



Barings Global Investment Funds 2 Plc

(an open-ended umbrella investment company with variable capital and segregated liability between sub-funds with registration number 529930)

Annual Report & Audited Financial Statements

for the financial year ended 31 December 2022

Barings Global Investment Funds 2 Plc

Annual Report and Audited Financial Statements

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Barings Global Investment Funds 2 Plc

Directors and Other Information

Directors

Mr. Alan Behen (Irish)
Mr. David Conway (Irish)*&**
Ms. Barbara Healy (Irish)*
Mr. Paul Smyth (Irish)
Mr. Julian Swayne (British)
Mr. Syl O'Byrne (Irish)*&***

* Non-executive Directors independent of the Investment Managers.

**Mr. David Conway resigned as a Director of the Company with effect from 31 December 2022.

***Mr. Syl O'Byrne was appointed as a Director of the Company with effect from 27 January 2023.

Registered Office

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

Investment Manager****

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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

Distributors

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20 Old Bailey
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Baring Asset Management Limited
20 Old Bailey
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United Kingdom

Baring International Fund Managers (Ireland) Limited
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Switzerland

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Hong Kong
Republic of China

Independent Auditor

KPMG
Chartered Accountants
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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".

Barings Global Investment Funds 2 Plc

Introduction

Barings Global Investment Funds 2 Plc (the “Company”) is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014, (the “Companies Act”). The Company was incorporated on 8 July 2013 under registration number 529930. Accordingly, the Company is supervised by the Central Bank of Ireland (the “CBI”).

The Company is structured in the form of an umbrella fund with segregated liability between funds. The Company may offer separate funds and each fund will have a distinct portfolio of investments. As at 31 December 2022, the Company had two active funds, (the “Funds”).

The registered office of the Company is 70 Sir John Rogerson’s Quay, Dublin, D02 R296, Ireland.

The investments (except forward foreign exchange contracts as listed in the Schedule of Investments) of Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3 are held through wholly owned subsidiaries, Barings Global High Yield Credit Strategies Limited and Barings Global Multi-Credit Strategy 3 Limited respectively (the “Subsidiary” or the “Subsidiaries”). The Subsidiaries are incorporated and tax resident in Ireland. Barings Investment Grade CLO Fund held its investments directly.

The Funds are managed by Barings LLC (the “Investment Manager”) and Baring International Investment Limited (the “Sub-Investment Manager”) (together the “Investment Managers”).

As per the Prospectus, the Company’s financial statements are presented in United States Dollars (“US\$”), while the Funds’ financial statements are presented in accordance with the functional currencies as set out in the Supplements which are Pound Sterling (“GBP”) for Global Multi-Credit Strategy Fund 3 and US Dollar (“US\$”) for Barings Global High Yield Credit Strategies Fund and for Barings Investment Grade CLO Fund.

Details of the Funds as at 31 December 2022 are as follows:

Fund Name	Subsidiary Name	Launch Date	Functional currency	Active Share Tranches
Barings Global High Yield Credit Strategies Fund	Barings Global High Yield Credit Strategies Limited	23 July 2013	US\$	21**
Barings Investment Grade CLO Fund*	n/a	18 March 2014	US\$	-
Global Multi-Credit Strategy Fund 3	Barings Global Multi-Credit Strategy 3 Limited	22 February 2016	GBP	1

*This Fund terminated on 30 November 2022.

**These tranches were listed on the Global Exchange Market of Euronext Dublin as at 31 December 2022.

Barings Global Investment Funds 2 Plc

Investment Objective and Policy

Barings Global High Yield Credit Strategies Fund

The investment objective of the Fund is to achieve current income, and where appropriate, capital appreciation. The Fund will seek to achieve its objective by investing primarily in a portfolio of high yield fixed and floating rate corporate debt instruments issued by North American and European companies (including those debt instruments issued by issuing entities based in offshore centres, such as the Channel Islands, Cayman Islands, Bermuda and other offshore jurisdictions). The Fund will invest at least 50% of its total assets in fixed income instruments of companies that exhibit positive or improving environmental, social and governance ("ESG") characteristics.

Barings Investment Grade CLO Fund

This Fund terminated on 30 November 2022. The investment objective of the Fund was to achieve current income, and where appropriate, capital appreciation. The Fund sought to achieve its objective by investing primarily in a portfolio of debt tranches of cash flow collateralised loan obligations ("CLOs"). CLOs are securitisations issued by bankruptcy-remote, special purpose investment vehicles that are formed to acquire and manage, and are collateralised primarily by, corporate loans that are senior in the underlying obligor's capital structure to other debt issued. The Fund sought to invest in debt tranches issued by both United States ("U.S.") and European CLOs. The majority of the U.S. CLOs have issuers domiciled in the Cayman Islands, with a U.S. domiciled co-issuer. The majority of the European CLOs have issues domiciled in European Union ("EU") countries, typically Ireland, Netherlands and Luxembourg.

Global Multi-Credit Strategy Fund 3

The investment objective of the Fund is to achieve current income, and where appropriate, capital appreciation. The Fund will seek to achieve its objective by investing principally in a portfolio of high yield fixed and floating rate corporate debt instruments, focused on instruments issued by North American and European companies (including those debt instruments issued by issuing entities based in offshore centres, such as the Channel Islands, Cayman Islands, Bermuda, and other offshore jurisdictions). The Fund will also invest in structured credit products and securitised assets, including debt and equity tranches of collateralised loan obligations and mortgage backed securities, as well as asset backed securities.

Please refer to the Prospectus dated 1 December 2022 for the full investment objective and policy.

Barings Global Investment Funds 2 Plc

Directors' Report

For the financial year ended 31 December 2022

The Directors present to the shareholders their annual report together with the audited financial statements of 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 judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards;
- 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. The Directors together with the Investment Managers 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

A detailed review of the business and future developments and KPI's are included in the Investment Managers' Reports.

Results and Distributions

The results of operations for the financial year are set out in the Statement of Comprehensive Income. The Directors declared distributions during the financial year as set out in Note 9 of these financial statements.

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 12 of these financial statements.

Barings Global Investment Funds 2 Plc

Directors' Report (continued)

For the financial year ended 31 December 2022

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. David Conway (Irish) (resigned 31 December 2022)*
Ms. Barbara Healy (Irish)*
Mr. Paul Smyth (Irish)
Mr. Julian Swayne (British)
Mr. Syl O'Byrne (Irish) (appointed 27 January 2023)*

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

*Non-executive Directors independent of the Investment Managers.

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 or its subsidiaries during the financial year ended 31 December 2022 (31 December 2021: Nil).

Transactions involving Directors

Other than as stated in Note 10 and Note 11 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).

Mr. Julian Swayne is an employee of Baring Investment Services Limited. Mr. Alan Behen and Mr. Paul Smyth are employees of Baring International Fund Managers (Ireland) Limited, a distributor for the Company. Mr. Alan Behen and Mr. Paul Smyth are also Directors of the Subsidiaries.

Significant events during the financial year

The Supplement to the Prospectus of Global Multi-Credit Strategy Fund 3 was updated on 31 March 2022. The material changes to the Supplement are outlined in Note 20 of these financial statements.

The Prospectus of the Company was updated on 29 June 2022 and 1 December 2022. The material changes to the Prospectus are outlined in Note 20 of these financial statements.

On 30 November 2022, Barings Investment Grade CLO Fund terminated.

Mr. David Conway resigned as a Director of the Company with effect from 31 December 2022.

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 Funds 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. Barings Global High Yield Credit Strategies Fund through its investment in its Subsidiary 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 Fund.

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.

Barings Global Investment Funds 2 Plc

Directors' Report (continued)

For the financial year ended 31 December 2022

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.

Significant events since the financial year end

Mr. Syl O'Byrne was appointed as a Director of the Company with effect from 27 January 2023.

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

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.

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, at 78 Sir John Rogerson's Quay, Dublin D02 HD32, Ireland.

EU Takeovers Directive

The Company is not subject to the European Communities (Takeover Bids (Directive 2004/25/EC) Regulation 2006 and therefore is not required to include information relating to voting rights and other matters required by those Regulations and specified by the Companies Act.

Corporate Governance Statement

General Principles

The Company is subject to compliance with the requirements of the Companies Act. The Irish Funds ("IF") in consultation with the CBI has published a corporate governance code (the "IF Code") that may be adopted on a voluntary basis by Irish authorised collective investment schemes. The Directors voluntarily adopted the IF Code. The Board of Directors (the "Board") has reviewed and assessed the measures included in the IF Code and considers its corporate governance practices and procedures since the adoption of the IF Code to 31 December 2022, as consistent therewith.

Although there is no specific statutory corporate governance code applicable to Irish collective investment schemes whose shares are admitted to trading on the Euronext Dublin, Global Exchange Market, the Company is subject to corporate governance practices imposed by;

- (i) The Companies Act which is available for inspection at the registered office of the Company; and may also be obtained at: <http://www.irishstatutebook.ie>;
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company at 70 Sir John Rogerson's Quay, Dublin D02 R296, Ireland and at the Companies Registration Office in Ireland; and
- (iii) Euronext Dublin through the Euronext Dublin Code of Listing Requirements and Procedures which can be obtained from the Euronext Dublin's website at: <https://www.ise.ie>

Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Barings Global Investment Funds 2 Plc

Directors' Report (continued)

For the financial year ended 31 December 2022

Corporate Governance Statement (continued)

Internal Control and Risk Management Systems in Relation to Financial Reporting (continued)

The Board has procedures in place to ensure that all relevant books of account are properly maintained and are readily available; including the production of annual financial statements. The Board has appointed State Street Fund Services (Ireland) Limited (the "Administrator") (who is independent from the Board and the Investment Managers) to maintain the books and records of the Company.

The Administrator is authorised and regulated by the CBI and must comply with the rules imposed by the CBI. From time to time, the Board examines and evaluates the Administrator's financial accounting and reporting routines. The annual financial statements are produced by the Administrator and reviewed by the Investment Managers. The financial statements are prepared in compliance with International Financial Reporting Standards ("IFRS") as adopted in the EU, and the Administrator uses various internal controls and checklists to ensure that the financial statements include complete and appropriate disclosures required under IFRS and relevant legislation. They are required to be approved by the Board and the annual financial statements are required to be filed with the CBI and Euronext Dublin.

During the financial year of these financial statements, the Board was responsible for the review and approval of the annual financial statements as set out in the Statement of Directors' Responsibilities. The statutory financial statements are required to be audited by independent auditors who report annually to the Board on their findings. The Board monitors and evaluates the independent auditor's performance, qualifications and independence. As part of its review procedures, the Board receives presentations from relevant parties including consideration of International Accounting Standards and their impact on the annual financial statements, and presentations and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

Dealings with Shareholders

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Act. Although the Board may convene an extraordinary general meeting of the Company at any time, the Board was required to convene the first annual general meeting of the Company within eighteen months of incorporation and fifteen months of the date of the previous annual general meeting thereafter, provided that an annual general meeting is held once in each year within six months of the end of each accounting period of the Company.

At least twenty-one clear days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders and fourteen days' notice must be given in the case of any other general meeting. Two shareholders holding voting shares present either in person or by proxy constitutes a quorum at a general meeting. The Irish Companies Act and the Articles of Association provide that the quorum for a general meeting convened to consider any alteration to the rights attached to any tranche of shares, is two or more shareholders present in person or by proxy, holding or representing by proxy at least one third of the issued shares of the relevant tranche.

Each shareholder is entitled to such number of votes as shall be produced by dividing the aggregate Net Asset Value ("NAV") of the shareholder's shareholding by one. The Subscriber shareholders have one vote for each Subscriber share held. On a poll, every shareholder present, in person or by proxy, is entitled to one vote in respect of each share held by him. At any general meeting, a resolution put to the vote of the meeting is decided on a show of hands unless, a resolution is not passed unanimously on such show of hands, in which case such resolution shall be decided on a poll.

Board Composition and Activities

In accordance with the Companies Act and the Articles of Association, unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two. Currently, the Board is comprised of five Directors, two of whom are independent. Details of the current Directors, including details of the independent Directors, are set out on page 2.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as required by the Companies Act or by the Articles of Association of the Company.

The Board is responsible for the Company's overall direction and strategy and to this end it reserves the decision making power on issues such as the determination of medium and long-term goals, review of managerial performance, organisational structure and capital needs and commitments to achieve the Company's strategic goals. To achieve these responsibilities, the Board meets on a quarterly basis to review the operations of the Company, address matters of strategic importance and to receive reports from the Administrator, Depositary and the Investment Managers. However, a Director may, and the Company Secretary on the requisition of a Director will, at any time summon a meeting of the Directors and ad hoc meetings in addition to the four meetings that are convened as required.

Barings Global Investment Funds 2 Plc

Directors' Report (continued)

For the financial year ended 31 December 2022

Corporate Governance Statement (continued)

Board Composition and Activities (continued)

Questions arising at any meeting of the Directors are determined by the Chairman. In the case of an equality of votes, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

Connected Persons Transactions


The CBI Non-UCITS Notices, NU 2.10 – 'Dealings by promoter, manager, partner, custodian, investment adviser and group companies' states in paragraph one that any transaction carried out with a collective investment scheme by a promoter, manager, partner custodian, investment adviser and/or associated or group companies of these ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

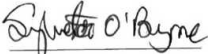
The Board are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in paragraph one of NU 2.10 are applied to all transactions with connected parties; and the Board is satisfied that transactions with connected persons entered into during the financial year complied with the obligations set out in this paragraph.

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: 
Alan Behen

Director: 
Sylvester O'Byrne

Date: 25 April 2023

Barings Global Investment Funds 2 Plc

Custodian's Report to the Shareholders

For the financial year ended 31 December 2022

Report of the Custodian to the Shareholders

We have enquired into the conduct of Barings Global Investment Funds 2 Plc (the "Company") for the financial year ended 31 December 2022, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the CBI Non-UCITS Notice 7, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the CBI Non-UCITS Notice 7. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's constitution (the "Constitution") and the Non-UCITS Notices. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Non-UCITS Notice 7 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Constitution and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitution and by the CBI under the powers granted to it by Part 24 of the Companies Act; and
- (ii) otherwise in accordance with the provisions of the Constitution and Part 24 of the Companies Act.



For and on behalf of
State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin D02 HD32
Ireland

Date: 25 April 2023



KPMG
Audit
1 Harbourmaster Place
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Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL INVESTMENT FUNDS 2 PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Barings Global Investment Funds 2 plc ('the Company') for the year ended December 31, 2022 set out on pages 21 to 67, which comprise the the Statement of Financial Positions, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the 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 change in net assets attributable to holders of redeemable participating shares 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 have fulfilled our ethical responsibilities under, and we remained 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), as applied to listed entities.

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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included considering the inherent risks to the Company's business model and analysis of how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were the availability of capital to meet operating costs and other financial commitments (liquidity risk) and the valuation of investments at fair value as a result of market performance (price risk). In the directors' assessment it was noted that the Company is a large platform with significant resources and the composition of the Company's portfolio reduces the going concern risk resulting from market performance of the investments. The directors' assessment is consistent with our understanding of the Company's capital structure and the composition of the portfolio held by the Company.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL INVESTMENT FUNDS 2 PLC (continued)

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Company's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors, regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Company's regulatory and legal correspondence.
- Reading Board meeting minutes.
- Performing planning analytical procedures to identify any unusual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, environmental law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the financial statements.

As the Company is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Company operates and gaining an understanding of the control environment including the Company's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL INVESTMENT FUNDS 2 PLC (continued)

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2021):

Valuation of Investments \$2,809,756,722 (2021: \$4,788,764,221)

Refer to *note 2* (accounting policy) and *note 11* (financial disclosures)

The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> - The Company's investment portfolio comprises of investments in Subsidiaries and forward currency contracts, ("the investments"). - The Company's investments in Subsidiaries form the majority of its financial assets at fair value through profit or loss. - The carrying value of the Subsidiaries is calculated by assessing the fair value of the Subsidiaries underlying portfolio of investments. - The Subsidiaries' portfolios of investments comprise of loans, CLOs, equities, collective investment schemes, warrants, bonds and derivatives (including both listed and non-listed investments) which are the key driver of capital and revenue performance. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - we obtained and documented our understanding of the investment valuation process and assessed the design and implementation of the relevant controls and we inspected the latest report on the administrator's and Barings' controls related to the Company's investment transactions issued by its auditor in accordance with ISAE 3402 "Assurance Reports on Controls at a Service Organisation"; - we compared the Company's investments in its Subsidiaries against the balances within the audited financial statement of the Subsidiaries; - we inspected the audited financial statements of the Subsidiaries for indication of any issues that may impact the value of the Company's investments in those Subsidiaries; - we engaged our valuation specialists, who agreed the forward foreign currency contracts at Company level to independently sourced prices; - engaging our valuation specialists, who agreed 93.20% of the net investment portfolio to independently sourced prices; - for the valuation of the remaining 6.80% of the net investment portfolio, there were certain illiquid investments over which the Investment Manager was appointed as competent person and are subject to valuation techniques by the Investment Manager which incorporates certain judgements and uncertainties. For material positions, we obtained the supporting documentation from the Investment Manager to support their pricing judgements and this documentation was inspected for reasonableness. This included our valuation specialist assessing the assumptions included in the valuations and also to the extent possible, corroborating the data inputs to supporting documentation; and - in addition, we considered the adequacy of the disclosure of investments made in the financial statements in relation to the fair value of investments and fair value disclosures for compliance with IFRS. <p>We noted no material exceptions arising from our testing.</p>

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at \$28m (2021: \$47.8m), determined with reference to a benchmark of the Company's net asset value ("NAV") (of which it represents 1% (2021: 1%)).

Performance materiality for the financial statements as a whole was set at \$21m (2021: \$35.9m), determined with reference to a benchmark of Materiality (of which it represents 75% (2021: 75%)).

We consider net asset value to be the most appropriate benchmark as it is most widely used benchmark in the funds industry and is the metric that is most important to investors, who would be one of the key users of the Company's financial statements. Subscriptions and redemptions in and out of the Company are transacted at NAV per share. Potential investors would also judge how the Company is performing based on its NAV. In addition, we applied a



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL INVESTMENT FUNDS 2 PLC (continued)

materiality of 1% to the net asset value of each Sub-Fund, except for the terminating Sub-Fund, Barings Investment Grade CLO Fund, for which we applied a materiality of 1% of total redemptions.

We reported to the Board of Directors any corrected or uncorrected identified misstatements exceeding 5% of materiality of each individual Sub-Fund, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin.

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, investment objective and policy, custodian's report, investment manager's report, schedule of investments, significant changes in portfolio composition, disclosure of remuneration, risk management systems and risk profile summary, total expense and performance data and sustainable finance disclosures. 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.

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 5, 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/>.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARINGS GLOBAL INVESTMENT FUNDS 2 PLC (continued)

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.

A handwritten signature in blue ink, appearing to read 'Frank Gannon', with a stylized flourish at the end.

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 Investment Funds 2 Plc

Investment Managers' Reports

For the financial year ended 31 December 2022

Barings Global High Yield Credit Strategies Fund

Performance

Barings Global High Yield Credit Strategies Fund (the "Fund") generated a gross return of -9.46% on the Tranche S USD Accumulation and underperformed against the performance comparator with a return of 6.21%* during the reporting period. The Fund generated a net return of -9.80% on the Tranche S USD Accumulation.

During 2022, global credit markets contended with a climb in inflation, a conflict in Ukraine, a rapid pace of monetary tightening creating concerns for global growth and a more than 250 basis points ("bps") rise in US Treasury rates. These factors all weighed on markets during the financial year creating significant headwinds for the market with interest volatility a significant driver of returns through the course of the financial year. Corporate earnings and fundamentals though remained robust as many companies maintained enough pricing power to pass higher costs through to their customers meaning most high yield issuers still have the flexibility to continue to service their debt through a period of economic weakness and remain in a stronger financial position today than they would have been before the pandemic.

Variable market conditions in each quarter combined to challenge total returns in 2022 for the U.S. high yield bond market. After rising interest rates in the first quarter drove longer duration assets to underperform, credit spreads widened in the second quarter and disproportionately impacted lower-rated securities. Rising rates pressured double-B bonds despite tighter spreads in the third quarter before a moderation in rates and a more defensive rally drove decompression across the ratings spectrum and outperformance of higher-rated assets into year-end. In total, single-B rated bonds slightly outperformed double-B bonds while triple-C assets lagged. Energy continued to lead by sector, while Communications was a primary laggard. The option adjusted spread ended December at 469 bps, 186 bps wider from year-end 2021, while yield-to-worst of 8.96% rose 475 bps over the same period. Primary market activity remained muted, pricing US\$106.5 billion in total, with declining volumes throughout the financial year; the US\$35 billion in second half volume was less than issuance in the first quarter of 2022. Mutual fund outflows of -US\$47.0 billion stabilized as the financial year progressed, ending with inflows in the fourth quarter; given continued lack of issuance combined with calls, tenders, maturities, and upgrades to investment grade, high yield market demand exceeded supply throughout the financial year providing a positive technical. From a fundamental perspective, default activity rose from record low levels to 0.84% on a trailing twelve-month basis.

The U.S. loan market finished 2022 with a negative total return amid inflationary pressures and recession fears. The average secondary market price finished the financial year at 91.9% of par compared to 98.4% at the end of the prior financial year. Along with the lower trading prices, average spread levels (as represented by the 3-year discount margin) widened significantly from the prior year-end, finishing at 652 bps compared to 439 bps, with the majority of the spread widening occurring during the second half of the financial year. Loans in the lower rating categories underperformed higher rated loans during the financial year. Issuance of new collateralized loan obligations, which is one of the main sources of demand for the asset class finished the financial year with US\$130 billion of issuance, the third highest annual volume on record. Also, bank loan retail funds experienced monthly net outflows beginning during May, and in aggregate had a net outflow for the financial year of approximately US\$10.3 billion. Amid broad credit market headwinds, primary market activity produced US\$225 billion of institutional loan new issuance for the financial year. From a fundamentals perspective, default activity was limited throughout the financial year and the trailing twelve-month default rate finished at 1.1%, remaining below historical averages.

