



**Barings Global High Yield Credit  
Strategies Limited**

(a private limited liability company incorporated  
in Ireland under registration number 527644)

**Annual Report & Audited Financial  
Statements**

for the financial year ended 31 December 2022

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# **Barings Global High Yield Credit Strategies Limited**

## **Annual Report and Audited Financial Statements**

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For the financial year ended 31 December 2022

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# Barings Global High Yield Credit Strategies Limited

## Directors and Other Information

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### Directors

Mr. Alan Behen (Irish)  
Mr. Paul Smyth (Irish)

### Registered Office

70 Sir John Rogerson's Quay  
Dublin D02 R296  
Ireland

### Investment Manager\*

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

### Sub-Investment Manager

Baring International Investment Limited  
20 Old Bailey  
London EC4M 7BF  
United Kingdom

### Custodian

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

### Administrator, Registrar and Transfer Agent

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

### Independent Auditor

KPMG  
Chartered Accountants  
1 Harbourmaster Place  
IFSC  
Dublin D01 F6F5  
Ireland

### Legal Advisers and Sponsoring Broker

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

### Company Secretary

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

\* Barings Global Investment Funds 2 Plc is not an Authorised Alternative Investment Fund under the Alternative Investment Fund Managers Directive (Directive 2011/01/EU) "AIFMD".

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# Barings Global High Yield Credit Strategies Limited

## Introduction

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Barings Global High Yield Credit Strategies Limited (the "Company") is a private limited liability company incorporated in Ireland on 16 May 2013 under the registration number 527644. The Company is a subsidiary of Barings Global High Yield Credit Strategies Fund (the "Parent"), which is listed on the Global Exchange Market of Euronext Dublin. The Parent is a fund of an Irish incorporated umbrella fund, Barings Global Investment Funds 2 Plc, which is the ultimate parent of the Company (the "Ultimate Parent"). As at 31 December 2022, the Company held investments to the value of US\$2,502,573,998 (31 December 2021: US\$3,868,344,344). The Company financed its purchases of investments by way of a loan provided by the Ultimate Parent, on behalf of its fund, the Parent.

Barings LLC (the "Investment Manager") and Baring International Investment Limited (the "Sub-Investment Manager") act as Investment Managers to the Company. The following report refers to the Investment Managers but does not distinguish between them.

### **Company objective**

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

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# Barings Global High Yield Credit Strategies Limited

## Directors' Report

For the financial year ended 31 December 2022

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The Directors present their report together with the audited financial statements of Barings Global High Yield Credit Strategies Limited (the "Company") for the financial year ended 31 December 2022.

### Statement of Directors' Responsibilities

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

Under Irish company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014 (the "Companies Act"). In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act. The Directors have appointed State Street Fund Services (Ireland) Limited (the "Administrator") to keep adequate accounting records which are located at the offices of the Administrator at 78 Sir John Rogerson's Quay, Dublin D02 HD32, Ireland.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to State Street Custodial Services (Ireland) Limited (the "Custodian") for safe-keeping, who have been appointed as Custodian to the Company pursuant to the terms of a Custodian Agreement. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act.

The financial statements are published at: [www.baring.com](http://www.baring.com). The Directors together with the Investment Manager are responsible for the maintenance and integrity of the website as far as it relates to Barings Funds. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Business review and future developments

The Directors do not anticipate any change in the structure or investment objectives of the Company.

### Directors

The names and nationalities of persons who were Directors at any time during the financial year ended 31 December 2022 are set out below:

Mr. Alan Behen (Irish)  
Mr. Paul Smyth (Irish)

Unless stated otherwise, the Directors served for the entire financial year.

### Directors' and Company Secretary's interests

None of the current Directors, Matsack Trust Limited (the "Company Secretary") or their families hold or held any beneficial interest in the shares of the Company during the financial year ended 31 December 2022 (31 December 2021: Nil).

### Transactions involving Directors

Other than as stated in Note 9 of these financial statements there were no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act, at any time during the financial year ended 31 December 2022 (31 December 2021: None).

All of the Directors are also Directors of the Ultimate Parent. Mr. Alan Behen and Mr. Paul Smyth are employees of Baring International Fund Managers (Ireland) Limited, a Distributor to the Ultimate Parent.

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# Barings Global High Yield Credit Strategies Limited

## Directors' Report (continued)

For the financial year ended 31 December 2022

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### Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

### Risk management objectives and policies

An investment in the Company involves a high degree of risk, including, but not limited to, the risks as outlined below. An investment in the Company is only suitable for investors who are in a position to take such risks. There can be no assurance that the Company will achieve its objectives, and the value of shares can go down as well as up. The principal risks and uncertainties faced by the Company are market price risk, foreign currency risk, liquidity risk, credit risk and interest rate risk, which are outlined in Note 10 of these financial statements.

### Results and distributions

The results of operations for the financial year are set out in the Statement of Comprehensive Income. No dividends are recommended by the Directors in respect of the financial year ended 31 December 2022 or 31 December 2021.

### Accounting records

The Directors ensure compliance with the Company's obligation to maintain adequate accounting records by appointing competent persons to be responsible for them. The accounting records are kept by State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin D02 HD32.

### Significant events during the financial year

#### *Ukraine/Russia conflict*

The ongoing conflict between Russia and Ukraine has led to significant disruption and volatility in the global stock market. As a result of this, the fair value of Russian securities held within the Company experienced a sharp decline. As a consequence of this, management made the determination to value all Russian, Ukrainian and Belarusian sovereign local bonds, sovereign hard currency debt (USD / EUR) and corporate bonds on a bid basis. This was based on the current restrictions on trading due to sanctions and market liquidity. The Company had exposure to Russian and Ukrainian assets of 0.02% and Nil at 31 December 2022 (31 December 2021: 0.50% and 0.74%) respectively. The ongoing ramifications of the evolving conflict may not be limited to Russia and Russian companies or Ukraine but may spill over to other regional and global economic marks, and the extent of the resulting impact is uncertain. Barings continues to monitor the situation in Ukraine and consider appropriate measures for the affected Company.

#### *COVID-19*

While the degree of disruption and market volatility within international markets resulting from the impact of COVID-19 continues to decline, the ongoing prevalence of the disease has an ongoing impact not only on demand for goods and services, but also supply chains. Concerns about the spread of COVID-19 and other outbreaks of health epidemics and contagious diseases in the past have caused governments at various times to take measures to prevent the spread of viruses, including restrictions on travel and public transport and prolonged closures of workplaces which may recur upon a new outbreak, recurrence or mutation of COVID-19 or other communicable diseases. Such occurrences on a global scale may affect investment sentiment and result in volatility in global capital markets or adversely affect regional or global economies, which may in turn give rise to significant costs to the Company and adversely affect the Company's business and financial results.

#### *Brexit*

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

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

### Significant events after the financial year end

There were no significant events affecting the Company after the financial year end.

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## Barings Global High Yield Credit Strategies Limited

### Directors' Report (continued)

For the financial year ended 31 December 2022

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#### Independent auditor

The Auditor, KPMG, Chartered Accountants and Registered Auditors have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act.

On behalf of the Board of Directors:



Director: \_\_\_\_\_



Director: \_\_\_\_\_

Date: 25 April 2023



**KPMG**  
**Audit**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

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

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

#### ***Opinion***

We have audited the financial statements of Barings Global High Yield Credit Strategies Limited ('the Company') for the year ended December 31, 2022 set out on pages 9 to 37, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes Equity, Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 2.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2022 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014

#### ***Basis for opinion***

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

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

#### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### ***Other information***

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

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





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

Based solely on our work on the other information undertaken during the course of the audit, we report that:

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

### ***Our opinions on other matters prescribed by the Companies Act 2014 are unmodified***

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

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

### ***We have nothing to report on other matters on which we are required to report by exception***

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

### ***Respective responsibilities and restrictions on use***

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

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

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

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

Frank Gannon  
for and on behalf of  
KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

26 April 2023


# Barings Global High Yield Credit Strategies Limited


## Statement of Financial Position

As at 31 December 2022

	Note	31 December 2022 US\$	31 December 2021 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss:			
- Investments	10	2,502,573,998	3,868,344,344
- Forward foreign exchange contracts	10	1,706,676	326,272
- Options purchased	10	5,709,120	-
Other receivables	5	40,477,193	47,249,559
Receivable for investments sold	10	1,944,941	110,630,733
Cash and cash equivalents	3	125,197,412	128,992,649
<b>Total assets</b>		<b>2,677,609,340</b>	<b>4,155,543,557</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss:			
- Loan and coupon payable on loan from the Ultimate Parent	9	(2,660,491,599)	(4,021,050,986)
- Unfunded loans	10	(148,085)	-
Financial liabilities held for trading			
- Forward foreign exchange contracts	10	(9,814,359)	(15,213,116)
Payable for investments purchased	10	(7,084,145)	(119,180,680)
Other payables and accrued expenses	6	(69,077)	(96,901)
<b>Total liabilities</b>		<b>(2,677,607,265)</b>	<b>(4,155,541,683)</b>
<b>Net assets</b>		<b>2,075</b>	<b>1,874</b>
<b>Equity</b>			
Share capital	4	1	1
Retained earnings		2,074	1,873
<b>Total Equity</b>		<b>2,075</b>	<b>1,874</b>

On behalf of the Board of Directors:

  
 Director: \_\_\_\_\_  
 Alan Behen

  
 Director: \_\_\_\_\_  
 Paul Smyth

Date: 25 April 2023

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

# Barings Global High Yield Credit Strategies Limited

## Statement of Comprehensive Income

For the financial year ended 31 December 2022

	Note	31 December 2022 US\$	31 December 2021 US\$
<b>Income</b>			
Net change on financial assets at fair value through profit or loss	8	(390,694,148)	287,350,076
Net change on financial liabilities at fair value through profit or loss	9	392,933,409	(285,512,902)
<i>Other income/(expense)</i>			
Net loss on foreign exchange		(1,201,506)	(418,174)
<b>Net operating income</b>		<b>1,037,755</b>	<b>1,419,000</b>
<b>Expenses</b>			
Hedging transaction costs		(269,034)	(222,948)
Audit and tax reporting fee	6	(60,208)	(65,678)
Miscellaneous fee		(63,537)	(101,940)
Credit facility fee		(505,927)	(797,379)
<b>Total operating expenses</b>		<b>(898,706)</b>	<b>(1,187,945)</b>
<b>Net profit before finance cost</b>		<b>139,049</b>	<b>231,055</b>
<b>Finance costs</b>			
Interest expense		(124,711)	(95,823)
Commission on options		(5,131)	-
Withholding tax		(8,939)	(134,947)
<b>Profit before income tax for the financial year</b>		<b>268</b>	<b>285</b>
Tax on ordinary activities	14	(67)	(71)
<b>Profit after tax</b>		<b>201</b>	<b>214</b>

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

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

# Barings Global High Yield Credit Strategies Limited

## Statement of Changes In Equity

For the financial year ended 31 December 2022

### Financial year ended 31 December 2022

	Note	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at beginning of the financial year	4	1	1,873	1,874
Profit for the financial year		-	201	201
Balance at end of the financial year		1	2,074	2,075

### Financial year ended 31 December 2021

	Note	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance at beginning of the financial year	4	1	1,659	1,660
Profit for the financial year		-	214	214
Balance at end of the financial year		1	1,873	1,874

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

# Barings Global High Yield Credit Strategies Limited

## Statement of Cash Flows

For the financial year ended 31 December 2022

	31 December 2022 US\$	31 December 2021 US\$
<b>Cash flows from operating activities</b>		
Profit after tax	201	214
Adjustments for:		
Net movement on financial assets	1,356,798,569	(257,634,953)
Unrealised gain on derivatives	(6,779,161)	(24,178,522)
Coupon (income)/expense on loan from Ultimate Parent	(392,933,409)	285,512,902
<b>Operating cash inflows before movements in working capital</b>	<b>957,086,200</b>	<b>3,699,641</b>
Movement in other receivables	6,772,366	(6,786,614)
Movement in other payables	(27,824)	1,292
<b>Net cash inflows/(outflows) from operating activities</b>	<b>963,830,742</b>	<b>(3,085,681)</b>
<b>Financing activities</b>		
Proceeds of loan from the Ultimate Parent	948,659,301	655,747,094
Repayment of loan to the Ultimate Parent	(1,916,285,280)	(612,525,421)
<b>Net cash (outflows)/inflows from financing activities</b>	<b>(967,625,979)</b>	<b>43,221,673</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,795,237)</b>	<b>40,135,992</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>128,992,649</b>	<b>88,856,657</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>125,197,412</b>	<b>128,992,649</b>
<b>Supplementary information</b>		
Coupon received	235,363,538	210,856,511
Dividend received	11,797,391	2,439,845
Interest paid	(124,711)	(95,823)
Tax paid	(71)	(76)

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

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# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements

For the financial year ended 31 December 2022

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### 1. Basis of measurement

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Interpretations adopted by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU") and the Companies Act 2014.

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

The preparation of financial statements in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Except where indicated below, the Company has consistently applied the accounting policies for both periods presented in these financial statements.

The financial statements are presented in U.S. Dollars ("US\$") and rounded to the nearest US\$.

These financial statements were prepared on a going concern basis.

The registered number of the Company is 527644.

### 2. Significant accounting policies

#### (a) New standards, amendments and interpretations issued and effective for the financial year beginning on or after 1 January 2022

The following new and amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- COVID-19 Related Rent Concessions (Amendment to IFRS 16).
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37).
- Property, Plant and Equipment; Proceeds before Intended Use (Amendments to IAS 16).
- Reference to the Conceptual Framework (Amendments to IFRS 3).

There are no new standards, amendments or interpretations issued and effective for the financial period beginning 1 January 2022 that have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

#### (b) New standards, amendments and interpretations issued but not yet effective for the financial year beginning on or after 1 January 2022 and not early adopted

The following new and amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

IFRS 17: Insurance Contracts, was issued in May 2017 and will become effective for accounting periods beginning on or after 1 January 2023. It applies to: insurance contracts, including reinsurance contracts, issued by an entity; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as 'a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'. The new standard is not expected to have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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### 2. Significant accounting policies (continued)

#### (b) New standards, amendments and interpretations issued but not yet effective for the financial year beginning on or after 1 January 2022 and not early adopted (continued)

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

The International Accounting Standards Board has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

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

#### (c) Foreign currency translation

##### *Functional and presentation currency*

The functional currency and presentation currency of the Company is US\$.

##### *Transactions and balances*

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are recognised in the Statement of Comprehensive Income in the year in which they arise. Foreign exchange gains and losses on financial assets and liabilities at FVTPL are recognised together with other changes in fair value. Net foreign exchange gains/(losses) on non-monetary and monetary financial assets and liabilities other than those classified as at FVTPL are included in the Statement of Comprehensive Income.

#### (d) Financial assets and liabilities

##### (i) Recognition and initial measurement

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

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

##### (ii) Classification and subsequent measurement

###### *Classification of financial assets and financial liabilities*

IFRS 9 contains three principle classification categories for financial instruments: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and FVTPL. The classification (and subsequent measurement) of a financial instrument is based on the business model in which the financial instrument is managed, and where relevant, its cash flow characteristics. Since the Company manages and evaluates the performance of all of its financial instruments on a fair value basis in accordance with a documented investment strategy it must classify its financial assets and financial liabilities as FVTPL. Loan from the Ultimate Parent and coupon payable on loan from the Ultimate Parent are recorded at fair value and are classified as liabilities at FVTPL when they either eliminate or significantly reduce an accounting mismatch.

###### *Subsequent measurement*

Subsequent to initial recognition, all instruments classified at fair value through profit or loss were measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Assets and liabilities not carried at fair value were carried at amortised cost; their carrying values were a reasonable approximation of fair value.

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# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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### 2. Significant accounting policies (continued)

#### (d) Financial assets and liabilities (continued)

##### (iii) Fair value measurement principles

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

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

Financial assets and financial liabilities are priced at current mid prices. However, this does not impact on the profit for this financial year or the comparative financial year as any change is effectively transferred to the Parent, via the loans obtained from the Ultimate Parent. Under the loan agreement, all of the Company's profit or loss (except for a yearly profit of €250) is incorporated into the value of the outstanding loan. Accordingly any additional gains or losses arising from this pricing methodology change (as disclosed above) will be offset by an equal and opposite adjustment to the coupon payable amount on the loan from the Ultimate Parent.

