2019 ANNUAL REPORT

BARINGS GLOBAL SHORT DURATION HIGH YIELD FUND

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website http://www.barings.com/BGH, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically anytime by contacting your financial intermediary (such as a broker-dealer or bank), or upon request by calling, toll-free, 1-866-399-1516.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account.

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Milwaukee, WI 53212

TRANSFER AGENT & REGISTRAR
U.S. Bancorp Fund Services, LLC, d/b/a
U.S. Bank Global Fund Services
615 E. Michigan St.
Milwaukee, WI 53202

FUND ADMINISTRATION/ACCOUNTING
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U.S. Bank Global Fund Services
615 E. Michigan St.
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PROXY VOTING POLICIES & PROCEDURES
The Trustees of Barings Global Short Duration High Yield Fund (the "Fund") have delegated proxy voting responsibilities relating to the voting of securities held by the Fund to Barings LLC ("Barings"). A description of Barings' proxy voting policies and procedures is available (1) without charge, upon request, by calling, toll-free 1-866-399-1516; (2) on the Fund's website at http://www.barings.com/bgh; and (3) on the U.S. Securities and Exchange Commission's ("SEC") website at http://www.sec.gov.

FORM N-Q
The Fund will file its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q or Part F of Form N-PORT (beginning with filings after March 31, 2019). This information is available (1) on the SEC's website at http://www.sec.gov; and (2) at the SEC's Public Reference Room in Washington, DC (which information on their operation may be obtained by calling 1-800-SEC-0330). A complete schedule of portfolio holdings as of each quarter-end is available on the Fund's website at http://www.barings.com/bgh or upon request by calling, toll-free, 1-866-399-1516.

CERTIFICATIONS
The Fund's President has submitted to the NYSE the annual CEO Certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

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

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

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

OFFICERS OF THE FUND

Sean Feeley
President

Carlene Pollock
Chief Financial Officer

Lesley Mastandrea
Treasurer

Michael Freno
Vice President

Scott Roth
Vice President

Melissa LaGrant
Chief Compliance Officer

Janice Bishop
Secretary/Chief Legal Officer

Jill Dinerman
Assistant Secretary

Barings Global Short Duration High Yield Fund is a closed-end investment company, first offered to the public in 2012, whose shares are traded on the New York Stock Exchange.

INVESTMENT OBJECTIVE & POLICY

Barings Global Short Duration High Yield Fund (the "Fund") was organized as a business trust under the laws of the Commonwealth of Massachusetts. The Fund is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company with its own investment objective. The Fund's common shares are listed on the New York Stock Exchange under the symbol "BGH".

The Fund's primary investment objective is to seek as high a level of current income as the Adviser (as defined herein) determines is consistent with capital preservation. The Fund seeks capital appreciation as a secondary investment objective when consistent with its primary investment objective. There can be no assurance that the Fund will achieve its investment objectives.

The Fund seeks to take advantage of inefficiencies between geographies, primarily the North American and Western European high yield bond and loan markets and within capital structures between bonds and loans. For example, the Fund seeks to take advantage of differences in pricing between bonds and loans of an issuer denominated in U.S. dollars and substantially similar bonds and loans of the same issuer denominated in Euros, potentially allowing the Fund to achieve a higher relative return for the same credit risk exposure.

Dear Fellow Shareholders,

We are pleased to provide you with the 2019 Annual Report for the Barings Global Short Duration High Yield Fund (the "Fund") to recap portfolio performance and positioning. We continue to believe our Global High Yield Investments Group is one of the largest teams in the market primarily focused on North American and Western European credits. Utilizing the Group's expertise, deep resources and time-tested process, we believe we can provide investors with an attractive level of current income by uncovering compelling opportunities across the global high yield market.

The Fund's strategy focuses primarily on North American and Western European high yield companies, with the flexibility to dynamically shift the geographic weighting in order to capture, in our opinion, the best risk-adjusted investment opportunities. In addition, the strategy focuses closely on limiting the duration of the Fund, while maintaining what we consider to be a reasonable amount of leverage.

Market Review

The global high yield bond market saw strong performance during the year, driven by a stable economic outlook, accommodative central bank policies, and a strong technical backdrop as investors searched for yield. In the U.S., higher-rated credits notably outperformed the lower-end of the ratings spectrum, while in Europe the contrary was true, and triple-Cs led the broader market. Defaults were up modestly, concentrated in sectors that have been well documented, primarily Energy and Metals & Mining. In general, however, U.S. and European high yield issuers reported stable corporate fundamentals and the economic picture remained supportive for borrowers in 2019.

Despite heightened volatility in the global economic and political backdrop, the U.S. high yield bond market saw the strongest performance in three years, generating double-digit returns in 2019. Performance was highly bifurcated across quality tiers, with double-B returns almost twice those of triple-C rated holdings, while single-Bs were only modestly lagging. All industry sectors were up during the year and most were in double-digit territory. The Retail and Automotive sectors were the top performers, while the Energy sector was the notable laggard. The option-adjusted spread (OAS) and yield-to-worst tightened considerably from the widening at the end of 2018, ending the year at 367 basis points (bps) and 5.48%, respectively. Notably, this was the lowest month-end yield-to-worst since August 2014. Gross U.S. high yield new issuance totaled $274.1 billion across 118 bonds during the year, up from $168.8 billion in 2018. Issuance net of refinancing totaled $88.9 billion. This new issuance was well absorbed, as U.S. high yield bond mutual funds reported a net inflow of $18.0 billion, the highest reported net inflow since 2012. Default activity was up with the par-weighted U.S. high yield default rate ending the year at 2.63%. This, compared to 1.81% at year-end 2018, was driven primarily by the Energy and Metals and Mining sectors; however, it remained below the long-term average of 3.44%.

The European high yield bond market saw its strongest annual performance since 2014, as a relatively stable macroeconomic environment and dovish central bank actions supported fixed income markets, which recovered from the volatility seen in late 2018. From a ratings perspective CCC bonds materially outperformed relative to higher-rated BB and single-B bonds, which performed in line with the broader market. The OAS tightened by 201 bps over the course of the year, to end at 323 bps overall. All sectors saw positive returns for the year. For the full year of 2019, issuance totaled €74 billion, the second highest year for issuance in the decade. The proportion of European supply that was senior secured increased from 2018 to 51% (per S&P LCD).

Barings Global Short Duration High Yield Fund Overview and Performance

The Fund ended December 2019 with a portfolio of 127 issuers, down from 130 issuers at the beginning of the year. A majority of the issuers are domiciled in the United States (79.6%), with the United Kingdom (6.9%) and Canada (4.0%) representing the next largest country exposures (see Country Composition chart below). From a geographic standpoint, exposure to North American issuers was up from year-end 2018, along with Rest of World issuers whose country of risk is outside of the U.S. and Europe. The Fund's exposure to Europe was down from the prior year-end. The Fund's primary exposure continues to be in the U.S. market, where the fundamental and technical picture created a better backdrop for high yield issuers during the year.

As of December 31, 2019, the Fund remained well-positioned across the credit quality spectrum: 13.9% BB rated and above, 53.6% single-B rated, and 30.5% triple-C rated and below, with approximately 34% of the portfolio consisting of secured obligations. The credit quality of the Fund's underlying holdings changed since the beginning of the year following the removal of certain investment restrictions by the Board of Directors in August. The Fund decreased double-B rated and above credits, as well as single-B rated credits. Triple-C and below rated credits increased during the year to take advantage of yield opportunities within the category. Non-publicly rated securities, and cash and accrued interest represented 1.9% and 2.9%, respectively.[1]

The Fund paid 12 consecutive monthly dividend payments of $0.1482 per share in 2019, which we believe is still an attractive level of yield for a global short duration high yield bond fund. The Fund's share price and net asset value ("NAV") ended the reporting period at $17.53 and $18.32, respectively, or at a 4.31% discount to NAV. Based on the Fund's share price and NAV on December 31, 2019, the Fund's market price and NAV distribution rates – using the most recent monthly dividend, on an annualized basis – were 10.14% and 9.71%, respectively. Assets acquired through leverage, which represented 28.4% of the Fund's total assets at the end of June, were accretive to net investment income and benefited shareholders.

On a year-to-date ("YTD") basis through December 31, 2019, the NAV total return was 10.77%, underperforming the global high yield bond market, as measured by the Bank of America / Merrill Lynch Non-Financial Developed Markets High Yield Constrained Index (HNDC), which returned 13.37%. From a market value perspective, the total return YTD through December 31, 2019 was 21.45%.[2]

As mentioned in the Semi-Annual Report in August 2019, in order to provide greater flexibility, the Fund's Board of Directors approved the removal of the Fund's non-fundamental investment restriction limiting investment in securities rated triple-C and below. The Fund's Board of Directors also approved the removal of the Fund's non-fundamental investment restriction on maintaining a portfolio with a weighted average maturity of five years or less. However, the Fund will continue to maintain a weighted average portfolio duration, including the effects of leverage, of three years or less.

Market Outlook

From a fundamental perspective, we believe corporate earnings and balance sheets look relatively healthy. Defaults remain low by historical standards, and while we might see an uptick in more challenged sectors, we do not expect to see a widespread material increase and would expect defaults overall to be manageable. In the context of a relatively healthy fundamental backdrop, the continued search for yield and low default outlook, we believe the asset class looks to be on solid footing overall. As we believe there is always the potential for macroeconomic or geopolitical concerns to arise, we believe that actively managed portfolios, global diversification and prudent asset selection are critical in this market. We will continue to monitor developments which may create bouts of volatility – including global trade, geopolitics and the U.S. election season. Overall, however, we are optimistic that the long-term trends are favorable and believe below investment grade credit investors are being adequately compensated for the given risks they are assuming.

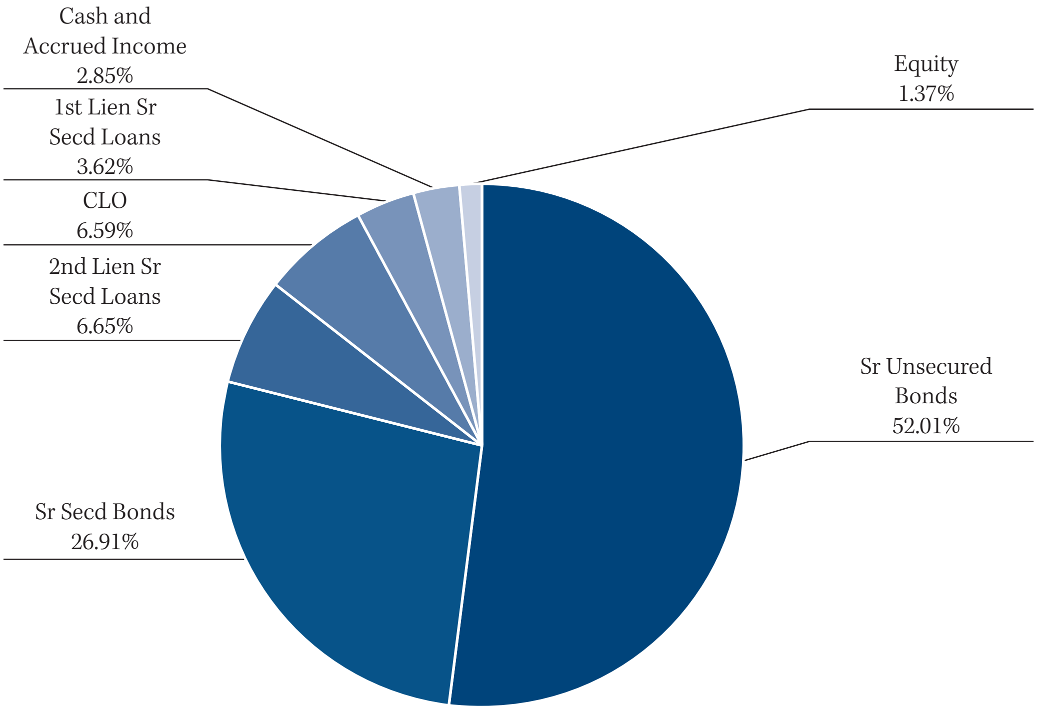
At Barings, we remain committed to focusing on corporate fundamentals as market sentiment can change quickly and unexpectedly. Our focused and disciplined approach emphasizes our fundamental bottom-up research, with the goal of preserving investor capital while seeking to capture attractive capital appreciation opportunities that may exist through market and economic cycles. On behalf of the Barings team, we continue to take a long-term view of investing, and look forward to helping you achieve your investment goals.

