisure, Amusement, Entertainment	Delta 2 (LUX) S.a.r.l. 2018 USD Term Loan	9,167,514	0.73
	Telecommunications	Virgin Media Bristol LLC USD Term Loan K	9,297,696	0.74
United States	Aerospace and Defense	Atlantic Aviation FBO Inc. 2018 Term Loan B**	2,226,564	0.18
		CPI International Inc. 2017 1st Lien Term Loan	3,888,317	0.31
		CPI International Inc. 2017 2nd Lien Add-On Term Loan**	1,317,355	0.10
		TransDigm, Inc. 2018 Term Loan F	3,945,582	0.31
		TransDigm, Inc. 2018 Term Loan G	4,662,291	0.37
		Wesco Aircraft Hardware Corp. 2016 Term Loan	3,750,445	0.30
	Automobile	DexKo Global Inc. 2018 USD Term Loan	1,075,051	0.09
		Dragon Merger Sub, LLC USD 2017 2nd Lien Term Loan**	2,905,388	0.23
		Gates Global LLC 2017 USD Repriced Term Loan B	7,538,928	0.60
	Banking	Higginbotham Insurance Agency, Inc. 2017 1st Lien Term Loan**	2,715,805	0.22
	Beverage, Food and Tobacco	CTI Foods Holding Co, LLC New 1st Lien Term Loan	3,109,191	0.25
		CTI Foods Holding Co, LLC New 2nd Lien Term Loan	75,898	0.01
		IRB Holding Corp 1st Lien Term Loan	11,456,070	0.91
	Broadcasting and Entertainment	Charter Communications Operating, LLC 2017 Term Loan B	5,421,413	0.43
		CSC Holdings, LLC 2018 Incremental Term Loan	8,390,741	0.67
		Gray Television, Inc. 2017 Term Loan B	647,678	0.05
		Gray Television, Inc. 2018 Term Loan C	5,649,191	0.45
		Intelsat Jackson Holdings S.A. 2017 Term Loan B3	10,698,490	0.85
		PSAV Holdings LLC 2018 1st Lien Term Loan	5,684,403	0.45
		PSAV Holdings LLC 2018 2nd Lien Term Loan**	832,535	0.07
		Univision Communications Inc. Term Loan C5	4,782,481	0.38
	Buildings and Real Estate	Builders FirstSource, Inc. 2017 Term Loan B	2,808,358	0.22
		Capital Automotive L.P. 2017 2nd Lien Term Loan	3,118,839	0.25

*% of Net Assets refers to the Net Assets of the Parent.
**This is a level 3 security

Loans Country	**Industry**	**Obligor**	**Fair Value US$**	**% of Net Assets***
United States	Buildings and Real Estate	Quikrete Holdings, Inc. 2016 1st Lien Term Loan	7,541,684	0.60
	Cargo Transport	Kenan Advantage Group, Inc. 2015 Term Loan	4,804,588	0.38
		Kenan Advantage Group, Inc. CAD Term Loan B	1,091,233	0.09
	Chemicals, Plastics and Rubber	Associated Asphalt Partners, LLC 2017 Term Loan B	8,986,825	0.71
		Consolidated Energy Finance, S.A. Term Loan B**	9,014,136	0.72
		Encapsys, LLC 1st Lien Term Loan	3,582,708	0.28
		Encapsys, LLC 2nd Lien Term Loan**	1,389,672	0.11
		GrafTech Finance, Inc. 2018 Term Loan B**	11,756,441	0.93
		Natgasoline LLC Term Loan B**	1,316,985	0.1
		Pinnacle Operating Corp. Stub Term Loan B**	3,516,000	0.28
		Pinnacle Operating Corp. Term Loan (Extended)	3,919,155	0.31
		Platform Specialty Products Corporation Term Loan	2,306,513	0.18
		Schenectady International Group Inc. 2018 1st Lien Term Loan**	4,162,119	0.33
		Solenis Holdings LLC 2018 2nd Lien Term Loan **	1,800,785	0.14
		Solenis International LP 2018 1st Lien Term Loan	4,334,481	0.34
	Containers, Packaging and Glass	BWAY Holding Company 2017 Term Loan B	7,380,369	0.59
		Flex Acquisition Company, Inc. 1st Lien Term Loan	4,635,256	0.37
		Hoffmaster Group, Inc. 2018 1st Lien Term Loan	5,903,771	0.47
		Proampac PG Borrower LLC 2016 1st Lien Term Loan	6,998,449	0.56
		Proampac PG Borrower LLC 2016 2nd Lien Term Loan	2,709,095	0.22
		Trident TPI Holdings, Inc. 2017 USD Term Loan	8,251,039	0.66
	Diversified / Conglomerate Manufacturing	Brookfield WEC Holdings Inc. 2018 1st Lien Term Loan	2,464,307	0.20
		LTI Holdings, Inc. 2018 Add On 1st Lien Term Loan	2,424,670	0.19
		MTS Systems Corporation 2017 Term Loan B	1,654,596	0.13
		Project Alpha Intermediate Holding, Inc. 2017 Term Loan B	13,193,947	1.05
		Triple Point Technology, Inc. 1st Lien Term Loan **	2,013,936	0.16
		Wilsonart LLC 2017 Term Loan B	7,116,371	0.56
	Diversified / Conglomerate Service	Applied Systems, Inc. 2017 1st Lien Term Loan	11,738,764	0.93
		Applied Systems, Inc. 2017 2nd Lien Term Loan	512,554	0.04
		Blucora, Inc. 2017 Term Loan B	3,316,285	0.26
		Cvent, Inc. 1st Lien Term Loan**	9,665,239	0.77
		EAB Global, Inc. 1st Lien Term Loan**	3,908,060	0.31
		Evertec Group, LLC 2018 Term Loan B	9,570,835	0.76
		Financial & Risk US Holdings, Inc. 2018 USD Term Loan	11,371,308	0.90
		Hyland Software, Inc. 2017 2nd Lien Term Loan	921,056	0.07

