

A photograph of a modern office building interior with glass walls and floors, showing multiple levels and a staircase. The image is used as a background for the report cover.

BARINGS

# Value Assessment

31 AUGUST 2023

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# A Message from the Chairman

Welcome to Barings' 2023 Assessment of Value Report.

This report outlines the key findings of a comprehensive review of our U.K. authorised funds. In line with the rules introduced by the Financial Conduct Authority (FCA), we have performed an in-depth assessment of the value provided by our funds against the seven criteria set out by the FCA. As part of our analysis, we also took into consideration additional factors such as portfolio turnover and transaction costs.

As Chairman of the Board responsible for overseeing the Barings U.K. fund range, a key role of mine is to ensure investors are fully informed, giving them the ability to confidently invest with us.

The Board's role is to monitor whether the Barings funds are meeting their investment objectives and provide our customers with a high level of service and good value for money. The ongoing impact of the conflict between Russia and Ukraine continued to present challenges and we are constantly adapting to changes in market conditions to deliver value to our investors.

We are pleased to present Barings' fourth annual Assessment of Value ("AoV") report. The data for this report was collected at the end of 31 August 2023.

Throughout the year, we have continued to assess those funds where opportunities for improvements were identified in the 2022 AoV report, as well as monitoring the progress of all funds within the Barings U.K. fund range. Our assessment and the actions taken for each fund in 2023 are detailed within this AoV report. High-level conclusions from our assessment include that:

- All funds are providing value in the areas of quality of service, economies of scale, costs of the authorised fund manager, classes of units and comparable services.
- Most funds have provided value in respect of their performance and comparable market rates.
- We have identified areas for improvement, highlighted in the body of report.

In this report, we have highlighted actions we have taken throughout the year to assess value for investors. We also considered the FCA's latest review of fund managers' Assessment of Value, which was published in August 2023, and how we aim to respond to their findings and make improvements where necessary.

- We commissioned an external review of our Value Assessment process from Optima, an independent firm to assess our process and use of methodologies.
- We continued to use Broadridge, an independent provider of investment company data, to construct peer groups for costs and performance comparison.
- We continued to assess the suitability of Unit Classes for unitholders across the range.

We trust that the information contained in this value assessment will provide investors with greater transparency across our U.K. authorised fund range. As a Board, we are committed to acting in the best interests of our investors and ensuring that the funds are being managed in line with their Investment Objectives, Policies and Strategy.

We continue to look for opportunities where we can improve, aiming to consistently meet the long-term financial goals of our investors.

**Alan Behen**

Chairman, Baring Fund Managers Limited

## Introducing the Members of the Board

The Baring Fund Managers Limited Board (the Board), which includes two independent non-executive directors, has the ultimate responsibility for this assessment and for determining the value rating for each of the funds, as well as identifying areas for improvement. The Board plays a crucial role overseeing the value assessment process, providing challenges and direction to ensure value is being delivered or, where it is not, that appropriate action is taken.

The independent non-executive directors have relevant expertise and experience to make impartial and independent judgements on whether funds are managed in the best interests of investors. They provide input and independently challenge the process and methodology to ensure our assessment is performed appropriately.

### EXECUTIVE DIRECTORS



#### Alan Behen

*Alan is the Chief Executive Officer of Baring International Fund Managers (Ireland) Limited where he is responsible for the day-to-day general management of Barings' Irish entities. Alan also serves as a Director/Manager across Baring's European Fund Boards. Alan has over 20 years' experience in the investment industry, spanning offshore funds, asset management and fixed income markets. Prior to his appointment with Barings, Alan served as a Managing Director at State Street International Ireland Limited. Alan holds a B.A. from Columbia University.*



#### Martin Horne

*Martin Horne is Barings' Global Head of Public Assets, which incorporates the global high yield, investment grade, structured credit, equities, emerging markets corporate debt and global sovereign investment teams. He is part of the Barings Executive Management Team and is also an Executive Sponsor of the Barings Black Network employee resource group.*

*Martin has worked in the industry since 1993 and his experience has encompassed the mid cap, structured credit, investment grade and leveraged finance markets. His roles at Barings also incorporated roles as senior portfolio manager in cornerstone strategies, and head of research for the European High Yield Group.*

*Prior to joining the firm in 2002, Martin was a member of the European Leverage team at Dresdner Kleinwort Wasserstein where he focused on lead arranging and underwriting senior, mezzanine and high yield for financial sponsor-driven leverage buyouts throughout Europe. He has also held positions at KPMG Corporate Finance, where he advised on complex debt transactions, National Australia Bank, in their corporate and structured credit team, and National Westminster Bank's corporate banking unit.*

*Martin previously served on the board of directors of the Loan Market Association and holds a B.A. in Economics from Reading University.*



## Richard Kent

*Richard Kent is Chief Risk Officer for Europe and Global Head of Organisational Risk, and serves as a main Board Director. Richard has overall responsibility for overseeing the corporate governance and risk management framework that covers Barings' business operations and funds. He has worked in the industry since 1992. Prior to his current role, Richard held the Head of Compliance and Organisational Risk role at Barings (U.K.). Before joining the firm in 2016, he was Head of Compliance for the hedge fund group Brevan Howard in London. Richard holds a degree in Management Science from the University of Kent and is a qualified Chartered Accountant.*

## INDEPENDENT NON-EXECUTIVE DIRECTORS



## Jane Armstrong

*Jane is an independent non-executive director for Baring Fund Managers Limited. She has over 35 years' experience working in financial services, beginning her career in asset management organisations with Fidelity Investments. Subsequent roles include Head of Corporate Marketing at Old Mutual Asset Management, Marketing Director at Citigroup Asset Management and, latterly, Head of Business Development for Investment at Willis Towers Watson. Jane retired from full time employment in 2019, at which time she became a charity trustee for both Citizens Advice and a domestic abuse charity. Jane is an experienced pension fund trustee. She is also a freelance coach and business development trainer. Jane has a degree in English Literature from Leicester University.*



## Kevin Troup

*Kevin Troup is an independent non-executive director for Baring Fund Managers Limited and was appointed to the Board in May 2019. Kevin qualified as a Chartered Accountant in 1993 with Coopers & Lybrand and is also an Associate of the CFA having qualified via the IIMR. He started his investment career with Scottish Life in 1995, later becoming Head of Japan. In 2000, he joined Martin Currie Investment Management, managing Japanese Smaller Companies. In 2004, he launched two Japanese funds, a mid-cap fund and was co-manager at launch for the Daijuro Absolute Return Fund responsible for picking small cap positions. Kevin joined the Global team at Standard Life Investments in 2010, launching a new Global Equity Income product and with responsibility for Japanese investments within a Global franchise. He retired in 2018 and is now an independent non-executive director at BT Pension Scheme Management Ltd and on the Board of Baillie Gifford Shin Nippon Plc and European Assets Trust plc. He is also a director of Kintail Trustees Limited, the corporate trustee of The Robertson Trust charity.*

# Introduction

## WHAT IS THE U.K. VALUE ASSESSMENT?

Introduced by the FCA, the U.K. Value Assessment is a requirement for U.K. Authorised Fund Managers to assess the overall value their funds deliver to investors.

For each fund, the Board must also conduct an assessment of whether all payments (costs, fees and charges), as detailed in the fund prospectus, are justified in respect of the seven areas of assessment noted in 'Which Areas are assessed'.

## THE BARINGS U.K. FUND RANGE

As an active investment manager, it is our aim to deliver overall value for investors in our funds over the long term, keeping costs fair and reasonable and providing high levels of client service to our investors. Overall value is delivered and measured with regard to each fund's Investment Objective, Policy and Strategy. The Barings U.K. fund range provides investors with investment opportunities covering a range of geographies, with an overall focus on equity exposures.

## WHO IS IT INTENDED FOR?

This report is produced for all investors in our U.K. domiciled authorised funds. We are committed to meeting the needs of our investors and we believe it is important to help them understand whether they are receiving value for money when investing with us.

At the back of this document, we have included a glossary to define some of the technical terms to assist investors whilst they read this report.

## WHICH AREAS ARE ASSESSED?

The FCA requires the Board to consider seven key areas, which have been summarised below.

1. **Quality of Service:** This includes the range and quality of service we provide and the quality of service provided by any service providers to which fund operations have been delegated.
2. **Performance:** The performance of the fund, after deduction of all payments out of the fund's assets.
3. **Comparable Market Rates:** Comparing the fees that the funds charge investors against our competitors' fees.
4. **Costs of the Authorised Fund Manager (AFM):** Assessing the charges incurred by investors against the costs for each service provided by the AFM to operate the fund.
5. **Economies of Scale:** Whether we are able to achieve savings and benefits from economies of scale, and whether such savings have been achieved and passed on to investors.
6. **Comparable Services:** Whether the fees we charge within our funds are reasonable and appropriate compared with similar services that we provide to other clients.
7. **Classes of Units:** Assessing whether investors are in the most appropriate class of unit and providing justification for charging certain investors higher fees than they would receive in other Unit Classes.

We have also considered additional measures, which we know are important to our investors—such as whether we are investing in areas that are environmentally and socially sustainable, and the level of portfolio turnover and transaction costs.