Sincerely,

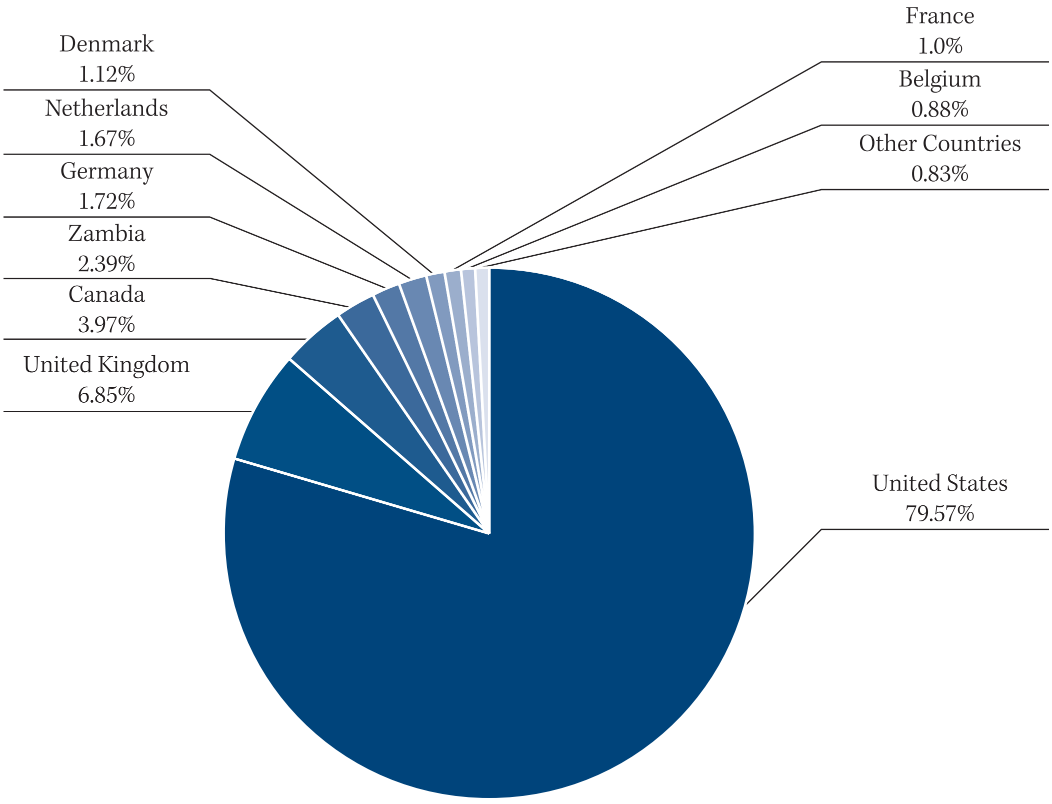
Sean Feeley

1. Ratings are based on Moody's, S&P and Fitch. If securities are rated differently by the rating agencies, the higher rating is applied and all ratings are converted to the equivalent Moody's major rating category for purposes of the category shown. Credit ratings are based largely on the rating agency's investment analysis at the time of rating and the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition. The rating assigned to a security by a rating agency does not necessarily reflect its assessment of the volatility of the security's market value or of the liquidity of an investment in the security. Ratings of Baa3 or higher by Moody's and BBB- or higher by S&P and Fitch are considered to be investment grade quality.
2. **Past performance is not necessarily indicative of future results. Current performance may be lower or higher.** All performance is net of fees, which is inclusive of advisory fees, administrator fees and interest expenses.

PORTFOLIO COMPOSITION (% OF ASSETS*)



COUNTRY COMPOSITION (% OF ASSETS*)



* The percentages shown above represent a percentage of the assets as of December 31, 2019.

FINANCIAL REPORT

STATEMENT OF ASSETS AND LIABILITIES

	DECEMBER 31, 2019
Assets	
Investments, at fair value (cost $532,014,341)	$ 504,445,079
Cash	4,555,955
Foreign currency, at fair value (cost $34,516)	34,610
Interest receivable	10,769,612
Total assets	519,805,256
Liabilities	
Note payable	147,200,000
Dividend payable	2,973,531
Payable to adviser	432,526
Payable for investments purchased	362,138
Note interest payable	337,778
Unrealized depreciation on forward foreign exchange contracts	371,139
Accrued expenses and other liabilities	479,342
Total liabilities	152,156,454
Total net assets	$ 367,648,802
Net Assets:	
Common shares, $0.00001 par value	$ 201
Additional paid-in capital	468,825,286
Accumulated losses	(101,176,685)
Total net assets	$ 367,648,802
Common shares issued and outstanding (unlimited shares authorized)	20,064,313
Net asset value per share	$ 18.32

See accompanying Notes to the Financial Statements.

STATEMENT OF OPERATIONS

	YEAR ENDED DECEMBER 31, 2019
Investment Income	
Interest income	$ 48,989,587
Other income	163,222
Total investment income	49,152,809
Operating Expenses	
Advisory fees	5,268,745
Interest expense	4,927,470
Administrator fees	487,977
Professional fees	175,960
Directors' fees	119,349
Printing and mailing expense	74,838
Pricing expense	18,318
Taxes paid on undistributed income	46,123
Other operating expenses	40,001
Total operating expenses	11,158,781
Net investment income	37,994,028
Realized and Unrealized Gains (Losses)	
Net realized loss on investments	(17,427,787)
Net realized gain on forward foreign exchange contracts	835,422
Net realized gain on foreign currency and translation	1,105,411
Net realized loss	(15,486,954)
Net change in unrealized appreciation on investments	13,635,719
Net change in unrealized appreciation on forward foreign exchange contracts	359,057
Net change in unrealized appreciation on foreign currency and translation	15,570
Net change in unrealized appreciation	14,010,346
Net realized and unrealized losses	(1,476,608)
Net increase in net assets resulting from operations	$ 36,517,420

See accompanying Notes to the Financial Statements.

STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 2019
Reconciliation of net increase in net assets resulting from operations to net cash provided by operating activities	
Net increase in net assets applicable to common shareholders resulting from operations	$ 36,517,420
Adjustments to reconcile net increase in net assets applicable to common shareholders resulting from operations to net cash provided by operating activities:	
Purchases of long-term investments	(268,959,681)
Proceeds from sales of long-term investments	275,259,836
Proceeds from sales of foreign currency, net	(200,512)
Net change in unrealized appreciation on forward currency exchange contracts	(359,057)
Net change in unrealized appreciation on investments	(13,635,345)
Net realized loss on investments	17,427,787
Net amortization/accretion of premium (discount)	(2,482,350)
Changes in operating assets and liabilities:	
Increase in interest receivable	(1,385,787)
Increase in note interest payable	337,778
Decrease in prepaid expenses and other assets	50,470
Increase in payable for investments purchased	362,138
Decrease in payable to adviser	(28,674)
Increase in accrued expenses and other liabilities	146,066
Net cash provided by operating activities	**43,050,089**
Cash flows from financing activities	
Advances from credit facility	3,000,000
Repayments on credit facility	(13,000,000)
Distributions paid to common shareholders	(35,559,037)
Net cash used in financing activities	**(45,559,037)**
Net change in cash	(2,508,948)
Cash beginning of year	7,064,903
Cash end of year	**$ 4,555,955**
Supplemental disclosure of cash flow and non-cash information	
Income taxes paid	$ 46,123
Interest paid	4,563,064
Non-cash financing activities — distributions reinvested	112,799

See accompanying Notes to the Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

	YEAR ENDED DECEMBER 31, 2019	YEAR ENDED DECEMBER 31, 2018
Operations		
Net investment income	$ 37,994,028	$ 38,194,759
Net realized loss	(15,486,954)	(28,627,365)
Net change in unrealized appreciation (depreciation)	14,010,346	(25,128,726)
Net increase (decrease) in net assets resulting from operations	**36,517,420**	**(15,561,332)**
Dividends to Common Shareholders		
From distributable earnings	(35,672,794)	(35,670,878)
Total dividends to common shareholders	**(35,672,794)**	**(35,670,878)**
Capital Stock Transactions		
Issuance from common shares issued on reinvestment	112,799	–
Net increase in net assets from capital stock transactions	112,799	–
Total increase in net assets	**957,425**	**(51,232,210)**
Net Assets		
Beginning of year	366,691,377	417,923,587
End of year	**$367,648,802**	**$366,691,377**

See accompanying Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

	YEAR ENDED DECEMBER 31, 2019	YEAR ENDED DECEMBER 31, 2018	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
Per Common Share Data					
Net asset value, beginning of year	$ 18.28	$ 20.84	$ 20.87	$ 18.47	$ 22.00
Income from investment operations:					
Net investment income	1.87	1.89	1.77	1.57	1.90
Net realized and unrealized gains (losses)	(0.05)	(2.67)	0.04	2.68	(3.23)
Total increase (decrease) from investment operations	**1.82**	**(0.78)**	**1.81**	**4.25**	**(1.33)**
Less dividends to common stockholders:					
Net investment income	(1.78)	(1.78)	(1.63)	(1.60)	(2.20)
Net realized gain	–	–	–	–	–
Return of capital	–	–	(0.21)	(0.25)	–
Total dividends to common stockholders	**(1.78)**	**(1.78)**	**(1.84)**	**(1.85)**	**(2.20)**
Net asset value, end of year	$ 18.32	$ 18.28	$ 20.84	$ 20.87	$ 18.47
Per common share market value, end of year	$ 17.53	$ 15.95	$ 19.38	$ 19.23	$ 16.49
Total investment return based on net asset value (1)	**10.77%**	**(3.42)%**	**9.40%**	**25.42%**	**(5.57)%**
Total investment return based on market value (1)	**21.45%**	**(9.38)%**	**10.41%**	**29.44%**	**(8.13)%**
Supplemental Data and Ratios					
Net assets, end of year (000's)	$367,649	$366,691	$417,924	$418,613	$370,418
Ratio of expenses (before reductions and reimbursements) to average net assets	3.00%	2.93%	2.33%	2.05% (2)	2.27%
Ratio of expenses (after reductions and reimbursements) to average net assets	3.00%	2.93%	2.33%	1.78%	2.27%
Ratio of net investment income (before reductions and reimbursements) to average net assets	10.22%	9.34%	9.20%	10.68% (2)	9.18%
Ratio of net investment income (after reductions and reimbursements) to average net assets	10.22%	9.34%	9.20%	10.41%	9.18%
Portfolio turnover rate	52.25%	48.92%	36.59%	44.81%	38.13%

(1) Total investment return calculation assumes reinvestment of dividends at actual prices pursuant to the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions.

(2) The Adviser contractually waived a portion of its management and other fees equal to an annual rate of 0.275% of the Fund's managed assets for a period of one year ended December 31, 2016.