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**This is a level 3 security

Loans Country	Industry	Obligor	Fair Value US$	% of Net Assets*
United States	Diversified / Conglomerate Service	I-Logic Technologies Bidco Limited 2018 USD Term Loan	3,811,210	0.30
		Infor (US), Inc. Term Loan B6	10,188,924	0.81
		Informatica LLC 2018 USD Term Loan	8,667,589	0.69
		Kronos Incorporated 2017 Term Loan B	6,797,127	0.54
		Kronos Incorporated New 2nd Lien Term Loan	2,833,378	0.22
		Men's Wearhouse, Inc. (The) 2018 Term Loan B:	9,638,222	0.77
		MH Sub I, LLC 2017 1st Lien Term Loan	9,057,185	0.72
		Mitchell International, Inc. 2017 1st Lien Term Loan	4,758,702	0.38
		PODS, LLC 2018 1st Lien Term Loan	4,997,616	0.40
		Prime Security Services Borrower, LLC 2016 1st Lien Term Loan	12,771,822	1.01
		Red Ventures, LLC 2018 Term Loan B**	3,353,912	0.27
		SonicWALL, Inc. 1st Lien Term Loan	7,298,339	0.58
		SonicWALL, Inc. 2nd Lien Term Loan**	2,308,514	0.18
		TierPoint, LLC 2017 1st Lien Term Loan	1,916,087	0.15
		Vertafore, Inc. 2018 1st Lien Term Loan	9,660,714	0.77
		Vertafore, Inc. 2018 2nd Lien Term Loan	4,810,425	0.38
	Diversified Natural Resources, Precious Metals and Minerals	Caraustar Industries, Inc. 2017 Term Loan B	6,420,891	0.51
	Ecological	Emerald 3 Limited 2nd Lien Term Loan	3,465,458	0.28
		Emerald US Inc. Term Loan B1	3,218,410	0.26
	Electronics	ION Trading Technologies S.a.r.l. USD Incremental Term Loan B**	6,559,563	0.52
		Omnitracs, Inc. 2018 Term Loan B	4,245,640	0.34
		Renaissance Holding Corp. 2018 1st Lien Term Loan	7,138,935	0.57
		Renaissance Holding Corp. 2018 2nd Lien Term Loan	4,906,072	0.39
		RP Crown Parent, LLC 2016 Term Loan B	9,493,772	0.75
		Sophia, L.P. 2017 Term Loan B	7,149,733	0.57
		SS&C Technologies Holdings Europe S.A.R.L. 2018 Term Loan B4	1,379,988	0.11
		SS&C Technologies Inc. 2018 Term Loan B3	3,638,120	0.29
		SS&C Technologies Inc. 2018 Term Loan B5	6,887,199	0.55
		Tibco Software Inc. Repriced Term Loan B	2,242,205	0.18
		Veritas Bermuda Ltd. USD Repriced Term Loan B	9,057,938	0.72
		Wall Street Systems Delaware, Inc. 2017 Term Loan B	3,953,322	0.31
	Finance	Duff & Phelps Corporation 2017 Term Loan B	8,640,368	0.69
		Edelman Financial Center, LLC 2018 1st Lien Term Loan	3,146,947	0.25
		Edelman Financial Center, LLC 2018 2nd Lien Term Loan**	1,604,274	0.13
		NFP Corp. Term Loan B	14,511,561	1.14
		Trans Union, LLC Term Loan B3	626,980	0.05
		VFH Parent LLC 2018 Term Loan	2,712,178	0.22
	Healthcare, Education and Childcare	Arbor Pharmaceuticals, Inc. Term Loan B**	6,957,965	0.55
		Avantor, Inc. 2017 1st Lien Term Loan	6,367,633	0.51