## Actions Since Last Year's Report

The Barings 2022 Assessment of Value Report highlighted a few areas where we could improve the value investors receive from our products and services. The table below outlines the changes made over the past year in response to the findings of our 2022 assessments.

Criterion	Action Taken to Improve Value	Fund Affected	Description
Overall Fund Ratings	Ongoing Focus and Monitoring of the Funds	European Growth Trust Europe Select Trust German Growth Trust	In the 2022 report, we identified three funds as having overall amber ratings, in addition to the previous year. The Board continues to monitor the value provided to clients invested in these funds following improvements in certain areas of value, which are highlighted in this report.
Performance and Comparable Market Rates	Use of Independently Selected Peer Group	All U.K. funds	We have continued to engage an independent third party, Broadridge, to construct peer groups for each of the funds to ensure that cost and performance comparisons are appropriate and impartial. The peer groups are customised by seeking competitor products with similar investment objectives, size and distribution method to our U.K. fund range.
Classes of Units	Ongoing Transfer of Investors to a Cheaper Unit Class	All U.K. funds	We have continued our strategy to move investors to an appropriate cheaper Unit Class during 2023 and identified further eligible investors to switch from Class A Units to Class I Units.
Overall Value Assessment Review	Use of Outside Firm to Attest Barings Report	All Value Assessment Areas	Optima Partners has been mandated by Barings Europe Limited and its affiliated entities to undertake an independent review of our processes and methodologies.

## How Have We Measured Value?

Several teams across our business have an impact on our investors' experiences at different stages of their journey with us. We have worked with each of these teams to assess our performance. Key stakeholders within the business, as well as the Board of Directors of Baring Fund Managers Limited, have been involved at each step of the process. The Board has provided challenges, suggestions and advice on behalf of investors to ensure that the approach taken and conclusions reached are fair and comprehensive.

We have used a traffic light system (green, amber, red). Green indicates that we have concluded that the Unit Class provides value. Amber indicates that the Unit Class provides value across most but not all the metrics that we considered, and therefore will be continuously monitored or that action has been or will be taken. Red indicates the Unit Class does not provide value and we have or will be taking action.

We have assessed all Unit Classes against each of the seven criteria set out by the FCA, as well as determining an overall rating for each Unit Class.



### GREEN

Unit Class provides value



### AMBER

Unit Class provides value but not across all metrics, hence will be monitored and appropriate action will be taken



### RED

Unit Class does not provide value and we have taken further action

Unless otherwise specified, all data used for this assessment and report is as of 31 August 2023. Fund and peer performance, annual management fee and ongoing charge data are sourced from Morningstar. Performance figures used are net of fees (considered after fees have been deducted) in GBP terms. Benchmark performance figures are sourced from respective index providers.

## 1. QUALITY OF SERVICE

### Have we provided the range and quality of service expected of us?

Our commitment to meeting the current and evolving needs of our clients is at the core of everything we do. Our clients come to us with a variety of investment needs and requirements, which we aim to meet through our range of funds, and with a focus on risk management to help protect our clients' capital over the long term. Our U.K. fund range offers both traditional strategies investing in specific regions or countries as well as more focused strategies such as investing in smaller companies.

The expectations of our clients change over time, and it is important that our service keep pace. Therefore, when measuring quality of service, we do not limit our assessment to a definitive list or specific area. Instead, we continuously look to identify areas where we can improve.

### **Investment Capability**

Barings have been managing the assets of our U.K. clients for more than 40 years and provide clients with access to a range of funds to suit individual needs and requirements. The fund managers, analysts and research team consist of over 45+ investment professionals averaging 15 years of experience. The Board has assessed, through various forms of analysis, the quality of the investment process, ensuring the funds have been managed with the portfolio characteristics appropriate to the active investment strategy and style described to investors. As an active manager, we believe equity markets are inefficient and we focus our analysis at the company level, where we look to purchase quality companies that offer long-term growth potential at a price below their estimated value, a style which is referred to as GARP. Periods of heightened volatility may cause our strategies to underperform. As long-term investors, however, we believe our robust and repeatable investment process can add value through stock selection over the longer term.

### **Client Servicing and Support**

We have a dedicated team of client service managers at Barings which works closely with our fund administrator, Northern Trust. Together, they are responsible for ensuring a high degree of client service is provided to our investors. We monitor our client service across key drivers of positive client experience. These include the quality, accuracy and timeliness of our reporting, the effectiveness of our operations and feedback from clients on our client service levels. We have a complaints process, overseen by our compliance team, which ensures the fair treatment of investors should they be dissatisfied.

### **Investor Education**

We engage with investors through our company website, [www.barings.com](http://www.barings.com). Our content provides access to investor education, current views and insights from our investment teams through Barings Viewpoints. We have provided investors with a wide range of articles, webinars and podcasts covering markets and topics ranging from equities, bonds, fintech, economic policies and forecasts, ESG and sustainability trends.

### **Operation Oversight**

Our experienced teams ensure compliance with internal policies and conduct regular monitoring and oversight of external service providers who perform day-to-day fund operations. Compliance and Operational Risk report to the BFM Board any breaches or errors. No significant breaches have been highlighted during the latest assessment period.

We provide feedback to our outsourced providers through regular oversight and review meetings to ensure they meet both our own expectations and the expectations of our investors. Barings will obtain reports, along with confirmation from compliance of any issues or findings which have been identified pertaining to the Barings Investment process from compliance monitoring activities.

The level of service provided by our external providers is measured by standards known as Key Performance Indicators (KPIs) which are monitored on a monthly basis. During the period under review, we identified some minor shortfalls against KPIs with one vendor which were subsequently addressed and we have concluded that overall our key vendors are delivering value to our investors.

Internal Audit last conducted a review of the Equities Investment Team in Q1 2022. There were no significant issues reported regarding the investment or risk management process.

### Barings Approach to Sustainability and ESG

Barings is committed to the pursuit of a sustainable future through integrating environmental awareness into our business activities, and by communicating transparently on our progress. We wish to continuously improve our environmental performance and to integrate recognised environmental management best practice into our business operations. Barings' corporate commitment to ESG principles is extensive, and includes Barings being a signatory to the United Nations Principles for Responsible Investment and the United Nations Global Compact. We're seeking to achieve net zero in our global operations by 2030 and have achieved carbon neutrality (via offsets) since 2021.

We published our first annual Sustainability Report in June 2022, outlining initiatives and progress across three key areas: Corporate Responsibility, Stewardship, and ESG Investment Integration. The report features case studies and highlights achievements across a number of fronts from Employee Resource Groups to investment process improvements, and operational carbon footprint reduction efforts.

### Our Journey to Operational Net Zero

Our commitment to sustainability and reducing our climate-related risks extends to our own operations. Barings has committed to achieving net zero GHG in its operations by 2030. To this end, Barings set both short-term and long-term operational GHG emission reduction targets in July 2021. These targets include:

- Carbon neutrality by 2021
- Net zero GHG operations by 2030

More information, including our Sustainability Policy, can be found on [Barings.com](https://www.barings.com).





*“At Barings, we strive to act responsibly today in order to help deliver a sustainable tomorrow. Building a sustainable world for future generations requires constant evolution and long-term collaboration to drive lasting positive impacts for our people and our planet.”*



**Sarah Munday**  
Director of Sustainability

### **Integration of ESG into the Investment Process**

ESG assessment forms a core component of our research into the companies in which we invest and contributes meaningfully to our interactions with company management. This methodology also meets our commitments to both the UN Global Compact and the Principles for Responsible Investment.

Within our process, we closely monitor the companies that we research. We look for improvements or deterioration in their practices and attitudes to ESG factors and reflect this in our view of the company's quality and its valuation. This assessment includes an examination of the sustainability of the company's business model, the strength of the management and any potential or hidden risks on the balance sheet. Furthermore, where we identify areas of potential improvement, we engage with company management teams to positively influence ESG practices and improve ESG disclosures. We believe that by engaging with companies in this way, rather than imposing blanket exclusions of entire sectors, we have a greater chance of successfully effecting change and enhancing the performance of our investments. This not only benefits our clients, but the environment and society as a whole. In some instances, we may also collaborate with peers and industry groups to enhance and share best practice.

We exercise our voting rights whenever possible and have retained a dedicated third-party voting provider. Our policy is to vote on behalf of our clients as systematically as is practicable. The European section of the Barings website outlines our voting records and our proxy as well as our engagements.

During the assessment period under review, we have updated the investment policy of the Baring Global Agriculture Fund to explicitly promote ESG factors or characteristics. This involves the fund investing at least 50% of its assets in companies that exhibit positive or improving ESG characteristics. Away from Global Agriculture, not all the funds under review exhibit ESG characteristics.

At a firm level, we have concluded that we provided value through quality of service and assessed all of the above areas as providing value. As a major global firm standing behind the U.K. investor base, we are committed to ensuring we offer our investors good value and a high quality of service. Within the respective individual fund assessments, we have further assessed the quality of service provided to the Unit Classes of each fund.

## 2. PERFORMANCE

### Have our funds performed as well as expected?

We looked at how each fund performed after the deduction of fees by assessing the returns of each Unit Class over a five-year period against the fund's objectives and strategy. We assess performance over five years as this is in line with the time period over which investors most commonly evaluate performance for the respective funds and are most relevant to our investment teams' investment philosophy and stock selection criteria. Markets can change rapidly over a shorter period of time due to unpredictable events, hence we review performance over a longer period of time in order to obtain a better measure of how we have performed.

