

OBJECTIVE

The Barings European Loan Fund (the "Fund") is an actively managed senior secured loan strategy investing primarily in a diversified portfolio of senior secured loans issued by European companies seeking to provide high current income and capital appreciation.

MARKET OPPORTUNITY

- Loan spreads in Europe are expected to remain at attractive levels
- The corporate backdrop remains relatively benign
- Loans exhibit low correlation to headline events and other more traditional asset classes
- Floating rate nature of loans makes them resilient to interest rate movements
- Senior secured, defensive nature of loans can offer a highly compelling risk/return profile to investors, as exhibited over multiple credit cycles

The Fund seeks to utilise the strength of Barings' European credit team and our depth of experience in the loan market to capture the value provided for investors in a transparent unleveraged fund. The Portfolio Manager is aiming to provide a compelling risk return profile of 6-7% in total returns per annum, in trying to meet the fund's investment objective.

PORTFOLIO MANAGERS

Martin Horne, *Managing Director*



+ Reference Important Information pages for methodology.

BARINGS EUROPEAN LOAN PERFORMANCE (%)¹

	BARINGS EUROPEAN LOAN FUND (Gross of Fees)	BARINGS EUROPEAN LOAN FUND (Net of Fees)	CS INST. WEST. EUROPEAN LEVERAGED LOAN INDEX ²
June 2017	0.29%	0.23%	0.25%
Last 3 Months	1.55%	1.37%	1.25%
Year to Date	3.04%	2.69%	2.40%
Last 12 Months	7.87%	7.13%	5.81%
Last 3 Years*	5.53%	4.80%	4.42%
Since Inception* (6 July 2009)	8.02%	7.26%	5.42%

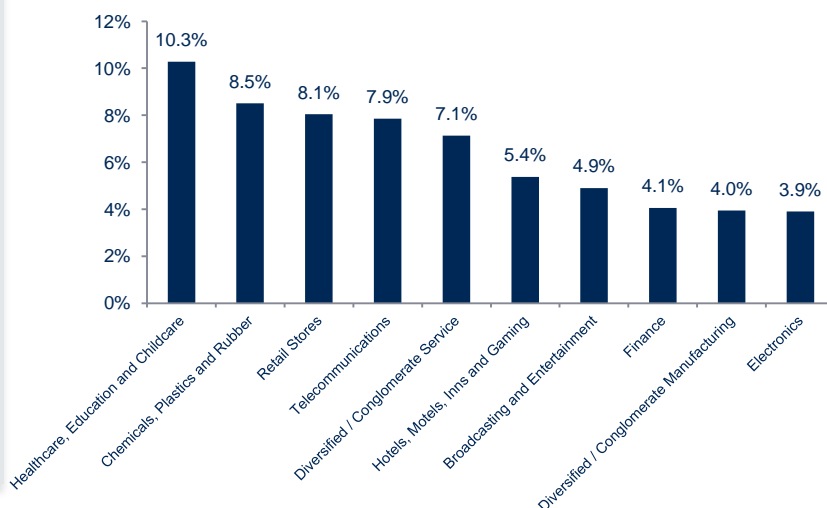
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. An investment entails a risk of loss.

1. Please see the 'Important Information' section of this document for information on the performance information shown in the table above. *Annualised.
2. Credit Suisse Institutional Western European Leveraged Loan Index, Non-USD, hedged to EUR ('CS Index')

CHARACTERISTICS¹

Net Asset Value (€M)	5,467.49
Number of Issuers	166
Average Price (€)	98.86
Weighted Average Current Yield (Settled Assets)	5.13%
Weighted Average Life (Years)	4.39

TOP 10 MOODY'S SECTORS* (% of NAV)



TOP 10 COUNTRIES (% of NAV)

Germany	19.99%
United Kingdom	19.72%
United States	19.04%
Netherlands	9.98%
France	7.71%
Spain	3.57%
Switzerland	2.64%
Ireland	1.94%
Italy	1.46%
Luxembourg	1.25%

TOP 10 ISSUERS (% of NAV)

Springer	2.38%
Veritas	1.98%
Endemol	1.96%
Euro Garages	1.78%
Douglas Holding Ag	1.52%
Flint Group	1.46%
Numericable-SFR	1.33%
Coveris (formerly Exopack)	1.31%
GFKL Financial Services AG	1.29%
Allnex	1.25%