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**This is a level 3 security.

Loans Country	Industry	Obligor	Fair Value US$	% of Net Assets*
United States	Healthcare, Education and Childcare	Aveanna Healthcare, LLC 2018 Incremental Term Loan B**	5,826,302	0.46
		Change Healthcare Holdings LLC 2017 Term Loan B	8,394,201	0.67
		Endo Luxembourg Finance Company I S.a r.l. 2017 Term Loan B	5,698,177	0.45
		Envision Healthcare Corporation 2018 1st Lien Term Loan	16,287,435	1.28
		Explorer Holdings, Inc. 2016 Term Loan B	3,625,407	0.29
		GHX Ultimate Parent Corporation 2017 1st Lien Term Loan	8,947,102	0.71
		Greatbatch Ltd. 2017 1st Lien Term Loan B	3,665,341	0.29
		Immucor, Inc. Extended Term Loan B	8,453,349	0.67
		Jaguar Holding Company II 2018 Term Loan	7,713,798	0.61
		Joerns Healthcare LLC 2020 Term Loan	5,372,622	0.43
		Mallinckrodt International Finance S.A. 2018 Term Loan B	9,494,029	0.75
		Ortho-Clinical Diagnostics SA 2018 Term Loan B	8,509,211	0.68
		Parexel International Corporation Term Loan B	6,347,570	0.50
		Press Ganey Holdings, Inc. 2018 1st Lien Term Loan	6,249,148	0.50
		Prospect Medical Holdings, Inc. 2018 Term Loan B	10,508,856	0.83
		Radiology Partners Holdings, LLC 2018 1st Lien Term Loan B	7,780,583	0.62
		RadNet, Inc. Reprice Term Loan	6,773,443	0.54
		Select Medical Corporation 2017 Term Loan B	3,218,337	0.26
		Surgery Center Holdings, Inc. 2017 Term Loan B	4,754,079	0.38
		Team Health Holdings, Inc. 1st Lien Term Loan	7,996,074	0.63
		U.S. Anesthesia Partners, Inc. 2017 Term Loan	4,481,108	0.36
		Valeant Pharmaceuticals International, Inc. 2018 Term Loan B	6,719,498	0.53
		Valeant Pharmaceuticals International, Inc. Term Loan B	2,549,386	0.20
		Wink Holdco, Inc 2nd Lien Term Loan B	4,225,415	0.34
	Home and Office Furnishings, Housewares, and Durable Consumer Products	Serta Simmons Bedding, LLC 1st Lien Term Loan	8,224,854	0.65
		Serta Simmons Bedding, LLC 2nd Lien Term Loan	4,142,398	0.33
	Hotels, Motels, Inns and Gaming	Caesars Resort Collection, LLC 2017 1st Lien Term Loan B	8,521,239	0.68
	Insurance	Acrisure, LLC 2018 Term Loan B**	7,140,110	0.57
		Alliant Holdings I, Inc. 2018 Term Loan B	14,836,871	1.17
		AssuredPartners, Inc. 2017 1st Lien Add-On Term Loan	9,151,998	0.73
		Asurion LLC 2017 2nd Lien Term Loan	4,969,931	0.39
		Asurion LLC 2017 Term Loan B4	4,418,721	0.35
		Asurion LLC 2018 Term Loan B6	3,310,301	0.26
		Asurion LLC 2018 Term Loan B7	6,684,241	0.53
		Confie Seguros Holding II Co. 2018 2nd Lien Term Loan	6,217,810	0.49

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**This is a level 3 security.