We compared the performance of each fund's Unit Class against its respective benchmark. We also compared performance against appropriate peer groups. Sharpe Ratio versus the benchmark and peers were also reviewed. We have appointed Broadridge Financial Solutions, Inc. (Broadridge), an independent third-party service provider, to construct custom peer groups. These peer groups contain active funds with comparable investment strategies and risk profiles enabling like-for-like comparisons between funds. Please note that owing to the specialist investment approach of the funds, the peer groups against which it is measured tend to be small. Where there are external independent reviews available, such as Morningstar and/or Square Mile ratings, we have considered their findings in assessing our investment process and fund performance.

For each Unit Class, we reviewed performance figures after the deduction of all fees and charges. We examined each fund's performance comparators as the primary measure to determine if a Unit Class delivers value.

The Sharpe ratio is a measure of how well a fund compensates investors for the amount of risk taken. A higher Sharpe ratio indicates a fund has performed well given the level of risk it has taken while a lower Sharpe ratio suggests that the risk taken exceeds the expected reward. Investors can use the Sharpe ratio to compare funds, taking into account the amount of risk exposure of each fund in relation to their returns. An investor could assess two funds with different returns and risk profiles by using the Sharpe ratio to help put risk and returns into meaningful context.

For hedged Unit Classes, which are available for certain funds, we utilise the services of an outsourced hedging provider to mitigate the risk of changes in foreign exchange rates between the Unit Class hedged currency and base currency. In addition to the ongoing reviews of the hedging program performed within Barings, we have reviewed the effectiveness of this hedging policy and determined that it is operating effectively.

To ensure we achieve value for money across our whole fund range, our Product Oversight Committee and the Board conduct performance reviews on a regular basis. If a fund is identified as underperforming its performance comparator consistently, the investment team is required to provide plans to the Product Oversight Committee or the Board with the aim of improving performance and ultimately value for investors.

### The Traffic Light Ratings are Determined as Follows



#### GREEN

The Unit Class provides value as it outperformed the benchmark over the assessment period.



#### AMBER

The Unit Class provides some value following an additional supplemental assessment of performance.



#### RED

The Unit Class does not provide value following an additional supplemental assessment of performance.

### 3. COMPARABLE MARKET RATES

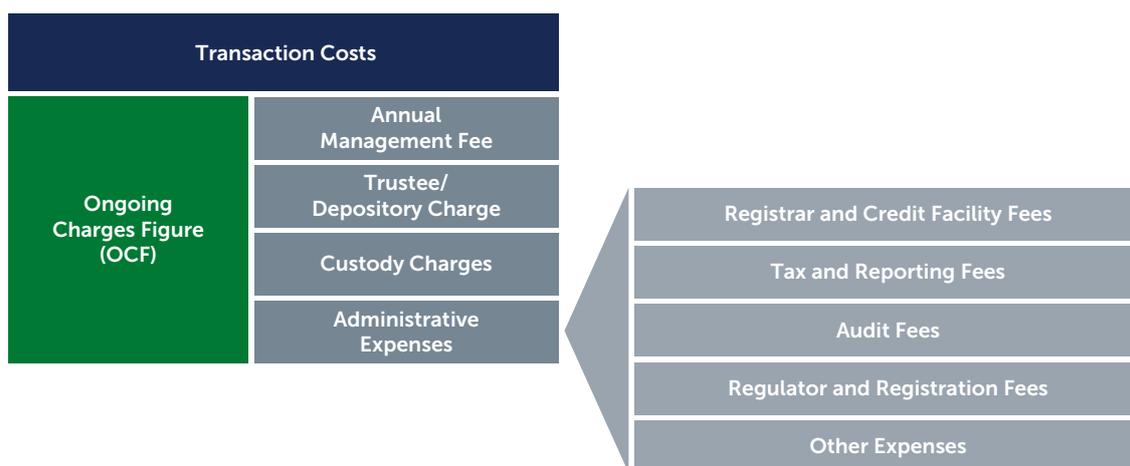
#### How do our fees compare to our competitors?

Our fee structure is simple. Each Unit Class bears an ongoing charge, comprising the annual management fee and operating costs. No performance fees are applied across any Unit Class. The annual management fee relates to costs paid to the investment manager to manage investments and other related activities to support the fund’s operations. Operating costs are other costs paid to third parties, such as the trustee, administrator, legal counsel and auditor in order to run the fund. Operating costs are not Unit Class specific and are applied equally at a fund level.

This section compares the annual management fee and operating costs that the funds charge to investors, against the funds’ respective peer group as constructed by Broadridge.

We have performed quantitative analysis of fund costs using external data from Morningstar, a reputable fund data provider in the industry, to compare against the peer group. Funds that have lower or comparable annual management fees and operating costs are deemed to provide value to the investor.

#### Composition of Our Charges



#### The Traffic Light Ratings are Determined as Follows

- **GREEN**  
 Unit Class provides good value on this measure.
- **AMBER**  
 Unit Class provides value on this measure which could be improved.
- **RED**  
 Unit Class does not provide value on this measure and will be subject to review.

## 4. COSTS OF THE AUTHORISED FUND MANAGER (AFM COSTS)

### How do fees and charges incurred by investors compare to the costs incurred by the AFM in operating the funds?

We have assessed the reasonableness of the management fee charged for each fund. The former entailed a review of the reasonableness in absolute terms of the profit margin achieved on each fund, whereas the latter involved a comparison of these figures to the profit margins earned on institutional separate accounts managed by Barings that operate an equivalent or similar investment strategy to the fund in question. We believe that the combination of these two approaches represents an effective way of benchmarking the fees against both the cost of the services provided and the arm's length nature of the management fees charged. We believe that reinvesting these profits in the business is a priority as it enables us to employ top talent and utilise best in class systems, thereby helping us to deliver a high-quality service whilst keeping our fees at a competitive level.

We assessed the other costs charged for each fund by reviewing the breakdown of costs for each fund in order to assess whether the costs were reasonable.

We also assessed the funds' transaction costs and portfolio turnover to ensure they remain reasonable in relation to each fund's strategy. While comparing transaction costs against peer groups is not possible due to different methodologies used in the industry, we manage portfolio turnover and monitor transaction costs where possible, without compromising investment strategy and performance.

## 5. ECONOMIES OF SCALE

### Are we able to achieve economies of scale and benefits and pass these on to our investors?

There are two main categories of fund costs: variable costs and fixed costs. While variable costs might increase when a fund's size increases, fixed costs will broadly remain consistent and can therefore be shared amongst a growing investor base. In other words, when a fund's size increases, there are certain

efficiencies that can be achieved through economies of scale. Since economies of scale can be achieved by reducing operating-related costs, which apply at a fund rather than at a specific Unit Class level, we assessed economies of scale at the fund level. Where cost savings can be achieved via economies of scale, we pass on these benefits to investors.

Economies of scale can also be achieved by leveraging the size of the wider Barings business. For instance, our outsourced service providers' fee rates are negotiated, not only by using our U.K. domiciled fund range's scale, but also the scale of all of our other fund ranges. The scale of Barings' entire business enables us to negotiate better fee rates for investors in our U.K. fund range and subsequently pass this saving on to investors. We have reviewed the variable costs and fixed costs and assessed them relative to the size of the funds. We have assessed our ability to spread fixed costs or obtain lower variable costs across a large investor base when a fund grows, and measured whether the savings are reflected in lower fund costs charged to our investors.

## 6. COMPARABLE SERVICES

### How do our fees charged compare to similar services that we provide to other clients?

We manage investments for different clients, ranging from individuals to institutions such as pension funds and charities. It is our responsibility to ensure all investors, whether individual or institutional, are paying a fair level of fees for similar services that we provide, regardless of whether they are investing via our mutual fund platforms or in segregated accounts.

We compared the fees of comparable affiliated asset management services offering the same strategy and similar investment objectives and policies as the Barings U.K. fund range. In order to fairly compare costs that are paid by investors, we have used the ongoing charge as the measure to compare the cost our investors pay for funds with the same strategy but different domicile or fund structure. If fees paid by investors in our U.K. fund range are similar or lower than the fees that are paid by other investors with similar services under similar conditions, we have concluded that these investors are receiving value for money.

We also compared our service with segregated accounts, which are bespoke portfolios run on behalf of large institutional investors and which have a similar investment objective to our pooled funds. For these accounts, operating costs are usually borne directly by the clients and not included in the portfolio, hence we performed an additional profitability analysis to determine whether the overall charges incurred by investors in our Fund range are reasonable.

## 7. CLASSES OF UNITS

### **Are investors in the most appropriate class of unit and are the differences in Unit Class management fees appropriate?**

A key consideration throughout the value assessment process is whether investors are in the most appropriate Unit Class, based on their characteristics and fees. We analysed the investor base of our funds and assessed whether they were in the Unit Class that offered the best value for them. The Barings U.K. fund range offers the following Unit Classes:

- **Class A:** This is a Unit Class originally designed for retail investors and investors who invest through financial advisers.
- **Class I:** This is a Unit Class originally designed for institutional clients and professional investors such as investment platforms or other funds. Class I Units also serve as the “clean” Unit Class following the FCA’s Retail Distribution Review<sup>1</sup>.
- **Class D:** This is a Unit Class originally designed for certain distributors with a separate agreement in place with Barings.

