

2020
ANNUAL
REPORT

BARINGS
GLOBAL SHORT DURATION
HIGH YIELD FUND



Barings Global Short Duration High Yield Fund
c/o Barings LLC
300 S Tryon St.
Suite 2500
Charlotte, NC 28202
704.805.7200
<http://www.Barings.com/bgh>

ADVISER

Barings LLC
300 S Tryon St.
Suite 2500
Charlotte, NC 28202

SUB-ADVISOR

Baring International Investment Limited
20 Old Bailey
London EC4M 78F UK

COUNSEL TO THE FUND

Ropes & Gray LLP
Prudential Tower
800 Boylston Street
Boston, Massachusetts 02110

**INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**
Deloitte & Touche LLP
30 Rockefeller Plaza
New York, NY 10112

CUSTODIAN

US Bank
MK-WI-S302
1555 N. River Center Drive
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

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



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

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.

Carlene Pollock
Chief Financial Officer

INVESTMENT OBJECTIVE & POLICY

Elizabeth Murray
Treasurer

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 de facto 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".

Michael Freno
Vice President

Scott Roth
Vice President

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.

Michael Cowart
Chief Compliance Officer

Jill Dinerman
Secretary/Chief Legal Officer

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.

Alexandra Pacini
Assistant Secretary

Dear Fellow Shareholders,

We present the 2020 Annual Report for the Barings Global Short Duration High Yield Fund (the "Fund") to recap portfolio performance and positioning. We believe our Global High Yield Investments Group is one of the largest teams in the market primarily focused on North American and Western European credit. Utilizing the Group's unparalleled expertise, deep resources and time-tested process, we believe we can provide investors with an attractive level of current income while navigating the challenging times that may still lie ahead and continuing to uncover 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 the coming months and quarters, as the economic road to recovery may vary across different countries and regions, Barings' global capabilities on the ground in major markets allow for us to be nimble in these times and take advantage of unique opportunities as they arise. 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

During the full year 2020, the market saw historic volatility, from a dramatic sell-off in the first quarter to a rebound in the second quarter and then into a risk rally that led global markets to end the year in positive territory. In the final six months of the year, markets were provided stability through global stimulus measures and continued Fed support in the U.S. in the form of corporate bond and exchange-traded fund (ETF) purchases. This, along with a move by investors into the below-investment grade market in the search for yield, led to historic new issuance levels in the global high yield bond market. Generally speaking, high yield issuers had ample access to capital, taking the opportunity to extend their liquidity into 2021 which helped to provide a more secure fundamental picture going into the New Year. This was all further supported by the Covid-19 vaccine roll-out and sustained consumer spending strength during the year.

The U.S. high yield bond market ended 2020 with a positive return despite the historic volatility across global markets in the first quarter. Performance was positive across all industry sectors following a strong rebound in the latter three quarters of the year with the exception of the energy sector. Many energy credits remained in negative territory following swings in the price of crude oil, which entered negative territory before rebounding back to near \$40 per barrel. Double-Bs largely outperformed during the year followed by single-Bs and triple-Cs. The yield-to-worst finished the year 118 bps tighter from year-end 2019 at 4.30% while the option adjusted spread ended 24 bps wider at 391 bps. Gross high yield new issuance hit record highs with over \$441 billion pricing across 664 bonds. Issuance net of refinancing activity was also elevated at \$149 billion. The strong new issuance trends were absorbed by U.S. high yield bond fund net inflows of \$44.3 billion over the year, despite notable outflows in the first quarter. Defaults increased to 6.17% as measured by the 12-month par weighted default rate and were largely driven by the energy sector. Similarly, the European high yield bond market posted positive performance over the year 2020 despite the market volatility. The European high yield bond market recorded its second worst month on record in terms of performance in March 2020, with the option adjusted spread widening significantly to 907 bps. However, as central banks and governments provided unprecedented stimulus following the initial onset of Covid-19, European high yield bonds experienced a strong resurgence for the rest of the year. While higher-rated bonds were the first to recover after the drawdown in March, the triple-C rated segment outperformed the rest of the market over the course of the year followed by double-Bs, while single-Bs were relatively flat. The option adjusted spread and yield-to-worst finished the year 45 bps and 0.18% wider, respectively, than the levels at which they started the year, to end at 368 bps and 3.05%. With the exception of the services sector, annual performance across industries was positive with two notable outperformers, energy and media. Despite the new issuance market being effectively closed during March and April, for the full year of 2020, issuance remained strong and totaled €85 billion, up 15% compared to last year.

Barings Global Short Duration High Yield Fund Overview and Performance

The Fund ended December 2020 with a portfolio of 148 issuers, up from 127 issuers at the beginning of the year. A majority of the issuers are domiciled in the United States at 82.9%, followed by the United Kingdom at 5.5%. (See Country Composition chart below). From a geographic standpoint, exposure to North American issuers was mostly in-line with year-end 2019, while issuers in Europe were down modestly. The Fund's exposure to Rest of World issuers whose country of risk is outside of the U.S. and Europe but fit within the Fund's developed market focus was modestly higher than from the

previous year-end. The Fund's primary exposure continues to be in the U.S. market, where the opportunity set was substantial given fallen angel activity and heavy new issue supply in the form of higher quality double-Bs and senior secured issues.

As of December 31, 2020, the Fund's positioning across the credit quality spectrum was as follows: 20.2% BB rated and above, 41.0% single-B rated, and 35.0% triple-C rated and below, with approximately 32% of the portfolio consisting of secured obligations. The Fund decreased single-B rated credits, while triple-C and below rated credits increased during the period to take advantage of yield opportunities within the category but also through ratings downgrades. Non-publicly rated securities, and cash and accrued interest represented 3.7% and 3.2%, respectively.¹

The Fund paid 3 consecutive monthly dividend payments of \$0.1408 from January to March and subsequent payments of \$0.1056 per share from April to December following a dividend payment reduction. The subsequent payments of \$0.1056 per share represent a 25% reduction from previous dividend payments and were based on an assessment of market conditions by Barings at the time. The Fund's share price and net asset value ("NAV") ended the reporting period at \$15.09 and \$16.68, respectively, or at a 10.5% discount to NAV. Based on the Fund's share price and NAV on December 31, 2020, the Fund's market price and NAV distribution rates – using the most recent monthly dividend, on an annualized basis – were 8.40% and 7.60%, respectively. Assets acquired through leverage, which represented 28.7% of the Fund's total assets at the end of December, were accretive to net investment income and benefited shareholders.

On a year-to-date ("YTD") basis through December 31, 2020, the NAV total return was 0.79%, 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 5.56% on a USD hedged basis. From a market value perspective, the total return year-to-date through December 31, 2020 was -4.65%.² During the first six months of 2020, the Fund saw considerable weakness, returning -18.81% as a result of the Covid-19 pandemic with much of the negative returns stemming from the metals and mining and energy sectors, where the Fund maintained larger positions. Other Covid-centric sectors also weighed heavily on performance such as credits in the travel, leisure, and services sectors given the abrupt enactment of global lockdowns. The risk-off sentiment drove outflows from the asset class with lower-quality single-Bs and triple-Cs seeing the most weakness in trading levels and, as such, weighing most heavily on Fund performance. During the second half of the year, however, the Fund made substantial headway in gaining back performance lost during the unprecedented market volatility earlier in the year, returning 24.14%, from an NAV perspective, for the final six months of the year. While still detracting from performance for the full year, the energy sector rebounded strongly in the last six months, up over 20% on a total return basis. Similarly, the financial and manufacturing sectors returned approximately 19% and 16%, respectively. By year-end, the metals and mining sector continued to be the largest detractor, given earlier losses, though the Fund was still able to regain a portion of the negative performance in the sector, returning 29% for the semi-annual period ended December 31, 2020. The majority of all other sectors ended the year either in positive territory or negative to a modest degree. Lower-quality credit across the market and within the Fund outperformed in the second half of the year led by triple-Cs and followed by single-Bs. While still positively contributing to Fund performance, double-Bs lagged the broader market. From an asset class perspective, positive total returns in the latter half of the year were led by CLOs, followed by senior secured loans and high yield bonds.

On November 9, 2020, Thomas M. Finke submitted his resignation from the Board of Directors (the "Board") of Barings Global Short Duration High Yield Fund (the "Fund"), effective as of the close of business on November 30, 2020. Mr. Finke, former Chief Executive Officer of Barings LLC ("Barings"), the Fund's external investment adviser, decided to retire from Barings. Mr. Finke's resignation was not the result of a disagreement with the Fund on any matter relating to its operations, policies or practices. The Board, upon recommendation from its Nominating and Corporate Governance Committee, appointed David Mihalick to fill the vacant seat created by Mr. Finke's resignation, effective as of the close of business on November 30, 2020, to serve as a Class I member of the Board for the remainder of the full term of such Class I directorship.

Market Outlook

We believe high yield credit markets have a number of supportive tailwinds heading into 2021, from a more manageable default environment compared to 2020 to the continued search for yield by investors globally. These are in addition to the potential for further improvements in local economies as the cadence of vaccine distribution and implementation increases,

although varying by region. While we believe defaults are likely to remain elevated going into 2021, we believe they will remain much lower than peak-Covid forecasts, largely due to markets being open as has been the case over recent months. Investors have been willing to capitalize businesses and central bank support has been a critical component of that. However, there remains an element of uncertainty in the markets and therefore we believe credit selection will remain critical in the high yield credit markets focused on issuers that can withstand short-term market volatility and potentially offer attractive risk-adjusted returns as the global economy continues to recover.