HISTORICAL PERFORMANCE (NET)³

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	1.00%	0.72%	-0.41%	0.35%	0.78%	0.23%							2.69%
2016	-0.45%	-0.98%	2.00%	1.35%	0.56%	-0.61%	1.37%	0.93%	0.50%	0.41%	0.43%	0.67%	6.26%
2015	0.64%	1.27%	0.72%	0.98%	0.55%	-0.26%	0.58%	-0.20%	-0.25%	0.57%	0.29%	-0.04%	4.96%
2014	0.58%	0.63%	0.42%	0.29%	0.60%	0.44%	-0.15%	0.47%	0.13%	-0.01%	0.52%	-0.44%	3.54%
2013	1.05%	0.75%	0.98%	1.18%	0.20%	-0.66%	1.16%	0.56%	0.80%	0.97%	0.74%	0.37%	8.40%
2012	3.49%	1.61%	1.50%	0.79%	-0.58%	0.71%	0.79%	1.51%	1.08%	1.35%	0.73%	0.91%	14.76%
2011	2.82%	1.56%	0.11%	0.68%	0.60%	-0.92%	-0.61%	-3.84%	-3.54%	4.38%	-2.02%	0.64%	-0.45%
2010	1.62%	-0.64%	1.52%	1.22%	-2.21%	-0.55%	1.91%	0.71%	1.12%	1.97%	0.37%	1.98%	9.30%
2009	-	-	-	-	-	-	2.41%	1.21%	1.79%	0.47%	1.00%	1.89%	9.07%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. An investment entails a risk of loss.

3. Please see the 'Important Information' section of this document for information on the performance information shown in the table above.

TERMS

Fund Launch Date	31 August 2011 ⁴
Fund Name	Barings European Loan Fund
Structure	Irish QIAIF
Subscriptions	Daily ⁵
Currencies Available	EUR/GBP/USD/AUD/CHF/SGD/CAD/JPY/DKK/NOK/SEK
Shares Available	Accumulating and Distributing ⁵
Redemptions	Daily, with 30 day notice period ⁵
Annual Expenses	Capped at 12.5bps per annum ⁶

SHARE TRANCHES

		Initial Commitment	Management Fee (p.a.)
	Tranche A	€5 - 40M	0.60%
	Tranche B	€40M and above	0.525%
	Tranche C	€250k - 5M	0.70%
	Tranche E	€100k (or equivalent)	1.00%

4. The Fund was launched on 31 August 2011 following the take over of the Babson Capital European Senior Loans Limited (launched in July 2009), an investment company with similar investment objectives.

5. Further details regarding the subscription and redemption process is available in the Fund's Prospectus and Supplement.

6. Please see the 'Important Information' section of this document for information of the Annual Fee Cap.

THE GLOBAL HIGH YIELD PLATFORM^{7,8}

Barings manages \$280+ billion of fixed income, real estate and alternative assets globally

- Market leading franchise across the U.S. and European high yield and structured credit markets by consistently applying a bottom-up fundamental approach to each investment opportunity
- Manages \$46 billion in global high yield loans and bonds across structured vehicles, separate accounts and commingled funds
 - \$34.5 billion in loans (\$22.2 billion in the U.S. and \$12.3 billion in Europe)
 - \$11.7 billion in bonds (\$9.2 billion in the U.S. and \$2.5 billion in Europe)
- Over a 10 year track record in managing high yield bond and loan assets
- 66 investment professionals dedicated to global high yield with significant presence in the U.S. and European markets
 - 44 in U.S. High Yield Investments
 - 22 in European High Yield Investments
- Investor base includes financial institutions, pensions, foundations & endowments, insurance companies, family offices and sovereign wealth funds

7. Barings, assets as of March 31, 2017

8. Barings, number of professionals as of May 31, 2017

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Barings European Loan Fund:

Any Gross performance figures / returns shown in this document are unattainable by any investor as they have not been subject to fees or expenses. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

The Fund's inception date was August 31, 2011. Source: (1) Up to and including 31-Aug-11, the performance shown is that of the Class A Series 1 Notes of Babson Capital European Senior Loans Ltd (BCESL). BCESL was structured as an Irish section 110 private limited company issuing Euro denominated loan notes to investors, offering monthly dealing dates and monthly liquidity, and subject to 90 days' notice for redemption. Effective 31-Aug-11, the note-issuing structure was converted, with note holder consent, into a share-issuing structure. Babson Capital European Loan Fund (BCELF) was established as a sub-fund under the umbrella, Babson Capital Global Investment Funds plc, an Irish Qualifying Investor Fund (QIF). Investors in BCELF may subscribe for shares denominated in numerous currencies in addition to EUR. The fund's investment objectives and management remained unchanged following the conversion. The conversion reduced the notice period for redemption from 90 to 30 days, and changed from a quarterly redemption gate at 10% of NAV to a monthly redemption gate at 15% of NAV. A liquidity facility was added to facilitate redemptions and currency hedging liquidity needs. There was an increase in operating costs due to the nature of BCELF's structure. The administrator changed from Bank of America / US Bank to State Street, the existing administrator of the QIF. For further details, please feel free to contact Barings. (2) Credit Suisse Institutional Western European Leveraged Loan Index, non-US\$, hedged to € (the "CS Institutional WELLI"), from 09-Jul-09. Past performance is not indicative of future results.

The annual Administration, Custody and Operating Expenses of the Fund are subject to a cap of 0.125%. The expenses that are subject to the cap include the aggregate fees and expenses payable to the Fund's administrator and custodian, auditor, and legal council, as well as fees and expenses for registration and maintaining registration with any governmental agency or stock exchange in Ireland and in any other country, operations and expenses of any wholly owned subsidiary and reporting and publishing expenses.

A copy of the Fund Prospectus and any relevant Supplement or supporting documents is available from Barings. The Prospectus and any supporting documents must be reviewed in full before any investment decision is made.

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