The European High Yield Bond Market generated negative returns in 2022, despite the recovery in performance during the second half of the financial year as market sentiment improved. Within this environment, spreads tightened significantly over the last 6 months of the financial year, partially offsetting the widening experienced in the first half of 2022 and the option adjusted spread ended the financial year 180 bps wider compared to the end of 2021. From a rating perspective, double-B bonds were the best performers in 2022, marginally outperforming single-Bs as the longer duration of double-B bonds was a detractor to their performance within the rising rates environment we experienced in 2022. Triple-Cs underperformed the most due to concerns regarding economic growth in Europe and spreads ended the financial year 720 bps wider. The average price for the market decreased from 100.96 to 84.90 and the yield-to-worst ended the period at 8.03%. All industries saw negative returns with the notable underperformers being real estate and energy. The European high yield bond retail market recorded outflows of -€12.25 billion during 2022. In terms of issuance, it was the slowest since 2009, with a total of approximately €22.3 billion of issuance year-to-date.

The European loan market generated negative performance for the full financial year, which was the first calendar year with a negative return since 2011 and only the fourth on record. From a credit spread perspective, the average 3-year discount margin finished 2022 at 710 bps after widening by 294 bps during the financial year. From a ratings perspective, a significant part of the underperformance came from the lower rated split-B and triple-C segments as market dynamics supported the higher quality portion of the market, particularly during the second half of 2022 where limited primary supply was combined with a pick-up in CLO issuance. In terms of sectors, performance was negative across the board with Consumer Durables, followed by Housing and Food/Tobacco being the notable underperformers. The average price of the European loan market increased by 7.61 bps to end the financial year at 91.16. The trailing twelve-month default rate decreased compared to the previous financial year finishing

Barings Global Investment Funds 2 Plc

Investment Managers' Reports (continued)

For the financial year ended 31 December 2022

Barings Global High Yield Credit Strategies Fund (continued)

Performance (continued)

2021 at 0.4%. Within the challenging market backdrop, new loan issuance was subdued compared to 2021 and was the lowest on record since 2012. Total issuance for the financial year was €34.87, a 68% year-on-year decline from last financial year's volumes - a financial year which saw a record high of new issuance.

The Fund under performed its performance comparator in 2022. Since its inception in May 2013, the Fund has under performed its performance comparator.

Market & Outlook

Elevated interest rates and tighter financial conditions will weigh on global growth prospects moving forward. Corporate earnings will likely take center stage in 2023 with expectations for some contraction. Despite some of these headwinds, credit markets today are trading at heavily discounted levels, and for investors willing to ride out the volatility and take a long-term approach, high yield presents compelling total return opportunities.

Most high yield issuers still have the flexibility to service their debt through a period of economic weakness and remain in a stronger financial position today versus prior to the COVID-19 pandemic. Several issuers took advantage of record low borrowing costs in the aftermath of the pandemic to raise liquidity and push out debt maturity profiles, easing near term re-financing risks.

It is also worth noting that mild recessions have not necessarily been bad environments for high yield markets historically. Investors who retained high yield allocations through periods of volatility have historically been rewarded with attractive, long-term returns. This is partly because high yield, unlike equities, does not require strong economic growth to perform well. Rather, what matters more in high yield is an issuer's ability to meet the interest payments on its outstanding debt obligations.

*The Fund return uses the close New York prices, whereas the return of the performance comparator is calculated using global close prices.

Barings LLC

Baring International Investment Limited

January 2023

Barings Global Investment Funds 2 Plc

Investment Managers' Reports (continued)

For the financial year ended 31 December 2022

Barings Investment Grade CLO Fund*

Performance

The Barings Investment Grade CLO Fund (the "Fund") generated a gross return of -2.91% and a net return of -3.23% on the Tranche A USD Accumulation during the reporting period.

On November 30th, 2022 the Fund was terminated due to, amongst other things, the Fund's size given previous redemptions, economic viability, and ability to operate in a cost-efficient manner due to its small asset size. After two large redemptions, the Fund's size was approximately USD 18m. These redemptions were due to the liquidity needs of our clients and not reflective of performance.

After a year dominated by uncertainty, investors finished the fourth quarter with many of the same concerns they had to start it, most notably, inflation and the subsequent reaction by central banks. By 2022-year end, the Federal Reserve had raised interest rates seven times, including four rate hikes of 75 basis points which are beginning to achieve their intended consequences, confirmed by two consecutive slowing inflation reports and declining US housing starts. As we start 2023, a cautious tone persists as market participants brace for an environment with very low and possibly even negative growth. Conversations are generally shifted from whether a recession hits but more around the length and height of the next default cycle.

In Europe, the focus remains fixated on energy needs. Fortunately, a mild start to the winter season eased some of the pressure on European consumers and the situation looks much less dire than at the beginning of Q4 when there was talk of energy rationing and rolling blackouts. That being said, European governments are not out of the woods yet. With no end in sight to the Russia/Ukraine conflict, the task ahead is to secure next winter's energy supply at a reasonable price. The European Central Bank will need to combat an inflationary environment that weighs primarily on volatile energy prices.

The US CLO market surpassed US\$130.3bn of new issue supply for 2022, which despite being down 29% from 2021, was still the second-highest annual CLO issuance on record. Fourth quarter new issuance volume totaled US\$24.2bn across 55 CLOs in the US and €6.1bn across 17 CLOs in Europe. In the US, AAA primary spreads ended the final quarter of the financial year 10 basis points tighter as new issuance dried up heading into the end of the year. AA-A spreads finished 30-50 basis points tighter over the quarter, while BBB-BBs tightened by 80-100 basis points. Despite the stronger returns into year end, the fund delivered a negative return of -2.91% (Gross) for the 11 months to the end of November.

*The Fund terminated on 30 November 2022.

Barings LLC

Baring International Investment Limited

January 2023

Barings Global Investment Funds 2 Plc

Investment Managers' Reports (continued)

For the financial year ended 31 December 2022

Global Multi-Credit Strategy Fund 3

Performance

Global Multi-Credit Strategy Fund 3 (the "Fund") generated a gross return of -8.70% on the Tranche T GBP Accumulation and underperformed against the performance comparator with a return of 6.07%* during the reporting period. The Fund generated a net return of -9.25% on the Tranche T GBP Accumulation.

During 2022, global credit markets contended with a climb in inflation, a conflict in Ukraine, a rapid pace of monetary tightening creating concerns for global growth and a more than 250 bps rise in US Treasury rates. These factors all weighed on markets during the year creating significant headwinds for the market with interest volatility a significant driver of returns through the course of the financial year. Corporate earnings and fundamentals though remained robust as many companies maintained enough pricing power to pass higher costs through to their customers meaning most high yield issuers still have the flexibility to continue to service their debt through a period of economic weakness and remain in a stronger financial position today than they would have been before the pandemic.

Variable market conditions in each quarter combined to challenge total returns in 2022 for the U.S. high yield bond market. After rising interest rates in the first quarter drove longer duration assets to underperform, credit spreads widened in the second quarter and disproportionately impacted lower-rated securities. Rising rates pressured double-B bonds despite tighter spreads in the third quarter before a moderation in rates and a more defensive rally drove decompression across the ratings spectrum and outperformance of higher-rated assets into financial year-end. In total, single-B rated bonds slightly outperformed double-B bonds while triple-C assets lagged. Energy continued to lead by sector, while Communications was a primary laggard. The option adjusted spread ended December at 469 bps, 186 bps wider from financial year-end 2021, while yield-to-worst of 8.96% rose 475 bps over the same period. Primary market activity remained muted, pricing US\$106.5 billion in total, with declining volumes throughout the financial year; the US\$35 billion in second half volume was less than issuance in the first quarter of 2022. Mutual fund outflows of -US\$47.0 billion stabilized as the financial year progressed, ending with inflows in the fourth quarter; given continued lack of issuance combined with calls, tenders, maturities, and upgrades to investment grade, high yield market demand exceeded supply throughout the financial year providing a positive technical. From a fundamental perspective, default activity rose from record low levels to 0.84% on a trailing twelve-month basis.

The U.S. loan market finished 2022 with a negative total return amid inflationary pressures and recession fears. The average secondary market price finished the financial year at 91.9% of par compared to 98.4% at the end of the prior financial year. Along with the lower trading prices, average spread levels (as represented by the 3-year discount margin) widened significantly from the prior financial year-end, finishing at 652 bps compared to 439 bps, with the majority of the spread widening occurring during the second half of the financial year. Loans in the lower rating categories underperformed higher rated loans during the financial year. Issuance of new collateralized loan obligations, which is one of the main sources of demand for the asset class finished the financial year with US\$130 billion of issuance, the third highest annual volume on record. Also, bank loan retail funds experienced monthly net outflows beginning during May, and in aggregate had a net outflow for the financial year of approximately US\$10.3 billion. Amid broad credit market headwinds, primary market activity produced US\$225 billion of institutional loan new issuance for the financial year. From a fundamentals perspective, default activity was limited throughout the financial year and the trailing twelve-month default rate finished at 1.1%, remaining below historical averages.

The European High Yield Bond Market generated negative returns in 2022, despite the recovery in performance during the second half of the financial year as market sentiment improved. Within this environment, spreads tightened significantly over the last 6 months of the financial year, partially offsetting the widening experienced in the first half of 2022 and the option adjusted spread ended the financial year 180 bps wider compared to the end of 2021. From a rating perspective, double-B bonds were the best performers in 2022, marginally outperforming single-Bs as the longer duration of double-B bonds was a detractor to their performance within the rising rates environment we experienced in 2022. Triple-Cs underperformed the most due to concerns regarding economic growth in Europe and spreads ended the financial year 720 bps wider. The average price for the market decreased from 100.96 to 84.90 and the yield-to-worst ended the period at 8.03%. All industries saw negative returns with the notable underperformers being real estate and energy. The European high yield bond retail market recorded outflows of -€12.25 billion during 2022. In terms of issuance, it was the slowest since 2009, with a total of approximately €22.3 billion of issuance year-to-date.

The European loan market generated negative performance for the full financial year, which was the first calendar year with a negative return since 2011 and only the fourth on record. From a credit spread perspective, the average 3-year discount margin finished 2022 at 710 bps after widening by 29 bps during the financial year. From a ratings perspective, a significant part of the underperformance came from the lower rated split-B and triple-C segments as market dynamics supported the higher quality portion of the market, particularly during the second half of 2022 where limited primary supply was combined with a pick-up in CLO issuance. In terms of sectors, performance was negative across the board with Consumer Durables, followed by Housing and Food/Tobacco being the notable underperformers. The average price of the European loan market increased by 7.61 bps to end the financial year at 91.16. The trailing twelve-month default rate decreased compared to the previous financial year finishing 2021 at 0.4%. Within the challenging market backdrop, new loan issuance was subdued compared to 2021 and was the lowest on

Barings Global Investment Funds 2 Plc

Investment Managers' Reports (continued)

For the financial year ended 31 December 2022

Global Multi-Credit Strategy Fund 3 (continued)

Performance (continued)

record since 2012. Total issuance for the financial year was €34.87, a 68% year-on-year decline from last financial year's volumes - a financial year which saw a record high of new issuance.

The Fund under performed its performance comparator in 2022. Since its inception in February 2016, the Fund has under performed its performance comparator.

Market & Outlook

Elevated interest rates and tighter financial conditions will weigh on global growth prospects moving forward. Corporate earnings will likely take center stage in 2023 with expectations for some contraction. Despite some of these headwinds, credit markets today are trading at heavily discounted levels, and for investors willing to ride out the volatility and take a long-term approach, high yield presents compelling total return opportunities.

Most high yield issuers still have the flexibility to service their debt through a period of economic weakness and remain in a stronger financial position today versus prior to the COVID-19 pandemic. Several issuers took advantage of record low borrowing costs in the aftermath of the pandemic to raise liquidity and push out debt maturity profiles, easing near term re-financing risks.

It is also worth noting that mild recessions have not necessarily been bad environments for high yield markets historically. Investors who retained high yield allocations through periods of volatility have historically been rewarded with attractive, long-term returns. This is partly because high yield, unlike equities, does not require strong economic growth to perform well. Rather, what matters more in high yield is an issuer's ability to meet the interest payments on its outstanding debt obligations.

*The Fund return uses the close New York prices, whereas the return of the performance comparator is calculated using global close prices.

Barings LLC

Baring International Investment Limited

January 2023

Barings Global Investment Funds 2 Plc


Statement of Financial Position

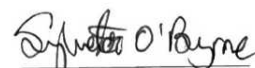
As at 31 December 2022

		Barings Global High Yield Credit Strategies Fund 31 December 2022 US\$	Barings Investment Grade CLO Fund* 31 December 2022 US\$	Global Multi-Credit Strategy Fund 3 31 December 2022 GBP	Barings Global Investment Funds 2 Plc 31 December 2022 US\$
	Note				
Assets					
Financial assets at fair value through profit or loss:	12				
- Loans to subsidiaries	4	2,660,491,599	-	139,654,596	2,829,327,037
- Forward foreign exchange contracts	12	3,141,887	-	-	3,141,887
Other receivables	6	-	1,431	-	1,431
Total assets		2,663,633,486	1,431	139,654,596	2,832,470,355
Liabilities					
Financial liabilities held for trading:					
- Forward foreign exchange contracts	12	(22,712,202)	-	-	(22,712,202)
Payable for fund shares redeemed		(6,470,981)	(1,431)	-	(6,472,412)
Other payables and accrued expenses	7	(1,396,579)	-	(76,534)	(1,489,105)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(30,579,762)	(1,431)	(76,534)	(30,673,719)
Net assets attributable to holders of redeemable participating shares	13	2,633,053,724	-	139,578,062	2,801,796,636

* This Fund terminated on 30 November 2022.

On behalf of the Board of Directors:

Director: 
Alan Behen

Director: 
Sylvester O'Byrne

Date: 25 April 2023

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

Barings Global Investment Funds 2 Plc

Statement of Financial Position

As at 31 December 2021

		Barings Global High Yield Credit Strategies Fund 31 December 2021 US\$	Barings Investment Grade CLO Fund 31 December 2021 US\$	Global Multi-Credit Strategy Fund 3 31 December 2021 GBP	Barings Global Investment Funds 2 Plc 31 December 2021 US\$
	Note				
Assets					
Financial assets at fair value through profit or loss:	12				
- Collateralised loan obligations		-	354,368,395	-	354,368,395
- Loans to subsidiaries	4	4,021,050,986	-	227,077,500	4,328,410,894
- Short-term investments		-	16,995,994	-	16,995,994
- Forward foreign exchange contracts	12	83,792,018	10,550,358	-	94,342,376
Other receivables	6	-	1,713,597	-	1,713,597
Receivable for fund shares issued		20,079,758	-	-	20,079,758
Receivable for investments sold		-	10,056	-	10,056
Cash and cash equivalents	3	-	112,323,869	-	112,323,869
Total assets		4,124,922,762	495,962,269	227,077,500	4,928,244,939
Liabilities					
Financial liabilities held for trading:					
- Forward foreign exchange contracts	12	(3,289,074)	(2,064,364)	-	(5,353,438)
Distribution payable		-	(955,406)	-	(955,406)
Payable for fund shares redeemed		(3,192,652)	(134,455,616)	-	(137,648,268)
Other payables and accrued expenses	7	(1,995,493)	(143,554)	(119,405)	(2,300,667)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		(8,477,219)	(137,618,940)	(119,405)	(146,257,779)
Net assets attributable to holders of redeemable participating shares	13	4,116,445,543	358,343,329	226,958,095	4,781,987,160

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

Barings Global Investment Funds 2 Plc

Statement of Comprehensive Income

For the financial year ended 31 December 2022

		Barings Global High Yield Credit Strategies Fund 31 December 2022 US\$	Barings Investment Grade CLO Fund* 31 December 2022 US\$	Global Multi-Credit Strategy Fund 3 31 December 2022 GBP	Barings Global Investment Funds 2 Plc 31 December 2022 US\$
	Note				
Income					
Net change from Subsidiaries at fair value through profit or loss	2	(392,933,409)	-	(21,343,879)	(419,157,097)
<i>Income from investments and derivatives</i>					
- Realised gain on investments and other derivative contracts**		459,046,840	57,390,606	-	516,437,446
- Realised loss on investments and other derivative contracts**		(800,023,491)	(107,539,641)	-	(907,563,132)
- Change in unrealised gain on investments and derivative contracts**		(80,650,131)	(10,993,165)	-	(91,643,296)
- Change in unrealised loss on investments and derivative contracts**		(19,423,128)	8,767,867	-	(10,655,261)
- Net (loss)/gain on foreign exchange		-	(55,768)	3,541	(51,417)
Total income		(833,983,319)	(52,430,101)	(21,340,338)	(912,632,757)
Expenses					
Investment manager fees	10	(16,969,150)	(506,013)	(934,770)	(18,623,648)
Administration and Custodian fees	10	(2,019,940)	(186,796)	(86,397)	(2,312,886)
Operating expenses	8	(464,412)	(89,447)	(43,923)	(607,824)
Total operating expenses		(19,453,502)	(782,256)	(1,065,090)	(21,544,358)
Net loss before finance costs		(853,436,821)	(53,212,357)	(22,405,428)	(934,177,115)
Finance costs					
Interest expense		-	(7,846)	-	(7,846)
Distribution expense	9	(78,426,225)	(1,871,124)	-	(80,297,349)
Total finance costs		(78,426,225)	(1,878,970)	-	(80,305,195)
Change in net assets attributable to holders of redeemable participating shares		(931,863,046)	(55,091,327)	(22,405,428)	(1,014,482,310)

* This Fund terminated on 30 November 2022.

** Investments relate to Barings Investment Grade CLO Fund only.

There are no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income and accordingly no statement of total recognised gains and losses has been presented.

All results are from continuing operations, with the exception of Barings Investment Grade CLO Fund which terminated during the financial year.

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

Barings Global Investment Funds 2 Plc

Statement of Comprehensive Income

For the financial year ended 31 December 2021

		Barings Global High Yield Credit Strategies Fund 31 December 2021 US\$	Barings Investment Grade CLO Fund 31 December 2021 US\$	Global Multi-Credit Strategy Fund 3 31 December 2021 GBP	Barings Global Investment Funds 2 Plc 31 December 2021 US\$
	Note				
Income					
Net change from Subsidiaries at fair value through profit or loss	2	285,512,902	-	14,556,640	305,511,034
<i>Income from investments and derivatives</i>					
- Realised gain on investments and other derivative contracts*		353,734,256	72,986,461	-	426,720,717
- Realised loss on investments and other derivative contracts*		(288,862,683)	(38,687,837)	-	(327,550,520)
- Change in unrealised gain on investments and derivative contracts*		(241,578,850)	(48,476,213)	-	(290,055,063)
- Change in unrealised loss on investments and derivative contracts*		127,810,439	21,998,009	-	149,808,448
- Net gain on foreign exchange		-	41,843	-	41,843
Total income		236,616,064	7,862,263	14,556,640	264,476,459
Expenses					
Investment manager fees	10	(21,615,433)	(1,069,315)	(1,106,952)	(24,205,495)
Administration and Custodian fees	10	(2,444,659)	(333,840)	(87,779)	(2,899,091)
Operating expenses	8	(111,151)	(98,637)	(41,789)	(267,198)
Total operating expenses		(24,171,243)	(1,501,792)	(1,236,520)	(27,371,784)
Net profit before finance costs		212,444,821	6,360,471	13,320,120	237,104,675
Finance costs					
Interest expense		-	(8,320)	-	(8,320)
Distribution expense	9	(75,013,312)	(4,822,673)	-	(79,835,985)
Withholding tax		-	(36,165)	-	(36,165)
Total finance costs		(75,013,312)	(4,867,158)	-	(79,880,470)
Change in net assets attributable to holders of redeemable participating shares		137,431,509	1,493,313	13,320,120	157,224,205

* Investments relate to Barings Investment Grade CLO Fund only.

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 Investment Funds 2 Plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the financial year ended 31 December 2022

		Barings Global High Yield Credit Strategies Fund 31 December 2022 US\$	Barings Investment Grade CLO Fund* 31 December 2022 US\$	Global Multi-Credit Strategy Fund 3 31 December 2022 GBP	Barings Global Investment Funds 2 Plc 31 December 2022 US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		4,116,445,543	358,343,329	226,958,095	4,781,987,160
Change in net assets attributable to holders of redeemable participating shares		(931,863,046)	(55,091,327)	(22,405,428)	(1,014,482,310)
Issue of redeemable participating shares during the financial year	5	470,819,718	9,635,888	25,395	480,486,807
Redemption of redeemable participating shares during the financial year	5	(1,022,348,491)	(312,887,890)	(65,000,000)	(1,415,097,202)
Foreign currency translation adjustment	2	-	-	-	(31,097,819)
Net assets attributable to holders of redeemable participating shares at the end of the financial year		<u>2,633,053,724</u>	<u>-</u>	<u>139,578,062</u>	<u>2,801,796,636</u>

* This Fund terminated on 30 November 2022.

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

Barings Global Investment Funds 2 Plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the financial year ended 31 December 2021

		Barings Global High Yield Credit Strategies Fund 31 December 2021 US\$	Barings Investment Grade CLO Fund 31 December 2021 US\$	Global Multi-Credit Strategy Fund 3 31 December 2021 GBP	Barings Global Investment Funds 2 Plc 31 December 2021 US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the financial year		3,882,207,610	526,146,919	213,637,975	4,700,504,460
Change in net assets attributable to holders of redeemable participating shares		137,431,509	1,493,313	13,320,120	157,224,205
Issue of redeemable participating shares during the financial year	5	422,837,696	16,027,408	-	438,865,104
Redemption of redeemable participating shares during the financial year	5	(326,031,272)	(185,324,311)	-	(511,355,583)
Foreign currency translation adjustment	2	-	-	-	(3,251,026)
Net assets attributable to holders of redeemable participating shares at the end of the financial year		<u>4,116,445,543</u>	<u>358,343,329</u>	<u>226,958,095</u>	<u>4,781,987,160</u>

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

Barings Global Investment Funds 2 Plc

Statement of Cash Flows

For the financial year ended 31 December 2022

	Barings Global High Yield Credit Strategies Fund 31 December 2022 US\$	Barings Investment Grade CLO Fund* 31 December 2022 US\$	Global Multi-Credit Strategy Fund 3 31 December 2022 GBP	Barings Global Investment Funds 2 Plc 31 December 2022 US\$
Cash flows from operating activities				
Change in net assets attributable to holders of redeemable participating shares	(931,863,046)	(55,091,327)	(22,405,428)	(1,014,482,310)
Adjustments for:				
Net movement on financial assets	1,360,559,387	371,364,389	87,422,904	1,839,334,006
Unrealised gain on derivatives	100,073,259	8,485,994	-	108,559,253
Distributions	78,426,225	1,871,124	-	80,297,349
Operating cash inflows before movements in working capital	607,195,825	326,630,180	65,017,476	1,013,708,298
Movements in other receivables	-	1,722,222	-	1,722,222
Movements in other payables	(598,914)	(143,554)	(42,871)	(795,141)
Net cash inflows from operating activities	606,596,911	328,208,848	64,974,605	1,014,635,379
Financing activities				
Proceeds from issue of redeemable participating shares	488,678,450	9,579,719	25,395	498,289,370
Payments on redemptions of redeemable participating shares	(1,019,070,162)	(447,342,075)	(65,000,000)	(1,546,273,058)
Distributions to shareholders	(76,205,199)	(2,770,361)	-	(78,975,560)
Net cash outflows from financing activities	(606,596,911)	(440,532,717)	(64,974,605)	(1,126,959,248)
Net decrease in cash and cash equivalents	-	(112,323,869)	-	(112,323,869)
Cash and cash equivalents at beginning of the financial year	-	112,323,869	-	112,323,869
Cash and cash equivalents at end of the financial year	-	-	-	-
Supplemental information				
Coupon received	-	8,858,349	-	8,858,349
Interest paid	-	(7,846)	-	(7,846)
Taxation paid	-	(23,753)	-	(23,753)

* This Fund terminated on 30 November 2022.