If a quoted price is not available from a recognised market, or is unrepresentative in the opinion of the Directors or their delegate, such a security shall be valued, by estimating with care and in good faith the probable realisation value of the investment, by the Directors or their delegate or a competent person, which may be Barings LLC (the "Investment Manager") or Baring International Investment Limited (the "Sub-Investment Manager") together (the "Investment Managers"), appointed by the Directors and each approved for the purpose by the State Street Custodial Services (Ireland) Limited (the "Custodian"), or valued at the probable realisable value estimated with care and in good faith by any other means, provided that the value is approved by the Custodian.

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

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

##### (iv) Amortised cost measurement principles

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

##### (v) Impairment

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

##### (vi) Derecognition

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

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

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

##### (vii) Forward foreign exchange contracts

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



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# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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### 2. Significant accounting policies (continued)

#### (d) Financial assets and liabilities (continued)

##### (vii) Forward foreign exchange contracts (continued)

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

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

##### (viii) Collateralised Loan Obligations ("CLO")

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

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

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

The NAV at 31 December 2022 provided by the administrators of the underlying funds may subsequently be adjusted when audited financial statements for the underlying funds become available. The Board of Directors and the Investment Manager will consider from time to time other factors that may have an impact on the NAV per share of the underlying funds and may consider adjusting its price to reflect a more appropriate fair value of a collective investment scheme. There have been no such adjustments at 31 December 2022 (2021: Nil).

##### (x) Options

Options are derivative financial instruments that give the buyer, in exchange for a premium payment, the right but not the obligation to either purchase from (call option) or sell to (put option) the writer a specified underlying instrument at a specified price on or before a specified date. Daily fluctuations in the value of the option contract are recorded for financial reporting purposes as unrealised gains or losses by the Company and are recorded as a realised gain or loss when the position is closed. The best evidence of fair value of a derivative at initial recognition is the transaction price. Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statement of Comprehensive Income.

##### (xi) Cash and cash equivalents

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

##### (xii) Amounts due from/(due to) brokers

Amounts due from/to brokers represents cash due from and due to brokers and cash collateral.

##### (xiii) Unfunded loans

Unfunded loans occur when the Company commits to purchase a loan asset and has purchased less than 100% of the commitment as at the financial period end. The percentage outstanding at the financial period end is the unfunded loan. The unfunded portion is carried at FVTPL on the Statement of Financial Position.

#### (e) Income

##### (i) Coupon income from financial assets at FVTPL

Coupon income on financial assets at FVTPL is included in net change on financial assets at FVTPL in the Statement of Comprehensive Income. Income not yet received is included in other receivables in the Statement of Financial Position. Income which suffers a deduction of tax at source is shown gross of withholding tax. Non-recoverable withholding tax is disclosed separately in the Statement of Comprehensive Income.

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# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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### 2. Significant accounting policies (continued)

#### (e) Income (continued)

##### (ii) Bank interest and interest expense

Bank interest and interest expense is recognised on an effective interest method and includes interest income and expense from cash and cash equivalents. Bank interest income and expense is included in net change on financial assets at FVTPL and interest expense in the Statement of Comprehensive Income, respectively. Bank interest income not yet received is included in other receivables in the Statement of Financial Position on an accruals basis.

#### (f) Net change on financial assets at FVTPL

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

#### (g) Net change on financial liabilities at FVTPL

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

#### (h) Expenses

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

#### (i) Taxation

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

In accounting for uncertainties in income tax, the Investment Managers apply a policy which is based upon the probability and materiality of a tax liability or refund crystallising if the manager were to realise all assets and wind up the Company T+0. The principals of our policy are detailed below.

- If there is a high probability of a tax position arising which represents a material value or devaluation of the investors interest then the manager will accrue for this in the balance sheet.
- If there is a low probability of a tax position arising, but the position would have a material effect on the value of the investors interests, the manager will provide a disclosure in the financial statements so as to ensure that investors are aware of the value at risk to their investment.
- If there is a low probability of a tax position arising and the position would not have a material effect on the value of the investors interests then the manager will not accrue for this in the balance sheet or make a disclosure in the financial statements.

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

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

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

#### (k) Coupon income and expense

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

### 3. Cash and cash equivalents

Cash and cash equivalents are held with the Custodian. State Street Corporation, the parent company of the Custodian, had a Standard & Poor's credit rating of A as at 31 December 2022 (31 December 2021: A). As at 31 December 2022, the Company held US\$125,197,412 (31 December 2021: US\$128,992,649) in cash and cash equivalents.

### 4. Share capital

The authorised share capital of the Company is €1.

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

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 4. Share capital (continued)

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

The Company does not have any externally imposed capital requirements.

### 5. Other receivables

	31 December 2022 US\$	31 December 2021 US\$
Coupon receivable on loan investments	13,710,615	10,855,277
Principal receivable on loan investments	1,091,224	148,953
Coupon receivable on bonds	25,663,786	36,207,163
Dividend receivable	11,568	11,568
Other receivable	-	26,598
	<u>40,477,193</u>	<u>47,249,559</u>

### 6. Other payables and accrued expenses

	31 December 2022 US\$	31 December 2021 US\$
Hedging fee payable	(16,333)	(16,333)
Audit and tax reporting fee payable	(11,140)	(9,880)
Miscellaneous payables	(2,513)	(5,640)
Liquidity fee payable	(39,091)	(65,048)
	<u>(69,077)</u>	<u>(96,901)</u>

The table below outlines the statutory audit fees and tax advisory and compliance services fees charged for the financial years ended 31 December 2022 and 31 December 2021:

	31 December 2022 US\$	31 December 2021 US\$
Statutory audit	(54,114)	(60,726)
Tax advisory and compliance services	(6,094)	(4,952)
Total	<u>(60,208)</u>	<u>(65,678)</u>

The above figures are exclusive of VAT.

### 7. Dividends

No dividends are recommended by the Directors in respect of the financial year ended 31 December 2022 and 31 December 2021.

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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

	31 December 2022 US\$	31 December 2021 US\$
Coupon income from financial assets at FVTPL	227,675,499	217,941,249
Dividend income (gross of withholding tax)	11,797,391	2,439,845
<i>Income from investments</i>		
- Realised (loss)/gain on investments	(280,370,651)	50,521,121
- Unrealised net change on investments	(462,535,392)	(54,194,554)
- Realised gain on derivatives	105,959,844	46,463,894
- Unrealised net change on derivatives	6,779,161	24,178,521
	(390,694,148)	287,350,076

### 9. Related party transactions

#### Loan from the Ultimate Parent

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

The carrying amount of the loan and coupon payable on the loan from the Ultimate Parent, designated at fair value through profit or loss as at 31 December 2022, was US\$2,660,491,599 (31 December 2021: US\$4,021,050,986). The net change on financial liabilities at fair value through profit or loss for the year ended 31 December 2022 was US\$392,933,409 (31 December 2021: US\$(285,512,902)) as disclosed in the Statement of Comprehensive Income.

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

#### Revolving credit facility and security deed

Until 6 July 2022, the Company had a base currency revolving credit facility with State Street Bank and Trust Company, Bank of America N.A., Barclays Bank PLC, BNP Paribas and National Australia Bank Limited. Under this agreement a credit facility may from time to time be made available by State Street Bank and Trust Company to the Company. This was a limited recourse agreement, with recourse being limited to the assets of the Company. There was also a security deed in place between the Company and State Street Bank and Trust Company whereby the Parent acted as guarantor for the credit facility extended. With effect from 6 July 2022 this revolving credit facility was updated to amend the borrower from being the Company to being the Parent. The Company acts as guarantor for the credit facility extended. As at 31 December 2022, there was no amount outstanding on this credit facility (31 December 2021: no amount outstanding). Lines were not drawn through 2022. Interest expense on this facility was accounted for on an effective interest rate basis and was included within the finance costs line item on the Statements of Comprehensive Income.

#### Investment Managers

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

#### Investments in other entities managed by the Investment Managers

At 31 December 2022, the Company held 9.46% (31 December 2021: 9.86%) of the NAV of Barings USD Liquidity Fund, a sub-fund of Barings Umbrella Fund plc, which is also managed by the Investment Manager.

#### Directors' and Secretary's interests

Neither the Directors nor the Company Secretary held any shares in the Company. Directors' fees for the financial year amounted to US\$Nil (31 December 2021: US\$Nil) of which US\$Nil (31 December 2021: US\$Nil) was payable at the financial year end.

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# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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### 9. Related party transactions (continued)

#### Directors' and Secretary's interests (continued)

Mr. Alan Behen and Mr. Paul Smyth are also Directors of the Ultimate Parent. Mr. Alan Behen and Mr. Paul Smyth are employees of Baring International Fund Managers (Ireland) Limited, a Distributor to the Ultimate Parent. While these Directors do not receive fees from the Company directly for their role as Directors, they are paid through their employment with the Distributor to the Ultimate Parent.

### 10. Financial instruments and associated risks

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

#### (a) Market risk

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

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

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

As the majority of the financial instruments are carried at FVTPL, all changes in market conditions will directly impact the Company's results.

#### Managing interest rate benchmark reform and associated risks

A fundamental reform of IBOR benchmarks has been triggered by the Financial Conduct Authority and is being undertaken globally, leading to their replacement with alternative nearly risk-free rates (referred to as 'IBOR reform'). Publication of 24 of the 35 IBOR settings ceased from 1 January 2022 and risk-free rates like Sterling Overnight Index Average (SONIA) and Secured Overnight Financing Rate (SOFR) benchmarks are the replacement. The Sub-Funds are exposed to IBOR benchmarks through investments in fixed income and loan securities, derivatives and other interest-bearing assets.

The fallback language review for IBOR reform in respect of GBP was completed in Q4 2021, with GBP LIBOR assets transitioning to SONIA in all cases. The transition occurred before the first post-LIBOR interest rate payment date in the first half of 2022. The GBP LIBOR assets held by the Sub-Funds all matured in the same timeframe and no GBP LIBOR assets remained after June 2022.

The main risks to which the Sub-Funds have been exposed as a result of IBOR reform are firstly operational: resulting from the impact of the transition on the products, assets and the technology Barings uses to manage both of these, and secondly financial: predominantly interest rate risk.

The Sub-Funds assessment of whether a change to an amortised cost financial instrument is substantial, is made after applying the practical expedient introduced by IBOR reform Phase 2. The Sub-Funds update the effective interest rate, without modifying the carrying amount of the financial instrument if the basis for determining the contractual cash flows of the financial instrument, measured at amortised cost, changes as a direct consequence from the reform and if the change is economically equivalent to the previous basis (i.e. the basis immediately before the change).

Management commissioned a project team to assess the impact of the IBOR transition and the impact on products, assets and technology, with the decision being taken to ultimately transition all GBP LIBOR benchmarked products to new rates by 30 June 2022 and USD LIBOR benchmarked products by 30 June 2023. Regarding the transition of IBOR-benchmarked assets, a third-party service provider was engaged to review the strength of each asset's contractual fallback language and agreed a transition risk rating for that asset, completing this by Q1 2021. Loans on-boarded subsequently were risk rated, excepting assets originated in 2019 or later, as market participants demonstrated a good understanding of IBOR transition risk and assets issued after this point generally had good fallback language in place. In late 2021, Management reached out to issuers of the GBP LIBOR assets it held to ensure those assets had good fallback language, mitigating the risk of uncertainty in the transition process and specifically to avoid any GBP LIBOR asset falling back to a fixed rate through issuer inaction. The transition language itself was determined and proposed by the issuer and approved by the investment team holding the asset. The actual transition of an asset is similarly triggered by its issuer. The same fallback language review process took place for USD LIBOR assets in late 2022.

A contractual modification is deemed substantial if the discounted present value of the cash flows under the revised terms (discounting using the original effective interest rate) is at least 10% different from the discounted present value of the remaining cash flows of the original financial asset. Qualitative factors such as a change in the currency on which the financial asset is denominated and conversion features are also considered.

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (a) Market risk (continued)

As at 31 December 2022, the Sub-Funds remaining IBOR exposure is indexed to USD LIBOR. In March 2021 the FCA agreed to extend the life of USD LIBOR to 30 June 2023. At the same time the Alternative Reference Rates Committee (ARRC) proposed updated language for legislation addressing the IBOR transition, which served as a model for legislation that has since been enacted by the states of New York and Alabama. On 29 July 2021 the House Committee on Financial Services voted to further the "Adjustable Interest Rate (LIBOR) Act of 2021" ("H.R. 4616"). These two pieces of legislation apply to contracts that lack clearly defined fallback provisions and offer these assets a process to fall back to SOFR.

In effect this creates two USD LIBOR transition categories: assets with strong fallback transition language which fall back to a contractually agreed non-LIBOR reference rate and assets with weak fallback transition language, which fall back to SOFR under the Safe Harbour provision.

As at 31 December 2022, the fallback language review for IBOR reform in respect of USD has been completed, with USD LIBOR assets expected to transition to SOFR in all cases. However, the transition itself will only occur before the first post-LIBOR interest rate payment date. The transition will occur before the 30 June 2023 deadline.

The following table shows the total carrying amounts of USD LIBOR assets with unreformed contracts and those with appropriate fallback language at 31 December 2022.

Sub-Funds	Financial assets at FVTPL	Total amount of unreformed contracts*	USD LIBOR	Amount with maturity before 30 June 2023
			Amount with appropriate fallback language	
Barings Global High Yield Credit Strategies Limited	Loan	85,457,149	480,657,147	4,148,788

\* As a result of the Safe Harbour provision, the AIFM no longer reviews fallback language, as the AIFM assessed fallback risk rating is no longer relevant. These assets will fallback to SOFR in all cases. US\$73,080,026 of USD LIBOR assets in this category are included under unreformed contracts.

#### (i) Foreign currency risk

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

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

The following table sets out the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities at 31 December 2022:

	Financial assets and liabilities at FVTPL US\$	Cash and cash equivalents US\$	Other assets and liabilities* US\$	Forward foreign exchange contracts US\$	Net exposure US\$	% of Total Assets** %
CAD	-	16,371	-	(16,421)	(50)	-
EUR	540,790,356	52,277,927	4,897,362	(594,275,550)	3,690,095	0.14
GBP	160,745,399	6,376,035	1,238,630	(171,262,446)	(2,902,382)	(0.11)

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

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



# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (a) Market risk (continued)

##### (i) Foreign currency risk (continued)

The following table sets out the Company's total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities at 31 December 2021:

	Financial assets and liabilities at FVTPL US\$	Cash and cash equivalents US\$	Other assets and liabilities* US\$	Forward foreign exchange contracts US\$	Net exposure US\$	% of Total Assets** %
CAD	12,174,355	288,675	-	(12,378,671)	84,359	-
EUR	863,292,037	18,394,768	5,846,139	(902,899,693)	(15,366,749)	(0.37)
GBP	222,762,001	13,007,770	1,459,364	(225,531,389)	11,697,746	0.28

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

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

#### Sensitivity analysis

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

The Company is exposed to foreign currency risk, however the risk is effectively transferred to the Parent via the loan obtained from the Ultimate Parent, since under the loan agreement, all of the Company's profit or loss except for an immaterial amount of €250 per calendar financial year (US Dollar equivalent at 31 December 2022: US\$268 and at 31 December 2021: US\$285) will be incorporated into the value of the outstanding loans (please see Note 9 of these financial statements). Accordingly, any additional gains or losses arising from changes in foreign currency rates will be offset by an equal and opposite adjustment to the interest payable amount on the loan from the Ultimate Parent.

As at 31 December 2022, had the exchange rate increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in the value of the Company's investments, denominated in currencies other than the base currency of the Company, would be as follows:

	31 December 2022 US\$	31 December 2021 US\$
CAD	(3)	4,218
EUR	184,505	(768,337)
GBP	(145,119)	584,887

##### (ii) Interest rate risk

The Company is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. The Company's investments which are subject to interest rate risk consist of Bonds, CLO's and Loans. The loans have a floating rate payment structure, whereby a fixed basis point spread is paid over the prevailing reference rate, typically 3M LIBOR or EURIBOR, reset on a quarterly or semi-annual basis.