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

December 31, 2019

	SHARES	COST	FAIR VALUE
Equities — 1.94%*:			
Common Stocks — 1.88%*:			
Boomerang Tube Holdings, Inc.¤	36,149	$3,510,832	$2,441,503
Fieldwood Energy LLC¤	167,574	4,057,567	3,044,317
Jupiter Resources Inc.¤+	1,171,624	5,662,542	1,171,624
Sabine Oil & Gas LLC¤	4,342	248,858	247,494
Templar Energy LLC¤	135,392	734,072	0
Templar Energy LLC¤	101,589	1,015,894	0
Total Common Stocks	1,616,670	15,229,765	6,904,938
Preferred Stocks — 0.00%*:			
Pinnacle Operating Corp.¤	1,368,352	643,125	0
Total Preferred Stocks	1,368,352	643,125	0
Warrants — 0.06%*:			
Appvion Holdings Corp.¤	12,892	137,280	3,223
Appvion Inc.¤	12,892	–	1,612
Sabine Oil & Gas LLC¤	13,521	60,669	176,855
Sabine Oil & Gas LLC	2,481	6,547	32,451
Total Warrants	41,786	204,496	214,141
Total Equities	3,026,808	16,077,386	7,119,079

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income — 135.27%*:					
Asset-Backed Securities — 9.31%*:					
CDO/CLO — 9.31%*:					
Anchorage Capital CLO LTD 2015-6A, 3M LIBOR + 6.350%^~	8.35%	7/15/2030	600,000	$610,654	$591,415
Anchorage Capital CLO LTD 2016-9A ER, 3M LIBOR + 6.410%^~	8.41	7/15/2032	1,500,000	1,455,000	1,451,048
Anchorage Capital CLO LTD 2013-1R, 3M LIBOR + 6.800%^~	8.81	10/15/2030	1,000,000	977,213	997,068
Ballyrock CLO LTD 2019-2A, 3M LIBOR + 7.740%^~	9.64	11/20/2030	2,000,000	1,960,000	2,007,714
BlueMountain CLO LTD 2018-23A, 3M LIBOR + 5.650%^~	7.62	10/20/2031	1,000,000	1,000,000	961,688
Canyon CLO LTD 2019-2A, 3M LIBOR + 7.150%^~	9.15	10/15/2032	1,000,000	1,000,000	992,677
Carbone CLO, LTD 2017-1A, 3M LIBOR + 5.900%^~	7.87	1/21/2031	750,000	750,000	718,251
Carlyle Global Market Strategies 2013-3A, 3M LIBOR + 7.750%^~	9.75	10/15/2030	1,000,000	1,000,000	737,235
Carlyle Global Market Strategies 2017-5A, 3M LIBOR + 5.300%^~	7.27	1/22/2030	700,000	700,000	644,461

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Asset-Backed Securities (Continued)					
CDO/CLO (Continued)					
Carlyle Global Market Strategies 2019-3 LTD, 3M LIBOR + 7.030%^~	9.00%	10/20/2032	1,000,000	$975,000	$984,467
Cedar Funding LTD 2016-6A, 3M LIBOR + 5.900%^~	7.87	10/20/2028	2,500,000	2,500,000	2,386,365
Galaxy CLO LTD 2017-24A, 3M LIBOR + 5.500%^~	7.50	1/15/2031	1,000,000	1,000,000	929,881
GoldenTree Loan Management 2018-3A, 3M LIBOR + 6.500%^~	8.47	4/22/2030	1,500,000	1,426,193	1,304,843
GoldenTree Loan Opportunities XI LTD 2015-11A, 3M LIBOR + 5.400%^~	7.40	1/18/2031	500,000	500,000	468,967
KKR Financial CLO LTD 2017-20, 3M LIBOR + 5.500%^~	7.50	10/16/2030	1,500,000	1,500,000	1,388,195
LCM LTD 2019-30, 3M LIBOR + 6.950%^~	8.92	4/21/2031	1,100,000	1,100,000	1,101,944
Madison Park Funding LTD 2015-19A, 3M LIBOR + 4.350%^~	6.30	1/24/2028	1,000,000	1,000,000	956,179
Madison Park Funding LTD 2016-22, 3M LIBOR + 6.650%^~	8.59	10/25/2029	1,000,000	1,020,507	995,621
Madison Park Funding LTD 2018-29A, 3M LIBOR + 7.570%^~#	9.57	10/18/2030	2,000,000	1,960,000	1,845,980
Madison Park Funding LTD 2019-32E, 3M LIBOR + 7.100%^~	9.05	1/22/2031	1,000,000	997,800	1,002,446
Magnetite CLO LTD 2016-18A, 3M LIBOR + 7.600%^~	9.51	11/15/2028	1,400,000	1,386,000	1,336,776
OHA Credit Partners LTD 2015-11A, 3M LIBOR + 7.900%^~	9.87	1/20/2032	2,000,000	1,970,323	1,877,026
OHA Loan Funding LTD 2013-1A, 3M LIBOR + 7.900%^~	9.83	7/23/2031	1,500,000	1,477,500	1,447,105
Sound Point CLO XVIII 2018-18D, 3M LIBOR + 5.500%^~	7.47	1/21/2031	2,000,000	2,000,000	1,751,974
Steele Creek CLO LTD 2017-1A, 3M LIBOR + 6.200%^~	8.20	1/15/2030	800,000	800,000	680,690
TICP CLO LTD 2018-10A, 3M LIBOR + 5.500%^~	7.47	4/20/2031	1,000,000	918,050	941,682
Voya CLO LTD 2019-4A, 3M LIBOR + 7.480%^~	9.37	1/18/2033	1,400,000	1,358,585	1,405,800
Wellfleet CLO LTD 2017-3A, 3M LIBOR + 5.550%^~	7.55	1/17/2031	1,500,000	1,500,000	1,345,876
Wind River CLO LTD 2017-4A, 3M LIBOR + 5.800%^~	7.70	11/20/2030	1,000,000	1,000,000	963,126
Total CDO/CLO			36,250,000	35,842,825	34,216,500
Total Asset-Backed Securities			36,250,000	35,842,825	34,216,500

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Bank Loans§ — 14.51%*:					
Automotive — 0.54%*:					
Dexko Global Inc, 3M LIBOR + 8.250%~	10.19%	7/24/2025	2,000,000	$2,000,000	$1,985,000
Total Automotive			2,000,000	2,000,000	1,985,000
Broadcasting and Entertainment — 1.21%*:					
Endemol, 3M LIBOR + 5.750%+~	7.84	8/11/2021	4,455,821	4,355,578	4,464,466
Total Broadcasting and Entertainment			4,455,821	4,355,578	4,464,466
Cargo Transport — 0.76%*:					
PS Logistics, 1M LIBOR + 4.750%~	6.55	3/6/2025	2,962,500	2,983,650	2,792,156
Total Cargo Transport			2,962,500	2,983,650	2,792,156
Chemicals, Plastics and Rubber — 0.39%*:					
Colouroz Investment 2 LLC, 3M LIBOR + 7.250%+~	9.19	9/7/2022	2,033,201	2,025,452	1,425,274
Total Chemicals, Plastics and Rubber			2,033,201	2,025,452	1,425,274
Diversified/Conglomerate Manufacturing — 0.95%*:					
Averys, 3M LIBOR + 8.250%+~	8.25	8/7/2026	500,000	571,943	558,048
Commercial Vehicle Group Inc., 1M LIBOR + 6.000%~	7.80	4/12/2023	576,993	568,956	576,993
SunSource, Inc., 1M LIBOR + 8.000%~	9.80	4/30/2026	2,500,000	2,518,714	2,347,925
Total Diversified/Conglomerate Manufacturing			3,576,993	3,659,613	3,482,966
Diversified/Conglomerate Service — 4.15%*:					
Misys (Finastra), 3M LIBOR + 7.250%~	9.45	6/16/2025	15,630,136	15,497,328	15,245,010
Total Diversified/Conglomerate Service			15,630,136	15,497,328	15,245,010
Electronics — 0.94%*:					
PowerSchool, 3M LIBOR + 6.750%~	8.64	7/31/2026	3,500,000	3,465,000	3,465,000
Total Electronics			3,500,000	3,465,000	3,465,000
Healthcare, Education and Childcare — 0.99%*:					
ADVANZ PHARMA Corp., 1M LIBOR + 5.500%+~	7.45	9/6/2024	3,900,000	3,834,095	3,636,750
Total Healthcare, Education and Childcare			3,900,000	3,834,095	3,636,750
Home and Office Furnishings, Housewares, and Durable Consumer Products — 0.63%*:					
Serta Simmons Beddings LLC, 1M LIBOR + 8.000%~	9.79	11/8/2024	7,933,333	7,192,656	2,333,749
Total Home and Office Furnishings, Housewares, and Durable Consumer Products			7,933,333	7,192,656	2,333,749

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Bank Loans (Continued)					
Insurance — 0.83%*:					
Asurion, 1M LIBOR + 6.500%~	8.30%	7/14/2025	3,000,000	$3,062,592	$3,034,500
Total Insurance			3,000,000	3,062,592	3,034,500
Mining, Steel, Iron and Non-Precious Metals — 0.69%*:					
Boomerang Tube, LLC, 1M LIBOR + 5.000%¤~	6.70	6/30/2022	2,540,684	2,540,684	2,540,684
Total Mining, Steel, Iron and Non-Precious Metals			2,540,684	2,540,684	2,540,684
Oil and Gas — 2.43%*:					
Fieldwood Energy LLC, 1M LIBOR + 5.250%~	7.18	4/11/2022	5,751,171	5,240,003	4,786,239
Fieldwood Energy LLC, 1M LIBOR + 7.250%~	9.18	4/11/2023	7,481,592	2,673,132	4,152,284
Total Oil and Gas			13,232,763	7,913,135	8,938,523
Total Bank Loans			64,765,431	58,529,783	53,344,078
Corporate Bonds — 111.45%*:					
Aerospace and Defense — 4.02%*:					
Avolon Holdings^	6.50	9/15/2024	2,741,000	2,761,153	2,860,096
TransDigm Group, Inc.#	7.50	3/15/2027	3,000,000	2,977,500	3,281,400
Triumph Group, Inc.#	7.75	8/15/2025	8,289,000	8,293,801	8,642,940
Total Aerospace and Defense			14,030,000	14,032,454	14,784,436
Automotive — 2.98%*:					
Garrett Motion+^	5.13	10/15/2026	1,250,000	1,283,401	1,416,209
Power Solutions^#	8.50	5/15/2027	8,965,000	9,070,523	9,525,313
Total Automotive			10,215,000	10,353,924	10,941,522
Beverage, Food and Tobacco — 2.85%*:					
Boparan Finance plc+^	5.50	7/15/2021	800,000	1,032,066	771,325
JBS S.A.^#	6.75	2/15/2028	2,886,000	2,886,000	3,189,059
Kehe Distributors, LLC^	8.63	10/15/2026	1,287,000	1,287,000	1,348,133
Manitowoc Foodservice#	9.50	2/15/2024	3,074,000	3,228,516	3,258,440
Refresco Group N.V.+^	6.50	5/15/2026	1,600,000	1,931,940	1,916,958
Total Beverage, Food and Tobacco			9,647,000	10,365,522	10,483,915
Broadcasting and Entertainment — 6.70%*:					
Arqiva Broadcast+^	6.75	9/30/2023	4,950,000	6,336,672	6,986,808
Clear Channel Worldwide Holdings Inc.^#	9.25	2/15/2024	5,546,000	5,928,493	6,142,195
Cox Media Group^	8.88	12/15/2027	837,000	837,000	885,128
Dish DBS Corp.#	7.75	7/1/2026	7,094,000	6,879,074	7,515,313
Intelsat Jackson Holdings Ltd.^#	9.75	7/15/2025	3,341,000	3,461,294	3,090,425
Total Broadcasting and Entertainment			21,768,000	23,442,533	24,619,869