Also, our funds are distributed globally, and we work with various platforms, financial intermediaries and partners who have the knowledge and experience to conduct marketing activities and distribution services in local markets. In setting management fees for different Unit Classes, we consider the commercial relationship with these intermediaries through the services they provide and the characteristics of the intended investor segment.

Unit Classes may be offered to investors based on their specific needs i.e. those who choose to access our funds through a financial intermediary and those investors who have invested directly. Financial intermediaries and advisors investing in Class A Units may receive rebates as the Units have been designed for investors whose financial advisers earn compensation through commissions or who return commission payments to unitholders in the form of a rebate. Class I Units are offered to institutional investors as the clean fee class, offering no such rebate.

We continue to review whether individual investors are in the most appropriate Unit Class and if not will take steps to move them to a lower fee Unit Class of the same fund. This exercise was performed in 2022, whereby eligible investors were switched from Class A Units to Class I Units. The FCA allows us to conduct a compulsory switch for our U.K. investors in our U.K. domiciled funds without incurring tax liabilities. We also contacted U.K. financial intermediaries in the Class A Units to inform them that there may be other, cheaper fee options available to them.

1. Following the FCA’s introduction of the Retail Distribution Review (RDR), asset managers introduced “clean” Unit Classes, which generally charge lower management fees and do not offer commissions to the advisors, brokers or platforms selling the fund.

# Assessment Summary

The table below shows an overall summary from our assessment of value across each measure by fund, considering Class A and Class I in the funds. We have also assessed all other Unit Classes where relevant. We have used the GBP-denominated Unit Classes as representative for performance assessments. The results for other currency Unit Classes do not differ significantly.

For each fund, we have concluded that the charges incurred are justified in the context of the overall value delivered to investors. Please refer to the respective individual fund assessments below for further details.

	1. Quality of Service	2. Performance	3. Comparable Market Rates	4. Costs of the Funds	5. Economies of Scale	6. Comparable Services	7. Classes of Units	Overall		
								I	A	D
Barings Eastern Trust										
Barings Europe Select Trust (GBP)										N/A
Barings European Growth Trust										N/A
Barings German Growth Trust										N/A
Barings Global Agriculture Fund										N/A
Barings Korea Trust										N/A

### The Overall Ratings are Determined as Follows:

- Left hemisphere denotes the I/D Unit Class rating.  
Right hemisphere denotes the A Unit Class rating.
- GREEN**  
Funds with fewer than three amber ratings.
- AMBER**  
Funds with three or more amber ratings, or one red rating.
- RED**  
Funds with more than one red rating.

# Barings Eastern Trust

Unit Class  
I/D A

## 1. QUALITY OF SERVICE

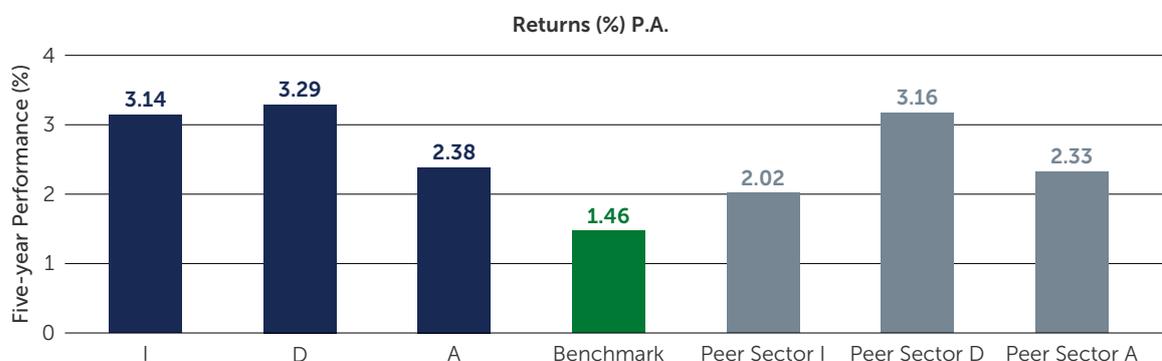


We have assessed key service areas relating to fund administration and operation, client service, and investment management. Through our assessment we have concluded that we offer our investors value through this fund and across our range of funds. We will continue to assess where we can improve our service and we will continue to monitor for any Unit Class-specific deviations.

## 2. PERFORMANCE



Investment objective: The Trust aims to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the MSCI AC Asia ex Japan (Total Net Return) Index over a rolling five-year period by investing in equity and equity related securities in the Asia region excluding Japan.



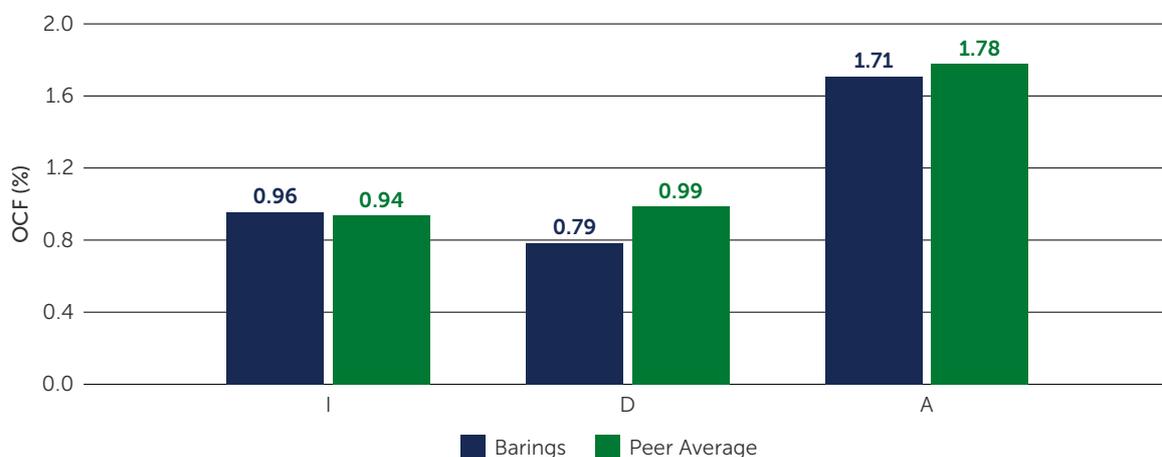
PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE.

The fund is primarily assessed relative to its benchmark, against which all Unit Classes outperformed over a five-year period and therefore delivered value.

## 3. COMPARABLE MARKET RATES



Our individual management fees and other charges are also comparable to market rates. Consequently, our assessment is Green.



#### 4. AFM COSTS ● ●

We have used assessment criteria applied in the prior year to review the management fee, transaction costs and other costs for each fund. We believe that these are reasonable in relation to the services provided.

#### 5. ECONOMIES OF SCALE ● ●

We have leveraged Barings' business scale to pass on efficiencies and therefore cost savings to our investors in our U.K. fund range and have negotiated tiered external service fees based on fund size so that further savings are automatically achieved as the funds grow.

#### 6. COMPARABLE SERVICES ● ●

We have reviewed the charges of each Unit Class of this fund against those of the equivalent Irish-domiciled fund of the same strategy. These Unit Classes have similar or lower Ongoing Charges Figures than the equivalent share classes in the comparable fund.

#### 7. CLASSES OF UNITS ● ●

There are three classes of units within this fund. The I/D class of unit is available through intermediating platforms and propositions and the A class of unit has been historically available to direct investors. There is a 0.75% difference in AMC between A and I class of units, reflective of the differing expenses associated with the distribution channels and service needs typical of each investor type. We believe the difference is appropriate.

We continue to review that all investors are in the most suitable Unit Class. Our approach is designed to ensure that where it is appropriate, we are switching investors invested in Class A Units to the cheaper Class I Units or writing to inform investors that there may be other, cheaper fee options available to them. A similar exercise was also performed in 2020 through 2022.

### OVERALL CONCLUSIONS

Class I/D ● ○ ○ Class A ● ○ ○

Taking into account all seven areas included in the assessment of value, we have assigned an overall green rating for each Unit Class.