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

At 31 December 2022, the Company's liabilities that are exposed to changes to interest rates are the loan from the Ultimate Parent and Unfunded loans (31 December 2021: loan from Ultimate Parent).

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (a) Market risk (continued)

##### (ii) Interest rate risk (continued)

The following tables detail the Company's exposure to interest rate risk. It includes the Company's assets and trading liabilities at fair values, categorised by maturity date and measured by the carrying value of the assets and liabilities at 31 December 2022:

31 December 2022

	Within one year US\$	1 - 5 years US\$	Greater than 5 years US\$	Non- interest bearing US\$	Total US\$
<b>Assets</b>					
Financial assets at FVTPL:					
- Investments	103,780,980	1,045,932,624	1,140,189,407	212,670,987	2,502,573,998
- Forward foreign exchange contracts	-	-	-	1,706,676	1,706,676
- Options purchased	-	-	-	5,709,120	5,709,120
Other receivables	-	-	-	40,477,193	40,477,193
Receivable for investments sold	-	-	-	1,944,941	1,944,941
Cash and cash equivalents	125,197,412	-	-	-	125,197,412
<b>Total assets</b>	<u>228,978,392</u>	<u>1,045,932,624</u>	<u>1,140,189,407</u>	<u>262,508,917</u>	<u>2,677,609,340</u>
<b>Liabilities</b>					
Financial liabilities at FVTPL:					
- Loan and coupon payable from Ultimate Parent	(2,660,491,599)	-	-	-	(2,660,491,599)
- Unfunded loans	-	-	(148,085)	-	(148,085)
Financial liabilities held for trading:					
- Forward foreign exchange contracts	-	-	-	(9,814,359)	(9,814,359)
Payable for investments purchased	-	-	-	(7,084,145)	(7,084,145)
Other payables and accrued expenses	-	-	-	(69,077)	(69,077)
<b>Total liabilities</b>	<u>(2,660,491,599)</u>	<u>-</u>	<u>(148,085)</u>	<u>(16,967,581)</u>	<u>(2,677,607,265)</u>
<b>Total interest sensitivity gap</b>	<u>(2,431,513,207)</u>	<u>1,045,932,624</u>	<u>1,140,041,322</u>		

31 December 2021

	Within one year US\$	1 - 5 years US\$	Greater than 5 years US\$	Non- interest bearing US\$	Total US\$
<b>Assets</b>					
Financial assets at FVTPL:					
- Investments	42,565,009	1,725,163,905	1,957,434,357	143,181,073	3,868,344,344
- Forward foreign exchange contracts	-	-	-	326,272	326,272
Other receivables	-	-	-	47,249,559	47,249,559
Receivable for investments sold	-	-	-	110,630,733	110,630,733
Cash and cash equivalents	128,992,649	-	-	-	128,992,649
<b>Total assets</b>	<u>171,557,658</u>	<u>1,725,163,905</u>	<u>1,957,434,357</u>	<u>301,387,637</u>	<u>4,155,543,557</u>
<b>Liabilities</b>					
Financial liabilities at FVTPL:					
- Loan and coupon payable from Ultimate Parent	(4,021,050,986)	-	-	-	(4,021,050,986)
Financial liabilities held for trading:					
- Forward foreign exchange contracts	-	-	-	(15,213,116)	(15,213,116)
Payable for investments purchased	-	-	-	(119,180,680)	(119,180,680)
Other payables and accrued expenses	-	-	-	(96,901)	(96,901)
<b>Total liabilities</b>	<u>(4,021,050,986)</u>	<u>-</u>	<u>-</u>	<u>(134,490,697)</u>	<u>(4,155,541,683)</u>
<b>Total interest sensitivity gap</b>	<u>(3,849,493,328)</u>	<u>1,725,163,905</u>	<u>1,957,434,357</u>		



# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (a) Market risk (continued)

##### *Interest rate sensitivity*

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

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

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

Interest change %	% Effect on Loan Fair Value 31 December 2022	Interest change %	% Effect on Loan Fair Value 31 December 2022
(1.00)	+1.00	+1.00	(0.97)
(1.50)	+1.51	+1.50	(1.45)
(2.00)	+2.02	+2.00	(1.91)

Interest change %	% Effect on Loan Fair Value 31 December 2021	Interest change %	% Effect on Loan Fair Value 31 December 2021
(0.50)	+0.55	+0.50	(0.55)
(0.75)	+0.83	+0.75	(0.82)
(1.00)	+1.12	+1.00	(1.09)

#### (iii) Price risk

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

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

##### *Sensitivity analysis*

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

A 5% increase in investment prices at 31 December 2022 would have increased the value of investments at FVTPL by US\$125,128,700 (31 December 2021: US\$193,417,217) and it would have also increased the value of the loans from the Ultimate Parent by an equal amount. The net impact on the net assets of the Company as at 31 December 2022 would be Nil (31 December 2021: Nil).

#### (b) Credit risk

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

The Company's credit risk concentration is spread between a number of counterparties. The top ten holdings in the Company as at 31 December 2022 represented 12.39% (31 December 2021: 6.29%) of the market value of the Company's assets.

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

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## Barings Global High Yield Credit Strategies Limited

### Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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#### 10. Financial instruments and associated risks (continued)

##### (b) Credit risk (continued)

In purchasing sub-participations, the Company generally will not have the right to enforce compliance by the obligor with the terms of the applicable debt agreement nor directly benefit from the supporting collateral for the debt in respect of which it has purchased a sub-participation. As a result, the Company will assume the credit risk of both the obligor and the institution selling the sub-participation. The Company did not hold any sub-participations as at 31 December 2022 and 31 December 2021.

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

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

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

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (b) Credit risk (continued)

At 31 December 2022, the Company's derivative assets and liabilities are as follows:

Description	Counterparty	Value of derivative assets US\$	Financial instruments US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	National Australia Bank	1,183,100	(1,183,100)	-	-
Forward foreign exchange contracts	State Street Bank	523,576	(523,576)	-	-
Options purchased	Morgan Stanley	5,709,120	-	-	5,709,120
		<u>7,415,796</u>	<u>(1,706,676)</u>	<u>-</u>	<u>5,709,120</u>
	Counterparty	Value of derivative liabilities US\$	Financial instruments US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	National Australia Bank	(5,574,412)	1,183,100	-	(4,391,312)
Forward foreign exchange contracts	State Street Bank	(4,239,947)	523,576	-	(3,716,371)
		<u>(9,814,359)</u>	<u>1,706,676</u>	<u>-</u>	<u>(8,107,683)</u>

At 31 December 2021, the Company's derivative assets and liabilities are as follows:

	Counterparty	Value of derivative assets US\$	Financial instruments US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	326,272	(326,272)	-	-
		<u>326,272</u>	<u>(326,272)</u>	<u>-</u>	<u>-</u>
	Counterparty	Value of derivative liabilities US\$	Financial instruments US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	National Australia Bank	(8,592,917)	-	-	(8,592,917)
Forward foreign exchange contracts	State Street Bank	(6,620,199)	326,272	-	(6,293,927)
		<u>(15,213,116)</u>	<u>326,272</u>	<u>-</u>	<u>(14,886,844)</u>

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (b) Credit risk (continued)

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

	% of Market Value 31 December 2022	% of Market Value 31 December 2021
Argentina	-	0.1
Australia	0.4	0.5
Belarus	-	0.1
Belgium	0.6	0.5
Brazil	1.7	1.9
Canada	1.0	1.1
Cayman Islands	0.3	-
Chile	0.6	0.3
China	1.2	2.7
Congo	-	0.1
Costa Rica	-	0.1
Denmark	2.4	2.0
Finland	0.3	0.3
France	3.9	4.4
Georgia	-	0.2
Germany	4.3	3.5
Ghana	0.4	0.3
Greece	0.4	0.4
Guatemala	0.6	0.1
India	1.4	1.3
Indonesia	0.7	0.7
Ireland	7.4	2.6
Italy	1.0	0.6
Jamaica	0.2	0.2
Macau	0.1	0.1
Mauritius	0.1	0.1
Mexico	0.8	1.0
Moldova	-	0.2
Netherlands	1.0	1.7
Nigeria	-	0.2
Norway	0.3	0.2
Oman	-	0.1
Panama	0.2	0.1
Paraguay	-	0.1
Peru	0.1	0.1
Puerto Rico	0.2	0.3
Qatar	-	0.1
Russia	-	0.5
Saudi Arabia	0.2	0.1
Slovenia	0.2	0.1
South Africa	0.1	0.5
Spain	1.5	2.6
Sweden	0.8	0.8
Switzerland	-	0.2
Thailand	0.1	0.3
Turkey	-	0.2
Ukraine	-	0.7
United Arab Emirates	-	0.3
United Kingdom	10.0	9.9
United States	55.1	54.8

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (b) Credit risk (continued)

	% of Market Value 31 December 2022	% of Market Value 31 December 2021
Uzbekistan	0.2	0.2
Zambia	0.2	0.5
	<u>100.0</u>	<u>100.0</u>

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

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

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

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

Moody's Rating	% of Market Value 31 December 2022	% of Market Value 31 December 2021
Baa3	1.8	1.4
Ba1	3.4	1.5
Ba2	4.8	4.7
Ba3	13.2	14.6
B1	10.7	12.4
B2	14.8	18.8
B3	17.6	16.8
Caa1	10.7	11.1
Caa2	8.9	7.3
Caa3	1.8	1.3
Ca	0.4	0.8
C	0.4	0.1
Not publicly rated	11.5	9.2
<b>Total</b>	<u>100.0</u>	<u>100.0</u>

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

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (b) Credit risk (continued)

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

	31 December 2022 US\$	31 December 2021 US\$
<b>Assets</b>		
Financial assets at fair value through profit or loss:		
- Investments	2,438,045,022	3,773,328,229
- Forward foreign exchange contracts	1,706,676	326,272
Options purchased	5,709,120	-
Other receivables	40,477,193	47,249,559
Receivable for investments sold	1,944,941	110,630,733
Cash and cash equivalents	125,197,412	128,992,649
<b>Total</b>	<b>2,613,080,364</b>	<b>4,060,527,442</b>

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

Substantially all of the non-loan assets of the Company (including cash) are held by the Custodian, State Street Custodial Services (Ireland) Limited. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to securities held by the Custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the Custodian the Company uses. The Standard & Poor's credit rating of State Street was A as at 31 December 2022 (31 December 2021: A), National Australia Bank Limited was AA- as at 31 December 2022 (31 December 2021: AA-), Morgan Stanley was A+ as at 31 December 2022 (31 December 2021: A+).

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

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

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

	% of Market Value 31 December 2022	% of Market Value 31 December 2021
Aerospace and Defense	2.0	2.4
Automobile	0.9	1.7
Banking	1.1	2.8
Beverage, Food and Tobacco	1.5	3.0
Broadcasting and Entertainment	4.7	4.7
Buildings and Real Estate	2.5	3.6
Cargo Transport	0.9	1.1
Chemicals, Plastics and Rubber	5.7	3.9
Collateralised Loan Obligations	10.0	10.6
Containers, Packaging and Glass	2.8	1.8
Diversified Natural Resources, Precious Metals and Minerals	0.2	0.1
Diversified/ Conglomerate Manufacturing	2.1	2.1
Diversified/ Conglomerate Service	11.5	9.7
Ecological	-	0.2
Electronics	1.0	1.7
Farming and Agriculture	0.3	0.4
Finance	9.8	4.7
Grocery	0.6	0.3
Healthcare, Education and Childcare	9.7	10.4
Home and Office Furnishings, Housewares, and Durable Consumer Products	2.4	1.9
Hotels, Motels, Inns and Gaming	2.0	2.0
Insurance	1.1	0.8

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (b) Credit risk (continued)

	% of Market Value 31 December 2022	% of Market Value 31 December 2021
Leisure, Amusement, Entertainment	3.4	6.2
Machinery Non-Agriculture, Non-Construction, Non-Electronic	0.9	1.0
Mining, Steel, Iron and Non Precious Metals	1.0	2.2
Mutual Fund	1.3	0.4
Oil and Gas	6.2	5.9
Personal and Non Durable Consumer Products Mfg. Only	0.1	0.4
Personal Transportation	1.9	1.9
Personal, Food and Miscellaneous	-	0.1
Printing and Publishing	0.6	0.9
Retail Stores	2.1	2.5
Telecommunications	7.6	6.7
Textiles and Leather	0.2	-
Utilities	1.9	1.9
	100.0	100.0

Credit risk also incorporates counterparty risk, which covers the likelihood of a counterparty failing which would principally arise on transactions with brokers that are awaiting settlement. As at 31 December 2022, the Company had trade receivables of US\$1,944,941 (31 December 2021: US\$110,630,733) and trade payables of US\$7,084,145 (31 December 2021: US\$119,180,680), of which US\$191,595 (31 March 2022: US\$16,116,839) of the receivables and US\$Nil of the payables (31 March 2022: US\$23,439,343) remains outstanding as at 31 March 2023, all other amounts have been settled. Risk relating to unsettled transactions is considered small due to the approval process of the brokers used and an active weekly settlement process employed from the outset by the Investment Managers.

#### (c) Liquidity risk

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

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

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

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

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

These restrictions will influence how quickly the Company's assets could be liquidated, if necessary, and include deferring a repurchase of redeemable shares request if the Investment Managers believe there is insufficient cash or liquid assets to meet the repurchase request. The Parent may also borrow up to 25% of its NAV to facilitate redemption payments, distribution payments or to meet the margin requirements associated with currency hedging transactions. No such amounts have been borrowed during the financial year ended 31 December 2022 or 31 December 2021.

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (c) Liquidity risk (continued)

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

Until 6 July 2022, the Company had a base currency revolving credit facility with State Street Bank and Trust Company, Bank of America N.A., Barclays Bank PLC, BNP Paribas and National Australia Bank Limited. Under this agreement a credit facility may from time to time be made available by State Street Bank and Trust Company to the Company. This was a limited recourse agreement, with recourse being limited to the assets of the Company. There was also a security deed in place between the Company and State Street Bank and Trust Company whereby the Parent acted as guarantor for the credit facility extended. With effect from 6 July 2022 this revolving credit facility was updated to amend the borrower from being the Company to being the Parent. The Company acts as guarantor for the credit facility extended. As at 31 December 2022, there was no amount outstanding on this credit facility (31 December 2021: no amount outstanding). Lines were not drawn through 2022. Interest expense on this facility was accounted for on an effective interest rate basis and was included within the finance costs line item on the Statements of Comprehensive Income.

All of the Company's financial liabilities as at 31 December 2022 and 31 December 2021 were payable within three months.

The table below sets out the Company's gross-settled derivative financial instruments at 31 December 2022. The forward foreign exchange contracts held are for share class hedging purposes:

	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
<b>Derivative financial assets and liabilities</b>				
- Asset - Forward foreign exchange contracts	766,003,793	-	-	766,003,793
- Liability - Forward foreign exchange contracts	(774,111,476)	-	-	(774,111,476)
	<u>(8,107,683)</u>	<u>-</u>	<u>-</u>	<u>(8,107,683)</u>

The table below sets out the Company's gross-settled derivative financial instruments at 31 December 2021. The forward foreign exchange contracts held are for share class hedging purposes:

	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
<b>Derivative financial assets and liabilities</b>				
- Asset - Forward foreign exchange contracts	1,209,040,870	-	-	1,209,040,870
- Liability - Forward foreign exchange contracts	(1,223,927,714)	-	-	(1,223,927,714)
	<u>(14,886,844)</u>	<u>-</u>	<u>-</u>	<u>(14,886,844)</u>

#### (d) Fair value hierarchy

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

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



# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (d) Fair value hierarchy (continued)

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

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

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

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

The majority of holdings as at 31 December 2022 and 31 December 2021 were broker priced loan holdings and bond holdings through ICE Data Services and were classified as Level 2. Single broker quotes are classified as Level 2 and Level 3 holdings depending on trading and inputs into the price. The Investment Managers independently review the prices received as single broker quotes and ensure that they are in line with expectations. There were no broker prices available for the following securities and as such, these securities have been classified as Level 3.