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Buildings and Real Estate — 2.20%*:					
Realogy Group^#	9.38%	4/1/2027	7,763,000	$7,670,059	$8,100,380
Total Buildings and Real Estate			7,763,000	7,670,059	8,100,380
Cargo Transport — 2.66%*:					
Kenan Advantage^#	7.88	7/31/2023	10,000,000	10,044,498	9,779,200
Total Cargo Transport			10,000,000	10,044,498	9,779,200
Chemicals, Plastics and Rubber — 3.71%*:					
Carlyle Group^#	8.75	6/1/2023	3,000,000	2,970,300	3,060,000
Consolidated Energy Finance S.A.^#	6.88	6/15/2025	1,779,000	1,770,105	1,698,945
CVR Partners LP^#	9.25	6/15/2023	6,213,000	6,153,393	6,489,976
Diversey^	5.63	8/15/2025	1,500,000	1,614,243	1,652,271
Pinnacle Operating Corp.^#	9.00	5/15/2023	1,993,613	1,993,613	737,637
Total Chemicals, Plastics and Rubber			14,485,613	14,501,654	13,638,829
Containers, Packaging, and Glass — 2.89%*:					
Mauser Packaging Solutions^	7.25	4/15/2025	2,575,000	2,434,771	2,542,812
Tekni-Plex^#	9.25	8/1/2024	8,000,000	7,895,369	8,080,000
Total Containers, Packaging, and Glass			10,575,000	10,330,140	10,622,812
Diversified/Conglomerate Manufacturing — 2.95%*:					
Heat Exchangers+^	7.78	10/9/2025	625,000	652,296	659,002
Manitowoc Cranes^#	9.00	4/1/2026	8,538,000	8,565,555	8,943,555
Trivium Packaging+^#	8.50	8/15/2027	1,110,000	1,110,000	1,234,875
Total Diversified/Conglomerate Manufacturing			10,273,000	10,327,851	10,837,432
Diversified/Conglomerate Service — 5.98%*:					
ADT Corp/Protection One^#	9.25	5/15/2023	5,959,000	6,241,404	6,249,501
Algeco Scotsman+^	6.50	2/15/2023	1,750,000	2,133,918	1,958,076
Carlson Travel Holdings Inc.^#	9.50	12/15/2024	6,040,000	6,051,391	6,009,800
Endurance International Group, LLC#	10.88	2/1/2024	1,490,000	1,559,732	1,486,275
Truck Hero Inc.^#	8.50	4/21/2024	6,118,000	6,145,751	6,301,540
Total Diversified/Conglomerate Service			21,357,000	22,132,196	22,005,192
Electronics — 9.41%*:					
International Wire Group Inc.^#	10.75	8/1/2021	7,389,000	7,159,765	7,435,181
TIBCO Software, Inc.^#	11.38	12/1/2021	4,915,000	5,119,549	5,093,414
Veritas Bermuda Ltd.^#	10.50	2/1/2024	23,858,000	20,646,108	22,068,650
Total Electronics			36,162,000	32,925,422	34,597,245
Finance — 2.55%*:					
Galaxy Bidco Ltd.+^#	6.50	7/31/2026	1,500,000	1,865,092	2,099,968
Lowell+^#	8.50	11/1/2022	5,575,000	7,652,682	7,275,769
Total Finance			7,075,000	9,517,774	9,375,737

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Healthcare, Education and Childcare — 15.21%*:					
Advanz Pharma Corp.+	8.00%	9/6/2024	3,743,000	$3,667,287	$3,537,135
Avantor Performance Materials Holdings, Inc.^#	9.00	10/1/2025	5,180,000	5,268,568	5,788,805
Bausch Health Companies Inc.^#	9.00	12/15/2025	12,922,000	13,160,109	14,694,898
Bausch Health Companies Inc.^#	9.25	4/1/2026	3,397,000	3,397,000	3,901,794
Bausch Health Companies Inc.^#	8.50	1/31/2027	317,000	317,000	361,000
Endo International^#	7.50	4/1/2027	1,890,000	1,890,000	1,880,550
Envision Healthcare Corp.^#	8.75	10/15/2026	12,551,000	11,619,848	7,781,620
Regionalcare Hospital Partners, Inc.^#	8.25	5/1/2023	9,996,000	10,061,280	10,570,770
Synlab+^	8.25	7/1/2023	2,000,000	2,512,402	2,349,972
Tenet Healthcare Corporation#	8.13	4/1/2022	1,700,000	1,687,168	1,880,625
Verscend Technologies, Inc.^	9.75	8/15/2026	2,915,000	3,092,131	3,188,281
Total Healthcare, Education and Childcare			56,611,000	56,672,793	55,935,450
Home and Office Furnishings, Housewares, and Durable Consumer Products — 1.21%*:					
Balta+^#	7.75	9/15/2022	4,171,500	4,846,761	4,440,554
Total Home and Office Furnishings, Housewares, and Durable Consumer Products			4,171,500	4,846,761	4,440,554
Hotels, Motels, Inns and Gaming — 1.74%*:					
Boyne USA, Inc.^#	7.25	5/1/2025	950,000	950,000	1,033,125
Golden Nugget Inc.^#	8.75	10/1/2025	5,000,000	5,246,663	5,346,875
Total Hotels, Motels, Inns and Gaming			5,950,000	6,196,663	6,380,000
Insurance — 4.50%*:					
Acrisure LLC^	7.00	11/15/2025	1,311,000	1,255,478	1,265,115
Acrisure LLC^#	10.13	8/1/2026	9,575,000	9,774,529	10,317,062
Acrisure LLC^#	8.13	2/15/2024	4,564,000	4,694,547	4,963,350
Total Insurance			15,450,000	15,724,554	16,545,527
Machinery (Non-Agriculture, Non-Construct, Non-Electronic) — 2.59%*:					
Apex Tool Group LLC^#	9.00	2/15/2023	10,627,000	10,407,840	9,537,732
Total Machinery (Non-Agriculture, Non-Construct, Non-Electronic)			10,627,000	10,407,840	9,537,732
Mining, Steel, Iron and Non-Precious Metals — 14.68%*:					
Alliance Resources Partners, L.P.^#	7.50	5/1/2025	655,000	655,000	596,050
Consol Energy Inc.^#	11.00	11/15/2025	10,316,000	10,741,717	8,787,994
First Quantum Minerals+^#	7.25	4/1/2023	2,000,000	1,924,103	2,070,560
First Quantum Minerals+^#	7.50	4/1/2025	9,775,000	9,367,634	9,994,938
Hecla Mining Company#	6.88	5/1/2021	7,220,000	7,105,529	7,196,535
Kissner Milling Company Limited+^#	8.38	12/1/2022	6,475,000	6,467,170	6,774,469

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Mining, Steel, Iron and Non-Precious Metals (Continued)					
Northwest Acquisitions ULC+^#	7.13%	11/1/2022	16,122,000	$12,543,177	$12,091,500
SunCoke Energy Inc.^#	7.50	6/15/2025	5,743,000	5,724,732	5,522,871
Warrior Met Coal Inc.^#	8.00	11/1/2024	914,000	914,000	927,710
Total Mining, Steel, Iron and Non-Precious Metals			59,220,000	55,443,062	53,962,627
Oil and Gas — 9.51%*:					
Calumet Specialty Products#	7.63	1/15/2022	4,398,000	4,161,009	4,398,000
Calumet Specialty Products^	11.00	4/15/2025	3,000,000	3,000,000	3,262,500
Calumet Specialty Products	7.75	4/15/2023	2,550,000	2,386,740	2,543,625
CGG Holdings+^	9.00	5/1/2023	2,400,000	2,546,003	2,547,000
Globe Luxembourg SA+^#	9.88	4/1/2022	3,103,000	3,161,004	2,110,040
Globe Luxembourg SA+^#	9.63	4/1/2023	4,238,000	4,285,171	2,881,840
Jonah Energy LLC^#	7.25	10/15/2025	5,714,000	5,027,331	1,685,630
Pbf Holding Company LLC#	7.00	11/15/2023	1,000,000	997,500	1,037,500
Vine Oil & Gas^#	9.75	4/15/2023	17,662,000	15,493,743	8,831,000
Welltec+^#	9.50	12/1/2022	5,713,000	5,687,622	5,655,870
Total Oil and Gas			49,778,000	46,746,123	34,953,005
Personal and Non Durable Consumer Products — 0.00%*:					
High Ridge Brands Co.^>	8.88	3/15/2025	2,982,000	2,982,000	7,455
Total Personal and Non Durable Consumer Products			2,982,000	2,982,000	7,455
Personal Transportation — 0.44%*:					
Hertz Corporation^#	7.63	6/1/2022	1,014,000	1,010,355	1,054,560
Naviera Armas, 3M EURIBOR + 4.250%+^~	4.25	11/15/2024	150,000	123,098	117,779
Naviera Armas, 3M EURIBOR + 6.500%+^~	6.50	7/31/2023	525,000	608,929	453,459
Total Personal Transportation			1,689,000	1,742,382	1,625,798
Printing and Publishing — 1.44%*:					
Cimpress N.V.^#	7.00	6/15/2026	2,069,000	2,069,000	2,219,002
Houghton Mifflin Harcourt Publishers Inc.^	9.00	2/15/2025	3,000,000	2,940,631	3,075,000
Total Printing and Publishing			5,069,000	5,009,631	5,294,002
Retail Store — 1.95%*:					
Ken Garff Automotive^#	7.50	8/15/2023	1,034,000	1,034,000	1,093,455
Maxeda DIY+^	6.13	7/15/2022	750,000	855,530	815,973
Travelex+^#	8.00	5/15/2022	4,600,000	5,097,307	5,275,939
Total Retail Store			6,384,000	6,986,837	7,185,367
Telecommunications — 7.72%*:					
Altice S.A.+^#	9.00	6/15/2023	850,000	1,097,533	987,878
BMC Software^	9.75	9/1/2026	6,000,000	5,667,567	6,075,000

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Telecommunications (Continued)					
Commscope Inc.^#	8.25%	3/1/2027	11,673,000	$11,692,803	$12,285,833
Digicel Limited+^#	8.25	9/30/2020	2,500,000	2,487,322	1,125,000
Sprint Capital Corp.#	8.75	3/15/2032	6,500,000	6,837,522	7,889,375
Total Telecommunications			27,523,000	27,782,747	28,363,086
Utilities — 1.56%*:					
NRG Energy#	7.25	5/15/2026	1,385,000	1,389,812	1,513,113
Techem+^	6.00	7/30/2026	3,500,000	3,989,115	4,235,137
Total Utilities			4,885,000	5,378,927	5,748,250
Total Corporate Bonds			423,690,113	421,564,347	409,765,422
Total Fixed Income			524,705,544	515,936,955	497,326,000
Total Investments			527,732,352	532,014,341	504,445,079
Other assets and liabilities — (37.21)%					**(136,796,277)**
Net Assets — 100%					**$367,648,802**

‡ The effective interest rates are based on settled commitment amount.
* Calculated as a percentage of net assets applicable to common shareholders.
¤ Value determined using significant unobservable inputs, security is categorized as Level 3.
+ Foreign security.
^ Security exempt from registration under Rule 144a of the Securities Act of 1933. These securities may only be resold in transactions exempt from registration, normally to qualified institutional buyers.
~ Variable rate security. The interest rate shown is the rate in effect at December 31, 2019.
# All or a portion of the security is segregated as collateral for the credit facility.
§ Bank loans are exempt from registration under the Securities Act of 1933, as amended, but contain certain restrictions on resale and cannot be sold publicly. These loans pay interest at rates which adjust periodically. The interest rates shown for bank loans are the current interest rates at December 31, 2019. Bank loans are also subject to mandatory and/or optional prepayment which cannot be predicted. As a result, the remaining maturity may be substantially less than the stated maturity shown.
> Defaulted security.

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2019

Distributions of investments by country of risk. Percentages of assets are expressed by market value excluding cash and accrued income as of December 31, 2019.

United States	79.6%
United Kingdom	6.9%
Canada	4.0%
Zambia	2.4%
Germany	1.7%
Netherlands	1.7%
Denmark	1.1%
France	1.0%
(Individually less than 1%)	1.7%
	100.0%

A summary of outstanding derivatives at December 31, 2019 is as follows:

Schedule of Open Forward Currency Contracts

December 31, 2019

CURRENCY TO BE RECEIVED		CURRENCY TO BE DELIVERED[1]		COUNTERPARTY OF CONTRACT	FORWARD SETTLEMENT DATE	UNREALIZED APPRECIATION / (DEPRECIATION)
27,213,492	USD	(27,507,707)	EUR	BNY MELLON	1/16/2020	$(294,215)
17,342,946	USD	(17,419,871)	GBP	CREDIT SUISSE	1/16/2020	(76,924)
						$(371,139)

[1] Values are listed in U.S. dollars.

See accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

1. Organization

Barings Global Short Duration High Yield Fund (the "Fund") was organized as a business trust under the laws of the Commonwealth of Massachusetts on May 20, 2011, and commenced operations on October 26, 2012. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end management investment company.

Barings LLC (the "Adviser"), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company, is a registered investment adviser under the Investment Advisers Act of 1940, as amended, and serves as investment adviser to the Fund.

Baring International Investment Limited (the "Sub-Adviser"), an indirect wholly-owned subsidiary of the Adviser, serves as sub-adviser with respect to the Fund's European investments.

The Fund's primary investment objective is to seek as high a level of current income as the Adviser determines is consistent with capital preservation. The Fund seeks capital appreciation as a secondary investment objective when consistent with its primary investment objective. There can be no assurance that the Fund will achieve its investment objectives. The Fund seeks to take advantage of inefficiencies between geographies, primarily the North American and Western European high yield bond and loan markets and within capital structures between bonds and loans. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in bonds, loans and other income-producing instruments that are, at the time of purchase, rated below investment grade (below Baa3 by Moody's Investors Service, Inc. ("Moody's") or below BBB- by either Standard & Poor's Rating Services, a division of the McGraw-Hill Company, Inc. ("S&P") or Fitch, Inc. ("Fitch"), or unrated but judged by the Adviser or Sub-Adviser to be of comparable quality).

2. Significant Accounting Policies

The Fund is an investment company and follows accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946. The following is a summary of significant accounting policies followed consistently by the Fund in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

A. Valuation of Investments

The Fund's investments in fixed income securities are generally valued using the prices provided directly by independent third party services or provided directly from one or more broker dealers or market makers, each in accordance with the valuation policies and procedures approved by the Fund's Board of Trustees (the "Board").

The pricing services may use valuation models or matrix pricing, which consider yield or prices with respect to comparable bond quotations from bond dealers or by reference to other securities that are considered comparable in such characteristics as credit rating, interest rates and maturity date, to determine the current value. The closing prices of domestic or foreign securities may not reflect their market values at the time the Fund calculates its net asset value ("NAV") if an event that materially affects the value of those securities has occurred since the closing prices were established on the domestic or foreign exchange market, but before the Fund's NAV calculation. Under certain conditions, the Board has approved an independent pricing service to fair value foreign securities. This is generally accomplished by adjusting the closing price for movements in correlated indices, securities or derivatives. Fair value pricing may cause the value of the security on the books of the Fund to be different from the closing value on the non-U.S. exchange and may affect the calculation of the Fund's NAV. The Fund may fair value securities in other situations, for example, when a particular foreign market is closed but the Fund is pricing their shares.

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

Forward foreign exchange contracts are normally valued on the basis of independent pricing service providers.

A Valuation Committee, made up of officers of the Fund and employees of the Adviser, is responsible for determining, in accordance with the Fund's valuation policies and procedures approved by the Board: (1) whether market quotations are readily available for investments held by the Fund; and (2) the fair value of investments held by the Fund for which market quotations are not readily available or are deemed not reliable by the Adviser. In certain cases, authorized pricing service vendors may not provide prices for a security held by the Fund, or the price provided by such

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019

pricing service vendor is deemed unreliable by the Adviser. In such cases, the Fund may use market maker quotations provided by an established market maker for that security (i.e. broker quotes) to value the security if the Adviser has experience obtaining quotations from the market maker and the Adviser determines that quotations obtained from the market maker in the past have generally been reliable (or, if the Adviser has no such experience with respect to a market maker, it determines based on other information available to it that quotations obtained by it from the market maker are reasonably likely to be reliable). In any such case, the Adviser will review any market quotations so obtained in light of other information in its possession for their general reliability.

Bank loans in which the Fund may invest have similar risks to lower-rated fixed income securities. Changes in the financial condition of the borrower or economic conditions or other circumstances may reduce the capacity of the borrower to make principal and interest payments on such instruments and may lead to defaults. Senior secured bank loans are supported by collateral; however, the value of the collateral may be insufficient to cover the amount owed to the Fund. By relying on a third party to administer a loan, the Fund is subject to the risk that the third party will fail to perform its obligations. The loans in which the Fund will invest are largely floating rate instruments; therefore, the interest rate risk generally is lower than for fixed-rate debt obligations. However, from the perspective of the borrower, an increase in interest rates may adversely affect the borrower's financial condition. Due to the unique and customized nature of loan agreements evidencing loans and the private syndication thereof, loans are not as easily purchased or sold as publicly traded securities. Although the range of investors in loans 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 the loans may restrict their transferability without borrower consent. These factors may have an adverse effect on the market price and the Fund's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for the Fund to obtain precise valuations of the high yield loans in its portfolio.

The Fund may invest in collateralized debt obligations ("CDOs"), which include collateralized bond obligations ("CBOs") and collateralized loan obligations ("CLOs"). CBOs and CLOs are types of asset-backed securities. A CDO is an entity that is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called "tranches," which will vary in risk profile and yield. The riskiest segment is the subordinated or "equity" tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a "senior" tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

Fair value is defined as 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. A three-tier hierarchy is utilized to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. For example, market participants would consider the risk inherent in a particular valuation technique used to measure fair value, such as a pricing model, and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – quoted prices in active markets for identical securities

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December 31, 2019

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

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

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a summary of the inputs used as of December 31, 2019 in valuing the Fund's investments:

DESCRIPTION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL INVESTMENTS
Assets:				
Equities:				
Common Stocks	$ –	$ –	$ 6,904,938	$ 6,904,938
Preferred Stocks	–	–	–	–
Warrants	–	32,451	181,690	214,141
Total Equities:	–	32,451	7,086,628	7,119,079
Fixed Income:				
Asset-Backed Securities	$ –	$ 34,216,500	$ –	$ 34,216,500
Bank Loans	–	50,803,394	2,540,684	53,344,078
Corporate Bonds	–	409,765,422	–	409,765,422
Total Fixed Income	$ –	$ 494,785,316	$ 2,540,684	$ 497,326,000
Total Assets	$ –	$ 494,817,767	$ 9,627,312	$ 504,445,079
Liabilities:				
Foreign Exchange Contracts	$ –	$ 371,139	$ –	$ 371,139
Total Liabilities:	$ –	$ 371,139	$ –	$ 371,139

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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The following table is a summary of quantitative information about significant unobservable valuation inputs for Level 3 fair value measurement for investments held as of December 31, 2019:

TYPE OF ASSETS	FAIR VALUE AS OF DECEMBER 31, 2019	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUT
Equities			
Appvion Holdings Corp.	$ 3,223	Broker Quote	$0.25; pricing source depth of 1.
Appvion, Inc.	$ 1,612	Broker Quote	$0.125; pricing source depth of 1.
Fieldwood Energy LLC	$ 3,044,317	Vendor Price	$18.17; Barings sourced vendor price.
Jupiter Resources, Inc.	$ 1,171,624	Vendor Price	$1.00; Barings sourced vendor price.
Boomerang Tube Holdings, Inc.	$ 2,441,503	Model Price	Average Enterprise Valuation Multiple: 5 year projection, 5.5x; EBITDA: $42.0 million, 15% discount rate.
Pinnacle Operating Corp.	$ 0	Broker Quote	$0.00; priced at zero.
Sabine Oil & Gas, LLC	$ 247,494	Vendor Price	$57.00; Barings sourced vendor price.
Sabine Oil & Gas, LLC	$ 176,855	Vendor Price	$13.08; Barings sourced vendor price.
Templar Energy LLC	$ 0	Broker Quote	$0.00; priced at zero.
Templar Energy LLC	$ 0	Broker Quote	$0.00; priced at zero.
Second Lien Term Loans			
Boomerang Tube, LLC	$ 2,540,684	Model Price	Average Enterprise Valuation Multiple: 5 year projection, 5.5x; EBITDA: $42.0 million, 15% discount rate.

Although the Fund believes the valuation methods described above are appropriate, the use of different methodologies or assumptions to determine fair value could result in different estimates of fair value at the reporting date.

The Fund discloses transfers between levels based on valuations at the end of the reporting period. The following is a reconciliation of Level 3 investments based upon the inputs used to determine fair value:

	BALANCE AT DECEMBER 31, 2018	TRANSFERS INTO LEVEL 3	TRANSFERS OUT OF LEVEL 3	PURCHASES	SALES	ACCRETION OF DISCOUNT	REALIZED GAIN / (LOSS)	CHANGE IN UNREALIZED	BALANCE AT DECEMBER 31, 2019	CHANGE IN UNREALIZED APPRECIATION / (DEPRECIATION) FROM INVESTMENTS HELD AS OF DECEMBER 31, 2019
Equities										
Common Stocks	$4,000,008	$4,215,941	$0	$150,190	$0	$0	$0	$(1,461,201)	$6,904,938	$(1,461,201)
Preferred Stocks	136,835	0	0	0	0	0	0	(136,835)	0	(136,835)
Warrants	157,547	0	0	0	0	0	0	24,143	181,690	24,143
Total Equities	$4,294,390	$4,215,941	$0	$150,190	$0	$0	$0	$(1,573,893)	$7,086,628	$(1,573,893)
Fixed Income										
Bank Loans	$2,540,684	$ 0	$0	$ 0	$0	$0	$0	$ 0	$2,540,684	$ 0
Total Fixed Income	$2,540,684	$ 0	$0	$ 0	$0	$0	$0	$ 0	$2,540,684	$ 0
Total	$6,835,074	$4,215,941	$0	$150,190	$0	$0	$0	$(1,573,893)	$9,627,312	$(1,573,893)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019

B. Cash and Cash Equivalents

Cash and cash equivalents consist principally of short term investments that are readily convertible into cash and have original maturities of three months or less. At December 31, 2019, all cash and cash equivalents are held by U.S. Bank, N.A.

C. Investment Transactions, Related Investment Income and Expenses

Investment transactions are accounted for on a trade-date basis. Interest income is recorded on the accrual basis, including the amortization of premiums and accretion of discounts on bonds held using the yield-to-maturity method.

Interest income from securitized investments in which the Fund has a beneficial interest, such as the "equity" security class of a CLO vehicle (typically in the form of income or subordinated notes), is recorded upon receipt. The accrual of interest income related to these types of securities is periodically reviewed and adjustments are made as necessary.

Realized gains and losses on investment transactions and unrealized appreciation and depreciation of investments are reported for financial statement and Federal income tax purposes on the identified cost method.

Expenses are recorded on the accrual basis as incurred.

D. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Federal Income Taxation

The Fund has elected to be taxed as a Regulated Investment Company ("RIC") under sub-chapter M of the U.S. Internal Revenue Code of 1986, as amended, and intends to maintain this qualification and to distribute substantially all of its net taxable income to its shareholders.

F. Dividends and Distributions

The Fund declares and pays dividends monthly from net investment income. To the extent that these distributions exceed net investment income, they may be classified as return of capital. The Fund also pays a distribution at least annually from its net realized capital gains, if any. Dividends and distributions are recorded on the ex-dividend date. All common shares have equal dividend and other distribution rights. A notice disclosing the source(s) of a distribution will be provided if payment is made from any source other than net investment income. Any such notice would be provided only for informational purposes in order to comply with the requirements of Section 19(a) of the 1940 Act and not for tax reporting purposes. The tax composition of the Fund's distributions for each calendar year is reported on Internal Revenue Service Form 1099-DIV.

Dividends from net investment income and distributions from realized gains from investment transactions have been determined in accordance with Federal income tax regulations and may differ from net investment income and realized gains recorded by the Fund for financial reporting purposes. These differences, which could be temporary or permanent in nature may result in reclassification of distributions; however, net investment income, net realized gains and losses, and net assets are not affected.

G. Derivative Instruments

The following is a description of the derivative instruments that the Fund utilizes as part of its investment strategy, including the primary underlying risk exposures related to the instrument.