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

Barings Global Investment Funds 2 Plc

Statement of Cash Flows

For the financial year ended 31 December 2021

	Barings Global High Yield Credit Strategies Fund 31 December 2021 US\$	Barings Investment Grade CLO Fund 31 December 2021 US\$	Global Multi-Credit Strategy Fund 3 31 December 2021 GBP	Barings Global Investment Funds 2 Plc 31 December 2021 US\$
Cash flows from operating activities				
Change in net assets attributable to holders of redeemable participating shares	137,431,509	1,493,313	13,320,120	157,224,205
Adjustments for:				
Net movement on financial assets	(328,734,575)	129,696,339	(13,340,947)	(217,366,230)
Unrealised gain on derivatives	113,768,411	14,666,011	-	128,434,422
Distributions	75,013,312	4,822,673	-	79,835,985
Operating cash (outflows)/inflows before movements in working capital	(2,521,343)	150,678,336	(20,827)	148,128,382
Movements in other receivables	-	784,857	-	784,857
Movements in other payables	(21,434)	3,584	20,827	10,761
Net cash (outflows)/inflows from operating activities	(2,542,777)	151,466,777	-	148,924,000
Financing activities				
Proceeds from issue of redeemable participating shares	402,309,753	15,973,353	-	418,283,106
Payments on redemptions of redeemable participating shares	(325,201,849)	(50,868,695)	-	(376,070,544)
Distributions to shareholders	(74,565,127)	(5,058,771)	-	(79,623,898)
Net cash inflows/(outflows) from financing activities	2,542,777	(39,954,113)	-	(37,411,336)
Net increase in cash and cash equivalents	-	111,512,664	-	111,512,664
Cash and cash equivalents at beginning of the financial year	-	811,205	-	811,205
Cash and cash equivalents at end of the financial year	-	112,323,869	-	112,323,869
Supplemental information				
Coupon received	-	11,893,758	-	11,893,758
Interest paid	-	(8,320)	-	(8,320)
Taxation paid	-	(12,412)	-	(12,412)

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

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. Basis of measurement

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

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 apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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.

As explained below, the Company qualifies as an investment entity and is therefore only required to prepare individual financial statements under IFRS as adopted by the EU. For the purpose of complying with Irish Company Law's group financial statement requirement such financial statements are identical to these financial statements, as the Company is permitted by IFRS (as adopted by the EU) to include its subsidiary at FVTPL.

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

These financial statements were prepared on the going concern basis.

The registered number of the Company is 529930.

2. Significant accounting policies

(a) New standards, amendments and interpretations issued and effective for the financial year beginning 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 year 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 effective for the financial year beginning 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.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 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.

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.

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

There are no other 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) Non-consolidation and inclusion of Subsidiaries at fair value

The objective of IFRS 10 "Consolidated Financial Statements" ("IFRS 10") is to establish principles for the presentation and preparation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The amendments to IFRS 10 defined an investment entity and introduced an exemption from the consolidation requirements for investment entities. On adoption of IFRS 10, the Company determined that it met the definition of an investment entity.

The Company has determined that it meets the definition of an investment entity as it displays the following characteristics:

- obtains funds from multiple investors for the purpose of providing those investors with investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

As part of its assessment of IFRS 10, the Company has determined that the Subsidiaries continue to meet the definition of a subsidiary under the provisions of IFRS 10. Subsidiaries are entities under the Company's control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity and this is deemed to be the case here.

Investment entity

The Investment Managers of the Company have determined that the Subsidiaries:

- do not provide services that relate to the Company's investment activities; and
- have mainly been set up for tax purposes.

As detailed above, the Subsidiaries are accounted for at FVTPL.

(d) Foreign currency translation

Functional and presentation currency

The Company's financial statements are presented in US\$ which is the functional currency (the "functional currency").

The functional currency and presentation currency of each Fund is the currency noted in its Supplement to the Prospectus and is relevant to the stated investment strategy and results of each Fund. Items included in the individual Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). Each Fund has adopted its functional currency as the presentation currency. The functional currencies of the Funds is GBP for Global Multi-Credit Strategy Fund 3 and US\$ for Barings Global High Yield Credit Strategies Fund and for Barings Investment Grade CLO Fund.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(d) Foreign currency translation (continued)

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 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.

Combined totals shown in the financial statements

The financial statements of the Company are measured in the currency of the primary economic operating environment in which the Company operates. The Company has adopted US\$ as the presentation currency of the combined totals shown in the financial statements.

For the purposes of producing the combined totals in the Statement of Financial Position, the Statement of Financial Position of each of the individual Funds are translated to US\$ using the exchange rates as at 31 December 2022.

For the purpose of producing the combined totals in the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares from the accounts of the individual Funds, average exchange rates are used. A translation adjustment arises in the combined totals due to this methodology. This adjustment does not have any impact on the Net Asset Value ("NAV") of any individual Fund. For the financial year ended 31 December 2022, this adjustment amounted to US\$(31,097,819) (31 December 2021: US\$(3,251,026)).

For the purpose of producing the combined totals in the Statement of Cash Flows, the opening exchange rate is used to convert the Statement of Financial Position balances at 31 December 2021, the average exchange rate is used to convert the Statement of Comprehensive Income amounts for the financial year ended 31 December 2022 and the closing exchange rate is used to convert the Statement of Financial Position balances at 31 December 2022. A translation adjustment may arise in the combined totals due to this methodology. This adjustment does not have any impact on the cash flows of any individual Fund. For the financial year ended 31 December 2022, this adjustment amounted to US\$Nil (31 December 2021: US\$Nil) as there were no opening or closing cash and cash equivalents balances on non-US\$ funds at 31 December 2022 and 31 December 2021.

(e) Financial assets and financial 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 fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

(ii) Classification and subsequent measurement

(a) Classification of financial assets

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Company are measured at FVTPL.

Business model assessment

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

- The documented investment strategy and the execution of this strategy in practice. This includes whether the investment

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification and subsequent measurement (continued)

(a) Classification of financial assets (continued)

strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How the Investment Managers are compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, receivables for fund shares sold, receivables for investments sold and other receivables. These financial assets are held to collect contractual cash flow.
- Other business model: this includes investments in investment funds, CLOs and short-term investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition, and interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features; and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

FVTPL under IFRS 10

As explained further in Note 4 of these financial statements, loans to subsidiaries are carried at fair value through profit or loss under IFRS 10.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

(b) Subsequent measurement of financial assets

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses and foreign exchange gains and losses are recognised in profit or loss in the Statement of Comprehensive Income.

Financial assets at amortised cost

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

Cash and cash equivalents, receivables for fund shares sold, receivables for investments sold and other receivables are included in this category.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification and subsequent measurement (continued)

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

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

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

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

- Held-for-trading: derivative financial instruments

Financial liabilities at amortised cost:

- This includes payable for fund shares redeemed, other payables and accrued expenses, income distribution payable and redeemable participating shares.

(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 Funds have access to at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

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

(iv) Amortised cost measurement principles

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

(v) Impairment

IFRS 9 requires an impairment assessment to be carried out on its financial assets at amortised cost. 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.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vi) Derecognition (continued)

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.

(vii) 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 is linked directly to the performance of the underlying assets.

(viii) 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 their fair value is positive and as liabilities when their fair value is negative. Any change in fair value is recognised in the Statement of Comprehensive Income.

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

(ix) Investment funds

Collective investment schemes which are traded in active markets are valued using quoted market prices at the Statement of Financial Position date. Investment funds which are not publicly traded are normally valued at the underlying unaudited NAV as advised by the managers or administrators of these Investment Funds, unless the Company is aware of good reasons why such a valuation would not be the most appropriate indicator of fair value.

(x) Cash and cash equivalents

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

(f) Coupon income

Coupon income on financial assets at fair value through profit or loss is presented in the Statement of Comprehensive Income. Income not yet received is included 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 and capital gains tax is disclosed separately in the Statement of Comprehensive Income.

(g) Interest income and expense

Interest income and expense is recognised in the Statement of Comprehensive Income as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(h) Expenses

All expenses, including management fees, administration fees and custodian fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

(i) Taxation

The Company is an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act, 1997 and therefore is not chargeable to Irish tax on its relevant income or relevant gains other than on the occurrence of a chargeable event. The Company is resident for tax purposes in Ireland as it is centrally managed and controlled in Ireland.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(i) Taxation (continued)

Distributions of income and capital gains and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries.

Tax may arise for the Company ("Appropriate Tax") on the happening of a "Chargeable Event" in the Company. A Chargeable Event includes any payments to shareholders by the Company in respect of their shares or any encashment, redemption, cancellation or transfer of shares. On the happening of a Chargeable Event, the Company will deduct the Appropriate Tax on any payment made to the shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made, the Company may appropriate or cancel the required number of shares to meet the tax liability.

The Prospectus, dated 1 December 2022 provides a more detailed description of the taxation provisions relating to the Company.

A Chargeable Event also includes a deemed disposal by a shareholder of their shares at the end of a "relevant period". A relevant period means a period of eight years beginning with the acquisition of the shares and each subsequent period of eight years beginning immediately after the preceding relevant period.

In accounting for uncertainties in income tax, the Investment Manager applies 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 fund 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.

(j) Redeemable participating shares

All redeemable participating shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the relevant Fund's net assets at the redemption date. In accordance with IAS 32, such instruments give rise to a financial liability for the present value of the redemption amount on the reporting date.

(k) Swing pricing

Swing pricing is applied to a fund once net subscriptions or redemptions for a fund relating to a fund's NAV for a given dealing day is determined by the Administrator to exceed certain predetermined percentage thresholds. In calculating the swing pricing, the NAV of a fund is swung by a "swing factor", the Directors may, in respect of net redemptions, adjust downward the NAV per Share and may also, in respect of net subscriptions, adjust upward the NAV per Share.

In addition, the calculation of such prices and the amount of such adjustment may take into account any provision for the estimated market spreads, duties and charges and other dealing costs related to the adjustment or disposal of investments and to preserve the value of the underlying assets of the relevant fund. The Directors' intention is only to exercise this discretion to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net redemptions or subscriptions of Shares in the relevant fund.

If the NAV of a fund is swung on a specific dealing day the official price for a fund will be the derived swing price. In addition, all dealing activity for this dealing day will be dealt at the swing price. Swing pricing applied to a fund during the financial year is recognised within the share transactions figure on the Statement of Changes in Net Assets Attributable to Redeemable Participating Shares.

Swing pricing is applicable to the following Funds effective from 15 November 2019:
Barings Global High Yield Credit Strategies Fund
Barings Investment Grade CLO Fund

Details of swing pricing during the financial year are disclosed in Note 5 of these financial statements.

(l) Distribution policy

Both Distribution Tranche Shares and Accumulation Tranche Shares are available in respect of each Fund.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(l) Distribution policy (continued)

Distribution Tranche Shares

The Company intends to declare dividends out of the net investment income and, at the discretion of the Directors, net realised and unrealised capital gains of each Fund attributable to the Distribution Tranche Shares, on or about the last day of each calendar quarter. At the discretion of the Directors, dividends may also be declared out of the capital of the relevant Fund for the purposes of income equalisation.

The Funds operate income equalisation in relation to the Distribution Tranche Shares. A Shareholder who has purchased Distribution Tranche Shares during a distribution period will receive a dividend made up of (a) income which has accrued from the date of purchase; and (b) capital which represents the return of the equalisation element calculated by the Administrator on behalf of the Funds. The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of the Distribution Tranche Shares in the relevant distribution period. Such dividends will generally be paid to the Shareholders of Distribution Tranche Shares of record of the relevant Fund within 10 Business Days thereof.

Each dividend declared by a Fund on the outstanding Shares of the Fund will, at the election of each Shareholder, be paid in cash or in additional shares of the Fund. This election should initially be made on a Shareholder's account opening form and may be changed upon written notice to the Fund at any time prior to the record date for a particular dividend or distribution. If no election is made, all dividend distributions will be paid in the form of additional shares. Such reinvestment will be made at the NAV per Share of the Fund as of the dividend reinvestment day.

Upon the declaration of any dividends to the holders of shares of the Funds, the NAV per share of the Distribution Tranche Shares of the Funds will be reduced by the amount of such dividends. Payment of the dividends shall be made as indicated on a Shareholder's account opening form, as amended from time to time, to the address or account indicated on the register of Shareholders.

Any dividend paid on a share of the Fund that has not been claimed within six years of its declaration shall be forfeited and shall be paid for the benefit of the Fund. No interest shall be paid on any dividend.

Accumulation Tranche Shares

The Directors do not currently intend to declare any dividends in respect of the Accumulation Tranche Shares. Accordingly, net investment income on a Fund's investments attributable to the Accumulation Tranche Shares is expected to be retained by the Fund, which will result in an increase in the NAV per share of the Accumulation Tranche Shares.

The Directors nevertheless retain the right to declare dividends in respect of such net investment income on a Fund's investments attributable to the Accumulation Tranche Shares in their sole discretion. In the event that the Directors determine to declare dividends in respect of the Accumulation Tranche Shares in a Fund, Shareholders will be notified in advance of any such change in the dividend policy (including the date by which dividends will be paid and the method by which dividends will be paid) and full details will be disclosed in an updated Prospectus or Supplement.

The Company may declare dividends out of the net investment income and, at the discretion of the Directors, net realised and unrealised capital gains of the Funds attributable to the distribution tranches on or about the last day of each calendar quarter, as detailed, where applicable, in the relevant Supplement to the Prospectus.

The distributions on the redeemable participating shares is recognised as a finance cost in the Statement of Comprehensive Income. Details of distributions declared during the financial year are disclosed in Note 9 of these financial statements.

(m) Revolving Credit Facility

There is a revolving credit facility in place, as amended and restated on 6 July 2022, between the Company, acting on behalf of Barings Global High Yield Credit Strategies Fund, and Barings Global High Yield Credit Strategies Limited its Subsidiary, and State Street Bank and Trust Company, Bank of America N.A., Barclays Bank PLC, BNP Paribas and National Australia Bank Limited. Under this agreement credit facilities may from time to time be made available by State Street Bank and Trust Company, Bank of America N.A., Barclays Bank PLC, BNP Paribas and National Australia Bank Limited to the Fund (previously, the Subsidiary). This is a limited recourse agreement, with recourse being limited to the assets of the Fund's Subsidiary.

There are also security deeds in place, as amended and restated on 6 July 2022, between the Fund, and State Street Bank and Trust Company, Bank of America N.A., Barclays Bank PLC, BNP Paribas and National Australia Bank Limited whereby the Subsidiary acts as Guarantor for any credit facilities extended (previously, the Subsidiary acted as Borrower and the Fund acted as Guarantor). On 6 July 2022, the credit facility was renewed for one year. 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 finance costs on the Statement of Comprehensive Income.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

3. Cash and cash equivalents

The cash and cash equivalents are held with the Custodian, State Street Custodial Services (Ireland) Limited. State Street Corporation, the parent company of the Custodian, had a Standard & Poors' credit rating of A as at 31 December 2022 (31 December 2021: A). As at 31 December 2022, the Company held US\$Nil in cash and cash equivalents (31 December 2021: US\$112,323,869).

4. Subsidiary

As detailed in Note 2 of these financial statements, the Company has determined that Barings Global High Yield Credit Strategies Limited and Barings Global Multi-Credit Strategy 3 Limited meet the definition of a subsidiary under the provisions of IFRS 10. Subsidiaries are entities under the Company's control. The Company controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

Name of Subsidiary	Place of incorporation and operation	Proportion of ownership	Proportion of voting power	Method used to account for investment
Barings Global High Yield Credit Strategies Limited	Ireland	100%	100%	FVTPL
Barings Global Multi-Credit Strategy 3 Limited	Ireland	100%	100%	FVTPL

The Company, on behalf of Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3 has loan agreements in place with the Subsidiaries whereby the Company agrees to make loans to the relevant Subsidiary from time to time in such currencies as may be agreed between the Company, on behalf of Barings Global High Yield Credit Strategies Fund or of Global Multi-Credit Strategy Fund 3 and the Subsidiary, respectively, during the period from the date of the loan agreement until such date as may be agreed. Each loan is repayable on demand. The loans from the Company are secured by the assignment of a fixed first charge of the Subsidiary's rights, title and interest on investments.

All of the income earned by the Company from the relevant Subsidiary represents all of the net income of the relevant Subsidiary for the financial year, except for an immaterial amount per financial year which is recorded in the relevant Subsidiary as profit before tax.

5. Subscriber and redeemable participating shares

The authorised share capital of the Company is 500,000,000,000 shares of no par value.

Subscriber shares issued amount to US\$2, being 2 subscriber shares of US\$1 each. These subscriber shares were issued for the purposes of the incorporation of the Company. Both shares are held by Barings (U.K.) Limited and Barings LLC. The subscriber shares entitle the holders to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of any Fund. The subscriber shares do not form part of the NAV of the Company and are thus disclosed in the financial statements by way of this note only.

The issued redeemable participating share capital is at all times equal to the net assets attributable to holders of redeemable participating shares. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

The Funds' capital is represented by the redeemable participating shares outstanding. The Funds do not have any externally imposed capital requirements.

The rights attaching to the redeemable participating shares are as follows:

- Redeemable participating shares may be redeemed on the last business day of each calendar month or such other date or dates as the Directors shall from time to time determine at the applicable NAV per share prevailing on the dealing day on which the redemption is effective.
- Redeemable participating shares entitles the holder to attend or vote at any general meeting of the Company. The holders are entitled to receive all dividends declared in the relevant share tranche and paid by the Funds. Upon winding up, the holders are entitled to a return of capital based on the NAV per share of the Funds.
- The Directors may determine to apply an anti-dilution levy to net subscriptions on any dealing day. Anti-dilution levy applied is included within with Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.
- Distribution tranches may earn dividends as detailed in Note 2 of these financial statements.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

5. Subscriber and redeemable participating shares (continued)

The capital of the Company is represented by the net assets attributable to holders of redeemable participating shares. The amount of net assets attributable to holders of redeemable participating shares can change significantly on a daily basis, as the Company is subject to daily subscriptions and redemptions at the discretion of the shareholders. As a result, a redemption request by a significant shareholder may have a significant impact on the liquidity of the Company and its ability to continue as a going concern. See Note 12 of these financial statements, Liquidity Risk, for details of how this risk is mitigated.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to achieve its overall objective of long-term capital growth and to maintain a strong capital base to support the development of its investment activities.

The Investment Managers monitor capital on the basis of the value of net assets attributable to holders of redeemable participating shares.

Swing pricing

Please see Note 2 (k) of these financial statements for details of the Company's swing pricing policy. Swing pricing is applicable to the following Funds effective from 15 November 2019:

Barings Global High Yield Credit Strategies Fund
Barings Investment Grade CLO Fund

No swing pricing was applied to the Funds as at 31 December 2022.

As at 31 December 2021 swing pricing was applied to the following share tranches on Barings Investment Grade CLO Fund:

Barings Investment Grade CLO Fund	31 December 2021	
	Swung price	Unswung price
Tranche A GBP Accumulation	£108.78	£108.88
Tranche A GBP Distribution	£98.85	£98.94
Tranche A USD Accumulation	US\$126.82	US\$126.93
Tranche C EUR Distribution*	€99.77	€99.86
Tranche C USD Distribution*	US\$99.97	US\$100.06
Tranche D EUR Accumulation**	€100.35	€100.44
Tranche D USD Accumulation**	US\$101.15	US\$101.24
Tranche D USD Distribution	US\$104.72	US\$104.81

*This share tranche launched during the financial year ended 31 December 2021.

