

BABSON CAPITAL GLOBAL SHORT DURATION HIGH YIELD FUND

Form N-Q

May 29, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT
COMPANY

811-22562
Investment Company Act file number:

Babson Capital Global Short Duration High Yield Fund
(Exact name of registrant as specified in charter)

550 South Tryon Street
Charlotte, NC 28202
(Address of principal executive offices) (Zip code)

Janice M. Bishop
Secretary and Chief Legal Officer
c/o Babson Capital Management LLC
Independence Wharf
470 Atlantic Avenue
Boston, MA 02210
(Name and address of agent for service)

(704)805-7200
Registrant's telephone number, including area code

Date of fiscal year end: December 31, 2015

Date of reporting period: March 31, 2015

Item 1. Schedule of Investments.

Babson Capital Global Short Duration High Yield Fund

SCHEDULE OF INVESTMENTS

March 31, 2015 (Unaudited)

| | EFFECTIVE INTEREST RATE‡ | DUE DATE | PRINCIPAL | COST | FAIR VALUE |
|--|--------------------------------|------------|-----------|--------------|---------------|
| Fixed Income — 127.85%*: | | | | | |
| Bank Loans§ — 21.10%*: | | | | | |
| Broadcasting and Entertainment — 0.41%*: | | | | | |
| Learfield Communications Inc. | 8.75 | 10/8/2021 | 1,800,000 | \$ 1,816,517 | \$ 1,795,500 |
| Total Broadcasting and Entertainment | | | 1,800,000 | 1,816,517 | 1,795,500 |
| Cargo Transport — 1.01%*: | | | | | |
| Direct ChassisLink Inc. (add on facility) | 8.25 | 11/12/2019 | 641,096 | 641,096 | 620,260 |
| Direct ChassisLink Inc. | 8.25 | 11/30/2021 | 3,952,381 | 3,894,977 | 3,823,929 |
| Total Cargo Transport | | | 4,593,477 | 4,536,073 | 4,444,189 |
| Chemicals, Plastics and Rubber — 0.75%*: | | | | | |
| Flint Group Holdings+ | 8.25 | 9/30/2022 | 3,451,145 | 3,437,640 | 3,307,336 |
| Total Chemicals, Plastics and Rubber | | | 3,451,145 | 3,437,640 | 3,307,336 |
| Diversified/Conglomerate Service — 1.60%*: | | | | | |
| Redprarie Corporation | 6.00 | 12/21/2018 | 2,940,281 | 2,894,693 | 2,893,119 |
| Redprarie Corporation | 11.25 | 12/14/2019 | 4,632,646 | 4,664,851 | 4,183,882 |
| Total Diversified/Conglomerate Service | | | 7,572,927 | 7,559,544 | 7,077,001 |
| Electronics — 1.73%*: | | | | | |
| Kronos, Inc. | 9.75 | 4/30/2020 | 7,485,880 | 7,411,033 | 7,644,955 |
| Total Electronics | | | 7,485,880 | 7,411,033 | 7,644,955 |
| Farming and Agriculture — 1.41%*: | | | | | |
| Allflex Holdings, Inc. | 8.00 | 7/17/2021 | 6,232,322 | 6,232,100 | 6,224,532 |
| Total Farming and Agriculture | | | 6,232,322 | 6,232,100 | 6,224,532 |

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Babson Capital Global Short Duration High Yield Fund
SCHEDULE OF INVESTMENTS
March 31, 2015 (continued)

Finance — 1.74%*:

| | | | | | |
|--------------------------------|-------|-----------|-----------|--------------|--------------|
| Confie Seguros Holding | 10.25 | 5/8/2019 | 2,380,257 | \$ 2,356,556 | \$ 2,370,331 |
| Cunningham Lindsey Group, Inc. | 9.25 | 6/10/2020 | 5,504,015 | 5,517,331 | 5,325,135 |
| Total Finance | | | 7,884,272 | 7,873,887 | 7,695,466 |

Healthcare, Education and Childcare — 0.76%*:

| | | | | | |
|---|------|-----------|-----------|-----------|-----------|
| Sage Products Holdings III, LLC | 9.25 | 6/15/2020 | 3,325,292 | 3,275,431 | 3,354,388 |
| Total Healthcare, Education and Childcare | | | 3,325,292 | 3,275,431 | 3,354,388 |

Mining, Steel, Iron and Non-Precious Metals — 0.63%*:

| | | | | | |
|---|-------|------------|-----------|-----------|-----------|
| Boomerang Tube, LLC | 11.75 | 10/11/2017 | 5,017,522 | 4,985,743 | 2,759,637 |
| Total Mining, Steel, Iron and Non-Precious Metals | | | 5,017,522 | 4,985,743 | 2,759,637 |

