



Remuneration Policy

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1. INTRODUCTION

The Barings Group includes two Management Companies (each a 'Firm' and together the 'Firms'):

- Baring Fund Managers Limited ("BFM"). Authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom; and
- Baring International Fund Managers (Ireland) Limited ("BIFMI"). Authorised and regulated by the Central Bank of Ireland ("CBI").

BFM is subject to the following UK regulations:

- The Alternative Investment Fund Managers Regulation 2013;
- The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019;
- The Collective Investment Schemes Regulations 2018; and
- The Collective Investment Schemes Regulations (Amendment etc.) (EU Exit) Regulations 2019

BIFMI subject to the following European Directives:

- Undertakings for Collective Investment in Transferrable Securities ("UCITS") Directive; and
- Alternative Investment Fund Managers Directive ("AIFMD")

Within this policy, the above UK regulations and European Directives to which the Firms are subject to are collectively referred to as "the Regulations"

Each Firm acts as manager to a number of UCITS funds and Alternative Investment Funds ("AIFs") (together the 'Funds'). In accordance with the Regulations, the Firms are required to have a documented remuneration policy. Key details of the remuneration policies for the above Firms are noted below. Paper copies of these remuneration policies are available on request.

2. REMUNERATION POLICY FRAMEWORK

The purpose of each Firm's remuneration policy is to seek to ensure that the remuneration arrangements of "identified staff":

- (i) are consistent with and promote sound and effective risk management; and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Firm or any fund which the Firm is the manager of (the Funds);
- (ii) are consistent with the Firm's business strategy, objectives, values and interests and include measures to avoid conflicts of interest;
- (iii) do not impair the Firm's compliance with its duty to act in the best interests of the Funds; and
- (iv) are consistent with the business strategy, objectives, values and interests of the Firm, the Funds and the investors in such Funds and includes measures to avoid conflicts of interest

3. APPLICABLE REMUNERATION

The remuneration approach and principles set out in each Firm's policy apply to fixed and variable remuneration of any type paid by each Firm including carried interest (if applicable), discretionary pension benefits and to any transfer of units or shares of the firm or any Fund.

Each firm's compensation structure is designed to support and further the firm's business strategy, objectives, values and long-term interests. Compensation aims to facilitate the retention of existing employees and attract high calibre new employees in order to achieve the best results for the firm. It is also designed to ensure sound and effective risk management consistent with the risk profile of the funds.

Pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, BIFMI's Identified Staffs' compensation is consistent with the integration of sustainability risk. BIFMI delegates investment management to Baring Asset Management Limited ("BAML") and Barings LLC ("the Investment Managers") and therefore relies on the Investment Managers to implement processes that require them to consider the management of sustainability risks.

Each Investment Manager is subject to the Barings' global Sustainability Policy: the policy describes how investment teams integrate ESG into their investment process and consider sustainability risk as part of their investment decision making.

BIFMI's Identified Staff are expected to support the business in undertaking its activities in a responsible manner through including sustainability considerations in their roles and decision making. Specifically for employees involved in investment activities, such employees are expected to implement the Sustainability Policy.

4. IDENTIFIED STAFF

Each Firm is responsible for determining the categories of staff whose professional activities have a material impact on the risk profile of the Firm or any of the Funds they manage. Each Firm is also responsible for complying with the requirements which aim to manage the risks their activities entail.

The term "Identified Staff" broadly includes:

- Senior management
- Risk takers
- Control functions
- Employees in the same remuneration bracket, whose professional activities have a material impact on the Firm's risk profile or of the Funds it manages

The Regulations allow that when delegating an activity to a firm that is subject to remuneration rules that are equally as effective, the UCITS and AIFMD remuneration rules need not apply. The Firms delegate investment management to Baring Asset Management Limited ("BAML") and Barings LLC ("the Investment Managers").

BAML is subject to the Capital Requirements Directive ("CRD") including its remuneration rules which are considered to be equally as effective as those under the UCITS and AIFMD Directives. BLLC is subject to equivalent rules in the US

5. PROPORTIONALITY

In accordance the Regulations, each Firm must comply with the remuneration principles in a way and to the extent it is appropriate to the Firm's size, internal organisation and the nature, scope and complexity of its activities (the "Proportionality Approach").

Each Firm has carried out a Proportionality Assessment. In summary the Firms Boards have concluded it is appropriate to dis-apply the Payout Process Rules covering payment in fund units, shares or other instruments for all Funds, on the basis that this would be disproportionate to the firm.

6. REMUNERATION COMMITTEE

Following the Proportionality Approach, the Boards consider that it is appropriate and proportionate to dis-apply the requirement to appoint a remuneration committee for the purposes of the Regulations.

Whilst the Firms have concluded it is not required to maintain a remuneration committee meeting all the formal requirements of the Regulations, it nevertheless follows the BEL group approach to remuneration governance, which relies on committees. Remuneration for the BEL group companies is governed by two remuneration committees; the Remuneration Committee is responsible for the setting, implementing and ongoing review of Barings Group remuneration policy and approval of employee annual promotions and compensation awards. The Senior Compensation Committee is responsible for the approval of compensation for the Barings senior global employees.

7. OVERSIGHT OF THE REMUNERATION POLICY

The remuneration policy is adopted by each Firm's Board and is subject to an annual review by the Firm. This review ensures that: - the overall remuneration system operates as intended; - the risk profile, long term objectives and goals of the Firm are adequately reflected; and - the policy reflects best practice guidelines and regulatory requirements.