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 despite the recent economic challenges, and look forward to helping you achieve your investment goals.

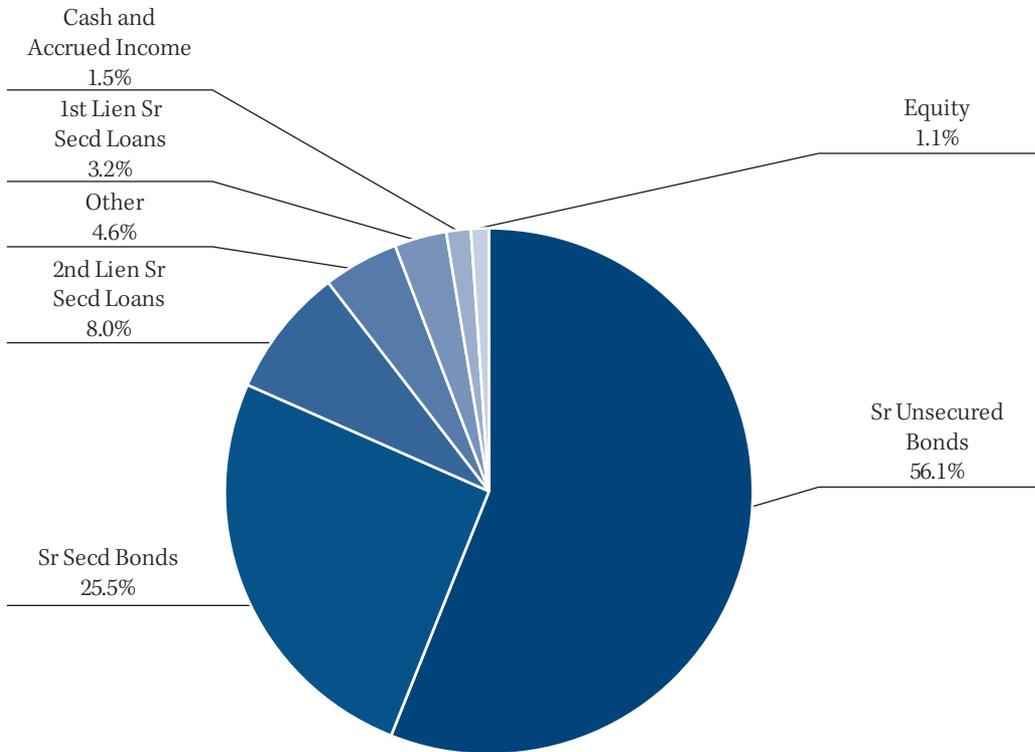
Sincerely,

A handwritten signature in black ink, appearing to read "Sean Feeley", with a long, sweeping flourish extending to the right.

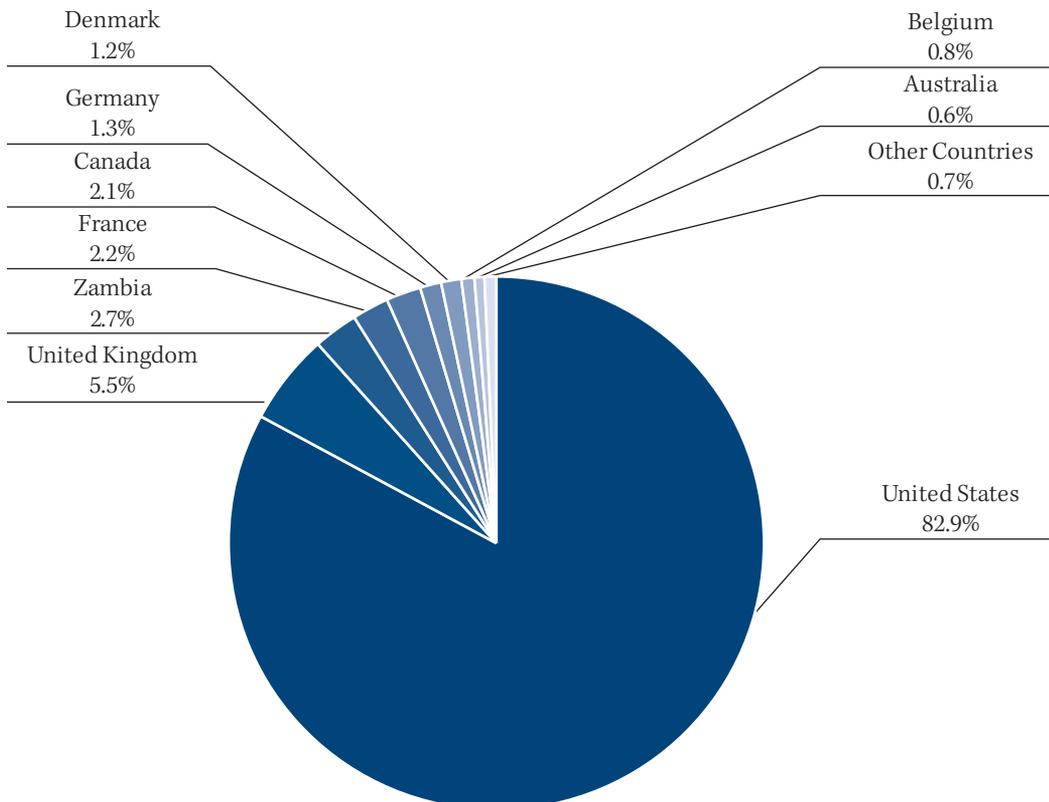
Sean Feeley

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 expense.

PORTFOLIO COMPOSITION (% OF ASSETS*)



COUNTRY COMPOSITION (% OF ASSETS*)



* The percentages shown above represent a percentage of the assets as of December 31, 2020.

FINANCIAL REPORT

Statement of Assets and Liabilities	7
Statement of Operations	8
Statement of Cash Flows	9
Statements of Changes in Net Assets	10
Financial Highlights	11
Schedule of Investments	12-20
Notes to the Financial Statements	21-31
Report of Independent Registered Public Accounting Firm	32
Results of Shareholder Meeting	33
Interested Trustee	34
Independent Trustees	35-36
Officers of the Trust	37-38
Approval of Investment Management Agreement and Sub-Advisory Agreement	39-40
Fund Dividend Reinvestment Plan	41
Joint Privacy Notice	42

STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 31, 2020

Assets	
Investments, at fair value (cost \$478,817,979)	\$ 458,897,234
Cash	2,053,651
Foreign currency, at fair value (cost \$68,731)	69,158
Receivable for investments sold	1,500,798
Interest receivable	10,062,979
Prepaid expenses and other assets	8,151
Total assets	472,591,971
Liabilities	
Note payable	135,950,000
Dividend payable	70,332
Payable for investments purchased	580,121
Payable to adviser	328,102
Unrealized depreciation on forward foreign exchange contracts	493,952
Accrued expenses and other liabilities	593,360
Total liabilities	138,015,867
Total net assets	\$ 334,576,104
Net Assets:	
Common shares, \$0.00001 par value	\$ 201
Additional paid-in capital	468,435,225
Accumulated losses	(133,859,322)
Total net assets	\$ 334,576,104
Common shares issued and outstanding (unlimited shares authorized)	20,064,313
Net asset value per share	\$ 16.68

See accompanying Notes to the Financial Statements.

STATEMENT OF OPERATIONS

	YEAR ENDED DECEMBER 31, 2020
Investment Income	
Interest income	\$ 38,378,651
Dividends from common stock (net of foreign taxes withheld of \$54,730)	187,467
Other income	191,491
Total investment income	<u>38,757,609</u>
Operating Expenses	
Advisory fees	4,204,530
Interest expense	1,646,178
Administrator fees	349,842
Taxes paid on undistributed income	390,061
Professional fees	236,654
Trustees fees	91,121
Printing and mailing expense	65,030
Pricing expense	21,500
Other operating expenses	32,359
Total operating expenses	<u>7,037,275</u>
Less fees waived by Adviser	(257,838)
Net Expenses	<u>6,779,437</u>
Net investment income	<u>31,978,172</u>
Realized and Unrealized Gains (Losses) on Investments	
Net realized loss on investments	(43,366,843)
Net realized gain on forward foreign exchange contracts	277,051
Net realized loss on foreign currency related transactions	(1,945,512)
Net realized loss on investments, forward foreign exchange contracts and foreign currency related transactions	<u>(45,035,304)</u>
Net change in unrealized appreciation on investments	7,648,517
Net change in unrealized depreciation on forward foreign exchange contracts	(122,813)
Net change in unrealized appreciation on foreign currency translation	3,016
Net change in unrealized appreciation on investments, forward foreign exchange contracts and foreign currency translation	<u>7,528,720</u>
Net realized and unrealized losses	<u>(37,506,584)</u>
Net decrease in net assets resulting from operations	<u>\$ (5,528,412)</u>

See accompanying Notes to the Financial Statements.