Oil and Gas — 9.22%*:

| | | | | | |
|------------------------|------|------------|------------|------------|------------|
| Caelus Energy Alaska | 8.75 | 4/2/2021 | 17,863,828 | 17,309,223 | 14,142,257 |
| Fieldwood Energy LLC | 8.38 | 9/30/2020 | 10,787,706 | 9,584,570 | 7,867,366 |
| Jonah Energy LLC | 7.50 | 5/12/2021 | 1,963,216 | 1,980,152 | 1,740,725 |
| MD America Energy, LLC | 9.50 | 7/2/2019 | 6,922,738 | 6,607,000 | 6,678,296 |
| NFR Energy LLC | 8.75 | 12/31/2018 | 7,684,465 | 7,776,170 | 3,758,164 |
| Templar Energy | 8.50 | 9/30/2021 | 9,700,000 | 9,424,423 | 6,551,574 |
| Total Oil and Gas | | | 54,921,953 | 52,681,538 | 40,738,382 |

Retail Store — 0.64%*:

| | | | | | |
|--------------------|------|-----------|-----------|-----------|-----------|
| FleetPride | 9.25 | 5/19/2020 | 3,000,000 | 2,948,555 | 2,835,000 |
| Total Retail Store | | | 3,000,000 | 2,948,555 | 2,835,000 |

Telecommunications — 1.20%*:

| | | | | | |
|--------------------------|------|-----------|-----------|-----------|-----------|
| Eircom Finance Ltd+^ | 4.54 | 9/30/2017 | 5,000,000 | 6,665,290 | 5,290,209 |
| Total Telecommunications | | | 5,000,000 | 6,665,290 | 5,290,209 |

| | | | | | |
|------------------|--|--|-------------|-------------|------------|
| Total Bank Loans | | | 110,284,790 | 109,423,351 | 93,166,595 |
|------------------|--|--|-------------|-------------|------------|

Corporate Bonds — 106.75%*:

Aerospace and Defense — 1.58%*:

| | | | | | |
|------------------------------------|------|-----------|-----------|-----------|-----------|
| Intrepid Aviation Group Holdings#^ | 6.88 | 2/15/2019 | 3,000,000 | 3,000,000 | 2,745,000 |
| CPI International Inc. | 8.75 | 2/15/2018 | 4,122,000 | 4,224,140 | 4,219,897 |
| Total Aerospace and Defense | | | 7,122,000 | 7,224,140 | 6,964,897 |

Automobile — 9.11%*:

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| | | | | | |
|---|------|-----------|------------|------------|------------|
| Accuride Corp# | 9.50 | 8/1/2018 | 11,210,000 | 11,297,260 | 11,686,425 |
| Affinia# | 7.75 | 5/1/2021 | 3,240,000 | 3,327,855 | 3,353,400 |
| Allied Specialty Vehicles#^ | 8.50 | 11/1/2019 | 6,000,000 | 5,965,020 | 6,315,000 |
| J.B. Poindexter & Co. Inc.#^ | 9.00 | 4/1/2022 | 8,235,000 | 8,599,733 | 8,934,975 |
| International Automotive Components Group, S.A.#^ | 9.13 | 6/1/2018 | 8,125,000 | 8,234,606 | 8,257,031 |
| Tupy SA#+^ | 6.63 | 7/17/2024 | 1,750,000 | 1,750,000 | 1,680,000 |
| Total Automobile | | | 38,560,000 | 39,174,474 | 40,226,831 |
| Banking — 0.54%*: | | | | | |
| Lock AS+^ | 7.00 | 8/15/2021 | 2,050,000 | 2,665,247 | 2,374,885 |
| Total Banking | | | 2,050,000 | 2,665,247 | 2,374,885 |
| Beverage, Food and Tobacco — 2.04%*: | | | | | |
| EWOS+^ | 6.75 | 11/1/2020 | 2,300,000 | 3,137,241 | 2,454,764 |
| Findus+^ | 9.13 | 7/1/2018 | 1,850,000 | 2,420,573 | 2,106,070 |
| Findus+^ | 9.50 | 7/1/2018 | 1,500,000 | 2,610,596 | 2,353,033 |
| Pizza Express+ | 6.63 | 8/1/2021 | 1,350,000 | 2,293,227 | 2,107,468 |
| Total Beverage, Food and Tobacco | | | 7,000,000 | 10,461,637 | 9,021,335 |
| Broadcasting and Entertainment — 2.75%*: | | | | | |
| Arqiva Finance+^ | 9.50 | 3/31/2020 | 5,000,000 | 7,895,144 | 8,194,265 |
| RCN Cable#^ | 8.50 | 8/15/2020 | 3,733,000 | 3,855,905 | 3,956,980 |
| Total Broadcasting and Entertainment | | | 8,733,000 | 11,751,049 | 12,151,245 |

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Babson Capital Global Short Duration High Yield Fund
 SCHEDULE OF INVESTMENTS
 March 31, 2015 (continued)

Buildings and Real Estate — 5.24%*:

Forestar Real Estate Group

| | | | | | |
|---------------------------------|-------|------------|------------|--------------|--------------|
| Inc.#^ | 8.50 | 6/1/2022 | 6,591,000 | \$ 6,810,003 | \$ 6,360,315 |
| Keystone Financing+^ | 9.50 | 10/15/2019 | 2,650,000 | 4,262,488 | 4,161,938 |
| Lyon Williams Homes, Inc.# | 8.50 | 11/15/2020 | 8,000,000 | 8,046,024 | 8,660,000 |
| Monier Holdings SCA+^ | 5.07 | 10/15/2020 | 100,000 | 138,845 | 108,526 |
| Paroc Group+^ | 6.25 | 5/15/2020 | 1,050,000 | 1,444,431 | 1,072,558 |
| Roofing Supply LLC#^ | 10.00 | 6/1/2020 | 2,834,000 | 3,058,441 | 2,770,235 |
| Total Buildings and Real Estate | | | 21,225,000 | 23,760,232 | 23,133,572 |