# Barings Europe Select Trust

Unit Class  
I A

## 1. QUALITY OF SERVICE

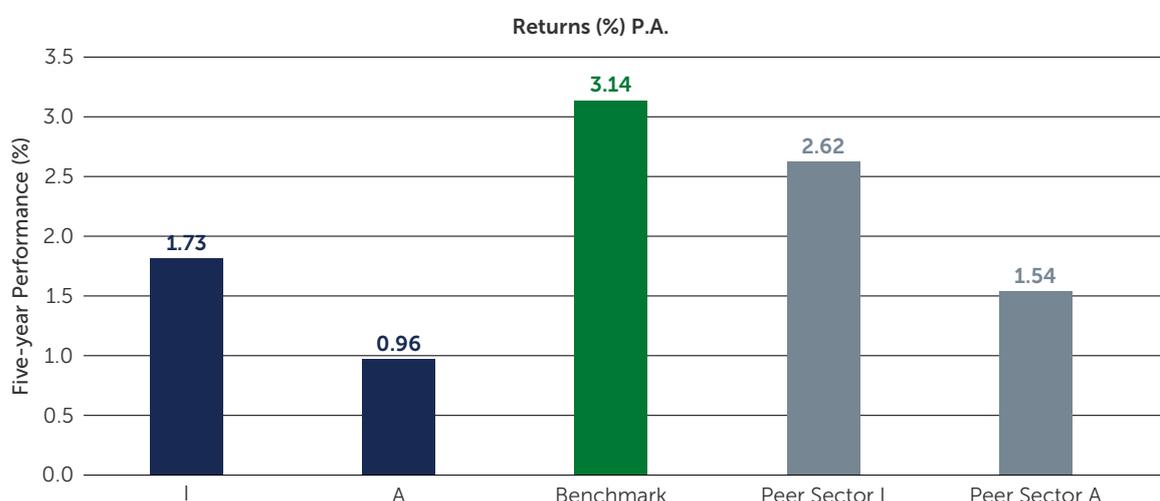


We have assessed key service areas relating to fund administration and operation, client service, and investment management. Through our assessment we have concluded that we offer our investors value through this fund and across our range of funds. We will continue to assess where we can improve our service and we will continue to monitor for any Unit Class-specific deviations.

## 2. PERFORMANCE



Investment objective: The Trust aims to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the MSCI Europe Ex UK Small Cap (Total Net Return) Index over a rolling five-year period by investing in equity and equity related securities in Europe excluding the United Kingdom.



PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE. Note previously the benchmark was the EMIX Smaller European Companies ex-U.K. (Total Return) until 31 July, 2023 when the index was discontinued.

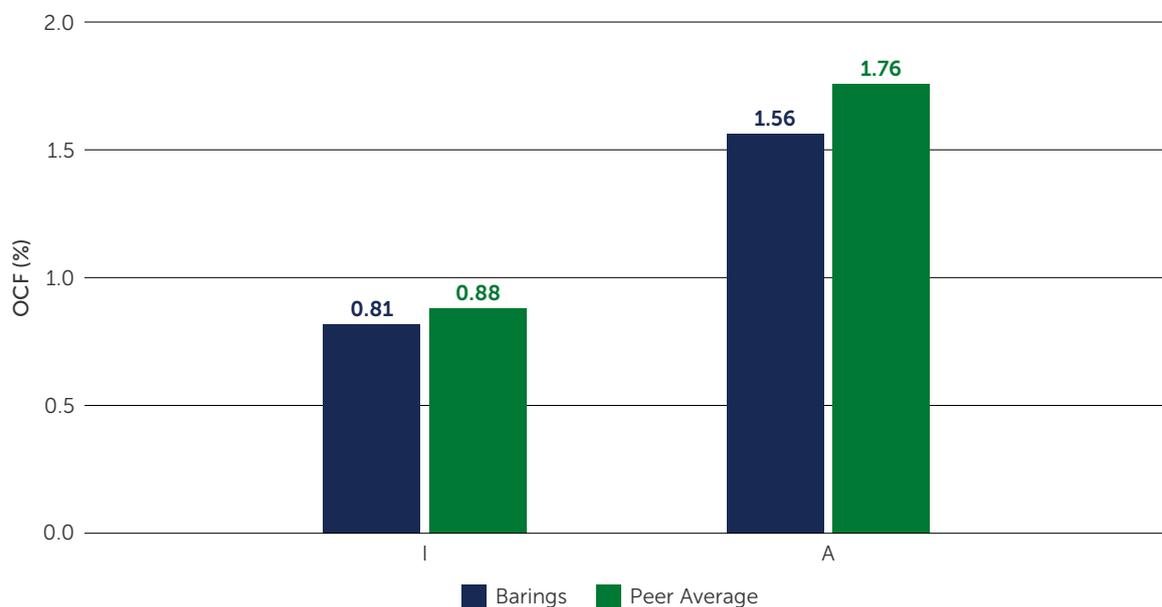
The Trust has been rated as Red for Performance. Over five years the Trust has underperformed relative to the benchmark performance objective and the peer group across a five-year period. The fund has delivered on its objective of capital growth.

Performance has seen improvement over the past 12 months, outperforming the benchmark on both the A and I Class, driven by strong stock selection and positive asset allocation. Longer term however, stock selection negatively impacted relative performance. Value has outperformed Growth significantly over the last three recent years although Growth has modestly outperformed over a five-year period. This has proved a material headwind given our Growth at a Reasonable Price (GARP) investment approach, which focuses on quality companies with sustainable and improving growth prospects. This was a dramatic shift in style following significant macroeconomic and geopolitical developments which directly impacted our 5-year relative performance.

The manager, in conjunction with the Global Head of Equities, continues to review the Trust and retains conviction in the current stock selection disciplines, maintaining the long-held approach which consistently tilts stock selection toward companies that demonstrate longer term quality characteristics.

### 3. COMPARABLE MARKET RATES ● ●

For I and A Unit Classes, our individual management fees and other charges were comparable with their respective peer groups. Consequently, our assessment is that the fund is Green.



### 4. AFM COSTS ● ●

We have used assessment criteria applied in the prior year to review the management fee, transaction costs and other costs for each fund. We believe that these are reasonable in relation to the services provided.

### 5. ECONOMIES OF SCALE ● ●

We have leveraged Barings' business scale to pass on efficiencies and therefore cost savings to our investors in our U.K. fund range and have negotiated tiered external service fees based on fund size so that further savings are automatically achieved as the funds grow.

### 6. COMPARABLE SERVICES ● ●

We have reviewed the charges of each Unit Class of this fund against those of the equivalent Irish-domiciled fund and a segregated mandate of the similar strategy. The fund's fee rates are higher than the segregated mandate. A further review found these charges are reasonable and appropriate due to the additional time spent managing the fund and servicing the investors.

## 7. CLASSES OF UNITS



There are two classes of units within this fund. The I class of unit is available through intermediating platforms and propositions and the A class of unit has been historically available to direct investors. There is a 0.75% difference in AMC between A and I class of units, reflective of the differing expenses associated with the distribution channels and service needs typical of each investor type. We believe the difference is appropriate.

We continue to review that all investors are in the most suitable Unit Class. Our approach is designed to ensure that where it is appropriate, we are switching investors invested in Class A Units to the cheaper Class I Units or writing to inform investors that there may be other, cheaper fee options available to them. A similar exercise was also performed in 2020 through 2022.

### OVERALL CONCLUSIONS

Class I  Class A 

Taking into account all seven areas included in the assessment of value, we have assigned an overall Amber rating for both Unit Classes due the Fund's underperformance. The Board acknowledges the Red performance rating but is cognisant of more recent positive performance trends and other factors and therefore requires no immediate corrective action. It will, however, continue to keep this fund under review.

# Barings European Growth Trust

Unit Class  
I A

## 1. QUALITY OF SERVICE

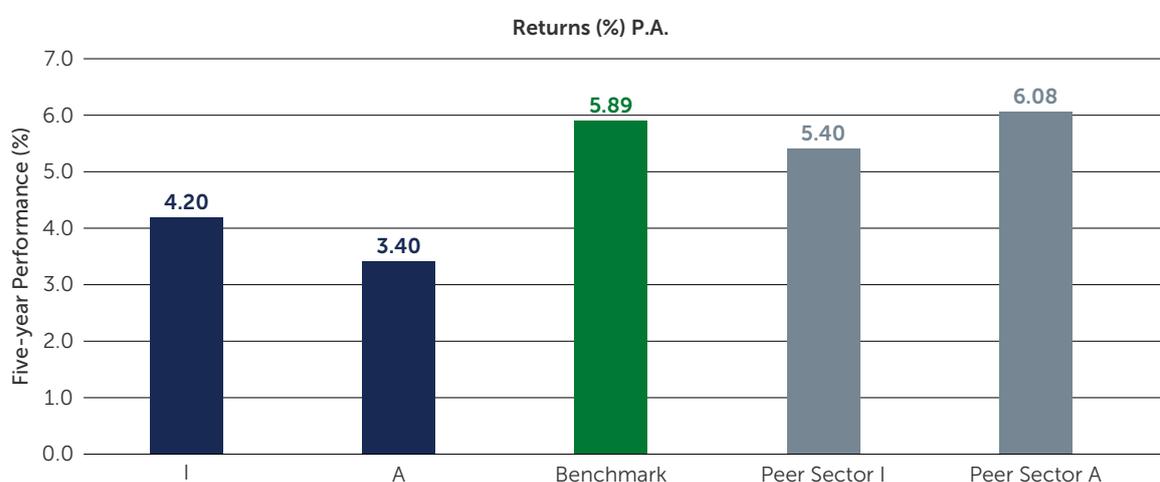


We have assessed key service areas relating to fund administration and operation, client service, and investment management. Through our assessment we have concluded that we offer our investors value through this fund and across our range of funds. We will continue to assess where we can improve our service and we will continue to monitor for any Unit Class-specific deviations.

## 2. PERFORMANCE



Investment objective: The Trust aims to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the MSCI Europe ex U.K. (Total Net Return) Index over a rolling five-year period by investing in equity and equity related securities in Europe excluding the United Kingdom.