Loans Country	Industry	Obligor	Fair Value US$	% of Net Assets*
United States	Insurance	Hub International Limited 2018 Term Loan B	10,615,934	0.84
		Sedgwick Claims Management Services, Inc. 2018 Term Loan B	14,368,800	1.14
		USI, Inc. 2017 Repriced Term Loan	14,981,907	1.18
		York Risk Services Holding Corp. Term Loan B	11,901,626	0.94
	Leisure, Amusement, Entertainment	Crown Finance US, Inc. 2018 USD Term Loan	6,175,827	0.49
		Metro-Goldwyn-Mayer Inc. 2018 1st Lien Term Loan	4,819,172	0.38
		SeaWorld Parks & Entertainment, Inc. Term Loan B5	14,332,855	1.14
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	Apex Tool Group, LLC 2018 Term Loan B	13,848,895	1.10
		Gardner Denver, Inc. 2017 USD Term Loan B	3,411,992	0.27
	Mining, Steel, Iron and Non Precious Metals	Aleris International, Inc. 2018 Term Loan	6,920,389	0.55
		Boomerang Tube, LLC 2018 Term Loan**	1,464,331	0.12
		Covia Holdings Corporation Term Loan	1,672,968	0.13
	Oil and Gas	Bronco Midstream Funding LLC Term Loan B	2,717,686	0.22
		Caelus Energy Alaska O3, LLC 2nd Lien Term Loan	3,114,817	0.25
		Equitrans Midstream Corporation Term Loan B	1,299,977	0.10
		Fieldwood Energy LLC Exit 1st Lien TL	7,307,543	0.58
		Fieldwood Energy LLC Exit 2nd Lien TL	4,845,923	0.38
		Gulf Finance, LLC Term Loan B	8,329,739	0.66
		Seadrill Partners Finco LLC Term Loan B	8,908,920	0.71
		Southcross Energy Partners, L.P. 1st Lien Term Loan	829,669	0.07
		Summit Midstream Partners Holdings, LLC Term Loan B	3,767,411	0.30
		UTEX Industries Inc. 1st Lien Term loan 2014	4,704,442	0.37
	Personal and Non Durable Consumer Products	Berlin Packaging LLC 2018 1st Lien Term Loan	12,233,936	0.97
	Printing and Publishing	Getty Images, Inc. Term Loan B	11,536,294	0.92
	Retail Stores	24 Hour Fitness Worldwide, Inc. 2018 Term Loan B	6,937,169	0.55
		Ascena Retail Group, Inc. 2015 Term Loan B	3,989,267	0.32
		Bass Pro Group, LLC Term Loan B	4,661,090	0.37
		Blackhawk Network Holdings, Inc 2018 1st Lien Term Loan	10,688,283	0.85
		CVS Holdings I, LP 2018 1st Lien Term Loan	5,363,552	0.43
		CVS Holdings I, LP 2018 2nd Lien Term Loan**	2,755,262	0.22
		Harbor Freight Tools USA, Inc. 2018 Term Loan B	10,856,824	0.86
		Michaels Stores, Inc. 2018 Term Loan B	7,670,000	0.61
		Staples, Inc. 2017 Term Loan B	14,700,820	1.16
	Telecommunications	BMC Software Finance, Inc. 2018 USD Term Loan B	8,797,670	0.70
		CenturyLink, Inc. 2017 Term Loan B	18,682,821	1.47
		Sprint Communications, Inc. 1st Lien Term Loan B	4,165,475	0.33
		Syniverse Holdings, Inc. 2018 1st Lien Term Loan	7,653,802	0.61

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**This is a level 3 security.

Loans Country	**Industry**	**Obligor**	**Fair Value US$**	**% of Net Assets***
United States	Telecommunications	Syniverse Holdings, Inc. 2018 2nd Lien Term Loan	4,256,678	0.34
	Utilities	Astoria Energy LLC Term Loan B	4,266,161	0.34
		EFS Cogen Holdings I LLC 2016 Term Loan B	6,314,222	0.50
		Helix Gen Funding, LLC Term Loan B	881,054	0.07
		Nautilus Power, LLC Term Loan B	5,709,075	0.46
Total Loans			**1,137,072,357**	**90.27**