Forward Foreign Exchange Contracts – The Fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Fund transacted in and currently holds forward foreign exchange contracts to hedge against changes in the value of foreign currencies. The Fund entered into forward foreign exchange contracts obligating the Fund to deliver or receive a currency at a specified future date. Forward foreign exchange contracts are valued daily and unrealized appreciation or depreciation is recorded daily as the difference between the contract exchange rate and the closing forward rate applied to the face amount of the contract. A realized gain or loss is recorded at the time the forward contract expires. Credit risk may arise as a result of the failure of the counterparty to comply with the terms of the contract. The Fund considers the creditworthiness of each counterparty to a contract in evaluating potential credit risk quarterly. The Fund is also subject to credit risk with respect to the counterparties to

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2019

the derivative contracts which are not cleared through a central counterparty but instead are traded over-the-counter between two counterparties. If a counterparty to an over-the-counter ("OTC") derivative becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances. The counterparty risk for cleared derivatives is generally lower than for uncleared over-the-counter derivative transactions since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing house for performance of financial obligations. However, there can be no assurance that the clearing house, or its members, will satisfy its obligations to the Fund. In addition, in the event of a bankruptcy of a clearing house, the Fund could experience a loss of the funds deposited with such clearing house as margin and any profits on its open positions. The counterparty risk to the Fund is limited to the net unrealized gain, if any, on the contract.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's investment securities; however, it does establish a rate of exchange that can be achieved in the future. The use of forward foreign exchange contracts involves the risk that anticipated currency movements will not be accurately predicted. A forward foreign exchange contract would limit the risk of loss due to a decline in the value of a particular currency; however, it would also limit any potential gain that might result should the value of the currency increase instead of decrease. These contracts may involve market risk in excess of the amount of receivable or payable reflected on the Statement of Assets and Liabilities.

The Fund recognized a liability on the Statement of Assets and Liabilities as a result of forward foreign exchange contracts with The Bank of New York Mellon and Credit Suisse. The Fund's policy is to recognize an asset equal to the net value of all forward foreign exchange contracts with an unrealized gain and a liability equal to the net value of all forward foreign exchange contracts with an unrealized loss. The Fund has recognized a liability of $371,139 in net unrealized depreciation on forward foreign exchange contracts. Outstanding forward foreign exchange contracts as of December 31, 2019 are indicative of the volume of activity during the period.

For the year ended December 31, 2019, the Fund's direct investment in derivatives consisted of forward foreign exchange contracts.

The following is a summary of the fair value of derivative instruments held directly by the Fund as of December 31, 2019. These derivatives are presented in the Schedule of Investments.

Fair values of derivative instruments on the Statement of Assets and Liabilities as of December 31, 2019:

	STATEMENT OF ASSETS AND LIABILITIES LOCATION	FAIR VALUE
Derivatives		
Liability Derivatives		
Forward Foreign Exchange Contracts	Unrealized Depreciation	$371,139
Total Liability Derivatives		$371,139

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2019:

Amount of Realized Gain/(Loss) on Derivatives

DERIVATIVES	FORWARD FOREIGN EXCHANGE CONTRACTS
Forward Foreign Exchange Contracts	$835,422
Total	$835,422

Change in Unrealized Appreciation/(Depreciation) on Derivatives

DERIVATIVES	FORWARD FOREIGN EXCHANGE CONTRACTS
Forward Foreign Exchange Contracts	$359,057
Total	$359,057

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December 31, 2019

H. Offsetting of Financial and Derivative Assets and Liabilities

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-11 "*Disclosures about Offsetting Assets and Liabilities*" ("ASU 2011-11"). These disclosure requirements are intended to help better assess the effect or potential effect of offsetting arrangements on a Fund's financial position. In addition, FASB issued Accounting Standards Update No. 2013-01 "Clarifying the Scope of Offsetting Assets and Liabilities" ("ASU 2013-01"), specifying which transactions are subject to disclosures about offsetting. In order to better define its contractual rights and to secure rights that will help the Fund mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its counterparties. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. Bankruptcy or insolvency laws of a particular jurisdiction may restrict or prohibit the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to terminate derivative contracts prior to maturity in the event the Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA Master Agreements. The result would cause the Fund to accelerate payment of any net liability owed to the counterparty.

For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Fund and the counterparty.

Cash collateral that has been pledged to cover obligations of the Fund and cash collateral received from the counterparty, if any, is reported separately on the Statement of Assets and Liabilities as cash collateral held at broker or cash collateral due to broker, respectively. Non-cash collateral pledged by or received by the Fund, if any, is noted in the Schedule of Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold before a transfer is required, which is determined each day at the close of business of the Fund, typically based on changes in market values for each transaction under an ISDA Master Agreement and netted into one amount for such agreement and any additional required collateral is delivered to/pledged by the Fund on the next business day. Typically, the Fund and counterparties are not permitted to sell, re-pledge or use the collateral they receive. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance. The Fund attempts to mitigate counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

The following is a summary by counterparty of the fair value of derivative investments subject to Master Netting Agreements and collateral pledged (received), if any, as of December 31, 2019.

	CREDIT SUISSE	BANK OF NEW YORK MELLON
Liabilities:		
Forward foreign exchange contracts	$ 76,924	$ 294,215
Total Liabilities	$ 76,924	$ 294,215
Net Exposure	$(76,924)	$(294,215)

I. Foreign Securities

Investing in securities of foreign companies and foreign governments involves special risks and considerations not typically associated with investing in U.S. companies and the U.S. government. These risks include valuation of currencies and adverse political and economic developments. Moreover, securities of many foreign companies, foreign governments, and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies and the U.S. government.

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J. Foreign Currency Translation

The books and records of the Fund are maintained in U.S. dollars. Foreign currency transactions are translated into U.S. dollars on the following basis: (i) market value of investment securities, assets and liabilities at the daily rates of exchange, and (ii) purchases and sales of investment securities, dividend and interest income and certain expenses at the rates of exchange prevailing on the respective dates of such transactions. For financial reporting purposes, the Fund does not isolate changes in the exchange rate of investment securities from the fluctuations arising from changes in the market prices of securities. However, for Federal income tax purposes, the Fund does isolate and treat as ordinary income the effect of changes in foreign exchange rates on realized gain or loss from the sale of investment securities and payables and receivables arising from trade-date and settlement-date differences.

K. Counterparty Risk

The Fund seeks to manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations. The Adviser monitors the financial stability of the Fund's counterparties.

L. New Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-13, *"Fair Value Measurement (Topic 820: Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement"*. ASU 2018-13 eliminates the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the timing of transfers between levels of the fair value hierarchy and the valuation processes for Level 3 fair value measurements. ASU 2018-13 will require the need to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements and the changes in unrealized gains and losses for recurring Level 3 fair value measurements. ASU 2018-13 will also require that information is provided about the measurement uncertainty of Level 3 fair value measurements as of the reporting date. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 and allows for early adoption of either the entire standard or only the provisions that eliminate or modify the requirements. The Fund has elected to early adopt the provisions that eliminate disclosure requirements. Management is still currently evaluating the impact of applying the rest of the guidance to the Fund.

In March 2017, the FASB issued ASU 2017-08, Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20): *Premium Amortization on Purchased Callable Debt Securities*, which amends the amortization period for certain purchased callable debt securities. Under ASU 2017-08, the premium amortization of purchased callable debt securities that have explicit, non-contingent call features and are callable at fixed prices will be amortized to the earliest call date. ASU 2017-08 became effective for fiscal years, and their interim periods, beginning after December 15, 2018. The Fund has adopted the amendments and has incorporated the changes in the current financial statements and related disclosures. There was no material impact to the financial statements from the adoption of the amendments.

3. Advisory Fee

The Fund has entered into an Investment Management Agreement (the "Agreement") with the Adviser, a related party. Pursuant to the Agreement, the Fund has agreed to pay the Adviser a fee payable at the end of each calendar month, at an annual rate of 1.00% of the Fund's average daily managed assets during such month. Managed assets are the total assets of the Fund, which include any assets attributable to leverage such as assets attributable to reverse repurchase agreements, or bank loans, minus the sum of the Fund's accrued liabilities (other than liabilities incurred for the purpose of leverage).

Subject to the supervision of the Adviser and the Board, the Sub-Adviser manages the investment and reinvestment of a portion of the assets of the Fund, as allocated from time to time. As compensation for its services, the Adviser (not the Fund) pays the Sub-Adviser a portion of the investment management fees it receives from the Fund, in an amount in U.S. dollars equal to 35% of such investment management fees ("Sub-Advisory Fees").

4. Administrator Fee

The Fund has engaged U.S. Bancorp Fund Services, LLC, d/b/a U.S. Bank Global Fund Services ("Fund Services") to serve as the Fund's administrator, fund accountant, and transfer agent. The Fund has engaged U.S. Bank, N.A. to serve as the Fund's custodian. The Fund has agreed to pay Fund Services a fee payable at the end of each calendar month, at an annual rate of 0.075% of the Fund's average daily managed assets.

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5. Income Taxes

It is the Fund's intention to qualify as a RIC under sub-chapter M of the Internal Revenue Code and distribute all of its taxable income. Accordingly, no provision for federal income taxes is required in the financial statements.

The tax character of dividends paid to shareholders during the tax years ended in 2019 and 2018, as noted below, was as follows:

	2019	2018
Ordinary Income	$35,672,794	$35,670,878
Net Long Term Capital Gains	–	–
Return of Capital	–	–
Total Distributions Paid	$35,672,794	$35,670,878

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

The following information is provided on a tax basis as of December 31, 2019:

Cost of investments	$ 532,048,857
Unrealized appreciation	18,619,765
Unrealized depreciation	(46,188,933)
Net unrealized appreciation/ (depreciation)	(27,569,168)
Undistributed ordinary income	3,802,965
Undistributed long term gains	–
Distributable earnings	3,802,965
Other accumulated gain/(loss)	(77,410,482)
Total accumulated gain/(loss)	(101,176,685)

The capital loss carryforward is available to offset future taxable income. The Fund has the following capital loss amounts:

EXPIRING DECEMBER 31,				
2019	2020	2021	UNLIMITED – SHORT TERM	UNLIMITED – LONG TERM
$ –	$ –	$ –	$18,623,594	$58,802,653

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on U.S. tax returns and state tax returns filed since inception of the Fund. No income tax returns are currently under examination. All tax years since commencement of operations remain subject to examination by the tax authorities in the United States. Due to the nature of the Fund's investments, the Fund may be required to file income tax returns in several states. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

6. Investment Transactions

For the year ended December 31, 2019, the Fund purchased (at cost) and sold securities in the amount of $268,959,681 and $275,259,836 (excluding short-term debt securities), respectively.

7. Credit Facility

On November 8, 2012, the Fund entered into a $200,000,000 credit facility with BNP Paribas Prime Brokerage International, Ltd ("BNP"). On January 6, 2014, the Fund entered into an amended agreement with a variable annual interest rate of three-month LIBOR plus 0.80 percent. Unused portions of the credit facility will accrue a commitment fee equal to an annual rate of 0.65 percent.

The average principal balance and interest rate for the period during which the credit facility was utilized for the year ended December 31, 2019 was approximately $155,000,000 and 3.13 percent, respectively. At December 31, 2019, the principal balance outstanding was $147,200,000 at an interest rate of 2.71 percent.

If measured at fair value, borrowings under the credit facility would have been considered as Level 2 in the fair value hierarchy (see Note 2A) at December 31, 2019.

8. Securities Lending

Through an agreement with the Fund, BNP may lend out securities the Fund has pledged as collateral on the note payable. In return, the Fund receives additional income that is netted against the interest charged on the outstanding credit facility balance. As of December 31, 2019, the total amount of income netted against the interest expense is $89,820.