STATEMENT OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 2020
Reconciliation of net decrease in net assets resulting from operations to net cash provided by operating activities	
Net decrease in net assets applicable to common shareholders resulting from operations	\$ (5,528,412)
Adjustments to reconcile net decrease in net assets applicable to common shareholders resulting from operations to net cash provided by operating activities:	
Purchases of long-term investments	(173,524,718)
Proceeds from sales of long-term investments	184,586,929
Proceeds from sales of foreign currency, net	161,848
Forward currency exchange contracts, net	122,813
Net change in unrealized appreciation on investments	(7,648,517)
Net realized loss on investments	43,366,843
Amortization and accretion	(1,389,069)
Changes in operating assets and liabilities:	
Decrease in interest receivable	706,633
Increase in prepaid expenses and other assets	(8,151)
Increase in receivable for investments sold	(1,500,798)
Increase in payable for investments purchased	217,983
Decrease in payable to Adviser	(104,424)
Decrease in accrued expenses and other liabilities	(263,779)
Net cash provided by operating activities	<u>39,195,181</u>
Cash flows from financing activities	
Advances from credit facility	69,500,000
Repayments on credit facility	(80,750,000)
Distributions paid to common shareholders	(30,447,485)
Net cash used in financing activities	<u>(41,697,485)</u>
Net change in cash	(2,502,304)
Cash beginning of year	4,555,955
Cash end of year	<u><u>\$ 2,053,651</u></u>
Supplemental disclosure of cash flow information	
Income taxes paid	\$ 123,794
Interest paid	1,824,574

See accompanying Notes to the Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019
Operations		
Net investment income	\$ 31,978,172	\$ 37,994,028
Net realized loss on investments, forward foreign exchange contracts and foreign currency related transactions	(45,035,304)	(15,486,954)
Net change in unrealized appreciation on investments, forward foreign exchange contracts and foreign currency translation	7,528,720	14,010,346
Net increase (decrease) in net assets resulting from operations	(5,528,412)	36,517,420
Dividends to Common Shareholders		
From distributable earnings	(27,544,286)	(35,672,794)
Total dividends to common shareholders	(27,544,286)	(35,672,794)
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 (decrease) in net assets	(33,072,698)	957,425
Net Assets		
Beginning of year	367,648,802	366,691,377
End of year	\$334,576,104	\$367,648,802

See accompanying Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019	YEAR ENDED DECEMBER 31, 2018	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
Per Common Share Data					
Net asset value, beginning of year	\$ 18.32	\$ 18.28	\$ 20.84	\$ 20.87	\$ 18.47
Income from investment operations:					
Net investment income	1.59	1.87	1.89	1.77	1.57
Net realized and unrealized gains (losses) on investments	<u>(1.86)</u>	<u>(0.05)</u>	<u>(2.67)</u>	<u>0.04</u>	<u>2.68</u>
Total increase (decrease) from investment operations	<u>(0.27)</u>	<u>1.82</u>	<u>(0.78)</u>	<u>1.81</u>	<u>4.25</u>
Less dividends to common stockholders:					
Net investment income	(1.37)	(1.78)	(1.78)	(1.63)	(1.60)
Net realized gain	-	-	-	-	-
Return of capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.21)</u>	<u>(0.25)</u>
Total dividends to common stockholders	<u>(1.37)</u>	<u>(1.78)</u>	<u>(1.78)</u>	<u>(1.84)</u>	<u>(1.85)</u>
Net asset value, end of year	<u>\$ 16.68</u>	<u>\$ 18.32</u>	<u>\$ 18.28</u>	<u>\$ 20.84</u>	<u>\$ 20.87</u>
Per common share market value, end of year	<u>\$ 15.09</u>	<u>\$ 17.53</u>	<u>\$ 15.95</u>	<u>\$ 19.38</u>	<u>\$ 19.23</u>
Total investment return based on net asset value ⁽¹⁾	<u>0.79%</u>	<u>10.77</u>	<u>(3.42)%</u>	<u>9.40%</u>	<u>25.42%</u>
Total investment return based on market value ⁽¹⁾	<u>(4.65)%</u>	<u>21.45</u>	<u>(9.38)%</u>	<u>10.41%</u>	<u>29.44%</u>
Supplemental Data and Ratios					
Net assets, end of period (000's)	\$334,576	\$367,649	\$366,691	\$417,924	\$418,613
Ratio of expenses (before reductions and reimbursements) to average net assets	2.32% ⁽²⁾	3.00%	2.93%	2.33%	2.05% ⁽²⁾
Ratio of expenses (after reductions and reimbursements) to average net assets	2.23%	3.00%	2.93%	2.33%	1.78%
Ratio of net investment income (before reductions and reimbursements) to average net assets	10.61% ⁽²⁾	10.22%	9.34%	9.20%	10.68% ⁽²⁾
Ratio of net investment income (after reductions and reimbursements) to average net assets	10.53%	10.22%	9.34%	9.20%	10.41%
Portfolio turnover rate	42.21%	52.25%	48.92%	36.59%	44.81%

(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. Effective August 6, 2020 the Adviser began waiving a portion of its management and other fees equal to an annual rate of 0.150% of the Fund's managed assets.

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS

December 31, 2020

			SHARES	COST	FAIR VALUE
Equities — 1.50%*:					
Common Stocks — 1.42%*:					
Boomerang Tube Holdings, Inc. [□]			36,149	\$3,510,832	\$0
Fieldwood Energy LLC [□]			167,574	4,057,567	0
Jupiter Resources Inc. ^{□+♠}			1,171,624	5,662,542	3,749,197
Sabine Oil & Gas LLC [□]			4,342	248,858	56,446
KCA Deutag Ordinary A Shares ^{□+}			23,585	990,570	955,193
Travelex Private Equity ^{□+}			16,120	0	0
Total Common Stocks			<u>1,419,394</u>	<u>14,470,369</u>	<u>4,760,836</u>
Warrants — 0.08%*:					
Travelex Topco Limited Warrant ^{□+}			2,218	0	250,232
Total Warrants			<u>2,218</u>	<u>0</u>	<u>250,232</u>
Total Equities			<u>1,421,612</u>	<u>14,470,369</u>	<u>5,011,068</u>
	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income — 135.66%*:					
Asset-Backed Securities — 11.34%*:					
CDO/CLO — 11.34%*:					
Anchorage Capital CLO LTD 2015-6A, 3M LIBOR + 6.350% ^{^~}	6.59%	7/15/2030	600,000	\$608,442	\$573,109
Anchorage Capital CLO LTD 2016-9A ER, 3M LIBOR + 6.410% ^{^~}	6.65	7/15/2032	1,500,000	1,455,000	1,494,992
Anchorage Capital CLO LTD 2013-1R, 3M LIBOR + 6.800% ^{^~}	7.02	10/15/2030	1,000,000	977,213	1,000,078
Bain Capital Credit CLO 2020-2 E, 3M LIBOR + 6.830% ^{^~}	7.05	7/29/2031	1,000,000	926,357	1,001,627
Ballyrock CLO LTD 2019-2A, 3M LIBOR + 7.740% ^{^~}	7.96	11/20/2030	2,000,000	1,960,000	2,001,464
BlueMountain CLO LTD 2018-23A, 3M LIBOR + 5.650% ^{^~}	5.87	10/20/2031	1,000,000	1,000,000	936,141
Canyon CLO LTD 2019-2A, 3M LIBOR + 7.150% ^{^~}	7.39	10/15/2032	1,000,000	1,000,000	1,001,340
Carbone CLO, LTD 2017-1A, 3M LIBOR + 5.900% ^{^~}	6.12	1/21/2031	750,000	750,000	702,061
Carlyle Global Market Strategies 2013-3A, 3M LIBOR + 7.750% ^{^~}	7.99	10/15/2030	1,000,000	1,000,000	715,936
Carlyle Global Market Strategies 2017-5A, 3M LIBOR + 5.300% ^{^~}	5.52	1/22/2030	700,000	700,000	616,791
Carlyle Global Market Strategies 2019-3 LTD, 3M LIBOR + 7.030% ^{^~}	7.25	10/20/2032	1,000,000	975,000	1,000,412
Cedar Funding LTD 2016-6A, 3M LIBOR + 5.900% ^{^~}	6.12	10/20/2028	2,500,000	2,500,000	2,399,155
CIFC Funding 2020-1 LTD ^{^~}	7.32	7/15/2032	1,900,000	1,881,000	1,907,484