**This share tranche re-launched during the financial year ended 31 December 2021.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

5. Subscriber and redeemable participating shares (continued)

The movement in the number of redeemable participating shares for the financial year ended as at 31 December 2022 is as follows:

Barings Global High Yield Credit Strategies Fund	Balance at 1 January 2022	Issued	Redeemed	Balance at 31 December 2022	Subscriptions US\$	Redemptions US\$
Tranche A GBP Accumulation	1,548,578	-	(372,021)	1,176,557	-	(54,189,327)
Tranche A GBP Distribution	346,552	-	(295,390)	51,162	-	(30,918,881)
Tranche B EUR Accumulation**	-	803,221	-	803,221	90,839,500	-
Tranche B GBP Accumulation	8,257,116	546,107	(258,094)	8,545,129	87,543,918	(34,973,033)
Tranche B GBP Distribution	6,984,867	68,042	(4,115,049)	2,937,860	7,952,846	(396,732,961)
Tranche B USD Accumulation	2,169,223	1,315,380	(1,312,690)	2,171,913	150,033,673	(147,869,505)
Tranche C AUD Distribution	78,082	-	(14,659)	63,423	-	(847,999)
Tranche C CAD Accumulation	210,468	-	-	210,468	-	-
Tranche C EUR Accumulation	375,233	152	-	375,385	15,031	-
Tranche C GBP Accumulation	1,610,594	387,784	(342,445)	1,655,933	62,374,219	(49,226,981)
Tranche C GBP Distribution	4,111,073	66,845	(2,689,798)	1,488,120	9,068,251	(288,067,661)
Tranche C USD Accumulation	323,296	422,221	(76,116)	669,401	47,404,453	(8,000,000)
Tranche D EUR Accumulation	35,807	11,282	-	47,089	1,197,977	-
Tranche D GBP Accumulation	66,775	29,242	(23,360)	72,657	4,918,287	(3,427,384)
Tranche D GBP Distribution	124,909	29,396	(20,641)	133,664	3,541,045	(2,461,119)
Tranche D NOK Accumulation***	326,807	42,553	(369,360)	-	566,840	(4,683,492)
Tranche D USD Accumulation	24,710	41,730	(1,332)	65,108	4,814,500	(168,651)
Tranche D USD Distribution	148,861	6,104	(1,000)	153,965	549,178	(100,290)
Tranche E EUR Distribution***	2,090	-	(2,090)	-	-	(168,249)
Tranche E USD Distribution	15,353	-	(5,835)	9,518	-	(512,958)
Tranche F GBP Accumulation	10,018	-	-	10,018	-	-
Tranche F USD Accumulation	15,135	-	-	15,135	-	-
Tranche S USD Accumulation	44	-	-	44	-	-
					470,819,718	(1,022,348,491)
Barings Investment Grade CLO Fund*	Balance at 1 January 2022	Issued	Redeemed	Balance at 31 December 2022	Subscriptions US\$	Redemptions US\$
Tranche A GBP Accumulation***	1,649,779	-	(1,649,779)	-	-	(205,565,852)
Tranche A GBP Distribution***	717,468	-	(717,468)	-	-	(80,378,608)
Tranche A USD Accumulation***	4,587	10	(4,597)	-	1,204	(564,148)
Tranche C EUR Distribution***	45,022	-	(45,022)	-	-	(4,237,463)
Tranche C USD Distribution***	65,000	-	(65,000)	-	-	(6,067,087)
Tranche D EUR Accumulation***	82	317	(399)	-	30,661	(39,531)
Tranche D USD Accumulation***	33,442	96,767	(130,209)	-	9,535,001	(12,725,574)
Tranche D USD Distribution***	32,646	696	(33,342)	-	69,022	(3,309,627)
					9,635,888	(312,887,890)
Global Multi-Credit Strategy Fund 3	Balance at 1 January 2022	Issued	Redeemed	Balance at 31 December 2022	Subscriptions GBP	Redemptions GBP
Tranche T GBP Accumulation	1,652,131	190	(532,714)	1,119,607	25,395	(65,000,000)
					25,395	(65,000,000)

*This Fund terminated on 30 November 2022.

**This share tranche launched during the financial year ended 31 December 2022.

***This share tranche terminated during the financial year ended 31 December 2022.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

5. Subscriber and redeemable participating shares (continued)

The movement in the number of redeemable participating shares for the financial year ended as at 31 December 2021 is as follows:

Barings Global High Yield Credit Strategies Fund	Balance at 1 January 2021	Issued	Redeemed	Balance at 31 December 2021	Subscriptions US\$	Redemptions US\$
Tranche A GBP Accumulation	1,790,119	-	(241,541)	1,548,578	-	(43,694,880)
Tranche A GBP Distribution	346,552	-	-	346,552	-	-
Tranche B GBP Accumulation	7,650,901	606,215	-	8,257,116	109,564,140	-
Tranche B GBP Distribution	6,464,657	650,379	(130,169)	6,984,867	88,585,707	(18,053,751)
Tranche B USD Accumulation	2,069,083	173,101	(72,961)	2,169,223	19,804,054	(8,600,000)
Tranche C AUD Distribution	80,645	-	(2,563)	78,082	-	(181,262)
Tranche C CAD Accumulation	210,468	-	-	210,468	-	-
Tranche C EUR Accumulation*	-	375,233	-	375,233	45,649,884	-
Tranche C GBP Accumulation	2,249,146	120,994	(759,546)	1,610,594	22,844,593	(139,606,914)
Tranche C GBP Distribution	3,875,487	655,604	(420,018)	4,111,073	94,682,558	(61,754,792)
Tranche C USD Accumulation	150,000	173,296	-	323,296	20,079,758	-
Tranche C USD Distribution***	303,526	-	(303,526)	-	-	(30,084,123)
Tranche D EUR Accumulation	36,006	67	(266)	35,807	9,998	(39,294)
Tranche D GBP Accumulation	68,188	39,685	(41,098)	66,775	7,323,716	(7,435,408)
Tranche D GBP Distribution	82,027	65,001	(22,119)	124,909	8,847,144	(2,894,437)
Tranche D NOK Accumulation	322,315	99,471	(94,979)	326,807	1,341,638	(1,272,835)
Tranche D USD Accumulation	49,675	28,078	(53,043)	24,710	3,636,780	(6,811,497)
Tranche D USD Distribution	144,239	4,622	-	148,861	467,726	-
Tranche E EUR Distribution	2,090	-	-	2,090	-	-
Tranche E USD Distribution	72,718	-	(57,365)	15,353	-	(5,543,763)
Tranche F GBP Accumulation	10,165	-	(147)	10,018	-	(28,316)
Tranche F USD Accumulation	15,339	-	(204)	15,135	-	(30,000)
Tranche S USD Accumulation	44	-	-	44	-	-
					422,837,696	(326,031,272)
Barings Investment Grade CLO Fund	Balance at 1 January 2021	Issued	Redeemed	Balance at 31 December 2021	Subscriptions US\$	Redemptions US\$
Tranche A GBP Accumulation	1,649,779	-	-	1,649,779	-	-
Tranche A GBP Distribution	1,936,281	-	(1,218,813)	717,468	-	(163,659,825)
Tranche A USD Accumulation	4,896	10	(319)	4,587	1,247	(40,000)
Tranche C EUR Distribution*	-	45,022	-	45,022	5,420,123	-
Tranche C USD Accumulation***	200,000	-	(200,000)	-	-	(20,936,666)
Tranche C USD Distribution*	-	65,000	-	65,000	6,500,000	-
Tranche D EUR Accumulation**	-	82	-	82	10,000	-
Tranche D USD Accumulation**	-	40,242	(6,800)	33,442	4,030,000	(687,820)
Tranche D USD Distribution	32,016	630	-	32,646	66,038	-
					16,027,408	(185,324,311)
Global Multi-Credit Strategy Fund 3	Balance at 1 January 2021	Issued	Redeemed	Balance at 31 December 2021	Subscriptions GBP	Redemptions GBP
Tranche T GBP Accumulation	1,652,131	-	-	1,652,131	-	-

*This share tranche launched during the financial year ended 31 December 2021.

**This share tranche re-launched during the financial year ended 31 December 2021.

***This share tranche terminated during the financial year ended 31 December 2021.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

6. Other receivables

	Barings Global High Yield Credit Strategies Fund 31 December 2022 US\$	Barings Investment Grade CLO Fund* 31 December 2022 US\$	Global Multi-Credit Strategy Fund 3 31 December 2022 GBP	Barings Global Investment Funds 2 Plc 31 December 2022 US\$
Coupon receivable	-	1,431	-	1,431
	-	1,431	-	1,431

*This Fund terminated on 30 November 2022.

	Barings Global High Yield Credit Strategies Fund 31 December 2021 US\$	Barings Investment Grade CLO Fund 31 December 2021 US\$	Global Multi-Credit Strategy Fund 3 31 December 2021 GBP	Barings Global Investment Funds 2 Plc 31 December 2021 US\$
Coupon receivable	-	1,713,597	-	1,713,597
	-	1,713,597	-	1,713,597

7. Other payables and accrued expenses

	Barings Global High Yield Credit Strategies Fund 31 December 2022 US\$	Barings Investment Grade CLO Fund* 31 December 2022 US\$	Global Multi-Credit Strategy Fund 3 31 December 2022 GBP	Barings Global Investment Funds 2 Plc 31 December 2022 US\$
Management fee payable	(1,105,108)	-	(59,075)	(1,176,527)
Administration and custodian fee payable	(140,837)	-	(4,864)	(146,717)
Directors' fee payable	(606)	-	(531)	(1,248)
Audit and tax reporting fee payable	(4,559)	-	-	(4,559)
Credit Facility fee payable	(73,980)	-	-	(73,980)
Miscellaneous payable	(71,489)	-	(12,064)	(86,074)
	(1,396,579)	-	(76,534)	(1,489,105)

*This Fund terminated on 30 November 2022.

	Barings Global High Yield Credit Strategies Fund 31 December 2021 US\$	Barings Investment Grade CLO Fund 31 December 2021 US\$	Global Multi-Credit Strategy Fund 3 31 December 2021 GBP	Barings Global Investment Funds 2 Plc 31 December 2021 US\$
Management fee payable	(1,709,362)	(87,277)	(95,406)	(1,925,775)
Administration and custodian fee payable	(207,019)	(16,224)	(7,552)	(233,465)
Directors' fee payable	(316)	(506)	(298)	(1,225)
Audit and tax reporting fee payable	(7,970)	(7,734)	(164)	(15,926)
Professional fee payable	-	(5,999)	-	(5,999)
Miscellaneous payable	(70,826)	(25,814)	(15,985)	(118,277)
	(1,995,493)	(143,554)	(119,405)	(2,300,667)

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

8. Operating expenses

	Barings Global High Yield Credit Strategies Fund 31 December 2022 US\$	Barings Investment Grade CLO Fund* 31 December 2022 US\$	Global Multi-Credit Strategy Fund 3 31 December 2022 GBP	Barings Global Investment Funds 2 Plc 31 December 2022 US\$
Audit and tax reporting fees	(59,547)	(12,084)	(39,526)	(120,192)
Professional fees	-	(16,086)	-	(16,086)
Directors' fees	(5,848)	(5,848)	(4,397)	(17,098)
Credit Facility fees	(365,127)	-	-	(365,127)
Other operating expenses	(33,890)	(55,429)	-	(89,321)
Total expenses	(464,412)	(89,447)	(43,923)	(607,824)

*This Fund terminated on 30 November 2022.

	Barings Global High Yield Credit Strategies Fund 31 December 2021 US\$	Barings Investment Grade CLO Fund 31 December 2021 US\$	Global Multi-Credit Strategy Fund 3 31 December 2021 GBP	Barings Global Investment Funds 2 Plc 31 December 2021 US\$
Audit and tax reporting fees	(28,706)	(39,030)	(13,289)	(85,992)
Professional fees	(19,444)	-	-	(19,444)
Directors' fees	(6,079)	(6,079)	(4,425)	(18,237)
Other operating expenses	(56,922)	(53,528)	(24,075)	(143,525)
Total expenses	(111,151)	(98,637)	(41,789)	(267,198)

9. Distribution expenses

The following distributions were declared during the financial year ended 31 December 2022 and 31 December 2021.

Barings Global High Yield Credit Strategies Fund

	31 December 2021*		31 March 2022		30 June 2022		30 September 2022		Total
	Value	Per	Value	Per	Value	Per	Value	Per	Value
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Tranche A GBP Distribution	536,861	1.55	551,156	1.61	113,894	1.83	78,332	1.44	1,280,243
Tranche B GBP Distribution	11,445,343	1.64	11,922,547	1.71	13,414,922	1.93	10,573,821	1.52	47,356,633
Tranche C AUD Distribution	66,059	0.85	60,367	0.83	71,444	0.98	60,826	0.87	258,696
Tranche C GBP Distribution	7,068,499	1.72	7,177,438	1.79	8,147,976	2.04	5,441,768	1.60	27,835,681
Tranche D GBP Distribution	192,454	1.54	169,436	1.63	247,597	1.85	194,595	1.46	804,082
Tranche D USD Distribution	187,246	1.26	187,509	1.26	229,960	1.53	217,726	1.43	822,441
Tranche E EUR Distribution**	2,024	0.97	1,961	0.94	2,227	1.07	-	-	6,212
Tranche E USD Distribution	16,819	1.10	16,628	1.08	15,578	1.35	13,212	1.26	62,237
Total	19,515,305		20,087,042		22,243,598		16,580,280		78,426,225

*Dividends were paid on 18 January 2022.

**This share tranche terminated during the financial year ended 31 December 2022.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

9. Distribution expenses (continued)

Barings Investment Grade CLO Fund*

	31 March 2022		30 June 2022		30 September 2022		Total
	Value	Per	Value	Per	Value	Per	Value
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Tranche A GBP Distribution**	525,774	0.73	559,813	0.78	575,721	0.80	1,661,308
Tranche C EUR Distribution**	23,910	0.53	24,037	0.53	4,241	0.20	52,188
Tranche C USD Distribution**	31,115	0.48	39,323	0.60	22,852	0.74	93,290
Tranche D USD Distribution**	16,007	0.49	20,429	0.62	27,902	0.84	64,338
Total	596,806		643,602		630,716		1,871,124

*This Fund terminated on 30 November 2022.

**This share tranche terminated during the financial year ended 31 December 2022.

Barings Global High Yield Credit Strategies Fund

	31 December 2020*		31 March 2021		30 June 2021		30 September 2021		Total
	Value	Per	Value	Per	Value	Per	Value	Per	Value
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Tranche A GBP Distribution	510,420	1.47	551,644	1.59	540,781	1.56	563,199	1.63	2,166,044
Tranche B GBP Distribution	10,072,469	1.56	10,888,892	1.68	10,451,243	1.65	11,573,143	1.72	42,985,747
Tranche C AUD Distribution	67,131	0.83	72,074	0.89	68,922	0.85	70,935	0.88	279,062
Tranche C GBP Distribution	6,336,799	1.64	7,097,043	1.77	6,983,225	1.73	7,275,483	1.8	27,692,550
Tranche C USD Distribution**	371,704	1.22	-	-	-	-	-	-	371,704
Tranche D GBP Distribution	120,269	1.47	129,997	1.58	179,608	1.55	222,784	1.62	652,658
Tranche D USD Distribution	172,755	1.2	170,772	1.17	164,340	1.12	180,829	1.22	688,696
Tranche E EUR Distribution	2,420	1.16	2,598	1.24	2,412	1.15	2,563	1.23	9,993
Tranche E USD Distribution	76,361	1.05	57,082	1.02	15,910	0.97	17,505	1.07	166,858
Total	17,730,328		18,970,102		18,406,441		19,906,441		75,013,312

*Dividends were paid on 15 January 2021.

**This share tranche terminated during the financial year ended 31 December 2021.

Barings Investment Grade CLO Fund

	31 March 2021		30 June 2021		30 September 2021		31 December 2021*		Total
	Value	Per	Value	Per	Value	Per	Value	Per	Value
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Tranche A GBP Distribution	1,391,404	0.72	1,187,861	0.69	1,150,599	0.67	900,588	0.52	4,630,452
Tranche C EUR Distribution**	-		14,111	0.31	25,861	0.57	11,232	0.25	51,204
Tranche C USD Distribution**	-		18,894	0.29	31,270	0.48	28,844	0.44	79,008
Tranche D USD Distribution	16,228	0.5	15,086	0.47	15,953	0.49	14,742	0.45	62,009
Total	1,407,632		1,235,952		1,223,683		955,406		4,822,673

*Dividends were paid on 18 January 2022.

**This share tranche launched during the financial year ended 31 December 2021.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

10. Significant Agreements and fees

Investment Manager

To implement the investment strategies as specified in the Prospectus and the Supplements, the Funds have appointed Barings LLC as Investment Manager and Baring International Investment Limited as Sub-Investment Manager. Barings LLC is an investment management company incorporated in the United States and is registered with the Securities Exchange Commission ("SEC") as an investment advisor. Barings LLC is an indirect subsidiary of Massachusetts Mutual Life Insurance Company and a member of the MassMutual Financial Group. The Investment Manager will pay the fees of the Sub-Investment Manager out of its management fee.

The Investment Manager is entitled to receive out of the assets of the Funds, fees at annual rate of up to 1.60% of the net assets of the relevant share tranche of each Fund. For further detail please refer to the Prospectus and relevant Supplement to the Prospectus.

Investment Manager fees of US\$18,623,648 (31 December 2021: US\$24,205,495) have been charged for the financial year ended 31 December 2022, of which US\$1,176,527 (31 December 2021: US\$1,925,775) was still outstanding as at 31 December 2022.

Distributors

The Company has appointed Barings (U.K.) Limited, Barings Australia Pty Limited, Barings Securities LLC, Baring Asset Management Limited, Baring International Fund Managers (Ireland) Limited, Baring SICE (Taiwan) Limited, Baring France SAS, Baring Asset Management Switzerland S.à.r.l. and Baring Asset Management (Asia) Limited as Distributors.

There were no Distributor fees for the financial year ended 31 December 2022 (31 December 2021: Nil).

Administration, Custodian and operating fees

The aggregate fees and expenses of the Administrator and the Custodian, as defined in the Supplements cannot exceed the following amounts:

Fund

Barings Global High Yield Credit Strategies Fund	0.20% of the NAV per annum
Barings Investment Grade CLO Fund*	0.15% of the NAV per annum
Global Multi-Credit Strategy Fund 3	higher of US\$ 160,000 or 0.075% of the NAV per annum

*This Fund terminated on 30 November 2022.

In the event that such eligible fees and expenses exceed the stated limit per annum of the NAV of the Funds in respect of any period, the Investment Manager has agreed to waive a portion of its investment management fee as is equal to the excess (fund reimbursement). The Investment Manager at its discretion may, in consideration for agreeing to this waiver, in the event that the amount of such eligible fees and expenses actually incurred during a period is less than the stated limits per annum of the NAV of the Funds, the Funds will pay the Investment Manager the difference between the amount of the fees and expenses actually incurred and the stated limits per annum of the NAV of the Funds (administration cap).

Administration and Custodian fees of US\$2,312,886 (31 December 2021: US\$2,899,091) have been charged for the financial year ended 31 December 2022, of which US\$146,717 (31 December 2021: US\$233,465) was still outstanding as at 31 December 2022.

Directors' fees

The total Directors' fees are disclosed in Note 8 of these financial statements. All of these fees were emoluments in respect of services to the Company. The listing of the members of the Board of Directors is shown on page 2. Mr. Julian Swayne, Mr. Alan Behen and Mr. Paul Smyth waived their entitlement to be paid a Director's fee. While these Directors don't receive fees from the Company directly for their role as Directors, Mr. Alan Behen and Mr. Paul Smyth are paid as employees of Baring International Fund Managers (Ireland) Limited, Mr. Julian Swayne is paid as an employee of Baring Investment Services Limited.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

10. Significant Agreements and fees (continued)

Audit and tax reporting fees

The tables below provide a breakdown of the total fee (inclusive of out of pocket expenses) accrued to the statutory auditor during the financial year ended 31 December 2022 and 31 December 2021.

	Company Total financial year ended 31 December 2022 US\$	Company Total financial year ended 31 December 2021 US\$
Auditor's fees:		
Statutory audit fee	(107,702)	(72,872)
Tax advisory services	(12,490)	(13,120)
Total fee accrued to statutory auditor	(120,192)	(85,992)

The above audit fees are exclusive of VAT.

11. Related party transactions

Relationship between Parent and Subsidiary

All of the Barings Global High Yield Credit Strategies Fund's investments (except forward foreign exchange contracts) are held through its Subsidiary, Barings Global High Yield Credit Strategies Limited and all the investments of the Global Multi-Credit Strategy Fund 3 are held through its Subsidiary, Barings Global Multi-Credit Strategy 3 Limited.

The Company, on behalf of Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3 has loan agreements in place with the Subsidiaries. See Note 4 of these financial statements for further details. At 31 December 2022, Barings Global High Yield Credit Strategies Fund had a loan to subsidiary of US\$2,660,491,599 (31 December 2021: US\$4,021,050,986) and Global Multi-Credit Strategy Fund 3 had a loan to subsidiary of GBP139,654,596 (31 December 2021: GBP227,077,500).

Investment by Investment Manager

As at 31 December 2022 and 31 December 2021, Barings LLC, the Investment Manager, held the following Share Tranches:

Fund	Share Tranche	31 December 2022		31 December 2021	
		% Holding	% of NAV	% Holding	% of NAV
Barings Global High Yield Credit Strategies Fund	Tranche D EUR Accumulation	0.14	0.00	0.19	0.00
	Tranche D GBP Accumulation	0.10	0.00	0.11	0.00
	Tranche D GBP Distribution	0.08	0.00	0.08	0.00
	Tranche D USD Accumulation	0.12	0.00	0.31	0.00
	Tranche D USD Distribution	0.06	0.00	0.07	0.00
	Tranche F GBP Accumulation	100.00	0.05	100.00	0.05
	Tranche F USD Accumulation	100.00	0.08	100.00	0.06
	Tranche S USD Accumulation	100.00	0.00	100.00	0.00
Fund	Share Tranche	31 December 2022		31 December 2021	
		% Holding	% of NAV	% Holding	% of NAV
Barings Investment Grade CLO Fund*	Tranche A USD Accumulation	-	-	100.00	0.16
	Tranche C EUR Distribution	-	-	0.19	0.00
	Tranche D EUR Accumulation	-	-	100.00	0.00
	Tranche D USD Accumulation	-	-	0.30	0.00
	Tranche D USD Distribution	-	-	0.29	0.00

*The Fund terminated on 30 November 2022.

Baring International Investment Limited and Barings LLC each own one subscriber share in the Company.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

11. Related party transactions (continued)

Directors' relationships

Mr. Julian Swayne is an employee of Baring Investment Services Limited. Mr. Alan Behen and Mr. Paul Smyth are employees of Baring International Fund Managers (Ireland) Limited, a distributor for the Company. Mr. Alan Behen and Mr. Paul Smyth are also Directors of the Subsidiaries.

Employees

There were no direct employees of the Company for the financial year under review.

Transactions

The following related party transactions took place with other funds managed by the Investment Managers whereby the Funds within the Company bought assets from other funds managed by the Investment Managers. These transactions were not within the umbrella of the Company and therefore they were not eliminated on consolidation.