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December 31, 2019

9. Common Stock

The Fund has unlimited shares authorized and 20,057,849 shares outstanding at December 31, 2018 and 20,064,313 shares outstanding at December 31, 2019. Transactions in common stock for the year ended December 31, 2019, were as follows:

Shares at January 1, 2019	20,057,849
Shares issued through dividend reinvestments	6,464
Shares at December 31, 2019	20,064,313

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

For the year ended December 31, 2019, the Fund paid its Trustees aggregate remuneration of $79,700. During the year, the Fund did not pay any compensation to any of its Trustees who are "interested persons" (as defined by the 1940 Act) of the Fund. The Fund classifies Mr. Finke as an interested person of the Fund.

All of the Fund's officers are employees of the Adviser. Pursuant to the Agreement, the Fund does not compensate its officers who are employees of the Adviser (except for the Chief Compliance Officer of the Fund unless assumed by the Adviser). For the year ended December 31, 2019, the Adviser paid the compensation of the Chief Compliance Officer of the Fund.

The Fund did not make any payments to the Adviser for the year ended December 31, 2019, other than the amounts payable to the Adviser pursuant to the Agreement.

11. Subsequent Events

On February 14, 2020, the Board of Trustees elected Michael Cowart to serve as Chief Compliance Officer of the Fund.

On February 18, 2020, the Fund entered into an amended credit facility agreement with BNP Paribas Prime Brokerage International, Ltd. ("BNP"), with the variable annual interest rate to be one-month LIBOR plus 0.75 percent, the Scope of the Committed Facility tenor to be 179 days, and the maximum commitment amount to be the lower of (i) 200 Million U.S. Dollars; (ii) the lowest amount of Outstanding Debit Financing over the twenty (20) Business Days immediately preceding the Notice Date and (iii) the lowest Outstanding Debit Financing on any day on or after the Notice Date.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Trustees of Barings Global Short Duration High Yield Fund:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of Barings Global Short Duration High Yield Fund (the "Fund"), including the schedule of investments, as of December 31, 2019, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the four years in the period then ended, and the related notes. The financial highlights for the year ended December 31, 2015 were audited by other auditors whose report, dated February 29, 2016, expressed an unqualified opinion on those financial highlights. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities and senior loans owned as of December 31, 2019, by correspondence with the custodian, brokers and selling or agent banks; when replies were not received from brokers and selling or agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

DELOITTE & TOUCHE LLP

New York, NY
February 28, 2020

We have served as the auditor of one or more Barings LLC investment companies since 2013.

RESULTS OF SHAREHOLDER MEETING

The Annual Meeting of Shareholders ("Annual Meeting") was held on Thursday, August 8, 2019. The shareholders were asked to elect Thomas M. Finke and Bernard A. Harris, Jr. as Trustees for a three-year term. The shareholders approved the proposal. The results of shareholder voting are set forth below:

SHARES FOR	WITHHELD	TOTAL	% OF SHARES VOTED FOR
Thomas M. Finke	472,024	19,248,261	93.610%
Bernard A. Harris, Jr.	473,355	19,248,261	93.604%

The Fund's other Trustees Rodney J. Dillman, Thomas W. Okel, Cynthia R. Plouché and Martin A. Sumichrast continued to serve their respective terms following the Annual Meeting.

INTERESTED TRUSTEE

NAME (AGE), ADDRESS	POSITION(S) WITH THE TRUST	OFFICE TERM AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATIONS DURING PAST 5 YEARS	PORTFOLIOS OVERSEEN IN FUND COMPLEX	OTHER DIRECTORSHIPS HELD BY DIRECTOR
Thomas M. Finke (55) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Trustee since 2013	Chairman and Chief Executive Officer (since 2008), Member of the Board of Managers (since 2006), President (2007-2008), Managing Director (2002-2008), Barings; Chief Investment Officer and Executive Vice President (2008-2011), Massachusetts Mutual Life Insurance Company.	9	Director, Barings BDC, Inc. (a business development company managed by Barings LLC) (since 2018); Trustee (since 2013), Barings Funds Trust (open-end investment company advised by Barings); Chairman (2012-2015), Director (since 2008), Barings (U.K.) Limited (investment advisory firm); Director (since 2008), Barings Guernsey Limited (holding company); Vice Chairman and Manager (since 2011), MM Asset Management Holding LLC (holding company); Director (since 2004), Jefferies Finance LLC (finance company); Chairman and Director (2012-2015), Barings Global Advisers Limited (investment advisory firm); Manager (2011-2016), Wood Creek Capital Management, LLC (investment advisory firm); Chairman and Manager (2007-2016), Barings Real Estate Advisers LLC (real estate advisory firm); Manager (2007-2015), Credit Strategies Management LLC (general partner of an investment fund); Manager (since 2005), Loan Strategies Management, LLC (general partner of an investment fund); Manager (since 2005), Jefferies Finance CP Funding LLC (investment company).

INDEPENDENT TRUSTEES

NAME (AGE), ADDRESS	POSITION(S) WITH THE TRUST	OFFICE TERM AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATIONS DURING PAST 5 YEARS	PORTFOLIOS OVERSEEN IN FUND COMPLEX	OTHER DIRECTORSHIPS HELD BY DIRECTOR
Rodney J. Dillman (67) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee, Chairman	Trustee since 2012	Retired (since 2012); Deputy General Counsel (2011-2012), Senior Vice President (2008-2012), Vice President (2000-2008), Massachusetts Mutual Life Insurance Company; Member of the Board of Directors and President (2008-2011), MassMutual International LLC; General Counsel (2006-2008), Babson Capital Management LLC (currently known as Barings LLC).	9	Trustee (since 2013), Barings Funds Trust (open-end investment company advised by Barings); Director (2016-2017), Social Reality, Inc. (digital platform technology and management software company for internet advertising).
Bernard A. Harris, Jr. (63) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Trustee since 2012	Chief Executive Officer, National Math and Science Initiative (since 2017); Chief Executive Officer and Managing Partner (since 2002), Vesalius Ventures, Inc.; Director and President (since 1998), The Space Agency; President (since 1999), The Harris Foundation; Clinical Scientist, Flight Surgeon and Astronaut (1986-1996), NASA.	9	Trustee (since 2013), Barings Funds Trust (open-end investment company advised by Barings); Trustee (since 2011), Salient Midstream & MLP Fund and Salient MLP & Energy Infrastructure Fund; Trustee (since 2010), Salient Absolute Return Fund; Director (since 2009), Monebo Technologies Inc. (medical technology design company); Director (since 2009), The Endowment Funds (TEF); Director (since 2008), US Physical Therapy (USPH); Director (since 2012), E-Cardio, Inc. (provides services for cardiac monitoring).
Thomas W. Okel (57) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Trustee since 2012	Executive Director (since 2011), Catawba Lands Conservancy; Global Head of Syndicated Capital Markets (1998-2010), Bank of America Merrill Lynch.	9	Director, Barings BDC, Inc. (a business development company managed by Barings LLC) (since 2018); Trustee (since 2013), Barings Funds Trust (open-end investment company advised by Barings); Trustee (since 2015), Horizon Funds (mutual fund complex).
Cynthia R. Plouché (63) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Trustee since August 2017	Assessor (since 2014), Moraine Township (property assessment); Senior Portfolio Manager (2006-2012), Williams Capital Management, LLC (asset management).	9	Trustee (since August 2017), Barings Funds Trust (open-end investment company advised by Barings); Trustee (since 2014), Northern Trust Funds (mutual fund complex); Trustee (2001-2017), AXA VIP Trust (mutual fund complex).

INDEPENDENT TRUSTEES (CONTINUED)

NAME (AGE), ADDRESS	POSITION(S) WITH THE TRUST	OFFICE TERM AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATIONS DURING PAST 5 YEARS	PORTFOLIOS OVERSEEN IN FUND COMPLEX	OTHER DIRECTORSHIPS HELD BY DIRECTOR
Martin A. Sumichrast (53) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Trustee since 2012	Chairman and Chief Executive Officer (since 2016), Level Brands, Inc.; Managing Partner and Principal (since 2013), Stone Street Partners, LLC (merchant banking); Managing Director (since 2012), Washington Capital, LLC (family office); Managing Director (2002-2012), Lomond International (business advisory firm).	9	Trustee (since 2013), Barings Funds Trust (open-end investment company advised by Barings); Chairman and Director (since 2014), Kure Corp. (retail); Director (since 2014), Jadeveon Clowney Help-In-Time Foundation; Director (since 2015), Social Reality, Inc. (digital platform technology and management software company for internet advertising); Chairman and Chief Executive Officer (since 2016), Director (since 2015), Level Brands, Inc. (a retail/ e-commerce beauty investment/ management company).

OFFICERS OF THE TRUST

NAME (AGE), ADDRESS	POSITION(S) WITH THE TRUST	OFFICE TERM* AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Sean Feeley (52) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	President	Since 2017	Vice President (2012-2017), Barings Global Short Duration High Yield Fund; Managing Director (since 2003), Barings; Vice President (since 2011), Barings Corporate Investors and Barings Participation Investors (closed-end investment companies advised by Barings); Vice President (since 2011), CI Subsidiary Trust and PI Subsidiary Trust.
Carlene Pollock (52) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Financial Officer	Since 2016	Assistant Treasurer (2015-2016), Barings Global Short Duration High Yield Fund; Director (since 2015), Barings; Director (2013-2015), Corrum Capital Management (investment adviser); Vice President (2008-2013), Bank of New York Mellon (third party administrator); Chief Financial Officer (since 2016), Assistant Treasurer (2015-2016), Barings Funds Trust (open-end investment company advised by Barings).
Lesley Mastandrea (42) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Treasurer	Since 2016	Managing Director (since 2014), Director (2007-2014), Associate Director (2006-2007), Barings; Treasurer (since 2016), Barings Funds Trust (open-end investment company advised by Barings).
Michael Freno (44) 550 South Tryon Street Charlotte, NC 28202	Vice President	Since 2012	Chairman of Board, Barings BDC, Inc. (since 2018); Head of Global Fixed Income and Multi Assets Groups (since 2017); Head of U.S. High Yield Investments Group (2015-2017), Managing Director (since 2010), Member of the High Yield Investment Committee (since 2010), Director (2007-2009), Associate Director (2005-2006), Barings.
Scott Roth (50) 550 South Tryon Street Charlotte, NC 28202	Vice President	Since 2012	Managing Director (since 2010), High Yield Team Leader (since 2010), Director (2002-2010), Barings.
Melissa LaGrant (46) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Compliance Officer	Since 2012	Barings BDC, Inc., Chief Compliance Officer (since 2018); Managing Director (since 2005), Barings; Chief Compliance Officer (since 2013), Barings Finance LLC; Chief Compliance Officer (since 2006), Barings Corporate Investors and Barings Participation Investors (closed-end investment companies advised by Barings); Chief Compliance Officer (since 2013), Barings Funds Trust (open-end investment company advised by Barings).
Janice M. Bishop (55) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Vice President, Secretary and Chief Legal Officer	Since 2012	Secretary and Chief Legal Officer, Barings BDC, Inc. (2018); Senior Counsel and Managing Director (since 2014), Counsel (2007-2014), Barings; Vice President, Secretary and Chief Legal Officer (since 2015), Associate Secretary (2008-2015), Barings Corporate Investors and Barings Participation Investors (closed-end investment companies advised by Barings); Vice President, Secretary and Chief Legal Officer (since 2013), Barings Funds Trust (open-end investment company advised by Barings); Vice President and Secretary (since 2015), Assistant Secretary (2008-2015), CI Subsidiary Trust and PI Subsidiary Trust.

OFFICERS OF THE TRUST (CONTINUED)

NAME (AGE), ADDRESS	POSITION(S) WITH THE TRUST	OFFICE TERM* AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Jill Dinerman (43) 300 South Tryon Street Charlotte, NC 28202	Assistant Secretary	Since 2019	General Counsel (since January 2020), Corporate Secretary (since 2018), Managing Director (since 2016), Associate General Counsel (2018-2020), Senior Counsel (2016-2018), Counsel and Director (2011-2016), Barings; Assistant Secretary (since 2019), Barings Funds Trust (open-end investment company advised by Barings); Assistant Secretary (since 2019), Barings Corporate Investors and Barings Participation Investors (closed-end investment companies advised by Barings); and Assistant Secretary (since 2019), Barings BDC, Inc. (a business development company managed by Barings).