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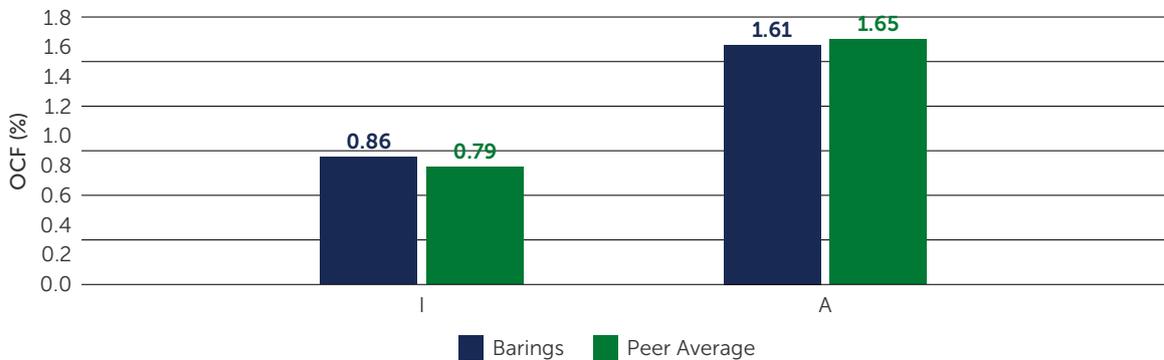
The Trust has underperformed the benchmark and peers over 5 years, and we have rated this section Amber as we took action in 2020 to change the fund manager and since that time the fund has outperformed the benchmark over 3 years, although it has delivered its objective of capital growth.

Longer term performance has seen stock selection negatively impact relative performance. Value has outperformed Growth significantly over the last three recent years although Growth has outperformed on a five-year basis. This has proved a material headwind given our Growth at a Reasonable Price (GARP) investment approach, which focuses on quality companies with sustainable and improving growth prospects. This was a dramatic shift in style following significant geopolitical and macroeconomic developments which directly impacted our 5-year relative performance.

Following the change in managers in 2020, the portfolio was reviewed, and changes were made to increase the emphasis of the Trust's bottom-up stock selection as the most important driver of relative return. Since then, we have seen an improvement in relative performance, which can be seen in the improvement of the 3-year relative return, and peer group performance. The manager, in conjunction with the Global Head of Equities, continues to review the Trust and retains conviction in the current stock selection disciplines, maintaining the long-held approach which consistently tilts stock selection toward companies that demonstrate longer term quality characteristics.

### 3. COMPARABLE MARKET RATES ● ●

For the A & I Unit Classes, our individual management fees and other charges were comparable with its respective peer groups. Consequently, our assessment is Green.



### 4. AFM COSTS ● ●

We have used assessment criteria applied in the prior year to review the management fee, transaction costs and other costs for each fund. We believe that these are reasonable in relation to the services provided.

### 5. ECONOMIES OF SCALE ● ●

We have leveraged Barings’ business scale to pass on efficiencies and therefore cost savings to our investors in our U.K. fund range and have negotiated tiered external service fees based on fund size so that further savings are automatically achieved as the funds grow.

### 6. COMPARABLE SERVICES ● ●

We do not have any equivalent funds of the same strategy with which to compare.

### 7. CLASSES OF UNITS ● ●

There are two classes of units within this fund. The I class of unit is available through intermediating platforms and propositions and the A class of unit has been historically available to direct investors. There is a 0.75% difference in AMC between A and I class of units, reflective of the differing expenses associated with the distribution channels and service needs typical of each investor type. We believe the difference is appropriate.

We continue to review that all investors are in the most suitable Unit Class. Our approach is designed to ensure that where it is appropriate, we are switching investors invested in Class A Units to the cheaper Class I Units or writing to inform investors that there may be other, cheaper fee options available to them. A similar exercise was also performed in 2020 through 2022.

## OVERALL CONCLUSIONS

Class I    Class A

Taking into account all seven areas included in the assessment of value, we have assigned an overall Green rating for the A and I Unit Classes.

# Barings German Growth Trust

Unit Class  
I A



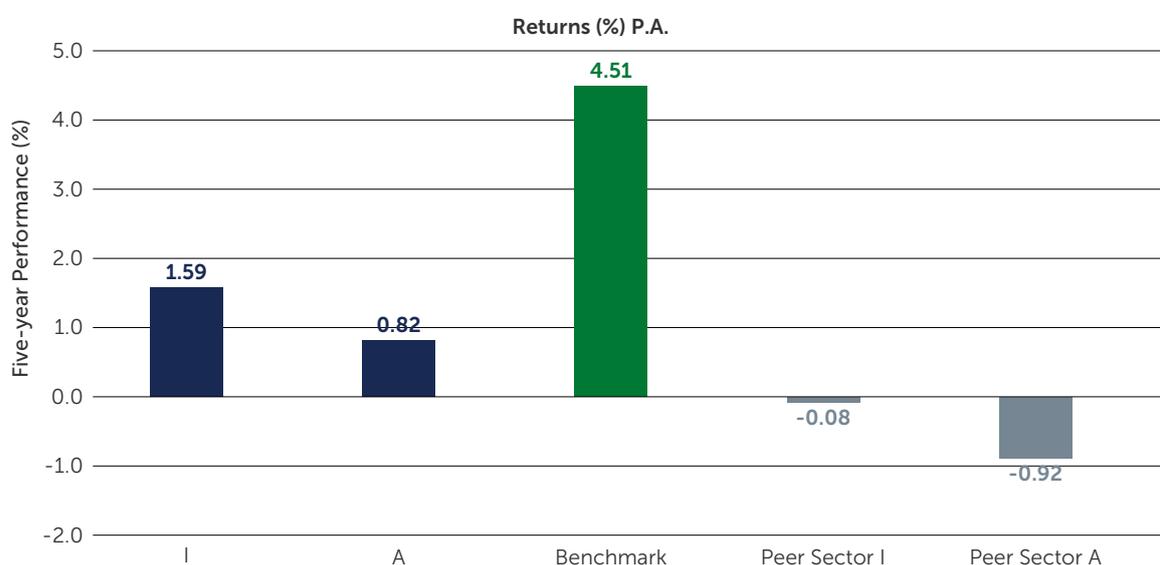
## 1. QUALITY OF SERVICE

We have assessed key service areas relating to fund administration and operation, client service, and investment management. Through our assessment we have concluded that we offer our investors value through this fund and across our range of funds. We will continue to assess where we can improve our service and we will continue to monitor for any Unit Class-specific deviations.

## 2. PERFORMANCE



Investment objective: The Trust aims to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the HDAX® (Total Return) Index over a rolling five-year period by investing in equity and equity related securities in Germany.



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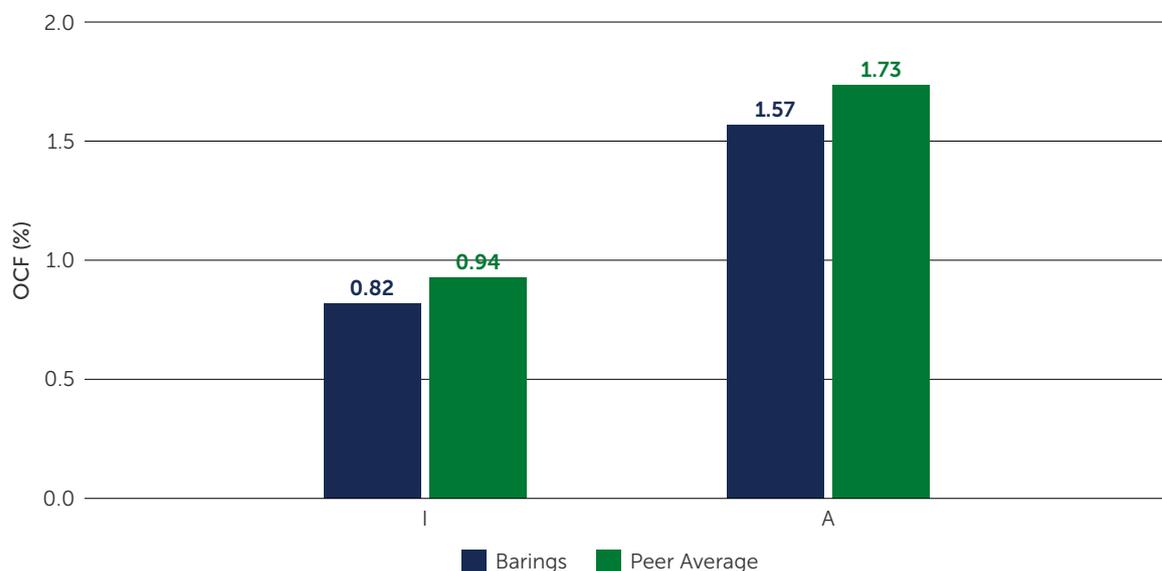
The fund has been rated as Amber for Performance. Over five years the fund has underperformed relative to the benchmark performance objective but had outperformed the peer group on both the A and I Class. The fund has delivered its objective of capital growth.

Longer term performance has seen stock selection negatively impact relative performance. Value has outperformed Growth significantly over the last three recent years. This has proved a material headwind given our Growth at a Reasonable Price (GARP) investment approach. This was a dramatic shift in style which followed significant geopolitical and macroeconomic developments directly impacted our 5-year relative performance.