Trade details during the financial year ended 31 December 2022

	Currency	Purchases Trade Value	Sales Trade Value
Barings Global High Yield Credit Strategies Fund	US\$	84,104,771	56,825,210
Global Multi-Credit Strategy Fund 3	GBP	3,148,055	2,125,602

Trade details during the financial year ended 31 December 2021

	Currency	Purchases Trade Value	Sales Trade Value
Barings Global High Yield Credit Strategies Fund	US\$	68,214,573	5,015,377
Global Multi-Credit Strategy Fund 3	GBP	3,432,999	57,300

12. Financial instruments and associated risks

In accordance with IFRS 7 Financial Instruments: Disclosure, this note details the way in which the Company manages risks associated with the use of financial instruments.

The Funds of the Company are exposed to a variety of financial risks in pursuing their stated investment objectives and policies. These risks include, but are not limited to, credit risk, liquidity risk and market risk (which in turn includes foreign currency risk, interest rate risk and market price risk). The Funds assume exposure to these risks to generate investment returns on their portfolios, although these risks can also potentially result in a reduction in the Funds' net assets.

At 31 December 2022, the Company had two active Funds, Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3. All of the assets (except for forward foreign exchange contracts, if held at the financial year end) of Barings Global High Yield Credit Strategies Fund and of Global Multi-Credit Strategy Fund 3 were held by a wholly owned subsidiary. Since the Funds control the Subsidiaries all of the risks affecting the Subsidiaries are transferred to the Funds. For a detailed review of the financial instruments and associated risks of the investments held by the Subsidiaries, please refer to the audited financial statements of the Subsidiaries which are attached in the Appendix to this report.

Barings Investment Grade CLO Fund, which terminated 30 November 2022, invested primarily in CLOs which are subject to credit, liquidity and interest rate risks. The portfolio investments in which the Fund invested were subject to changes in the financial condition of an obligor of the collateral underlying the CLO.

The risks faced by the Funds are also transferred to the Company.

The Funds are managed by Barings LLC and Baring International Investment Limited.

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 Funds' 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 Funds invest in.

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

As the majority of the financial instruments are carried at fair value through the profit or loss, all changes in market conditions will directly impact the net assets of the Funds.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

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.

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.

Please see tables in the financial statements of the Subsidiaries which show the total carrying amounts of USD LIBOR assets with unreformed contracts and those with appropriate fallback language at 31 December 2022. No comparatives are shown as, at 31 December 2021 issuer outreach in regard to transitioning USD LIBOR benchmarked assets had not yet occurred.

Foreign currency risk

Foreign currency risk, as defined by IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk, not currency risk.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Foreign currency risk (continued)

The Company's financial statements are denominated in US\$ though investments are made and realised in other currencies. Changes in rates of exchange may have an adverse effect on the value, price or income of the investments of the Company.

The Investment Managers use rolling spot and forward foreign exchange contracts to manage foreign currency risk.

The Funds enter into forward foreign exchange contracts to hedge non-base denominated assets and liabilities back into the base currency. The Investment Managers implement and manages this process. The Investment Managers regularly review such positions to ensure that they are in line with the Funds' investment policies.

The Funds, except Global Multi-Credit Strategy Fund 3, have issued non-base currency share tranches, as disclosed in Note 5 of these financial statements. The foreign currency risk that exists to investors in these non base currency share tranches is mitigated by a share tranche hedging programme. Forward foreign exchange contracts are outlined in the Schedule of Investments.

Global Multi-Credit Strategy Fund 3 is not exposed to material foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities as at 31 December 2022 and 31 December 2021.

The following table sets out the shareholders' total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities as at 31 December 2022. Foreign currency risk that exists at the Subsidiary level is hedged by forward foreign exchange contracts eliminating all material foreign currency risk that could impact the fair value of the investments.

Barings Global High Yield Credit Strategies Fund

	Financial assets and liabilities at fair value through profit or loss	Cash and cash equivalents	Other assets and liabilities*	Forward foreign exchange contracts**	Net exposure	% of Exposure
	US\$	US\$	US\$	US\$	US\$	
AUD	-	-	(3,546,489)	3,550,180	3,691	-
CAD	-	-	(16,300,645)	16,300,652	7	-
EUR	-	-	(118,750,463)	118,892,036	141,573	0.01
GBP	-	-	(2,171,610,349)	2,174,236,216	2,625,867	0.10

Barings Investment Grade CLO Fund***

	Financial assets and liabilities at fair value through profit or loss	Cash and cash equivalents	Other assets and liabilities*	Forward foreign exchange contracts**	Net exposure	% of Exposure
	US\$	US\$	US\$	US\$	US\$	
EUR	-	-	-	-	-	0.00
GBP	-	-	-	-	-	0.00

*Other assets and liabilities is comprised mainly of trade payables, trade receivables and liabilities to holders of redeemable participating shares.

**The forward foreign exchange contracts held are for share tranche hedging purposes.

***The Fund terminated on 30 November 2022.

The following table sets out the shareholders' total exposure to foreign currency risk and the net exposure to foreign currencies of the monetary assets and liabilities as at 31 December 2021. Foreign currency risk that exists at a subsidiary level is hedged by forward foreign exchange contracts eliminating all material foreign currency risk that could impact the fair value of the investments.

Barings Global High Yield Credit Strategies Fund

	Financial assets and liabilities at fair value through profit or loss	Cash and cash equivalents	Other assets and liabilities*	Forward foreign exchange contracts**	Net exposure	% of Exposure
	US\$	US\$	US\$	US\$	US\$	
AUD	-	-	(5,545,498)	5,527,086	(18,412)	(0.00)
CAD	-	-	(19,425,293)	19,341,714	(83,579)	(0.00)
EUR	-	-	(49,765,095)	49,578,848	(186,247)	(0.00)
GBP	-	-	(3,723,877,752)	3,708,551,211	(15,326,541)	(0.37)
NOK	-	-	(4,388,036)	4,373,755	(14,281)	(0.00)

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Foreign currency risk (continued)

Barings Investment Grade CLO Fund

	Financial assets and liabilities at fair value through profit or loss	Cash and cash equivalents	Other assets and liabilities*	Forward foreign exchange contracts**	Net exposure	% of Exposure
	US\$	US\$	US\$	US\$	US\$	
EUR	146,174,764	8,699,569	(4,450,830)	(151,295,683)	(872,180)	(0.24)
GBP	-	(900,489)	(473,089,080)	607,495,270	133,505,701	37.26

*Other assets and liabilities is comprised mainly of trade payables, trade receivables and liabilities to holders of redeemable participating shares.

**The forward foreign exchange contracts held are for share tranche hedging purposes.

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.

At 31 December 2022 and 31 December 2021, 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 net assets attributable to holders of redeemable participating shares would be as follows:

	Barings Global High Yield Credit Strategies Fund	Barings Investment Grade CLO Fund*	Barings Global High Yield Credit Strategies Fund	Barings Investment Grade CLO Fund
	31 December 2022	31 December 2022	31 December 2021	31 December 2021
	US\$	US\$	US\$	US\$
AUD	185	-	(921)	-
CAD	0	-	(4,179)	-
EUR	7,079	-	(9,312)	(43,609)
GBP	131,293	-	(766,327)	6,675,285
NOK	-	-	(714)	-

*The Fund terminated on 30 November 2022.

Interest rate risk

This risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk arises on financial instruments whose fair value or future cash flows are affected by changes in interest rates.

Interest rate risks are managed by the Investment Managers, whose management of interest rate risk is monitored through regular performance reviews with senior managers as well as through monthly peer reviews of the Funds' positioning held with senior managers.

The majority of the investments of Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3 are held by wholly owned Subsidiaries, therefore, the associated risks of the Subsidiaries are currently substantially the same as the risks associated with the Funds. For a detailed review of the financial instruments and associated risks of the investment in the Subsidiaries, please refer to the audited financial statements of the Subsidiaries which are attached in the Appendix to these financial statements.

Barings Investment Grade CLO Fund, which terminated on 30 November 2022, was exposed to interest rate risk on the loans held and on a look-through basis to the underlying assets in the CLOs.

All other financial assets and financial liabilities held by the Funds, with the exception of short-term investments, cash at bank balances and overdrawn cash, are not directly exposed to interest rate risk. The Funds are exposed to interest rate risk on the interest earned on their cash.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Interest rate risk (continued)

The following tables detail the Fund's exposure to interest rate risks. They include the Fund's assets and trading liabilities at fair value categorised by maturity date and measured by the carrying value of the assets and liabilities at 31 December 2022 and at 31 December 2021:

31 December 2022

Barings Investment Grade CLO Fund*

	Within 1 year US\$	1-5 years US\$	Greater than 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Amortised cost:					
Other receivables	-	-	-	1,431	1,431
Total assets	-	-	-	1,431	1,431
Liabilities					
Amortised cost:					
Payable for fund shares redeemed	-	-	-	(1,431)	(1,431)
Total liabilities	-	-	-	(1,431)	(1,431)
Total interest sensitivity gap	-	-	-		

*This Fund terminated on 30 November 2022.

31 December 2021

Barings Investment Grade CLO Fund

	Within 1 year US\$	1-5 years US\$	Greater than 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Financial Assets at fair value through profit or loss:					
- Collateralised loan obligations	-	-	354,368,395	-	354,368,395
- Short-term investments	16,995,994	-	-	-	16,995,994
- Forward foreign exchange contracts	-	-	-	10,550,358	10,550,358
Amortised cost:					
Other receivables	-	-	-	1,713,597	1,713,597
Receivable for investment sold	-	-	-	10,056	10,056
Cash and cash equivalents	112,323,869	-	-	-	112,323,869
Total assets	129,319,863	-	354,368,395	12,274,011	495,962,269
Liabilities					
Financial liabilities held for trading:					
- Forward foreign exchange contracts	-	-	-	(2,064,364)	(2,064,364)
Amortised cost:					
Income distribution payable	-	-	-	(955,406)	(955,406)
Payable for fund shares redeemed	-	-	-	(134,455,616)	(134,455,616)
Other payables and accrued expenses	-	-	-	(143,554)	(143,554)
Total liabilities	-	-	-	(137,618,940)	(137,618,940)
Total interest sensitivity gap	129,319,863	-	354,368,395		

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Interest rate 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.

Interest rate risk sensitivity is not included for 31 December 2022 as Barings Investment Grade CLO Fund terminated on 30 November 2022 and both Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3 have subsidiaries and therefore they are not subject to interest rate risk.

Based on the relevant portfolio's composition as at 31 December 2021, the corresponding increase/(decrease) in change in net assets attributable to holders of redeemable participating shares, from an increase/(decrease) in average interest rates would be as follows:

Barings Investment Grade CLO Fund

Interest rate change %	% Effect of NAV 31 December 2021	Interest rate change %	% Effect of NAV 31 December 2021
-0.50	+0.09	+0.50	-0.09
-0.75	+0.13	+0.75	-0.13
-1.00	+0.17	+1.00	-0.17

Price risk

Market price risk is defined as the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices. The majority of the Funds' financial instruments are carried at fair value on the Statement of Financial Position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including other receivables, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The carrying amounts of all of the Funds' financial assets and financial liabilities at the financial year end date approximated their fair values.

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.

In accordance with the Funds' policies, the Investment Managers monitor the Funds' positions on a daily basis and reports regularly to the Board of Directors, which reviews the information on the Funds' overall market exposures provided by the Investment Managers at its periodic meetings.

The Investment Managers use three techniques to help in the risk management process: monitoring of compliance and quantitative limits, prevention of limit breaches and trade monitoring. These techniques allow the Investment Managers to ensure that the Funds remain in compliance with the restrictions in the Prospectus.

In addition, the Investment Managers manage the exposure of the portfolio to the risk of adverse changes in the general level of market prices through adhering to its formal risk management process, which includes the use of systems and technology to monitor overall market and position risk on a daily basis. The maximum risk arising from an investment (except for derivatives) is determined by the fair value of the financial instruments. The overall market exposures and concentration of risk can be seen in the Schedule of Investments and the Statement of Financial Position of each Fund.

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 fair value through profit or loss by US\$141,466,352 (31 December 2021: US\$234,138,964).

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

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 Funds, resulting in a financial loss to the Funds.

The Funds' Investment Managers analyse credit concentration based on the counterparty, industry and geographical location of the financial assets that the Funds hold. Barings Global High Yield Credit Strategies Fund exposure and Global Multi-Credit Strategy Fund 3 exposure are viewed on a look through basis of the holding of their Subsidiaries. Details are included in the audited financial statements of the Subsidiaries which are attached in the Appendix to this report. At 31 December 2021 the credit risk concentration of Barings Investment Grade CLO Fund was spread between a number of counterparties.

The top ten holdings represent the following percentage of the respective portfolio:

Fund	31 December 2022*	31 December 2021
Barings Investment Grade CLO Fund	-	19.29%

*The Fund terminated on 30 November 2022.

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

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

As at 31 December 2022, Barings Global High Yield Credit Strategies Fund's derivative assets and liabilities are as follows:

Description	Counterparty	Value of derivative assets US\$	Financial Instrument US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	3,141,887	(3,141,887)	-	-
		3,141,887	(3,141,887)	-	-

Description	Counterparty	Value of derivative liabilities US\$	Financial Instrument US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	BNP Paribas	(6,900,498)	-	-	(6,900,498)
Forward foreign exchange contracts	National Australia Bank	(6,900,498)	-	-	(6,900,498)
Forward foreign exchange contracts	State Street Bank	(8,911,206)	3,141,887	-	(5,769,319)
		(22,712,202)	3,141,887	-	(19,570,315)

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Credit risk (continued)

As at 31 December 2021, Barings Global High Yield Credit Strategies Fund's derivative assets and liabilities are as follows:

Description	Counterparty	Value of derivative assets US\$	Financial Instrument US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	BNP Paribas	27,076,984	-	-	27,076,984
Forward foreign exchange contracts	National Australia Bank Limited	27,062,716	-	-	27,062,716
Forward foreign exchange contracts	State Street Bank	29,652,318	(3,289,074)	-	26,363,244
		83,792,018	(3,289,074)	-	80,502,944

Description	Counterparty	Value of derivative liabilities US\$	Financial Instrument US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	(3,289,074)	3,289,074	-	-
		(3,289,074)	3,289,074	-	-

As at 31 December 2021, Barings Investment Grade CLO Fund's derivative assets and liabilities are as follows:

Description	Counterparty	Value of derivative assets US\$	Financial Instrument US\$	Collateral received US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	10,550,358	(2,064,364)	-	8,485,994
		10,550,358	(2,064,364)	-	8,485,994

Description	Counterparty	Value of derivative liabilities US\$	Financial Instrument US\$	Collateral pledged US\$	Net US\$
Forward foreign exchange contracts	State Street Bank	(2,064,364)	2,064,364	-	-
		(2,064,364)	2,064,364	-	-

Barings Investment Grade CLO Fund's financial assets exposed to credit risk were concentrated in the following geographical areas as at 31 December 2022 and 31 December 2021:

	% of Market Value 31 December 2022*	% of Market Value 31 December 2021
Ireland	-	35.48
Netherlands	-	5.77
United States	-	58.75
Total	-	100.00

*The Fund terminated on 30 November 2022.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Credit risk (continued)

At 31 December 2022 and 31 December 2021, Barings Investment Grade CLO Fund held investments with the following publicly quoted credit ratings:

	% of Market Value 31 December 2022	% of Market Value 31 December 2021
A2	-	40.71
Aa2	-	21.02
Aaa	-	11.61
Baa2	-	4.72
Baa3	-	21.94
Total	-	100.00

*The Fund terminated on 30 November 2022.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. The Funds monitor 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 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 investment's performance including such measures as reviewing pricing levels, monthly accounts, budgets and meeting management, where appropriate.

Investments in CLOs are dependent on the Investment Manager's credit analysis, the Investment Manager employs its own credit research and analysis, which includes a study of existing debt, capital structure, ability to service debt and to pay dividends, the issuer's sensitivity to economic conditions, its operating history and the current trend of earnings.

CLO's generally are subordinated to certain other obligations of the issuer. CLO issuers may acquire interests in loans and other debt obligations by way of sale, assignment or participation.

At 31 December 2022 and 31 December 2021, Barings Investment Grade CLO Funds' CLO's consisted of the following:

	31 December 2022* US\$	31 December 2021 US\$
Senior CLO's	-	115,629,164
Mezzanine CLO's	-	238,739,231
Total	-	354,368,395

*This Fund terminated on 30 November 2022.

As at 31 December 2022, the Company's financial assets exposed to credit risk are as follows:

	Barings Global High Yield Credit Strategies Fund US\$	Barings Investment Grade CLO Fund* US\$	Global Multi- Credit Strategy Fund 3 GBP
Loan to Subsidiary	2,660,491,599	-	139,654,596
Forward foreign exchange contracts	3,141,887	-	-
Other receivables	-	1,431	-
Total	2,663,633,486	1,431	139,654,596

*This Fund terminated on 30 November 2022.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Credit risk (continued)

As at 31 December 2021, the Company's financial assets exposed to credit risk are as follows:

	Barings Global High Yield Credit Strategies Fund US\$	Barings Investment Grade CLO Fund US\$	Global Multi- Credit Strategy Fund 3 GBP
Loan to Subsidiary	4,021,050,986	-	227,077,500
Collateralised loan obligations	-	354,368,395	-
Short-term investments	-	16,995,994	-
Forward foreign exchange contracts	83,792,018	10,550,358	-
Other receivables	-	1,713,597	-
Receivable for fund shares sold	20,079,758	-	-
Receivable for investment sold	-	10,056	-
Cash and cash equivalents	-	112,323,869	-
Total	4,124,922,762	495,962,269	227,077,500

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

Substantially all of the assets of the Funds (including cash) are held by the Custodian, State Street Custodial Services (Ireland) Limited. Bankruptcy or insolvency of the Custodian may cause the Funds' rights with respect to securities held by the Custodian to be delayed or limited. The Funds monitor their risk by monitoring the credit quality and financial positions of the Custodian the Funds use. The long-term credit rating of the parent company of the Custodian, State Street Corporation as at 31 December 2022 was A (31 December 2021: A). The Funds' assets and cash are maintained within the Custodian's custodial network in segregated accounts. The Custodian will ensure that any agent it appoints to assist in safekeeping the assets of the Funds will segregate these assets. Thus in the event of insolvency or bankruptcy of the Custodian, the Funds' assets are segregated and protected and this further reduces counterparty risk.

Liquidity risk

Liquidity risk is the risk that the Funds 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 Funds.

The Funds' constitutional documentation makes provision for a range of measures to assist with the management of liquidity on an on-going basis, including, for example, the deferral of redemption applications. The Funds are typically managed with a small 'buffer' of cash (to minimise the cash drag impact on returns for investors at the subsidiary level) but also typically have investments in senior secured public fixed or floating rate notes whose settlement period (T+3 through Euroclear) permits more rapid sale where this might be required for liquidity purposes.

Due to liquidity constraints in the structured credit market, where a Fund receives substantial redemption requests, the Investment Manager may be obliged to dispose of investments of that Fund in advance of the relevant dealing day. Any sale of a particular Fund's assets prior to the relevant dealing day could have a negative impact on the performance of that Fund, as the Fund will not be pursuing its investment objective in respect of the portion of its assets held in cash or other liquid assets pending the redemption of shares. Each Fund will seek to be well diversified. However, in the event of a material demand for redemptions, a Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the relevant Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Funds' restriction of redemptions of shares in excess of fifteen per cent of the total NAV of the relevant Fund on any one dealing day may mitigate this risk should these circumstances arise.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Liquidity risk (continued)

The tables below set out the liquidity risk of the Funds at 31 December 2022. They provide an analysis of the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the financial year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Please refer to the schedule of investments for the contractual inflows and outflows of the derivative instruments in the below tables.

As at 31 December 2022, the Company's financial liabilities are as follows:

Barings Global High Yield Credit Strategies Fund Liabilities	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Forward foreign exchange contracts	(22,712,202)	-	-	(22,712,202)
Other payables and accrued expenses	(7,867,560)	-	-	(7,867,560)
Net assets attributable to holders of redeemable participating shares	-	-	(2,633,053,724)	(2,633,053,724)
	<u>(30,579,762)</u>	<u>-</u>	<u>(2,633,053,724)</u>	<u>(2,663,633,486)</u>

Barings Investment Grade CLO Fund* Liabilities	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Other payables and accrued expenses	(1,431)	-	-	(1,431)
	<u>(1,431)</u>	<u>-</u>	<u>-</u>	<u>(1,431)</u>

*This Fund terminated on 30 November 2022.

Global Multi-Credit Strategy Fund 3 Liabilities	Less than 1 month GBP	1-3 months GBP	Greater than 3 months GBP	Total GBP
Other payables and accrued expenses	(76,534)	-	-	(76,534)
Net assets attributable to holders of redeemable participating shares	-	-	(139,578,062)	(139,578,062)
	<u>(76,534)</u>	<u>-</u>	<u>(139,578,062)</u>	<u>(139,654,596)</u>

The table below set out the Funds' gross-settled derivative financial instruments at 31 December 2022. The forward foreign exchange contracts held are for share tranche hedging purposes.

Barings Global High Yield Credit Strategies Fund	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Asset - Forward foreign exchange contracts	2,518,373,104	-	-	2,518,373,104
Liability - Forward foreign exchange contracts	(2,537,943,419)	-	-	(2,537,943,419)
	<u>(19,570,315)</u>	<u>-</u>	<u>-</u>	<u>(19,570,315)</u>

As at 31 December 2021, the Company's financial liabilities are as follows:

Barings Global High Yield Credit Strategies Fund Liabilities	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Forward foreign exchange contracts	(3,289,074)	-	-	(3,289,074)
Other payables and accrued expenses	(5,188,145)	-	-	(5,188,145)
Net assets attributable to holders of redeemable participating shares	-	-	(4,116,445,543)	(4,116,445,543)
	<u>(8,477,219)</u>	<u>-</u>	<u>(4,116,445,543)</u>	<u>(4,124,922,762)</u>

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Liquidity risk (continued)

Barings Investment Grade CLO Fund Liabilities	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Forward foreign exchange contracts	(2,064,364)	-	-	(2,064,364)
Income distribution payable	(955,406)	-	-	(955,406)
Other payables and accrued expenses	(134,599,170)	-	-	(134,599,170)
Net assets attributable to holders of redeemable participating shares	-	-	(358,343,329)	(358,343,329)
	(137,618,940)	-	(358,343,329)	(495,962,269)

Global Multi-Credit Strategy Fund 3 Liabilities	Less than 1 month GBP	1-3 months GBP	Greater than 3 months GBP	Total GBP
Other payables and accrued expenses	(119,405)	-	-	(119,405)
Net assets attributable to holders of redeemable participating shares	-	-	(226,958,095)	(226,958,095)
	(119,405)	-	(226,958,095)	(227,077,500)

The tables below set out the Funds' gross-settled derivative financial instruments at 31 December 2021. The forward foreign exchange contracts held are for share tranche hedging purposes.