	Fair value 31 December 2022 US\$	Fair value 31 December 2021 US\$
Bonds	47,384,153	27,325,181
Equities	53,307,823	46,642,375
Loans	136,608,685	90,409,220
	<u>237,300,661</u>	<u>164,376,776</u>

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

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

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

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

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

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

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (d) Fair value hierarchy (continued)

The majority of investments held by the Company as at 31 December 2022 and 31 December 2021 were classified as Level 2 and were classified as Level 2 since the date of purchase. The Unfunded loans and Loan and coupon payable from the Ultimate Parent are classified as Level 2 since their values are based on the underlying investments, the majority of which are classified as Level 2.

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

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities measured at fair value at 31 December 2022:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
<b>Financial assets at FVTPL:</b>				
- Investments	150,688,141	2,114,585,196	237,300,661	2,502,573,998
- Forward foreign exchange contracts	-	1,706,676	-	1,706,676
- Options purchased	5,709,120	-	-	5,709,120
<b>Total financial assets</b>	<u>156,397,261</u>	<u>2,116,291,872</u>	<u>237,300,661</u>	<u>2,509,989,794</u>
<b>Financial liabilities at FVTPL:</b>				
- Loan and coupon payable from the Ultimate Parent	-	(2,660,491,599)	-	(2,660,491,599)
- Unfunded loans	-	(148,085)	-	(148,085)
Financial liabilities held for trading:				
- Forward foreign exchange contracts	-	(9,814,359)	-	(9,814,359)
<b>Total financial liabilities</b>	<u>-</u>	<u>(2,670,454,043)</u>	<u>-</u>	<u>(2,670,454,043)</u>

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities measured at fair value at 31 December 2021:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
<b>Financial assets at FVTPL:</b>				
- Investments	62,952,789	3,641,014,779	164,376,776	3,868,344,344
- Forward foreign exchange contracts	-	326,272	-	326,272
<b>Total financial assets</b>	<u>62,952,789</u>	<u>3,641,341,051</u>	<u>164,376,776</u>	<u>3,868,670,616</u>
<b>Financial liabilities at FVTPL:</b>				
- Loan and coupon payable from the Ultimate Parent	-	(4,021,050,986)	-	(4,021,050,986)
Financial liabilities held for trading:				
- Forward foreign exchange contracts	-	(15,213,116)	-	(15,213,116)
<b>Total financial liabilities</b>	<u>-</u>	<u>(4,036,264,102)</u>	<u>-</u>	<u>(4,036,264,102)</u>

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

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (d) Fair value hierarchy (continued)

The following table shows the movement in Level 3 of the fair value hierarchy for the financial year ended 31 December 2022 and 31 December 2021.

	Financial assets at fair value though profit or loss 31 December 2022 US\$	Financial assets at fair value though profit or loss 31 December 2021 US\$
Opening balance	164,376,776	134,398,322
Losses recognised in profit or loss	(28,134,836)	(3,180,338)
Purchases	87,771,975	87,704,504
Sales	(35,631,192)	(36,188,287)
Transfers out of Level 3	(25,862,309)	(25,135,900)
Transfers into Level 3	74,780,247	6,778,475
Closing balance	237,300,661	164,376,776
Total unrealised gains/(losses) recognised in the Statement of Comprehensive Income for assets held at the end of the financial year:		
- Included within unrealised losses on investments	(4,592,016)	(662,791)

The Company determines the fair value for loans, CLOs and some bonds using independent, unadjusted indicative broker quotes. A broker quote is generally not a binding offer. The categorisation of loan positions, CLOs and bonds are dependent if the broker quotes reflect actual current market conditions, or if they are indicative prices based on broker's valuation models, depending on the significance and observability of the inputs to the model.

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

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

At 31 December 2022, bonds, equities and loans with a fair value of US\$237,300,661 (31 December 2021: US\$164,376,776) were categorised as Level 3. This classification was given to these securities as a result of decreased liquidity in the market for these securities and wider spreads that are consequently reflected in a broader spectrum of indicative broker quotes for these securities, which are factors that indicate that the broker quotes are not based on observable prices.

The table below sets out information about significant unobservable inputs used at 31 December 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Asset Class	Fair Value US\$	Unobservable Inputs	Ranges	Weighted Average
Bonds	47,384,153	Broker Quotes	0.00-160.19	138.35
Equity	53,307,823	Stapled Equity, Broker Quote, Estimated Recovery, Internal Valuation, & 3rd Party Valuation	0.00-1,032.96	74.13
Loans	136,608,685	Broker Quotes	0.00-101.00	92.008

The table below sets out information about significant unobservable inputs used at 31 December 2021 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Asset Class	Fair Value US\$	Unobservable Inputs	Ranges	Weighted Average
Bonds	27,325,181	Broker Quotes	0.00-196.26	192.49
Equity	46,642,375	Stapled Equity, Broker Quote, Estimated Recovery, Internal Valuation, & 3rd Party Valuation	0.00-1,049.36	88.65
Loans	90,409,220	Broker Quotes	0.00-108.00	97.79

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 10. Financial instruments and associated risks (continued)

#### (d) Fair value hierarchy (continued)

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

The results of using reasonably possible alternative assumptions for valuing the Level 3 asset may result in the fair value estimate and recoverability of the asset being subject to uncertainty and a range of possible outcomes are likely. Such differences, if any, would not have a material effect on the overall portfolio as at 31 December 2022 and as at 31 December 2021.

If the value of level 3 securities increased/(decreased) by 5%, the effect on the Total Assets would be US\$11,865,033 (31 December 2021: US\$8,218,839).

### 11. Interests in other entities

#### Interests in Unconsolidated Structured Entities

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

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

#### Involvement with Unconsolidated Structured Entities

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

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

Below is a summary of the Company's holdings in non-subsidiary unconsolidated structured entities as at 31 December 2022:

Structured Entity ("SE")	Line item in Statement of Financial Position	No. of investments	Original Issuer Size US\$	Carrying amount included in 'Financial assets at FVTPL'	% of Total Net Assets*
CLO	Financial assets as at FVTPL	92	2,492,242,500	249,323,234	9.47
CIS	Financial assets as at FVTPL	2	55,879,930,000**	148,142,011	5.63

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

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

Below is a summary of the Company's holdings in non-subsidiary unconsolidated structured entities as at 31 December 2021:

Structured Entity ("SE")	Line item in Statement of Financial Position	No. of investments	Original Issuer Size US\$	Carrying amount included in 'Financial assets at FVTPL'	% of Total Net Assets*
CLO	Financial assets as at FVTPL	124	3,298,037,500	409,173,423	9.94
CIS	Financial assets as at FVTPL	2	57,867,680,000**	48,164,958	1.17

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

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

# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

### 12. Exchange rates

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

	31 December 2022	31 December 2021
Canadian Dollar (CAD)	0.7386	0.7905
Euro (EUR)	1.0700	1.1385
Great British Pound (GBP)	1.2090	1.3535

### 13. Contingent liabilities

The Directors are not aware of any contingent liabilities as at 31 December 2022 or 31 December 2021.

### 14. Taxation

	31 December 2022 US\$	31 December 2021 US\$
Current financial year tax	(67)	(71)
Reconciliation of tax charge to profit before tax:		
Profit before tax	268	285
Corporation tax at 25%	(67)	(71)

### 15. Ultimate Parent undertaking and Parent undertaking of larger groups

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

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

### 16. Charges

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

### 17. Significant events during the financial year

#### *Ukraine/Russia conflict*

The ongoing conflict between Russia and Ukraine has led to significant disruption and volatility in the global stock market. As a result of this, the fair value of Russian securities held within the Company experienced a sharp decline. As a consequence of this, management made the determination to value all Russian, Ukrainian and Belarusian sovereign local bonds, sovereign hard currency debt (USD / EUR) and corporate bonds on a bid basis. This was based on the current restrictions on trading due to sanctions and market liquidity. The Company had exposure to Russian and Ukrainian assets of 0.02% and Nil at 31 December 2022 (31 December 2021: 0.50% and 0.74%) respectively. The ongoing ramifications of the evolving conflict may not be limited to Russia and Russian companies or Ukraine but may spill over to other regional and global economic marks, and the extent of the resulting impact is uncertain. Barings continues to monitor the situation in Ukraine and consider appropriate measures for the affected Company.

#### *COVID-19*

While the degree of disruption and market volatility within international markets resulting from the impact of COVID-19 continues to decline, the ongoing prevalence of the disease has an ongoing impact not only on demand for goods and services, but also supply chains. Concerns about the spread of COVID-19 and other outbreaks of health epidemics and contagious diseases in the past have caused governments at various times to take measures to prevent the spread of viruses, including restrictions on travel and public transport and prolonged closures of workplaces which may recur upon a new outbreak, recurrence or mutation of COVID-19 or other communicable diseases. Such occurrences on a global scale may affect investment sentiment and result in volatility in global capital markets or adversely affect regional or global economies, which may in turn give rise to significant costs to the Company and adversely affect the Company's business and financial results.

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# Barings Global High Yield Credit Strategies Limited

## Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

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### 17. Significant events during the financial year (continued)

#### *Brexit*

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

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

### 18. Significant events after the financial year end

There were no significant events affecting the Company after the financial year end.

### 19. Comparative financial year

The comparative amounts in these financial statements are for the financial year ended 31 December 2021.

### 20. Approval of financial statements

The Directors approved these financial statements on 25 April 2023.

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited)

As at 31 December 2022

### Loans

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
Australia	Healthcare, Education and Childcare	Genesis Specialist Care Finance UK Limited EUR Term Loan B2	4,431,546	0.17
	Telecommunications	Voyage Australia Pty Limited USD Term Loan B**	6,858,000	0.26
Belgium	Aerospace and Defense	CEP IV Investment 16 S.a.r.l. USD 2nd Lien Term Loan**	15,092,000	0.57
Canada	Diversified/ Conglomerate Service	Loyalty Ventures Inc. Term Loan B	1,288,999	0.05
	Machinery Non- Agriculture, Non- Construction, Non- Electronic	Titan Acquisition Limited 2018 Term Loan B	5,749,053	0.22
Denmark	Personal Transportation	Air Canada 2021 Term Loan B	4,961,854	0.19
		Kestrel Bidco Inc. Term Loan B	6,477,639	0.25
	Healthcare, Education and Childcare	Auris Luxembourg III S.a.r.l. 2019 USD Term Loan B2	4,715,396	0.18
		Auris Luxembourg III S.a.r.l. EUR Term Loan B1A	13,784,702	0.52
Finland	Telecommunications	Nuuday A S EUR Term Loan B	5,014,213	0.19
	Diversified/ Conglomerate Manufacturing	Amer Sports Oyj EUR Term Loan B	7,378,399	0.28
France	Automobile	Financiere Truck Investissement SAS EUR New Money**	2,608,132	0.10
		Financiere Truck Investissement SAS EUR Reinstated Senior Holdco Debt**	2,461,379	0.09
	Broadcasting and Entertainment	Technicolor Creative Studios EUR Term Loan	4,759,862	0.18
	Containers, Packaging and Glass	CCP Lux Holding S.a. r.l. EUR 1st Lien Term Loan	4,523,184	0.17
	Diversified/ Conglomerate Manufacturing	Averys 2018 EUR 1st Lien Term Loan B	2,402,089	0.09
	Hotels, Motels, Inns and Gaming	Casper BidCo SAS 2020 EUR Term Loan B3A	6,008,240	0.23
		Casper BidCo SAS 2021 EUR Term Loan B4	2,634,109	0.10
	Leisure, Amusement, Entertainment	Vacalians Group EUR Term Loan B	4,988,806	0.19
	Retail Stores	Casino Guichard-Perrachon SA 2021 EUR Term Loan B	4,840,091	0.18
	Germany	Chemicals, Plastics and Rubber	Colouroz Investment 1 GmbH EUR Term Loan B3	189,422
Colouroz Investment 1 GmbH Initial EUR Term Loan			6,306,515	0.24
Colouroz Investment 2 LLC USD 2nd Lien Term Loan B2			4,107,317	0.16
Flint Group GmbH 2017 EUR Incremental B6			19,992	0.00
Flint Group GmbH 2017 EUR Incremental B7			598,410	0.02
Flint Group GmbH EUR 2nd Lien Term Loan			2,183,133	0.08
Flint Group GmbH EUR Add on Term Loan B4			1,555,691	0.06
Flint Group GmbH EUR Term Loan B5			828,604	0.03
Flint Group GmbH USD Term Loan C			946,245	0.04
Flint Group US LLC USD 1st Lien Term Loan B2			5,588,527	0.21
Flint Group US LLC USD Term Loan B8	424,848	0.02		



# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Loans (continued)

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
Germany (continued)	Chemicals, Plastics and Rubber (continued)	TSM II Luxco 10 SARL EUR PIK Term Loan**	11,013,797	0.42
		Arvos BidCo S.a.r.l. USD 1st Lien Term Loan B1	2,276,155	0.09
		Arvos BidCo S.a.r.l. USD 1st Lien Term Loan B2	1,404,599	0.05
	Diversified/ Conglomerate Manufacturing	SGB-SMIT Management GmbH EUR Term Loan B	9,939,153	0.38
		Aenova Holding GmbH 2021 EUR Term Loan B	5,358,767	0.20
		Iris BidCo GmbH EUR Term Loan B	5,615,821	0.21
		Median B V 2021 EUR Term Loan B	6,441,162	0.24
		Median B V 2021 GBP Term Loan B	4,983,443	0.19
		Nidda Healthcare Holding AG 2020 GBP Term Loan F	5,534,765	0.21
		Alpha Group SARL EUR Term Loan B	5,747,757	0.22
		Arvos BidCo S.a.r.l. EUR 1st Lien Term Loan B1	3,518,638	0.13
	Hotels, Motels, Inns and Gaming			
	Machinery Non- Agriculture, Non- Construction, Non- Electronic			
Jamaica	Telecommunications	Digicel International Finance Limited 2017 Term Loan B	995,212	0.04
Netherlands	Chemicals, Plastics and Rubber	Starfruit Finco B.V 2018 USD Term Loan B	4,633,636	0.18
		TMF Group Holding B.V. 2018 EUR 2nd Lien Term Loan	6,319,183	0.24
Norway	Leisure, Amusement, Entertainment	Silk Bidco AS EUR Term Loan B	6,769,266	0.26
Spain	Hotels, Motels, Inns and Gaming	HNVR Holdco Limited EUR Term Loan B	5,108,827	0.19
		International Park Holdings B.V. EUR Term Loan B	8,510,073	0.32
		Parques Reunidos SAU 2019 EUR Term Loan B1	3,473,443	0.13
Sweden	Diversified/ Conglomerate Service	IGT Holding IV AB 2021 USD Term Loan B2	4,438,190	0.17
		Hilding Anders International AB 2022 EUR PIK Reorg Opco Term Loan**	4,685,024	0.18
United Kingdom	Home and Office Furnishings, Housewares, and Durable Consumer Products			
		Constellation Automotive Limited GBP 2nd Lien Term Loan B	1,448,713	0.05
		Constellation Automotive Limited GBP Term Loan B	4,377,884	0.17
	Beverage, Food and Tobacco	Amphora Finance Limited 2018 GBP Term Loan B	2,208,994	0.08
		Aston FinCo S.a.r.l. 2019 GBP Term Loan B**	6,567,174	0.25
		Innovation Group PLC (The) 2021 EUR Term Loan B2**	3,869,667	0.15
		Innovation Group PLC (The) 2021 GBP Super Priority Facility 1**	766,995	0.03
		Innovation Group PLC (The) 2021 GBP Super Priority Facility 2**	723,093	0.03
		Innovation Group PLC (The) 2021 GBP Term Loan B**	1,654,366	0.06
		IRIS Bidco Limited 2018 GBP Term Loan B	10,118,460	0.38



# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Loans (continued)

