

**FEBRUARY 2023 / FACTSHEET**

**FUND FACTS**

<b>Net Assets<sup>1</sup></b> £73.3m
<b>Share Price<sup>2</sup></b> 517.00p
<b>NAV per Share<sup>1</sup></b> 613.81p
<b>Discount to NAV</b> 15.77%
<b>Dividend Yield<sup>3</sup></b> 3.29%
<b>Structure</b> Closed Ended Investment Trust Company
<b>Inception Date</b> 18 December 2002
<b>ISIN</b> GB0032273343
<b>Bloomberg Ticker</b> BEMO LN
<b>Base Currency</b> GBP
<b>Benchmark<sup>4</sup></b> MSCI EM EMEA
<b>Management Fee (p.a.)</b> 0.75%
<b>Ongoing Charges (p.a.)</b> 1.59%

**PORTFOLIO MANAGERS**

**Matthias Siller, CFA**  
25 years of experience

**Adnan El-Araby, CFA**  
13 years of experience

**OBJECTIVE**

Barings Emerging EMEA Opportunities PLC is an actively managed equity strategy. The Company's investment objective is to achieve capital growth, principally through investment in emerging and frontier equity securities listed or traded on Eastern European, Middle Eastern and African (EMEA) securities markets.

**STRATEGY**

The Company aims to harness the long-term growth and income potential of Emerging EMEA. It is managed by one of the region's most experienced and best-resourced investment teams, using fundamental, bottom-up analysis.

**MARKET OPPORTUNITY**

- **Income diversifier:** the Company aims to deliver both income and long-term growth potential, accessing markets with compelling dividend prospects.
- **Undiscovered growth:** the broad investment focus provides exposure to a large opportunity set in high growth areas underrepresented in global portfolios.
- **High conviction:** concentrated exposure to 30 - 60 of the very best ideas we can find across the Emerging EMEA region - with a strong focus on environmental, social and governance (ESG) factors.

<b>PERFORMANCE (%)</b>	Ordinary Shares (Gross of Fees)	Ordinary Shares (Net of Fees)	Benchmark <sup>4</sup>
1 Year	-9.74	-11.18	-15.47
3 Years	-5.21	-6.67	-4.07
5 Years	-3.74	-5.21	-3.15
10 Years	1.02	-0.50	-1.29
Since Inception	9.64	8.04	7.68

<b>ROLLING 12 MONTH PERFORMANCE (%)</b>	Ordinary Shares (Gross of Fees)	Ordinary Shares (Net of Fees)	Benchmark <sup>4</sup>
31/12/2021 - 31/12/2022	-25.01	-26.21	-19.27
31/12/2020 - 31/12/2021	16.02	14.23	19.10
31/12/2019 - 31/12/2020	-13.44	-14.69	-19.36
31/12/2018 - 31/12/2019	32.61	30.62	25.10
31/12/2017 - 31/12/2018	-9.38	-10.73	-5.53

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.** An investment entails a risk of loss. Returns for periods greater than one year are annualized.

1. Net Asset Value is Shareholders' funds expressed as an amount per individual Ordinary Share. Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all liabilities and prior charges at their fair value.
2. Share price is the mid-market price at market close and is determined by stock market supply and demand.
3. Dividend Yield is calculated using the Company's latest full year dividend expressed as a percentage of the share price.
4. The benchmark is the MSCI EM EMEA Index. Prior to the 16 November 2020, the benchmark was the MSCI EM Europe 10/40 Index.

Baring Emerging Europe PLC was launched on the 18 December 2002. As of 16 November 2020, the Company changed its investment policy and objective and was renamed Barings Emerging EMEA Opportunities PLC. For further details please visit [www.bemopl.com](http://www.bemopl.com)

## EQUITY PLATFORM<sup>1</sup>

Barings manages \$347+ billion of equities, fixed income, real estate and alternative assets globally

We focus on building high-conviction, research-driven equity solutions for our clients. We have a long history of being early investors in new and established markets

- Global Equities
- Emerging Markets Equities
- Small-Cap Equities

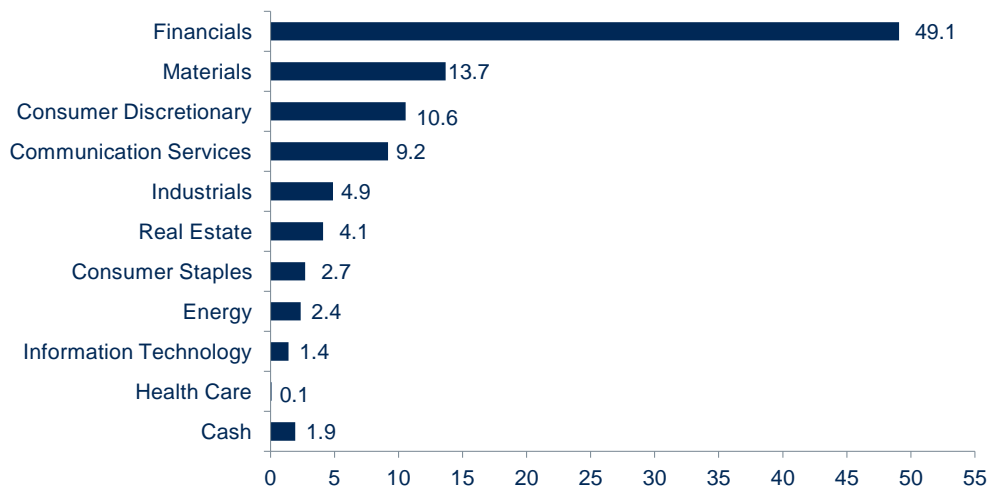
Equities investor base includes financial institutions, pensions, foundations and endowments and wholesale distributors