Barings Global High Yield Credit Strategies Fund	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Asset - Forward foreign exchange contracts	4,085,453,730	-	-	4,085,453,730
Liability - Forward foreign exchange contracts	(4,004,950,786)	-	-	(4,004,950,786)
	80,502,944	-	-	80,502,944

Barings Investment Grade CLO Fund	Less than 1 month US\$	1-3 months US\$	Greater than 3 months US\$	Total US\$
Asset - Forward foreign exchange contracts	814,745,613	-	-	814,745,613
Liability - Forward foreign exchange contracts	(806,259,619)	-	-	(806,259,619)
	8,485,994	-	-	8,485,994

Fair value hierarchy

In accordance with IFRS 13 the Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- 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 Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Fair value hierarchy (continued)

Valuation Framework

The Company has an established control framework with respect to measurement of fair values. This framework includes a Valuations Committee, which is independent of front office management and reports to the Board of Directors, who have overall responsibility for fair value measurements. Specific controls include:

- Verification of observable pricing inputs;
- A review and approval process for changes to pricing models;
- Review of unobservable inputs and valuation adjustments; and
- Review of independent third party pricing sources.

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 observable 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. As at 31 December 2021 the CLO's fair value were determined using independent broker quotes based on observable inputs and were classified as Level 2. Where this cannot be verified, the CLO's would fall into Level 3.

The loans to the Subsidiaries are classified as Level 2, reflecting the observable inputs used in valuing the underlying portfolios of the unconsolidated Subsidiaries. Please refer to the audited financial statements of each Subsidiary included in the Appendix to these financial statements.

As at 31 December 2022 and 31 December 2021 there were no Level 3 securities held directly by any of the Funds.

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. 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.

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.

Other receivables and payables include the contractual amounts for settlement of trades and other obligations due to and by the Company. All receivable and payable balances are categorised as Level 2.

The puttable value of redeemable participating shares is calculated based on the net difference between total assets and all other liabilities of each Fund within the Company in accordance with the Funds' offering memorandum. These shares are not traded on an active market. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Funds at any dealing date for cash/assets equal to a proportionate share of the Fund's NAV attributable to the share tranche. The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of redeemable participating shares held.

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.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the financial year. There were no transfers between Level 1 and Level 2 during the financial year (31 December 2021: none).

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Fair value hierarchy (continued)

Valuation Framework (continued)

The following tables analyse within the fair value hierarchy of the Funds' financial assets and liabilities measured at fair value at 31 December 2022:

Barings Global High Yield Credit Strategies Fund

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Financial assets				
At fair value through profit or loss:				
- Loan to Subsidiary	-	2,660,491,599	-	2,660,491,599
- Forward Foreign Exchange Contracts	-	3,141,887	-	3,141,887
Total assets	-	2,663,633,486	-	2,663,633,486
Financial liabilities				
Held for trading:				
- Forward Foreign Exchange Contracts	-	(22,712,202)	-	(22,712,202)
Total liabilities	-	(22,712,202)	-	(22,712,202)

Global Multi-Credit Strategy Fund 3

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total Fair Value GBP
Financial assets				
At fair value through profit or loss:				
- Loan to Subsidiary	-	139,654,596	-	139,654,596
Total assets	-	139,654,596	-	139,654,596

The following tables analyse within the fair value hierarchy of the Funds' financial assets and liabilities measured at fair value at 31 December 2021:

Barings Global High Yield Credit Strategies Fund

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Financial assets				
At fair value through profit or loss:				
- Loan to Subsidiary	-	4,021,050,986	-	4,021,050,986
- Forward Foreign Exchange Contracts	-	83,792,018	-	83,792,018
Total assets	-	4,104,843,004	-	4,104,843,004
Financial liabilities				
Held for trading:				
- Forward Foreign Exchange Contracts	-	(3,289,074)	-	(3,289,074)
Total liabilities	-	(3,289,074)	-	(3,289,074)

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

Fair value hierarchy (continued)

Valuation Framework (continued)

Barings Investment Grade CLO Fund

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total Fair Value US\$
Financial assets				
At fair value through profit or loss:				
- Collateralised Loan Obligations	-	354,368,395	-	354,368,395
- Short-term investments	-	16,995,994	-	16,995,994
- Forward Foreign Exchange Contracts	-	10,550,358	-	10,550,358
Total assets	-	381,914,747	-	381,914,747
Financial liabilities				
Held for trading:				
- Forward Foreign Exchange Contracts	-	(2,064,364)	-	(2,064,364)
Total liabilities	-	(2,064,364)	-	(2,064,364)

Global Multi-Credit Strategy Fund 3

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total Fair Value GBP
Financial assets				
At fair value through profit or loss:				
- Loan to Subsidiary	-	227,077,500	-	227,077,500
Total assets	-	227,077,500	-	227,077,500

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

For CLO instruments 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.

ESG Risk

The Investment Managers integrate ESG ("Environmental Social & Governance") information into the investment process across all asset classes. Through fundamental analysis, the Investment Managers seek to gain a comprehensive understanding of the factors that influence the sustainability of investments. The Investment Manager consider ESG information alongside other crucial variables that may impact an investment's risks and returns over time. In particular, the Investment Managers consider ESG criteria in relation to specific industry and sector trends and characteristics to identify the risks of an investment. Once invested, the Investment Managers continue to monitor each investment to ensure their thesis, including that on ESG matters, remains intact and that an investment's risk and return profile remains attractive relative to other opportunities available in the market. Sustainability risks that the Investment Managers may consider are environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment, examples of which include physical environmental risks, transition risk (e.g. investee company assets losing their financial value because of tightening of environmental legislation) or liability risk (e.g. risk of liability due to a breach of human/employee rights considering the jurisdiction of the investee company).

Please refer to the Prospectus and Appendix 5 for further details on ESG integration. Third-party data and research form one input to the Investment Managers ESG integration and stewardship work. While third-party data providers, peer research, or direct interactions with companies and stakeholders may be used to inform the Investment Managers ESG scoring and analysis, greater importance is placed on the Investment Managers own fundamental, qualitative, and quantitative analysis and research.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

12. Financial instruments and associated risks (continued)

ESG Risk (continued)

The Investment Manager's dedicated data governance team performs quality checks on internal and third-party ESG data. The team runs data quality checks on monthly reported portfolio-level data, where outliers are flagged based on month-over-month changes and further research is done at the holdings level to determine the cause of change. The team also runs monthly data quality checks on internal data. The Investment Managers portfolio solutions and analytics team also supports data governance efforts by providing several quality checks to validate the completeness of the proprietary ESG scores. These checks may include checking ESG score values, monitoring changes in updated scores, and whether scores have been updated in a timely fashion.

With the exception of Barings Global High Yield Credit Strategies Fund, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

13. NAV per redeemable participating share

Net assets attributable to holders of redeemable participating shares

	31 December 2022 US\$	31 December 2021 US\$	31 December 2020 US\$
Barings Global High Yield Credit Strategies Fund			
Tranche A GBP Accumulation	172,999,149	284,797,962	311,936,660
Tranche A GBP Distribution	4,840,705	43,651,266	43,438,517
Tranche B EUR Accumulation*****	76,362,635	-	-
Tranche B GBP Accumulation	1,261,347,679	1,525,847,291	1,340,613,861
Tranche B GBP Distribution	298,634,781	944,821,234	870,186,054
Tranche B USD Accumulation	230,272,678	255,445,081	228,136,287
Tranche C AUD Distribution	3,544,806	5,542,747	5,978,453
Tranche C CAD Accumulation	16,275,392	19,394,325	18,082,944
Tranche C EUR Accumulation*	36,843,199	44,477,118	-
Tranche C GBP Accumulation	246,316,765	300,070,814	397,645,453
Tranche C GBP Distribution	161,225,993	592,602,370	555,947,037
Tranche C USD Accumulation	69,796,157	37,467,369	16,288,562
Tranche C USD Distribution***	-	-	30,421,748
Tranche D EUR Accumulation	5,510,367	5,062,419	5,167,362
Tranche D GBP Accumulation	10,531,602	12,132,700	11,769,621
Tranche D GBP Distribution	13,246,920	16,471,838	10,766,260
Tranche D NOK Accumulation*****	-	4,385,708	4,168,719
Tranche D USD Accumulation	7,666,668	3,235,706	6,101,505
Tranche D USD Distribution	13,270,946	15,151,319	14,423,888
Tranche E EUR Distribution*****	-	222,623	236,904
Tranche E USD Distribution	781,755	1,489,103	6,930,233
Tranche F GBP Accumulation	1,517,914	1,890,983	1,810,074
Tranche F USD Accumulation	2,061,149	2,278,400	2,150,772
Tranche S USD Accumulation	6,464	7,167	6,696
Total NAV	2,633,053,724	4,116,445,543	3,882,207,610

	31 December 2022 US\$	31 December 2021 US\$	31 December 2020 US\$
Barings Investment Grade CLO Fund****			
Tranche A GBP Accumulation*****	-	243,126,764	240,256,397
Tranche A GBP Distribution*****	-	96,194,520	261,204,607
Tranche A USD Accumulation*****	-	582,241	606,371
Tranche C EUR Distribution*, *****	-	5,118,719	-
Tranche C USD Accumulation***	-	-	20,742,138
Tranche C USD Distribution*, *****	-	6,503,688	-
Tranche D EUR Accumulation**, *****	-	9,378	-
Tranche D USD Accumulation**, *****	-	3,386,347	-
Tranche D USD Distribution*****	-	3,421,672	3,337,406
Total NAV	-	358,343,329	526,146,919

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

13. NAV per redeemable participating share (continued)

Net assets attributable to holders of redeemable participating shares (continued)

	31 December 2022 GBP	31 December 2021 GBP	31 December 2020 GBP
Global Multi-Credit Strategy Fund 3			
Tranche T GBP Accumulation	139,578,062	226,958,095	213,637,975
Total NAV	139,578,062	226,958,095	213,637,975

*This share tranche launched during the financial year ended 31 December 2021.

**This share tranche re-launched during the financial year ended 31 December 2021.

***This share tranche terminated during the financial year ended 31 December 2021.

****The Fund terminated on 30 November 2022.

*****This share tranche launched during the financial year ended 31 December 2022.

*****This share tranche terminated during the financial year ended 31 December 2022.

NAV per Redeemable Participating Share

Barings Global High Yield Credit Strategies Fund	NAV per Share 31 December 2022	Published NAV 31 December 2022	NAV per Share 31 December 2021	Published NAV 31 December 2021	NAV per Share 31 December 2020	Published NAV 31 December 2020
Tranche A GBP Accumulation	£121.63	£121.63	£135.87	£135.87	£127.43	£127.43
Tranche A GBP Distribution	£78.26	£78.26	£93.06	£93.06	£91.66	£91.66
Tranche B EUR Accumulation****	€88.81	€88.81	-	-	-	-
Tranche B GBP Accumulation	£122.10	£122.10	£136.52	£136.52	£128.13	£128.13
Tranche B GBP Distribution	£84.08	£84.08	£99.93	£99.93	£98.43	£98.43
Tranche B USD Accumulation	US\$106.02	US\$106.02	US\$117.76	US\$117.76	US\$110.26	US\$110.26
Tranche C AUD Distribution	AUD82.09	AUD82.09	AUD97.57	AUD97.57	AUD96.16	AUD96.16
Tranche C CAD Accumulation	CAD104.70	CAD104.70	CAD116.56	CAD116.56	CAD109.36	CAD109.36
Tranche C EUR Accumulation*	€91.69	€91.69	€104.11	€104.11	-	-
Tranche C GBP Accumulation	£123.04	£123.04	£137.65	£137.65	£129.29	£129.29
Tranche C GBP Distribution	£89.62	£89.62	£106.50	£106.50	£104.90	£104.90
Tranche C USD Accumulation	US\$104.27	US\$104.27	US\$115.89	US\$115.89	US\$108.59	US\$108.59
Tranche C USD Distribution***	-	-	-	-	US\$100.23	US\$100.23
Tranche D EUR Accumulation	€109.32	€109.32	€124.18	€124.18	€117.47	€117.47
Tranche D GBP Accumulation	£119.90	£119.90	£134.24	£134.24	£126.22	£126.22
Tranche D GBP Distribution	£81.98	£81.98	£97.43	£97.43	£95.98	£95.98
Tranche D NOK Accumulation*****	-	-	NOK118.18	NOK118.18	NOK110.90	NOK110.90
Tranche D USD Accumulation	US\$117.75	US\$117.75	US\$130.95	US\$130.95	US\$122.83	US\$122.83
Tranche D USD Distribution	US\$86.19	US\$86.19	US\$101.78	US\$101.78	US\$100.00	US\$100.00
Tranche E EUR Distribution*****	-	-	€93.58	€93.58	€92.80	€92.80
Tranche E USD Distribution	US\$82.13	US\$82.13	US\$96.99	US\$96.99	US\$95.30	US\$95.30
Tranche F GBP Accumulation	£125.33	£125.33	£139.45	£139.45	£130.22	£130.22
Tranche F USD Accumulation	US\$136.18	US\$136.18	US\$150.54	US\$150.54	US\$140.22	US\$140.22
Tranche S USD Accumulation	US\$146.39	US\$146.39	US\$162.29	US\$162.29	US\$151.64	US\$151.64

Barings Investment Grade CLO Fund****	NAV per Share 31 December 2022	Published NAV 31 December 2022	NAV per Share 31 December 2021	Published NAV 31 December 2021	NAV per Share 31 December 2020	Published NAV 31 December 2020
Tranche A GBP Accumulation*****	-	-	£108.88	£108.78	£106.49	£106.49
Tranche A GBP Distribution*****	-	-	£98.94	£98.85	£98.65	£98.65
Tranche A USD Accumulation*****	-	-	US\$126.93	US\$126.82	US\$123.86	US\$123.86
Tranche C EUR Distribution*,*****	-	-	€99.86	€99.77	-	-
Tranche C USD Accumulation***	-	-	-	-	US\$103.71	US\$103.71
Tranche C USD Distribution*,*****	-	-	US\$100.06	US\$99.97	-	-
Tranche D EUR Accumulation**,*****	-	-	€100.44	€100.35	-	-
Tranche D USD Accumulation**,*****	-	-	US\$101.24	US\$101.15	-	-
Tranche D USD Distribution*****	-	-	US\$104.81	US\$104.72	US\$104.24	US\$104.24

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

13. NAV per redeemable participating share (continued)

NAV per Redeemable Participating Share (continued)

Global Multi-Credit Strategy Fund 3	NAV per Share 31 December 2022	Published NAV 31 December 2022	NAV per Share 31 December 2021	Published NAV 31 December 2021	NAV per Share 31 December 2020	Published NAV 31 December 2020
Tranche T GBP Accumulation	£124.67	£124.67	£137.37	£137.37	£129.31	£129.31

*This share tranche launched during the financial year ended 31 December 2021.

**This share tranche re-launched during the financial year ended 31 December 2021.

***This share tranche terminated during the financial year ended 31 December 2021.

****The Fund terminated on 30 November 2022.

*****This share tranche launched during the financial year ended 31 December 2022.

*****This share tranche terminated during the financial year ended 31 December 2022.

The difference, if any, between the NAV per the financial statements and the published NAV is due to adjustments required to conform with the principles of IFRS.

14. 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 in which Barings Investment Grade CLO Fund invested, but did not consolidate met the definition of structured entities because:

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

Investment entity

To comply with the amendment to IFRS 10 and to be exempt from preparing consolidated financial statements, the Company must meet the definition of an investment entity. The Company is satisfied that it meets both the required criteria and typical characteristics of an investment entity as specified in Note 2 of these financial statements.

Subsidiary

As at 31 December 2022, the Company had two Subsidiaries, Barings Global High Yield Credit Strategies Limited and Barings Global Multi-Credit Strategy 3 Limited, which are investments in unconsolidated structured entities and they are 100% owned Subsidiaries of Barings Global Investment Funds 2 plc. As detailed in Note 2 of these financial statements, the Company has determined that the Subsidiaries continue to meet the definition of a subsidiary under the provisions of IFRS 10. Subsidiaries are entities under the Company's control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity which is the case in this instance.

Therefore the Subsidiary is treated as a simple investment and is measured at FVTPL.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

14. Interests in other entities (continued)

Involvement with Unconsolidated Structured Entities (continued)

Interest in unconsolidated structured entity subsidiary as at 31 December 2022:

Structured Entity ("SE")	Line item in Statement of Financial Position	No of Investments	Size of SEs Notional in US\$m	Barings's Holding Fair Value in US\$m	% of Total Financial Assets at FVTPL	Maximum exposure to losses in US\$m
Barings Global High Yield Credit Strategies Limited	Financial assets at fair value through profit or loss	1	2,660	2,660	99.88	2,660
Barings Global Multi-Credit Strategy 3 Limited	Financial assets at fair value through profit or loss	1	140	140	100.00	140

Interest in unconsolidated structured entity subsidiary as at 31 December 2021:

Structured Entity ("SE")	Line item in Statement of Financial Position	No of Investments	Size of SEs Notional in US\$m	Barings's Holding Fair Value in US\$m	% of Total Financial Assets at FVTPL	Maximum exposure to losses in US\$m
Barings Global High Yield Credit Strategies Limited	Financial assets at fair value through profit or loss	1	4,021	4,021	97.96	4,021
Barings Global Multi-Credit Strategy 3 Limited	Financial assets at fair value through profit or loss	1	227	227	100.00	227

Unconsolidated structured entity (non-subsidiary) as at 31 December 2021:

Barings Investment Grade CLO Fund

Structured Entity ("SE")	Line item in Statement of Financial Position	No of Investments	Range of the size of SEs Notional in US\$m	Average Notional of SEs in US\$m	Barings's Holding Fair Value in US\$m	% of Total Financial Assets at FVTPL	Maximum exposure to losses in US\$m
CDO/CLO	Financial assets at fair value through profit or loss	108	16-371	47	354	92.79	354

15. 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\$:

Currency	31 December 2022	31 December 2021
AUD	0.6809	0.7275
CAD	0.7386	0.7905
EUR	1.0704	1.1385
GBP	1.2089	1.3535
NOK	0.1020	0.1136

Income and expenses were converted (against US\$) at an average rate for the financial year ended 31 December 2022:

	Average exchange rates for the year 1 January 2022 to 31 December 2022	Average exchange rates for the year 1 January 2021 to 31 December 2021
GBP	1.2322	1.3738

16. Soft commissions

There were no soft commission arrangements entered into by the Investment Managers on behalf of the Company during the financial year ended 31 December 2022 or 31 December 2021.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

17. Contingent liabilities

There are no contingent liabilities as at 31 December 2022 or 31 December 2021.

18. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of shares in the Company. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

To the extent that a chargeable event arises in respect of a shareholder, the Company may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners. A chargeable event can include dividend payments to shareholders, appropriation, cancellation, redemption, repurchase or transfer of shares, or a deemed disposal of shares every 8 years beginning from the date of acquisition of those shares. Certain exemptions can apply. To the extent that shareholders have appropriate tax declarations in place with the Company there may be no requirement to deduct tax.

Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3 hold their investments through their Subsidiaries, which are Irish residents and are qualifying companies for the purposes of Section 110 of the Taxes Consolidation Act, 1997, as amended. The Subsidiary is subject to corporation tax in Ireland on its profits computed as though they were carrying on a trade. However, as the Subsidiary is financed by borrowing, the cost of this finance is deductible and accordingly their profits for tax purposes will not be material. Interest payable by the Subsidiaries to Barings Global High Yield Credit Strategies Fund and Global Multi-Credit Strategy Fund 3 can be paid free of any Irish withholding tax.

19. Revolving Credit Facilities

The Company, on behalf of Barings Global High Yield Credit Strategies Fund and its Subsidiary entered into the following revolving credit facilities with State Street Bank and Trust Company, Bank of America N.A., Barclays Bank PLC, BNP Paribas and National Australia Bank Limited. With effect from 6 July 2022 this revolving credit facility was updated to amend the borrower from being the Subsidiary to being the Fund.

The borrower is the Barings Global High Yield Credit Strategies Fund. The credit facility is base currency (US\$). Borrowing is at 1.25% over the relevant index. There is a commitment fee of 0.250% (31 December 2021: 0.250%) per annum on the unused amount.

As at 31 December 2022		New amount Effective 6 July 2022	
Borrower	Guarantor	Old amount US\$ millions	US\$ millions
Barings Global High Yield Credit Strategies Fund	Barings Global High Yield Credit Strategies Limited	270	270

On 6 July 2022, the facility remained the same size and was renewed until 6 July 2023.

As at 31 December 2021		New amount Effective 1 December 2021	
Borrower	Guarantor	Old amount US\$ millions	US\$ millions
Barings Global High Yield Credit Strategies Limited	Barings Global High Yield Credit Strategies Fund	225	270

20. Prospectus

The Supplement to the Prospectus of Global Multi-Credit Strategy Fund 3 was updated on 31 March 2022. The main change to the Supplement was a reduction in management fees.

The Prospectus of the Company was updated on 29 June 2022 and 1 December 2022.

The following material change was made to the Prospectus on 29 June 2022:

- Sustainable Finance Disclosure Regulation ("SFDR") Article 8 classification - The investment policy of Barings Global High Yield Credit Strategies Fund has been updated to clarify that it seeks to promote environmental, social and governance ("ESG") characteristics within the meaning of Article 8 of the SFDR.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

20. Prospectus (continued)

The following material change was made to the Prospectus on 1 December 2022:

- Incorporation of the Annex 2 - Pre-contractual disclosures into the Barings Global High Yield Credit Strategies Fund's supplement to bring it into compliance with Level 2 of the SFDR.

There were other immaterial changes to the Prospectus that are not listed above.

21. Significant events during the financial year

On 30 November 2022, Barings Investment Grade CLO Fund terminated.

Mr. David Conway resigned as a Director of the Company with effect from 31 December 2022.