Cargo Transport — 4.42%*:

Kenan Advantage Group,

| | | | | | |
|------------------------------|-------|------------|------------|------------|------------|
| Inc.#^ | 8.38 | 12/15/2018 | 10,750,000 | 10,856,224 | 11,180,000 |
| Moto Hospitality Limited##+^ | 10.25 | 3/15/2017 | 2,000,000 | 3,149,044 | 3,115,126 |
| Moto Hospitality Limited+^ | 6.38 | 9/1/2020 | 2,400,000 | 3,584,497 | 3,595,746 |
| Quality Distribution Inc.# | 9.88 | 11/1/2018 | 1,541,000 | 1,620,481 | 1,614,198 |
| Total Cargo Transport | | | 16,691,000 | 19,210,246 | 19,505,070 |

Chemicals, Plastics and Rubber — 6.63%*:

Associated Asphalt Partners

| | | | | | |
|--------------------------------------|------|------------|------------|------------|------------|
| LLC#^ | 8.50 | 2/15/2018 | 1,839,000 | 1,839,000 | 1,756,245 |
| Ciech Group Finance##+^ | 9.50 | 11/30/2019 | 2,100,000 | 2,799,955 | 2,498,495 |
| Consolidated Energy Finance S.A.##+^ | 6.75 | 10/15/2019 | 4,630,000 | 4,528,582 | 4,664,725 |
| Cornerstone Chemical Co.#^ | 9.38 | 3/15/2018 | 4,725,000 | 4,839,673 | 4,890,375 |
| LSB Industries, Inc.# | 7.75 | 8/1/2019 | 3,000,000 | 3,000,000 | 3,127,500 |
| Omnova Solutions, Inc.# | 7.88 | 11/1/2018 | 3,154,000 | 3,230,868 | 3,201,310 |
| Pinnacle Operating Corp.#^ | 9.00 | 11/15/2020 | 2,635,000 | 2,641,984 | 2,661,350 |
| TPC Group, Inc.#^ | 8.75 | 12/15/2020 | 7,065,000 | 7,135,554 | 6,464,475 |
| Total Chemicals, Plastics and Rubber | | | 29,148,000 | 30,015,616 | 29,264,475 |

Containers, Packaging and Glass — 3.32%*:

Innovia Group Finance+^

| | | | | | |
|---------------------------------------|------|-----------|------------|------------|------------|
| Multi Packaging Solutions, Inc.#^ | 5.03 | 3/31/2020 | 750,000 | 1,021,099 | 796,354 |
| Onex Wizard Acquisition Co+^ | 8.50 | 8/15/2021 | 6,105,000 | 6,136,733 | 6,181,313 |
| Paperworks Industries, Inc.#^ | 7.75 | 2/15/2023 | 3,600,000 | 4,134,082 | 4,091,912 |
| Total Containers, Packaging and Glass | 9.50 | 8/15/2019 | 3,500,000 | 3,574,538 | 3,587,500 |
| | | | 13,955,000 | 14,866,452 | 14,657,079 |

Diversified/Conglomerate Manufacturing — 3.67%*:

| | | | | | |
|----------------|------|----------|------------|------------|-----------|
| Appvion Inc.#^ | 9.00 | 6/1/2020 | 13,200,000 | 13,438,037 | 8,679,000 |
|----------------|------|----------|------------|------------|-----------|

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| | | | | | |
|---|------|------------|------------|------------|------------|
| Carlisle Transportation Products#^ | 8.25 | 12/15/2019 | 3,950,000 | 4,051,320 | 4,068,500 |
| Heat Exchangers+^ | 5.38 | 6/15/2021 | 300,000 | 408,886 | 331,509 |
| StoneMor Partners L.P.# | 7.88 | 6/1/2021 | 3,000,000 | 2,944,275 | 3,150,000 |
| Total | | | | | |
| Diversified/Conglomerate Manufacturing | | | 20,450,000 | 20,842,518 | 16,229,009 |
| Diversified/Conglomerate Service — 1.60%*: | | | | | |
| Bravida+^ | 5.65 | 6/15/2019 | 4,500,000 | 685,636 | 527,743 |
| Carlson Travel Holdings Inc.#^ | 7.50 | 8/15/2019 | 2,690,000 | 2,729,788 | 2,723,625 |
| Verisure Holdings#+^ | 6.54 | 9/1/2018 | 3,500,000 | 4,475,420 | 3,838,627 |
| Total | | | | | |
| Diversified/Conglomerate Service | | | 10,690,000 | 7,890,844 | 7,089,995 |
| Diversified Natural Resources, Precious Metals and Minerals — 0.91%*: | | | | | |
| Lecta S.A.#+^ | 8.88 | 5/15/2019 | 1,090,000 | 1,421,695 | 1,239,409 |
| Lecta S.A.#+^ | 5.55 | 5/15/2018 | 2,600,000 | 3,284,026 | 2,774,672 |
| Total Diversified Natural Resources, Precious Metals and Minerals | | | 3,690,000 | 4,705,721 | 4,014,081 |
| Electronics — 1.89%*: | | | | | |
| International Wire Group, Inc.#^ | 8.50 | 10/15/2017 | 8,086,000 | 8,192,721 | 8,369,010 |
| Total Electronics | | | 8,086,000 | 8,192,721 | 8,369,010 |
| Farming and Agriculture — 0.40%*: | | | | | |
| Chiquita Brands International Inc.# | 7.88 | 2/1/2021 | 1,602,000 | 1,590,369 | 1,754,190 |
| Total Farming and Agriculture | | | 1,602,000 | 1,590,369 | 1,754,190 |