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Asset-Backed Securities (Continued)					
CDO/CLO (Continued)					
Galaxy CLO LTD 2017-24A, 3M LIBOR + 5.500% ^{^~}	5.74%	1/15/2031	1,000,000	\$1,000,000	\$938,032
GoldenTree Loan Management 2018-3A, 3M LIBOR + 6.500% ^{^~}	6.72	4/22/2030	1,500,000	1,439,376	1,226,774
GoldenTree Loan Opportunities XI LTD 2015-11A, 3M LIBOR + 5.400% ^{^~}	5.62	1/18/2031	500,000	500,000	471,166
KKR Financial CLO LTD 2017-20, 3M LIBOR + 5.500% ^{^~}	5.73	10/16/2030	1,500,000	1,500,000	1,368,239
LCM LTD 2019-30, 3M LIBOR + 6.950% ^{^~}	7.17	4/21/2031	1,100,000	1,100,000	1,099,232
Madison Park Funding LTD 2015-19A, 3M LIBOR + 4.350% ^{^~}	4.57	1/24/2028	1,000,000	1,000,000	912,674
Madison Park Funding LTD 2018-29A, 3M LIBOR + 7.570% ^{^~#}	7.79	10/18/2030	2,000,000	1,960,000	1,702,548
Madison Park Funding LTD 2019-32E, 3M LIBOR + 7.100% ^{^~}	7.32	1/22/2031	1,000,000	997,800	1,000,325
Magnetite CLO LTD 2016-18A, 3M LIBOR + 7.600% ^{^~}	7.82	11/15/2028	1,400,000	1,386,000	1,238,364
Neuberger Berman Loan Advisers CLO LTD, 3M LIBOR + 7.050% ^{^~}	7.27	7/21/2031	800,000	792,000	804,538
OCP CLO LTD 2020-19, 3M LIBOR + 6.110% ^{^~}	6.43	7/21/2031	800,000	713,203	796,039
OHA Credit Partners LTD 2015-11A, 3M LIBOR + 7.900% ^{^~}	8.12	1/20/2032	2,000,000	1,970,323	1,731,160
OHA Loan Funding LTD 2013-1A, 3M LIBOR + 7.900% ^{^~}	8.11	7/23/2031	1,500,000	1,477,500	1,307,006
Sound Point CLO XVIII 2018-18D, 3M LIBOR + 5.500% ^{^~}	5.72	1/21/2031	2,000,000	2,000,000	1,762,796
Sound Point CLO Ltd Series 2020-1A Class E, 3M LIBOR + 7.080% ^{^~}	7.39	7/22/2030	1,600,000	1,471,120	1,602,810
TICP CLO LTD 2018-10A, 3M LIBOR + 5.500% ^{^~}	5.72	4/20/2031	1,000,000	933,145	948,026
Voya CLO LTD 2019-4A, 3M LIBOR + 7.480% ^{^~}	7.72	1/18/2033	1,400,000	1,358,585	1,401,628
Wellfleet CLO LTD 2017-3A, 3M LIBOR + 5.550% ^{^~}	5.77	1/17/2031	1,500,000	1,500,000	1,354,500
Wind River CLO LTD 2017-4A, 3M LIBOR + 5.800% ^{^~}	6.02	11/20/2030	1,000,000	1,000,000	926,511
Total CDO/CLO			<u>40,550,000</u>	<u>39,832,064</u>	<u>37,942,958</u>
Total Asset-Backed Securities			<u>40,550,000</u>	<u>39,832,064</u>	<u>37,942,958</u>

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Bank Loans[§] — 8.62%*:					
Automotive — 0.59%*:					
Dexko Global Inc, 3M LIBOR + 8.250%~	9.25%	7/24/2025	<u>2,000,000</u>	<u>\$2,000,000</u>	<u>\$1,982,500</u>
Total Automotive			<u>2,000,000</u>	<u>2,000,000</u>	<u>1,982,500</u>
Chemicals, Plastics and Rubber — 0.46%*:					
Colouroz Investment 2 LLC, 3M LIBOR + 7.250%+~	5.50	9/21/2024	<u>2,050,737</u>	<u>2,042,988</u>	<u>1,544,472</u>
Total Chemicals, Plastics and Rubber			<u>2,050,737</u>	<u>2,042,988</u>	<u>1,544,472</u>
Diversified/Conglomerate Manufacturing — 0.89%*:					
Averys, 3M LIBOR + 8.250%+~	8.25	9/25/2026	500,000	571,943	531,036
Commercial Vehicle Group Inc., 1M LIBOR + 6.000%~	5.75	4/12/2023	544,580	538,913	522,797
SunSource, Inc., 1M LIBOR + 8.000%~	9.00	4/30/2026	<u>2,500,000</u>	<u>2,515,048</u>	<u>1,926,575</u>
Total Diversified/Conglomerate Manufacturing			<u>3,544,580</u>	<u>3,625,904</u>	<u>2,980,408</u>
Diversified/Conglomerate Service — 4.67%*:					
Misys (Finastra), 3M LIBOR + 7.250%~	8.25	6/16/2025	<u>15,630,136</u>	<u>15,505,118</u>	<u>15,635,763</u>
Total Diversified/Conglomerate Service			<u>15,630,136</u>	<u>15,505,118</u>	<u>15,635,763</u>
Healthcare, Education and Childcare — 1.92%*:					
Advanz Pharma Corp., 1M LIBOR + 5.500%+~	6.50	9/6/2024	3,820,000	3,766,565	3,726,410
Envision Healthcare, 1M LIBOR + 3.750%~	3.90	10/10/2025	<u>3,228,439</u>	<u>2,321,862</u>	<u>2,683,253</u>
Total Healthcare, Education and Childcare			<u>7,048,439</u>	<u>6,088,427</u>	<u>6,409,663</u>
Mining, Steel, Iron and Non-Precious Metals — 0.03%*:					
Boomerang Tube, LLC, 3M LIBOR + 6.500% ^{o~}	5.15	6/30/2022	<u>2,608,648</u>	<u>2,608,648</u>	<u>104,346</u>
Total Mining, Steel, Iron and Non-Precious Metals			<u>2,608,648</u>	<u>2,608,648</u>	<u>104,346</u>
Oil and Gas — 0.00%*:					
Fieldwood Energy LLC, 1M LIBOR + 7.250%~	0.00	4/11/2023	<u>7,481,592</u>	<u>2,720,500</u>	<u>1,721</u>
Total Oil and Gas			<u>7,481,592</u>	<u>2,720,500</u>	<u>1,721</u>
Personal Transportation — 0.06%*:					
Naviera Armas Bridge, 1M LIBOR + 2.500% ^{o+~}	5.00	4/30/2021	106,472	128,305	127,521
Naviera Armas Bridge, 1M LIBOR + 2.500% ^{o+~}	0.00	4/30/2021	<u>60,543</u>	<u>69,174</u>	<u>68,751</u>
Total Personal Transportation			<u>167,015</u>	<u>197,479</u>	<u>196,272</u>
Total Bank Loans			<u>40,531,148</u>	<u>34,789,064</u>	<u>28,855,145</u>
Corporate Bonds — 115.70%*:					
Aerospace and Defense — 4.29%*:					
Rolls Royce ^{^+}	5.75	10/15/2027	250,000	325,750	377,773
TransDigm Group, Inc. [#]	7.50	3/15/2027	6,000,000	6,023,714	6,405,000

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Aerospace and Defense (Continued)					
Triumph Group, Inc.^#	7.75%	8/15/2025	8,289,000	\$8,293,067	\$7,574,074
Total Aerospace and Defense			<u>14,539,000</u>	<u>14,642,531</u>	<u>14,356,847</u>
Automotive — 6.46%*:					
Ford Motor Company#	9.63	4/22/2030	2,000,000	2,603,393	2,822,500
Ford Motor Company#	7.45	7/16/2031	2,000,000	2,327,377	2,565,000
Power Solutions^#	8.50	5/15/2027	8,965,000	9,059,575	9,739,660
Truck Hero Inc.^#	8.50	4/21/2024	6,118,000	6,140,149	6,492,728
Total Automotive			<u>19,083,000</u>	<u>20,130,494</u>	<u>21,619,888</u>
Beverage, Food and Tobacco — 1.99%*:					
Kehe Distributors, LLC^#	8.63	10/15/2026	1,287,000	1,287,000	1,444,658
Manitowoc Foodservice#	9.50	2/15/2024	3,074,000	3,195,099	3,177,102
Refresco Group N.V.^+^#	6.50	5/15/2026	1,600,000	1,931,881	2,026,949
Total Beverage, Food and Tobacco			<u>5,961,000</u>	<u>6,413,980</u>	<u>6,648,709</u>
Broadcasting and Entertainment — 5.29%*:					
Arqiva Broadcast+^#	6.75	9/30/2023	2,400,000	3,038,647	3,383,585
Banjay+^#	6.50	3/1/2026	2,500,000	2,761,119	3,060,215
Clear Channel Worldwide Holdings Inc.^#	9.25	2/15/2024	5,469,000	5,769,360	5,537,363
Cox Media Group^#	8.88	12/15/2027	1,837,000	1,853,762	2,025,293
Dish DBS Corp.^#	7.75	7/1/2026	673,000	611,892	753,767
Townsquare Media Inc.^	6.50	4/1/2023	430,000	402,498	437,568
Univision Communications Inc.^#	9.50	5/1/2025	2,234,000	2,481,405	2,485,325
Total Broadcasting and Entertainment			<u>15,543,000</u>	<u>16,918,683</u>	<u>17,683,116</u>
Buildings and Real Estate — 3.16%*:					
Cemex S.A.B. de C.V.^#	7.38	6/5/2027	698,000	698,000	794,324
New Enterprise Stone & Lime Co.^#	9.75	7/15/2028	665,000	665,000	728,175
Realty Group^#	9.38	4/1/2027	3,763,000	3,586,302	4,167,523
Realty Group^	7.63	6/15/2025	329,000	329,000	357,202
Service Properties Trust	4.38	2/15/2030	400,000	347,926	390,000
Stl Hldg Co LLC^#	7.50	2/15/2026	4,000,000	4,000,000	4,150,000
Total Buildings and Real Estate			<u>9,855,000</u>	<u>9,626,228</u>	<u>10,587,224</u>
Cargo Transport — 2.99%*:					
Kenan Advantage^#	7.88	7/31/2023	10,000,000	10,033,211	10,000,000
Total Cargo Transport			<u>10,000,000</u>	<u>10,033,211</u>	<u>10,000,000</u>
Chemicals, Plastics and Rubber — 4.62%*:					
Carlyle Group^#	8.75	6/1/2023	2,600,118	2,574,377	2,619,619
Consolidated Energy Finance S.A.^#	6.88	6/15/2025	3,560,000	3,426,913	3,608,950
Consolidated Energy Finance S.A.^	6.50	5/15/2026	2,799,000	2,034,626	2,799,000
CVR Partners LP^#	9.25	6/15/2023	4,576,000	4,543,382	4,580,759
Diversey^#	5.63	8/15/2025	1,500,000	1,627,880	1,853,171
Total Chemicals, Plastics and Rubber			<u>15,035,118</u>	<u>14,207,178</u>	<u>15,461,499</u>