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
United Kingdom (continued)	Diversified/ Conglomerate Service (continued)	IVC Acquisition Ltd 2022 EUR Term Loan B6	5,361,969	0.20
		Surf Holdings, LLC USD Term Loan	874,792	0.03
	Healthcare, Education and Childcare	Amalfi MidCo GBP Preferred Capital Class L Term Loan**	7,065,032	0.27
		Fugue Finance B.V. EUR Term Loan	9,569,630	0.36
		Lernen Bidco Limited 2018 EUR 2nd Lien Term Loan**	10,462,573	0.40
		Lernen Bidco Limited EUR Term Loan B1	2,071,241	0.08
		Triley Midco 2 Ltd GBP 2nd Lien Term Loan B**	6,573,666	0.25
		Tunstall Group Holdings Limited 2020 EUR Term Loan B**	10,400,060	0.39
		Tunstall Group Holdings Limited EUR Super Senior Term Loan**&***	5,854,670	0.22
	Hotels, Motels, Inns and Gaming	Compass IV Limited 2018 EUR 2nd Lien Term Loan**	2,857,833	0.11
		Richmond UK Bidco Limited 2017 GBP Term Loan B	11,260,005	0.43
		City Football Group Limited Term Loan	8,657,397	0.33
	Leisure, Amusement, Entertainment	Vue International Bidco p.l.c. 2019 EUR Term Loan B	9,939,190	0.38
		Vue International Bidco p.l.c. 2022 EUR Term Loan	2,507,061	0.09
		Alloy Finco Limited 2020 GBP Term Loan B1	1,575,554	0.06
	Machinery Non- Agriculture, Non- Construction, Non- Electronic	Alloy Finco Limited GBP Holdco PIK Term Loan	2,916,707	0.11
		Virgin Media SFA Finance Limited GBP Term Loan L	4,494,272	0.17
		Virgin Media SFA Finance Limited GBP Term Loan M	8,715,392	0.33
United States	Aerospace and Defense	American Airlines, Inc. 2018 Term Loan B	5,857,274	0.22
		American Airlines, Inc. 2021 Term Loan	7,577,513	0.29
		KKR Apple Bidco, LLC 2021 2nd Lien Term Loan	1,349,352	0.05
		Peraton Corp. Term Loan B	2,599,265	0.10
		United Airlines, Inc. 2021 Term Loan B	4,829,124	0.18
		BCPE North Star US HoldCo 2, Inc. Term Loan	2,453,345	0.09
		CHG PPC Parent LLC 2021 Term Loan**	4,571,734	0.17
	Beverage, Food and Tobacco	CTI Foods Holding Co, LLC First Out Term Loan**	5,366,696	0.20
		CTI Foods Holding Co, LLC Second Out Term Loan**	2,865,873	0.11
		A-L Parent LLC 2016 1st Lien Term Loan	3,601,441	0.14
	Broadcasting and Entertainment	AVSC Holding Corp. 2020 Term Loan B1	13,030,271	0.49
		AVSC Holding Corp. 2020 Term Loan B2	2,033,622	0.08
		AVSC Holding Corp. 2020 Term Loan B3	3,511,487	0.13

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Loans (continued)

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*	
United States (continued)	Broadcasting and Entertainment (continued)	Clear Channel Outdoor Holdings, Inc. Term Loan B	9,617,778	0.37	
		DirecTV Financing, LLC Term Loan	8,591,111	0.33	
		Intelsat Jackson Holdings S.A. 2021 Exit Term Loan B	5,553,247	0.21	
		Radiate Holdco, LLC 2021 Term Loan B	3,347,349	0.13	
		Univision Communications Inc. 2022 First Lien Term Loan B	2,610,814	0.10	
		Univision Communications Inc. 2022 Term Loan B	2,340,824	0.09	
		Buildings and Real Estate	CP Atlas Buyer, Inc. 2021 Term Loan B	4,073,376	0.15
			Park River Holdings Inc. Term Loan	3,224,046	0.12
		Cargo Transport	Echo Global Logistics, Inc. Term Loan	4,129,546	0.16
			Kenan Advantage Group, Inc. 2021 2nd Lien Term Loan	3,979,163	0.15
	Chemicals, Plastics and Rubber	Kenan Advantage Group, Inc. 2021 Term Loan B1	3,386,536	0.13	
		Worldwide Express Operations, LLC 2021 1st Lien Term Loan	5,355,294	0.20	
		Consolidated Energy Finance, S.A. Term Loan B	1,731,080	0.07	
		CPC Acquisition Corp. Term Loan	3,636,494	0.14	
		GEON Performance Solutions, LLC 2021 Term Loan	3,362,309	0.13	
		Kraton Corporation 2022 USD Term Loan	2,926,112	0.11	
		LSF11 A5 Holdco LLC Term Loan	3,418,054	0.13	
		New Arclin U.S. Holding Corp. 2021 Term Loan	1,821,010	0.07	
		Olympus Water US Holding Corporation 2021 USD Term Loan B	4,618,834	0.18	
		PMHC II, Inc. 2022 Term Loan B	11,966,650	0.45	
		Polar US Borrower, LLC 2018 1st Lien Term Loan	2,103,472	0.08	
		Sparta U.S. HoldCo LLC 2021 Term Loan	1,899,800	0.07	
		Containers, Packaging and Glass	BWAY Holding Company 2017 Term Loan B	7,250,539	0.28
			Clydesdale Acquisition Holdings Inc. Term Loan B	3,909,551	0.15
			Five Star Intermediate Holding LLC Term Loan	2,424,266	0.09
			Hoffmaster Group, Inc. 2018 1st Lien Term Loan	4,625,496	0.18
			Pretium PKG Holdings, Inc. 2021 2nd Lien Term Loan	1,691,539	0.06
			Proampac PG Borrower LLC 2020 Term Loan	4,108,631	0.16
	Diversified Natural Resources, Precious Metals and Minerals		Parker Drilling Co 2nd Lien PIK Term Loan	3,837,842	0.15
	Diversified/ Conglomerate Manufacturing		Fluid-Flow Products, Inc. Term Loan	3,232,457	0.12
		Grinding Media Inc. 2021 Term Loan B**	4,358,237	0.17	
		Illuminate Merger Sub Corp. 1st Lien Term Loan	2,011,700	0.08	
		IPS Corporation 2021 2nd Lien Term Loan B**	5,844,660	0.22	

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Loans (continued)

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
United States (continued)	Diversified/ Conglomerate Manufacturing (continued) Diversified/ Conglomerate Service	IPS Corporation 2021 Term Loan**	5,548,486	0.21
		Astra Acquisition Corp. 2021 1st Lien Term Loan	5,416,191	0.21
		CDK Global, Inc. 2022 USD Term Loan B	4,102,401	0.16
		Cloudera, Inc. 2021 Second Lien Term Loan	2,376,458	0.09
		Cloudera, Inc. 2021 Term Loan	4,996,743	0.19
		CoreLogic, Inc. 2nd Lien Term Loan	3,813,920	0.14
		Cornerstone OnDemand, Inc. 2021 Term Loan	4,254,302	0.16
		Delta TopCo, Inc. 2020 2nd Lien Term Loan	880,068	0.03
		EAB Global, Inc. 2021 Term Loan	2,194,644	0.08
		Endure Digital Inc. Term Loan	5,149,417	0.20
		Finastra USA, Inc. USD 1st Lien Term Loan	8,083,107	0.31
		Finastra USA, Inc. USD 2nd Lien Term Loan	70,505	0.00
		GoTo Group, Inc. Term Loan B	8,819,247	0.33
		McAfee, LLC 2022 EUR Term Loan B2	1,219,541	0.05
		McAfee, LLC 2022 USD Term Loan B	3,274,715	0.12
		MedAssets Software Intermediate Holdings, Inc. 2021 2nd Lien Term Loan	1,580,260	0.06
		MedAssets Software Intermediate Holdings, Inc. 2021 Term Loan	2,783,557	0.11
		MH Sub I, LLC 2020 Incremental Term Loan	3,982,966	0.15
		MH Sub I, LLC 2021 2nd Lien Term Loan	2,450,353	0.09
		Mitchell International, Inc. 2021 2nd Lien Term Loan	3,342,500	0.13
		Mitchell International, Inc. 2021 Term Loan B	2,905,709	0.11
		PECF USS Intermediate Holding III Corporation Term Loan B	4,446,082	0.17
		Project Ruby Ultimate Parent Corp. 2021 Term Loan	4,354,072	0.17
		Quest Software US Holdings Inc. 2022 2nd Lien Term Loan	6,670,671	0.25
		Quest Software US Holdings Inc. 2022 Term Loan	5,664,879	0.21
		Redstone Holdco 2 LP 2021 Term Loan	5,879,017	0.22
		Sabre GLBL Inc. 2021 Term Loan B1	2,245,723	0.09
		Sabre GLBL Inc. 2021 Term Loan B2	3,579,816	0.14
		Spin Holdco Inc. 2021 Term Loan	2,544,006	0.10
		Ultimate Software Group Inc. (The) 2021 2nd Lien Term Loan	2,029,225	0.08
		USIC Holdings, Inc. 2021 2nd Lien Term Loan	1,384,809	0.05
		Veritas US Inc. 2021 EUR Term Loan B	3,565,800	0.14
		Veritas US Inc. 2021 USD Term Loan B	9,327,722	0.35
	Electronics	Ahead DB Holdings, LLC 2021 Term Loan B	4,175,573	0.16
		Ivanti Software, Inc. 2021 Add On Term Loan B	1,396,005	0.05
		Ivanti Software, Inc. 2021 Term Loan B	8,495,937	0.32

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Loans (continued)

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
United States (continued)	Electronics (continued)	Magenta Buyer LLC 2021 USD 1st Lien Term Loan	6,483,376	0.25
		AqGen Ascensus, Inc. 2021 2nd Lien Term Loan	3,099,818	0.12
	Finance	Deerfield Dakota Holding, LLC 2020 USD Term Loan B	4,005,965	0.15
		Deerfield Dakota Holding, LLC 2021 USD 2nd Lien Term Loan	5,442,678	0.21
	Healthcare, Education and Childcare	Ensono, LP 2021 Term Loan	5,457,416	0.21
		Skopima Merger Sub Inc. Term Loan B	4,983,484	0.19
		VFH Parent LLC 2022 Term Loan B	2,363,372	0.09
		Amneal Pharmaceuticals LLC 2018 Term Loan B	5,567,804	0.21
		Athenahealth, Inc. 2022 Delayed Draw Term Loan***	121,105	0.00
		Athenahealth, Inc. 2022 Term Loan B	4,143,048	0.16
		Aveanna Healthcare, LLC 2021 2nd Lien Term Loan**	4,491,979	0.17
		Bausch Health Companies Inc. 2022 Term Loan B	5,724,408	0.22
		BVI Medical, Inc. 2020 EUR Term Loan B	5,280,739	0.20
		Embecka Corp. Term Loan B	2,668,763	0.10
		Envision Healthcare Corporation 2022 First Out Term Loan	2,283,806	0.09
		Envision Healthcare Corporation 2022 Second Out Term Loan	5,185,088	0.20
		Envision Healthcare Corporation 2022 Third Out Term Loan	1,730,413	0.07
		Lifescan Global Corporation 2018 1st Lien Term Loan	1,318,501	0.05
		Medical Solutions Holdings, Inc. 2021 2nd Lien Term Loan	2,733,684	0.10
		Medline Borrower, LP USD Term Loan B	1,889,928	0.07
		NAPA Management Services Corporation Term Loan B	1,229,539	0.05
		Padagis LLC Term Loan B	4,299,727	0.16
		Perrigo Investments, LLC Term Loan B**	2,956,251	0.11
		Prometric Holdings, Inc. 1st Lien Term Loan	3,664,411	0.14
		Radiology Partners Inc. 2018 1st Lien Term Loan B	7,874,751	0.30
		Team Health Holdings, Inc. 2022 Term Loan B	6,390,307	0.24
		U.S. Anesthesia Partners, Inc. 2021 Term Loan	2,224,270	0.08
		US Radiology Specialists, Inc. 2020 Term Loan	5,045,084	0.19
		LBM Acquisition LLC Term Loan B	7,544,054	0.29
	Home and Office Furnishings, Housewares, and Durable Consumer Products	Serta Simmons Bedding, LLC 2020 Super Priority First Out Term Loan	9,669,088	0.37
		Serta Simmons Bedding, LLC 2020 Super Priority Second Out Term Loan	5,872,297	0.22

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Loans (continued)

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
United States (continued)	Home and Office Furnishings, Housewares, and Durable Consumer Products (continued)	Solis IV BV USD Term Loan B1	7,277,820	0.28
		Staples, Inc. 7 Year Term Loan	4,028,877	0.15
		Scientific Games International, Inc. 2022 USD Term Loan	2,009,417	0.08
		Asurion LLC 2021 Second Lien Term Loan B4	8,331,787	0.32
	Hotels, Motels, Inns and Gaming	Policy Services Company, LLC 1st Lien PIK Toggle Delayed Draw Term Loan**	5,272,499	0.20
		Policy Services Company, LLC 1st Lien PIK Toggle Term Loan**	14,883,344	0.56
		AMC Entertainment Holdings, Inc. 2019 Term Loan B	4,272,064	0.16
		Carnival Corporation 2021 Incremental Term Loan B	5,958,502	0.23
	Leisure, Amusement, Entertainment	PUG LLC USD Term Loan	6,452,114	0.24
		ASP Blade Holdings, Inc. Initial Term Loan	3,350,352	0.13
		Pro Mach Group, Inc. 2021 Term Loan B	4,898,105	0.19
		U.S. Silica Company 2018 Term Loan B	4,383,340	0.17
	Mining, Steel, Iron and Non Precious Metals	Gulf Finance, LLC 2021 Term Loan	10,176,803	0.39
		Oryx Midstream Services Permian Basin LLC Term Loan B	4,029,416	0.15
		Journey Personal Care Corp. 2021 Term Loan B	1,414,626	0.05
		First Student Bidco Inc. Term Loan B	4,977,557	0.19
	Oil and Gas	First Student Bidco Inc. Term Loan C	1,851,238	0.07
		Mileage Plus Holdings LLC 2020 Term Loan B	1,653,318	0.06
		Ascend Learning, LLC 2021 2nd Lien Term Loan	3,933,705	0.15
		Ascend Learning, LLC 2021 Term Loan	5,126,585	0.19
	Personal and Non Durable Consumer Products Mfg. Only	Dotdash Meredith Inc. Term Loan B**	1,569,035	0.06
		McGraw-Hill Global Education Holdings, LLC 2021 Term Loan	4,844,292	0.18
		Great Outdoors Group, LLC 2021 Term Loan B1	4,910,294	0.19
		Mattress Firm Inc. 2021 Term Loan B	6,155,420	0.23
	Personal Transportation	Michaels Companies, Inc. 2021 Term Loan B	6,801,173	0.26
		AppLovin Corporation 2021 Term Loan B	3,468,646	0.13
		Banff Merger Sub Inc. 2021 EUR Term Loan	2,256,811	0.09
		Banff Merger Sub Inc. 2021 USD 2nd Lien Term Loan	4,746,010	0.18
	Printing and Publishing	CCI Buyer, Inc. Term Loan	1,779,048	0.07
		Cincinnati Bell, Inc. 2021 Term Loan B2	2,831,564	0.11
		CommScope, Inc. 2019 Term Loan B	5,807,480	0.22
		ION Trading Technologies S.a.r.l. 2021 EUR Term Loan B	6,621,685	0.25
	Retail Stores	Venga Finance Sarl 2021 USD Term Loan B	5,197,361	0.20
		Telecommunications		

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Loans (continued)

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
United States (continued)	Textiles and Leather	Crocs, Inc. Term Loan B	3,962,717	0.15
	Utilities	Edgewater Generation, L.L.C. Term Loan	6,093,034	0.23
<b>Total Loans (31 December 2021: US\$1,615,202,475)</b>			<b>1,026,096,132</b>	<b>38.97</b>