Babson Capital Global Short Duration High Yield Fund
SCHEDULE OF INVESTMENTS
March 31, 2015 (continued)

Finance — 7.56%*:

| | | | | | |
|----------------------------------|-------|------------|------------|------------|------------|
| Cabot Financial+^ | 6.50 | 4/1/2021 | 300,000 | \$ 494,821 | \$ 419,207 |
| Cabot Financial#+^ | 10.38 | 10/1/2019 | 3,750,000 | 6,261,753 | 6,113,435 |
| Cerved Holding Spa+^ | 8.00 | 1/15/2021 | 2,700,000 | 3,609,978 | 3,164,448 |
| First Data Corp.# | 11.25 | 1/15/2021 | 3,896,000 | 3,888,500 | 4,431,700 |
| Galaxy Bidco Ltd.+^ | 6.38 | 11/15/2020 | 650,000 | 1,053,229 | 969,104 |
| Galaxy Finco Ltd.+^ | 7.88 | 11/15/2021 | 3,900,000 | 6,351,994 | 5,681,331 |
| Lowell Group Financing PLC#+^ | 10.75 | 4/1/2019 | 3,000,000 | 5,107,044 | 4,828,446 |
| Lowell Group Financing PLC+^ | 5.88 | 4/1/2019 | 650,000 | 1,083,586 | 915,995 |
| Marlin Financial+^ | 10.50 | 8/1/2020 | 1,850,000 | 2,945,939 | 3,025,566 |
| TMF Group Holding#+^ | 5.42 | 12/1/2018 | 1,400,000 | 1,802,552 | 1,521,812 |
| TMF Group Holding+^ | 9.88 | 12/1/2019 | 2,000,000 | 2,681,014 | 2,301,456 |
| Total Finance | | | 24,096,000 | 35,280,410 | 33,372,500 |

Grocery — 0.22%*:

| | | | | | |
|-------------------------|------|-----------|---------|-----------|---------|
| Premier Foods Finance+^ | 6.50 | 3/15/2021 | 700,000 | 1,162,135 | 954,007 |
| Total Grocery | | | 700,000 | 1,162,135 | 954,007 |

Healthcare, Education and Childcare — 10.39%*:

| | | | | | |
|--|------|-----------|------------|------------|------------|
| Cerba+^ | 8.25 | 2/1/2020 | 2,200,000 | 2,503,916 | 2,457,205 |
| Crown Newco PLC#+^ | 8.88 | 2/15/2019 | 6,600,000 | 10,892,885 | 10,186,320 |
| Elli Finance+^ | 8.75 | 6/15/2019 | 5,000,000 | 8,680,377 | 7,577,678 |
| HomeVi SAS+^ | 6.88 | 8/15/2021 | 1,450,000 | 1,941,618 | 1,656,550 |
| Kindred Healthcare, Inc.^ | 8.75 | 1/15/2023 | 3,199,000 | 3,199,000 | 3,502,905 |
| Prospect Medical Holdings Inc.#^ | 8.38 | 5/1/2019 | 5,000,000 | 5,069,125 | 5,312,500 |
| Tenet Healthcare Corporation# | 8.13 | 4/1/2022 | 3,700,000 | 3,700,000 | 4,079,250 |
| Unilabs+^ | 7.32 | 7/15/2018 | 2,600,000 | 3,583,218 | 2,769,080 |
| Unilabs+^ | 8.50 | 7/15/2018 | 2,450,000 | 3,206,863 | 2,746,312 |
| Valeant+^ | 6.13 | 4/15/2025 | 2,006,000 | 2,006,000 | 2,076,210 |
| Valeant#+^ | 7.50 | 7/15/2021 | 3,260,000 | 3,260,000 | 3,525,886 |
| Total Healthcare, Education and Childcare | | | 37,465,000 | 48,043,002 | 45,889,896 |

Hotels, Motels, Inns and Gaming — 0.71%*:

| | | | | | |
|--|------|----------|-----------|-----------|-----------|
| Gala Group Finance#+ | 8.88 | 9/1/2018 | 2,025,000 | 3,259,721 | 3,150,250 |
| Total Hotels, Motels, Inns and Gaming | | | 2,025,000 | 3,259,721 | 3,150,250 |

Insurance — 2.11%*:

| | | | | | |
|-------------------------------|------|------------|-----------|-----------|-----------|
| Hastings Insurance Group+^ | 8.00 | 10/21/2020 | 3,550,000 | 5,721,462 | 5,565,216 |
|-------------------------------|------|------------|-----------|-----------|-----------|