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Containers, Packaging, and Glass — 3.32%*:					
Mauser Packaging Solutions ^{^#}	7.25%	4/15/2025	2,575,000	\$2,456,803	\$2,600,750
Tekni-Plex ^{^#}	9.25	8/1/2024	8,000,000	7,905,687	8,520,000
Total Containers, Packaging, and Glass			10,575,000	10,362,490	11,120,750
Diversified/Conglomerate Manufacturing — 1.66%*:					
Heat Exchangers ^{^+}	7.78	10/9/2025	625,000	657,723	653,579
Manitowoc Cranes ^{^#}	9.00	4/1/2026	4,538,000	4,545,995	4,901,040
Total Diversified/Conglomerate Manufacturing			5,163,000	5,203,718	5,554,619
Diversified/Conglomerate Service — 3.39%*:					
Algeco Scotsman ^{^+^#}	6.50	2/15/2023	1,750,000	2,142,120	2,164,513
Carlson Travel Holdings Inc. ^{^#}	11.50	12/15/2026	6,078,253	6,086,402	3,297,452
Endurance International Group LLC [#]	10.88	2/1/2024	1,324,000	1,372,902	1,369,678
Powerteam Services LLC ^{^#}	9.03	12/4/2025	2,750,000	2,988,790	3,059,678
Summer BC Holdco ^{^+}	9.25	10/31/2027	1,126,301	1,353,596	1,451,338
Total Diversified/Conglomerate Service			13,028,554	13,943,810	11,342,659
Diversified Natural Resources, Precious Metals and Minerals — 0.03%*:					
Northwest Acquisitions ULC ^{^+}	7.13	11/1/2022	16,122,000	12,416,503	108,824
Total Diversified/Conglomerate Service			16,122,000	12,416,503	108,824
Electronics — 6.53%*:					
Solera LLC [#]	10.50	3/1/2024	1,000,000	1,050,224	1,036,250
Wesco Distribution Inc. [^]	7.13	6/15/2025	460,000	460,000	505,922
Wesco Distribution Inc. [^]	7.25	6/15/2028	475,000	471,409	540,213
Veritas Bermuda Ltd. ^{^#}	10.50	2/1/2024	16,957,000	15,176,123	17,211,355
Veritas Bermuda Ltd. ^{^#}	7.50	9/1/2025	2,024,000	2,024,000	2,077,130
Presidio Inc. ^{^#}	8.25	2/1/2028	430,000	430,000	474,075
Total Electronics			21,346,000	19,611,756	21,844,945
Finance — 5.26%*:					
Alliance Data Systems Corp. ^{^#}	7.00	1/15/2026	2,000,000	1,992,500	2,115,600
Avolon Holdings ^{^#}	6.50	9/15/2024	8,214,611	6,396,566	7,331,541
Galaxy Bidco Ltd. ^{^+^#}	6.50	7/31/2026	1,850,000	2,352,475	2,638,968
Garfunkelux Holdco ^{^+}	6.75	11/1/2025	450,000	533,833	563,483
Travelex ^{^+^}	12.50	8/5/2025	2,015,000	2,275,272	4,959,932
Travelex ^{^+^#}	8.00	5/15/2022	4,600,000	5,097,344	0
Total Finance			19,129,611	18,647,990	17,609,524
Healthcare, Education and Childcare — 7.20%*:					
Advanz Pharma Corp. ^{^+}	8.00	9/6/2024	3,743,000	3,681,160	3,780,430
Bausch Health Companies Inc. ^{^#}	9.00	12/15/2025	11,045,000	11,260,894	12,193,128
Endo International ^{^#}	7.50	4/1/2027	1,890,000	1,890,000	2,050,650
Radiology Partners Inc. ^{^#}	9.25	2/1/2028	2,586,000	2,779,811	2,902,785

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Healthcare, Education and Childcare (Continued)					
Verscend Technologies, Inc.^#	9.75%	8/15/2026	<u>2,915,000</u>	<u>\$3,071,507</u>	<u>\$3,159,131</u>
Total Healthcare, Education and Childcare			<u>22,179,000</u>	<u>22,683,372</u>	<u>24,086,124</u>
Home and Office Furnishings, Housewares, and Durable Consumer Products — 0.50%*:					
Balta+^#	7.75	9/15/2022	<u>1,449,900</u>	<u>1,607,043</u>	<u>1,675,675</u>
Total Home and Office Furnishings, Housewares, and Durable Consumer Products			<u>1,449,900</u>	<u>1,607,043</u>	<u>1,675,675</u>
Hotels, Motels, Inns and Gaming — 1.71%*:					
Boyne USA, Inc.^#	7.25	5/1/2025	<u>950,000</u>	<u>950,000</u>	<u>996,313</u>
Scientific Games International Inc.^#	8.63	7/1/2025	<u>4,325,000</u>	<u>4,416,076</u>	<u>4,735,875</u>
Total Hotels, Motels, Inns and Gaming			<u>5,275,000</u>	<u>5,366,076</u>	<u>5,732,188</u>
Insurance — 4.73%*:					
Acrisure LLC^#	10.13	8/1/2026	<u>9,575,000</u>	<u>9,751,551</u>	<u>10,987,313</u>
Acrisure LLC^#	8.13	2/15/2024	<u>4,564,000</u>	<u>4,666,248</u>	<u>4,831,975</u>
Total Insurance			<u>14,139,000</u>	<u>14,417,799</u>	<u>15,819,288</u>
Leisure, Amusement, Entertainment — 2.77%*:					
Carnival Corp.^	7.63	3/1/2026	<u>1,000,000</u>	<u>1,185,944</u>	<u>1,292,376</u>
Center Parcs+^	6.50	8/28/2026	<u>900,000</u>	<u>1,253,715</u>	<u>1,278,407</u>
Eldorado Resorts+^#	8.13	7/1/2027	<u>4,000,000</u>	<u>3,894,336</u>	<u>4,428,090</u>
Motion Finco+^	7.00	5/15/2025	<u>1,750,000</u>	<u>1,932,647</u>	<u>2,250,113</u>
Total Leisure, Amusement, Entertainment			<u>7,650,000</u>	<u>8,266,642</u>	<u>9,248,986</u>
Machinery (Non-Agriculture, Non-Construct, Non-Electronic) — 4.38%*:					
Apex Tool Group LLC^#	9.00	2/15/2023	<u>5,627,000</u>	<u>5,480,980</u>	<u>5,514,460</u>
Diebold Nixdorf Inc.^#	9.38	7/15/2025	<u>5,577,000</u>	<u>5,945,474</u>	<u>6,246,240</u>
Diebold Nixdorf Inc.^	9.00	7/15/2025	<u>815,000</u>	<u>959,187</u>	<u>1,080,268</u>
Sarens+^#	5.75	2/21/2027	<u>1,625,000</u>	<u>1,783,930</u>	<u>1,826,395</u>
Total Machinery (Non-Agriculture, Non-Construct, Non-Electronic)			<u>13,644,000</u>	<u>14,169,571</u>	<u>14,667,363</u>
Mining, Steel, Iron and Non-Precious Metals — 14.58%*:					
Cleveland-Cliffs Inc.^#	9.88	10/17/2025	<u>6,000,000</u>	<u>6,571,847</u>	<u>7,057,500</u>
Consol Energy Inc.^#	11.00	11/15/2025	<u>10,316,000</u>	<u>10,684,566</u>	<u>7,633,840</u>
First Quantum Minerals+^#	7.25	4/1/2023	<u>2,000,000</u>	<u>1,945,342</u>	<u>2,061,350</u>
First Quantum Minerals+^#	7.50	4/1/2025	<u>9,775,000</u>	<u>9,426,389</u>	<u>10,178,219</u>
First Quantum Minerals+^	6.88	10/15/2027	<u>200,000</u>	<u>200,000</u>	<u>217,000</u>
Hecla Mining Company#	7.25	2/15/2028	<u>2,099,000</u>	<u>2,277,548</u>	<u>2,293,158</u>
International Wire Group Inc.^#	10.75	8/1/2021	<u>7,389,000</u>	<u>7,299,397</u>	<u>7,389,000</u>
Perenti Finance Pty Ltd+^#	6.50	10/7/2025	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,659,454</u>
SunCoke Energy Inc.^#	7.50	6/15/2025	<u>5,743,000</u>	<u>5,721,235</u>	<u>5,701,076</u>