Bonds Country	**Industry**	**Holding**	**Obligor**	**Fair Value US$**	**% of Net Assets***
Ireland	Healthcare, Education and Childcare	220,000	Endo Dac, 6.000%, due 15/07/2023	168,850	0.01
Luxembourg	Chemicals, Plastics and Rubber	561,000	Consolidated Energy Finance SA, 6.875%, due 15/06/2025	536,456	0.04
Unites States	Electronics	7,355,000	Veritas US Inc, 7.500%, due 01/02/2023	6,031,100	0.48
	Finance	5,243,000	VFH Parent LLC, 6.750%, due 15/06/2022	5,109,146	0.41
	Healthcare, Education and Childcare	2,200,000	Endo Finance LLC, 7.250%, due 15/01/2022	1,914,000	0.15
		6,000,000	Ortho-Clinical Diagnostics Inc, 6.625%, due 15/05/2022	5,430,000	0.43
		1,394,000	Surgery Center Holdings Inc, 8.875%, due 15/04/2021	1,397,485	0.11
	Insurance	2,000,000	Acrisure LLC, 7.000%, due 15/11/2025	1,715,000	0.14
		4,500,000	York Risk Services Holding Corp, 8.500%, due 01/10/2022	3,150,000	0.25
	Machinery Non-Agriculture, Non-Construction, Non-Electronic	2,265,000	Apex Tool Group LLC, 9.000%, due 15/02/2023	1,925,250	0.15
	Oil and Gas	5,417,000	Calumet Specialty Products Partners LP, 7.625%, due 15/01/2022	4,387,770	0.35
		1,500,000	Calumet Specialty Products Partners LP, 7.750%, due 15/04/2023	1,143,750	0.09
		6,476,000	Citgo Holding Inc, 10.750%, due 15/02/2020	6,621,710	0.53
		3,941,000	EP Energy LLC, 8.000%, due 15/02/2025	1,645,368	0.13
		1,692,000	EP Energy LLC, 8.000%, due 29/11/2024	1,269,000	0.10
		3,919,000	Genesis Energy LP, 6.000%, due 15/05/2023	3,634,873	0.29
		3,873,000	Vine Oil & Gas LP, 8.750%, due 15/04/2023	3,079,035	0.24
	Personal Transportation	7,848,000	Hertz Corp, 7.625%, due 01/06/2022	7,416,360	0.59
Total Bonds				**56,575,153**	**4.49**

Equities Country	**Industry**	**Holding**	**Details**	**Fair Value US$**	**% of Net Assets***
United States	Mining, Steel, Iron and Non Precious Metals	20,834,767	Boomerang Tube LLC**	2,025,764	0.16
	Oil and Gas	176,137	Fieldwood Energy LLC	6,693,206	0.52
		664	Southcross Holdings GP LP	-	-
		664	Southcross Holdings LP	332,000	0.03

*% of Net Assets refers to the Net Assets of the Parent.
** This is a level 3 security.

Equities

Country	Industry	Holding	Details	Fair Value US$	% of Net Assets*
United States	Oil and Gas	1,413	W3 Co.**	480,420	0.04
	Retail Stores	53,656	Appvion Inc	574,527	0.05
Total Equities				**10,105,917**	**0.80**

Unfunded Loans

Country	Industry	Details	Fair Value US$	% of Net Assets*
United States	Healthcare, Education and Childcare	Aveanna Healthcare, LLC 2018 1st Lien Delayed Draw Term Loan	(52,689)	(0.00)
Total Unfunded Loans			**(52,689)**	**(0.00)**

** This is a level 3 security.

Total investments designated at fair value through profit or loss	**1,203,700,738**	**95.56**

Forward Foreign Exchange Contracts

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Gain €	% of Net Assets*
02/01/2019	State Street Bank	EUR	421,652	USD	481,316	1,792	0.00
Total unrealised gain on forward foreign exchange contracts						**1,792**	**0.00**
Total unrealised loss on forward foreign exchange contracts						**-**	**-**
Net unrealised gain on forward foreign exchange contracts						**1,792**	**0.00**

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

Significant Changes in Portfolio Composition (Unaudited)
for the financial period from 28 March 2018 (date of incorporation) to 31 December 2018