In addition, the Trust has a strategic focus on smaller companies within the portfolio and German (alongside European) equity markets have continued to favour larger capitalization companies comparatively to less liquid smaller companies. In periods where larger companies outperform, the relative underweight to companies within this capitalisation has contributed negatively to stock selection.

### 3. COMPARABLE MARKET RATES ● ●

For I and A Unit Classes, our individual management fees and other charges were comparable with their respective peer groups. Consequently, our assessment is Green.



### 4. AFM COSTS ● ●

We have used assessment criteria applied in the prior year to review the management fee, transaction costs and other costs for each fund. We believe that these are reasonable in relation to the services provided.

### 5. ECONOMIES OF SCALE ● ●

We have leveraged Barings’ business scale to pass on efficiencies and therefore cost savings to our investors in our U.K. fund range and have negotiated tiered external service fees based on fund size so that further savings are automatically achieved as the funds grow.

### 6. COMPARABLE SERVICES ● ●

We have reviewed the charges of each Unit Class of this fund against those of the equivalent Irish-domiciled fund of the same strategy. These Unit Classes have similar or lower Ongoing Charges Figures than the equivalent share classes in the comparable fund.

## 7. CLASSES OF UNITS



There are two classes of units within this fund. The I class of unit is available through intermediating platforms and propositions and the A class of unit has been historically available to direct investors. There is a 0.75% difference in AMC between A and I class of units, reflective of the differing expenses associated with the distribution channels and service needs typical of each investor type. We believe the difference is appropriate.

We continue to review that all investors are in the most suitable Unit Class. Our approach is designed to ensure that where it is appropriate, we are switching investors invested in Class A Units to the cheaper Class I Units or writing to inform investors that there may be other, cheaper fee options available to them. A similar exercise was also performed in 2020 through 2022.

### OVERALL CONCLUSIONS

Class I    Class A   

Taking into account all seven areas included in the assessment value, we have assigned an overall Green rating for both Unit Classes.

# Barings Global Agriculture Fund

Unit Class  
I A

## 1. QUALITY OF SERVICE

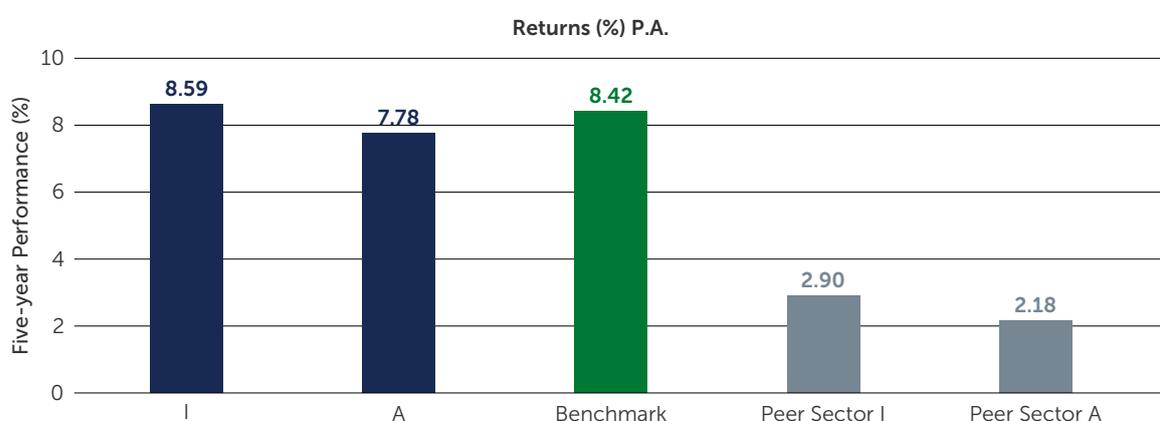


We have assessed key service areas relating to fund administration and operation, client service, and investment management. Through our assessment we have concluded that we offer our investors value through this fund and across our range of funds. We will continue to assess where we can improve our service and we will continue to monitor for any Share Class-specific deviations.

## 2. PERFORMANCE



Investment objective: The investment objective of the Barings Global Agriculture Fund is to achieve capital growth by investing in the agricultural sector.



PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE.

The I Class has been rated Green as the fund has outperformed the benchmark and its peers in the industry. The A class has underperformed the benchmark but has outperformed the peer group and so has been rated Amber. The Fund delivered its objective of capital growth.

Stock selection made a significant positive contribution to relative performance over this period, but negative sector allocation reduced the degree of this impact.

The manager, in conjunction with the Global Head of Equities, continues to review the Fund and retains conviction in the current stock selection discipline. Performance has been strong, most notably against peers.

## 3. COMPARABLE MARKET RATES



For the I Unit Class, the individual management fee was in-line with peers while other charges within the OCF total were above tolerance compared to peers and led to overall rating of Amber. The A Class individual management fee and other charges are in-line with peers and the assessment is Green.



#### 4. AFM COSTS



We have used assessment criteria applied in the prior year to review the management fee, transaction costs and other costs for each fund. We believe that these are reasonable in relation to the services provided.

#### 5. ECONOMIES OF SCALE



We have leveraged Barings’ business scale to pass on efficiencies and therefore cost savings to our investors in our U.K. fund range and have negotiated tiered external service fees based on fund size so that further savings are automatically achieved as the funds grow.

#### 6. COMPARABLE SERVICES



We do not have any equivalent funds of the same strategy with which to compare.

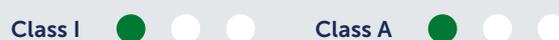
#### 7. CLASSES OF UNITS



There are two classes of units within this fund. The I class of unit is available through intermediating platforms and propositions and the A class of unit has been historically available to direct investors. There is a 0.75% difference in AMC between A and I class of units, reflective of the differing expenses associated with the distribution channels and service needs typical of each investor type. We believe the difference is appropriate.

We continue to review that all investors are in the most suitable Unit Class. Our approach is designed to ensure that where it is appropriate, we are switching investors invested in Class A Units to the cheaper Class I Units or writing to inform investors that there may be other, cheaper fee options available to them. A similar exercise was also performed in 2020 through 2022.

### OVERALL CONCLUSIONS



We have assigned an overall Green rating for the A and I Unit Classes.

# Barings Korea Trust

Unit Class  
I A

## 1. QUALITY OF SERVICE

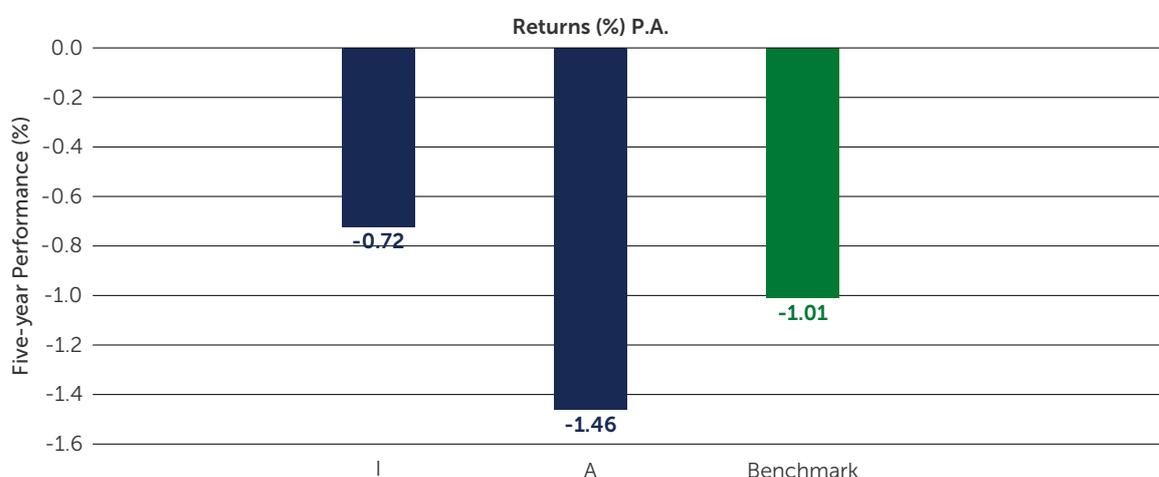


We have assessed key service areas relating to fund administration and operation, client service, and investment management. Through our assessment we have concluded that we offer our investors value through this fund and across our range of funds. We will continue to assess where we can improve our service and we will continue to monitor for any Unit Class-specific deviations.

## 2. PERFORMANCE



Investment objective: The Trust aims to provide a total return, including both capital growth and dividend income (after fees have been deducted), in excess of the Korea Composite Stock Price Index (KOSPI) over a rolling five-year period by investing in equity and equity related securities in Korea.



PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE.