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Mining, Steel, Iron and Non-Precious Metals (Continued)					
Warrior Met Coal Inc.^#	8.00%	11/1/2024	<u>3,513,000</u>	<u>\$3,587,677</u>	<u>\$3,592,043</u>
Total Mining, Steel, Iron and Non-Precious Metals			<u>49,535,000</u>	<u>50,214,001</u>	<u>48,782,640</u>
Oil and Gas — 16.05%*:					
Antero Resources Corp.^	8.38	7/15/2026	451,000	452,600	460,331
Blue Racer Midstream LLC^	7.63	12/15/2025	361,000	361,000	384,465
Calumet Specialty Products^#	11.00	4/15/2025	1,030,000	1,062,129	1,040,300
Calumet Specialty Products^#	9.25	7/15/2024	2,850,000	2,747,985	3,163,500
CVR Energy Inc.^	5.75	2/15/2028	3,850,000	3,304,616	3,647,875
Enlink Midstream Partners LP	4.85	7/15/2026	200,000	174,647	195,268
Enlink Midstream Partners LP	4.40	4/1/2024	239,000	218,459	235,838
Enlink Midstream Partners LP	5.60	4/1/2044	5,413,000	3,551,651	4,343,923
Genesis Energy LP#	7.75	2/1/2028	3,408,000	3,111,766	3,263,160
Harvest Midstream I L P^	7.50	9/1/2028	458,000	458,000	487,198
Hilcorp Energy I L P^#	6.25	11/1/2028	3,202,000	2,779,140	3,270,043
KCA Deutag ^{o+} ^	9.88	12/1/2025	1,179,286	1,179,286	1,223,509
Laredo Petroleum Inc.	10.13	1/15/2028	3,765,000	3,668,171	3,200,250
MEG Energy Corp. ⁺ ^#	7.13	2/1/2027	2,698,000	2,522,071	2,785,685
Neptune Energy Bondco PLC^#	6.63	5/15/2025	4,306,000	3,908,745	4,259,797
Occidental Pete Corp.#	8.50	7/15/2027	4,523,000	4,573,184	5,219,768
Occidental Pete Corp.#	7.88	9/15/2031	2,500,000	2,659,015	2,787,500
Occidental Pete Corp.	4.50	7/15/2044	586,000	435,873	496,635
Ovintiv Inc.	6.50	8/15/2034	500,000	477,756	579,020
Ovintiv Inc.#	6.50	2/1/2038	2,000,000	1,836,522	2,233,311
PBF Holding Co LLC^	9.25	5/15/2025	1,196,000	1,187,673	1,179,136
PBF Holding Co LLC	6.00	2/15/2028	6,000,000	4,937,032	3,427,500
Southwestern Energy Co.	8.38	9/15/2028	449,000	449,000	487,165
Welltec A/S ⁺ ^#	9.50	12/1/2022	<u>5,713,000</u>	<u>5,681,766</u>	<u>5,313,090</u>
Total Oil and Gas			<u>56,877,286</u>	<u>51,738,087</u>	<u>53,684,267</u>
Personal Transportation — 1.15%*:					
American Airlines^#	11.75	7/15/2025	3,000,000	2,970,000	3,459,750
Naviera Armas, 3M EURIBOR + 4.250% ⁺ ^~	4.25	11/15/2024	150,000	127,479	81,893
Naviera Armas, 3M EURIBOR + 6.500% ⁺ ^~	6.50	7/31/2023	<u>525,000</u>	<u>608,346</u>	<u>298,431</u>
Total Personal Transportation			<u>3,675,000</u>	<u>3,705,825</u>	<u>3,840,074</u>
Printing and Publishing — 1.79%*:					
Cimpress N.V.^#	7.00	6/15/2026	2,069,000	2,069,000	2,175,036
Houghton Mifflin Harcourt Publishers Inc.^#	9.00	2/15/2025	3,000,000	2,949,793	3,052,500
IPD 3 BV ⁺ ^	5.50	12/1/2025	<u>600,000</u>	<u>712,682</u>	<u>754,975</u>
Total Printing and Publishing			<u>5,669,000</u>	<u>5,731,475</u>	<u>5,982,511</u>

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

	EFFECTIVE INTEREST RATE ‡	DUE DATE	PRINCIPAL	COST	FAIR VALUE
Fixed Income (Continued)					
Corporate Bonds (Continued)					
Retail Store — 1.68%*:					
At Home Holding III INC ^{^#}	8.75%	9/1/2025	2,000,000	\$2,102,700	\$2,165,000
Casino Guichard Perracho ^{+^}	6.63	1/15/2026	1,050,000	1,279,474	1,292,345
Michaels Stores Inc. ^{^#}	8.00	7/15/2027	2,000,000	2,104,204	2,150,000
Total Retail Store			<u>5,050,000</u>	<u>5,486,378</u>	<u>5,607,345</u>
Telecommunications — 8.83%*:					
Altice France Holding S.A. ^{^#}	10.50	5/15/2027	2,000,000	2,250,655	2,245,000
BMC Software ^{^#}	9.75	9/1/2026	9,682,000	9,553,038	10,458,012
Commscope Inc. ^{^#}	8.25	3/1/2027	11,673,000	11,690,192	12,460,928
Consolidated Communications ^{^#}	6.50	10/1/2028	832,000	832,000	890,240
Digicel Limited ^{+^#}	8.25	9/30/2020	2,500,000	2,491,364	0
Northwest Fiber LLC ^{^#}	10.75	6/1/2028	1,206,000	1,332,158	1,374,840
Viasat ^{^#}	6.50	7/15/2028	790,000	790,000	854,946
Windstream Escrow LLC ^{^#}	7.75	8/15/2028	1,251,000	1,246,000	1,259,757
Total Telecommunications			<u>29,934,000</u>	<u>30,185,407</u>	<u>29,543,723</u>
Utilities — 1.34%*:					
Techem ^{+^#}	6.00	7/30/2026	3,500,000	3,996,234	4,479,275
Total Utilities			<u>3,500,000</u>	<u>3,996,234</u>	<u>4,479,275</u>
Total Corporate Bonds			<u>393,957,469</u>	<u>389,726,482</u>	<u>387,088,063</u>
Total Fixed Income			<u>475,038,617</u>	<u>464,347,610</u>	<u>453,886,166</u>
Total Investments			<u>476,460,229</u>	<u>478,817,979</u>	<u>458,897,234</u>
Other assets and liabilities — (37.16)%					<u>(124,321,130)</u>
Net Assets — 100%					<u>\$334,576,104</u>

‡ 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, 2020.

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, 2020. 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.

⊗ Jupiter Resources Inc. common stock restructured into 276,778 shares of Tourmaline Oil Corp. common stock. The restructure was completed in February 2021.

See accompanying Notes to the Financial Statements.

SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2020

Distributions of investments by country of risk. Percentage of assets are expressed by market value excluding cash and accrued income as of December 31, 2020.

United States	82.9%
United Kingdom	5.5%
Canada	2.1%
Zambia	2.7%
Germany	1.3%
Denmark	1.2%
France	2.2%
Belgium	0.8%
Australia	0.6%
(Individually less than 1%)	0.7%
	<u>100.0%</u>

A summary of outstanding derivatives at December 31, 2020 is as follows:

Schedule of Open Forward Currency Contracts**December 31, 2020**

CURRENCY TO BE RECEIVED		CURRENCY TO BE DELIVERED ⁽¹⁾		COUNTERPARTY OF CONTRACT	FORWARD SETTLEMENT DATE	UNREALIZED APPRECIATION / (DEPRECIATION)
27,951,072	USD	(23,011,893)	EUR	Morgan Stanley	1/14/2021	\$(171,678)
11,755,825	USD	(8,820,221)	GBP	Morgan Stanley	1/14/2021	(307,360)
794,747	USD	(591,998)	GBP	JP Morgan Chase	1/14/2021	(14,914)
						<u>\$(493,952)</u>

⁽¹⁾ Values are listed in U.S. dollars.

See accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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 de facto 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 Global Ratings, a division of the McGraw-Hill Company, Inc. ("S&P") or Fitch Ratings, 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 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, 2020

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

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, 2020 in valuing the Fund's investments:

DESCRIPTION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL INVESTMENTS
Assets:				
Equities:				
Common Stocks	\$ –	\$ –	\$ 4,760,836	\$ 4,760,836
Preferred Stocks	–	–	–	–
Warrants	–	–	250,232	250,232
Total Equities:	–	–	5,011,068	5,011,068
Fixed Income:				
Asset-Backed Securities	–	37,942,958	–	37,942,958
Bank Loans	–	28,554,527	300,618	28,855,145
Corporate Bonds	–	380,904,622	6,183,441	387,088,063
Total Fixed Income	\$ –	\$ 447,402,107	\$ 6,484,059	\$453,886,166
Total Assets	\$ –	\$ 447,402,107	\$11,495,127	\$458,897,234
Liabilities:				
Foreign Exchange Contracts	\$ –	\$ (493,952)	\$ –	\$ (493,952)
Total Liabilities:	\$ –	\$ (493,952)	\$ –	\$ (493,952)

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, 2020. A significant change in third party information could result in a significantly lower or higher value of such Level 3 financial instruments:

TYPE OF ASSETS	FAIR VALUE AS OF DECEMBER 31, 2020	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUT
Equities			
KCA Deutag Ordinary A Share	\$ 955,193	Vendor Price	\$40.50; Advisor Priced by LoanX.
Travelex Private Equity	\$ 0	Zero Value	Valued at Zero
Fieldwood Energy LLC	\$ 0	Vendor Price	\$.00; Advisor Priced by LoanX.
Jupiter Resources, Inc.&	\$3,749,197	Model Price	\$3.20; price taken by converting to post acquisition value.
Sabine Oil and Gas	\$ 56,446	Model Price	\$13.00; Value derived from pending receipt.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

TYPE OF ASSETS	FAIR VALUE AS OF DECEMBER 31, 2020	VALUATION TECHNIQUE(S)	UNOBSERVABLE INPUT
Boomerang Tube Holdings, Inc.	\$ 0	Model Price	Average Enterprise Valuation Multiple: 5 year projection, 5.0x; EBITDA: \$32.2 million, 20% discount rate.
Travelex Topco Limited Warrant	\$ 250,232	Vendor Price	\$112.82; Advisor Priced by LoanX.
Corporate Bonds			
Travelex	\$4,959,932	Broker Quote	\$246.15; Advisor Priced by LoanX.
Travelex	\$ 0	Zero Value	Valued at Zero
KCA Deutag	\$1,223,509	Broker Quote	\$103.75; pricing source depth of 1.
Digicel Limited	\$ 0	Zero Value	Valued at Zero
Bank Loans			
Boomerang Tube, LLC	\$ 104,346	Model Price	Average Enterprise Valuation Multiple: 5 year projection, 5.0x; EBITDA: \$32.2 million, 20% discount rate.
Naviera Armas Bridge	\$ 127,521	Trade Price	\$119.77; Priced at trade
Naviera Armas Bridge	\$ 68,751	Trade Price	\$113.56; Priced at trade

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:

& Jupiter Resources Inc. common stock restructured into 276,778 shares of Tourmaline Oil Corp. common stock. The restructure was completed in February 2021.