## CHARACTERISTICS<sup>2,3,4</sup>

## BARINGS EMERGING EMEA OPPORTUNITIES PLC

Number of Holdings	48
Active Share (%)	55.71
Off Benchmark (%)	8.63
Tracking Error (%) (3Y Ann)	8.34
Information Ratio (3Y Ann)	-0.14
Standard Deviation (3Y Ann)	25.05
Alpha (3Y Ann)	0.09
Beta (Ex Ante)	1.03
Av. Market Cap (USDb)	31.31

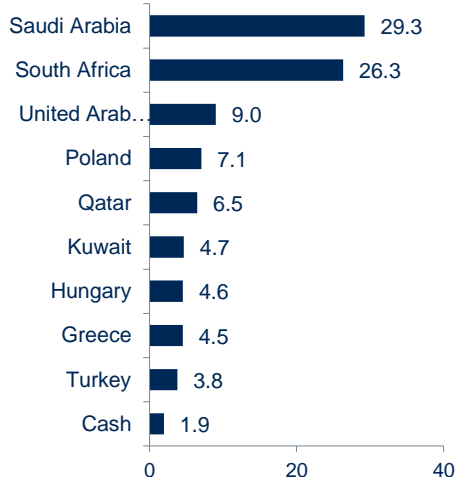
## TOP SECTOR WEIGHTINGS (% OF NAV)<sup>3</sup>



## TOP HOLDINGS (% OF NAV)<sup>3</sup>

Al Rajhi Bank	6.54
Saudi National Bank	5.05
Qatar National Bank QPSC	4.93
Saudi Basic Industries Corp.	4.63
FirstRand Limited	4.37
MTN Group Limited	4.00
Prosus N.V. Class N	3.51
PZU	3.41
Saudi Telecom Co.	3.05
Koc Holding A.S.	2.85

## TOP COUNTRY WEIGHTING (% OF NAV)<sup>3</sup>



1. Barings assets as of December 31, 2022.
2. Risk statistics based on gross performance.
3. As of 28 February 2023.
4. Refer to glossary on our website for definitions of terms. Characteristics are subject to change.

## MANAGER'S COMMENTS FEBRUARY 2023

### PERFORMANCE SUMMARY

February saw the New Year rally in EMEA equity markets fizzle out, as rising global interest rates started to bite. Despite poor headline performance, there were examples of companies reporting strong quarterly results that have effectively managed rising costs and continue to experience high demand.

Against this backdrop, the portfolio declined by -2.7% over the month and marginally underperformed the benchmark, which declined by -2.6%.

Stock selection in Saudi Arabia was the most significant contributor to relative performance, while holdings in South Africa detracted from relative returns.

Two of the most significant contributors to relative performance came from the Greek Financials sector, with shares in National Bank of Greece and Alpha Services, a subsidiary of Alpha Bank, continuing to rally strong, buoyed by the higher interest rate environment, which bodes well for the bank's future earnings generation. Elsewhere, our holding in Saudi telecom provider Etihad Etisalat outperformed thanks to better-than-expected Q422 earnings, supported by higher growth across revenue streams and an increase in the company's overall subscriber base.

In contrast, two of the weakest performers over the month came from South African precious metals miners Anglo-American and Anglo American Platinum. The share price weakness can largely be attributed to a disappointing earnings season, driven by production cuts, further not helped by regional market weakness. Meanwhile, Al Rajhi Bank underperformed, with the stock coming under pressure following the government's decision to reduce mortgage subsidies, which in turn guided the bank to lower the loan growth outlook.

### STRATEGY

Having exhibited substantial resilience in the highly volatile market environment of 2022, the Saudi equity market, a major component of our portfolio, substantially underperformed peers over the last half year: On the one hand, we believe rising interest rates have lured local retail demand away from the stock market towards the attractive yields of 5 ½%+ currently on offer for short term Riyal deposits, whilst a strong IPO pipeline continued to weight on the market offering plenty of supply of new stocks. On the other hand, whilst the market continues to grow its representation in major indices, flows from international institutional investors have yet to offset lower local retail demand.

### OUTLOOK

In our view, the current Saudi equity market valuation of 14x '23 earnings (the lowest multiple since the Saudi market's inclusion in the MSCI Global Emerging Market Index) screens attractive and should eventually help address international investors' concerns. Equally important, we deem the recent improvements of Saudi corporates concerning transparency and overall ESG standards as an important step in the right direction, resonating with the Kingdom's plans to modernise and diversify the local economy away from oil. Moreover, new equity offerings will eventually deepen the capital market and contribute to overall liquidity, essential building blocks in attracting the attention of institutional money.

## Key Risks:

- Regional Funds have a narrower focus than those which invest broadly across markets and are therefore considered to be more risky.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Coupled with less developed regulation, this means your money is at greater risk
- Russia and the region pose special risks such as, economic and political unrest, lack of a transparent and reliable legal system, lower standards of corporate governance and an under developed process for enforcing legal ownership of investments
- Derivative instruments can make a profit or a loss and there is no guarantee that a financial derivative contract will achieve its intended outcome. The use of derivatives can increase the amount by which the Fund's value rises and falls and could expose the Fund to losses that are significantly greater than the cost of the derivative as a relatively small movement may have a larger impact on derivatives than the underlying assets
- Debt securities are subject to risks that the issuer will not meet its payment obligations (ie, default). Low rated (high yield) or equivalent unrated debt securities of the type in which the fund will invest generally offer a higher return than higher rated debt securities, but also are subject to greater risks that the issuer will default.
- Changes in exchange rates between the currency of the Fund and the currencies in which the assets of the Fund are valued can have the effect of increasing or decreasing the value of the Fund and any income generated

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