Prospectus updates

The Supplement to the Prospectus of Global Multi-Credit Strategy Fund 3 was updated on 31 March 2022. The material change to the Supplement is outlined in Note 20 of these financial statements.

The Prospectus of the Company was updated on 29 June 2022 and 1 December 2022. The material changes to the Prospectus are outlined in Note 20 of these financial statements.

Share tranche launches and terminations

Barings Global High Yield Credit Strategies Fund launched the following share tranche during the financial year:

Share Tranche	Launch Date
Tranche B EUR Accumulation	4 February 2022

Barings Global High Yield Credit Strategies Fund terminated the following share tranches during the financial year:

Share Tranche	Termination Date
Tranche D NOK Accumulation	22 April 2022
Tranche E EUR Distribution	21 September 2022

Barings Investment Grade CLO Fund terminated the following share tranches during the financial year:

Share Tranche	Termination Date
Tranche A GBP Accumulation	30 November 2022
Tranche A GBP Distribution	30 November 2022
Tranche A USD Accumulation	30 November 2022
Tranche C EUR Distribution	30 November 2022
Tranche C USD Distribution	30 November 2022
Tranche D EUR Accumulation	30 November 2022
Tranche D USD Accumulation	30 November 2022
Tranche D USD Distribution	30 November 2022

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 Funds 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. Barings Global High Yield Credit Strategies Fund through its investment in its Subsidiary 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 Fund.

Barings Global Investment Funds 2 Plc

Notes to the Financial Statements (continued)

For the financial year ended 31 December 2022

21. Significant events during the financial year (continued)

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.

22. Significant events since the financial year end

Mr. Syl O'Byrne was appointed as a Director of the Company on 27 January 2023.

The following distributions were declared by the below Fund subsequent to the financial year end:

Barings Global High Yield Credit Strategies Fund

	31 December 2022	31 December 2022
	Value	Per Share
	US\$	US\$
Tranche A GBP Distribution	69,289	1.35
Tranche B GBP Distribution	4,207,104	1.43
Tranche C AUD Distribution	48,681	0.77
Tranche C GBP Distribution	2,243,068	1.51
Tranche D GBP Distribution	182,861	1.37
Tranche D USD Distribution	224,167	1.46
Tranche E USD Distribution	12,240	1.29
	<u>6,987,410</u>	

There were no other subsequent events affecting the Funds after the financial year end.

23. Charges

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

24. Comparative financial year

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

25. Approval of the financial statements

The Board of Directors approved these financial statements on the 25 April 2023.

Barings Global Investment Funds 2 Plc
Barings Global High Yield Credit Strategies Fund
Schedule of Investments (Unaudited)
As at 31 December 2022

Loan to Subsidiary

Country	Industry	Obligor	Fair Value US\$	% of Net Assets
Ireland	Finance	Barings Global High Yield Credit Strategies Limited	2,660,491,599	101.04
Total Loan to Subsidiary (31 December 2021: US\$4,021,050,986)			2,660,491,599	101.04

Forward Foreign Exchange Contracts

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Gain US\$	% of Net Assets
17/01/2023	State Street Bank	AUD	184,882	USD	124,601	1,342	0.00
17/01/2023	State Street Bank	AUD	4,991,714	USD	3,362,144	38,253	0.00
17/01/2023	State Street Bank	CAD	152,028	USD	112,109	179	0.00
17/01/2023	State Street Bank	CAD	22,122,365	USD	16,262,618	77,017	0.00
17/01/2023	State Street Bank	EUR	33,988	USD	36,308	106	0.00
17/01/2023	State Street Bank	EUR	227,679	USD	243,225	710	0.00
17/01/2023	State Street Bank	EUR	473,606	USD	505,943	1,477	0.00
17/01/2023	State Street Bank	EUR	224,447	USD	236,688	3,784	0.00
17/01/2023	State Street Bank	EUR	1,541,670	USD	1,625,750	25,991	0.00
17/01/2023	State Street Bank	EUR	3,195,174	USD	3,369,432	53,868	0.00
17/01/2023	State Street Bank	EUR	4,892,584	USD	5,156,026	85,876	0.00
17/01/2023	State Street Bank	EUR	32,670,349	USD	34,429,484	573,439	0.02
17/01/2023	State Street Bank	EUR	67,709,645	USD	71,355,471	1,188,457	0.05
17/01/2023	State Street Bank	GBP	196,941	USD	237,281	892	0.00
17/01/2023	State Street Bank	USD	7,652	GBP	6,295	39	0.00
17/01/2023	State Street Bank	USD	1,460,641	GBP	1,200,000	9,405	0.00
17/01/2023	State Street Bank	USD	1,703,715	GBP	1,388,296	24,761	0.00
17/01/2023	State Street Bank	USD	30,475,375	GBP	25,000,000	241,289	0.01
17/01/2023	State Street Bank	USD	30,636,250	GBP	25,000,000	402,164	0.02
17/01/2023	State Street Bank	USD	28,405,860	GBP	23,146,906	412,838	0.02
Total unrealised gain on forward foreign exchange contracts (31 December 2021: US\$83,792,018)						3,141,887	0.12

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Loss US\$	% of Net Assets
17/01/2023	State Street Bank	AUD	34,997	USD	24,062	(222)	(0.00)
17/01/2023	State Street Bank	GBP	325,843,936	USD	397,912,468	(3,848,718)	(0.15)
17/01/2023	BNP Paribas	GBP	325,746,202	USD	397,793,119	(3,847,564)	(0.15)
17/01/2023	National Australia Bank	GBP	325,746,202	USD	397,793,119	(3,847,564)	(0.15)
17/01/2023	State Street Bank	GBP	91,175,414	USD	111,341,136	(1,076,922)	(0.04)
17/01/2023	BNP Paribas	GBP	91,148,067	USD	111,307,741	(1,076,599)	(0.04)
17/01/2023	National Australia Bank	GBP	91,148,067	USD	111,307,741	(1,076,599)	(0.04)
17/01/2023	State Street Bank	GBP	63,503,255	USD	77,548,587	(750,071)	(0.03)
17/01/2023	BNP Paribas	GBP	63,484,208	USD	77,525,327	(749,846)	(0.03)
17/01/2023	National Australia Bank	GBP	63,484,208	USD	77,525,327	(749,846)	(0.03)
17/01/2023	State Street Bank	GBP	50,993,096	USD	62,271,495	(602,307)	(0.03)
17/01/2023	BNP Paribas	GBP	50,977,802	USD	62,252,817	(602,126)	(0.02)
17/01/2023	National Australia Bank	GBP	50,977,802	USD	62,252,817	(602,126)	(0.02)
17/01/2023	State Street Bank	GBP	44,677,324	USD	54,558,831	(527,708)	(0.02)
17/01/2023	BNP Paribas	GBP	44,663,924	USD	54,542,467	(527,550)	(0.02)
17/01/2023	National Australia Bank	GBP	44,663,924	USD	54,542,467	(527,550)	(0.02)
17/01/2023	State Street Bank	GBP	20,068,097	USD	24,541,376	(271,753)	(0.01)
17/01/2023	State Street Bank	GBP	20,068,097	USD	24,541,376	(271,753)	(0.01)
17/01/2023	State Street Bank	GBP	20,068,097	USD	24,541,376	(271,753)	(0.01)
17/01/2023	State Street Bank	GBP	7,037,699	USD	8,739,140	(228,004)	(0.01)

Barings Global Investment Funds 2 Plc
Barings Global High Yield Credit Strategies Fund
Schedule of Investments (Unaudited) (continued)
As at 31 December 2022

Forward Foreign Exchange Contracts (continued)

Maturity	Counterparty	Currency	Amount Bought	Currency	Amount Sold	Unrealised Loss US\$	% of Net Assets
17/01/2023	State Street Bank	GBP	7,452,417	USD	9,113,598	(100,917)	(0.01)
17/01/2023	State Street Bank	GBP	7,452,417	USD	9,113,598	(100,917)	(0.01)
17/01/2023	State Street Bank	GBP	7,452,417	USD	9,113,598	(100,917)	(0.01)
17/01/2023	State Street Bank	GBP	4,153,471	USD	5,079,301	(56,244)	(0.00)
17/01/2023	State Street Bank	GBP	4,153,471	USD	5,079,301	(56,244)	(0.00)
17/01/2023	State Street Bank	GBP	4,153,471	USD	5,079,301	(56,244)	(0.00)
17/01/2023	State Street Bank	GBP	1,680,116	USD	2,086,303	(54,432)	(0.00)
17/01/2023	State Street Bank	GBP	3,990,595	USD	4,880,119	(54,039)	(0.00)
17/01/2023	State Street Bank	GBP	3,990,595	USD	4,880,119	(54,039)	(0.00)
17/01/2023	State Street Bank	GBP	3,990,595	USD	4,880,119	(54,039)	(0.00)
17/01/2023	State Street Bank	GBP	1,367,950	USD	1,698,667	(44,318)	(0.00)
17/01/2023	State Street Bank	GBP	3,422,415	USD	4,179,368	(40,424)	(0.00)
17/01/2023	BNP Paribas	GBP	3,421,389	USD	4,178,115	(40,412)	(0.00)
17/01/2023	National Australia Bank	GBP	3,421,389	USD	4,178,115	(40,412)	(0.00)
17/01/2023	State Street Bank	GBP	2,763,067	USD	3,378,968	(37,416)	(0.00)
17/01/2023	State Street Bank	GBP	2,763,067	USD	3,378,968	(37,416)	(0.00)
17/01/2023	State Street Bank	GBP	2,763,067	USD	3,378,968	(37,416)	(0.00)
17/01/2023	State Street Bank	GBP	3,134,271	USD	3,827,493	(37,021)	(0.00)
17/01/2023	National Australia Bank	GBP	3,133,331	USD	3,826,345	(37,009)	(0.00)
17/01/2023	BNP Paribas	GBP	3,133,331	USD	3,826,345	(37,009)	(0.00)
17/01/2023	State Street Bank	GBP	1,074,115	USD	1,333,794	(34,799)	(0.00)
17/01/2023	State Street Bank	GBP	968,631	USD	1,202,808	(31,381)	(0.00)
17/01/2023	State Street Bank	GBP	1,250,437	USD	1,527,002	(14,770)	(0.00)
17/01/2023	National Australia Bank	GBP	1,250,061	USD	1,526,544	(14,765)	(0.00)
17/01/2023	BNP Paribas	GBP	1,250,061	USD	1,526,544	(14,765)	(0.00)
17/01/2023	State Street Bank	GBP	391,880	USD	478,554	(4,629)	(0.00)
17/01/2023	National Australia Bank	GBP	391,762	USD	478,410	(4,627)	(0.00)
17/01/2023	BNP Paribas	GBP	391,762	USD	478,410	(4,627)	(0.00)
17/01/2023	State Street Bank	GBP	215,011	USD	262,938	(2,912)	(0.00)
17/01/2023	State Street Bank	GBP	215,011	USD	262,938	(2,912)	(0.00)
17/01/2023	State Street Bank	GBP	215,011	USD	262,938	(2,912)	(0.00)
17/01/2023	State Street Bank	GBP	210,792	USD	257,779	(2,854)	(0.00)
17/01/2023	State Street Bank	GBP	210,792	USD	257,779	(2,854)	(0.00)
17/01/2023	State Street Bank	GBP	210,792	USD	257,779	(2,854)	(0.00)
17/01/2023	State Street Bank	GBP	73,474	USD	91,238	(2,380)	(0.00)
17/01/2023	State Street Bank	GBP	64,564	USD	80,173	(2,092)	(0.00)
17/01/2023	State Street Bank	GBP	76,997	USD	94,160	(1,043)	(0.00)
17/01/2023	State Street Bank	GBP	76,997	USD	94,160	(1,043)	(0.00)
17/01/2023	State Street Bank	GBP	76,997	USD	94,160	(1,043)	(0.00)
17/01/2023	State Street Bank	GBP	27,105	USD	33,657	(878)	(0.00)
17/01/2023	State Street Bank	GBP	24,231	USD	29,632	(328)	(0.00)
17/01/2023	State Street Bank	GBP	24,231	USD	29,632	(328)	(0.00)
17/01/2023	State Street Bank	GBP	24,231	USD	29,632	(328)	(0.00)
17/01/2023	State Street Bank	GBP	8,659	USD	10,752	(281)	(0.00)
17/01/2023	State Street Bank	USD	150,108	CAD	204,808	(1,164)	(0.00)
17/01/2023	State Street Bank	USD	3,915,704	GBP	3,250,000	(14,727)	(0.00)
17/01/2023	State Street Bank	USD	6,462,943	GBP	5,353,531	(11,422)	(0.00)
17/01/2023	State Street Bank	USD	10,344	GBP	8,568	(18)	(0.00)
Total unrealised loss on forward foreign exchange contracts (31 December 2021: US\$(3,289,074))						(22,712,202)	(0.86)
Net unrealised loss on forward foreign exchange contracts (31 December 2021: US\$80,502,944)						(19,570,315)	(0.74)

Barings Global Investment Funds 2 Plc
Barings Global High Yield Credit Strategies Fund
Schedule of Investments (Unaudited) (continued)
As at 31 December 2022

	Fair Value US\$	% of Net Assets
Summary		
Total investments at fair value through profit and loss	2,660,491,599	101.04
Net unrealised loss on forward foreign exchange contracts	(19,570,315)	(0.74)
Other net liabilities	(7,867,560)	(0.30)
Net Assets	2,633,053,724	100.00

Barings Global Investment Funds 2 Plc
Global Multi-Credit Strategy Fund 3
Schedule of Investments (Unaudited)
As at 31 December 2022

Loan to Subsidiary

Country	Industry	Obligor	Fair Value GBP	% of Net Assets
Ireland	Finance	Barings Global Multi-Credit Strategy 3 Limited	139,654,596	100.05
Total Loan to Subsidiary (31 December 2021: GBP227,077,500)			139,654,596	100.05

	Fair Value GBP	% of Net Assets
Summary		
Total investments at fair value through profit and loss	139,654,596	100.05
Other net liabilities	(76,534)	(0.05)
Net Assets	139,578,062	100.00

Barings Global Investment Funds 2 Plc
Barings Global High Yield Credit Strategies Fund
Appendix 1 - Significant Changes in Portfolio Composition (Unaudited)
For the financial year ended 31 December 2022

There were no purchases or sales of securities for the financial year ended 31 December 2022. Purchases and Sales are completed at the Subsidiary level. Please refer to the financial statements of the Subsidiary.

Barings Global Investment Funds 2 Plc
Barings Investment Grade CLO Fund*
Appendix 1 - Significant Changes in Portfolio Composition (Unaudited)
For the financial year ended 31 December 2022

Purchases

Issuer	Cost US\$
Fidelity National Information SVCS	13,260,323
Sysco Corporation	9,998,861
BNP Paribas New York	9,996,833
Mohawk Industries Inc	9,995,444
HP Inc	9,995,311
Eaton Corporation GTD	8,499,185
Mccormick + Company	8,429,496
Public Service Co of Colorado	8,099,190
Archer Daniels Midland	7,999,160
Entergy Corporation	7,999,100
Sysco Corporation	7,999,089
Mosaic Co	7,993,778
Mohawk Industries Inc	7,993,467
Spire Inc	7,993,422
Leggett + Platt	7,992,000
Nisource Inc	7,991,249
Parker Hannifin Corporation	7,989,600
VW Inc	7,988,791
VF Corporation	7,988,769
Public Service Co of Colorado	7,988,489
WPP Corporation Llc	7,986,778
Tampa Electric Co	6,999,767
L3Harris Technologies Inc	6,995,742
Fidelity National Information SVCS	6,993,467
Erac Usa Finance Llc	6,982,238
Transcanada Pipelines Ltd	6,795,108
Spire Inc	5,999,325
J.M Smucker Co	5,998,350
Mohawk Industries Inc	5,989,967
Amcor Finance (USA) Inc	5,989,138
Tampa Electric Co	5,480,689
Lyondellbasell Invest	4,999,932
National Rural Utilities Cooperative Finance Corporation	4,999,903
Nasdaq Inc	4,999,893
Southern Co Gas Capital	4,999,889
HP Inc	4,999,867
Evergy Missouri	4,999,844
Fiserv Inc	4,999,811
Sherwin Williams Co	4,999,622
Fortive Corporation	4,999,201
Fidelity National Information SVCS	4,995,833
Amphenol Corporation	3,999,767
Public Service Co of Colorado	3,999,751
Mondelez International Inc	3,999,733
Alimentation Couchetard Inc	3,994,237

Barings Global Investment Funds 2 Plc
Barings Investment Grade CLO Fund*
Appendix 1 - Significant Changes in Portfolio Composition (Unaudited) (continued)
For the financial year ended 31 December 2022

Sales

Issuer	Proceeds US\$
AIMCO CLO Series 2017-A	9,691,200
WPP Corporation Llc	7,994,533
Rockford Tower CLO 2017-2 Ltd	7,010,430
BlueMountain CLO XXIII Ltd	7,005,460
Fidelity National Information SVCS	6,995,042
Erac Usa Finance Llc	6,989,383
Ballyrock CLO 16 Ltd	6,755,760
HPS Loan Management 14-2019 Ltd	6,557,460
Mohawk Industries Inc	5,998,613
AGL CLO 7 Ltd	5,923,977
Oaktree CLO 2018-1 Ltd	5,700,431
CVC Cordatus Loan Fund XXI DAC	5,624,038
Tampa Electric Co	5,494,806
Fortive Corporation	4,999,850
Intercontinental Exchange	4,999,358
BlackRock European CLO II DAC	4,976,352
Cairn CLO X DAC	4,967,253
Bain Capital Credit Clo 2019-4 Ltd	4,772,500
Goldentree Loan Management US CLO 2 Ltd	4,712,420
BlackRock European CLO II DAC	4,640,387
Dartry Park CLO DAC	4,530,100
Newhaven II CLO DAC	4,465,434
Neuberger Berman Loan Advisers CLO 24 Ltd	4,253,230
Wind River 2016-2 CLO Ltd	4,004,040
Avoca CLO XIV DAC	3,945,555
Madison Park Funding XXIX LTD	3,840,320
Canyon CLO 2021-3 Ltd	3,773,240
Madison Park Euro Funding XI Designated Activity Co	3,765,180
Wellfleet CLO 2017-3 Ltd	3,687,600
Crestline Denali CLO XVII Ltd	3,675,520

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

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

*The Fund terminated on 30 November 2022.

Barings Global Investment Funds 2 Plc
Global Multi-Credit Strategy Fund 3
Appendix 1 - Significant Changes in Portfolio Composition (Unaudited)
For the financial year ended 31 December 2022

There were no purchases or sales of securities for the financial year ended 31 December 2022. Purchases and Sales are completed at the Subsidiary level. Please refer to the financial statements of the Subsidiary.

Barings Global Investment Funds 2 Plc

Appendix 2 - Disclosure of Remuneration (Unaudited)

For the financial year ended 31 December 2022

Remuneration Disclosure

Barings LLC paid the following remuneration to staff in respect of the financial year ending on 31 December 2022 in relation to work on Barings Global Investment Funds 2 Plc and its related Funds:

	31 December 2022 US\$ (000)
Fixed remuneration	538
Variable remuneration	1,323
Total remuneration	1,861
Number of Beneficiaries:	91

The above disclosures reflect the remuneration attributable to the Funds only. For these purposes, the total remuneration attributable to the activities of Barings LLC has been allocated to each fund under management.

The total remuneration disclosed above is notionally allocated between the Funds managed by Barings LLC, for disclosure purposes, as follows:

	US\$ (000) Fixed	US\$ (000) Variable
Barings Global High Yield Credit Strategies Fund	473	1,171
Barings Senior CLO Debt Fund	26	60
Global Multi Credit Strategy Fund 3	39	92
Total Barings Global Investment Funds 2 Plc remuneration	538	1,323

The total remuneration disclosed above relates to the staff of Barings LLC that have worked on the Funds. It has been allocated between the funds under management of Barings LLC in proportion to the income received from the Funds during 2022. However, it is not possible to attribute remuneration paid to individual staff directly to income received from any fund.

Amounts paid to Senior Staff

	US\$ (000)
Aggregate remuneration of senior management	48,695
Aggregate remuneration of employees whose actions have a material impact on the risk profile of the management of the Funds by Barings LLC	17,649

The remuneration indicated above represents the total remuneration of the relevant Barings LLC staff that worked on the Funds and other senior management employed by Barings LLC, but does not otherwise include remuneration paid to personnel employed by Barings LLC's delegates or other members of the Board not employed by Barings LLC.

Barings Global Investment Funds 2 Plc

Appendix 3 - Risk Management Systems and Risk Profile Summary (Unaudited)

For the financial year ended 31 December 2022

Overview of Risk Management Systems

Summary Organisational Features

Risk management for the Funds of Barings Global Investment Funds 2 Plc ("BGIF2") is carried out by the Barings LLC ("Barings") risk management team.

Primary Risk Types

The Funds of BGIF2 invest primarily in fixed and floating rate interest bearing debt instruments across a number of currencies. Examples of the types of risk to which the Funds of BGIF2 managed by Barings are exposed include:

- **Market risks:** including sensitivity of NAV to changes in interest rates, credit spreads and currency exchange rates, extent of leverage permitted/utilised
- **Credit risks:** including probability of default and loss on the debt instruments held by each Fund
- **Liquidity risks:** including cash requirements for investment and hedging settlements, and cash requirements for servicing redemption requests
- **Counterparty risks:** including those relating to open unsettled asset trades, and OTC derivative counterparty exposure on currency hedging trades
- **Operational risks:** including those relating to the volume of trade activity in the assets of a Fund and the share tranches issued by a Fund, as well as the complexity of the asset types held by the Fund.

Risk Management Systems and Controls

For each Fund of BGIF2, the Risk Manager works with the portfolio management teams to agree a set of quantitative and qualitative measures and limits which are used to identify, measure, manage and monitor the risks to which the AIFs are exposed. These measures and limits are set to be consistent with the risk profile of each Fund. The risk management team assesses each measure and limit at a prescribed interval based on data sourced independently from the portfolio management teams. The risk measures calculated are evaluated both as point in time data points and also in time series analysis to identify trends and outliers.

Risk management policies and procedures are also updated from time to time to reflect internal or external events (e.g. launching a new Fund) and to reflect any material changes made to the investment strategy and objectives of an existing Fund managed by Barings.