	BALANCE AT DECEMBER 31, 2019	TRANSFERS INTO LEVEL 3	TRANSFERS OUT OF LEVEL 3	PURCHASES	SALES	ACCRETION OF DISCOUNT	REALIZED GAIN / (LOSS)	CHANGE IN UNREALIZED	BALANCE AT DECEMBER 31, 2020	CHANGE IN UNREALIZED APPRECIATION / (DEPRECIATION) ON INVESTMENTS HELD AS OF DECEMBER 31, 2020
Equities										
Boomerang Tube Holdings, Inc.	\$2,441,503	\$0	\$0	\$ 0	\$0	\$0	\$ 0	(\$2,441,503)	\$ 0	(\$2,441,503)
Fieldwood Energy LLC	\$3,044,317	\$0	\$0	\$ 0	\$0	\$0	\$ 0	(\$3,044,317)	\$ 0	(\$3,044,317)
Jupiter Resources Inc. &	\$1,171,624	\$0	\$0	\$ 0	\$0	\$0	\$ 0	\$ 2,577,573	\$ 3,749,197	\$ 2,577,573
KCA Deutag Ordinary A Shares*	\$ 0	\$0	\$0	\$990,570	\$0	\$0	\$ 0	(\$ 35,377)	\$ 955,193	(\$ 35,377)
Sabine Oil & Gas LLC	\$ 247,494	\$0	\$0	\$ 0	\$0	\$0	\$ 0	(\$ 191,048)	\$ 56,446	(\$ 191,048)
Templar Energy LLC	\$ 0	\$0	\$0	\$ 0	\$0	\$0	(\$ 734,072)	\$ 734,072	(\$ 0)	\$ 734,072
Templar Energy LLC	\$ 0	\$0	\$0	\$ 0	\$0	\$0	(\$1,100,495)	\$ 1,100,495	(\$ 0)	\$ 1,100,495
Travelex Private Equity	\$ 0	\$0	\$0	\$ 0	\$0	\$0	\$ 0	\$ 0	\$ 0	\$ 0
Common Stocks	\$6,904,938	\$0	\$0	\$990,570	\$0	\$0	(\$1,834,567)	(\$1,300,105)	\$ 4,760,836	(\$1,300,105)
Pinnacle Operating Corp.	\$ 0	\$0	\$0	\$ 0	\$0	\$0	\$ 0	\$ 0	\$ 0	\$ 0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

	BALANCE AT DECEMBER 31, 2019	TRANSFERS INTO LEVEL 3	TRANSFERS OUT OF LEVEL 3	PURCHASES	SALES	ACCRETION OF DISCOUNT	REALIZED GAIN / (LOSS)	CHANGE IN UNREALIZED	BALANCE AT DECEMBER 31, 2020	CHANGE IN UNREALIZED APPRECIATION / (DEPRECIATION) ON INVESTMENTS HELD AS OF DECEMBER 31, 2020
Preferred Stocks	\$ 0	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Appvion Holdings Corp	\$ 3,223	\$ 0	\$0	\$ 0	(\$ 9)	\$ 0	(\$ 137,271)	\$ 134,057	(\$ 0)	\$ 134,057
Appvion Inc.	\$ 1,612	\$ 0	\$0	\$ 0	(\$ 9)	\$ 0	\$ 9	(\$ 1,612)	(\$ 0)	(\$ 1,612)
Sabine Oil & Gas LLC	\$ 176,855	\$ 0	\$0	\$ 0	(\$ 168,105)	\$ 0	\$ 107,436	(\$ 116,186)	\$ 0	(\$ 116,186)
Travelex Topco Limited Warrant	\$ 0	\$ 0	\$0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,232	\$ 250,232	\$ 250,232
Warrants	\$ 181,690	\$ 0	\$0	\$ 0	(\$ 168,123)	\$ 0	(\$ 29,826)	\$ 266,491	\$ 250,232	\$ 266,491
Total Equities	\$7,086,628	\$ 0	\$0	\$ 990,570	(\$ 168,123)	\$ 0	(\$1,864,393)	(\$1,033,614)	\$ 5,011,068	(\$1,033,614)
Fixed Income Boomerang Tube, LLC	\$2,540,684	\$ 0	\$0	\$ 67,964	\$ 0	\$ 0	\$ 0	(\$2,504,302)	\$ 104,346	(\$2,504,302)
Naviera Armas Bridge	\$ 0	\$ 0	\$0	\$ 128,305	\$ 0	\$ 0	\$ 0	(\$ 784)	\$ 127,521	(\$ 784)
Naviera Armas Bridge	\$ 0	\$ 0	\$0	\$ 69,174	\$ 0	\$ 0	\$ 0	(\$ 423)	\$ 68,751	(\$ 423)
Bank Loans	\$2,540,684	\$ 0	\$0	\$ 265,443	\$ 0	\$ 0	\$ 0	(\$2,505,509)	\$ 300,618	(\$2,505,509)
Jupiter Resources Inc.	\$ 0	\$ 0	\$0	\$1,445,577	(\$1,445,601)	\$ 29	\$ 15,535	(\$ 15,540)	(\$ 0)	(\$ 15,540)
Travelex	\$ 0	\$ 0	\$0	\$2,266,830	\$ 0	\$ 8,442	\$ 0	\$ 2,684,660	\$ 4,959,932	\$ 2,684,660
Travelex	\$ 0	\$5,275,939	\$0	\$ 0	\$ 0	\$ 37	\$ 0	(\$5,275,976)	\$ 0	(\$5,275,976)
KCA Deutag	\$ 0	\$ 0	\$0	\$1,179,286	\$ 0	\$ 0	\$ 0	\$ 44,223	\$ 1,223,509	\$ 44,223
Digicel Limited	\$ 0	\$1,125,000	\$0	\$ 0	\$ 0	\$ 4,042	\$ 0	(\$1,129,042)	\$ 0	(\$1,129,042)
Corporate Bonds	\$ 0	\$6,400,939	\$0	\$4,891,693	(\$1,445,601)	\$12,550	\$ 15,535	(\$3,691,675)	\$ 6,183,441	(\$3,691,675)
Total Fixed Income	\$2,540,684	\$6,400,939	\$0	\$5,157,136	(\$1,445,601)	\$12,550	\$ 15,535	(\$6,197,184)	\$ 6,484,059	(\$6,197,184)
Total	\$9,627,312	\$6,400,939	\$0	\$6,147,706	(\$1,613,724)	\$12,550	(\$1,848,858)	(\$7,230,798)	\$ 11,495,127	(\$7,230,798)

During the year, transfers into Level 3 resulted from a lack of observable market data for the security.

& Jupiter Resources Inc. common stock restructured into 276,778 shares of Tourmaline Oil Corp. common stock. The restructure was completed in February 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

B. Cash and Cash Equivalents

Cash and cash equivalents consist principally of cash and short term investments that are readily convertible into cash and have original maturities of three months or less. At December 31, 2020, all cash is held by U.S. Bank, N.A., and there are no cash equivalents.

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 on 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 foreign exchange 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

respect to the counterparties to 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 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 J.P. Morgan and Morgan Stanley. 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 an liability of \$493,952 in net unrealized depreciation on

forward foreign exchange contracts. Outstanding forward foreign exchange contracts as of December 31, 2020 are indicative of the volume of activity during the year.

The following is a summary of the fair value of derivative instruments held by the Fund as of December 31, 2020. 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, 2020:

	STATEMENT OF ASSETS AND LIABILITIES LOCATION	FAIR VALUE
Derivatives		
Liability Derivatives		
Forward Foreign Exchange Contracts	Unrealized Depreciation on forward foreign exchange contracts.	\$(493,952)
Total Liability Derivatives		<u>\$(493,952)</u>

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2020:

Amount of Realized Gain/(Loss) on Derivatives

DERIVATIVES	FORWARD FOREIGN EXCHANGE CONTRACTS
Forward Foreign Exchange Contracts	<u>\$277,051</u>
Total	<u>\$277,051</u>

Change in Unrealized Appreciation/(Depreciation) on Derivatives

DERIVATIVES	FORWARD FOREIGN EXCHANGE CONTRACTS
Forward Foreign Exchange Contracts	<u>\$(122,813)</u>
Total	<u>\$(122,813)</u>

H. Disclosures about Offsetting Assets and Liabilities

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, 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

	MORGAN STANLEY	JP MORGAN CHASE
Liabilities:		
Forward foreign exchange contracts	\$(479,038)	\$(14,914)
Total Liability	<u>(479,038)</u>	<u>(14,914)</u>
Net Exposure	<u>\$(479,038)</u>	<u>\$(14,914)</u>

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 they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

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. Recent 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 previously early adopted the provisions that eliminated disclosure requirements and adopted the remaining amendments in the current year.