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUB-ADVISORY AGREEMENT

The Investment Company Act of 1940 (the "1940 Act") requires that both the full Board of Trustees and a majority of the Trustees who are not interested persons of Barings Global Short Duration High Yield Fund (the "Fund"), as defined under the 1940 Act (the "Independent Trustees"), voting separately, annually approve the continuation of the Investment Management Agreement (the "Management Agreement") between the Fund and Barings LLC ("Barings") and the Sub-Advisory Agreement between Barings and Baring International Investment Limited ("BIIL Sub-Advisory Agreement" and, together with the Management Agreement, the "Agreements"). The Trustees considered matters bearing on the Fund and the Agreements at their meetings throughout the year, including a review of the Fund's performance at each regular meeting. In addition, the Trustees met at in-person meetings held on May 3, 2019 and August 8, 2019 (the "Meetings") for the specific purpose of considering whether to approve the Agreements for the Fund. The Trustees' review process and considerations in approving the Agreements are summarized below.

Prior to the Meetings, the Trustees requested and received from Morgan, Lewis & Bockius LLP, independent legal counsel to the Independent Trustees, a memorandum describing the Trustees' legal responsibilities in connection with their review and approval of the Agreements. The Independent Trustees met prior to the August Board meeting with independent legal counsel to discuss their duties, the memorandum and the Agreements. The Trustees also requested and received from Barings extensive written and oral information regarding various matters including, but not limited to: the principal terms of the Agreements; Barings and its personnel; the Fund's investment performance, including comparative performance information; the nature and quality of the services provided by Barings to the Fund; the financial strength of Barings; the Fund's fee and expense information, including comparative fee and expense information; the profitability of the advisory arrangement to Barings; and the "fallout" benefits to Barings resulting from the Agreements.

The Trustees' conclusion as to the continuation of the Agreements was based on a comprehensive consideration of all information provided to the Board and not the result of any single issue. Some of the more significant factors that influenced the Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. It is also important to recognize that the Board's review of the Agreements is the result of ongoing review and discussion, rather than a single discussion. The Trustees' conclusions may be based, in part, on their consideration of these arrangements throughout the year and in prior years.

The Trustees considered the terms of the Agreements, including the scope of the advisory and non-advisory services provided under the Agreements or otherwise. In evaluating the nature, scope and quality of the services provided by Barings and BIIL, the Trustees considered the specific responsibilities of Barings and BIIL in the day-to-day management of the Fund, the qualifications, experience and responsibilities of the portfolio managers and other key personnel that are involved in the day-to-day management of the Fund, the ability of Barings and BIIL to attract and retain high-quality personnel, and the organizational depth and stability of Barings and BIIL. The Trustees also considered the trading capabilities of Barings and BIIL.

Based on information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and Barings, the Trustees reviewed the Fund's net total return investment performance, as well as the performance of peer groups of funds, over various time periods. The net total return performance of the Fund ranked in the 5th quintile of its Broadridge performance universe for the one-year period, in the 2nd quintile for the three-year period, and the 4th quintile for the five-year period, ended March 31, 2019 (the 1st quintile being the best performers and the 5th quintile being the worst performers). The Trustees also reviewed the Fund's performance in comparison to a custom peer group developed by Barings comprised of nine (including the Fund) high-yield closed-end funds that employ generally similar investment strategies and invest in the same asset classes as the Fund. Relative to the custom peer group, the net total return performance of the Fund ranked, respectively, 5th, 2nd, and 4th out of nine funds for the one-year, three-year and five-year periods ended March 31, 2019. In the course of their deliberations, the Trustees also took into account information provided by Barings during investment review meetings conducted with portfolio management personnel during the course of the year. After reviewing these and related factors, the Trustees concluded, within the context of their overall conclusions regarding the Agreements, that they were satisfied with Barings' and BIIL's responses and efforts relating to investment performance.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT AND SUB-ADVISORY AGREEMENT (CONTINUED)

The Trustees considered the investment management fee paid by the Fund to Barings pursuant to the Management Agreement. The Trustees noted that Barings (and not the Fund) pays BIIL, its sub-advisory fee under the BIIL Sub-Advisory Agreement. In assessing the reasonableness of the fee paid by the Fund under the Management Agreement, the Trustees considered, among other information, the Fund's management fee and the total expense ratio for the Fund's shares as a percentage of net asset value and the advisory fee and total expense ratios of peer groups of funds based on information provided by Broadridge. The Trustees considered that, according to the Broadridge data, the Fund's effective management fee (which includes Barings' advisory fee and Fund administration fees) and total expense ratio were each higher than the Broadridge expense group median for common and leverage assets. The Trustees also reviewed the Fund's advisory fee and total expense ratio in comparison to a custom peer group developed by Barings comprised of nine (including the Fund) high-yield closed-end funds that employ generally similar investment strategies and invest in the same asset classes as the Fund. The Trustees considered that, according to the custom peer group data, the contractual advisory fee of the Fund ranked 2nd out of nine funds. The Trustees also reviewed materials provided by Barings describing fees paid by other similar accounts managed by Barings, noting that Barings typically charges higher fees on its global accounts than on accounts that are invested primarily in domestic securities.

The Board noted that, because the Fund is closed-end and does not continue to offer its securities, its size was relatively stable and it was unlikely that Barings would realize economies of scale from the Fund's growth other than through capital gains and income. The Trustees reviewed information prepared by Barings regarding Barings' costs of managing the Fund, and the profitability of the Management Agreement to Barings. In considering the profitability to Barings, the Board noted that BIIL is an affiliate of Barings and is paid by Barings, and, therefore, did not consider its profitability separately.

The Trustees also considered the character and amount of other incidental benefits received by Barings and BIIL. Additionally, the Trustees considered so-called "fall-out benefits" to Barings and BIIL, such as reputational value derived from serving as investment manager to the Fund. The Trustees also considered costs incurred by Barings in connection with the organization and initial offering of the Fund.

On the basis of the information provided, the Trustees concluded, within the context of their overall review of the Agreements, that the management fees charged to the Fund and the sub-advisory fee paid by Barings to BIIL represent reasonable compensation in light of the services being provided by Barings and BIIL to the Fund. Based on their evaluation of factors that they deemed material, including those factors described above, the Board of Trustees, including the Independent Trustees, concluded that the Fund's Management Agreement with Barings and the BIIL Sub-Advisory Agreement should be continued for an additional one-year period through August 2020.

FUND DIVIDEND REINVESTMENT PLAN

The Fund offers a Dividend Reinvestment Plan (the "Plan"). The Plan provides a simple way for shareholders to add to their holdings in the Fund through the reinvestment of dividends in additional common shares of the Fund. Shareholders will have all dividends, including any capital gain dividends, reinvested automatically in additional shares of the Fund by U.S. Bancorp Fund Services, LLC, as Plan Agent, unless a shareholder elects to receive cash instead. An election to receive cash may be revoked or reinstated at the option of the shareholder. All distributions to investors who elect not to participate in the Plan (or whose broker or nominee elects not to participate on the investor's behalf) will receive dividends and distributions in cash.

Whenever the Fund declares a dividend payable in cash or shares, the Plan Agent, acting on behalf of each participating shareholder, will take the dividend in shares only if the net asset value per Fund share is equal to or less than the market price per Fund share plus estimated brokerage commissions as of the payment date for the dividend.

When the dividend is to be taken in shares, the number of shares to be received is determined by dividing the dollar amount of the cash dividend by the net asset value per Fund share as of the dividend payment date or, if greater than the net asset value per Fund share, 95% of the closing share price on the payment date. Generally, if the net asset value per Fund share is greater than the market price per Fund share plus estimated brokerage commissions as of the dividend payment date, the Plan Agent will endeavor to buy shares on the open market at current prices promptly after the dividend payment date.

The reinvestment of dividends does not, in any way, relieve participating shareholders of any Federal, state or local tax. For Federal income tax purposes, the amount reportable in respect of a dividend received in shares of the Fund will be the fair market value of the shares received, which will be reportable as ordinary income and/or capital gains. Investors should consult with their own tax advisors for further information about the tax consequences of dividend reinvestment.

There is no brokerage charge for the reinvestment of dividends in additional Fund shares; however, all participants pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases. There is no direct service charge to participants in the Plan, though the Fund reserves the right to amend the Plan to include a service charge payable by participants.

Additional information about the Plan may be obtained from, and any questions regarding the Plan should be addressed to, U.S. Bancorp Fund Services, Plan Agent for Barings Global Short Duration High Yield Fund's Dividend Reinvestment Plan, P.O. Box 701, Milwaukee, WI 52301.

JOINT PRIVACY NOTICE OF BARINGS MANAGEMENT LLC AND BARINGS GLOBAL SHORT DURATION HIGH YIELD FUND

This privacy notice is being provided on behalf of Barings LLC and its affiliates: Barings Securities LLC; Barings Australia Pty Ltd; Barings Advisers (Japan) KK; Barings Investment Advisers (Hong Kong) Limited; Barings Funds Trust; Barings Global Short Duration High Yield Fund; Barings Corporate Investors and Barings Participation Investors (together, for purposes of this privacy notice, "Barings").

When you use Barings you entrust us not only with your hard-earned assets but also with your personal and financial data. We consider your data to be private and confidential, and protecting its confidentiality is important to us. Our policies and procedures regarding your personal information are summarized below.

We may collect non-public personal information about you from:

- Applications or other forms, interviews, or by other means;
- Consumer or other reporting agencies, government agencies, employers or others;
- Your transactions with us, our affiliates, or others; and
- Our Internet website.

We may share the financial information we collect with our financial service affiliates, such as insurance companies, investment companies and securities broker-dealers. Additionally, so that we may continue to offer you products and services that best meet your investment needs and to effect transactions that you request or authorize, we may disclose the information we collect, as described above, to companies that perform administrative or marketing services on our behalf, such as transfer agents, custodian banks, service providers or printers and mailers that assist us in the distribution of investor materials or that provide operational support to Barings. These companies are required to protect this information and will use this information only for the services for which we hire them, and are not permitted to use or share this information for any other purpose. Some of these companies may perform such services in jurisdictions other than the United States. We may share some or all of the information we collect with other financial institutions with whom we jointly market products. This may be done only if it is permitted by the state in which you live. Some disclosures may be limited to your name, contact and transaction information with us or our affiliates.

Any disclosures will be only to the extent permitted by federal and state law. Certain disclosures may require us to get an "opt-in" or "opt-out" from you. If this is required, we will do so before information is shared. Otherwise, we do not share any personal information about our customers or former customers unless authorized by the customer or as permitted by law.

We restrict access to personal information about you to those employees who need to know that information to provide products and services to you. We maintain physical, electronic and procedural safeguards that comply with legal standards to guard your personal information. As an added measure, we do not include personal or account information in non-secure e-mails that we send you via the Internet without your prior consent. We advise you not to send such information to us in non-secure e-mails.

This joint notice describes the privacy policies of Barings, the Funds and Barings Securities LLC. It applies to all Barings and the Funds accounts you presently have, or may open in the future, using your social security number or federal taxpayer identification number – whether or not you remain a shareholder of our Funds or as an advisory client of Barings. As mandated by rules issued by the Securities and Exchange Commission, we will be sending you this notice annually, as long as you own shares in the Funds or have an account with Barings.

Barings Securities LLC is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Investors may obtain information about SIPC including the SIPC brochure by contacting SIPC online at www.sipc.org or calling (202)-371-8300. Investors may obtain information about FINRA including the FINRA Investor Brochure by contacting FINRA online at www.finra.org or by calling (800) 289-9999.

December 2019

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BARINGS GLOBAL SHORT DURATION HIGH YIELD FUND

2019 ANNUAL REPORT