Barings Global Investment Funds 2 Plc

Appendix 3 - Risk Management Systems and Risk Profile Summary (Unaudited) (continued)

For the financial year ended 31 December 2022

Fund Specific Summary Risk Profile

Fund Name	Barings Global High Yield Credit Strategies Fund
As at Date	31 December 2022
Summary Investment Objective	<p>The investment objective of the Fund is to achieve current income and, where appropriate, capital appreciation.</p> <p>The Fund will seek to achieve its objective by investing primarily in a portfolio of high yield fixed and floating rate corporate debt instruments issued by North American and European companies.</p> <p>The Fund may also invest in structured credit products and securitized assets, corporate debt instruments issued by companies outside North America and Europe, stressed and distressed corporate debt instruments, corporate debt instruments from Emerging Markets, and certain equity instruments where associated with issuer of high yield debt instruments.</p> <p>The Fund's investments in corporate debt instruments will include senior secured loans, second lien loans, senior unsecured and subordinated loans (where loans include assignments and participations), senior secured bonds and other senior and subordinated corporate debt obligations (such as bonds, debentures, notes and commercial paper). The Fund will invest at least 50% of its total assets in fixed income instruments of companies that exhibit positive or improving environmental, social and governance ("ESG") characteristics.</p>
Primary Asset Type(s)	European and US leveraged loans, high yield bonds and structured credit products and other securitized assets
Degree of diversification	Diversified
Rating Profile	Corporate debt instruments will generally be sub-investment grade or unrated. Other debt instruments may be investment grade and sub-investment grade
Sensitivity of NAV to Interest Rate Risk	Variable (depends on allocation between loans, bonds and structured credit assets which changes over time)
Sensitivity of NAV to Credit Spread Risk	Variable (depends on allocation between loans, bonds and structured credit assets which changes over time)
Sensitivity of NAV to Currency Movements	Very Low – portfolio currency hedging and share tranche currency hedging carried out
Extent of Leverage	Up to 200% NAV
Short term liquidity facility in place	Yes
Dealing Frequency	Daily
Redemption Notice Period	30 days

Important Information

This document is issued by Barings LLC ("Barings") and is designed for Investors in Barings Global Investment Funds 2 Plc and any relevant Fund.

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Barings Global Investment Funds 2 Plc

Appendix 3 - Risk Management Systems and Risk Profile Summary (Unaudited) (continued)

For the financial year ended 31 December 2022

Fund Specific Summary Risk Profile

Fund Name	Barings Investment Grade CLO Fund*
As at Date	31 December 2022
Summary Investment Objective	<p>The investment objective of the Fund was to achieve current income and, where appropriate, capital appreciation.</p> <p>The Fund sought to achieve its objective by investing primarily in a portfolio of debt tranches of cash flow collateralised loan obligations ("CLOs"). CLOs are securitisations issued by bankruptcy-remote, special purpose investment vehicles that are formed to acquire and manage, and are collateralised primarily by, corporate loans that are senior in the underlying obligor's capital structure to other debt issued. The Fund sought to invest in debt tranches issued by both US and European CLOs.</p>
Primary Asset Type(s)	Debt tranches of cash flow CLOs
Degree of diversification	Diversified
Rating Profile	Investment grade
Sensitivity of NAV to Interest Rate Risk	Low – majority of investments are floating rate debt instruments with very low or no interest rate duration
Sensitivity of NAV to Credit Spread Risk	Medium – majority of investments are senior tranches with slightly longer spread duration than underlying leveraged loans and structural enhancements potentially providing lower mark-to-market volatility
Sensitivity of NAV to Currency Movements	Very Low – portfolio currency hedging and share tranche currency hedging carried out
Extent of Leverage	No leverage for investment purposes
Short term liquidity facility in place	No
Dealing Frequency	Monthly
Redemption Notice Period	30 days

*This Fund terminated on 30 November 2022.

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Barings Global Investment Funds 2 Plc

Appendix 3 - Risk Management Systems and Risk Profile Summary (Unaudited) (continued)

For the financial year ended 31 December 2022

Fund Specific Summary Risk Profile

Fund Name	Global Multi-Credit Strategy Fund 3
As at Date	31 December 2022
Summary Investment Objective	<p>The investment objective of the Fund is to achieve current income, and where appropriate, capital appreciation.</p> <p>The Fund will seek to achieve its objective by investing principally in a portfolio of high yield fixed and floating rate corporate debt instruments, focused on instruments issued by North American and European companies (including those debt instruments issued by issuing entities based in offshore centres, such as the Channel Islands, Cayman Islands, Bermuda, and other offshore jurisdictions). The Fund will also invest in structured credit products and securitised assets, including debt and equity tranches of collateralised loan obligations and mortgage backed securities, as well as asset backed securities.</p> <p>To achieve this objective, the Company and the Subsidiary have appointed the Investment Manager, who in turn has appointed the Sub-Investment Manager.</p> <p>The Fund's debt investments will include senior secured loans, second lien loans, senior unsecured and subordinated loans (where loans include assignments and participations), senior secured bonds and other senior and subordinated corporate debt obligations (such as bonds, debentures, notes and commercial paper), debt and equity tranches of collateralised loan obligations and other securitisations, convertible debt obligations, preferred stock, and repurchase agreements.</p>
Primary Asset Type(s)	European and US leveraged loans, high yield bonds and structured credit products and other securitised assets
Degree of diversification	Diversified
Rating Profile	Corporate debt instruments will generally be sub-investment grade or unrated. Other debt instruments may be investment grade and sub-investment grade
Sensitivity of NAV to Interest Rate Risk	Variable (depends on allocation between loans, bonds and structured credit assets which changes over time)
Sensitivity of NAV to Credit Spread Risk	Variable (depends on allocation between loans, bonds and structured credit assets which changes over time)
Sensitivity of NAV to Currency Movements	Very Low – portfolio currency hedging carried out
Extent of Leverage	No leverage for investment purposes
Short term liquidity facility in place	No
Dealing Frequency	Monthly
Redemption Notice Period	30 days

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Barings Global Investment Funds 2 Plc

Appendix 4 - Total Expense and Performance Data (Unaudited)

For the financial year ended 31 December 2022

Total Expense Ratio ("TER")

The average TER table shows the actual expenses incurred by the Fund, expressed as an annualised percentage of the average ("Avg.") Net Asset Value ("NAV") of the Funds for the financial year ended 31 December 2022.

	Expense % of Avg. NAV 31 December 2022
Barings Global High Yield Credit Strategies Fund	
Tranche A GBP Accumulation	0.50
Tranche A GBP Distribution	0.47
Tranche B EUR Accumulation**	0.58
Tranche B GBP Accumulation	0.57
Tranche B GBP Distribution	0.57
Tranche B USD Accumulation	0.56
Tranche C AUD Distribution	0.65
Tranche C CAD Accumulation	0.65
Tranche C EUR Accumulation	0.65
Tranche C GBP Accumulation	0.65
Tranche C GBP Distribution	0.65
Tranche C USD Accumulation	0.64
Tranche D EUR Accumulation	0.70
Tranche D GBP Accumulation	0.70
Tranche D GBP Distribution	0.70
Tranche D NOK Accumulation***	-
Tranche D USD Accumulation	0.70
Tranche D USD Distribution	0.69
Tranche E EUR Distribution***	-
Tranche E USD Distribution	1.19
Tranche F GBP Accumulation	0.10
Tranche F USD Accumulation	0.09
Tranche S USD Accumulation	0.38
Barings Investment Grade CLO Fund*	
Tranche A GBP Accumulation***	-
Tranche A GBP Distribution***	-
Tranche A USD Accumulation***	-
Tranche C EUR Distribution***	-
Tranche C USD Distribution***	-
Tranche D EUR Accumulation***	-
Tranche D USD Accumulation***	-
Tranche D USD Distribution***	-
Global Multi-Credit Strategy Fund 3	
Tranche T GBP Accumulation	0.58

*The Fund terminated on 30 November 2022.

**This share tranche launched during the financial year ended 31 December 2022.

***This share tranche terminated during the financial year ended 31 December 2022.

Barings Global Investment Funds 2 Plc

Appendix 4 - Total Expense and Performance Data (Unaudited) (continued)

For the financial year ended 31 December 2022

Performance Data

Below is the historical performance data for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020:

	Net Return % 31 December 2022	Net Return % 31 December 2021	Net Return % 31 December 2020
Barings Global High Yield Credit Strategies Fund			
Tranche A GBP Accumulation	(10.48)	6.62	0.66
Tranche A GBP Distribution	(10.52)	6.63	0.65
Tranche B EUR Accumulation*****	(9.17)	-	-
Tranche B GBP Accumulation	(10.56)	6.55	0.58
Tranche B GBP Distribution	(10.56)	6.55	0.58
Tranche B USD Accumulation	(9.97)	6.80	1.85
Tranche C AUD Distribution	(10.84)	6.37	1.90
Tranche C CAD Accumulation	(10.18)	6.58	1.02
Tranche C EUR Accumulation*	(11.93)	3.08	-
Tranche C GBP Accumulation	(10.61)	6.47	0.51
Tranche C GBP Distribution	(10.62)	6.47	0.50
Tranche C USD Accumulation	(10.03)	6.72	1.77
Tranche C USD Distribution***	-	-	1.77
Tranche D CAD Accumulation	-	-	0.92
Tranche D EUR Accumulation	(11.97)	5.71	(0.21)
Tranche D EUR Distribution	-	-	(1.52)
Tranche D GBP Accumulation	(10.68)	6.35	0.40
Tranche D GBP Distribution	(10.68)	6.35	0.40
Tranche D NOK Accumulation*****	(3.53)	6.56	0.25
Tranche D USD Accumulation	(10.08)	6.61	1.67
Tranche D USD Distribution	(10.08)	6.62	1.67
Tranche E EUR Accumulation	-	-	0.89
Tranche E EUR Distribution*****	(10.16)	5.26	(0.62)
Tranche E GBP Accumulation	-	-	0.98
Tranche E NOK Accumulation	-	-	0.89
Tranche E USD Accumulation	-	-	1.03
Tranche E USD Distribution	(10.53)	6.19	1.26
Tranche F GBP Accumulation	(10.13)	7.09	1.11
Tranche F USD Accumulation	(9.54)	7.36	2.38
Tranche G USD Distribution	-	-	0.49
Tranche S USD Accumulation	(9.80)	7.02	2.07
Barings Investment Grade CLO Fund****			
Tranche A GBP Accumulation*****	(8.18)	2.25	0.99
Tranche A GBP Distribution*****	(5.21)	1.73	(0.06)
Tranche A USD Accumulation*****	(3.23)	2.39	2.62
Tranche C EUR Distribution*, *****	-	0.41	-
Tranche C GBP Distribution	-	-	(5.12)
Tranche C USD Accumulation***	-	0.94	3.71
Tranche C USD Distribution*, *****	(4.35)	0.71	-
Tranche D CAD Accumulation	-	-	(0.85)
Tranche D EUR Accumulation**, *****	(5.24)	0.52	(1.26)
Tranche D NOK Accumulation	-	-	(2.48)
Tranche D USD Accumulation**, *****	(3.30)	1.17	1.90
Tranche D USD Distribution*****	(4.37)	1.84	1.61
Global Multi-Credit Strategy Fund 3			
Tranche T GBP Accumulation	(9.25)	6.23	0.78

*This share tranche launched during the financial year ended 31 December 2021.

**This share tranche re-launched during the financial year ended 31 December 2021.

***This share tranche terminated during the financial year ended 31 December 2021.

Barings Global Investment Funds 2 Plc

Appendix 4 - Total Expense and Performance Data (Unaudited) (continued)

For the financial year ended 31 December 2022

****The Fund terminated on 30 November 2022.

*****This share tranche launched during the financial year ended 31 December 2022.

*****This share tranche terminated during the financial year ended 31 December 2022.

Barings Global Investment Funds 2 Plc

Appendix 5 – Sustainability Related Disclosures (Unaudited)

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Barings Global High Yield Credit Strategies Fund

Legal entity identifier: 549300X0YHRN4PJE5Z92

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ____%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

- **To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The environmental and social characteristics promoted by the Fund will be to invest at least 50% of its total assets in fixed income instruments of companies that exhibit positive or improving environmental ("E"), social ("S") and governance ("G") ("ESG") characteristics.

As at 31 December 2022, the Fund met its environmental and/or social characteristics as the percentage of investments in its portfolio with positive and improving ESG characteristics was 72.70% (excluding cash, cash equivalents and hedging instruments).

- **How did the sustainability indicators perform?**

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund was the percentage of the Fund's Net Asset Value invested in fixed income instruments of issuers that exhibit positive or improving ESG characteristics. Companies that exhibit positive or improving ESG characteristics are selected through the Investment Manager's proprietary ESG scoring methodology.

As at 31 December 2022, the Fund's percentage of investments in its portfolio with positive and improving ESG characteristics was 72.70% (excluding cash, cash equivalents and hedging instruments), which was 22.70% above the minimum threshold.

- **And compared to previous periods?**

This is the first periodic report prepared for the Fund in accordance with Regulation (EU) 2022/1288.



Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Barings Global Investment Funds 2 Plc

Appendix 5 – Sustainability Related Disclosures (Unaudited)

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable.

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

- **How did this financial product consider principal adverse impacts on sustainability factors?**

During the reference period, Principal Adverse Impact indicators (PAI) indicators were incorporated in the monitoring and analysis of debt instruments in which the Fund invests. Barings' ESG integration process is designed to ensure that the Investment Manager assesses the sustainability risk factors that are material to the overall credit risk of an investment. This process is undertaken for individual issuers on a case-by-case basis depending on business profile and sector. The Investment Manager considers PAI indicators when compiling both investment committee recommendations and internal ESG ratings. A thematic approach is taken to assessing PAI indicators as opposed to a formal assessment against individual indicators. For example, issuers' reported GHG emissions are tracked and available in internal portfolio management systems in order to assess the environmental profile of an individual investment and the overall strategy. There is a formal written ESG assessment that is used to produce both internal ESG ratings and written analysis on sustainability risks in investment committee papers. Barings has an exclusion policy for business involvement in controversial weapons.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Barings Global Investment Funds 2 Plc

Appendix 5 – Sustainability Related Disclosures (Unaudited)



• What were the top investments of this financial product?*

Largest investments	Sector	% Assets	Country
BlackRock ICS US Dollar Liquidity Fund	Finance	4.39%	Ireland
Travelex Issuerco Ltd 12.500%, due 05/08/2025	Finance	1.32%	United Kingdom
DKT Finance ApS 7.000%, due 17/06/2023	Telecommunications	1.27%	Denmark
Barings USD Liquidity Fund	Mutual Funds	1.24%	United States
Global Aircraft Leasing Co Ltd 6.500%, due 15/09/2024	Finance	0.87%	United States
McAfee Corp. 7.375%, due 15/02/2030	Diversified/ Conglomerate Service	0.70%	United States
Weatherford International Ltd 8.625%, due 30/04/2030	Oil and Gas	0.68%	United States
CWT Travel Group Inc. 8.500%, due 19/11/2026	Diversified/ Conglomerate Service	0.66%	United States
Anagram International Inc. 15.000%, due 15/08/2025	Chemicals, Plastics and Rubber	0.60%	United States
Banijay Group SAS 6.500%, due 01/03/2026	Broadcasting and Entertainment	0.54%	France
Auris Luxembourg III S.a.r.l. EUR Term Loan B1A	Healthcare, Education and Childcare	0.52%	Denmark
Royal Caribbean Cruises Ltd 5.500%, due 31/08/2026	Leisure, Amusement, Entertainment	0.52%	United States
Energia Group NI FinanceCo Plc / Energia Group ROI Holdings DAC 4.750%, due 15/09/2024	Utilities	0.51%	Ireland
CCO Holdings LLC / CCO Holdings Capital Corp. 6.375%, due 01/09/2029	Telecommunications	0.50%	United States
AVSC Holding Corp. 2020 Term Loan B1	Broadcasting and Entertainment	0.49%	United States

* The listed top investments of the Fund are as at 31 December 2022. The Sector source is the Barclays Class 3 industry classification.



- What was the proportion of sustainability-related investments?
- What was the asset allocation?

Investments

#1 Aligned with E/S characteristics
72.70%*

#2 Other
27.30%*

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

*The asset allocation aligned with E/S characteristics excludes cash, cash equivalents and hedging instruments. The percentage of investments in its portfolio with positive and improving ESG characteristics, including cash, cash equivalents and hedging instruments was 72.57%, with "Other" being 27.43%.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 31 December 2022.

Asset allocation describes the share of investments in specific assets.

Barings Global Investment Funds 2 Plc

Appendix 5 – Sustainability Related Disclosures (Unaudited)

• In which economic sectors were the investments made?

The following table details the economic sectors that the Fund was exposed to during the reference period (31 December 2022).

Sector	% of Investments
Diversified/ Conglomerate Service	11.5%
Collateralised Loan Obligations	10.0%
Finance	9.8%
Healthcare, Education and Childcare	9.7%
Telecommunications	7.6%
Oil and Gas	6.2%
Chemicals, Plastics and Rubber	5.7%
Broadcasting and Entertainment	4.7%
Leisure, Amusement, Entertainment	3.4%
Containers, Packaging and Glass	2.8%
Buildings and Real Estate	2.5%
Home and Office Furnishings, Housewares, and Durable Consumer Products	2.4%
Diversified/ Conglomerate Manufacturing	2.1%
Retail Stores	2.1%
Aerospace and Defense	2.0%
Hotels, Motels, Inns and Gaming	2.0%
Personal Transportation	1.9%
Utilities	1.9%
Beverage, Food and Tobacco	1.5%
Mutual Fund	1.3%
Banking	1.1%
Insurance	1.1%
Electronics	1.0%
Mining, Steel, Iron and Non Precious Metals	1.0%
Automobile	0.9%
Cargo Transport	0.9%
Machinery Non-Agriculture, Non-Construction, Non-Electronic	0.9%
Grocery	0.6%
Printing and Publishing	0.6%
Farming and Agriculture	0.3%
Diversified Natural Resources, Precious Metals and Minerals	0.2%
Textiles and Leather	0.2%
Personal and Non Durable Consumer Products Mfg. Only	0.1%

The Sector source is the Barclays Class 3 industry classification.



• To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% of the Fund's investments are sustainable investments with an environmental objective that align with the EU Taxonomy.

• Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐

Yes:

☐

In fossil gas

☐

In nuclear energy



No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

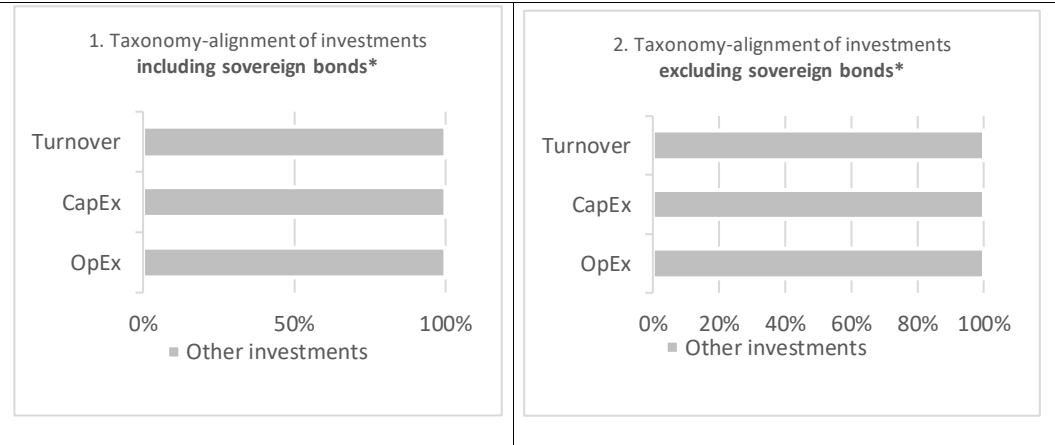
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Barings Global Investment Funds 2 Plc

Appendix 5 – Sustainability Related Disclosures (Unaudited)

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What was the share of investments made in transitional and enabling activities?**

The Fund did not make sustainable investments with an environmental objective aligned with the EU Taxonomy during the reference period.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



- **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Not applicable.



- **What was the share of socially sustainable investments?**

Not applicable.



Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

Barings Global Investment Funds 2 Plc

Appendix 5 – Sustainability Related Disclosures (Unaudited)



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under "Other" comprised of assets which have been approved by the Investment Manager's Investment Committees and which have a weak ESG starting point with potentially positive catalysts or rate poorly from an ESG perspective but valuations suggest that the investment offers a strong risk/reward for the Fund's portfolio.

Additionally, the investments included under "Other" were cash, cash equivalents and hedging instruments. Cash and cash equivalents do not affect the promoted environmental and / or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.

Within the "What was the asset allocation" section of Appendix 5, the Investment Manager has disclosed both the percentage of "Other" when cash, cash equivalents and hedging instruments are considered, and when only portfolio investments are considered.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager monitored the environmental and/or social characteristics of the Fund's portfolio during the reference period. The Investment Manager performed due diligence through direct access to senior management, banking group and financial sponsors, in addition to information published by issuers, where available. The Investment Manager, through access to third party ESG research providers (where coverage allowed) such as MSCI, Sustainability and Bloomberg ESG, also sought to understand market consensus on the ESG profile of each issuer. This information and interaction enabled the investment team to complete comprehensive due diligence on the ESG risk profile and monitoring of the issuer. The Investment Manager adopted an active management policy in relation to ESG topics and also focused on engagement to improve issuer disclosure or behaviour. Engagement activity is focused on material environmental and social risk areas for select issuers and provision of relevant information. This included areas such as the provision of emissions data, use of science based targets and adherence to targets. For each asset, the Investment Manager examined and reviewed the scores of the indicators to determine an issuer's ESG credentials over time and considered any relevant shocks that may impact the scoring. ESG ratings were reassessed as material ESG developments occurred and updated in line with company reporting cycles. An annual affirmation process ensured ratings were accurately maintained.



• How did this financial product perform compared to the reference benchmark?

Not applicable.

• How does the reference benchmark differ from a broad market index?

Not applicable.

• How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Barings Global Investment Funds 2 Plc

Appendix 5 – Sustainability Related Disclosures (Unaudited)

- *How did this financial product perform compared with the reference benchmark?*

Not applicable.

- *How did this financial product perform compared with the broad market index?*

Not applicable.