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. The Fund previously adopted ASU 2017-08 and it did not have material impact on the Fund's financial statements. In October 2020, ASU 2017-08 was amended by the FASB's issuance of ASU No. 2020-08, *Codification Improvements to Subtopic 310-20, Receivables-Nonrefundable Fees and Other Costs* ("ASU 2020-08"). This amendment requires that entities re-evaluate whether callable debt securities fall within the scope of ASU 2017-08 for each reporting period. ASU 2020-08 also amends ASU 2017-08 to require premiums be amortized to the "next call date" rather than the "earliest call date" and further clarifies the definition of "next call date." ASU 2020-08 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Management is currently evaluating the impact to this amendment on the Fund's financial statements.

In March 2020, the FASB issued ASU No. 2020-04 *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform. The guidance is applicable to contracts referencing London Interbank Offered Rate ("LIBOR") or another reference rate that is expected to be discontinued due to reference rate reform. The ASU is effective as of March 12, 2020 and generally can be applied through December 31, 2022. Management is currently evaluating the underlying securities referencing LIBOR or another reference rate that is expected to be discontinued as a reference rate over the period of time the ASU is effective.

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). Effective August 6, 2020, the Adviser has waived 0.15% of its fee payable from the Fund. This shall remain in effect through June 30, 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

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.

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 2020 and 2019, as noted below, was as follows:

	2020	2019
Ordinary Income	<u>\$27,544,286</u>	<u>\$35,672,794</u>
Total Distributions Paid	<u>\$27,544,286</u>	<u>\$35,672,794</u>

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.

Permanent items identified during the year ended December 31, 2020 have been reclassified among the components of net assets based on their tax basis treatment as follows:

ADDITIONAL PAID IN CAPITAL	ACCUMULATED LOSSES
\$(390,061)	\$390,061

The permanent differences are primarily attributable to non-deductible excise taxes.

The following information is provided on a tax basis as of December 31, 2020:

Cost of investments	<u>\$ 478,817,979</u>
Unrealized appreciation	28,635,987
Unrealized depreciation	<u>(48,556,732)</u>
Net unrealized appreciation/ (depreciation)	(19,920,745)
Undistributed ordinary income	6,026,209
Undistributed long term gains	<u>–</u>
Distributable earnings	6,026,209
Other accumulated gain/(loss)	<u>(119,964,786)</u>
Total accumulated gain/(loss)	<u>(133,859,322)</u>

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

EXPIRING DECEMBER 31, 2020

			UNLIMITED –	UNLIMITED –
2019	2020	2021	SHORT TERM	LONG TERM
\$ –	\$ –	\$ –	\$22,260,671	\$97,722,990

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. Tax years ended December 31, 2017 through December 31, 2020 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, 2020, the Fund purchased (at cost) and sold securities in the amount of \$173,524,718 and \$184,586,929 (excluding short-term debt securities), respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

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 one-month LIBOR plus 0.75 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, 2020 was approximately \$116,900,000 and 1.29 percent, respectively. At December 31, 2020, the principal balance outstanding was \$135,950,000 at an interest rate of 0.89 percent.

Based on the short-term nature of the borrowings under the credit facility and the variable interest rate, the carrying amount of the borrowings at December 31, 2020 approximated its fair value. 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, 2020 .

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. For the year ended December 31, 2020, the total amount of income netted against the interest expense is \$54,795.

9. Common Stock

The Fund has unlimited shares authorized and 20,064,313 shares outstanding at December 31, 2020 and 2019, respectively.

Shares at January 1, 2019	20,057,849
Shares issued through dividend reinvestments	6,464
Shares at December 31, 2019	<u>20,064,313</u>
Shares at January 1, 2020	20,064,313
Shares issued through dividend reinvestments	—
Shares at December 31, 2020	<u>20,064,313</u>

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

For the year ended December 31, 2020, the Fund paid its Trustees aggregate remuneration of \$100,489. During the year ended December 31, 2020, 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, 2020, 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, 2020, other than the amounts payable to the Adviser pursuant to the Agreement.

11. Risks

Impacts of Covid-19

The pandemic related to the global spread of novel coronavirus disease (Covid-19), which was first detected in December 2019, has resulted in significant disruptions to global business activity and the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the securities and commodities markets in general. This pandemic, the full effects of which are still unknown, has resulted in substantial market volatility and may continue to adversely impact the prices and liquidity of the Fund's investments and the Fund's performance.

12. Subsequent Events

The Fund has evaluated the possibility of subsequent events existing in this report through the date that the financial statements were issued. The Fund has determined that there were no material events that would require recognition or disclosure in this report through this 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, 2020, 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 five years in the period then ended, and the related notes. 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, 2020, 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 five 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 owned as of December 31, 2020, 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, New York
March 1, 2021

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 6, 2020. The shareholders were asked to elect Thomas M. Okel and Cynthia R. Plouché 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. Okel	1,122,811	17,138,652	93.852%
Cynthia R. Plouché	1,124,513	17,136,950	93.843%

The Fund's other Trustees Rodney J. Dillman, Thomas M. Finke, Bernard A. Harris, Jr. 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
David M. Mihalick* (47) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Trustee	Trustee since 2020	Managing Director (since 2008), Head of U.S. High Yield (since 2017), Head of U.S. Public Fixed Income (since 2019), Barings.	9	Trustee (since 2020), Barings Funds Trust (open-end investment company advised by Barings); Director (since 2020), Barings BDC, Inc. (business development company advised by Barings).

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).	8	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.	8	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).	8	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).	8	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).
Elizabeth Murray (43) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Treasurer	Since 2020	Managing Director (since 2020), Director (2018-2020), Barings; Treasurer (since 2020), Barings Funds Trust (open-end investment company advised by Barings); Treasurer (since 2020), Barings Corporate Investors and Barings Participation Investors (closed-end investment companies advised by Barings); Principal Accounting Officer (since 2020), Director of External Reporting (2018-2020), Barings BDC, Inc. (business development company advised by Barings); Principal Accounting Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Controller (since 2020), CI Subsidiary Trust and PI Subsidiary Trust; Vice President of Financial Reporting (2012-2018), Barings BDC, Inc. (f/k/a Triangle Capital Corporation).
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.
Michael Cowart (38) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Chief Compliance Officer	Since 2020	Director (since 2018), Barings; Chief Compliance Officer (since 2020) Barings Funds Trust (open-end investment company advised by Barings); Chief Compliance Officer (since 2020), Barings Corporate Investors and Barings Participation Investors (closed-end investment companies advised by Barings); Chief Compliance Officer (since 2020), Barings BDC, Inc. (business development company advised by Barings); Chief Compliance Officer (since 2020), Barings Capital Investment Corporation (business development company advised by Barings); Chief Compliance Officer (since 2019), Barings Securities LLC.

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	Secretary/Chief Legal Officer	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).
Alexandra Pacini (28) 300 South Tryon Street Suite 2500 Charlotte, NC 28202	Assistant Secretary	Since 2020	Analyst (since 2017), Barings; Assistant Secretary (since 2020), Barings Funds Trust (open-end investment company advised by Barings); Assistant Secretary (since 2020), Barings Corporate Investors and Barings Participation Investors (closed-end investment companies advised by Barings); Assistant Secretary (since 2020), Barings BDC, Inc. (business development company advised by Barings); Assistant Secretary (since 2020), CI Subsidiary Trust and PI Subsidiary Trust.

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 an in-person meeting held on August 6, 2020 (the "Meeting") 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 Meeting, 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 5th quintile for the three-year period, and the 2nd quintile for the five-year period, ended February 29, 2020 (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 ten (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, 10th, 9th, and 6th out of ten funds for the one-year, three-year and five-year periods ended February 29, 2020. 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.

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

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

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 ten (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 ten 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 BIII 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 BIII. Additionally, the Trustees considered so-called "fall-out benefits" to Barings and BIII, 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 BIII represent reasonable compensation in light of the services being provided by Barings and BIII 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 BIII Sub-Advisory Agreement should be continued for an additional one-year period through August 2021.

FUND DIVIDEND REINVESTMENT PLAN

INDEPENDENT TRUSTEES

Rodney J. Dillman
Chairman, Trustee

Dr. Bernard A. Harris, Jr.
Trustee

Thomas W. Okel
Trustee

Cynthia R. Plouché
Trustee

Martin A. Sumichrast
Trustee

OFFICERS

Sean Feeley
President

Carlene Pollock
Chief Financial Officer

Elizabeth Murray
Treasurer

Michael Freno
Vice President

Scott Roth
Vice President

Michael Cowart
Chief Compliance Officer

Jill Dinerman
Secretary/Chief Legal Officer

Alexandra Pacini
Assistant Secretary

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.

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BARINGS GLOBAL SHORT DURATION HIGH YIELD FUND
2020 ANNUAL REPORT