Top 20 Purchases

Issuer	Cost US$
CenturyLink, Inc. 2017 Term Loan B	19,908,562
Envision Healthcare Corporation 2018 1st Lien Term Loan	17,382,860
USI, Inc. 2017 Repriced Term Loan	15,877,617
Alliant Holdings I, Inc. 2018 Term Loan B	15,710,198
NFP Corp. Term Loan B	15,372,452
Staples, Inc. 2017 Term Loan B	15,319,530
SeaWorld Parks & Entertainment, Inc. Term Loan B5	15,002,834
Omnitracs, Inc. 2018 Term Loan B	14,967,225
Sedgwick Claims Management Services, Inc. 2018 Term Loan B	14,962,500
AP NMT Acquisition BV USD 1st Lien Term Loan	14,887,717
Ortho-Clinical Diagnostics SA 2018 Term Loan B	14,861,800
Apex Tool Group, LLC 2018 Term Loan B	14,573,570
Project Alpha Intermediate Holding, Inc. 2017 Term Loan B	13,720,948
Prime Security Services Borrower, LLC 2016 1st Lien Term Loan	13,405,134
Berlin Packaging LLC 2018 1st Lien Term Loan	13,017,225
GrafTech Finance, Inc. 2018 Term Loan B	12,690,157
York Risk Services Holding Corp. Term Loan B	12,385,188
Applied Systems, Inc. 2017 1st Lien Term Loan	12,353,041
Almonde, Inc. USD 1st Lien Term Loan	12,301,648
IRB Holding Corp 1st Lien Term Loan	12,050,471

Top 20 Sales

Issuer	Proceeds US$
Omnitracs, Inc. 2018 Term Loan B	10,482,500
Ziggo Secured Finance Partnership USD Term Loan E	7,827,452
Sedgwick Claims Management Services, Inc. 1st Lien Term Loan	7,687,013
Metro-Goldwyn-Mayer Inc. 2018 2nd Lien Term Loan	7,502,155
Vistra Energy Corp. 1st Lien Term Loan B3	7,269,133
Starfruit Finco B.V 2018 USD Term Loan B	6,307,067
Ortho-Clinical Diagnostics SA 2018 Term Loan B	5,713,016
I-Logic Technologies Bidco Limited USD Term Loan B	5,618,671
Evertec Group, LLC New Term Loan B	5,567,734
Wink Holdco, Inc 1st Lien Term Loan B	5,475,272
Asurion LLC 2018 Term Loan B7	5,069,375
Community Health Systems, Inc. Term Loan H	4,807,254
LTI Holdings, Inc. 2017 1st Lien Term Loan	4,730,351
Wesco Aircraft Hardware Corp. Term Loan B	4,616,355
Envision Healthcare Corporation 2016 Term Loan B	4,576,021
Composite Resins Holding B.V. 2018 Term Loan B	4,561,791
AHP Health Partners, Inc. 2018 Term Loan	4,543,883
TierPoint, LLC 2017 1st Lien Term Loan	4,415,961
ADMI Corp. 2018 Term Loan B	4,173,694
Floatel International, Ltd. USD Term Loan B	4,128,059
Sedgwick Claims Management Services, Inc. 2nd Lien Term Loan	3,956,609
LTI Holdings, Inc. 2017 2nd Lien Term Loan	3,846,314
Astoria Energy LLC Term Loan B	3,443,295
Springer Nature Deutschland GmbH USD Term Loan B13	3,331,276
Eastern Power, LLC Term Loan B	3,327,027
VFH Parent LLC 2017 Refinanced Term Loan B	3,277,521
Endo Luxembourg Finance Company I S.a r.l. 2017 Term Loan B	3,056,792
Coronado Coal LLC 2018 Term Loan B	2,906,879
Verscend Holding Corp. 2018 Term Loan B	2,853,971
Red Ventures, LLC 1st Lien Term Loan	2,840,675
Ascena Retail Group, Inc. 2015 Term Loan B	2,812,786
Covia Holdings Corporation Term Loan	2,717,791
Big River Steel LLC Term Loan B	2,554,050

Top 20 Sales (continued)

Issuer	Proceeds US$
The Talbots, Inc. 1st Lien Term Loan	2,534,114
EFS Cogen Holdings I LLC 2016 Term Loan B	2,206,916
Builders FirstSource, Inc. 2017 Term Loan B	2,015,413
Viant Medical Holdings, Inc. 2018 1st Lien Term Loan	2,014,076

Listed above are the aggregate purchases and sales of an investment exceeding 1.00% of the total value of purchases and sales for the financial peiod ended 31 December 2018.

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