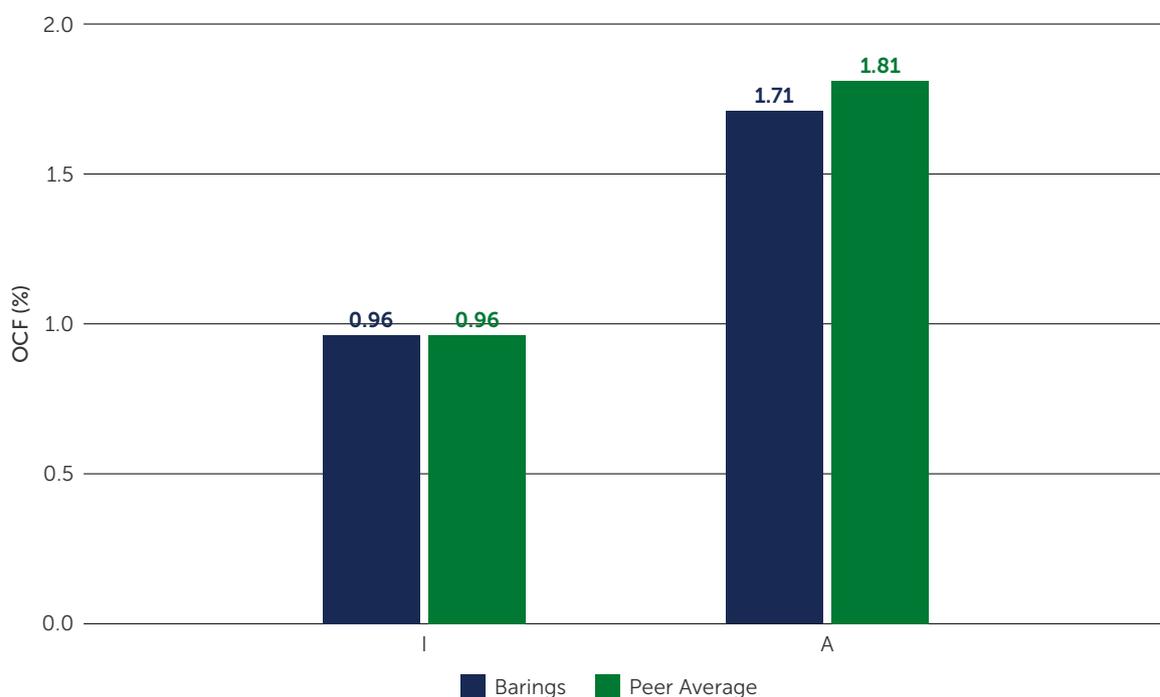
This is a single country fund with our peer group containing only one fund. Class I has been rated Amber as it has outperformed the benchmark but is not achieving its capital growth objective. Class A has been rated Red as it slightly underperformed the benchmark and did not generate capital growth.

Longer term performance has seen stock selection negatively impact relative performance. Value has outperformed Growth significantly over the last three recent years. This has proved a material headwind given our Growth at a Reasonable Price (GARP) investment approach, which focuses on quality companies with sustainable and improving growth prospects. This was a dramatic shift in style following significant geopolitical and macroeconomic developments which directly impacted our 5-year relative performance.

The manager, in conjunction with the Global Head of Equities, continues to review the Trust and retains conviction in the current stock selection disciplines, maintaining the long-held approach which consistently tilts stock selection toward companies that demonstrate longer term quality characteristics. Despite recent performance, we believe in the capital growth of the Korean market and that of the fund.

### 3. COMPARABLE MARKET RATES ● ●

Our Class A and I individual management fees and other charges were comparable with peers. Consequently, our assessment is Green.



### 4. AFM COSTS ● ●

We have used assessment criteria applied in the prior year to review the management fee, transaction costs and other costs for each fund. We believe that these are reasonable in relation to the services provided.

### 5. ECONOMIES OF SCALE ● ●

We have leveraged Barings' business scale to pass on efficiencies and therefore cost savings to our investors in our U.K. fund range and have negotiated tiered external service fees based on fund size so that further savings are automatically achieved as the funds grow.

### 6. COMPARABLE SERVICES ● ●

We do not have any equivalent funds of the same strategy with which to compare.

## 7. CLASSES OF UNITS



There are two classes of units within this fund. The I class of unit is available through intermediating platforms and propositions and the A class of unit has been historically available to direct investors. There is a 0.75% difference in AMC between A and I class of units, reflective of the differing expenses associated with the distribution channels and service needs typical of each investor type. We believe the difference is appropriate.

We continue to review that all investors are in the most suitable Unit Class. Our approach is designed to ensure that where it is appropriate, we are switching investors invested in Class A Units to the cheaper Class I Units or writing to inform investors that there may be other, cheaper fee options available to them. A similar exercise was also performed in 2020 through 2022.

### OVERALL CONCLUSIONS

Class I    Class A   

We have assigned an overall Green for the I and Amber for the A Class. The Board acknowledges the Red performance rating for the A Class but is cognisant of more recent positive performance trends and other factors and therefore requires no immediate corrective action. It will, however, continue to keep this fund under review.

# Glossary

## Active management

An approach to investment management where the investment manager uses their expertise to pick investments to achieve the fund's objectives and makes decisions to move actively away from any benchmark. The goal of the active manager is to outperform the overall market, rather than track closely the performance of the benchmark index. This can result in short term periods of underperformance but is expected to outperform over the longer term (3-5 years).

## Annual management fee

Yearly fee the investment manager charges to investors to manage a fund. Usually a percentage of a fund's assets under management.

## Authorised fund manager (AFM)

Barings Fund Managers Limited, the company with responsibility for managing the funds.

## Benchmark

A standard, usually an unmanaged index, used for comparative purposes in assessing performance of a portfolio or mutual fund.

## Board

The board of directors of the AFM.

## Bottom-up stock selection

A stock selection methodology that focuses on company-level fundamentals rather than the economic environment.

## Capital growth

The increase in the value of an asset over time.

## Clean fee Unit Class

Refers to a Unit Class which does not make payments to distributors of the fund. Also commonly known as unbundled or trailer-free classes.

## ESG

Environmental, Social and Governance. These are factors that fund managers and businesses can use to invest successfully and sustainably in the long term.

## Depository

An independent third party service provider that is responsible for the monitoring of certain operational elements of the fund and retains for safekeeping the assets of the fund.

## Financial Conduct Authority (FCA)

The Financial Conduct Authority of the United Kingdom. The FCA regulates financial firms providing services to consumers and businesses and maintains the integrity of the financial markets in the United Kingdom.

## Fund

Any of the unit trusts or funds in scope of the Value Assessment.

## IA Sector

A third party categorisation of funds, produced by the Investment Association to help investors make comparisons between funds by grouping them into sectors of broadly comparable investment objectives.

## Investment manager

Baring Asset Management Limited, the entity to which Baring Fund Managers Limited has delegated its day to day investment management responsibilities in relation to each of the Trusts.

## Key Investor Information Document (KIID)

A document that helps investors understand the key information of an investment fund.

## Morningstar Sector

A third party categorisation of funds, produced by Morningstar, to help investors make comparisons between funds by grouping them into sectors of broadly comparable investment objectives.

## Mutual fund

A type of investment vehicle which pools money collected from a number of smaller investors, of which a Unit Trust is a subset.

## Glossary Continued

### **Ongoing charges**

Total charge to investors made up of Annual Management Charge, administration charges and other operating costs including legal, audit and other professional fees.

### **Passive management**

An approach to investment management which aims to replicate the holding of an index so as to match its performance.

### **Peer group**

A group of similar funds that are compared with each other based on investment strategy.

### **Performance fee**

A payment made to the investment manager for generating positive returns. Most commonly, as a percentage of investment profits.

### **Performance return**

The return of an investment including interest, capital gains and dividends, net of all charges.

### **Portfolio turnover**

A measure of how quickly assets are bought or sold in a fund. A high portfolio turnover measure indicates more frequent trading of assets, generally incurring higher transaction costs.

### **Professional investor**

An investor who is a professional in the finance industry or a large corporate entity.

### **Quantitative assessment**

Analysis which focuses on numerical data to make conclusions.

### **Qualitative assessment**

Analysis which focuses on non-numerical data to make conclusions.

### **Retail investor**

An investor who is an individual or non-professional investor.

### **Risk-adjusted return**

The return an investment makes relative to the amount of risk the investment has taken.

### **Segregated account**

A fund portfolio held separately by a single large investor.

### **Sharpe Ratio**

A financial indicator used to assess performance relative to the associated investment risk.

### **Transaction costs**

The costs involved in buying and selling assets within a fund.

### **Trustee**

In a unit trust, a third party service provider that oversees the actions of the investment manager and responsible for holding the assets of the fund on trust.

### **U.K.**

The United Kingdom.

### **Unit Class**

A particular division of units which are different to other units in a Unit Trust. Units can be differentiated by fees due to different costs involved with servicing the needs of investors in different classes or paying out income rather than keeping income in the fund.

*Barings is a \$347+ billion\* global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment.*

#### IMPORTANT INFORMATION

This document is approved and issued by Baring Fund Managers Limited.

Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. You may get back less than you invest. Past performance is not a guide to future performance.

Any forecasts in this document are based upon Barings opinion of the market at the date of preparation and are subject to change without notice, dependent upon many factors. Any prediction, projection or forecast is not necessarily indicative of the future or likely performance.

The composition, size of, and risks associated with an investment may differ substantially from any examples set forth in this document. No representation is made that an investment will be profitable or will not incur losses. Where appropriate, changes in the currency exchange rates may affect the value of investments. Prospective investors should read the relevant fund prospectus and Key Investor Information Document for the details and specific risk factors of any fund discussed in this document.

#### **Baring Fund Managers Limited**

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*\*As of September 30, 2023*