### Collateralised Loan Obligations

Country	Holding	Details	Fair Value US\$	% of Net Assets*
Cayman Islands	750,000	Carlyle Global Market Strategies CLO 2015-2 Ltd	7,538	0.00
	5,300,000	CIFC Funding 2018-I Ltd	2,453,163	0.09
	1,500,000	LCM XX LP	311,630	0.01
	1,000,000	LCM XXIII Ltd	153,137	0.01
	2,000,000	Madison Park Funding V Ltd	22,718	0.00
	6,305,406	Oak Hill Credit Partners X Ltd	2,780,785	0.11
	1,000,000	Symphony CLO XIV Ltd	36,400	0.00
	3,760,500	Wellfleet CLO 2016-1 Ltd	679,466	0.03
	4,000,000	Avoca CLO XII DAC 6.220% due 15/04/2034	3,518,238	0.13
	2,750,000	Avoca CLO XIV DAC	2,361,363	0.09
Ireland	4,400,000	Avoca CLO XXV DAC 7.518% due 15/10/2034	3,813,165	0.14
	3,250,000	Bain Capital Euro CLO	2,703,626	0.10
	6,000,000	Bain Capital Euro CLO 2021-1 DAC	5,042,697	0.19
	6,000,000	BlackRock European CLO VI DAC	5,340,347	0.20
	3,600,000	Blackrock European CLO VII DAC	3,048,949	0.12
	3,000,000	Carlyle Euro CLO 2021-1 DAC	2,580,155	0.10
	6,400,000	Carlyle Euro CLO 2021-2 DAC	5,442,638	0.21
	2,000,000	CVC Cordatus Loan Fund X DAC	1,676,879	0.06
	2,000,000	CVC Cordatus Loan Fund XI DAC	1,705,634	0.06
	2,200,000	CVC Cordatus Loan Fund XIV DAC	1,944,587	0.07
	2,200,000	Dillion's Park CLO DAC	1,866,114	0.07
	3,450,000	Dryden 62 Euro CLO 2017 DAC	2,925,501	0.11
	2,325,000	Dryden 66 EURO CLO 2018 BV	1,902,384	0.07
	3,300,000	Tymon Park CLO DAC 7.622% due 21/07/2034	2,911,081	0.11
	6,000,000	Allegro CLO XIII Ltd 10.853% due 20/07/2034	5,450,310	0.21
	6,000,000	Allegro CLO XIV Ltd 6.937% due 15/10/2034	5,506,884	0.21
	5,000,000	Anchorage Capital CLO 1-R Ltd	4,339,070	0.16
United States	2,400,000	Anchorage Capital CLO 2013-1 Ltd	2,124,348	0.08
	4,000,000	Apidos Clo XL Ltd	3,825,328	0.15
	4,000,000	Bain Capital Credit CLO 2019-1 11.237% due 19/04/2034	3,624,540	0.14
	2,700,000	Bain Capital Credit CLO 2020-2 Ltd 6.734% due 19/07/2034	2,347,194	0.09
	2,000,000	Bain Capital Credit CLO 2021-1 Ltd	1,744,048	0.07
	6,850,000	Bain Capital Credit CLO 2021-2 Ltd 10.809% due 16/07/2034	5,793,819	0.22
	2,375,000	Bain Capital Credit CLO 2021-3 Ltd 10.825% due 24/07/2034	2,136,583	0.08
	1,900,000	Ballyrock CLO 16 Ltd	1,699,727	0.06
	3,150,000	Beechwood Park CLO Ltd	2,759,872	0.10
	2,600,000	BlueMountain CLO XXIII Ltd	2,247,515	0.09
	3,750,000	BlueMountain Fuji US CLO I Ltd	2,871,259	0.11
	4,250,000	Canyon Capital CLO 2019-2 Ltd	3,678,273	0.14



# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Collateralised Loan Obligations (continued)

Country	Holding	Details	Fair Value US\$	% of Net Assets*
United States (continued)	3,950,000	Canyon Capital CLO 2022-1 Ltd 10.329% due 15/04/2035	3,390,451	0.13
	4,750,000	Canyon CLO 2021-3 Ltd 10.279% due 15/07/2034	4,225,068	0.16
	1,090,000	Carlyle Global Market Strategies CLO 2014-3-R Ltd	867,168	0.03
	3,600,000	Cedar Funding IX CLO Ltd	3,105,079	0.12
	1,500,000	CIFC Funding 2017-I Ltd	1,366,515	0.05
	5,000,000	CIFC Funding 2018-II Ltd	4,552,105	0.17
	2,000,000	Crestline Denali CLO XVI Ltd	1,503,534	0.06
	2,000,000	Crestline Denali CLO XVII Ltd	1,568,212	0.06
	10,250,000	Crestline Denali CLO XVII Ltd	4,744,735	0.18
	3,000,000	Dryden 50 Senior Loan Fund	2,608,245	0.10
	4,000,000	Galaxy XXII CLO Ltd 10.579% due 16/04/2034	3,595,456	0.14
	6,320,000	Goldentree Loan Management US CLO 1 Ltd	5,802,537	0.22
	2,500,000	Goldentree Loan Management US CLO 3 Ltd	1,940,963	0.07
	3,000,000	Goldentree Loan Management US CLO 7 Ltd	2,772,582	0.11
	1,750,000	Goldentree Loan Opportunities X Ltd	1,483,745	0.06
	3,100,000	Goldentree Loan Opportunities XI Ltd	2,691,119	0.10
	4,000,000	Harbor Park CLO 18-1 Ltd	3,613,336	0.14
	1,150,000	Highbridge Loan Management 3-2014	929,055	0.04
	841,500	HPS Loan Management 13-2018 Ltd	657,937	0.02
	3,806,000	HPS Loan Management 13-2018 Ltd	1,391,024	0.05
	5,200,000	HPS Loan Management 14-2019 Ltd	4,650,350	0.18
	10,000,000	HPS Loan Management 6-2015 Ltd	2,156,630	0.08
	5,000,000	Invesco CLO 2021-3 Ltd 10.575% due 22/10/2034	4,447,460	0.17
	3,050,000	Invesco CLO 2022-1 Ltd	2,121,482	0.08
	305,000	Invesco CLO 2022-1 Ltd	124,057	0.00
	5,250,000	KKR CLO 20 Ltd	4,435,720	0.17
	1,500,000	Madison Park Funding XVII Ltd	426,264	0.02
	3,750,000	Madison Park Funding XXIX Ltd	3,341,171	0.13
	3,000,000	Madison Park Funding XXV Ltd	2,697,519	0.10
	2,000,000	Madison Park Funding XXVIII Ltd	1,637,190	0.06
	2,000,000	Magnetite VII Ltd	1,765,426	0.07
	11,795,000	Magnetite VII Ltd	4,136,884	0.16
	1,000,000	Magnetite VIII Ltd	889,826	0.03
	2,600,000	Magnetite XX Ltd	2,135,835	0.08
	3,200,000	Neuberger Berman Loan Advisers CLO 41 Ltd	2,900,522	0.11
	4,000,000	Neuberger Berman Loan Advisers CLO 45 Ltd 10.261% due 14/10/2035	3,574,792	0.14
	3,500,000	OHA Credit Partners XII Ltd	3,139,580	0.12
	4,200,000	OHA Credit Partners XIV Ltd	3,883,702	0.15
	2,600,000	OHA Loan Funding 2013-1 Ltd	2,100,225	0.08
	1,800,000	Regatta X Funding Ltd	1,544,251	0.06
	2,330,000	Regatta XI Funding Ltd	1,974,997	0.07
	4,000,000	Riserva CLO Ltd	3,572,156	0.14
	5,000,000	RR 1 LLC	4,244,015	0.16
	7,500,000	RR 17 Ltd	6,619,500	0.25
	1,500,000	RR 7 Ltd 10.364% due 15/01/2037	1,322,991	0.05
	2,700,000	Steele Creek CLO 2017-1 Ltd	718,295	0.03
	3,500,000	Symphony CLO XXVIII Ltd	3,107,027	0.12
	6,500,000	Symphony CLO XXXI Ltd	5,602,408	0.21
	1,500,000	THL Credit Wind River 2017-4 CLO Ltd	1,219,812	0.05
	5,650,000	THL Credit Wind River 2019-1 CLO Ltd	4,546,380	0.17
	250,000	VERDE CLO Ltd 10.599% due 15/04/2032	219,527	0.01

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Collateralised Loan Obligations (continued)

Country	Holding	Details	Fair Value US\$	% of Net Assets*
United States (continued)	2,800,000	Voya CLO 2021-1 Ltd 10.429% due 15/07/2034	2,500,268	0.09
	4,550,000	Wellfleet CLO 2018-1 Ltd	3,381,141	0.13
<b>Total Collateralised Loan Obligations (31 December 2021: US\$409,173,423)</b>			<b>249,323,234</b>	<b>9.47</b>

### Bonds

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
Brazil	Automobile	3,807,000	Tupy Overseas SA 4.500%, due 16/02/2031	3,183,785	0.12
	Banking	7,250,000	Banco do Brasil SA/Cayman 6.250%, due 29/10/2049	6,523,543	0.25
	Beverage, Food and Tobacco	5,000,000	Amaggi Luxembourg International Sarl 5.250%, due 28/01/2028	4,722,637	0.18
	Cargo Transport	3,242,000	Acu Petroleo Luxembourg Sarl 7.500%, due 13/01/2032	2,962,880	0.11
		1,542,367	Prumo Participacoes e Investimentos S/A 7.500%, due 31/12/2031	1,458,655	0.06
	Grocery	18,778,000	Minerva Luxembourg SA 8.750%, due 18/03/2031	15,468,377	0.59
	Oil and Gas	3,323,580	Guara Norte S.a.r.l. 5.198%, due 15/06/2034	2,816,982	0.11
		3,000,000	Petrobras Global Finance BV 6.900%, due 19/03/2049	2,697,420	0.10
	Retail Stores	758,000	B2W Digital Lux Sarl 4.375%, due 20/12/2030	484,176	0.02
		4,500,000	JSM Global Sarl 4.750%, due 20/10/2030	3,005,482	0.11
Canada	Healthcare, Education and Childcare	4,327,000	Bausch Health Cos Inc. 9.000%, due 30/01/2028	4,235,051	0.16
	Oil and Gas	1,333,000	Parkland Corp. 5.875%, due 15/07/2027	1,267,976	0.05
Chile	Telecommunications	12,757,000	Kenbourne Invest SA 4.700%, due 22/01/2028	10,008,823	0.38
		932,000	Kenbourne Invest SA 6.875%, due 26/11/2024	888,760	0.03
		5,122,000	VTR Comunicaciones SpA 4.375%, due 15/04/2029	3,007,408	0.11
China	Buildings and Real Estate	4,000,000	Country Garden Holdings Co Ltd 3.875%, due 22/10/2030	2,137,500	0.08
		4,700,000	Kaisa Group Holdings Ltd 8.650%, due 22/07/2022**	658,011	0.02
		2,685,000	Kaisa Group Holdings Ltd 9.950%, due 23/07/2025	362,475	0.01
		2,000,000	Kaisa Group Holdings Ltd 10.500%, due 07/09/2022**	280,003	0.01
		2,000,000	Kaisa Group Holdings Ltd 10.875%, due 23/07/2023	281,524	0.01
		2,000,000	Kaisa Group Holdings Ltd 11.500%, due 30/01/2023	290,000	0.01
		12,152,000	Kaisa Group Holdings Ltd 11.950%, due 22/10/2022**	1,640,520	0.06
		1,400,000	New Metro Global Ltd 4.500%, due 02/05/2026	944,125	0.04
		585,000	New Metro Global Ltd 4.625%, due 15/10/2025	412,425	0.02



# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
China (continued)	Buildings and Real Estate (continued)	8,476,000	New Metro Global Ltd 4.800%, due 15/12/2024	6,600,685	0.25
		10,857,000	Shimao Group Holdings Ltd 3.450%, due 11/01/2031	1,845,690	0.07
		2,350,000	Shimao Group Holdings Ltd 5.200%, due 16/01/2027	411,250	0.02
		1,000,000	Shimao Group Holdings Ltd 5.600%, due 15/07/2026	189,983	0.01
		8,361,000	Shimao Group Holdings Ltd 6.125%, due 21/02/2024	1,504,980	0.06
		24,282,000	Sunac China Holdings Ltd 5.950%, due 26/04/2024	5,220,630	0.20
		3,000,000	Sunac China Holdings Ltd 6.500%, due 09/07/2023	645,000	0.02
		3,155,000	Sunac China Holdings Ltd 6.500%, due 10/01/2025	670,437	0.03
		4,907,000	Sunac China Holdings Ltd 6.800%, due 20/10/2024	1,055,005	0.04
		6,602,000	Sunac China Holdings Ltd 7.500%, due 01/02/2024	1,419,430	0.05
		1,070,000	Sunac China Holdings Ltd 7.950%, due 08/08/2022**	232,725	0.01
		7,421,000	Sunac China Holdings Ltd 7.950%, due 11/10/2023	1,611,081	0.06
		950,000	Sunac China Holdings Ltd 8.350%, due 19/04/2023	204,250	0.01
		2,574,000	Yuzhou Group Holdings Co Ltd 6.000%, due 25/10/2023	238,095	0.01
		2,000,000	Yuzhou Group Holdings Co Ltd 6.350%, due 13/01/2027	190,000	0.01
		3,389,000	Yuzhou Group Holdings Co Ltd 7.700%, due 20/02/2025	313,483	0.01
		2,850,000	Yuzhou Group Holdings Co Ltd 7.813%, due 21/01/2023	263,625	0.01
		320,000	Yuzhou Group Holdings Co Ltd 8.375%, due 30/10/2024	30,400	0.00
		6,500,000	Yuzhou Group Holdings Co Ltd 8.500%, due 04/02/2023	593,125	0.02
		900,000	Yuzhou Group Holdings Co Ltd 8.500%, due 26/02/2024	85,500	0.00
Denmark	Telecommunications	31,235,000	DKT Finance ApS 7.000%, due 17/06/2023	33,320,639	1.27
		3,850,000	DKT Finance ApS 9.375%, due 17/06/2023	3,816,312	0.14
France	Broadcasting and Entertainment	14,000,000	Banijay Group SAS 6.500%, due 01/03/2026	14,180,180	0.54
	Containers, Packaging and Glass	6,500,000	Titan Holdings II BV 5.125%, due 15/07/2029	5,551,308	0.21
	Diversified/ Conglomerate Service	3,000,000	BCP V Modular Services Finance II Plc 4.750%, due 30/11/2028	2,703,153	0.10
	Healthcare, Education and Childcare	6,500,000	Chrome Holdco SASU 5.000%, due 31/05/2029	5,430,672	0.21
	Hotels, Motels, Inns and Gaming	4,300,000	Accor SA 4.375% Perpetual	4,350,002	0.17
	Telecommunications	3,026,000	Altice France SA 2.500%, due 15/01/2025	2,919,311	0.11