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| | | | | | |
|--|------|------------|------------|------------|------------|
| Onex York Acquisition Corp.#^ | 8.50 | 10/1/2022 | 3,524,000 | 3,524,000 | 3,330,180 |
| Towergate Finance PLC+^ | 8.50 | 2/15/2018 | 300,000 | 466,998 | 433,893 |
| Total Insurance | | | 7,374,000 | 9,712,460 | 9,329,289 |
| Leisure, Amusement, Motion Pictures and Entertainment — 3.27%*: | | | | | |
| Palace Entertainment Holdings#^ | 8.88 | 4/15/2017 | 4,324,000 | 4,425,678 | 4,388,860 |
| Travelex+^ | 8.00 | 8/1/2018 | 2,800,000 | 4,349,941 | 4,350,793 |
| Vue Cinimas+^ | 7.88 | 7/15/2020 | 3,650,000 | 5,861,004 | 5,685,105 |
| Total Leisure, Amusement, Motion Pictures and Entertainment | | | 10,774,000 | 14,636,623 | 14,424,758 |
| Machinery (Non-Agriculture, Non-Construct, Non-Electronic) — 2.95%*: | | | | | |
| KM Germany Holding+ | 8.75 | 12/15/2020 | 1,305,000 | 1,688,927 | 1,539,306 |
| Milacron LLC#^ | 8.38 | 5/15/2019 | 4,640,000 | 4,730,339 | 4,953,200 |
| Xerium Technologies# | 8.88 | 6/15/2018 | 6,324,000 | 6,359,909 | 6,529,530 |
| Total Machinery (Non-Agriculture, Non-Construct, Non-Electronic) | | | 12,269,000 | 12,779,175 | 13,022,036 |

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Babson Capital Global Short Duration High Yield Fund
SCHEDULE OF INVESTMENTS
March 31, 2015 (continued)

Mining, Steel, Iron and Non-Precious Metals — 2.82%*:

| | | | | | |
|---|------|-----------|------------|--------------|--------------|
| Constellium Holdco | | | | | |
| B.V.+^ | 7.00 | 1/15/2023 | 2,250,000 | \$ 2,764,909 | \$ 2,455,012 |
| Hecla Mining | | | | | |
| Company# | 6.88 | 5/1/2021 | 4,388,000 | 4,358,101 | 3,883,380 |
| Murray Energy Corp#^ | 8.63 | 6/15/2021 | 1,050,000 | 1,096,735 | 1,097,250 |
| Murray Energy Corp#^ | 9.50 | 12/5/2020 | 4,492,000 | 4,673,007 | 5,031,040 |
| Total Mining, Steel, Iron and Non-Precious Metals | | | 12,180,000 | 12,892,752 | 12,466,682 |

Oil and Gas — 16.68%*:

| | | | | | |
|-------------------------|-------|------------|------------|------------|------------|
| Baytex Energy Ltd.+^ | | | | | |
| | 5.63 | 6/1/2024 | 4,000,000 | 3,266,608 | 3,660,000 |
| Calumet Specialty | | | | | |
| Products# | 7.63 | 1/15/2022 | 1,135,000 | 1,117,907 | 1,146,350 |
| Calumet Specialty | | | | | |
| Products#^ | 6.50 | 4/15/2021 | 8,000,000 | 7,924,736 | 7,760,000 |
| CHC Helicopter#+ | 9.25 | 10/15/2020 | 1,722,600 | 1,753,280 | 1,455,597 |
| CHC Helicopter# | 9.38 | 6/1/2021 | 3,250,000 | 3,340,132 | 1,950,000 |
| CITGO Holding Inc.^ | 10.75 | 2/15/2020 | 6,934,000 | 6,713,846 | 7,142,020 |
| Era Group Inc.# | 7.75 | 12/15/2022 | 3,019,000 | 3,035,871 | 2,913,335 |
| Ferrellgas Partners LP# | 8.63 | 6/15/2020 | 7,135,000 | 7,023,667 | 7,366,887 |
| Headwaters, Inc.# | 7.63 | 4/1/2019 | 3,000,000 | 3,091,719 | 3,125,100 |
| Jupiter Resources | | | | | |
| Inc.#+^ | 8.50 | 10/1/2022 | 10,025,000 | 9,559,367 | 8,220,500 |
| Kosmos Energy Ltd.#+^ | | | | | |
| | 7.88 | 8/1/2021 | 2,722,000 | 2,536,602 | 2,511,045 |
| Millennium | | | | | |
| Offshore#+^ | 9.50 | 2/15/2018 | 6,000,000 | 6,000,000 | 5,390,490 |
| Pbf Holding Company | | | | | |
| LLC# | 8.25 | 2/15/2020 | 6,000,000 | 6,219,737 | 6,337,500 |
| Resolute Energy Corp.# | 8.50 | 5/1/2020 | 7,285,000 | 7,409,198 | 3,059,700 |
| Topaz Marine SA#+^ | 8.63 | 11/1/2018 | 6,877,000 | 6,915,003 | 6,052,035 |
| Welltec#+^ | 8.00 | 2/1/2019 | 5,951,000 | 6,040,890 | 5,593,940 |
| Total Oil and Gas | | | 83,055,600 | 81,948,563 | 73,684,499 |

Personal, Food and Miscellaneous — 2.39%*:

| | | | | | |
|---|------|------------|-----------|------------|------------|
| Brake Brothers | | | | | |
| Acquisition PLC+^ | 7.13 | 12/15/2018 | 5,000,000 | 8,306,855 | 7,528,815 |
| Teamsystem S.P.A.+^ | 7.38 | 5/15/2020 | 2,680,000 | 3,549,011 | 3,045,337 |
| Total Personal, Food and Miscellaneous | | | 7,680,000 | 11,855,866 | 10,574,152 |

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SCHEDULE OF INVESTMENTS
March 31, 2015 (continued)

Printing and Publishing — 0.69%*:

| | | | | | |
|-------------------------------|------|------------|-----------|--------------|--------------|
| Cimpress N.V.^ | 7.00 | 4/1/2022 | 1,560,000 | \$ 1,560,000 | \$ 1,579,500 |
| Zebra Technologies Corp.#^ | 7.25 | 10/15/2022 | 1,359,000 | 1,359,000 | 1,464,323 |
| Total Printing and Publishing | | | 2,919,000 | 2,919,000 | 3,043,823 |

Retail Store — 8.21%*:

| | | | | | |
|---------------------------------|-------|-----------|------------|------------|------------|
| Boing Group Finance+^ | 6.63 | 7/15/2019 | 3,050,000 | 4,167,720 | 3,164,979 |
| BrightHouse Group PLC+^ | 7.88 | 5/15/2018 | 2,000,000 | 3,113,206 | 2,699,776 |
| GRD Holding Corp.#^ | 10.75 | 6/1/2019 | 3,150,000 | 3,209,607 | 3,425,625 |
| HD Supply, Inc.# | 11.50 | 7/15/2020 | 5,000,000 | 5,236,156 | 5,781,250 |
| House Fraser PLC#+^ | 8.88 | 8/15/2018 | 6,500,000 | 10,626,427 | 10,216,338 |
| HSS Financing PLC+^ | 6.75 | 8/1/2019 | 306,000 | 506,522 | 475,480 |
| New Look Retail Group Limited+^ | 8.75 | 5/14/2018 | 5,000,000 | 7,720,112 | 7,750,731 |
| Pantry, Inc# | 8.38 | 8/1/2020 | 875,000 | 902,111 | 993,125 |
| Takko Fashion+^ | 9.88 | 4/15/2019 | 3,800,000 | 4,985,019 | 1,736,522 |
| Total Retail Store | | | 29,681,000 | 40,466,880 | 36,243,826 |

Telecommunications — 3.01%*:

| | | | | | |
|----------------------------|------|-----------|------------|------------|------------|
| Altice Financing+^ | 6.63 | 2/15/2023 | 661,000 | 661,000 | 680,830 |
| Altice S.A.#+^ | 7.75 | 5/15/2022 | 3,240,000 | 3,240,000 | 3,294,675 |
| Eircom Finance Ltd+^ | 9.25 | 5/15/2020 | 1,450,000 | 2,136,426 | 1,695,528 |
| Numericable Group+^ | 5.38 | 5/15/2022 | 700,000 | 967,158 | 786,617 |
| Numericable Group+ | 5.63 | 5/15/2024 | 950,000 | 1,312,572 | 1,077,767 |
| Numericable Group+^ | 6.00 | 5/15/2022 | 1,280,000 | 1,280,000 | 1,296,000 |
| Numericable Group+^ | 6.25 | 5/15/2024 | 690,000 | 690,000 | 698,625 |
| Sprint Nextel Corporation# | 7.25 | 9/15/2021 | 2,650,000 | 2,650,000 | 2,663,250 |
| UPC Broadband+^ | 6.75 | 3/15/2023 | 430,000 | 454,018 | 485,619 |
| Wind Acquisition+^ | 7.00 | 4/23/2021 | 550,000 | 758,861 | 629,825 |
| Total Telecommunications | | | 12,601,000 | 14,150,035 | 13,308,736 |

Textiles & Leather — 1.64%*:

| | | | | | |
|--------------------------------|------|----------|-----------|-----------|-----------|
| Perry Ellis International Inc# | 7.88 | 4/1/2019 | 7,000,000 | 7,202,561 | 7,227,500 |
| Total Textiles & Leather | | | 7,000,000 | 7,202,561 | 7,227,500 |

Total Corporate Bonds 438,821,600 498,660,449 471,447,628

Total Fixed Income 549,106,390 608,083,800 564,614,223

Other assets and liabilities — (27.85)% (122,988,662)

Net Assets — 100% \$ 441,625,561

Babson Capital Global Short Duration High Yield Fund
 SCHEDULE OF INVESTMENTS
 March 31, 2015 (continued)

- ‡ The effective interest rates are based on settled commitment amount.
- * Calculated as a percentage of net assets applicable to common shareholders.
- + Foreign security.
- # All or a portion of the security is segregated as collateral for the credit facility. See Note 8 to the financial statements for further disclosure.
- ^ Security exempt from registration under Rule 144a of the Securities Act of 1933. These securities may only be resold in transactions exempt from registration, normally to qualified institutional buyers.
- § Bank loans are exempt from registration under the Securities Act of 1933, as amended, but contain certain restrictions on resale and cannot be sold publicly. These loans pay interest at rates which adjust periodically. The interest rates shown for bank loans are the current interest rates at March 31, 2015. Bank loans are also subject to mandatory and/or optional prepayment which cannot be predicted. As a result, the remaining maturity may be substantially less than the stated maturity shown.