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
France (continued)	Telecommunications	5,424,000	Altice France SA/France 2.125%, due 15/02/2025	5,152,668	0.20
	Utilities	16,400,000	Electricite de France SA 3.375% Perpetual	12,797,690	0.49
Georgia	Banking	889,000	TBC Bank JSC 8.894% Perpetual	791,210	0.03
Germany	Automobile	5,500,000	ZF Europe Finance BV 2.500%, due 23/10/2027	4,873,061	0.19
		2,700,000	ZF Europe Finance BV 3.000%, due 23/10/2029	2,218,022	0.08
		395,000	Galapagos SA 4.421%, due 15/06/2021**	-	0.00
	Diversified/ Conglomerate Manufacturing	103,500	Galapagos SA 5.375%, due 15/06/2021**	-	0.00
		6,607,981	Mangrove Luxco III S.a.r.l. 7.775%, due 09/10/2025	3,970,008	0.15
Ghana	Utilities	11,429,572	Techem Verwaltungsgesellschaft 674 mbH 6.000%, due 30/07/2026	11,573,355	0.44
		10,851,000	Tullow Oil Plc 7.000%, due 01/03/2025	6,565,910	0.25
		5,661,000	Tullow Oil Plc 10.250%, due 15/05/2026	4,528,800	0.17
Greece	Banking	7,127,000	Piraeus Financial Holdings SA 5.500%, due 19/02/2030	6,417,281	0.24
		3,000,000	Piraeus Financial Holdings SA 8.750% Perpetual	2,560,694	0.10
Guatemala	Beverage, Food and Tobacco	2,597,000	Central American Bottling Corp. 5.250%, due 27/04/2029	2,442,115	0.09
	Telecommunications	11,849,000	CT Trust 5.125%, due 03/02/2032	10,461,660	0.40
		1,388,700	Millicom International Cellular SA 6.250%, due 25/03/2029	1,332,208	0.05
India	Chemicals, Plastics and Rubber	17,190,000	UPL Corp. Ltd 5.250% Perpetual	12,052,339	0.46
	Diversified/ Conglomerate Service	1,214,000	CA Magnum Holdings 5.375%, due 31/10/2026	1,106,943	0.04
		5,254,000	JSW Steel Ltd 5.050%, due 05/04/2032	4,174,881	0.16
	Mining, Steel, Iron and Non Precious Metals	4,111,000	Vedanta Resources Finance II Plc 8.950%, due 11/03/2025	2,797,823	0.11
		4,750,000	Vedanta Resources Finance II PLC 8.000%, due 23/04/2023	4,503,938	0.17
		3,500,000	Vedanta Resources Finance II PLC 9.250%, due 23/04/2026	2,271,964	0.09
		2,063,000	Vedanta Resources Ltd 7.125%, due 31/05/2023	1,934,068	0.07
		4,995,000	India Toll Roads 5.500%, due 19/08/2024	4,840,817	0.18
	Personal Transportation	9,366,000	Future Retail Ltd 5.600%, due 22/01/2025	196,382	0.01
	Retail Stores				
Indonesia	Banking	1,000,000	Bank Negara Indonesia Persero Tbk PT 4.300% Perpetual	792,500	0.03
	Farming and Agriculture	5,000,000	Japfa Comfeed Indonesia Tbk PT 5.375%, due 23/03/2026	4,304,287	0.16
	Oil and Gas	10,610,000	Medco Bell Pte Ltd 6.375%, due 30/01/2027	9,608,334	0.36
		4,000,000	Medco Laurel Tree Pte Ltd 6.950%, due 12/11/2028	3,548,242	0.13

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
Ireland	Containers, Packaging and Glass	4,350,000	Ardagh Packaging Finance Plc / Ardagh Holdings USA Inc. 4.250%, due 15/08/2026	3,907,707	0.15
		4,138,000	Ardagh Packaging Finance PLC / Ardagh Holdings USA Inc. 4.750%, due 15/07/2027	3,467,030	0.13
	Utilities	11,950,000	Energia Group NI FinanceCo Plc / Energia Group ROI Holdings DAC 4.750%, due 15/09/2024	13,498,728	0.51
Italy	Finance	4,131,000	Castor SpA 7.296%, due 15/02/2029	4,302,433	0.16
	Retail Stores	5,000,000	Marcolin SpA 6.125%, due 15/11/2026	4,653,378	0.18
Jamaica	Utilities	4,549,625	TransJamaican Highway Ltd 5.750%, due 10/10/2036	3,651,927	0.14
Macau	Hotels, Motels, Inns and Gaming	3,000,000	Wynn Macau Ltd 5.500%, due 15/01/2026	2,756,760	0.10
Mauritius	Telecommunications	1,633,000	Axian Telecom 7.375%, due 16/02/2027	1,437,816	0.05
Mexico	Banking	1,272,000	BBVA Bancomer SA 5.875%, due 13/09/2034	1,176,986	0.04
	Buildings and Real Estate	200,000	Cibanco SA Ibm 4.962%, due 18/07/2029	182,436	0.01
	Chemicals, Plastics and Rubber	1,086,000	Braskem Idesa SAPI 7.450%, due 15/11/2029	863,658	0.03
	Diversified/ Conglomerate Service	5,000,000	Sixsigma Networks Mexico SA de CV 7.500%, due 02/05/2025	4,545,087	0.17
	Finance	9,750,000	Banco Mercantil del Norte SA 6.625% Perpetual	8,112,097	0.31
		585,000	Orbia Advance Corp SAB de CV 5.500%, due 15/01/2048	479,855	0.02
	Oil and Gas	4,000,000	Petroleos Mexicanos 6.500%, due 13/03/2027	3,647,500	0.14
		1,595,000	Petroleos Mexicanos 6.625%, due 15/06/2038	1,100,164	0.04
	Utilities	975,000	Electricidad Firme de Mexico Holdings SA de CV 4.900%, due 20/11/2026	861,113	0.03
	Chemicals, Plastics and Rubber	585,000	OCP SA 5.125%, due 23/06/2051	444,995	0.02
Netherlands	Broadcasting and Entertainment	3,982,000	Prosus NV 3.832%, due 08/02/2051	2,419,629	0.09
	Chemicals, Plastics and Rubber	6,950,000	Nobian Finance BV 3.625%, due 15/07/2026	6,314,381	0.24
	Telecommunications	6,500,000	WP/AP Telecom Holdings III BV 5.500%, due 15/01/2030	5,719,516	0.22
Nigeria		1,043,000	IHS Holding Ltd 6.250%, due 29/11/2028	847,539	0.03
Panama		4,400,000	C&W Senior Financing DAC 6.875%, due 15/09/2027	4,101,592	0.16
Peru	Farming and Agriculture	4,037,000	Camposol SA 6.000%, due 03/02/2027	2,680,891	0.10
Puerto Rico	Telecommunications	5,847,000	LCPR Senior Secured Financing DAC 6.750%, due 15/10/2027	5,480,510	0.21

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
Russia	Banking	3,100,000	Home Credit & Finance Bank OOO Via Eurasia Capital SA 8.800% Perpetual	329,956	0.01
		3,000,000	Sovcombank Via SovCom Capital DAC 7.750%, due 31/12/2049	84,375	0.00
		5,715,000	Sovcombank Via SovCom Capital DAC 8.000%, due 07/04/2030	336,828	0.01
Saudi Arabia	Buildings and Real Estate	5,000,000	Arabian Centres Sukuk II Ltd 5.625%, due 07/10/2026	4,550,505	0.17
Slovenia	Banking	4,300,000	Nova Ljubljanska Banka dd 3.650%, due 19/11/2029	3,866,464	0.15
South Africa	Chemicals, Plastics and Rubber	3,082,000	Sasol Financing USA LLC 5.500%, due 18/03/2031	2,513,718	0.10
Spain	Personal Transportation	16,140,316	Anarafe SL 25.886%, due 31/03/2026**	12,612,496	0.48
	Telecommunications	8,737,000	Kaixo Bondco Telecom SA 5.125%, due 30/09/2029	7,996,402	0.30
Sweden	Diversified/ Conglomerate Service	12,300,000	Verisure Midholding AB 5.250%, due 15/02/2029	10,566,139	0.40
Thailand	Banking	3,000,000	Kasikornbank PCL 5.275% Perpetual	2,852,430	0.11
United Arab Emirates	Healthcare, Education and Childcare	1,500,000	NMC Healthcare Sukuk Ltd 5.950%, due 21/11/2023**	442,500	0.02
United Kingdom	Diversified/ Conglomerate Service	8,327,000	Ashtead Capital Inc. 5.500%, due 11/08/2032	8,050,795	0.31
		12,614,737	Summer BC Holdco A Sarl 9.250%, due 31/10/2027	10,303,394	0.39
		16,260,000	Travelex Financing Plc 8.000%, due 15/05/2022**	-	0.00
	Finance	21,707,066	Travelex Issuerco Ltd 12.500%, due 05/08/2025**	34,771,657	1.32
		4,550,000	Cidron Aida Finco S.a.r.l. 6.250%, due 01/04/2028	4,496,979	0.17
		3,350,000	Cidron Aida Finco Sarl 5.000%, due 01/04/2028	3,091,854	0.12
	Hotels, Motels, Inns and Gaming	6,000,000	TVL Finance Plc 8.274%, due 15/07/2025	6,866,099	0.26
		9,000,000	Motion Bondco DAC 4.500%, due 15/11/2027	7,939,918	0.30
	Oil and Gas	2,979,206	KCA Deutag Pikco Plc 15.000%, due 01/12/2027	2,837,694	0.11
		4,760,625	KCA Deutag UK Finance Plc 13.215%, due 01/12/2025	4,748,723	0.18
	Retail Stores	1,820,000	Bellis Finco Plc 4.000%, due 16/02/2027	1,627,677	0.06
		4,350,000	House of Fraser Funding Plc 6.529%, due 15/09/2020**	31,554	0.00
	Telecommunications	4,500,000	Virgin Media Vendor Financing Notes III DAC 4.875%, due 15/07/2028	4,411,868	0.17
		3,500,000	Vodafone Group Plc 3.000%, due 27/08/2080	2,999,581	0.11

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
United States	Aerospace and Defense	5,946,000	American Airlines Inc. / AAAdvantage Loyalty IP Ltd 5.500%, due 20/04/2026	5,728,385	0.22
		1,717,000	American Airlines Inc. / AAAdvantage Loyalty IP Ltd 5.750%, due 20/04/2029	1,572,361	0.06
		6,463,000	Triumph Group Inc. 7.750%, due 15/08/2025	5,507,575	0.21
	Beverage, Food and Tobacco	4,966,000	JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc. 5.500%, due 15/01/2030	4,736,894	0.18
		2,279,000	Clear Channel Outdoor Holdings Inc. 7.500%, due 01/06/2029	1,677,674	0.06
	Broadcasting and Entertainment	5,000,000	CSC Holdings LLC 5.750%, due 15/01/2030	2,830,975	0.11
		5,000,000	CSC Holdings LLC 7.500%, due 01/04/2028	3,411,000	0.13
		9,443,000	Directv Financing LLC / Directv Financing Co-Obligor Inc. 5.875%, due 15/08/2027	8,466,216	0.32
		3,306,000	DISH DBS Corp. 5.250%, due 01/12/2026	2,790,958	0.11
		4,253,000	DISH DBS Corp. 5.750%, due 01/12/2028	3,402,400	0.13
		20,400,000	DISH Network Corp. 3.375%, due 15/08/2026	12,831,600	0.49
		1,000,000	Sirius XM Radio Inc. 3.875%, due 01/09/2031	782,094	0.03
		8,247,000	Terrier Media Buyer Inc. 8.875%, due 15/12/2027	6,220,547	0.24
	Buildings and Real Estate	8,946,000	New Enterprise Stone & Lime Co Inc. 9.750%, due 15/07/2028	8,294,862	0.31
		4,380,000	Patrick Industries Inc. 4.750%, due 01/05/2029	3,641,094	0.14
	Chemicals, Plastics and Rubber	16,636,368	Anagram International Inc. 15.000%, due 15/08/2025	15,920,921	0.60
		5,902,000	Consolidated Energy Finance SA 5.625%, due 15/10/2028	5,022,465	0.19
		1,058,000	Consolidated Energy Finance SA 6.500%, due 15/05/2026	990,683	0.04
		1,900,000	LSF11 A5 HoldCo LLC 6.625%, due 15/10/2029	1,572,081	0.06
		1,164,000	Olympus Water US Holding Corp. 3.875%, due 01/10/2028	1,015,402	0.04
		3,036,000	Olympus Water US Holding Corp. 4.250%, due 01/10/2028	2,468,734	0.09
		4,715,000	Olympus Water US Holding Corp. 5.375%, due 01/10/2029	3,680,709	0.14
		1,561,000	Olympus Water US Holding Corp. 6.250%, due 01/10/2029	1,187,150	0.05
		15,035,000	Vibrantz Technologies Inc. 9.000%, due 15/02/2030	11,365,868	0.43
	Containers, Packaging and Glass	4,217,000	Clydesdale Acquisition Holdings Inc. 6.625%, due 15/04/2029	4,014,691	0.15
		14,100,000	Clydesdale Acquisition Holdings Inc. 8.750%, due 15/04/2030	12,095,636	0.46

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
United States (continued)	Containers, Packaging and Glass (continued)	12,300,000	Mauser Packaging Solutions Holding Co 4.750%, due 15/04/2024	12,715,548	0.48
		818,000	Pactiv Evergreen Group Issuer LLC / Pactiv Evergreen Group Issuer Inc. 4.375%, due 15/10/2028	731,844	0.03
		2,962,000	Amsted Industries Inc. 5.625%, due 01/07/2027	2,821,646	0.11
	Diversified/ Conglomerate Manufacturing	500,000	Appcion Esc 9.000%, due 01/06/2025**	-	0.00
		2,530,000	PECF USS Intermediate Holding III Corp. 8.000%, due 15/11/2029	1,647,005	0.06
		20,520,151	CWT Travel Group Inc. 8.500%, due 19/11/2026	17,444,180	0.66
	Diversified/ Conglomerate Service	4,147,000	Global Infrastructure Solutions Inc. 5.625%, due 01/06/2029	3,258,374	0.12
		2,852,000	Iron Mountain Inc. 4.500%, due 15/02/2031	2,350,604	0.09
		4,150,000	Iron Mountain Inc. 5.000%, due 15/07/2028	3,734,795	0.14
		22,787,000	McAfee Corp. 7.375%, due 15/02/2030	18,362,127	0.70
		11,325,000	Presidio Holdings Inc. 8.250%, due 01/02/2028	10,517,074	0.40
		11,203,000	Prime Security Services Borrower LLC 6.250%, due 15/01/2028	10,219,601	0.39
		11,920,000	Veritas US Inc. / Veritas Bermuda Ltd 7.500%, due 01/09/2025	8,235,156	0.31
		4,615,000	Elastic NV 4.125%, due 15/07/2029	3,733,420	0.14
		10,000,000	Coinbase Global Inc. 3.625%, due 01/10/2031	4,829,119	0.18
		2,441,000	Ford Motor Credit Co LLC 2.330%, due 25/11/2025	2,411,487	0.09
		1,559,000	Ford Motor Credit Co LLC 3.250%, due 15/09/2025	1,589,478	0.06
		26,834,145	Global Aircraft Leasing Co Ltd 6.500%, due 15/09/2024	22,866,717	0.87
		881,000	Midcap Financial Issuer Trust 6.500%, due 01/05/2028	758,951	0.03
		4,435,000	NFP Corp. 6.875%, due 15/08/2028	3,665,434	0.14
		5,000,000	OneMain Finance Corp. 3.875%, due 15/09/2028	3,982,600	0.15
		3,399,000	PRA Group Inc. 5.000%, due 01/10/2029	2,809,172	0.11
		14,978,000	PROG Holdings Inc. 6.000%, due 15/11/2029	12,071,968	0.46
	Healthcare, Education and Childcare	8,384,000	AdaptHealth LLC 5.125%, due 01/03/2030	7,148,115	0.27
		7,676,000	Bausch Health Cos Inc. 11.000%, due 30/09/2028	6,024,467	0.23
		1,528,000	Bausch Health Cos Inc. 14.000%, due 15/10/2030	914,732	0.03



# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
United States (continued)	Healthcare, Education and Childcare (continued)	5,000,000	Centene Corp. 4.625%, due 15/12/2029	4,580,454	0.17
		3,342,000	CHS / Community Health Systems Inc. 5.250%, due 15/05/2030	2,525,958	0.10
		2,637,000	Consensus Cloud Solutions Inc. 6.500%, due 15/10/2028	2,428,858	0.09
		5,000,000	HCA Inc. 5.625%, due 01/09/2028	4,981,608	0.19
		5,000,000	Radiology Partners Inc. 9.250%, due 01/02/2028	2,814,669	0.11
		5,197,000	Tenet Healthcare Corp. 4.375%, due 15/01/2030	4,513,958	0.17
		3,684,000	Tenet Healthcare Corp. 5.125%, due 01/11/2027	3,434,482	0.13
		9,574,000	Staples Inc. 10.750%, due 15/04/2027	6,909,364	0.26
		1,625,000	Royal Caribbean Cruises Ltd 4.250%, due 15/06/2023	1,620,534	0.06
		16,162,000	Royal Caribbean Cruises Ltd 5.500%, due 31/08/2026	13,616,485	0.52
	Machinery Non- Agriculture, Non- Construction, Non- Electronic	6,853,000	ESC GCB Briggs & Stratton 6.875%, due 15/12/2049**	-	0.00
	Oil and Gas	8,831,000	CVR Energy Inc. 5.250%, due 15/02/2025	8,137,634	0.31
		2,787,000	EnLink Midstream Partners LP 5.600%, due 01/04/2044	2,311,710	0.09
		2,000,000	EQM Midstream Partners LP 4.750%, due 15/01/2031	1,638,910	0.06
		5,101,000	EQM Midstream Partners LP 7.500%, due 01/06/2030	4,921,955	0.19
		8,062,000	Genesis Energy LP / Genesis Energy Finance Corp. 6.500%, due 01/10/2025	7,717,672	0.29
		2,557,000	Hilcorp Energy I LP 6.000%, due 15/04/2030	2,277,574	0.09
		7,000,000	ITT Holdings LLC 6.500%, due 01/08/2029	5,908,105	0.22
		11,288,000	Nabors Industries Inc. 7.375%, due 15/05/2027	10,947,664	0.42
		5,000,000	NGL Energy Operating LLC / NGL Energy Finance Corp. 7.500%, due 01/02/2026	4,460,606	0.17
		4,834,000	Occidental Petroleum Corp. 6.125%, due 01/01/2031	4,887,728	0.19
		4,800,000	Occidental Petroleum Corp. 6.200%, due 15/03/2040	4,705,780	0.18
		2,698,000	Occidental Petroleum Corp. 6.375%, due 01/09/2028	2,727,715	0.10
		1,000,000	Occidental Petroleum Corp. 7.950%, due 15/06/2039	1,086,225	0.04
		1,809,000	Targa Resources Partners LP 4.000%, due 15/01/2032	1,521,731	0.06

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Bonds (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
United States (continued)	Oil and Gas (continued)	4,342,000	Targa Resources Partners LP / Targa Resources Partners Finance Corp. 4.875%, due 01/02/2031	3,926,471	0.15
		6,767,000	Transocean Inc. 7.250%, due 01/11/2025	5,994,212	0.23
		1,599,000	Transocean Inc. 7.500%, due 15/01/2026	1,348,629	0.05
		18,392,000	Weatherford International Ltd 8.625%, due 30/04/2030	17,840,424	0.68
	Personal Transportation	9,239,995	Mileage Plus Holdings LLC / Mileage Plus Intellectual Property Assets Ltd 6.500%, due 20/06/2027	9,206,749	0.35
		2,307,000	Bath & Body Works Inc. 6.875%, due 01/11/2035	2,054,845	0.08
	Retail Stores	2,196,000	Macy's Retail Holdings LLC 5.875%, due 15/03/2030	1,908,763	0.07
		1,417,000	Macy's Retail Holdings LLC 6.125%, due 15/03/2032	1,193,114	0.05
		1,121,000	NMG Holding Co Inc. / Neiman Marcus Group LLC 7.125%, due 01/04/2026	1,052,717	0.04
		11,530,000	Nordstrom Inc. 5.000%, due 15/01/2044	7,025,229	0.27
	Telecommunications	5,273,000	Sonic Automotive Inc. 4.625%, due 15/11/2029	4,228,987	0.16
		2,947,000	Sonic Automotive Inc. 4.875%, due 15/11/2031	2,320,806	0.09
		1,920,000	Boxer Parent Co Inc. 6.500%, due 02/10/2025	1,964,944	0.07
		438,000	Boxer Parent Co Inc. 9.125%, due 01/03/2026	413,908	0.02
		13,916,000	CCO Holdings LLC / CCO Holdings Capital Corp. 6.375%, due 01/09/2029	13,104,210	0.50
		7,111,000	CommScope Inc. 4.750%, due 01/09/2029	5,746,221	0.22
		2,900,000	Uzauto Motors AJ 4.850%, due 04/05/2026	2,379,138	0.09
	Banking	3,265,000	Ipoteka-Bank ATIB 5.500%, due 19/11/2025	2,850,345	0.11
Zambia	Mining, Steel, Iron and Non Precious Metals	5,165,000	First Quantum Minerals Ltd 7.500%, due 01/04/2025	5,037,942	0.19
<b>Total Bonds (31 December 2021: US\$1,700,787,373)</b>				<b>1,014,483,645</b>	<b>38.53</b>

### Equity

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
France	Broadcasting and Entertainment	1,156,003	Technicolor	254,171	0.01
		1,156,003	Technicolor Creative Studios SA	276,816	0.01
	Buildings and Real Estate	180,762,179	Terreal Common Stock - Class A EUR NPV**	1,006,183	0.04
		2,800	Terreal Common Stock - Class P EUR NPV**	-	0.00



# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Equity (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
France (continued)	Buildings and Real Estate (continued)	2,655,172	Terreal Common Stock -		
			Class Preferred A EUR NPV**	3,637,199	0.14
	Cargo Transport	280,248	Terreal Preferred A1 Shares**	2,594,445	0.10
		672	Fraikin A1**	37,766	0.00
		1,938	Fraikin A2**	108,913	0.01
		672	Fraikin B1**	37,766	0.00
		1,938	Fraikin B2**	108,913	0.01
		672	Fraikin C1**	37,766	0.00
		1,938	Fraikin C2**	108,913	0.00
		672	Fraikin D1**	37,766	0.00
		1,938	Fraikin D2**	108,913	0.00
		672	Fraikin E1**	37,765	0.00
		1,938	Fraikin E2**	108,913	0.00
		672	Fraikin F1**	37,765	0.00
		1,938	Fraikin F2**	108,913	0.00
		672	Fraikin G1**	37,765	0.00
		1,938	Fraikin G2**	108,913	0.00
		672	Fraikin H1**	37,765	0.00
		1,938	Fraikin H2**	108,913	0.00
		672	Fraikin I1**	37,765	0.00
		1,939	Fraikin I2**	108,969	0.01
		4,709	Fraikin Pref A Shares**	264,639	0.01
	Diversified/ Conglomerate Service		Alma Consulting Group Luxco Shares**	-	0.00
		164,331	Alma Consulting Group LuxCo Shares**	-	0.00
		91,559	Alma Consulting Group Senior Debt PPL**	5	0.00
		4,222,251	Alma Consulting Group Senior PPL**	-	0.00
		220,071			
Italy	Home and Office Furnishings, Housewares, and Durable Consumer Products	110,588	Stiga (fka Global Garden Products) A1 Shares**	8,760,038	0.33
		1,229,775	Stiga (fka Global Garden Products) A3 Shares**	3,488,492	0.13
		61,243	Stiga (fka Global Garden Products) Common Stock**	159,960	0.01
			Stiga (fka Global Garden Products) Common Stock - A2 Shares EUR NPV**	2,719,713	0.10
		158,795			
Spain	Personal Transportation	32,152	Naviera Armas SA Class A2**	-	0.00
		4,530	Naviera Armas SA Class A3**	-	0.00
		40,974	Naviera Armas SA Class B2**	-	0.00
		5,778	Naviera Armas SA Class B3**	-	0.00
United Kingdom	Diversified/ Conglomerate Service	2,659,845	Innovation Group Topco Equity stapled to Holdco PIK**	2,797,589	0.11
		134,853	Travelx Ltd**	-	0.00
	Finance	13,465	Travelx TopCo Limited Warrant**	813,926	0.03
	Healthcare, Education and Childcare	11,725,619	Tunstall Group Holdings Limited**	6,903,561	0.26

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Equity (continued)

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
United Kingdom (continued)	Machinery Non-Agriculture, Non-Construction, Non-Electronic	2,482,317	Doncasters**	3	0.00
	Oil and Gas	90,614	KCA Deutag	5,246,551	0.20
United States	Beverage, Food and Tobacco	70,455	CTI Foods Holding Co.**	6,760,158	0.26
	Diversified Natural Resources, Precious Metals and Minerals	283,823	Parker Drilling Co.	2,015,143	0.08
	Diversified/ Conglomerate Service	3,500	ALM Ltd	351	0.00
		446,981	Carlson Travel Inc.	3,084,169	0.12
		12,786	W3 Co.**	4,858,680	0.19
		492	W3 Co. Pref.**	507,704	0.02
	Leisure, Amusement, Entertainment	1,227,731	Cineworld Group Plc Warrant**	74,213	0.00
		76,222	MGM Holdings, Inc. Common Stock - Class A USD NPV**	343,952	0.01
	Personal and Non Durable Consumer Products Mfg. Only	9,000	High Ridge Brands**	126,000	0.01
	Telecommunications	7,575,758	Syniverse Technologies Series A Preferred Equity**	6,515,153	0.25
<b>Total Equity (31 December 2021: US\$95,016,115)</b>				<b>64,528,976</b>	<b>2.45</b>

### Collective Investment Schemes

Country	Industry	Holding	Details	Fair Value US\$	% of Net Assets*
Ireland	Finance	115,548,247	BlackRock ICS US Dollar Liquidity Fund	115,548,247	4.39
United States	Mutual Fund	32,593,764	Barings USD Liquidity Fund	32,593,764	1.24
<b>Total Collective Investment Schemes (31 December 2021: US\$48,164,958)</b>				<b>148,142,011</b>	<b>5.63</b>

**Total investments at fair value through profit or loss (31 December 2021: US\$3,868,344,344)**

**2,502,573,998**

**95.05**

### Unfunded Loans

Country	Industry	Obligor	Fair Value US\$	% of Net Assets*
United States	Chemicals, Plastics and Rubber	New Arclin U.S. Holding Corp. 2021 Delayed Draw Term Loan***	(35,494)	(0.00)
	Diversified/ Conglomerate Manufacturing	IPS Corporation 2021 Delayed Draw Term Loan***	(112,591)	(0.01)
<b>Total Unfunded Loans (31 December 2021: US\$Nil)</b>			<b>(148,085)</b>	<b>(0.01)</b>

# Barings Global High Yield Credit Strategies Limited

## Schedule of Investments (Unaudited) (continued)

As at 31 December 2022

### Forward Foreign Exchange Contracts

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Gain US\$	% of Net Assets*
17/01/2023	National Australia Bank	USD	123,405,275	GBP	101,063,228	1,183,100	0.04
17/01/2023	State Street Bank	EUR	1,106,250	USD	1,171,705	13,529	0.00
17/01/2023	State Street Bank	EUR	451,875	USD	476,567	7,571	0.00
17/01/2023	State Street Bank	EUR	1,387,500	USD	1,479,144	7,419	0.00
17/01/2023	State Street Bank	USD	43,077,898	GBP	35,279,244	412,469	0.02
17/01/2023	State Street Bank	USD	7,594,231	GBP	6,211,237	82,588	0.00
<b>Total unrealised gain on forward foreign exchange contracts (31 December 2021: US\$326,272)</b>						<b>1,706,676</b>	<b>0.06</b>

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Loss US\$	% of Net Assets*
17/01/2023	National Australia Bank	USD	332,858,266	EUR	315,879,730	(5,574,412)	(0.21)
17/01/2023	State Street Bank	GBP	940,000	USD	1,136,907	(105)	(0.00)
17/01/2023	State Street Bank	USD	16,342	CAD	22,232	(79)	(0.00)
17/01/2023	State Street Bank	USD	205,105	EUR	194,100	(2,853)	(0.00)
17/01/2023	State Street Bank	USD	943,750	EUR	887,500	(7,115)	(0.00)
17/01/2023	State Street Bank	USD	565,493	EUR	535,150	(7,865)	(0.00)
17/01/2023	State Street Bank	USD	1,011,219	EUR	957,500	(14,644)	(0.00)
17/01/2023	State Street Bank	USD	2,039,959	EUR	1,930,500	(28,373)	(0.00)
17/01/2023	State Street Bank	USD	5,959,939	EUR	5,650,892	(94,411)	(0.00)
17/01/2023	State Street Bank	USD	244,033,580	EUR	231,583,643	(4,084,502)	(0.16)
<b>Total unrealised loss on forward foreign exchange contracts (31 December 2021: US\$(15,213,116))</b>						<b>(9,814,359)</b>	<b>(0.37)</b>
<b>Net unrealised loss on forward foreign exchange contracts (31 December 2021: US\$(14,886,844))</b>						<b>(8,107,683)</b>	<b>(0.31)</b>

### Options Purchased

Currency	Description	Expiry date	Fair Value US\$	% of Net Assets*
USD	Put on 3,600 USD	21/04/2023	5,709,120	0.22
<b>Options purchased at positive fair value</b>			<b>5,709,120</b>	<b>0.22</b>
<b>Total options (31 December 2021: US\$Nil)</b>			<b>5,709,120</b>	<b>0.22</b>

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

\*\* This is a level 3 position.

\*\*\* An element of this loan is unfunded.

# Barings Global High Yield Credit Strategies Limited

## Significant Changes in Portfolio Composition (Unaudited)

As at 31 December 2022

### Purchases

Issuer	Cost US\$
Blackrock ICS US Dollar Liquidity Fund	1,047,000,000
McAfee Corp. 7.375%, due 15/02/2030	22,787,000
Anarafe SL 17.154%, due 31/03/2026	21,356,107
PMHC II, Inc. 2022 Term Loan B	16,806,233
Vibrantz Technologies Inc. 9.000%, due 15/02/2030	15,035,000
Barings USD Liquidity Fund	15,000,000
Electricite de France SA 5.875%, due 22/07/2049	14,712,583
Team Health Holdings, Inc. 2022 Term Loan B	14,003,591
CCO Holdings LLC / CCO Holdings Capital Corp. 6.375%, due 01/09/2029	13,916,000
Syniverse Holdings, Inc. 2022 Term Loan	13,244,642
Clydesdale Acquisition Holdings Inc. 8.750%, due 15/04/2030	13,235,670
Quest Software US Holdings Inc. 2022 Term Loan	12,096,774
IRIS Bidco Limited 2018 GBP Term Loan B	11,676,212
TSM II Luxco 10 SARL EUR PIK Term Loan	11,369,466
Solis IV BV USD Term Loan B1	11,216,844
Presidio Holdings Inc. 8.250%, due 01/02/2028	11,211,750
Quest Software US Holdings Inc. 2022 2nd Lien Term Loan	10,647,822
EQM Midstream Partners LP 7.500%, due 01/06/2030	10,248,205
Crocs, Inc. Term Loan B	10,018,700
Electricite de France SA 3.375% Perpetual	9,758,996

### Sales

Issuer	Proceeds US\$
Blackrock ICS US Dollar Liquidity Fund	963,904,706
Tourmaline Oil Corp.	18,917,187
Team Health Holdings, Inc. 1st Lien Term Loan	17,838,287
Metro-Goldwyn-Mayer Inc. 2018 2nd Lien Term Loan	16,942,347
AMC Entertainment Holdings, Inc. 2019 Term Loan B	16,744,303
Crown Finance US, Inc. 2018 USD Term Loan	15,154,014
Envision Healthcare Corporation 2018 1st Lien Term Loan	13,650,699
Naviera Armas SA 6.012%, due 15/11/2024	13,562,931
Clear Channel Outdoor Holdings, Inc. Term Loan B	13,460,795
Boparan Finance PLC 7.625%, due 30/11/2025	13,391,008
Trident TPI Holdings Inc. 9.250%, due 01/08/2024	13,196,365
Electricite de France SA 5.075%, due 22/07/2049	13,060,984
Triumph Group Inc. 6.250%, due 15/09/2024	13,056,932
ION Trading Finance Limited 2021 USD Term Loan	12,624,996
Syniverse Holdings, Inc. 2022 Term Loan	12,623,578
Motion Finco Sarl EUR Term Loan B	12,038,392
Syniverse Holdings, Inc. 2018 1st Lien Term Loan	11,331,469
Elysium Healthcare Holdings 3 Limited 2018 GBP Term Loan B1	10,624,706
BWAY Holding Company 2017 Term Loan B	10,265,816
Albion Financing 3 SARL EUR Term Loan	9,998,514

Listed above are aggregate purchases of securities exceeding 1% of the total value of purchases for the financial year ended 31 December 2022 and aggregate sales greater than 1% of the total value of sales for the financial year ended 31 December 2022.

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