Distributions of investments by country of risk. Percentage of assets are expressed by market value excluding cash and accrued income as of March 31, 2015.

| | |
|-----------------------------|--------|
| United States | 59.8% |
| United Kingdom | 20.9% |
| Canada | 3.0% |
| France | 2.0% |
| Sweden | 1.8% |
| Germany | 1.2% |
| Ireland | 1.2% |
| Italy | 1.2% |
| Netherlands | 1.1% |
| Azerbaijan | 1.1% |
| (Individually less than 1%) | 6.6% |
| | 100.0% |

FORWARD FOREIGN EXCHANGE CONTRACTS at March 31, 2015 (Unaudited)

| Counterparty | Currency | Contract Type | Delivery Date | Value | Aggregate Face Value | Unrealized Appreciation / (Depreciation) |
|----------------|----------------|---------------|---------------|-----------------|----------------------|--|
| J.P. Morgan | | | | | | |
| | British pounds | Sell | 4/16/2015 | \$(114,161,544) | \$(112,150,079) | \$ 2,011,465 |
| | U.S. Dollars | Buy | 4/16/2015 | 114,161,544 | 114,161,544 | - |
| | | | | - | 2,011,465 | 2,011,465 |
| Morgan Stanley | | | | | | |
| | British pounds | Sell | 4/16/2015 | \$(3,571,222) | \$(3,559,774) | \$ 11,448 |
| | Euros | Sell | 4/16/2015 | (63,696,018) | (63,125,896) | 570,122 |
| | Swedish krona | Sell | 4/16/2015 | (547,086) | (538,941) | 8,145 |
| | Swiss francs | Sell | 4/16/2015 | (504,260) | (511,208) | (6,948) |
| | U.S. Dollars | Buy | 4/16/2015 | 68,318,586 | 68,318,586 | - |
| | | | | - | 582,767 | 582,767 |
| | | | | - | 2,594,232 | 2,594,232 |

Tax Basis

The cost basis of investments for federal income tax purposes at March 31, 2015 for Babson Capital Global Short Duration High Yield Fund (the “Fund”) was as follows*:

| | |
|-------------------------------|-----------------|
| Cost of investments | \$ 608,083,800 |
| Gross unrealized appreciation | 14,174,276 |
| Gross unrealized depreciation | (57,643,854) |
| Net unrealized depreciation | \$ (43,469,577) |

*The above table only reflects tax adjustments through December 31, 2014. For the previous fiscal year’s federal income tax information, please refer to the Notes to Financial Statements section in the Fund’s most recent annual report.

Fair Value

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

Level 1 – quoted prices in active markets for identical securities

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

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

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

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

The following is a summary of the inputs used as of March 31, 2015 in valuing the Fund's investments:

| Description | Level 1 | Level 2 | Level 3 | Total Investments |
|-----------------------------|---------|---------------|-------------|-------------------|
| Assets: | | | | |
| Fixed Income: | | | | |
| Bank Loans | \$- | \$88,722,406 | \$4,444,189 | \$93,166,595 |
| Bonds | - | 471,447,628 | - | 471,447,628 |
| Total Fixed Income | \$- | \$560,170,034 | \$4,444,189 | \$564,614,223 |
| Derivative Securities: | | | | |
| Foreign Exchange Contracts: | \$- | \$2,601,180 | \$- | \$2,601,180 |
| Total Derivative Securities | - | 2,601,180 | - | 2,601,180 |
| Total Assets | \$- | \$562,771,214 | \$4,444,189 | \$567,215,403 |
| Liabilities: | | | | |
| Foreign Exchange Contracts | \$- | \$6,948 | \$- | \$6,948 |
| Total Liabilities: | \$- | \$6,948 | \$- | \$6,948 |

The following table is a summary of quantitative information about significant unobservable valuation inputs for Level 3 fair value measurement for investments held as of March 31, 2015.

| Type of Assets | Fair value as of March 31, 2014 | Valuation Techniques(s) | Unobservable Input |
|---------------------------|---------------------------------|-------------------------|--|
| Second Lien Term Loans | | | |
| Direct ChassisLink, Inc. | \$ 4,444,189 | Market Comparables | Average of broker quotes for comparable securities: \$99.40; Discount for lack of marketability: 1%. |

The Fund discloses transfers between levels based on valuations at the end of the reporting period. There were no transfers between Levels 1, 2, or 3 for the period from January 1, 2015 through March 31, 2015. The following is a reconciliation of Level 3 investments based upon the inputs used to determine fair value:

| | Balance as of December 31, 2014 | Purchases | Sales | Accretion of Discount | Net Realized Gain (Loss) | Change in Unrealized Appreciation / Depreciation | Balance as of March 31, 2015 | Change in Unrealized Appreciation / Depreciation from Investments Held as of March 31, 2015 |
|--------------|---------------------------------------|-----------|-------------|-----------------------------|-----------------------------------|--|---------------------------------------|--|
| Fixed Income | | | | | | | | |
| Bank Loan | \$ 4,477,282 | \$ - | \$ (11,139) | \$ - | \$ 138 | \$ (22,092) | \$ 4,444,189 | \$ (22,092) |

Derivative Instruments

Forward Foreign Exchange Contracts – The Fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Fund transacted in and currently holds forward foreign exchange contracts to hedge against changes in the value of foreign currencies. The Fund entered into forward foreign exchange contracts obligating the Fund to deliver or receive a currency at a specified future date. Forward foreign exchange contracts are valued daily and unrealized appreciation or depreciation is recorded daily as the difference between the contract exchange rate and the closing forward rate applied to the face amount of the contract. A realized gain or loss is recorded at the time the forward contract expires. Credit risk may arise as a result of the failure of the counterparty to comply with the terms of the contract. The Fund considers the creditworthiness of each counterparty to a contract in evaluating potential credit risk quarterly. The Fund is also subject to credit risk with respect to the counterparties to the derivative contracts which are not cleared through a central counterparty but instead are traded over-the-counter between two counterparties. If a counterparty to an over-the-counter derivative becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances. The counterparty risk for cleared derivatives is generally lower than for uncleared over-the-counter derivative transactions since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing house for performance of financial obligations. However, there can be no assurance that the clearing house, or its members, will satisfy its obligations to the Fund. In addition, in the event of a bankruptcy of a clearing house, the Fund could experience a loss of the funds deposited with such clearing house as margin and of any profits on its open positions. The counterparty risk to the Fund is limited to the net unrealized gain, in any, on the contract.

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

The Fund recognized an asset on the Statement of Assets and Liabilities as a result of forward foreign exchange contracts with Morgan Stanley and J.P. Morgan. The Fund's policy is to recognize an asset equal to the net value of all forward foreign exchange contracts with an unrealized gain and a liability equal to the net value of all forward foreign exchange contracts with an unrealized loss. The Fund has recognized an asset of \$2,601,180 in net unrealized appreciation and a liability of \$6,948 in net unrealized depreciation on forward foreign exchange contracts. Outstanding forward foreign exchange contracts as of March 31, 2015 are indicative of the volume of activity during the period.

For the period from January 1, 2015 through March 31, 2015, the Fund's direct investment in derivatives consisted of forward foreign exchange contracts.

The following is a summary of the fair value of derivative instruments held directly by the Fund as of March 31, 2015. These derivatives are presented in the Schedule of Investments.

Fair values of derivative instruments as of March 31, 2015:

| | Statement of Assets and Liabilities Location | Fair Value |
|------------------------------------|--|-------------|
| Derivatives | | |
| Forward Foreign Exchange Contracts | Unrealized Appreciation | \$2,601,180 |
| Total Asset Derivatives | | \$2,601,180 |
| Liability Derivatives | | |
| Forward Foreign Exchange Contracts | Unrealized Depreciation | \$6,948 |
| Total Liability Derivatives | | \$6,948 |

The effect of derivative instruments on the Statement of Operations for the period from January 1, 2015 through March 31, 2015:

Amount of Realized Gain/(Loss) on Derivatives

| | |
|------------------------------------|---|
| Derivatives | Forward Foreign Exchange Contracts |
| Forward Foreign Exchange Contracts | \$11,557,203 |
| Total | \$11,557,203 |

Change in Unrealized Appreciation/(Depreciation) on Derivatives

| | |
|------------------------------------|---|
| Derivatives | Forward Foreign Exchange Contracts |
| Forward Foreign Exchange Contracts | \$1,348,666 |
| Total | \$1,348,666 |

H. Offsetting of Financial and Derivative Assets and Liabilities

| | J.P. Morgan | Morgan Stanley |
|-------------------------------------|-------------|----------------|
| Assets: | | |
| Forward foreign exchange contracts* | \$2,011,465 | \$589,715 |
| Total Assets | \$2,011,465 | \$589,715 |
| Liabilities: | | |
| Forward foreign exchange contracts* | \$- | \$6,948 |
| Total Liabilities | \$- | \$6,948 |
| Net Exposure | \$2,011,465 | \$582,767 |

Item 2. Controls and Procedures.

- (a) The Registrant's President and Treasurer have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "1940 Act")) (17 CFR 270.30a-3(c)) are effective as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or Rule 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(d)).
- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) (17 CFR 270.30a-3(d)) that occurred during the Registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3. Exhibits.

Separate certifications for each principal executive officer and principal financial officer of the Registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)). Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Babson Capital Global Short Duration High Yield Fund

By (Signature and Title) /s/ Russell D. Morrison, President
Russell D. Morrison, President

Date May 29, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Russell D. Morrison
Russell D. Morrison, President

Date May 29, 2015

By (Signature and Title) /s/ Patrick Hoefling
Patrick Hoefling, Chief Financial Officer

Date May 29, 2015
